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# Business Plan

In Partnership With

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# Vision

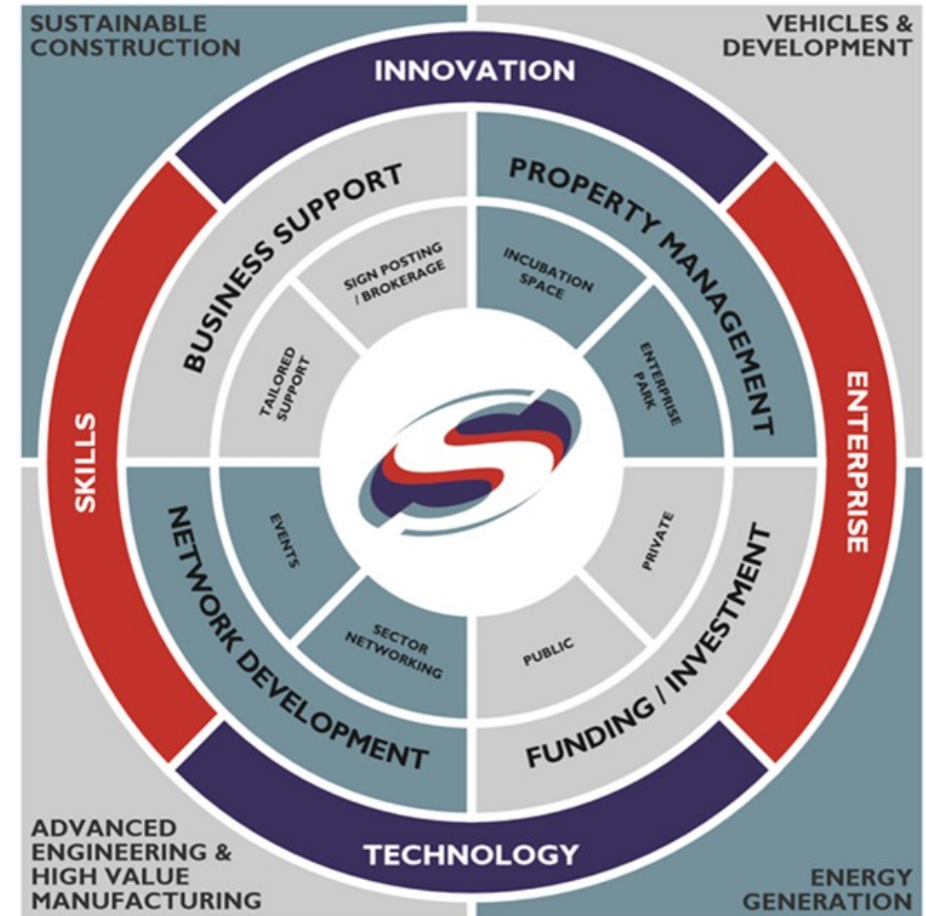
Scottow Enterprise Zone aims to deliver local economic growth through:

- providing incubation / grow on space for businesses to start-up and grow, and create jobs
- delivering bespoke support that helps individuals start-up businesses and existing businesses achieve accelerated levels of growth
- provide innovation support to help businesses develop new products, processes and services for new customers and new markets
- becoming an Enterprise Zone that reaches out beyond the boundaries of the Enterprise Zone focusing on the business sectors of Science, Technology, Engineering and Manufacturing
- looking to the future – raising aspirations, whilst respecting the past and the site's heritage

Scottow Enterprise Zone will seek to be a solution provider and a destination of growth.

SEP must be more than a 'property play', and most strive to create enterprising communities and innovating business clusters.

SEP will always seek to address market failure whether in the areas of enterprise, innovation, skills or sectors. Therefore, at the heart of SEP, will sit key buildings focused specifically on creating Incubation, Grow on, Innovation and Skills Spaces.



# Business On A Page

## REVENUES

### Rent from:\*

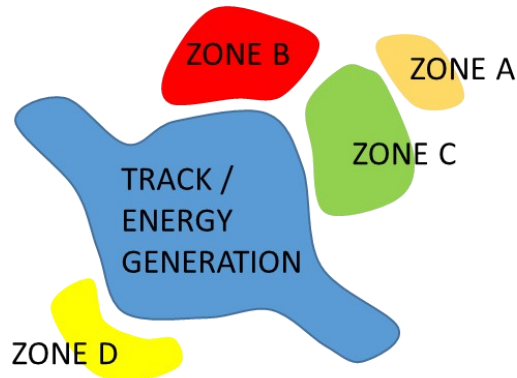
Community Zone A:	15,331 sqft (4)
Technical Zone B:	221,744 sqft (19)
Technical Zone C:	248,201 sqft (52)
Storage Zone D:	40,0009 sqft (38)
<i>Note: Total No of Buildings</i>	<i>115</i>

### Rent from PV Farm

Phase 1 & 2: 49.5MW

### Revenue from:

Track Use:	Cycle & Running Track, Low Speed Driver Training, etc
Film Use:	Whilst film companies see as SEP as a destination
Conferencing Use:	Revenue from conferencing as facilities come online



## RETURNS ON INVESTMENT



### Financial Return on Investment will be secured from:

- Interest paid on loans
- Revenue generated in the short / medium term will be invested into site, so raising the value of the site
- Revenue generated in the long term will payback loans and provide returns to the shareholder

### Economic return on Investment will be secured from:

- Job creation & Business Start-ups
- Business Rate generation

## CAPITAL PROGRAM & OVERHEADS



**Buildings & Infrastructure Capital Program** needs to be managed using in house expertise to ensure value for money and best solutions, including tendering

**Buildings & Infrastructure Repair Program** – needs to be accelerated with specific focus building in house resource and management

**Preventative / Reliability Centred Maintenance Schedules** – need to be developed and utilise in house expertise

## LABOUR



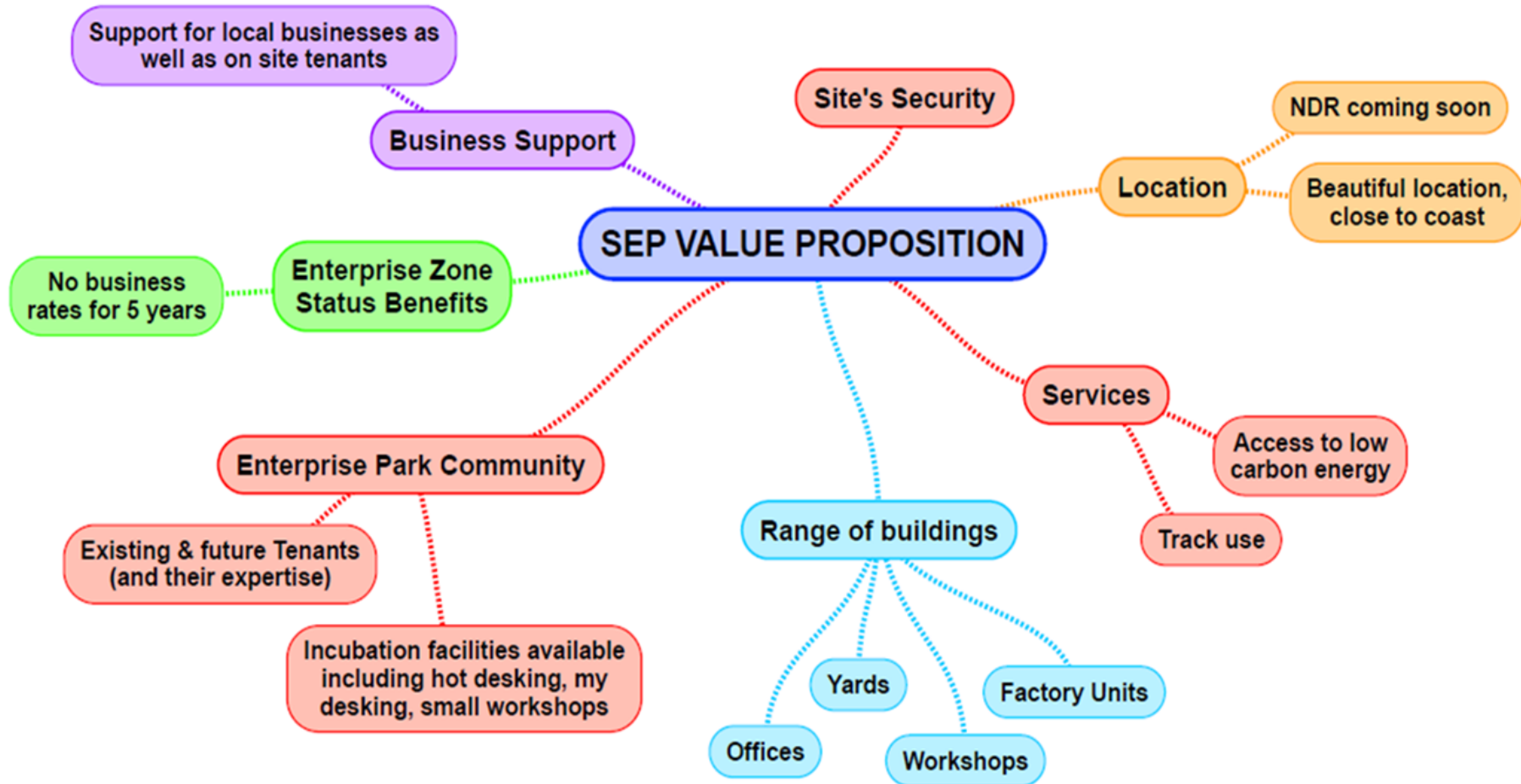
- Direct labour costs need to reduce & team be expert in core business activities
- Indirect labour costs need to significantly reduce

## FUNDING / LOANS



- **Funding** will come from Enterprise Zone status, and Sale of Buildings / Land
- **Loans / Investment** will come from shareholder Norfolk County Council
- **Grants** will be sought from other sources

# Value Proposition



# Value Proposition

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## **Business Support**

- Business support for local businesses, as well as on-site tenants, provided through one-on-one support & workshops delivered by Innovation New Anglia

## **Enterprise Zone Status Benefits**

- One of the 10 sites within the New Anglia LEP Enterprise Zone - "Space to Grow"
- Tenants can benefit from:
  - No business rates for five years
  - Simplified planning
  - Access to Superfast broadband

## **Enterprise Park Community**

- Existing and future tenants, and their expertise
- Incubation facilities available, including hot desking, my desking & small workshops

## **Range of Buildings:**

- Buildings available include offices, workshops, factory units and yards

## **Services:**

- Access to track use and low-carbon energy through the on-site 49.5MW solar park

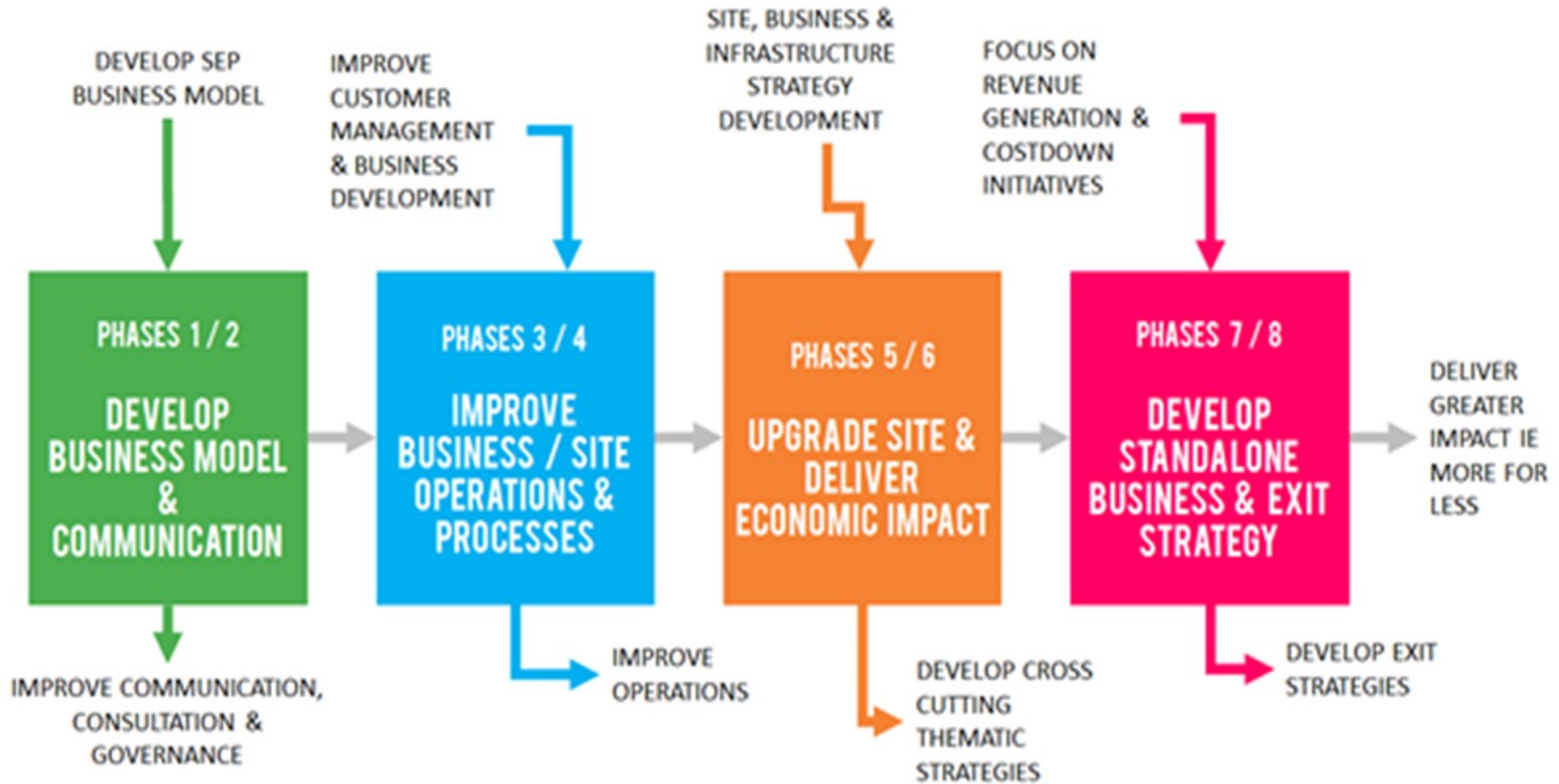
## **Location:**

- Beautiful location, close to the North Norfolk coast
- Northern Distributor road planned to open early 2018

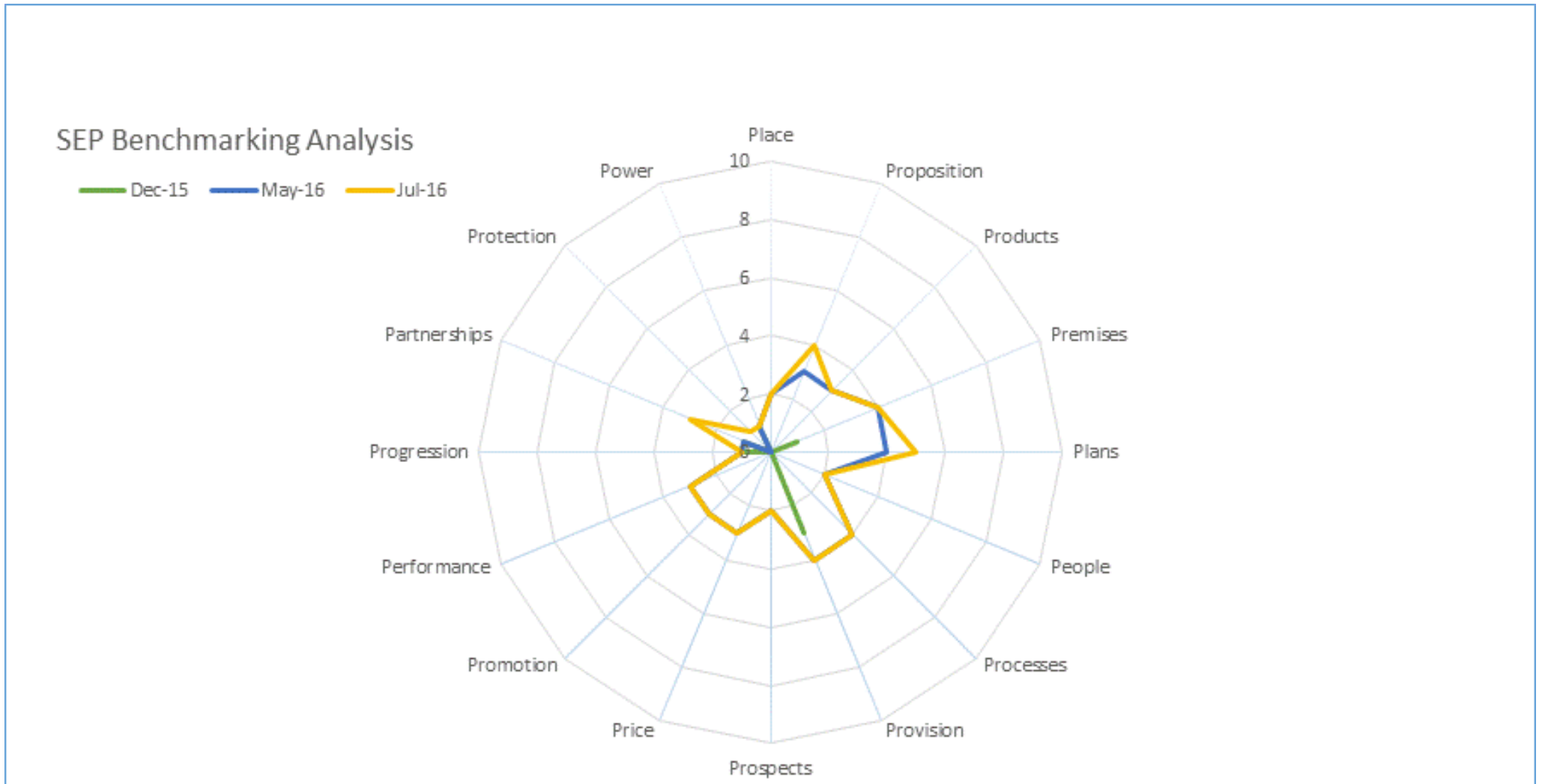
## **Site Security**

- 24/7 guard ensuring site security

# Phased Development Approach

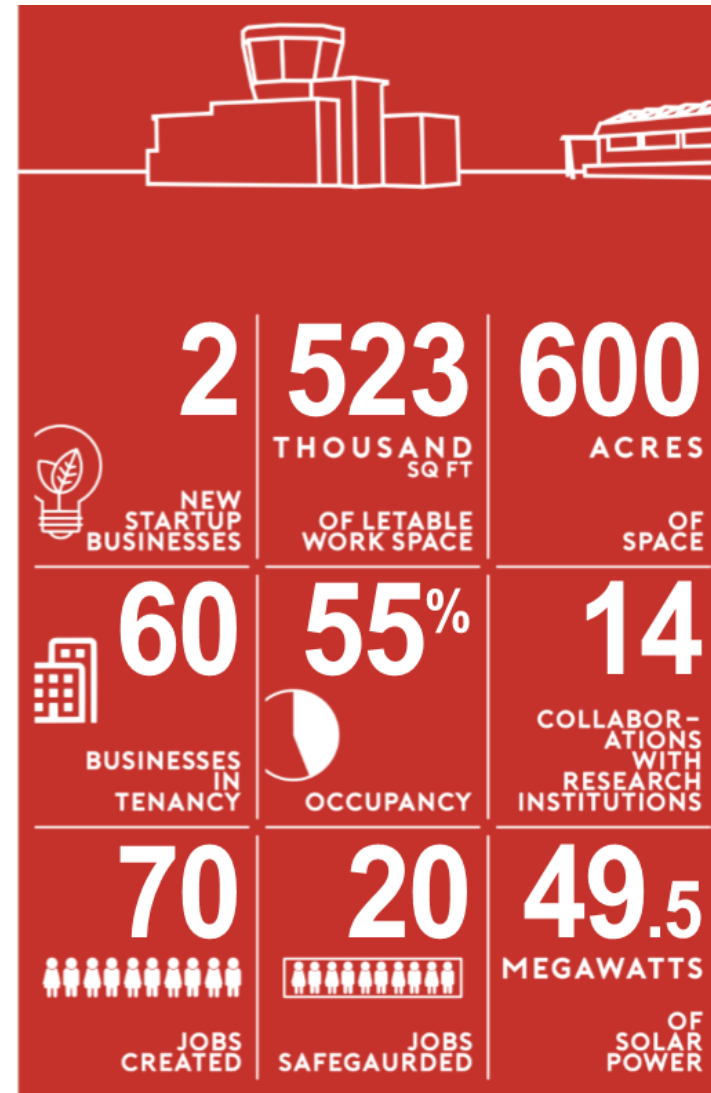
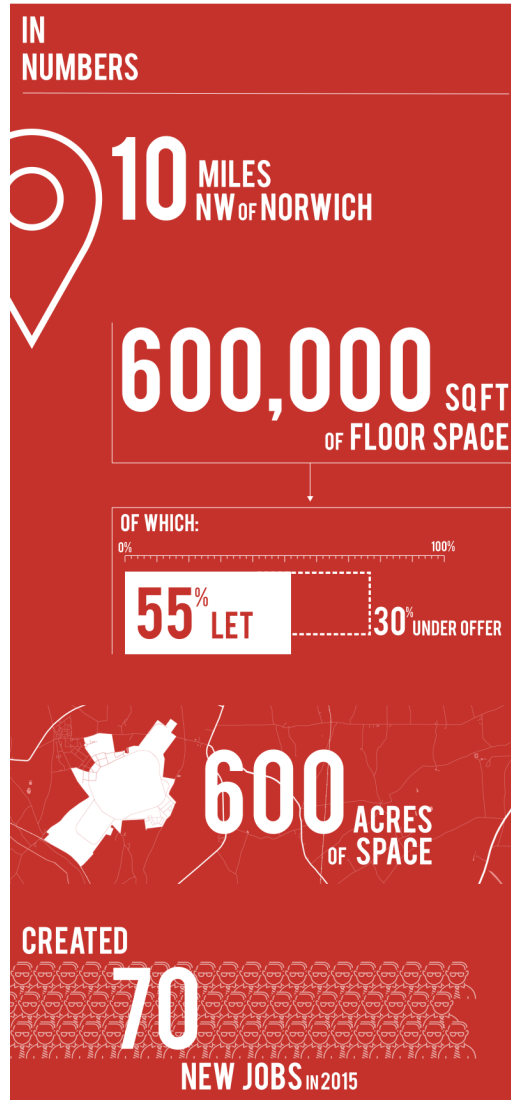


# Benchmarking





# Where Are We Now?



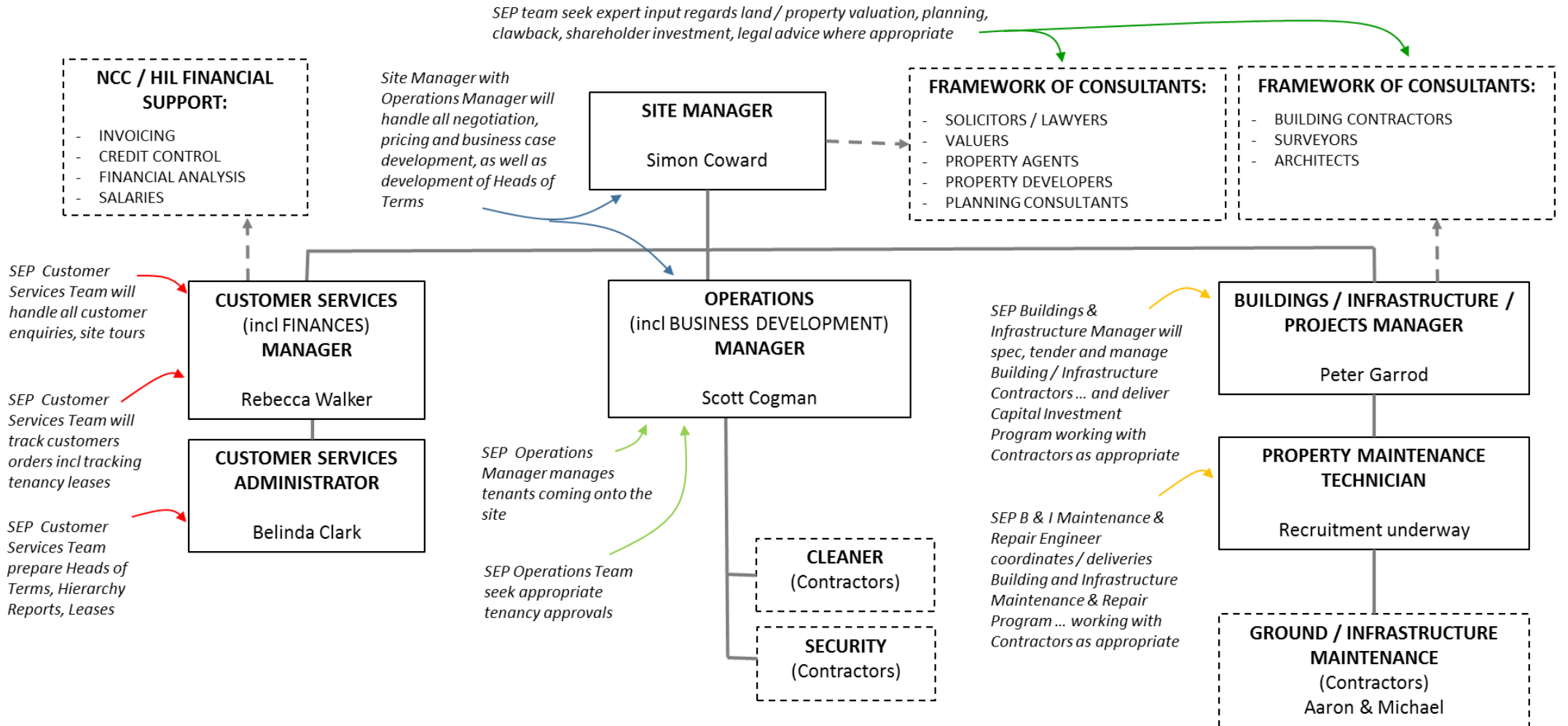
# Profit & Loss

SEP FINANCIAL OVERVIEW		C	F	C	F	C	F	C	F	C	F
		16/17	16/17	17/18	17/18	18/19	18/19	19/20	19/20	20/21	20/21
<b>REVENUE</b>											
Building Rent	Rent & Service	454.4	438.2	602.7	601.5	664.8	776	712.8	829.5	721.8	889
Land Rent / Energy related / Other uses		595	599	508	518	508	569	508	570	508	573
	<b>Sub Total</b>	<b>1049.4</b>	<b>1037.2</b>	<b>1110.7</b>	<b>1119.5</b>	<b>1172.8</b>	<b>1345</b>	<b>1220.8</b>	<b>1399.5</b>	<b>1229.8</b>	<b>1462</b>
<b>OVERHEADS</b>											
Labour		470	480	470	470	468	468	464	464	455	455
Additional Labour costs		50	50								
Operating Costs		231	231	158	158	145	145	142	142	139	139
Utilities		41	41	45	45	50	50	55	55	60	60
Repairs & Renewals		291	291	290	290	294	294	300	300	309	309
Bad Debt		40	40	45	45	50	50	55	55	60	60
	<b>Sub Total</b>	<b>1133</b>	<b>1133</b>	<b>1008</b>	<b>1008</b>	<b>1007</b>	<b>1007</b>	<b>1016</b>	<b>1016</b>	<b>1023</b>	<b>1023</b>
<b>GROSS PROFIT</b>		<b>-83.6</b>	<b>-95.8</b>	<b>102.7</b>	<b>111.5</b>	<b>165.8</b>	<b>338</b>	<b>204.8</b>	<b>383.5</b>	<b>206.8</b>	<b>439</b>
<b>INTEREST</b> (£50k interest on every £1M borrowed)		200	200	250	250	300	300	300	300	300	300
<i>Enterprise Zone funding</i>		<i>£1.5M</i>	<i>£1.5M</i>	<i>£1.5M</i>	<i>£1.5M</i>						
<i>Borrowing / Loan</i>		<i>£4M</i>	<i>£4M</i>	<i>£5M</i>	<i>£5M</i>	<i>£6M</i>	<i>£6M</i>	<i>£6M</i>	<i>£6M</i>	<i>£6M</i>	<i>£6M</i>
<b>DEPRECIATION</b> (£4M over 50 years)		80	80	80	80	80	80	80	80	80	80
<b>SURPLUS</b>		<b>-363.6</b>	<b>-375.8</b>	<b>-227.3</b>	<b>-218.5</b>	<b>-214.2</b>	<b>-42</b>	<b>-175.2</b>	<b>3.5</b>	<b>-173.2</b>	<b>59</b>

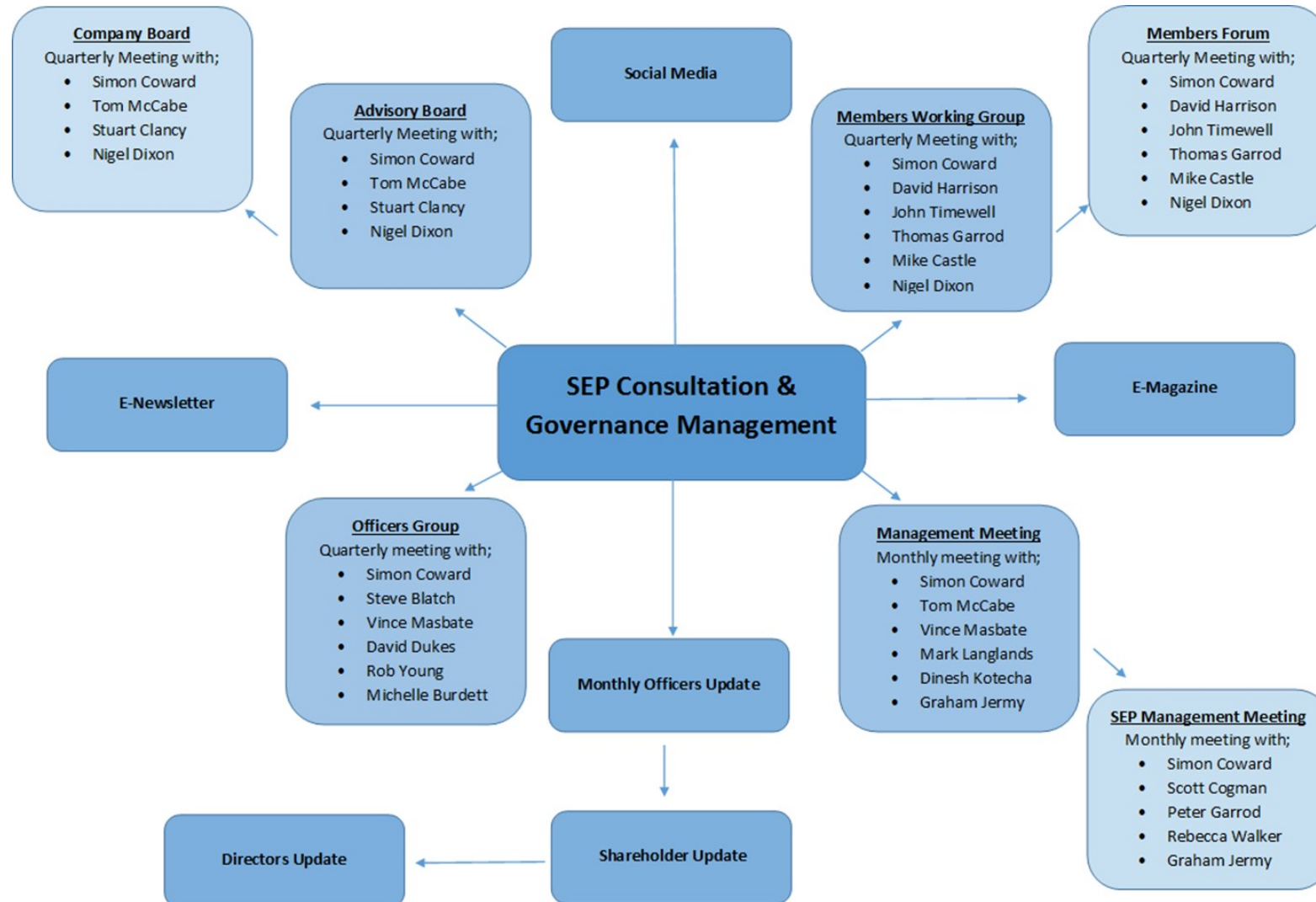
# Capital Program

SEP CAPITAL PROGRAM			Estimated	Minimum	Maximum	Contingency	Spent
<b>INFRASTRUCTURE</b>							
Water	Major next phase to cost	£k	1800			180	
	Further phases likely to cost	£k	500	200	500		
HV/LV		£k	700		200		500
Security			75				
Fencing			50				
Wifi			50				
Fibre enablement		£k	100	100			
Drainage		£k	65				
Heating		£k	170				
Fire Alarms		£k	50				
		<b>Sub-Total (£k)</b>	<b>3560</b>				
<b>BUILDINGS</b>							
<b>TIER 1</b>	Hanger 1		1000				
	Hanger 2		550				
	Hanger 3		1000				
	Medical Centre		100				
		<b>Sub-Total (£k)</b>	<b>2650</b>				
<b>TIER 2</b>	Building 5 - Armoury		22				
	Guard House - Building 40		85				
	Building 349 - Jag Sim Building		85				
	Building 15 - Grow on Space (Estate Office)		5				
	Building 12		65				
	Building 376		20				
	Building 17		70				
	Building 17A		100				
	Building 35		100				
	Building 262		10				
	Air Traffic Control		105				
	Other		120				
			<b>Sub-Total (£k)</b>	<b>787</b>			
<b>TIER 3</b>	Zone D - Storage (ex-Bomb Storage Area)		30				
		<b>Sub-Total (£k)</b>	<b>30</b>				
<b>ADDITIONAL BUILDINGS &amp; INFRASTRUCTURE</b>							
	Additional potential buildings & infrastructure contingency		2000				
		<b>Sub-Total (£k)</b>	<b>2000</b>				
<b>TOTAL</b>		<b>Total Estimate</b>	<b>9027</b>				<b>500</b>
		<b>Total (including spent)</b>	<b>9527.00</b>				

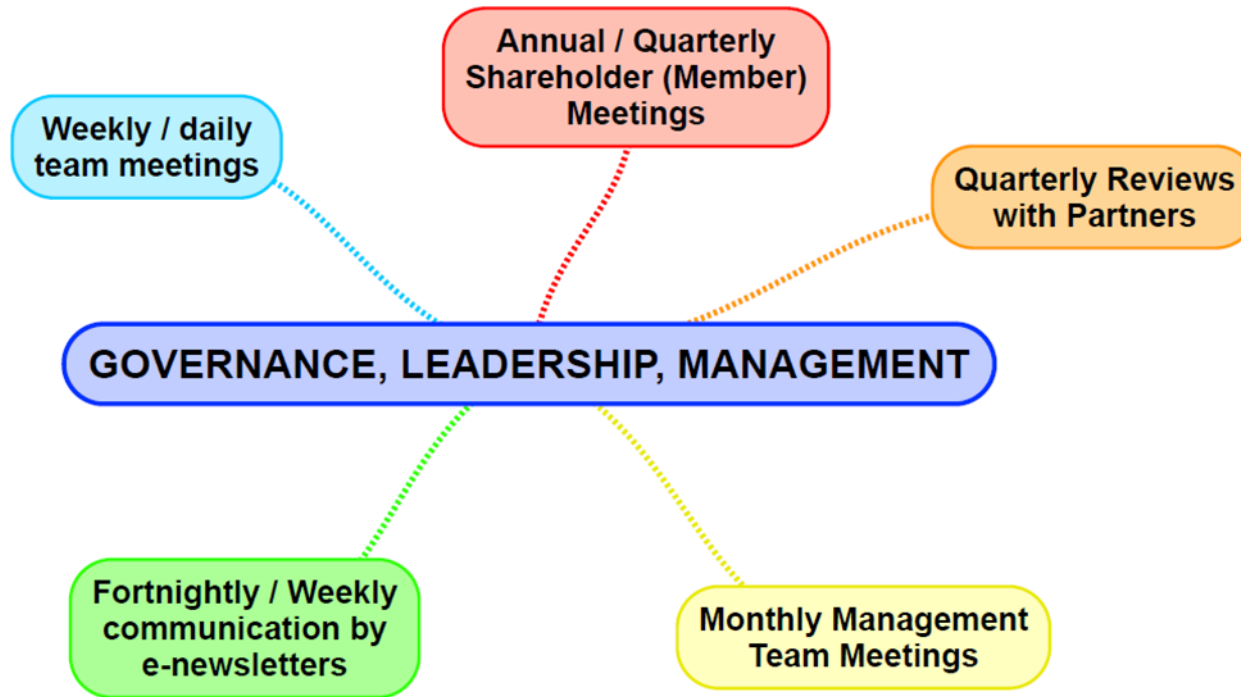
# Team Roles and Responsibilities



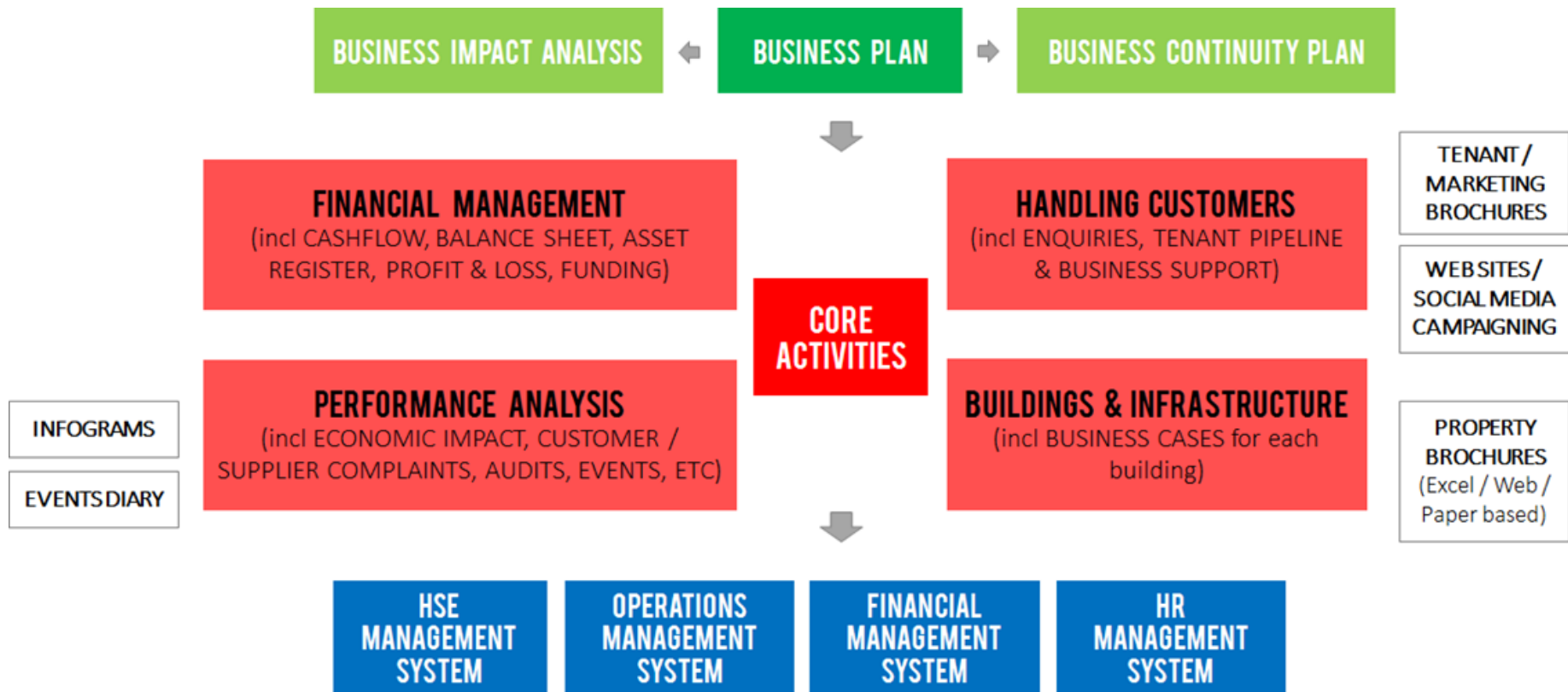
# Consultation Strategy



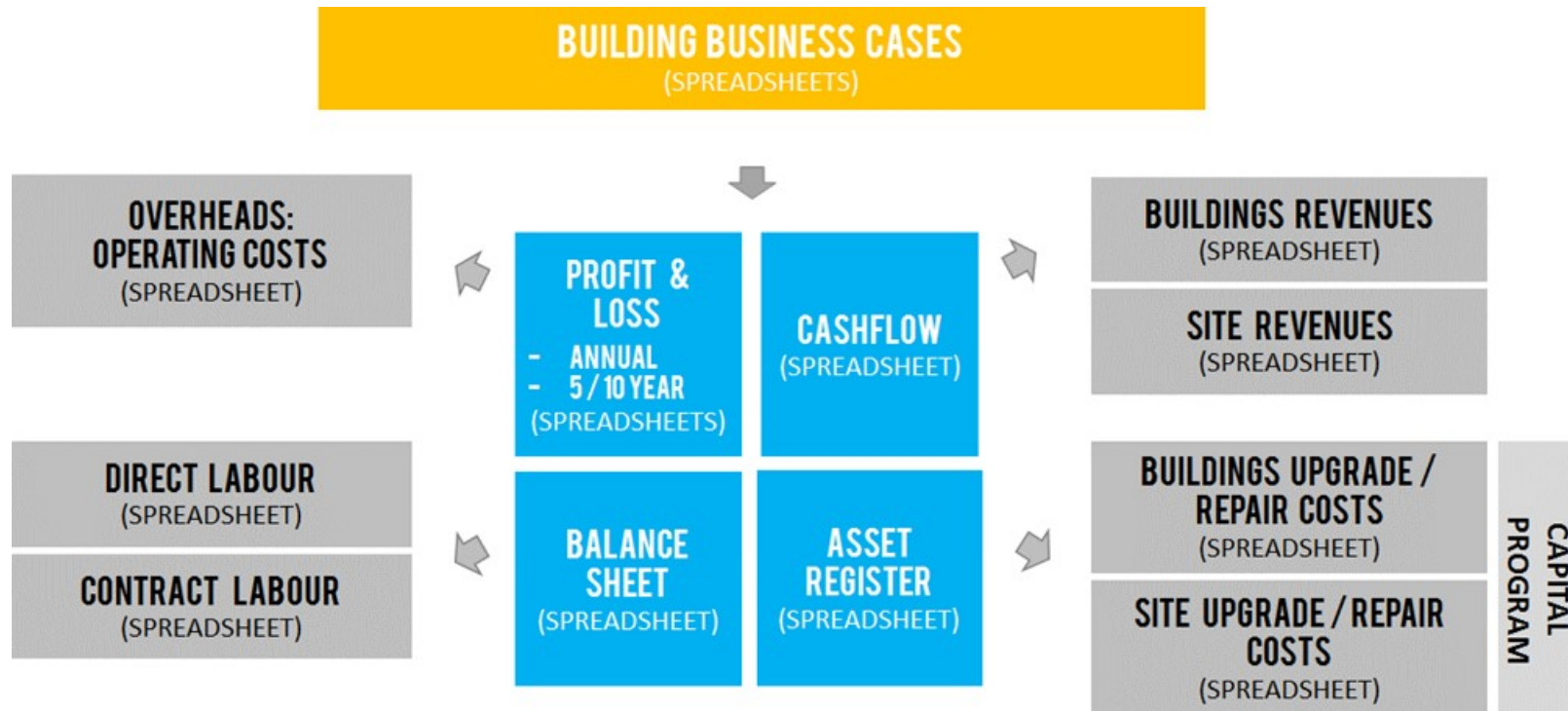
# Governance Strategy



# Management Systems Overview



# Financial Management Systems





# Communication Strategy



# Marketing Strategy



# Buildings Strategy

## Project 1: Hangers - Future homes to AE / HVM businesses - creating jobs

- The Hangers (particularly 1, 2 and 3) need investment
- SEP has rented one Hanger to a manufacturing business and has interest from other engineering / manufacturing businesses in the remaining 3 Hangers



## Project 2: Medical Centre - Future home to hi-tech businesses, building the hi-tech brand

- A hi-tech business is showing real interest in renting the old Medical Centre
- The old Medical Centre will need investment to bring it up to specification



## Project 3: Creating Start-up Space (the Guard House)

- At the heart of the Enterprise Park must be at least one Start-up Space
- The ex-Guard House has the potential - at the front of the site - to make an effective location to incubate and grow SMEs
- The Start-up Space would house reception, security, SEP team as well as offer conference / meeting room space and hot desks / my desks (as well as SEP files / records)



## Project 4: Creating an Innovation Space (the ex-Jag Sim Building)

- The Jag Sim building could be split into a number of offices and a number of workshops—and offered to multiple tenants, rather than just one
- The second building of offices could also include meeting rooms
- This would create spaces perfect for small but growing engineering businesses—a little like Hethel Engineering Centre, and maybe will have a very clear sector focus



# Buildings Strategy

## Project 5: Creating a Business Hub at the Centre of SEP (ex-Air Traffic Control)

- If the business case 'stacks up' then the focus should be on turning the ATC (and associated buildings) into a Business Hub at the centre of SEP
- The Business Hub would have conference / meeting rooms, offices, my desks and hot desking - maybe Hethel style coffee machines
- This is the iconic building on SEP and should be a key part of building the future focus



## Project 6: Grow-on Office Space (Building 15)

- With a small investment and some clearing out / cleaning, this building of offices, meeting rooms, kitchen and toilets would make good Grow-on Space from the Start-up Space (ex-Guard House)
- SEP Estate Office would need to move to Start-up Space (ex-Guard House) to facilitate turning Building 15 into Grow on Space

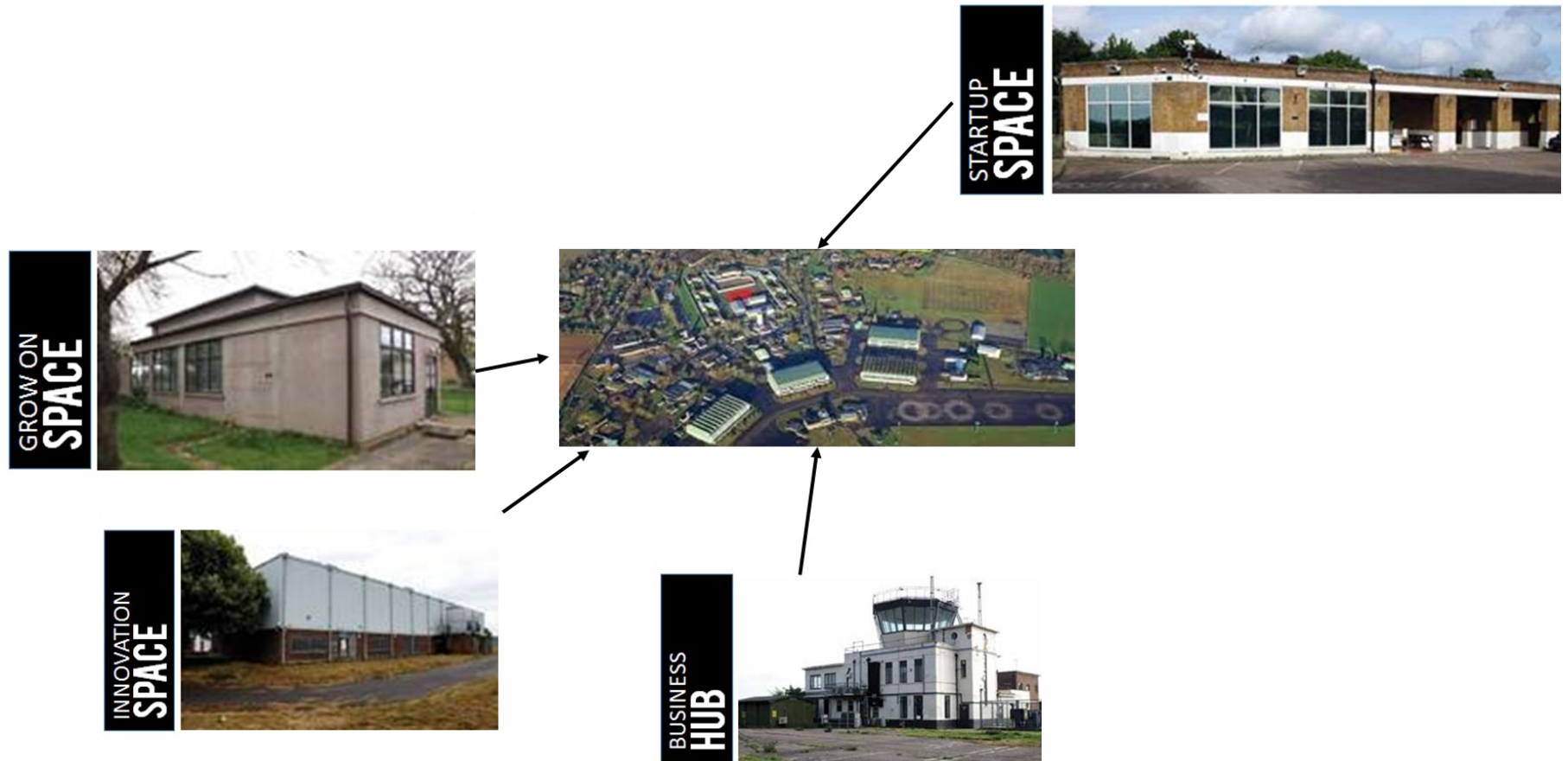


## Project 7: Creating a STEM Centre within a building capable of providing teaching / networking space

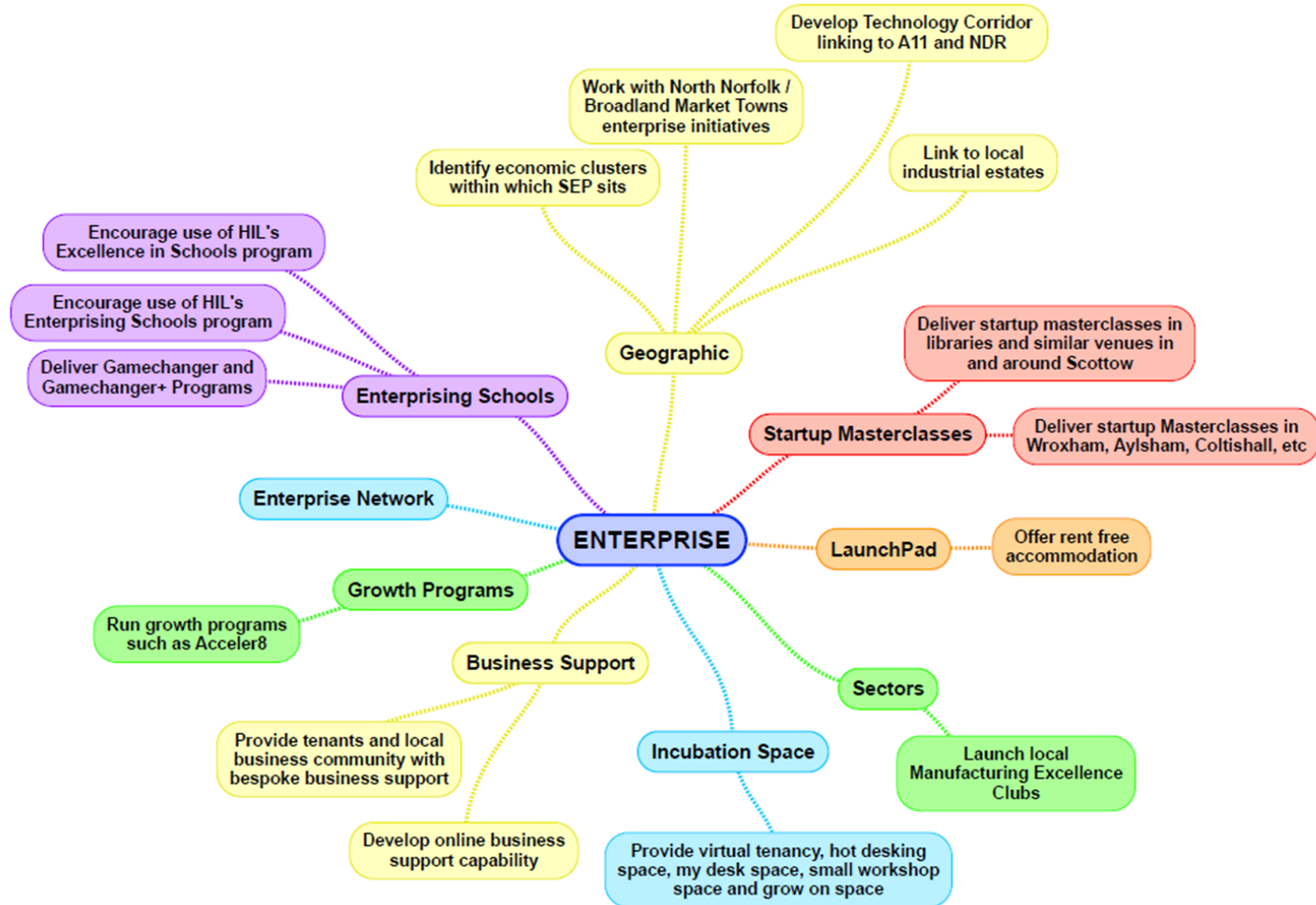
- STEM Centre would provide students with teaching and learning opportunities

# Enterprise Strategy

Scottow Enterprise Zone plans on creating a number of key buildings as part of the Enterprise Strategy:



# Enterprise Strategy



# Competitor Analysis

Competitors	Business Support	Events	Conferencing	Quality of Life	Heritage	Enterprise Zone	Total
Scottow Enterprise Park	2	2	2	2	2	2	12
Raynham Business Park	0	0	1	2	2	0	5
Fakenham Industrial Estate	0	0	0	1	0	0	1
Aylsham Industrial Estate	0	0	0	2	0	0	2
Lyngate Industrial Estate	0	0	0	2	0	0	2



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# SCOTTOW ENTERPRISE PARK