

## CAPITAL DEVELOPMENT LEGACY INFORMATION

### SUNDERLAND SOFTWARE CENTRE

#### 1. INTRODUCTION

As part of the Agency's Regional Economic Strategy plans, a number of Areas for Action were identified including the need to drive business start-ups and growth (under the Business theme) and the delivery of a portfolio of high quality business accommodation (under the Place theme). In addition, a number of Innovation Connectors were established in order to focus investment in key areas of regional strength including the 'Creative' sectors.

Working in partnership with Sunderland City Council (SCC), the concept for a specialist managed business centre aimed at the software industry was established in 2008.

#### 2. FUNDING & APPROVAL

Having established the concept for the Sunderland Software Centre a large body of research was commissioned jointly by ONE/SCC to confirm the demand for such a facility. Reports from both Deloitte Consulting and DTZ were commissioned with the later dated November 2009 confirming the anticipated demand from software companies for accommodation in unit sizes below 300 m<sup>2</sup>. This report was used to support the preparation of a Business Case seeking both Single Programme and ERDF funding.

With members of the Capital Development team working closely with officers from SCC, a PIP and then detailed Business Case was submitted seeking SP and ERDF funding. The application was submitted in late 2009 and following a Technical Appraisal in December 2009 a formal offer of funding was issued to SCC on 21<sup>st</sup> January 2012 with the following project costs and funding:

FUNDING SOURCE	AMOUNT
ERDF CAPITAL	£4,614,200
ERDF REVENUE	£136,422
SINGLE PROGRAMME	£2,952,300
SUNDERLAND CC CAPITAL	£1,993,500
SUNDERLAND CC REVENUE	£606,500
<b>TOTAL</b>	<b>£10,302,922</b>

#### 3. PHYSICAL DEVELOPMENT

Following an ERDF procurement exercise, SCC appointed BAM as the successful contractor to develop the new building on Tavistock Square in the centre of Sunderland. Construction works commenced in late 2010 and are due to complete at the end of March 2012. See site and floor plans at: [\[5a - First Floor floorplan\]](#); [\[5b - Ground Floor floorplan\]](#); [\[5c - Second Floor floorplan\]](#); [\[5d - Site Layout plan\]](#)

Works on site have been monitored by ONE staff up to the date of the transfer of this project to the Homes & Communities Agency (HCA) in September 2011. The HCA has now taken on the responsibility for monitoring the project to ensure it

complies with the Single Programme funding obligations – ERDF Secretariat will monitor the project separately for ERDF purposes.

The development works have progressed well and the main structure is now complete with works concentrating now on internal fit-out.

#### **4. SUCCESS**

It is too early to judge the success of this development as it is still in the construction phase and is not due to open to occupiers until Spring 2012. Sunderland Software City is managing the building and future lettings and will be responsible for recording and reporting outputs in due course.

<http://www.sunderlandsoftwarecity.com/growing-your-business/world-class-space-for-businesses.html>

#### **5. LESSONS LEARNT**

The main lessons learnt from this project are:

- the need to establish a robust business case for the project early on including proof of demand for the type of facilities being provided, its location and the size of the centre;
- close working relationship and good communications with the project sponsor to ensure a timely flow of information, particularly during the development, appraisal and approval of the business case;
- good project management skills to ensure the building works are properly managed and costs controlled;
- robust operational plans to ensure that the building is sustainable in the long term.

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