

# Additional papers 1



## Overview and Scrutiny Committee

Thu 23 Jun  
2022  
6.30 pm

Council Chamber  
Town Hall  
Redditch

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**If you have any queries on this Agenda please contact  
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# Overview and Scrutiny

Thursday, 23rd June, 2022

6.30 pm

Council Chamber Town Hall

## Agenda

### Membership:

Cllrs:

Bill Hartnett (Chair)  
Joanna Kane (Vice-  
Chair)  
Salman Akbar  
Imran Altaf  
Michael Chalk

Brandon Clayton  
Sid Khan  
Timothy Pearman  
Gareth Prosser

- 4. Redditch Town Investment Plan Business Cases - pre-scrutiny** (Pages 1 - 112)
- 5. Levelling Up Fund 2 Bid - pre-scrutiny** (Pages 113 - 122)
- 6. Executive Committee Minutes and Scrutiny of the Executive Committee's Work Programme - Selecting Items for Scrutiny** (Pages 123 - 134)

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Note for the attention of members of Overview and Scrutiny

Firstly, officers' apologies for the late circulation of these reports.

#### Town Investment Plan Report – Explanatory Note

Amongst other things The Town Investment Plan (TIP) Report is about pulling down the £15.6 million that has been identified by central government for spend in Redditch Town Centre. The TIP proposals are well documented on the website. The deadline for submission to central government is 29 June 2022 and officers and the consultants will continue to improve upon the council's submission until this deadline. The key objective is to successfully pull down the entirety of the monies identified for the council. If required, the council can submit a project adjustment form to suggest alterations within the objectives of the TIP.

In terms of some detail Mott MacDonald were appointed as the Towns Fund Delivery partner to deliver the business cases for the Digital Manufacturing and Innovation Centre and the Public Realm Phase three projects.

The approach to preparing the financial cases is premised upon the evaluation of several elements including: -

- Costs Assessment to determine how the costs have been obtained and how robust they are – including listing out key assumptions such as the base financial year where development costs will be incurred, indexation rates, discount rates
- Funding and Revenue Stream Analysis, analysing which funding options we considered and how secure they are
- Affordability Assessments which include the general financial metrics, such as net cash flow, net present value, internal rate of return and breakeven analysis as a way of assessing affordability. Sector specific metrics could be used to link the Financial Case to the Commercial Case
- Wider Financial Implications in which we must consider whether the project's financial objectives meet the Council financial objectives as set out in Local Plans. And whether by undertaking the project, this may change the risk profile of the Council / Local Authority associated with the projects.

However due to resources constraints across the industry, there has been delays regarding the finalisation of the business cases however the business cases have been significantly developed and with a few elements left to be completed. The business cases continuously being updated as more financial data is provided by specialist consultants working on the market demand & analysis, soft market testing and local business engagement.

The Overview and Scrutiny Committee is asked to note that in addition to a decision being taken by members, there is a requirement in the Towns Deal process for the business case to be approved by the Section 151 Officer. Once the business cases have been finalised, they will be sent to the Section 151 Officer for approval and this will occur before the 29th June 2022.

This note has been prepared by Ruth Bamford who can be contacted on [r.bamford@bromsgroveandredditch.gov.uk](mailto:r.bamford@bromsgroveandredditch.gov.uk)

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**Report title: Redditch Town Investment Plan Business Cases**

Relevant Portfolio Holder	Councillor Matthew Dormer - Leader of the Council, Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ostap Paparega, Head of North Worcestershire Economic Development and Regeneration (NWEDR)
Report Author	Clayton Maponga Job Title: Programme Delivery Manager Contact email: clayton.maponga@nwedr.org.uk Contact Tel: 01562 732552
Wards Affected	Abbey and Central Wards
Ward Councillor(s) consulted	
Relevant Strategic Purpose(s)	Run and grow a successful business: Aspiration, work, and financial independence: Improved Health and Wellbeing: Community Safety and Anti-social behaviour
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

**1. RECOMMENDATIONS**

**2. The Executive is asked to resolve that:**

That the two business cases attached as Appendices 1 and 2 are endorsed and used to present summary information for submission to the Department for Levelling Up Housing and Communities on the 29 June 2022.

**3. BACKGROUND**

- 3.1 The Towns Fund is the government funding scheme intended for towns to improve their economy. In 2019, the government invited 101 towns to develop proposals for a Town Deal as part of the £3.6 billion Fund. Redditch was one of the towns across the country eligible to bid.
- 3.2 The bid process needed to identify the regeneration projects most appropriate for the funding, what funding would be required and how the identified projects fit with the wider, longer-term plan for ongoing

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regeneration and economic growth. The bid had to also ensure all Redditch Borough residents would directly benefit from the proposed investment.

- 3.3 To take the bid process forward, Redditch Borough Council established a 'Town Deal Board' in accordance with the guidance detailed in the Towns Fund prospectus. It includes local businesses, community representatives, council officers and other partners committed to improving the town. The Town Deal Board with the council as lead partner, developed a Town Investment Plan (TIP) which was submitted as part of the bid to Government on Friday 29 January 2021. The aspects of the bid supported by the government are as follows:

Table 1

<b>Project</b>	<b>Description</b>	<b>Towns Fund Ask</b>
Redditch Digital Manufacturing and Innovation Centre	The project will provide digital innovation support to increase the resilience, productivity, and competitiveness of businesses within the manufacturing industry. The projects objectives are to: provide open access and specialist support to local entrepreneurs and companies, particularly in the manufacturing sector, that want to test and develop 5G-enabled services and applications (provision of a 5G test bed); provide access to a range of high-quality business and innovation services and space to nurture, mentor and facilitate businesses development and growth; to provide new businesses, predominantly, but not exclusively, within the manufacturing sector with a range of flexible workshop and office accommodation to enable them to prosper and grow; develop a base of local workforce and young talent equipped with the skills needed in a 21st century digitalised economy; to create an investment destination / eco-system that facilitates adoption of digital technologies, particularly in the manufacturing sector.	£8,000,000
Redevelopment of Redditch Library Site	Demolition of the existing library building and the delivery of a new public square and associated commercial development. The proposed new square on the site of the library can provide this space in a location which helps to drive footfall to and from the Kingfisher Centre and improving connectivity to the historic town centre core. The proposed new square would stimulate the conversion of the blank surrounding facades, including part of the Kingfisher Centre and the former Royal Hotel, currently operating as a nightclub. In addition, a new café pavilion is proposed to book-end the new square and helps to define the historic street frontage,	£4,200,000
Redditch Town Centre Public Realm	Church Green Evesham Walk and Unicorn Hill together form the heart of Redditch's Town Centre Public Realm. Unfortunately, over the years these cherished streetscapes have become tatty, uninviting, and more worryingly, underused. This proposed major investment will see these three important thoroughfares transformed into a series of	£3,000,000



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	modern, attractive and multifunctional public spaces which will together act as Redditch's 'shop window', showcasing everything the town has to offer by supporting vibrant public events, a thriving street dining and trading scene as well as improving access to the wide range of services provided in the Town Centre for all. The investment will include high quality street furniture, waymarking and repurposing of underused space to ensure that this scheme unlocks its maximum economic and social potential. The completed scheme will provide a valuable focus for civic pride in Redditch, acting as an essential catalyst for the wider regeneration of Redditch Town Centre, stimulating private sector investment and helping the town to recover and thrive beyond the COVID-19 pandemic.	
Total Ask		£15,200,000

Mott MacDonald have been appointed to develop the business cases for the three projects in table 1 above using the Five Cases Business Case model.

The five cases business model includes the following:

I. Strategic case – must show the rationale, background, policy context and strategic fit of the public expenditure or public intervention, this should include clear objectives with a robust logic of change from inputs to outcomes.

II. Economic case – with evidence of why a privately provided solution would fall short of what is optimal (market failure) and a list of options to achieve a better outcome. “Do nothing” should always be an option. The case must build on robust verifiable evidence, consider additionality, and displacement of activity, and include a sensitivity analysis and a correction for optimism bias if risk is a factor for success. Value for money is ideally demonstrated in a credible Benefit-Cost Ratio, but where some of the costs and/or benefits cannot be monetised at the present time, the economic case should proportionally capture these impacts and specify a partial value for money measure. Wider benefits and costs should be considered and specified where these are sizeable, compared with the direct impacts. Towns should decide how to treat Covid-19 impacts.

III. Commercial case – demonstrate commercial viability or contractual structure for the project, including procurement where applicable.

IV. Financial case – standard appraisal of financial implications of the project, where applicable this should include budgets, cash flow, and

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contingencies.

V. Management case – of how the project is going to be delivered.

At time of writing the business cases are still being continuously updated and with new information being added in the build up to the 29<sup>th</sup> June 2022 formal submission. The business cases will be made available the week commencing 20 June.

#### **4 Progress Update**

- 4.1 Mott Macdonald are progressing the business cases development and significant progress has been made on the two business cases with current progress shown in the RAG Status tables below.
- 4.2 **Redditch Digital Manufacturing and Innovation Centre** – the development appraisal has been completed with the cost plan updated as a result, SQW Consultancy - have been appointed to undertake several commissions including market demand & analysis and engagement with local business and soft market testing.

Table 2 Innovation Centre Business Case Progress Status

Strategic Case	Economic Case	Financial Case	Commercial Case	Management Case
C.80% complete. First draft of the case has been completed. Has not yet been reviewed or signed off.	C.40% complete. Awaiting SQW inputs on numbers or firms and costs. Strawman model and write up at first draft stage.	C.10% complete. Awaiting input from SQW on operational costs and revenues	0% complete. Team to provide an update.	C.80% complete. Gaps around M&E, scope management and programme detail

- 4.3 **Redditch Library Site** – This will be subject to a separate report to the Executive Committee in September 2022.

An extension of time to 30<sup>th</sup> September 2022 to submit the Summary Documents for the Library Site Redevelopment was granted by the Department of Levelling Up Communities and Housing to allow Redditch Borough Council and Worcestershire County Council to reach an optimum solution for the potential relocation of the Library.

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- 4.4 **Public Realm** – The financial modelling and options appraisal for the Public Realm project have been completed. The public realm financial modelling and options appraisal has three components namely:

Option A - Full Scheme at a projected cost of £4,002,213.57

Option B – Excluding Church Green East projected cost of £3,439,260.10

Option C – Excluding Church Yard projected cost of £3,353,339.11.

Table 4 Public Realm Business Case Progress Status

Strategic Case	Economic Case	Financial Case	Commercial Case	Management Case
C.80% complete. First draft of the case has been completed. Has not yet been reviewed or signed off.	C.60% complete. Need to decide on preferred option before we finalise the economic analysis.	C.60% complete. Need to decide on preferred option before we finalise cost profiles. Need clarification on funding sources and any funding spent to date.	0% complete.	C.80% complete. Gaps around M&E, scope management and programme detail

#### **4.5 Communications & Engagement Plan**

Both NWEDR and RBC communications are now enhancing the communication strategy originally submitted with the Town Investment Plan to effectively communicate the process and latest news on the Town Deal Fund as it progresses. This will include specific engagement with young people and Redditch Youth Council. The Town Deal Board chair will also oversee this work and act as “Communications ambassador”. This engagement will be in addition to any individual project consultation which will be carried out by project leads at the appropriate time.

### **5. FINANCIAL IMPLICATIONS**

- 5.1 The Council was awarded a total of £213,029 through a revenue grant and capacity funding allocation to enable the production of the Town Investment Plan and subsequent Business Case. To date approx. £99,000 has been committed.

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- 5.2 As the accountable body the Council will ensure that any draw down of funds agreed as part of the budget envelope are in accordance with the conditions of the final award. Funding received will need to be added to the Council's Capital programme.
- 5.3 The Executive Committee is asked to note that in addition to a decision being taken by members, there is a requirement in the Towns Deal process for the business case to be approved by the Section 151 Officer. Once the business cases have been finalised they will be sent to the Section 151 Officer for approval and this will occur before the 29th June 2022.

**6. LEGAL IMPLICATIONS**

- 6.1 As Accountable Body for the Redditch Town Deal the Council has a number of obligations, including to ensure that decisions made by the Town Deal Board are in accordance with good governance principles and to support transparent delivery arrangements for the Town Deal. These obligations include:
- Upholding the Seven Principles of Public Life (The Nolan Principles) in all the Board's activities.
  - Developing a delivery team, transparent delivery arrangements and agreements.
    - Ensuring that decision is made by the Board in accordance with good governance principles.
    - Ensuring transparency requirements are met through publication of information on the Council's website or on a Town Deal specific website.
    - Developing agreed projects in detail and undertaking any necessary feasibility studies.
    - Undertaking any required Environmental Impact Assessments and meeting all Public Sector Equalities Duties
    - Develop detailed, costed business cases.
    - Liaising with potential private investors in identified local projects and schemes.
    - Signing the Heads of Terms Agreement with Government.
    - Monitoring and evaluating the delivery of individual Town Fund projects.
    - Submitting regular monitoring reports to the Towns Hub.
    - Receiving and accounting for the Town's funding allocation.
- 6.2 Individual projects identified as interventions within the Investment Plan will be subject to individual legal advice.

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**7. STRATEGIC PURPOSES - IMPLICATIONS**

**Relevant Strategic Purposes**

- 7.1 Run and grow a successful business: Aspiration, work & financial independence: Improved Health and Wellbeing: Community Safety and Anti-social behaviour.

The projects will contribute to all the above strategic purposes in a range of different ways. In particular the Innovation Centre will contribute to running and growing business and aspiration and financial independence. The public realm enhancements will contribute to health and well-being related to more social interactions in the town centre and improved walking and cycling opportunities. In addition, the public realm work will attempt to design out anti-social behaviour and hence contribute to community safety objectives.

**Climate Change Implications**

- 7.2 The Climate Change Team are being consulted on the individual projects as they are progressed.

**8. OTHER IMPLICATIONS**

**Equalities and Diversity Implications**

- 8.1 None identified at this stage.

**Operational Implications**

- 8.2 Officer input from a number of Services within the Council will be required to deliver the interventions in the Town Investment Plan within the timelines, these service areas include but are not limited to Finance, Legal, Property, Planning and Climate Change.
- 8.3 External project management support will be recruited to deliver the Town Deal. The cost of this will be covered by the Town Deal.

**9. RISK MANAGEMENT**

- 9.1 There are several risks attached to the programme and these include operational and non – operational risks, commercial, construction and third-party risks. These are being constantly monitored and actions to mitigate the risks are ongoing.

**10. APPENDICES and BACKGROUND PAPERS**

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Appendix 1 Redditch Digital Manufacturing and Innovation Centre  
Appendix 2 Redditch Town Centre Public Realm

[Town Deal Board](#)

[Towns Fund prospectus](#)

[Town Investment Plan \(TIP\)](#)

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**11. REPORT SIGN OFF**

<b>Department</b>	<b>Name and Job Title</b>	<b>Date</b>
Portfolio Holder	Councillor Matthew Dormer	
Head of Service	Ruth Bamford	16/06/22
Financial Services	James Howse	16/06/22
Legal Services	Claire Felton	16/06/22
Policy Team (if equalities implications apply)	Deb Poole	16/06/22
Climate Change Officer (if climate change implications apply)	Judith Willis	16/06/22

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# Stage 2 – Business Case Template

*Business Case template (optional) to be used by Towns as guidance for structuring their business cases*

**Version 4: 19 August 2021**

## VERSION CONTROL

Document version	Publication date	Description of changes	Modified by
1	8 <sup>th</sup> March 2021	First release of the <i>Stage 2 – Business Case Template</i>	TFDP
2	25 <sup>th</sup> March 2021	Updates to the Strategic Case, Financial and Commercial Cases to provide additional context and guidance for these cases	TFDP
3	24 <sup>th</sup> June 2021	Updates to the Economic Case with the new example summary table, as well as confirmation of the price year of economic costs and benefits (2021 prices).	TFDP
4	19 <sup>th</sup> August 2021	Updated with the revised Annex C – Summary Document template	TFDP

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**TFDP Proportionality Guide**

# FOREWORD FROM TFDP

## Writing a business case

A business case is a document that captures the rationale for investing in a project, how it fits into the overall strategic context of the town's development, as well as the benefits it will deliver. The business case also captures how the project will be financed, procured, and managed.

This means that the development of a business case should not be considered a hurdle to be overcome, or simply a 'box to tick'. It is a key document that allows you to make good decisions by structuring and capturing your thinking for a project, ensuring all stakeholders understand and are aligned on the why, what, and how of the project. It can help you to quantify the opportunity, prioritise your activities and capture key assumptions and risks.

A business case should be something you refer back to as you progress through project development and into project delivery – it shouldn't just be something that is produced to gain approval and then forgotten about.

Importantly, the production of a business case should not be an activity to be 'feared'. You may have experience of having read some very long, complex business cases in the past but that does not mean that all Business Cases have to be soulless and dull! A business case must tell a story – and, ultimately, demonstrate that your ideas will enable you to meet your goals.

Think of your business case as a tool to make good decisions - the process of developing and writing the business case helps to clarify the next level of detail of your thinking, and as Eisenhower said: plans are nothing, planning is everything.

## Using this Business Case Template

We have developed this template to help towns have a sound structure for developing their business cases in line with government guidance and best practice. You should adapt it to your needs and specific cases, and we have attached a 'Proportionality Guide' that helps you consider the level of detail required for business cases of different values or levels of complexity.

### There are two important things to note:

1. **This Template is optional.** It should be useful as a guide and prompt in preparing your business cases, but it is not a requirement of MHCLG or TFDP.
2. **Towns are not required to submit their business cases to MHCLG unless it states so in their Heads of Terms agreement.** Business cases are signed off locally, and should be prepared in line with local requirements and assurance processes. You should engage early with your representative from your accountable body (e.g., your S151 officer) to confirm what these requirements and processes are.

# BUSINESS CASE TEMPLATE GUIDE

## Purpose of this Guide

- Developed by the TFDP to support Towns in producing Business Cases which cover a common standard of requirements to align with HM Treasury's Five Case business case model.
- Neither exhaustive nor comprehensive, but it provides a common roadmap of the main components that should be addressed
- Should be used alongside HM Treasury's Green Book Guidance and other key Government guidance documents, including:
  - Business case project guidance
  - MHCLG guidance
  - DfT Transport appraisal guidance (where relevant)

## How to use this guide (what it is and what it is not)

- **Usage of this guide is optional.** Towns may choose to use it to support their business case development. Given that assurance and sign off processes are locally-defined, Towns should agree whether this template is appropriate for their business cases with their local assurance and sign off stakeholders.
- The **Proportionality Guide** appended to this Template should help you determine the level of detail required for each business case.
- This template has been prepared for individual projects, in line with the MHCLG Stage 2 guidance. However, if a project consists of a package of smaller interventions, these can be grouped into one business case, as long as a strong strategic case is put forward demonstrating how the separate interventions link together to deliver a coherent vision. The value for money assessment must cover the project as a whole, but each intervention must be costed in the Financial Case. Please get in contact with your TFDP business case specialist if you have questions about adapting this template for a programme business case. You can identify your local business case support specialist through your Town Coordinator.
- Towns should use their best judgement regarding emphasis and levels of detail for each section, which should vary depending on the case and type of project. Note that the level of detail should be proportional to the size of the project.
- Towns should adapt tables or formatting however they see fit; this is in no way a style or formatting guide.
- Questions regarding the use of this template or its contents should be directed to your local business case representative.

# BUSINESS CASE TEMPLATE

DRAFT

# EXECUTIVE SUMMARY

**[introduction (background to Towns Fund) + description of the project + summary of business case]**

## **STRATEGIC CASE**

[summary of the case for change]

[summary of the national, regional, and local policy drivers]

[summary of the project vision and SMART objectives]

[summary of the proposed project outcomes, outputs, and interdependencies]

[summary of stakeholder views]

## **ECONOMIC CASE**

[options /scenarios considered in appraisal]

[summary of economic benefits considered, both local and national]

[summary of economic costs, including optimism bias]

[value for money assessment, with key results. A table could be included with key results]

[consideration of place-based impacts]

[discussion of sensitivity tests]

## **FINANCIAL CASE**

[summary of costs]

[summary of revenues]

[summary of how the project will be funded]

[financial risks and mitigation plans]

## **COMMERCIAL CASE**

[commercial feasibility of projects]

[contractual issues and high-level approach]

[procurement strategy and key risks, including risk transfer strategy and mitigation plans]

## **MANAGEMENT CASE**

[governance arrangements, including key roles and responsibilities]

[programme and timeline for delivering the project included]

[approach to project management outlined, demonstrating capability for delivering the project]

[key stakeholders identified, and stakeholder engagement strategy presented]

[key risks identified]

[project interdependencies identified]

[quick summary of benefits realisation plan and monitoring and evaluation strategy developed]

# INTRODUCTION

**[short introduction]**

**[INTRODUCTION]**

[background to Towns Fund and Stage 2 process]

[who is the scheme promoter and accountable body for the project]

**[The Project]**

[summary of the scheme]

**[This Business Case]**

[structure and content]

DRAFT



# STRATEGIC CASE

## PRACTICE NOTES

The Strategic Case sets out the rationale for proposed investment.

A lot of the information relevant for the Strategic Case will have been set out in the TIP, including:

- Evidence of need
- Key policy context
- Overall vision and objectives
- Option for investment and how it was identified
- How option will help achieve objectives

The information from the TIP relevant to this project should feed into the Strategic Case, focusing on the aspects unique to the project.

Note that specific project objectives will need to be identified in this business case (in addition to the TIP vision and objectives).

This case should state the key stakeholder groups and particular business partners and how they've influenced, shaped, and supported project scopes.

The Strategic Case should clearly demonstrate a golden thread of evidence of need → vision and objectives → proposed investment → outcomes and impacts.

# STRATEGIC CASE

## INTRODUCTION

The strategic case sets out the justification and rationale for making an intervention. This justification is based on the need to address specific challenges and issues that are prevalent within the area in which the intervention is proposed, and how the potential benefits resulting from the intervention address these challenges.

## CASE FOR CHANGE

This section provides the rationale for public investment. Outlined below are the current challenges, evidence of need, future opportunities and market failures present in Redditch Town Centre. This provided the information required to support the case for investment.

### Current context and challenges

In 1964, Redditch was designated by British planners as a New Town. Following its development as a New Town there has been a lack of significant regeneration activity in the town centre. The Town currently faces a number of challenges, such as, ageing assets, poor enterprise environment, and youth population retention. For Redditch to advance and fully benefit from future opportunities, the town needs to tackle the obstacles holding it back from achieving its long-term vision.

A number of challenge pertinent to the DMIC proposal are set out below.

- **Enterprise deficit**
  - Redditch has an enterprise deficit. Business births in the Borough are relatively low compared to the national average, and much lower than the region<sup>1</sup>. Low business births lead to a low number of active businesses in the Borough per head of population.
- **Retention of young population**
  - Redditch has a lower educational attainment compared to English averages<sup>2</sup>. The lower educational attainment of Redditch is reflected in the occupational structure with a lower proportion in high skilled occupations and higher proportion in low skilled compared to England.
  - Low educational attainment and the lower proportion of jobs in high skill occupations has resulted in Redditch struggling to retain its youth. Recent stakeholder engagement found that over half (55%) of younger residents (16-24 years) responded that, as things stand, they cannot achieve their goals or ambitions in Redditch<sup>3</sup>.
- **Ageing assets**
  - Since Redditch's designation as a New Town, there has been a lack of significant regeneration of the town's built assets, resulting in a town centre which feels dated and unwelcoming. Indeed, Redditch's public estate is of a generally low design quality and visual appeal, the current Police Station being an example.
  - Figure 1 shows the current police station, which is to be demolished prior to the construction of the proposed Innovation Centre on the same site.

**Figure 1: Redditch Police Station**



<sup>1</sup> Business demography, UK, ONS and Mid-year population estimates, 2019, ONS

<sup>2</sup> Redditch has a lower NVQ4+ educational attainment compared to English averages. 27.8% of the working age population in Redditch have a degree level or higher qualification, this is 12 percentage points below the national average.

<sup>3</sup> Redditch Towns Deal Community Consultation, Social Marketing Gateway, November 2020

- **UK productivity**

- XXXX

### Evidence of need

Information gathered during the development of Redditch's Town Investment Plan highlighted a particular need for business space and digital skills provision. The evidence of need is discussed below.

- **Demand for business space**

- An issue identified in Redditch is a lack of new space for businesses (particularly office space) which hinders organic growth and may deter start-ups or hinder growth. Analysis by GJS Dillon<sup>4</sup> found that availability of office space is falling, creating a struggle for owner occupiers who face competition from the investment market to buy properties which increases sales prices, meaning Redditch needs to address the availability of good quality space.
  - This is corroborated by Aspinall Verdi analysis<sup>5</sup> which found limited significant investment in new office development for some time with most office stock dating from the 1960s-1980s. Aspinall Verdi assessed that in most of Redditch, rental values achieved are not high enough to viably deliver new-build office development without public sector involvement.

- **Digital skills provision**

- As across the UK there is an increasing need for digital skills, with employers demanding an ever-increasing level of digital fluency in order to deliver their products and services<sup>6</sup>. Threats are likely to arise, as current skill sets become obsolete or competitor locations gain digital advantages more quickly than Redditch if action is not swiftly taken. This is a particular concern in Redditch as manufacturing has experienced a decline in productivity from 2016-2018 in Redditch.
  - Skills-4-Worcestershire<sup>7</sup> identify both Advanced Manufacturing and ICT as local growth sectors with increasing demand for skilled labour<sup>8</sup>. Bolstering skills provision and attainment will help to ensure all residents can access higher-value opportunities available locally and enable employers to access the skilled labour they need to increase productivity and compete globally
  -

### Opportunities

The project will create opportunities with respect to:

- **Retaining youth population**

- Supporting educational attainment and investment in high productivity sectors while delivering more advanced technical skills needed by employers could help Redditch employees to be more productive in their jobs. This would enable residents to command higher wages helping them to achieve their career goals and attracting more inward investment to the town. It would also provide a wider range of high skilled jobs, which are likely to be attractive to younger residents.

- **Create a focal point for innovation**

- There is currently no focal point for enterprise, collaboration, and innovation in the town. Basepoint in neighbouring Bromsgrove for example provides managed office spaces to meet

<sup>4</sup> Worcestershire Commercial Property, Market Report 2020, GJS Dillon

<sup>5</sup> Draft Report: Property Market Report, Redditch Town Investment Plan, Aspinall Verdi, December 2020

<sup>6</sup> No Longer Optional: Employer Demand for Digital Skills, June 2019, Department for Digital, Culture, Media and Sport No Longer Optional: Employer Demand for Digital Skills (publishing.service.gov.uk)

<sup>7</sup> A joint initiative by Worcestershire LEP and Worcestershire County Council

<sup>8</sup> Worcestershire's Employment Market - Careers Portal (skills4worcestershire.co.uk)

needs of local start-ups and small to medium sized businesses<sup>9</sup>. Redditch has no similar offer in the town centre<sup>10</sup> meaning that start ups have to use general office space. The provision of a dedicated start up space promotes synergies between companies with a similar ethos and has been shown to improve start up survival rates<sup>11</sup>.

- Support could also help foster a stronger enterprise culture across the town and should encourage more of the town's talented young residents to stay in the local area to build their careers within high technology industries.

- **Improve connectivity**

- Super and Ultrafast broadband access in Redditch is better than the national average. For example, Ultrafast broadband (300 Mbit/s) is provided to 81% of premises in Redditch compared to 56% across the UK<sup>12</sup>.
- Redditch is however currently behind in terms of full fibre (1% premises have access compared to 14% nationally) and does not have access to have 5G coverage. Enhancing the 5G network would enable the manufacturing sector to take advantage of technology which requires instantaneous network response<sup>13</sup>.

- **Increased employability**

- Upskilling local residents and supporting technological innovation and adoption will help make Redditch advanced manufacturing more cutting-edge. Having the space, facilities and links to skilled workers will be crucial in the transition to higher value employment and ensuring the local community benefits from economic growth.

- **Improving productivity and competitiveness**

- Redditch showed strong productivity performance since 2011. Building on this through adoption of digital technologies would generate higher levels of productivity.
- The Centre will enable local SMEs to become more competitive by harnessing the benefits of digitisation and automation without excessive risk and cost of implementing systems designed for large companies. Almost all 421 Redditch manufacturing are SMEs (<250 employees).
- Improving productivity and competitiveness will also secure the future of employment in manufacturing. The manufacturing sector is important as it is the second largest employer in Redditch accounting for over 1/5<sup>th</sup> of all employees, see Figure 2.

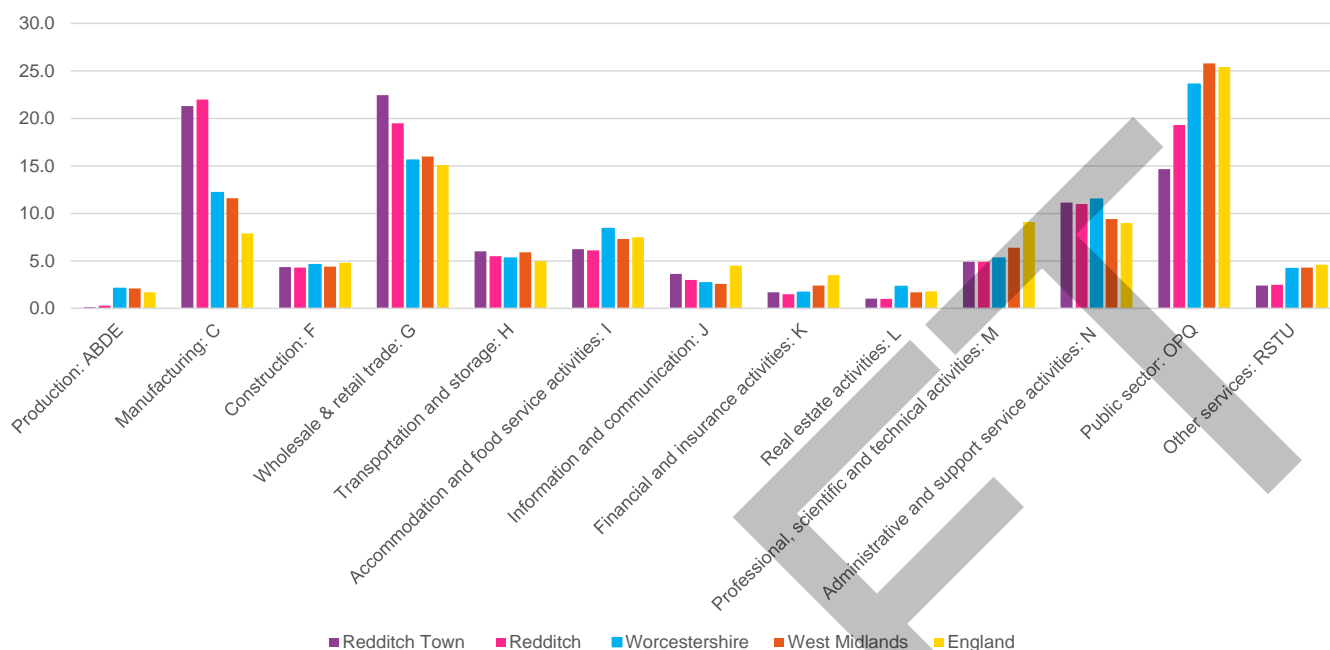
<sup>9</sup> Bromsgrove Basepoint Business Centres

<sup>10</sup> There are two business centres located at out of town locations (Greenlands Business Centre and Heming Road Enterprise Centre) Office space - [redditchbc.gov.uk](http://redditchbc.gov.uk)

<sup>11</sup> Oxford Innovation: Business Survival and Growth [OI-Business-Survival-and-Growth-Report.pdf \(oxin-centres.co.uk\)](https://oxin-centres.co.uk/OI-Business-Survival-and-Growth-Report.pdf)

<sup>12</sup> Connected Nations Update; Summer 2020, Ofcom 2020

<sup>13</sup>

**Figure 2: Employees by broad sector, as % of total, 2019**

Source: BRES, ONS, 2019.

### Market failures

The DMIC project suffers from a number of market failures which provide the rationale for public sector intervention. The relevant market failures are outlined below.

- **Positive externalities of education**

Education provides greater public benefit than the private benefit to the individual being educated. This is due to social benefits of education such as new ideas, better health and less poverty. Individuals do not internalize these benefits and as such they underconsume education. The Government steps in to ensure sufficient education provision. There is an increasing need for digital skills across the UK. Therefore to ensure the full benefits of education in high technology and digital skills are experienced, the public sector needs to support appropriate provision.

- **Positive externalities of research**

DN – Need to discuss the impact of R&D in one company on other companies outputs – spillover impacts. Tend to underinvest in R&D.

- **Coordination failures**

Redditch does not have an established business district. There is a high development cost of establishing collaboration spaces and attracting high value employers into such spaces. This high level of risk means that private sector providers will not fully fund such centres, especially in new areas or cities which do not have a strong background in R&D. This leads to centres not being set up and a consequent failure to co-ordinate R&D activities and gain the synergies that bringing firms together can achieve. The public sector can support innovation by reducing the risk involved in setting up such a centre and ensuring that the focus of the centre remains on support new innovation.

The current challenges in Redditch and need for business space and digital skills, along with the opportunity to create a focal point for innovation and improve employability and competitiveness of Redditch provide the rationale for investment in a DMIC. The investment is to be sourced from the public sector due to the market failures listed above.

### POLICY ALIGNMENT

Investment into digital skills, infrastructure and innovation space aligns itself with, and supports the fulfilment of, a number of policies, strategies and plans at a local, regional and national level. The proposal is aimed at investing in state of the art co-working and innovation spaces for SMEs in order to foster innovation and digital technology expertise within organisations and individuals in Redditch. This should lead to a greater number of company births, and expectedly a greater level of resilience and productivity within these new businesses.

In the immediate term, digital manufacturing and innovation investment will help Redditch to **build back better** after the economic and social issues caused by Covid-19. The UK Government has stressed the importance of innovation to the national economy in the Build Back Better initiative, stating innovation to be a 'key driver of economic growth and improvement to living standards'<sup>14</sup>. The publication also states that the UK Government is 'taking steps to help UK businesses significantly improve their adoption of digital technologies'. This project provides an opportunity for the government to support this commitment, providing funding for the development of a digital manufacturing and innovation centre in the heart of Redditch, which should improve the success of SMEs in the area.

In the medium-term, funding for innovation and digital manufacturing will support the intentions of the '**Levelling-Up**' white paper put forward by Government in 2022<sup>15</sup>. The Levelling Up White Paper lists the improvement of innovation as one of the key drivers for growth across the country as a whole, supporting the rebalancing of geographical inequality that has been an issue in the UK for so long. The White Paper also notes the government's intentions for the West Midlands to be one of the three new Innovation Accelerators in the UK, which will together receive approximately £100m of investment in the coming years. As Redditch resides within the West Midlands, investment in innovation in Redditch is aligned to the intentions of the Levelling Up White Paper.

**Table 1: DMIC Policy alignment**

Policy document details	Description of policy document	Alignment with Digital Manufacturing and Innovation
<b>National Policy</b>		
Building Back Better: Our plan for growth, HM Treasury, 2021 <sup>16</sup>	This plan is a publication setting out the government's plans to support economic growth through significant investment in infrastructure, skills and innovation.	<ul style="list-style-type: none"> <li>The Build Back Better initiative lists innovation as a key driver of both economic growth and improvement to living standards</li> <li>UK Government actively encourages the adoption of digital technologies in businesses within the Build Back Better document.</li> </ul>
Levelling Up: White paper (2022) <sup>17</sup>	This executive summary of the Levelling Up White Paper outlines the strategy and framework for rebalancing geographical inequality in the UK.	<ul style="list-style-type: none"> <li>The Levelling Up White Paper states innovation as key to rebalancing the UK economy, allowing all areas of the UK to prosper</li> <li>The White Paper also lists the West Midlands as an Innovation Accelerator for the future, in which Redditch resides</li> </ul>
<b>Regional Policy</b>		
Strategic Economic Plan, Worcestershire LEP, 2014 <sup>18</sup>	The Strategic Economic Plan highlights the challenges and opportunities in the regional economy, details the plan of investment needed to reach	<ul style="list-style-type: none"> <li>World class innovation is one of the key themes of Worcestershire's SEP.</li> <li>The following action areas are listed as core themes to support world class innovation: <ul style="list-style-type: none"> <li>Improving access to finance and providing relevant, timely business support</li> </ul> </li> </ul>

<sup>14</sup> HM Treasury (2021) Build Back Better: Our plan for growth

<sup>15</sup> HM Government (2022) Levelling Up the United Kingdom: Executive Summary

<sup>16</sup> HM Treasury (2021) Build Back Better: our plan for growth, Available at: [Build Back Better: our plan for growth](https://www.gov.uk/build-back-better-our-plan-for-growth) (HTML) - GOV.UK ([www.gov.uk](https://www.gov.uk))

<sup>17</sup> HM Government (2021) Levelling Up the United Kingdom: Executive Summary, Available at: [Levelling Up the United Kingdom: Executive Summary](https://publishing.service.gov.uk/levelling-up-the-united-kingdom-executive-summary) ([publishing.service.gov.uk](https://publishing.service.gov.uk))

<sup>18</sup> Worcestershire LEP (2014) Strategic Economic Plan, Available at: [worcestershire-sep.pdf](https://www.worcestershire-lep.net/sep.pdf) ([lepnetwork.net](https://lepnetwork.net))



	the vision, and provides information on how the plan will be delivered.	<ul style="list-style-type: none"> <li>○ Finding ways to remove the red tape that is restricting growth</li> <li>• Worcestershire LEP also lists several other initiatives in place to encourage innovation which align with the intentions and goals of the DMIC project</li> </ul>
Plan for Growth, Worcestershire LEP, 2020 <sup>19</sup>	The WLEP Plan for Growth is a regional document outlining the strategic vision for the Worcestershire economy, and the headline objectives that need to be met to achieve this vision	<ul style="list-style-type: none"> <li>• Worcestershire LEP state that 'innovation drives competitive advantage' which is why they are 'unashamedly focusing on science and technology and driving investment in research and development'.</li> <li>• Stimulating investment in research and development and innovation is listed as one of Worcestershire's headline objectives</li> <li>• The Plan for Growth wants Worcester to become a 'powerhouse' of R&amp;D and innovation.</li> </ul>
<b>Local Policy</b>		
Borough of Redditch Local Plan No.4, 2017 <sup>20</sup>	The Redditch Local Plan provides a framework approach for growth in the borough and forms part of the Borough of Redditch Development Plan.	<ul style="list-style-type: none"> <li>• The vision for Redditch, set out in the Adopted local plan, lists the following core objectives for the local area: <ul style="list-style-type: none"> <li>○ Creating and sustaining a green environment</li> <li>○ Creating a borough where businesses can thrive</li> </ul> </li> <li>• The above objectives are well aligned with the proposal of funding for the DMIC project, as the new centre is expected to support business resilience and productivity and encourage innovation in the manufacturing industry. Such innovations in the manufacturing industry have the potential to be cost and energy efficient compared to current standards, thus supporting a green environment. The DMIC will also replace an energy inefficient building with a modern sustainable building.</li> </ul>

Source: Mott MacDonald

[local, regional, and national policy alignment]

## VISION AND OBJECTIVES

The vision and objectives of the Redditch Town Investment Plan have been collaboratively developed to address the socioeconomic needs of the town, in the interest of maximizing economic growth opportunities. The vision for Redditch is:

*“to transform Redditch from a traditional New Town into a New smart Town fit for the 21st century, which is a great place to live and work and an investment and visitor destination. We will achieve this vision by laying the foundations for Redditch to become a digital, green, connected and creative town.”*

The DMIC project will play a crucial role in realizing the vision of the Redditch TIP. Specifically, the project will contribute towards digital and creative focuses of the town, by providing a landmark building

<sup>19</sup> Worcestershire LEP (2020) Plan for Growth, Available at: [WLEP-Plan-for-Growth-2020-2040-FULL-VERSION.pdf](#)

<sup>20</sup> Redditch Borough Council (2017) Borough of Redditch Local Plan No.4, Available at: [Adopted-Borough-of-Redditch-Local-Plan-No4-2011-2030-.pdf \(redditchbc.gov.uk\)](#)

in Redditch that houses digital manufacturing and innovation space for SMEs, encouraging collaboration and innovation around the digital manufacturing industry.

### SMART Objectives

The DMIC project will make a vital contribution towards Redditch's recovery from Covid-19. The new DMIC will provide excellent workspaces and digital innovation support for small business and manufacturers, providing access to specialised equipment and facilities. The Innovation Centre is expected to increase the resilience and productivity of the groups that use the new facilities, by increasing innovation but keeping costs low. The new centres will actively support Redditch in addressing the issues listed in the Case for Change.

The objectives of this project are to<sup>21</sup>:

- Provide open access and specialist support to local entrepreneurs and companies, particularly in the manufacturing sector, that want to test and develop 5G-enabled services and applications (provision of a 5G test bed).
- Provide access to a range of high-quality business and innovation services and space to nurture, mentor and facilitate businesses development and growth;
- Provide new businesses, predominantly, but not exclusively, within the manufacturing sector with a range of flexible workshop and office accommodation to enable them to prosper and grow;
- Develop a base of local workforce and young talent equipped with the skills needed in a 21st century digitalised economy;
- Create an investment destination / eco-system that facilitates adoption of digital technologies, particularly in the manufacturing sector

### Measures of success

Beyond the SMART objectives set out above, the measures of success for the DMIC also include:

- Commercial viability – getting firms in and improving survival

## THE PROPOSED INVESTMENT

### Summary of options considered

The different options considered for addressing the current issues around xx, xx and xx as mentioned in the Case for Change, are listed in Table 2. There are three options considered for delivering the DMIC project in Redditch, which are covered in more detail in the Economic Case of this report, and are linked to the spatial extent and pace of development on the site.

**Table 2: Digital Manufacturing and Innovation Centre – potential options**

Option	Description of option	Conclusion
<b>Option 1 – Do Nothing</b>	No intervention is made to address identified issues. The current provision is maintained and no change is seen.	This option has been discounted as it does not achieve the councils aims and objectives
<b>Option 2 – Do Something</b>	The DMIC is delivered, meeting the required outputs and outcomes of the project within an affordable budget	Preferred option – this option will meet the councils aims and objectives
<b>Option 3 – Do Maximum</b>	The DMIC is delivered, with additional investment to take the project beyond the required outputs and outcomes	This option has been discounted as, although it would achieve the aims and objectives of the council, the financial costs associated with this option are too high and the project would not be affordable

Source: Project sponsor

<sup>21</sup> Redditch Borough Council (2021) Town Investment Plan  
TFDP Stage 2 – Business Case Template



The qualitative options appraisal set out above confirmed the identification of Option 2 as the Preferred Option for the development of the DMIC project.

### Project risks, constraints, and interdependencies

The table below sets out the top risks for development of the DMIC in Redditch, identified from the wider risk assessment. Further detail on risk and mitigation can be found in the Management Case of this report.

**Table 3: Project Risks**

Title	Description	Current Controls In Place	Mitigating Action
Construction Cost	Increased construction costs impacting the viability of the project.		Detailed costs produced at the inception stage to be monitored and adjusted throughout. Cost value engineering where appropriate. Discuss with contractors on framework for fixed prices? Contingency.
Construction programme delays	The construction programme is delayed, impacting on the wider programme completion.		Contractor instructed to monitor the progress of development and report any diversion to the project manager at an early stage so that mitigation measure can be put into place.
Procurement of External Advisors including Design, Planning and Cost Teams	Unable to procure external advisors to provide advice on the design and delivery of the project.	NWEDR managing delivery of programme and in house procurement team.	
Environmental	Ground conditions and building surveys highlight issues impacting on demolition and wider public realm works.	Surveys to be commissioned including indicative Demolition Strategy. Ongoing review of the scheme to identify required works.	10% contingency included at the pre-works phase.
Design & Planning	Design work is not progressed at an early stage and not in accordance with planning and statutory requirements.	Work to be procured now funding award confirmed. Ongoing review with the Planning Department to ensure all proposals are acceptable	Time contingency to be included in the programme for the design feasibility stage.
Contractual	Failure to enter into a suitable and secure contractual arrangement with construction partners	Review other project to identify lessons learned on contractual arrangements. If using a framework route then the contractual arrangements are largely known and this would reduce risk.	Legal Department involvement. Instruction of external specialists where necessary.
Relocation of Police service	Existing police station to relocate to new purpose built facility outside of the Town Centre, failure to relocate will impact on delivery and completion of the project within the allocated timelines.	Ongoing communication with RBC Officers and Police with updates on Blue Light Hub progress.	Officers/police to investigate alternative locations for the Police station should Blue Light Hub not be ready.
Procurement of Contractors/ Delivery Agents	Failure to attract sufficient interest from contractors for the scheme development.		Soft market testing exercise to be carried out.
Centre occupier	Failure to procure an operator for the innovation centre because of lack of interest or poor quality of applicants.	A number of contacts have been identified as potential operators with discussions taking place as part of the TIP phase. Early engagement and marketing to promote the centre.	Soft market testing

Source: North Worcestershire Economic Development and Regeneration

### Constraints and interdependencies

At this stage of the project, it is understood that the development of the Innovation Centre is dependant on the following two contingencies. It is not expected that these project dependencies will cause major issue of the progression of the project.

**Table 4: Project constraints and interdependencies**

Title	Description	Date Raised	Category
Relocation of Police service	Existing police station to relocate to new purpose built facility outside of the Town Centre, failure to relocate will impact on delivery and completion of the project within the allocated timelines. This could result in the failure to spend all of the Town's fund funding within the required timeframe.	23/05/2022	Operational
Business Cases Development	The development of the Innovation Centre Business Case is interlinked with the development of Public Realm and Library site development business cases. Therefore any delays on this business case .	23/05/2022	Operational

Source: North Worcestershire Economic Development and Regeneration

### Project proposal

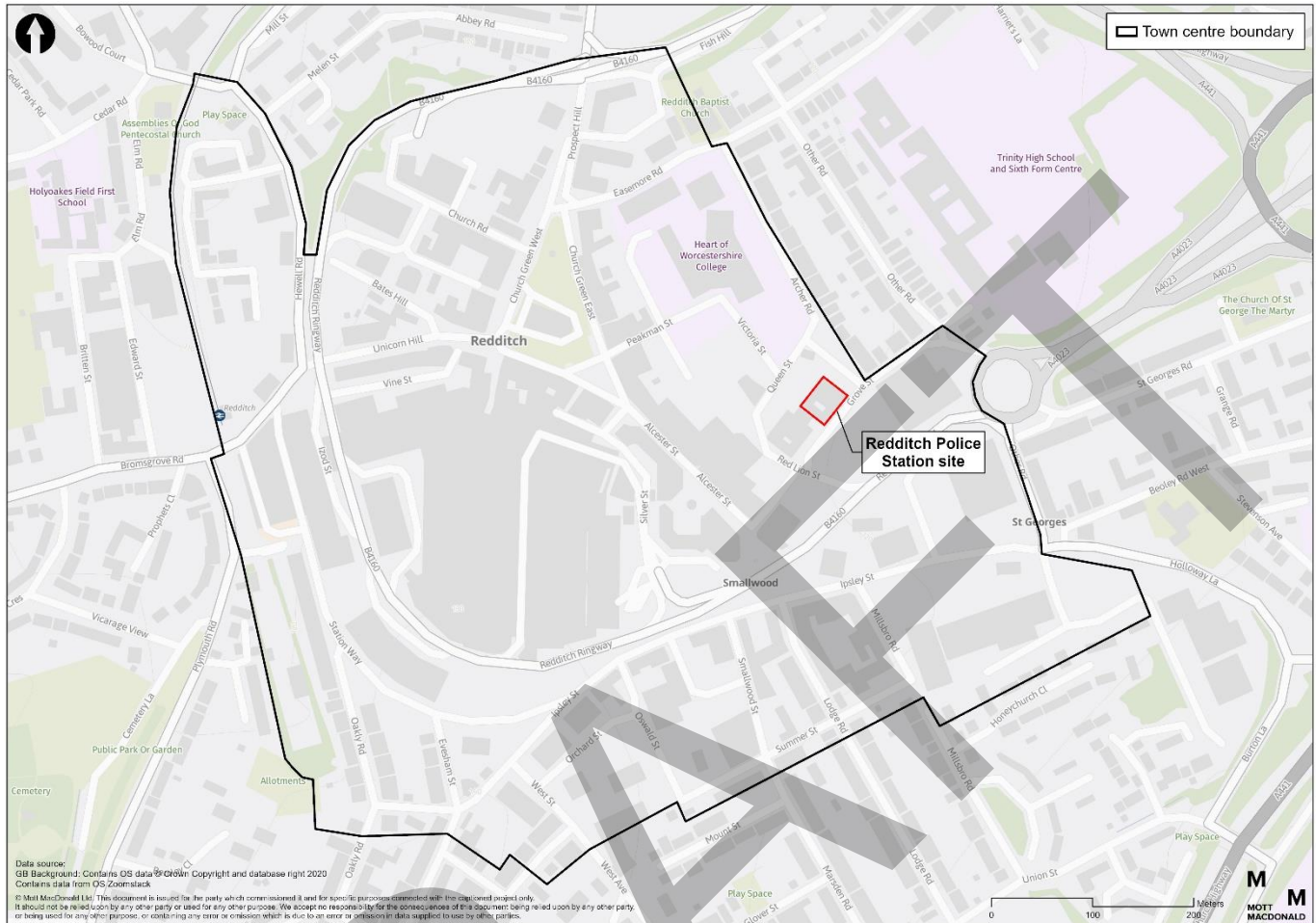
The new DMIC in Redditch will deliver approximately 2,500 sqm of state of the start incubation, innovation, and co-working space for businesses of varying size, but predominantly SMEs. The new facilities and resources will be made available within a new purpose-built structure, creating a new landmark location within Redditch.

In the medium to long term, it is expected that the DMIC will benefit SME's that utilise the new workspace, by increasing their resilience, productivity, and competitiveness through the increased provision of digital innovation support. The Centre will also have a dedicated function to provide necessary digital skills to both young and mature students, ensuring the current and future workforce have the required skillset for the 21s century economy, and encouraging local manufacturers to adopt digital technologies.

The DMIC development is expected to provide the following key outputs:

- Provision of specialist digital technologies to meet the needs of specified sectors, particularly manufacturing and ICT
- Infrastructure to support 5G and full fibre connectivity
- 2,500 sqm of shared workspace
- Two schemes to support enterprise productivity and growth
- Seven grant programmes to support local SMEs or employers in key sectors

The new DMIC will be constructed on the Redditch Police Station Site, replacing Redditch Police Station once demolished. The location of the site in the context of Redditch Town Centre is illustrated below in Figure 3.

**Figure 3: Location of the DMIC site in Redditch Town Centre**

The total scheme costs are expected to be £xx, with CAPEX of £xx and OPEX of £xx. The Towns Fund ask for this scheme is £8 million, which covers all costs of the DMIC.

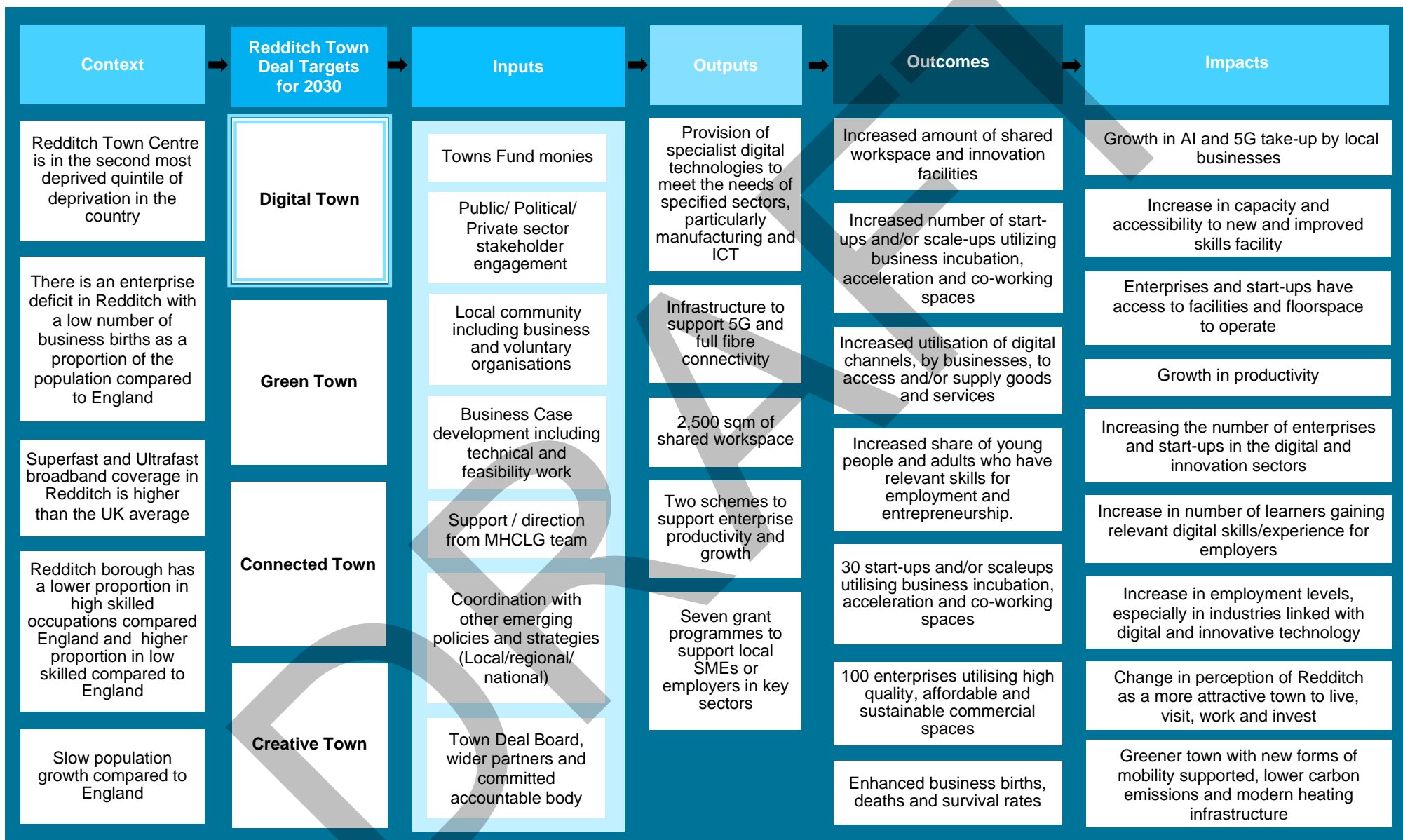
[how project addresses objectives and vision]

### Project theory of change

A detailed depiction of how the chosen option will help to achieve the objectives of the DMIC project, and link with the wider vision and objectives of the Redditch TIP alongside other broader policy objectives, is set out in the project theory of change model below.

Following Magenta Book best practice the Theory of Change sets out the contextual challenges faced by Redditch, such as the presence in an enterprise deficit and slow population growth. The required inputs set out the specific items required for delivery of the scheme including funding, stakeholder support and technical expertise. Outputs describe clearly how the Towns Fund money will be spent and the tangible deliverables of the project within the scope of the DMIC project. Those outputs will then deliver outcomes which are the measurable results expected to arise from completion of the Innovation Centre. This focus on supplying modern business incubation and co-working space in Redditch will support the upskilling of local residents in technology areas, foster an increased rate of business births in Redditch and improve R&D and innovation in the manufacturing sector.

**Figure 4: DMIC Theory of Change**



Source: Mott MacDonald

### Expected outputs and outcomes

There are several key outputs and outcomes expected to be delivered via the successful completion of the Redditch Digital Manufacturing and Innovation Centre. The outputs of the project are designed to yield desired outcomes for the community of Redditch, that will actively contribute to the correction of issues prevalent in the local area, highlighted in the Case for Change.

The outputs and outcomes of the DMIC are detailed in table xx below.

**Table 5: Outputs and outcomes of the DMIC project**

Outputs	Outcomes
<ul style="list-style-type: none"> <li>• Provision of specialist digital technologies to meet the needs of specified sectors, particularly manufacturing and ICT</li> <li>• Infrastructure to support 5G and full fibre connectivity</li> <li>• 2,500 sqm of shared workspace</li> <li>• Two schemes to support enterprise productivity and growth</li> <li>• Seven grant programmes to support local SMEs or employers in key sectors</li> <li>• </li> </ul>	<ul style="list-style-type: none"> <li>• Increased amount of shared workspace and innovation facilities</li> <li>• Increased number of start-ups and/or scale-ups utilizing business incubation, acceleration and co-working spaces</li> <li>• Increased utilisation of digital channels, by businesses, to access and/or supply goods and services</li> <li>• Increased share of young people and adults who have relevant skills for employment and entrepreneurship.</li> <li>• 30 start-ups and/or scaleups utilising business incubation, acceleration and co-working spaces</li> <li>• 100 enterprises utilising high quality, affordable and sustainable commercial spaces</li> <li>• Enhanced business births, deaths and survival rates</li> </ul>

Source: Project team

### Expected different impacts on protected characteristics and/or income groups

At the time of writing a full equality impact assessment for the impact on those with protected characteristics has not been completed. This will be completed during the detailed design stage.

### STAKEHOLDERS

[list of key stakeholders and their role or interest in the project]

[summary of engagement to date and evidence gathered]

[summary of stakeholder viewpoint of the project and how it has influenced the strategic case]



# ECONOMIC CASE

## PRACTICE NOTES

The Economic Case determines the value for money of the investment. It should include an analysis of monetised benefits and costs, as well as non-monetised benefits. The benefits and costs assessed should be aligned to the objectives set out for the project in the Strategic Case. It is important that Economic and Strategic Cases are closely aligned.

As noted in the MHCLG Stage 2 guidance “Net present social value and benefit-cost ratios should not be treated as a full representation of value for money. Rather, they should be used to summarise the benefits and costs that can be readily monetised or quantified. There may be wider strategic or social value to an intervention which may not be easily assimilated into calculations.”

The level of modelling should be proportionate to the funding ask and size of the scheme.

Towns should decide how to treat Covid-19 impacts. We recommend this is factored into the projections of benefits either in a core scenario or as a sensitivity test. Additional resources to help you consider the impact of Covid-19 are available on the TFDP website.

# ECONOMIC CASE

## [summary of Economic Case]

### INTRODUCTION

The Economic Case will demonstrate the public value for money of the preferred options to society. This is demonstrated through a Value for Money (VfM) assessment of the preferred option.

### APPROACH TO ECONOMIC CASE

[options and scenarios considered (must at least comparison of do minimum and do something), modelling years, modelling approach, use of relevant guidance, reference to latest Green Book]

The approach to the economic case is based on a combination of quantitative and qualitative analysis, designed to reflect the emerging proposal for the Digital Manufacturing and Innovation Centre in Redditch. The quantitative assessment focusses on capturing spillover, land value uplift (LVU) and business survival benefits, using a Cost-Benefit model produced by Mott MacDonald. This approach has been used as the benefits captured through this model reflect the core impacts of the project and can be reliably quantified at this stage of project development.

Additional benefits are captured qualitatively. The project costs and benefits have been appraised over a 30-year appraisal period and are presented in 2022 prices, discounted at a standard rate of 3.5% in line with HM Treasury Green Book guidance.

### Options Appraisal

As stated in 'The proposed investment' section of the Strategic Case, three options were considered for the development of the DMIC in Redditch. These are once more identified in Table 6 below, along with the conclusion made when considering their feasibility and viability.

**Table 6: Digital Manufacturing and Innovation Centre – potential options**

Option	Description of option	Conclusion
Option 1 – Do Nothing	No intervention is made to address identified issues. The current provision is maintained, and no change is seen.	This option has been discounted as it does not achieve the councils aims and objectives
Option 2 – Do Something	The DMIC is delivered, meeting the required outputs and outcomes of the project within an affordable budget	Preferred option – this option will meet the councils aims and objectives
Option 3 – Do Maximum	The DMIC is delivered, with additional investment to take the project beyond the required outputs and outcomes	This option has been discounted as, although it would achieve the aims and objectives of the council, the financial costs associated with this option are too high and the project would not be affordable

Source: Project team

The qualitative options appraisal set out above confirmed the identification of Option 2 as the Preferred Option for the development of the DMIC project.

### ECONOMIC BENEFITS

[types of benefits identified and why, geographical scale of benefits (including the latest **place-based approach** recommended in the Green Book which includes consideration of local employment impacts]

[how benefits estimated link to theory of change and strategic case]

[how benefits have been monetised]

[relevant modelling results (e.g. demand forecasts for a walking or cycling scheme, number of visitors to a new cultural centre)]

[presentation of annual undiscounted benefits (real terms)]

[consideration of additionality, deadweight and displacement of benefits and double counting]

Example benefits to consider are set out below:

Towns Fund investment theme	Key benefits	Wider social and economic benefits (note adding all benefits may lead to double counting)	Key guidance to model and monetise benefits
<b>Local transport</b>	<ul style="list-style-type: none"> <li>User benefits (time savings, cost savings)</li> <li>Reduction in accidents</li> <li>Environmental benefits</li> <li>Amenity benefits</li> </ul>	<ul style="list-style-type: none"> <li>Health benefits (from increased physical activity and improved air quality)</li> <li>Productivity benefits (e.g. agglomeration)</li> <li>Employment impacts</li> <li>Attraction of investment</li> <li>Social inclusion</li> </ul>	DfT's Transport Appraisal Guidance (TAG)
<b>Digital connectivity</b>	<ul style="list-style-type: none"> <li>User benefits</li> </ul>	<ul style="list-style-type: none"> <li>Productivity benefits for businesses which experience higher efficiencies</li> <li>Attraction of investment</li> <li>Social benefits from improved access to communication</li> </ul>	
<b>Urban regeneration, planning and land use</b>	<ul style="list-style-type: none"> <li>Land value uplift</li> </ul>	<ul style="list-style-type: none"> <li>Increases in local employment and GVA</li> <li>Community cohesion</li> <li>Health benefits from increased active travel or use of new public / green spaces</li> <li>Social benefits (e.g. improved personal security)</li> </ul>	MHCLG guidance
<b>Arts, culture, and heritage</b>	<ul style="list-style-type: none"> <li>Increased retail revenue from increased footfall</li> <li>Amenity benefits</li> </ul>	<ul style="list-style-type: none"> <li>Social benefits from improved access to culture</li> <li>Increases in local employment and GVA</li> <li>Community cohesion</li> </ul>	
<b>Skills infrastructure</b>	<ul style="list-style-type: none"> <li>Land value uplift</li> </ul>	<ul style="list-style-type: none"> <li>Increased employment and income</li> <li>Attraction of businesses interested in the skills offered by the new infrastructure</li> </ul>	MHCLG guidance
<b>Enterprise infrastructure</b>	<ul style="list-style-type: none"> <li>Land value uplift</li> </ul>	<ul style="list-style-type: none"> <li>Increased employment and income</li> <li>Attraction of more businesses in the long term</li> </ul>	MHCLG guidance

[consideration of distribution of impacts for instance in the form of a distributional appraisal – this can provide evidence for supporting the levelling up agenda]

### Cost-Benefit Analysis Model

The rationale for the development of the DMIC is to provide a business environment which will support both new enterprises and existing businesses who are looking to improve their productivity through investing in new research and development.

As a result, there are two key scheme economic benefits that are crucial in understanding the case for the Innovation Centre. These are:

- **Research Spill overs:** There is a body of evidence which shows that investing in Research and Development (R&D) does not just benefit the company which undertakes this but can spill over



into the wider economy through introducing new ideas and solutions which drive productivity gains.

- **Business Survival:** The modern co-working workspace and capacity for innovation and research provided by the centre will allow new businesses to start up in a highly supportive environment surrounded by other companies in a similar position. This has been shown to improve the odds of a business surviving their first five years and becoming established in the market.

### **Spillovers**

Research and development benefit a considerably wider range of companies than just the company which invested in the R&D in the first place. For example, developing an improved printer not only benefits the company who produces it through better sales, but also benefits all the companies who buy it through an improved printing capability. As the initial company cannot capture all of the benefit associated with R&D, this can lead to under-investment, especially in smaller and more risk averse companies. As a result, there is a clear rationale for government to intervene to support R&D based on the wider benefit it can generate.

Research has been undertaken into the level of wider economic benefits that can be delivered from R&D spend. A study<sup>1</sup> by the UK government reviewed the economic literature available on spillover benefits and found that the range of benefits estimated was between 20% and 100% of the R&D spend. The study found that the midpoint in the literature was 50%.

The spillover benefits for the DMIC have been calculated based on the companies using all floors of the building, as R&D space is expected to be evenly spread across all floors of the facility.

The 1<sup>st</sup> Floor will have xx shared desks and xx private office spaces. The 2<sup>nd</sup> Floor will have xx shared desks and xx private office spaces. The 3<sup>rd</sup> Floor will have xx shared desks and xx private office spaces. In order to simplify the calculation, it is assumed that all desks will be occupied 100% of the time. The hot desks will allow for an occupancy rate of greater than 100%, however equally there will be times when not all the desks are required. As a result, on average, it has been assumed that 100% occupancy will be achieved. The Office for National Statistics (ONS) estimates that the average start-up employs 2.2 FTEs<sup>2</sup> meaning that the xx desks should provide space for between xx and xx start-ups. Assuming 1 company per office, this gives an assumed total of xx companies employing a total of xx FTE staff operating at any time on the xx Floor. Based on ONS estimates for turnover per staff for new companies it is estimated that these xx companies will generate a total turnover per annum of £xxm.

If all of these companies were involved in R&D spend this would suggest an annual spillover benefit of £xxm. However, this is likely to be an over-estimate. A number of key assumptions have been made to arrive at the likely spillover benefit associated with the centre. These are:

1. Occupancy: It is assumed that on average occupancy rates are 85% meaning on average 13 companies use the space at any one time
2. R&D involvement: It is assumed that around 50% of all activity being undertaken in the centre is R&D focussed. This was chosen as a conservative assumption given the innovation focus of the centre.
3. Displacement: It is assumed that 35% of this activity will displace other research activity occurring in other locations. This is based on the assumption that the majority of the research in this centre will focus on new market areas and therefore will not displace significant amounts of existing research.
4. Additionality: It is assumed that 25% of this activity would have gone ahead without the development of the centre. This is based on the assumption of a clear market failure in supporting innovative companies meaning that little of this research would go ahead in the absence of the centre.

As a result of these assumptions, it is assumed that total deadweight is 76%. This means that 24% of total turnover is assumed to be associated with new R&D spend which can be directly attributed to the development of the centre. This resulted in an average spillover benefit of £xxm. This represents the

economic value of this research to companies other than the company undertaking the research. The value of the centre to the company itself is the improved chances of survival (which is considered below). It should also be noted that this value represents the value to society rather than simply additional turnover to other companies (though much of this value is likely to be in the form of Gross Value Added to these companies). This approach has been taken to ensure that there is no overlap between the two benefits.

The total Net Present Benefit (NPB) of this spillover benefit is estimated to be £xxm.

### **Firm Survival**

The first five years for a new business can be highly challenging and many are forced to close within these years. Research<sup>3</sup> suggests that innovation centres can help reduce the rate of business demise, by providing a more supportive environment as well as providing easier access to technology (such as the maker space).

This research paper shows that the probability of a business surviving 5 years inside an innovation centre is 69%. This compares to a 44% survival rate for all new UK businesses. Using these figures, and the 85% occupancy assumption, it is calculated that a total of x firms will pass through the 1<sup>st</sup> floor offices over 20 years. This assumes new firms entering as either a successful firm finds larger offices (after 5 years) or fails and leaves the office early. Within the innovation centre it is estimated that between 12 and 13 of these will fail, compared to 19 to 20 if they had not been in the innovation centre. Therefore, it was estimated that xx firms would continue to exist as a result of the innovation hub over a 20 year period.

The benefit of these 7.5 firms existing is estimated based on the profit that these companies produce. This is an approach developed by the EU as part of its CBA guidance<sup>4</sup>, and is based on the assumption that whilst the workers will find other jobs, the profit of this company is lost to the economy. Average profitability was estimated using ONS figures on average turnover for new companies as well as the average operating surplus for information and communication companies. This gave an estimated average profit for each company of £79,440 per annum.

On this basis it was estimated that the NPB of this was therefore £0.47m.

### **ECONOMIC COSTS**

[explanation of how costs have been obtained and whether a risk assessment has been undertaken]

[capital costs, including renewal costs if relevant (real terms)]

[operating costs]

[approach to optimism bias]

The costs for the development of the DMIC have been forecasted by Mott MacDonald's quantity surveying team, and at this point of scheme development are the most accurate cost estimates available. This section will cover the method used by Mott MacDonald in converting the cashflow forecast into the net economic costs used in the economic analysis and value for money calculations.

Table xx sets out the economic costs for the core scenario, undiscounted in 2022/23 prices. This includes all public and private sector funding for the project. A 10% risk allowance has also been included in the economic costs of the project and been apportioned across each year of development in line with CAPEX and OPEX phasing.

**Table xx: Core scenario economic costs (undiscounted, excluding optimism bias)**

The discounted costs for the Core Scenario are detailed below in Table xx. In line with HMT Green Book 2020 guidance, value have been discounted at a rate of 3.5% per annum. An optimism bias has also been applied to the final sum of Capex and OPEX for the DMIC.

An optimism bias of 24% has been applied for this scheme, as this is the upper bound for standard building projects, and reflects the early stage of cost forecasting that the DMIC project is at. There is scope for the optimism bias to be reduced upon completion of the detailed design stage of the project.

**Table xx: Core scenario economic costs (discounted, including optimism bias)**

## VALUE FOR MONEY ASSESSMENT

There are two key metrics set out in the MHCLG appraisal guidance that can be used to assess VfM: the calculation of BCRs, which simply show the ratio of benefits to costs; and the NPSV, which represents the present value of benefits less the present value of costs. A BCR of above 1 and a positive NPSV indicates that the intervention option under consideration represents good VfM. The higher the BCR, the higher the overall VfM (not taking into account non-monetised costs and benefits)

The VfM assessment for this project is based on a 30 year appraisal period. In line with HMT Green Book 2020 guidance, values have been discounted at a rate of 3.5% per annum. The price base year is 2022/23. The results of the VfM assessment for the overall project for the Core Scenario is outlined in Table x below. The VfM assessment for the DMIC core scernio shows a BCR of xx. This demoinstates xx value for money, xx above a BCR of 1, and a NPSV of xx million.

[choice of appraisal period, approach to discounting, sensitivity tests]

[impact of Covid-19 on results, other sensitivity tests]

[example optional table below]

Value for money assessment (£m, discounted, 2021 prices)		Core scenario	Sensitivity test 1	Sensitivity test 2
<b>Economic benefits</b>				
Benefit 1		£XXXm	£XXXm	£XXXm
Benefit 2		£XXXm	£XXXm	£XXXm
...		£XXXm	£XXXm	£XXXm
Total economic benefits	(A)			
<b>Economic costs</b>				
Towns Fund cost/funding	(B)	£XXXm	£XXXm	£XXXm
Co-funding	(C)	£XXXm	£XXXm	£XXXm
Total public sector funding	(D) = (B) + (C)	£XXXm	£XXXm	£XXXm
Private sector funding	(E)			
Total economic costs	(D) + (E)			
<b>Benefit-Cost Ratio (BCR)</b>	<b>(A) – (E) / (D)</b>	<b>X.X</b>	<b>X.X</b>	<b>X.X</b>

From Green Book (2020) guidance (p. 40): When considering proposals from a UK perspective the relevant values are viewed from the perspective of UK society as a whole. Where appraising a place based policy or a UK wide proposal with place based effects the relevant values include effects in the place of interest and similar nearby travel to work areas. The relevant costs and benefits which may arise from an intervention should be valued and included in Social CBA unless it is not proportionate to do so. The priority costs and benefits to quantify are those likely to be decisive in determining the differences between alternative options. The appraisal of social value involves the calculation of Net Present Social Value (NPSV) and Benefits Cost Ratios (BCRs) the ratio of benefits to costs.

## QUALIATIVE BENEFITS

In addition to the quantified benefits identified in the previous section the completion of the DMIC project is expected to bring further qualitative benefits. These are detailed in the table below.

**Table 7: Qualitative Benefits**

Impact type	Description	Assessed impact size
Education	The Centre will also have a dedicated function to provide necessary digital skills to the residents of Redditch, ensuring the current and future workforce have the required skillset for the 21st century economy, and encouraging local manufacturers to adopt digital technologies. <i>The Department for Education – The economic value of key intermediate qualifications</i> study (and many other UK studies) estimates that there are profound benefits of education attainment including through increased wage premiums. Educational attainment also has benefit for the businesses in an area through increased productivity.	Medium
Improved perception of Redditch	The DMIC project will improve the perception of Redditch as a place to live and work. Demolition of the dated police station and construction of a modern innovation centre will improve the visual appeal of the town centre, especially from the south east entrance. This will demonstrate the commitment of the local authority to transform Redditch town centre for the benefit of residents and visitors.	Medium
Knock on effects of increased economic activity in the long term	The upskilling and education of adults, especially in deprived communities in Redditch, will improve employability and lead to increased employment in the long term. This in turn will lead to increased take-home pay for previously lower-income families and residents, facilitating an increase in spending in the local economy. This will have positive impacts for third party businesses in the area such as café's, restaurants, high street shops retail shops and leisure providers who benefit first hand from the increase in spending.	Low
Improving population retention	A knock-on effect of improving Redditch as a place for business and creating a more diverse town centre offer will be to improve population retention of younger people and skilled workers. The Strategic case highlighted the challenged facing Redditch with stakeholder stating that the young population are leaving the area due to a lack of opportunity. In addition, population growth in Redditch Town has been significantly lower than the county, regional and country comparators from 2011 to 2019. Increasing the opportunities within Redditch will therefore be important to reverse this trend, the DMIC will be a significant factors in creating these new opportunities.	Medium

Source: Mott MacDonald

## SUMMARY

[summary of preferred option for investment]

# FINANCIAL CASE

## PRACTICE NOTES

The Financial Case assesses the affordability of the investment, identifying cost, revenue, and funding sources.

Note the level of detail should be proportionate to the size of the project.

If you are developing a programme case, each project should have its own financial profile within this section.

# FINANCIAL CASE

## [summary of Financial Case]

### INTRODUCTION

[intro to Financial Case]

[state the preferred base case option, based on the appraisal set out in the Strategic and Economic Cases]

Based on the appraisal set out in the strategic and economic cases, this section sets out the key financial considerations for the preferred option for the development of the DMIC in Redditch with Towns Fund funding. The case sets out how the project will be funded, the total costs of the project over its implementation in the current financial year to x, the sources of funding and the profile of funding over the delivery period.

This is detailed through financial costs, revenue streams and assessments of affordability for the intervention. This business case is seeking £8m Towns Fund grant funding to deliver the £10m project.

### APPROACH TO FINANCIAL CASE

[funding options considered, principles of funding, inflation considered, other financial modelling assumptions]

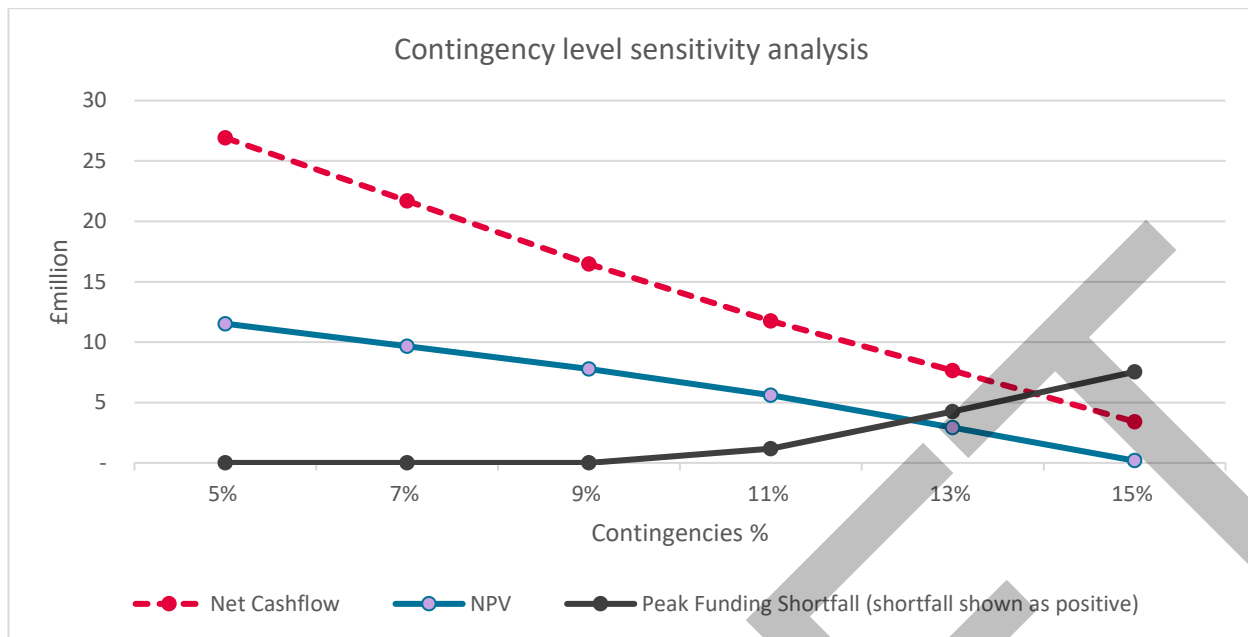
[include amounts and sources of these funds and state whether match funding / co-funding from the public and/or private sector is being used in addition to Towns Fund funding]

Type	Source	Total Amount
Public sector	Towns Fund	£XXm
E.g. Private sector	XYZ Limited	£XXm
E.g. Public sector	Council	£XXm
...		

### COSTS

[how costs have been obtained and how robust they are - list out key assumptions such as the base financial year where development costs will be incurred, indexation rates, discount rates, etc.]

[whether / how risk has been factored into costs – include any summary variances from undertaking any sensitivity analysis performed and comparison to scenarios which include contingencies. This can be presented as a table and/or graph – an example has been set out below for further reference]



[capital costs (nominal terms), total and annual profile]

[operating costs (nominal terms) on an annual basis]

[consider the inclusion of a “sources and uses” table which sets out the assumed costs and income streams, an example table has been set out below]

Sources	Value	Uses	Value
Towns Fund	£xm	Operating Costs and Management Fees	£(x)m
Public sector co-funding	£xm	Development Costs	£(x)m
Private sector co-funding	£xm	PWLB Interest Paid	£(x)m
Revenue	£xm	PWLB Loan Repayment	£(x)m
PWLB Drawdown for capital costs (if applicable)	£xm	...	
...	£xm	Total Uses	£(X)m
	£xm	Retained Cash Balance	£(x)m
<b>Total Sources</b>	<b>£Xm</b>	<b>Total Uses less Retained Cash Balance</b>	<b>£(X)m</b>

## FUNDING AND REVENUES

[revenues from scheme]

[how funding options were identified and how secure they are – use evidence and update the funding amounts as set out in the TIP2 document]

[funding streams including a financial profile and sources, and with a clear presentation on match-funding revenue streams]

[if borrowing has been drawdown, provide an indicative timeline for when the funds are expected to be repaid in full]

Funding Profile	20/21	21/22	22/23	23/24	24/25	25/26	Total
Value	£m	£m	£m	£m	£m	£m	£m
Towns Fund							
E.g. XYZ Limited							
E.g. Council							
<b>Total Funding</b>							

DRAFT



**AFFORDABILITY ASSESSMENT**

[assessment of affordability – include general financial metrics, such as net cash flow, net present value, internal rate of return and breakeven analysis as a way of assessing affordability. Sector specific metrics could be used to link the Financial Case to the Commercial Case]

[include the stakeholders – such as senior project leaders, funders, businesses, public and decision makers – that support the project and its continuing viability.]

[financial risks – this includes funding risk, interest risk and indexation risk]

**WIDER FINANCIAL IMPLICATIONS**

[does the project's financial objectives meet the Council financial objectives as set out in the (if any) Local Plans and MTFS criteria. By undertaking the project, this may change the risk profile of the Council / Local Authority associated with the project]

[accounting Treatment and Impacts (where relevant) – obtain accurate definitions of capital and revenue items. This can contribute towards detailed and reliable financial analysis of the project.]

# COMMERCIAL CASE

## PRACTICE NOTES

The Commercial Case assesses the commercial viability of the investment.

Note the level of detail should be proportionate to the size of the project.

# COMMERCIAL CASE

## [summary of Commercial Case]

### INTRODUCTION

[intro to Commercial case, explaining the purpose of this section]

[set out the commercial objectives and constraints for agreements and procurements]

### COMMERCIAL DELIVERABILITY

[identification of potential commercial options and select/summarise the proposed commercial/delivery model with supporting rationale, with reference to the existing commercial strategy of the organisation where feasible]

[evidence of market testing or that there is a market to deliver the project]

[outline the key contractual arrangements, including personnel implications and charging/payment mechanisms]

[who will deliver the project/investment - role and responsibilities of the contracting parties, demonstrating the appropriate skills and capabilities are in place to deliver]

[treatment of risks, transfer proposals and, if applicable, conflicts of interests and how these will be managed]

[retained risk flows through to the management case to set out the mitigation measures]

### PROCUREMENT STRATEGY

[identification of the main components of the projects that will need to be procured and assessment of procurement options for each and identification of a preferred procurement route, including any packaging, interdependencies and so forth]

[summarise procurement process, including key milestones, assurance, and approvals]

[summarise any existing and proposed policies that will apply and be embedded into the procurement strategy, for example:

- social value e.g. jobs, supporting the local economy
- sustainability, ethical sourcing, supporting net zero
- innovation and deployment of modern methods of construction]

### WIDER CONSIDERATIONS

[other considerations if applicable]

DN – Currently being worked on offline.

Awaiting information on:

- Preferred contracting route for construction of DMIC (Ostap)
- Contracting approach for support partner (SQW)

# MANAGEMENT CASE

## PRACTICE NOTES

The Management Case assesses the deliverability of the investment, identifying timescales and project responsibilities.

The questions set out below are intended to help you to think through a number of aspects which will help to ensure your project is successful. Whilst this may look quite detailed compared to some of the other cases, it will be important for you to think through each of these elements so you can be in the best place possible as you look ahead to project initiation and project delivery.

The management case should build on the delivery plan outlined in the TIP for this specific project.

From a stakeholder engagement perspective, it's important to identify the key stakeholders and include a strategy and plan laying out a programme of stakeholder engagement activities that will help deliver the project.

Note the level of detail should be proportionate to the size of the project.

# MANAGEMENT CASE

## [summary of Management Case]

### **INTRODUCTION**

[intro to the management case]

[approach to deliverability]

[rationale supported by evidence of application on similar projects]

### **PROJECT ORGANISATION AND GOVERNANCE**

[details of participants with reference to TIP and roles, accountabilities, and responsibilities]

[details of the project delivery organisation functions, key roles, capability, competences – including resourcing strategy (internal/external)]

[details of governance arrangements for oversight and approvals and delegated authorities]

### **ASSURANCE**

[summary of approach to assurance including application of 3 lines model]

[summary of assurance plans including timing of key reviews and links to decision points]

[submission of an integrated approvals and assurance plan]

### **SCOPE MANAGEMENT**

[summary of the scope of the project and its key elements]

[approach to specifying, approving, and managing requirements]

[summary of interfaces with third parties and management approach]

[summary approach to solution development, confirmation management, acceptance]

### **PROGRAMME/SCHEDULE MANAGEMENT**

[summary structure of programme and principal stages and workstreams]

[summary timescales and explain if project is being fast-tracked]

[details of dependent and interdependencies with rest of TIP and non-TIP projects]

[summary of key milestones including key decision points, assurance, consents, approvals]

[summary of critical/near critical paths and/or higher risk workstreams/activities]

[summary of schedule hierarchy and tools and include high level pictorial summary]

[summary of constraints, assumptions, and basis for programme rates/durations]

[details of most likely forecast completion date within stated range]

[summary of risks and issues likely to affect implementation and delivery performance]

### **RISK AND OPPORTUNITIES MANAGEMENT**

[summary of risk management strategy reflecting organisation, financial and commercial case and covering identification, classification, quantification, mitigation]

[summary of processes and tools including whether qualitative and quantitative assessments are proposed]

[summary of risk themes and key risks and mitigations]

[summary of approach to issue management if separate from risk management]

[if applicable, summary of retained risks and mitigation/management plans]

[summary of approach to opportunities management and realisation]

[assessment of opportunities to gain from industry productivity initiatives]

## **PROJECT MANAGEMENT**

[summary of proposed project management approach/methodology]

[statement describing intent to apply existing or need to develop new processes]

[summary of key processes for controlling scope, programme, cost, risk, HSE (health safety and environment), assurance and reporting]

[summary of processes for managing key interfaces, consents, and compliance]

[summary of approach to information management]

[details for managing change linked to organisation, governance and delegated authorities]

[arrangements for managing professional service contracts and third-party agreements]

## **STAKEHOLDER ENGAGEMENT**

[summary of key stakeholders and their interests and power to influence delivery]

[summary of strategy(s) to engage through development, delivery, and operations]

[summary of approach to communications with stakeholders including the public]

## **BENEFITS, MONITORING AND EVALUATION**

[summary/cross reference to the benefits register covering development/delivery/operations]

[approach to developing a benefits realization plan and its approval]

[arrangements for tracking and reporting benefits through development/delivery]

[high level strategy for monitoring and evaluating benefits realization]

**DN – Will be based on Management case being constructed for Library business case.**

Awaiting information on:

- Roles and responsibilities within the DMIC (SQW)

Once Heads of Terms have been agreed, towns are required to develop business cases for each project and submit a Summary Document to Ministry of Housing, Communities and Local Government (MHCLG). MHCLG will need to review and be satisfied with the Summary Document before funding can be released.

The **Summary Document is mandatory**, even if you do not use the TFDP business case template.

## SUMMARY DOCUMENT

### Towns Fund Stage 2 Business case guidance Annex C: Summary Document template

Towns must:

- Submit a completed Summary Document for each project to Ministry of Housing, Communities and Local Government (MHCLG) as soon as they are ready and within 12 months of agreed Heads of Terms.
- **Where towns require funding in 2021/22** then Summary Documents **must** be submitted to MHCLG by 14 January 2022.
- Note that in the event of late submission of Summary Documents (SD), MHCLG cannot guarantee payment. If there is a risk of late submission, towns should promptly liaise with their MHCLG local leads.
- **With the first Summary Document, include** Part 2: Town Investment Plan (TIP) conditions (where applicable).

Please note: MHCLG will use the financial profile (Annex A-1) submitted previously to make any payment.

### Programme-level update

Where not submitted today, the remaining Summary Documents submission timings.

Project name	Month/Year
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

## **Part 1: Project Summary Document**

Towns should complete this for each project.

Summary Document table	
<b>1. Project name:</b>	
<b>2. Heads of Terms project conditions</b>	
<ul style="list-style-type: none"> <li>– Actions taken to address any conditions attached to the project in the Heads of Terms, where applicable.</li> <li>– Where the condition was to provide a delivery plan please input in the section below (no.9) and/or attach to this document.</li> </ul>	
<b>3. Business case appraisal</b>	
Provide details of how the business case has been appraised including:	
<ul style="list-style-type: none"> <li>– business case type</li> <li>– any internal or external assurances</li> </ul>	
<b>4. MHCLG capital (CDEL) 5% payment</b>	
Main activities, if applicable:	
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> <li>•</li> <li>•</li> </ul>	
<b>5. Quantified benefit-cost ratio/value for money (e.g. Benefit Cost Ratio or Net Present Social Value)</b>	
A quantified benefit-cost ratio should be provided. If it has not been generated, a summary of evidence used by the S151 Officer to demonstrate value for money should be stated.	
<b>6. Deliverability</b>	
Will this project still be delivered within the Towns Fund timeframe? (Y/N)	



**7. Delivery plan**

Including details of:

- timescales and key milestones
- partnerships
- interdependencies
- risks and mitigation measures (if not provided above).

**8. Town Deal Board Chair name & signature**

Name of the Town Deal Board:

Chair's name and signature:

Date:

**9. By signing, I agree that:**

1. The business case, in a proportionate manner, is Green Book compliant.
2. The 5% early capital (CDEL) has been included in the Town Fund project costs across the programme.
3. This project and expenditure represent value for money, including the 5% early capital (CDEL) provided.
4. Project-level Equality Impact Assessments such as Public Sector Equalities Duty and/or Environmental Impact Assessments have been undertaken.
5. For final submission - programme-level Public Sector Equality Duty assessment has been undertaken by the accountable body.

**Name of the lead Local Authority and signature of the Chief Executive Officer or S151 Officer**

Name of the lead Local Authority:

Job title:

Name and signature:

Date:

## **Part 2: Town Investment Plan (TIP) conditions**

Towns are **only** required to submit this with the **first batch** of Summary Document if any TIP conditions are listed in the Heads of Terms. All TIP conditions must be met **before funding can be released**.

TIP conditions table	
<b>1. TIP improvement condition</b>	Set out TIP improvement conditions as agreed in Heads of Terms
<b>2. Evidence</b>	Provide evidence of how conditions have been addressed
<b>3. Name of the Town Deal Board Chair &amp; signature</b>	
Name of the Town Deal Board:	
Chair's name and signature:	
Date:	
<b>4. Lead Local Authority's name &amp; signature of the Chief Executive Officer or S151 Officer.</b>	
Name of the lead Local Authority:	
Job title:	
Name and signature:	
Date:	

**Annex: submission checklist**

Use this as guidance when submitting the Summary Documents.

Items	Checked	Qty
<b>first submission</b>		
1. Programme-level update	<input type="checkbox"/>	
2. Part 1: Project Summary Document	<input type="checkbox"/>	
3. Part 2: Town Investment Plan (TIP) conditions	<input type="checkbox"/>	
4. Final Monitoring & Evaluation (M&E) plan	<input type="checkbox"/>	
5. Any other documents	<input type="checkbox"/>	
<b>all other submissions</b>		
1. Programme-level update	<input type="checkbox"/>	
2. Part 1: Project Summary Document table	<input type="checkbox"/>	
3. Final M&E plan	<input type="checkbox"/>	
4. Any other documents	<input type="checkbox"/>	

# PROPORTIONALITY GUIDE

**You should consider the following questions and prompts to help guide the level of detail required for your business case. Ultimately, this is a question for your local assurance processes and your Town Deal Board.**

## GENERAL CONSIDERATIONS

Key questions to consider the level of detail and effort required for your business case as a whole include:

- Is your project large (smaller projects – e.g. <£1m – require less detail compared to larger projects – e.g. projects over £25m)?
- Is the project of regional or national significance?
- Is it a complex or innovative project?
- Is this the first time you have delivered a project of this kind?

If you answer ‘Yes’ to one or more of these questions, you will need to produce a more detailed business case.

**Ultimately, you should follow any guidance on the level of detail required for business cases based on your local assurance processes.**

For each of the five cases below, we set out key questions and considerations to help you gauge the level of detail required for your business case.

At the end of this document, you can use the [Proportionality Tool](#) to assess where each business case falls on the scale of these key questions, which should help you understand the level of detail required for your business case.

## STRATEGIC CASE

Key questions to consider the level of detail and effort required for your Strategic Case include:

- Is the project a key enabler for other projects or programmes? Is it part of a set of projects to achieve more transformational change?
- Is there a complex stakeholder or policy challenge which requires further evidence or articulation of wider strategic alignment?
- Does the project or its theory of change have any dependencies on other projects or activities?

## ECONOMIC CASE

Key questions to consider the level of detail and effort required for your Economic Case include:

- Is the project in any way high risk or/and new and novel? Are the benefits of this type of project well understood and is there evidence that they are likely to be achieved?
- Is the “Do something” well-articulated – or does it need further refinement? Are the scenarios easily defined?

- What is the level of certainty around the costs and benefits? Is the BCR or NPV calculation particularly sensitive to any of the variables or assumptions?
- Is there any interrelationship or complexity between costs, benefits etc.? For instance, prices or costs impacting on demand?
- Are the costs and benefits dependent on the commercial or financial deal?
- Are there any significant dis-benefits?
- Is the case dependent on significant benefits which are difficult to monetise?
- Is the project likely to have a different impact on different groups (e.g. age, income)?

## FINANCIAL CASE

Key questions to consider the level of detail and effort required for your Financial Case include:

- What are the various sources of co-funding and commitment levels, and are there key uncertainties around those?
- Are there any foreseen Capital or Revenue constraints?
- What are the key assumptions that will impact the financial viability and what sensitivities do you plan to run? Are there any key financial risks to the project?
- Has there been consideration of tax and accounting treatment with your local assurance owner / accounting buddy?

## COMMERCIAL CASE

Key questions to consider the level of detail and effort required for your Commercial Case include:

- What is the commercial strategy underpinning delivery of the project?
- Which party owns which risk and the basis for the risk allocation? To what extent is there opportunity for suppliers to bear risk? Where suppliers are able to take risk how will the pricing mechanism reward/penalise them?
- Does the project involve partnering with multiple bodies and, if so, how will agreements be negotiated?
- Does the scope of the project require specialist input and are there any specific challenges or risks?
- Is the market understood and is the project likely to result in competitive tender(s)?
- Are there any specific challenges in deciding the procurement route to market? To what extent can existing processes for procurement and contract management be used? Do you have experience with this type of procurement?
- To what extent can the project be delivered as a single package or are multiple packages required?
- Can social value be delivered through procurement?

## MANAGEMENT CASE

Key questions to consider the level of detail and effort required for your Management Case include:

- Does the accountable body have an existing and proven approach for the delivery of projects and how will that be applied to the delivery of the project?
- What is the scale and complexity of the project?
- What are the key risks, who are the owners and how will they be managed?
- Is this an innovative project and does the project sponsor have experience in delivering similar projects?
- How many organisations will be involved in the delivery of the project and have they worked together?

- Does this project require complex delivery arrangements and are the roles and responsibilities clear and agreed?
- To what extent is the project dependent on projects by others and how will interfaces be managed?
- How many stakeholders will need to be engaged during development and delivery stages and how will this be achieved?
- What is the basis for the workstreams/activities in the proposed delivery schedule and the confidence in achieving key milestones?
- To what extent are there existing processes and procedures for project controls and how will these be applied?
- Who requires to assured, about what, to what level of detail and to what extent can existing arrangements be adapted and used?
- Is benefits realisation dependent on other parties, behavioural change, or additional enablers such as training or programming?
- How many outcomes and outputs will need to be monitored, and is there an established method for monitoring the outcomes and outputs that have been identified?

**PROPORTIONALITY ASSESSMENT TOOL**

	Less detail		More detail
<b>General</b>			
Project size and value	<£1m	↔	£25m+
Regional and national significance	Local	↔	Regional / national
Innovation	Low	↔	High
Experience delivering similar projects	High	↔	Low / no experience
<b>Strategic case</b>			
Enabler of other projects and transformational change	Local impact	↔	Transformational change
Stakeholder picture	Simple	↔	Complex
Key dependencies with other projects	No dependencies	↔	Strong dependencies
<b>Economic case</b>			
Risk and novelty of project	Low	↔	High
Scenario definition	Simple	↔	Complex, including Covid-19 impacts
Certainty around costs and benefits	High certainty	↔	Low certainty
Disbenefits	No disbenefits	↔	Potential Disbenefits
Monetising benefits	Easy to monetise	↔	Difficult to monetise
Distributional impacts across groups	simple impacts, less relevant to project	↔	Complex distributional impacts
<b>Financial case</b>			
Co-funding and uncertainties	Clear co-funding approach	↔	High uncertainty and complex co-funding
Capital and Revenue restraints	None	↔	Some
Financial viability and key financial risks	Low risks	↔	High financial risks
Tax and accounting treatment	Clear	↔	Complex, to be defined

	Less detail		More detail
<b>Commercial case</b>			
Number of parties	1	↔	>3
Procurement experience	Procured before	↔	Never procured
Risks and allocation	Clear and obvious	↔	Shared and need defining
Market assessment	Sufficient capacity	↔	Limited capacity
Procurement route	Framework	↔	Negotiated deal
Contract conditions	Standard, used before	↔	Modified, complex
Payment mechanisms	Cost reimbursement	↔	Target price
Incentives	None	↔	Pain / Gain
Assurance required	Minimal	↔	Independent
Value added	Minimal	↔	Multiple opportunities
<b>Management case</b>			
Technical complexity	Low	↔	High
Novelty	No novel aspects	↔	Little experience
Delivery risks	Few and manageable	↔	Many, likely, resource hungry
Dependencies	Few	↔	Many
Delivery model	Single body	↔	Multi-party
Project team	1-3	↔	>5
Project model	Single	↔	Part of a programme
Stakeholders	Passive management	↔	Active management
Assurance required	Minimal	↔	Independent
Benefits	Clear, concise, measurable	↔	Multi-faceted



# Stage 2 – Business Case Template

*Business Case template (optional) to be used by Towns as guidance for structuring their business cases*

**Version 4: 19 August 2021**

## VERSION CONTROL

Document version	Publication date	Description of changes	Modified by
1	8 <sup>th</sup> March 2021	First release of the <i>Stage 2 – Business Case Template</i>	TFDP
2	25 <sup>th</sup> March 2021	Updates to the Strategic Case, Financial and Commercial Cases to provide additional context and guidance for these cases	TFDP
3	24 <sup>th</sup> June 2021	Updates to the Economic Case with the new example summary table, as well as confirmation of the price year of economic costs and benefits (2021 prices).	TFDP
4	19 <sup>th</sup> August 2021	Updated with the revised Annex C – Summary Document template	TFDP

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# FOREWORD FROM TFDP

## Writing a business case

A business case is a document that captures the rationale for investing in a project, how it fits into the overall strategic context of the town's development, as well as the benefits it will deliver. The business case also captures how the project will be financed, procured, and managed.

This means that the development of a business case should not be considered a hurdle to be overcome, or simply a 'box to tick'. It is a key document that allows you to make good decisions by structuring and capturing your thinking for a project, ensuring all stakeholders understand and are aligned on the why, what, and how of the project. It can help you to quantify the opportunity, prioritise your activities and capture key assumptions and risks.

A business case should be something you refer back to as you progress through project development and into project delivery – it shouldn't just be something that is produced to gain approval and then forgotten about.

Importantly, the production of a business case should not be an activity to be 'feared'. You may have experience of having read some very long, complex business cases in the past but that does not mean that all Business Cases have to be soulless and dull! A business case must tell a story – and, ultimately, demonstrate that your ideas will enable you to meet your goals.

Think of your business case as a tool to make good decisions - the process of developing and writing the business case helps to clarify the next level of detail of your thinking, and as Eisenhower said: plans are nothing, planning is everything.

## Using this Business Case Template

We have developed this template to help towns have a sound structure for developing their business cases in line with government guidance and best practice. You should adapt it to your needs and specific cases, and we have attached a 'Proportionality Guide' that helps you consider the level of detail required for business cases of different values or levels of complexity.

### There are two important things to note:

1. **This Template is optional.** It should be useful as a guide and prompt in preparing your business cases, but it is not a requirement of MHCLG or TFDP.
2. **Towns are not required to submit their business cases to MHCLG unless it states so in their Heads of Terms agreement.** Business cases are signed off locally, and should be prepared in line with local requirements and assurance processes. You should engage early with your representative from your accountable body (e.g., your S151 officer) to confirm what these requirements and processes are.

# BUSINESS CASE TEMPLATE GUIDE

## Purpose of this Guide

- Developed by the TFDP to support Towns in producing Business Cases which cover a common standard of requirements to align with HM Treasury's Five Case business case model.
- Neither exhaustive nor comprehensive, but it provides a common roadmap of the main components that should be addressed
- Should be used alongside HM Treasury's Green Book Guidance and other key Government guidance documents, including:
  - Business case project guidance
  - MHCLG guidance
  - DfT Transport appraisal guidance (where relevant)

## How to use this guide (what it is and what it is not)

- **Usage of this guide is optional.** Towns may choose to use it to support their business case development. Given that assurance and sign off processes are locally-defined, Towns should agree whether this template is appropriate for their business cases with their local assurance and sign off stakeholders.
- The **Proportionality Guide** appended to this Template should help you determine the level of detail required for each business case.
- This template has been prepared for individual projects, in line with the MHCLG Stage 2 guidance. However, if a project consists of a package of smaller interventions, these can be grouped into one business case, as long as a strong strategic case is put forward demonstrating how the separate interventions link together to deliver a coherent vision. The value for money assessment must cover the project as a whole, but each intervention must be costed in the Financial Case. Please get in contact with your TFDP business case specialist if you have questions about adapting this template for a programme business case. You can identify your local business case support specialist through your Town Coordinator.
- Towns should use their best judgement regarding emphasis and levels of detail for each section, which should vary depending on the case and type of project. Note that the level of detail should be proportional to the size of the project.
- Towns should adapt tables or formatting however they see fit; this is in no way a style or formatting guide.
- Questions regarding the use of this template or its contents should be directed to your local business case representative.

# BUSINESS CASE TEMPLATE

DRAFT

# EXECUTIVE SUMMARY

**[introduction (background to Towns Fund) + description of the project + summary of business case]**

## **STRATEGIC CASE**

[summary of the case for change]

[summary of the national, regional, and local policy drivers]

[summary of the project vision and SMART objectives]

[summary of the proposed project outcomes, outputs, and interdependencies]

[summary of stakeholder views]

## **ECONOMIC CASE**

[options /scenarios considered in appraisal]

[summary of economic benefits considered, both local and national]

[summary of economic costs, including optimism bias]

[value for money assessment, with key results. A table could be included with key results]

[consideration of place-based impacts]

[discussion of sensitivity tests]

## **FINANCIAL CASE**

[summary of costs]

[summary of revenues]

[summary of how the project will be funded]

[financial risks and mitigation plans]

## **COMMERCIAL CASE**

[commercial feasibility of projects]

[contractual issues and high-level approach]

[procurement strategy and key risks, including risk transfer strategy and mitigation plans]

## **MANAGEMENT CASE**

[governance arrangements, including key roles and responsibilities]

[programme and timeline for delivering the project included]

[approach to project management outlined, demonstrating capability for delivering the project]

[key stakeholders identified, and stakeholder engagement strategy presented]

[key risks identified]

[project interdependencies identified]

[quick summary of benefits realisation plan and monitoring and evaluation strategy developed]

# INTRODUCTION

**[short introduction]**

**[INTRODUCTION]**

[background to Towns Fund and Stage 2 process]

[who is the scheme promoter and accountable body for the project]

**[The Project]**

[summary of the scheme]

**[This Business Case]**

[structure and content]

DRAFT



# STRATEGIC CASE

## PRACTICE NOTES

The Strategic Case sets out the rationale for proposed investment.

A lot of the information relevant for the Strategic Case will have been set out in the TIP, including:

- Evidence of need
- Key policy context
- Overall vision and objectives
- Option for investment and how it was identified
- How option will help achieve objectives

The information from the TIP relevant to this project should feed into the Strategic Case, focusing on the aspects unique to the project.

Note that specific project objectives will need to be identified in this business case (in addition to the TIP vision and objectives).

This case should state the key stakeholder groups and particular business partners and how they've influenced, shaped, and supported project scopes.

The Strategic Case should clearly demonstrate a golden thread of evidence of need → vision and objectives → proposed investment → outcomes and impacts.

# STRATEGIC CASE

## [summary of Strategic Case]

### INTRODUCTION

[purpose of the strategic case]

The Strategic Case of this FBC will firstly articulate the issues and constraints arising from the current status quo to demonstrate the need for investment, including market failures and issues exacerbated by the Covid-19 pandemic.

Next, it will demonstrate the scheme's synergy and holistic fit with other projects and programmes being led by RBC, as well as relevant local, regional, and national policy.

From this, the rationale, vision, and objectives of the proposed investment will be defined, with these being entirely SMART – specific, measurable, achievable, relevant, and timebound.

Next, detail on the proposed investment will be provided, summarizing the difference in outcomes between Do Nothing and scheme delivery scenarios as well as the benefits, risks, constraints, and dependencies associated with the proposed scheme.

Lastly, stakeholder involvement so far and future engagement plans will be provided to demonstrate the scheme has both public and key stakeholder buy-in.

### CASE FOR CHANGE

[existing arrangements - current context and challenges]

[future needs, barriers, and opportunities]

[consider how market failures and COVID-19 influence the case for change]

Redditch was designated as a New Town in 1964, resulting in rapid population growth through housing developments built to accommodate overspill from the expansion of Birmingham. At the time, it was considered a flagship example of modern urban planning, with wide roads and Brutalist architecture associated with the era. Since then, Redditch has suffered from decades of underinvestment and a legacy of car reliance.

Today, Redditch is facing significant challenges exacerbated by the Covid-19 pandemic and regional economic issues. These include ageing building assets, growing town centre vacancies, poor quality public realm and a weak leisure / food and beverage offer compared with other competing local centres..

Redditch Town Centre enjoyed considerable investment during the town's designation as a New Town in the 1960s, however, this investment has left a mixed legacy of opportunities, strengths and challenges. Much of the built environment in the town centre is underused and poorly connected to adjacent areas including the rail and bus station, particularly by active travel modes (walking and cycling).

Pre COVID-19, Redditch Town Centre performed at similar levels to national averages in relation to retail vacancy rates (both Great Britain and Redditch had vacancy rates at around 13%<sup>1</sup>). However, this figure worsened to 16% in October 2020 whilst the national rate was forecast to experience a vacancy rate of 14%<sup>2</sup>, suggesting that Redditch town centre fared worse than the national average during the 2020 pandemic. High vacancy rates can further exacerbate people's negative perceptions of a location as a location to visit and shop further impacting footfall and retail spending in a self reinforcing downward spiral.

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<sup>1</sup> Redditch Borough Council data compared to Local Data Company data  
<https://www.localdatacompany.com/blog/retail-outlook-for-the-end-of-2020>

<sup>2</sup> Where will covid-19 leave the retail and leisure market at the end of 2020? The local data company 2020  
TFDP Stage 2 – Business Case Template

Residents note that poor public realm and resultant sense of reduced safety contribute to a lessened desire to be in the town at night<sup>3</sup>. Insufficient late-running public transport was a recurring theme in the stakeholder engagement highlighted as a barrier to staying out late in Redditch<sup>4</sup>. A limited number of evening town centre attractions and the lack of uses (such as food & beverage) that increase 'dwell time' in the town centre have increased its lack of appeal to residents, visitors and shoppers - these have also been flagged by residents as an issue that limits the vibrancy and vitality of the town.

There is a need to provide an attractive 'canvas for public life' in Redditch, by creating an environment highly attractive for people to live, work and invest, integrating the town centre much more successfully with neighbouring areas. There is an opportunity to rejuvenate the public realm as part of a wider Redditch Town Centre regeneration initiative which aims to significantly increase density, population and vitality of the town centre. Without action, the Redditch urban realm will continue to decay.

#### [evidence of need related to the specific project]

**Active Travel** - Current public realm does not facilitate active travel. Residents cite inadequate infrastructure (particularly absence of cycle lanes and poorly maintained footpaths) as reasons for not choosing active modes of travel. Active travel is an unpopular method for travelling to work in Redditch; walking and cycling make up only 11% of journeys to work, compared to 15% in England. Provision of this infrastructure requires public funding as a public good.

**Crime** - Appropriate public realm design within the Borough can help reduce crime, the fear of crime and create a greater sense of place. The level of local crime has been flagged as a particular worry for residents and data shows that Redditch crime is more prevalent in the centre. The number of crimes such as violent and sexual offences, possession of weapons and vehicle crimes and public order crimes in the immediate vicinity of the public realm interventions were 384 between Dec 19-Nov 20. Improvements in public realm can reduce anti-social behaviour therefore addressing these issues.

**High street perception & investment** - Poor quality public realm (perception and reality) can have a dramatic impact on footfall, visitors numbers, and visitor 'dwell' times. There is a perception that Redditch does not have a high street however there is a well-established primary shopping centre focused around the Kingfisher Shopping Centre. This project will improve the attraction of the town centre for people to live and work, and business to invest. This will help to stimulate high-quality residential and commercial redevelopment across the town centre. There are more than 10 vacant units that lie adjacent the public realm scheme, creating an unwelcoming environment for investment. The project will help make the units more attractive for occupiers.

**Project complementarity** – Public realm improvements would provide complementarities to other projects proposed for regeneration. For example, the library site redevelopment will encompass further public realm improvements near Church Green and the railway station redevelopment will improve the first impression of the town by rail visitors. Combined, these improvements will create a continued feeling of a vibrant town centre and fit within the wider public realm proposals.

## POLICY ALIGNMENT

### [local, regional, and national policy alignment]

The Redditch Town Centre Public Realm is highly aligned with the fulfilment of, a large number of policies, strategies and plans, at a local, regional, and national level as summarized in the below table.

Policy document details	Description of policy document	Alignment with Redditch Town Centre Urban Realm project
<b>National Policy alignment</b>		
Building Back Better: Our plan for growth, HM Treasury, 2021	This plan is a publication setting out the government's plans to support economic growth through significant investment in infrastructure, skills and innovation.	<ul style="list-style-type: none"> <li>One of the key areas of focus for the Government to drive growth is to support the mission of Levelling Up – ensuring issues relating to geographic disparities in key services and outcomes, like health, education, and jobs are tackled.</li> </ul>

<sup>3</sup> Redditch Towns Deal Community Consultation, November 2020

<sup>4</sup> Redditch Towns Deal Community Consultation, November 2020

Policy document details	Description of policy document	Alignment with Redditch Town Centre Urban Realm project
		<ul style="list-style-type: none"> <li>Creation of good quality public realm will help attract business to locate to Redditch and encourage inward investment</li> </ul>
Towns Fund Intervention Themes	Towns Deal prospectus	<ul style="list-style-type: none"> <li>This project aligns with the Town Deal theme of Urban regeneration, planning and land use. Investment in Town Centre Urban Realm will result in a townscape that is more attractive and more accessible to residents, businesses and visitors.</li> </ul>
<b>Regional Policy</b>		
Worcestershire Local Enterprise Partnership (LEP), Plan for Growth, 2020 -2040	Builds on the LEP's 2014 Strategic Economic Plan. This plan outlines the vision for the county that will create a connected, creative and dynamic economy for all.	<ul style="list-style-type: none"> <li>The Town Centre Urban Realm project supports the objectives of 'Revitalising our city and town centres.'</li> <li>The Plan also identifies 'Place' as a key theme for growth with the objective to 'ensure prosperous communities across the county'.</li> </ul>
North Worcestershire Economic Growth Strategy (2019 – 2024)	Bromsgrove, Redditch and Wyre Forest have prepared this strategy and its supporting interventions to build on the area's current success and strengthen its competitive advantages.	<ul style="list-style-type: none"> <li>The Strategy aims to 'deliver major town centre projects that will bring more residential, employment and leisure uses to counterbalance the significant retail decline and address the significant structural challenges faced by our town centres'.</li> <li>Whilst not a 'major' project on its own, the Town Centre Public Realm project along with the other Town Deal projects aims to have a significant positive impact on the town centre economy.</li> </ul>
<b>Local Policy</b>		
Redditch Local Plan No.4 (2011-2030)	The Borough of Redditch Local Plan No.4 is the most important planning document at the local level. It provides the main framework approach for growth of the Borough.	<ul style="list-style-type: none"> <li>The project aligns strongly with the 'Improving the Vitality and Viability of Redditch Town Centre' and 'To enhance the visitor economy and Redditch's cultural and leisure opportunities' objective outlined in the Redditch Local Plan.</li> </ul>
Redditch Local Economic Recovery Framework (2020-2023)	The Redditch Economic Recovery Framework sets out the strategic priorities, key interventions and measures aimed at supporting the local economy throughout the Covid-19 recovery effort.	<ul style="list-style-type: none"> <li>Complements the Recovery Framework (2020-2023) through 'improving places', one of three core objectives of the Framework.</li> <li>Specifically the project aligns strongly with the sub objective of 'Re-purposed / re-imagined town centre and local centres'</li> </ul>
Redditch Town Centre Regeneration Masterplan (April 2021)	The document assesses development potential, and analysis opportunities, constraints and significance of the chosen study Sites for Redditch town centre. Redditch Town Centre is included within the chosen study sites.	<ul style="list-style-type: none"> <li>The plan notes the opportunity it presents to contribute to the provision of high quality public space, active frontages, and improved pedestrian network.</li> </ul>

## VISION AND OBJECTIVES

### [vision]

In order to respond to the needs of the town and maximise economic growth opportunities, the following vision statement was developed by the Town Deal Board:

"Unlocking Redditch forms a vision to transform Redditch from a traditional New Town into a New smart Town fit for the 21st century, which is a great place to live and work and an investment and visitor destination. We will achieve this vision by laying the foundations for Redditch to become a digital, green, connected and creative town."

The four themes lie at the heart of the investment approach and are expected to unlock the towns potential and drive positive outcomes:

- Digital** - 5G test bed. Digitalisation & automation. Digital manufacturing. Smart factories & homes Digital skills.

- **Green** - New forms of mobility. Electric & hydrogen. Decarbonisation. Modernisation of heating infrastructure.
- **Connected** - Transport interchange. Rail, bus, cycling, walking. Cycling and walking networks.
- **Creative** - Re-purposed town centre. Leisure and cultural destination. Attractive place to do business, work and live.

The Redditch Town Centre Urban Realm project will play a crucial role in realising the vision of the Redditch Town Investment Plan and will specifically contribute towards the ambition to create a “Creative” town. This project will do so by contributing towards the theme’s specific outcomes to:

- Strengthen town centre viability and vitality
- Make the town centre a more attractive place to live
- Support business creation and growth in Redditch
- Increased business innovation
- Develop the town centre into a cultural and leisure destination

#### [SMART objectives related to the specific project]

The SMART objective for the project are summarized below:

- Deliver 5 new / improved public spaces in the vicinity of Church Green, Evesham Walk and Unicorn Hill.
- Deliver approximately 9,600 m<sup>2</sup> of new / improved public realm.
- Increase in footfall in the town centre
- Increase in land values in the town centre.

#### [measures of success]

### THE PROPOSED INVESTMENT

[setting out the Do Nothing and Do Minimum scenario, i.e. the baseline scenario without investment/intervention]

#### [project risks, constraints, and interdependencies]

The following table summarises some of the risk associated with the project.

Risk Element	Identified risk	Allocation
<b>Funding</b>	Viability gap for development of site	RBC
	Allocated funding may not be sufficient to deliver all aspects of the project	RBC
<b>Planning/Consents</b>	Planning permission for site refused or delayed	RBC
	Conditions of planning permission may increase costs or timelines of the project	RBC
<b>Project overruns</b>	The development may take longer than anticipated.	RBC
<b>Site</b>	Feasibility work identifies factors which result in a need to redesign or delay development.	RBC
<b>Procurement</b>	Unable to find a suitable contractor through the public procurement process.	RBC
<b>Demand</b>	Increase in visitation may be less than was originally forecast	RBC

While the Town Centre Public Realm project is a stand alone project, it is one of 5 projects that form a programme of works in the Redditch Town Investment Plan aimed at revitalising and rejuvenating the town centre and making Redditch a great place to live, work, visit and invest. Therefore there are synergies between the Town Centre Public Realm project and other TIP initiatives, most notably the Redditch Library redevelopment project.

[summary of options considered and how this project was shortlisted, including the strategic alternatives test]

[description of project]

The project involves public realm improvements in the vicinity of Church Green, Evesham Walk and Unicorn Hill. Works include:

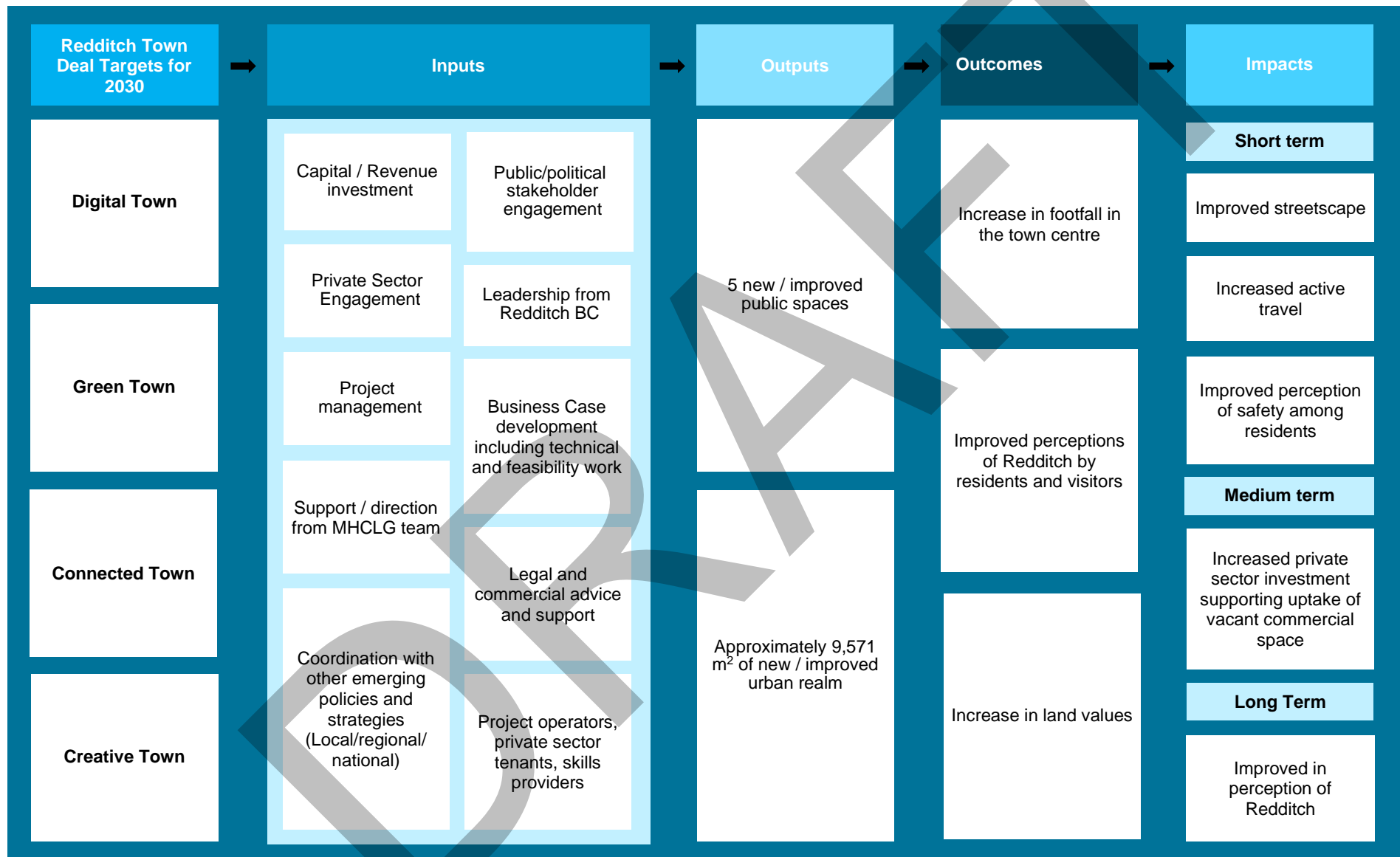
- Widened footpaths
- New Autumn Woburn block paving
- New disabled parking bay
- New 1.5 metre wide designated cycle lane with contrasting green surfacing
- Decluttering of footpaths to improve pedestrian flow
- All existing hedges and benches to be removed along Church Green West
- New semi-mature tree plantings with surrounding seating and new decorative planters along Church Green West
- Resin bound gravel for all paved areas surrounding St Stephen's Church
- New Ulticolour Buff coloured surfacing on Church Green East

[how project addresses objectives and vision]

Through improving the public realm the project will contribute towards the transformation of Redditch from a traditional New Town into a New smart Town fit for the 21st century, which is a great place to live and work and an investment and visitor destination.

[project theory of change]

Figure 1: Redditch Town Centre Theory of Change





[expected outputs and outcomes – if Towns Fund funds are being used to deliver specific outputs of the wider project, explain here]

[expected different impacts by protected characteristics and/or income groups]

The project aims to improve the public realm of Redditch Town Centre which would benefit all members of society. It could be argued that all protected characteristics and / or income groups would benefit from the project as they form part of broader society.

**Table 2: Social impact summary**

Will the proposed project impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?  NB. Equality neutral means no negative impact on any group.		Positive	Negative	Neutral	Unsure
	Age			Y	
	Disability			Y	
	Gender			Y	
	Gender Re-assignment			Y	
	Marriage/civil partnership			Y	
	Pregnancy & maternity			Y	
	Race			Y	
	Religion or belief			Y	
	Sexual orientation			Y	
	Other (e.g. low income)			Y	

Source: Mott MacDonald

## STAKEHOLDERS

[list of key stakeholders and their role or interest in the project]

Key Stakeholders include Redditch Borough Council, Worcestershire County Council, local business and community groups. A key vehicle for stakeholder engagement has been the Redditch Town Deal Board whose membership is outlined below:

Name	Organisation
Leigh Walton (Chair)	Redditch Community Forum / Redditch Resident
Simon Hyde (Vice Chair)	Faun Zoeller
Cllr Matthew Dormer	Leader - Redditch Borough Council
Kevin Dicks	Redditch Borough Council
Ostap Paparega	North Worcestershire Economic Development & Regeneration
Rachel Maclean	Redditch MP
Simon Hyde	Faun Zoeller (UK) Ltd
David Mitchell	Mettis Aerospace



Gary Woodman	Worcestershire LEP
Tim Martin	West Midlands Combined Authority
Annette Daly	YMCA
Penny Unwin	Worcestershire County Council OPE
Simon Geraghty	Leader – Worcestershire County Council
Shanaaz Carroll	Greater Birmingham & Solihull LEP
John Hobbs	Worcestershire County Council
Peter Sugg	Young Solutions
Julia Breakwell	HoW College
Ian Smith	Cities & Local Growth Unit
Rebecca Collings	Towns Fund Delivery Partner
Other officers / partners as agreed and required	

[summary of engagement to date and evidence gathered]

[summary of stakeholder viewpoint of the project and how it has influenced the strategic case]

# ECONOMIC CASE

## PRACTICE NOTES

The Economic Case determines the value for money of the investment. It should include an analysis of monetised benefits and costs, as well as non-monetised benefits. The benefits and costs assessed should be aligned to the objectives set out for the project in the Strategic Case. It is important that Economic and Strategic Cases are closely aligned.

As noted in the MHCLG Stage 2 guidance “Net present social value and benefit-cost ratios should not be treated as a full representation of value for money. Rather, they should be used to summarise the benefits and costs that can be readily monetised or quantified. There may be wider strategic or social value to an intervention which may not be easily assimilated into calculations.”

The level of modelling should be proportionate to the funding ask and size of the scheme.

Towns should decide how to treat Covid-19 impacts. We recommend this is factored into the projections of benefits either in a core scenario or as a sensitivity test. Additional resources to help you consider the impact of Covid-19 are available on the TFDP website.

# ECONOMIC CASE

## INTRODUCTION

This Economic Case is based upon the guidance from the relevant government department or ministry (MHCLG/ DfT) as well as the HM Treasury's five case business model as the recognised best practice approach for developing business cases. The Economic Case demonstrates the public value for money of the Town Centre Public Realm project investment to society. This is demonstrated through a Value for Money (VfM) assessment of the preferred option.

This Economic Case therefore provides:

- An overview of the Project Prioritisation Process and Multi-Criteria Assessment Framework.
- A proportionate comparison of costs and benefits compared to a **Do Nothing scenario**.
- A proportionate assessment of the benefits, costs, and risks with the project.
- Sensitivity analysis based on key appraisal parameters to demonstrate the project's resilience.

## APPROACH TO ECONOMIC CASE

The approach taken to the Economic Case is based on a combination of quantitative and **qualitative** analysis designed to reflect the proposals for the Town Centre Public Realm project. The quantitative VfM assessment focuses on the following key metrics:

- Active Travel benefits (improvements to journey quality, modal shift to walking and cycling and associated health improvements)
- Urban Realm benefits (tangible benefits of better streets and spaces i.e. retail rent, economic development impacts and streetscape quality)

The above benefits have been selected for the quantitative VfM assessment as they can be quantified at this stage of scheme development. **Additional benefits are captured qualitatively.**

The quantitative assessment has an appraisal period of **30** years, a sufficient length of time to capture the benefits arising from the project and is presented in **2021** prices. For both the benefits and costs, the standard HMT Green Book discount rate of 3.5% is applied in line with HMT Green Book **2022** guidance<sup>5</sup>. Each benefit has been assessed using methodologies and values (where available) from the appropriate UK Government department. Detail on the methodologies used to capture each benefit is set out in the economic benefits section below.

## Options Appraisal

The interventions chosen to deliver the Redditch Town Centre Public Realm project have been carefully selected and are based on robust socio-economic evidence and strong local support, as demonstrated by the comprehensive stakeholder engagement process.

At the programme level, to support the development of the Redditch TIP, a robust option selection process was developed to ensure that the plan is reflective of the aims of RBC as well as the objectives of the Towns Fund and the wishes of stakeholders. Further information on project prioritisation can be found in **xxx**.

<sup>5</sup> <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020#introduction>

### Assessment Scenarios

As a result of this iterative process and the requirements of the Towns Fund to produce only a single option, a conventional Do-Minimum option has not been developed. Instead, a Do Nothing. Five options have been considered for delivering the project.

- **Do nothing – Option 1**

The current configuration of the site and the range of activities associated with xx

- **Do Something – Option 2**

Full scheme delivered

- **Do Something – Option 3**

Churchyard removed

- **Do Something – Option 4**

Church Green east removed

- **Do Something – Option 5**

Enhanced scheme by MM? (the Preferred Option?).

The five options have been considered for the project and Table X outlines each of these potential options in turn and the conclusion reached on their feasibility and validity. The options are also assessed against the project objectives and HMT Green Book Critical Success Factors.

Option	Description of option	HMT Green Book Critical Success Factors					Conclusion
		Strategic fit	Value for Money	Supplier capacity and capability	Affordability	Achievability	
Option 1	Do Nothing					✓	This option does not meet HMT critical success factors for the project objectives.
Option 2	Full Redditch Town Centre Public Realm project scheme delivered	✓	✓	✓		✓	xx
Option 3	Redditch Town Centre Public Realm project with Churchyard removed		✓	✓	✓	✓	xx
Option 4	Redditch Town Centre Public Realm project with Church Green east removed		✓	✓	✓	✓	xx
Option 5	Enhanced scheme by MM	✓		✓		✓	xx

### Modelling Approach

#### Active mode benefits

The active modes appraisal captures the benefits of increased cycling and walking that are likely to result from this scheme. The delivery of a range of active travel infrastructure across the scheme is intended to increase active mode usage within the town, encouraging greater levels of cycling and walking. This will deliver an uplift in the various benefits of active mode travel such as health benefits, ambience benefits and a reduction in accidents. The benefits of greater active mode travel have been captured using the Department for Transport's Active Mode Appraisal Toolkit (AMAT) as set out in TAG Unit A5.1.

The uplift in walking and cycling resulting from this scheme has been assumed to be xx%. This is based on Approach 1 (Comparative Study) of the three main approaches as outlined in TAG A5.1 for forecasting the demand uplift resulting from improved infrastructure for cyclists.

This is based on findings from similar projects delivered in Sheffield, Coventry and Stoke-on-Trent among other places that reported an uplift in footfall along major thoroughfares of between 25% and 35% following the delivery of a similar active mode intervention. These findings were reported in The Living Street's (2018) report, *The Pedestrian Pound: The business case for better streets and places*<sup>[1]</sup>.

The Propensity to Cycle Tool (PCT) will be used to estimate a baseline value for cyclists. The PCT is based on 2011 census travel work data. As the PCT 2011 value only accounts for commuting trips, in line with guidance released as part of the 2021/22 DfT Active Travel Fund, this initial value will be multiplied by 6 to account for all trip types and return trips.

To grow the baseline demand data to the scheme opening year, the default background growth rate in AMAT (0.75% growth per annum) has been used.

The active mode benefits of this scheme are valued at £xxx in present value terms.

#### Land value impacts on commercial premises

The enhancement of the public realm and active travel infrastructure in this area has been captured in relation to its impact on local commercial premises. This benefit has been quantified using Transport for London's (TfL) Valuing Urban Realm Toolkit (VURT). VURT quantifies the uplift in the value of extant businesses within an area by applying an uplift to the rateable values of those businesses in proportion to the scale of the enhancement to the area in which they are located. The enhancement of both the public realm in this area is anticipated to have an impact on the value of the premises. A single impact is captured for each shopfront enhanced under each option. A Pedestrian Environment Review System (PERS) appraisal was undertaken for each street impacted by this scheme to identify the scale of the improvement proposed. This was then entered into VURT, in addition to the actual rateable values of each premises, provided by RBC, to quantify the benefits of this scheme. The annual value of this benefit is shown below. The appraisal captures the benefit of the uplift, with no additional growth applied over a period of 30 years.

The present value of this benefit is £xx.

## ECONOMIC BENEFITS

#### Summary of economic benefits

The total value of the benefits set out above ranges between £xxm and £xxm across three scenarios.

This is shown below.

**Table i: Summary of quantified benefits**

Benefit type	Appraisal scenario		
	Core scenario	Sensitivity test 1 - Low appraisal scenario	Sensitivity test 2 - High appraisal scenario

[1] The Living Street, 2018, *The Pedestrian Pound: The business case for better streets and places*, Available at: <https://www.livingstreets.org.uk/media/3890/pedestrian-pound-2018.pdf>  
100103017 | Economic + Financial Cases

<b>Total</b>			

[types of benefits identified and why, geographical scale of benefits (including the latest **place-based approach** recommended in the Green Book which includes consideration of local employment impacts)]

[how benefits estimated link to theory of change and strategic case]

[how benefits have been monetised]

[relevant modelling results (e.g. demand forecasts for a walking or cycling scheme, number of visitors to a new cultural centre)]

[presentation of annual undiscounted benefits (real terms)]

[consideration of additionality, deadweight and displacement of benefits and double counting]

Example benefits to consider are set out below:

<b>Towns Fund investment theme</b>	<b>Key benefits</b>	<b>Wider social and economic benefits (note adding all benefits may lead to double counting)</b>	<b>Key guidance to model and monetise benefits</b>
<b>Local transport</b>	<ul style="list-style-type: none"> <li>• User benefits (time savings, cost savings)</li> <li>• Reduction in accidents</li> <li>• Environmental benefits</li> <li>• Amenity benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Health benefits (from increased physical activity and improved air quality)</li> <li>• Productivity benefits (e.g. agglomeration)</li> <li>• Employment impacts</li> <li>• Attraction of investment</li> <li>• Social inclusion</li> </ul>	DfT's Transport Appraisal Guidance (TAG)
<b>Digital connectivity</b>	<ul style="list-style-type: none"> <li>• User benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Productivity benefits for businesses which experience higher efficiencies</li> <li>• Attraction of investment</li> <li>• Social benefits from improved access to communication</li> </ul>	
<b>Urban regeneration, planning and land use</b>	<ul style="list-style-type: none"> <li>• Land value uplift</li> </ul>	<ul style="list-style-type: none"> <li>• Increases in local employment and GVA</li> <li>• Community cohesion</li> <li>• Health benefits from increased active travel or use of new public / green spaces</li> <li>• Social benefits (e.g. improved personal security)</li> </ul>	MHCLG guidance
<b>Arts, culture, and heritage</b>	<ul style="list-style-type: none"> <li>• Increased retail revenue from increased footfall</li> <li>• Amenity benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Social benefits from improved access to culture</li> <li>• Increases in local employment and GVA</li> <li>• Community cohesion</li> </ul>	
<b>Skills infrastructure</b>	<ul style="list-style-type: none"> <li>• Land value uplift</li> </ul>	<ul style="list-style-type: none"> <li>• Increased employment and income</li> <li>• Attraction of businesses interested in the skills offered by the new infrastructure</li> </ul>	MHCLG guidance
<b>Enterprise infrastructure</b>	<ul style="list-style-type: none"> <li>• Land value uplift</li> </ul>	<ul style="list-style-type: none"> <li>• Increased employment and income</li> <li>• Attraction of more businesses in the long term</li> </ul>	MHCLG guidance

[consideration of distribution of impacts for instance in the form of a distributional appraisal – this can provide evidence for supporting the levelling up agenda]

## ECONOMIC COSTS

### Summary of economic costs

Costs for the Town Centre Public Realm project were developed by the project team and reviewed by xx. The costs of the scheme are based on quantities and benchmarked costs and have been assessed at a high level. The costs below have been rounded.

**Table ii: Economic costs, June 2022 (PVC, 2010 prices?)**

Committed TF funding profile	2021/2022*	2022/2023	2023/2024	2024/2025	2025/2026	Total
Towns Fund						
xx Match Funding						
Other match required						
<b>Total</b>						

\*Spending in 2021/2022 has been included in this table for the purposes of transparency, as this funding has been spent, it is considered a sunk cost and has been excluded from the economic appraisal, in line with HMT Green Book guidance. This funding has been spent to date and will be recovered from the full Towns Fund allocation for this scheme once approved.

In addition to the risk and contingency, an optimism bias figure of 44% has been applied to all project costs. This is the standard optimism bias as specified in Greenbook/ TAG guidance for a project at this stage of development.

[explanation of how costs have been obtained and whether a risk assessment has been undertaken]

[capital costs, including renewal costs if relevant (real terms)]

[operating costs]

[approach to optimism bias]

## VALUE FOR MONEY ASSESSMENT

There are two key metrics set out in the MHCLG appraisal guidance that can be used to assess Value for Money (VfM): the calculation of BCRs, which simply show the ratio of benefits to costs; and the net present social value (NPSV), which represents the present value of benefits minus the present value of costs. A BCR above 1 and a positive NPSV indicates that the intervention option under consideration represents good VfM. The higher the BCR, the higher the overall VfM (not taking into account qualitative benefits).

The results of the VfM assessment for Option X are outlined in Table x. The VfM assessment for the option shows a [good/poor] BCR of X. This option demonstrates [good/poor] VfM<sup>6</sup>.

The Value for Money (VfM) assessment for this project is based on a 15-year appraisal period. The central scenario has been used as the core appraisal scenario in Table iii below. The low and high scenarios have been used as sensitivity tests. These sensitivity tests demonstrate the impact of a range of possible occurrences, including xxx than in the central scenario, among other possibilities.

**Table iii: Value for money assessment (discounted, 2021 prices)**

<sup>6</sup> BCR<1 indicates poor VfM, 1<BCR<1.5 indicates low/satisfactory VfM, 1.5<BCR<2 indicates medium/good VfM, 2<BCR<4 indicates high/very good VfM and BCR>4 indicates very high/excellent VfM.

	Core scenario	Sensitivity test 1 - Low appraisal scenario	Sensitivity test 2 - High appraisal scenario
<b>Economic benefits</b>			
Total economic benefits			
<b>Economic costs</b>			
Towns Fund cost including optimism bias at X%			
Match funding including optimism bias at X%			
Remaining match funding required			
<b>Total economic costs</b>			
Net Present Value (NPV)			
<b>Benefit-Cost Ratio (BCR)</b>			

[choice of appraisal period, approach to discounting, sensitivity tests]

[impact of Covid-19 on results, other sensitivity tests]

[example optional table below]

### NON-QUANTIFIED BENEFITS

[qualitative assessment of other benefits not quantified]

### SUMMARY

[summary of preferred option for investment]



# FINANCIAL CASE

## PRACTICE NOTES

The Financial Case assesses the affordability of the investment, identifying cost, revenue, and funding sources.

Note the level of detail should be proportionate to the size of the project.

If you are developing a programme case, each project should have its own financial profile within this section.

# FINANCIAL CASE

## INTRODUCTION

Based on the appraisal set out in the Economic Case, the Financial Case sets out the key financial considerations for the Town Centre Public Realm project preferred option. This includes how the project will be funded, the total costs of the project over its implementation in the current financial year to 2026, the sources of funding and the profile of funding over the delivery period.

The total scheme cost for the Town Centre Public Realm project is £xxm. This includes the £xxm allocated for development costs that have occurred to date, for which match funding has already been granted by RBC and spent in the development of the project to date.

This business case is seeking £xx Towns Fund grant funding to deliver the project.

## APPROACH TO FINANCIAL CASE

The Project Team has considered a range of funding sources and secured a range of private/public sector funding. The Towns Fund ask represents the requirement for the project based on the estimated cost of the scheme and alternative available funding sources. As a result, the project cannot proceed without Towns Fund grant funding.

VAT has been allowed on all costs at the standard rate of 20%. An inflationary adjustment has also been applied to the construction costs. Tender Price Inflation is allowed at [X%] on the basis of an assumed proposed start on site of [XXX] and using the latest BCIS Tender Price Indices. Furthermore, [£XXX] has been allocated towards risk including design development risks and construction risks.

[funding options considered, principles of funding, inflation considered, other financial modelling assumptions]

[include amounts and sources of these funds and state whether match funding / co-funding from the public and/or private sector is being used in addition to Towns Fund funding]

Type	Source	Total Amount
Public sector	Towns Fund	£XXm
E.g. Private sector	XYZ Limited	£XXm
E.g. Public sector	Council	£XXm
...		

## COSTS

### Summary of how the project will be funded

Funding for the Redditch Town Centre Public Realm project will be provided primarily by the Towns Fund, with additional match funding required for xx which is the period aligned to Towns Fund. Subsequent phases of delivery will occur post-2026 but are not included here. Across the delivery period (2022/23-2025/26), a total allocation for inflation of 15% has been applied, based on an average inflation of x% per annum, which is supplemented by the surplus contingency allocation to allow for any cost overruns, including those resulting from inflation.

All cost plans allow for:

- 15% inflation risk on construction

- 5% contract risk (i.e. max pain share) (on inflated construction cost)
- 10% construction risk (i.e. CEs) (on inflated construction cost)
- Some service diversions costs are estimated by RBC (marked as 'unknown' on cost plans)
- All cost plans include full-time supervision during construction

**Table v: Funding sources**

Type	Source	Total Amount £m
Public sector	Towns Fund	£xm
Public sector	xx	£xm
Public sector	Various (development funding already committed and spent)	£xm
Third sector	To be confirmed?	£xm
<b>Total</b>		<b>£xm</b>

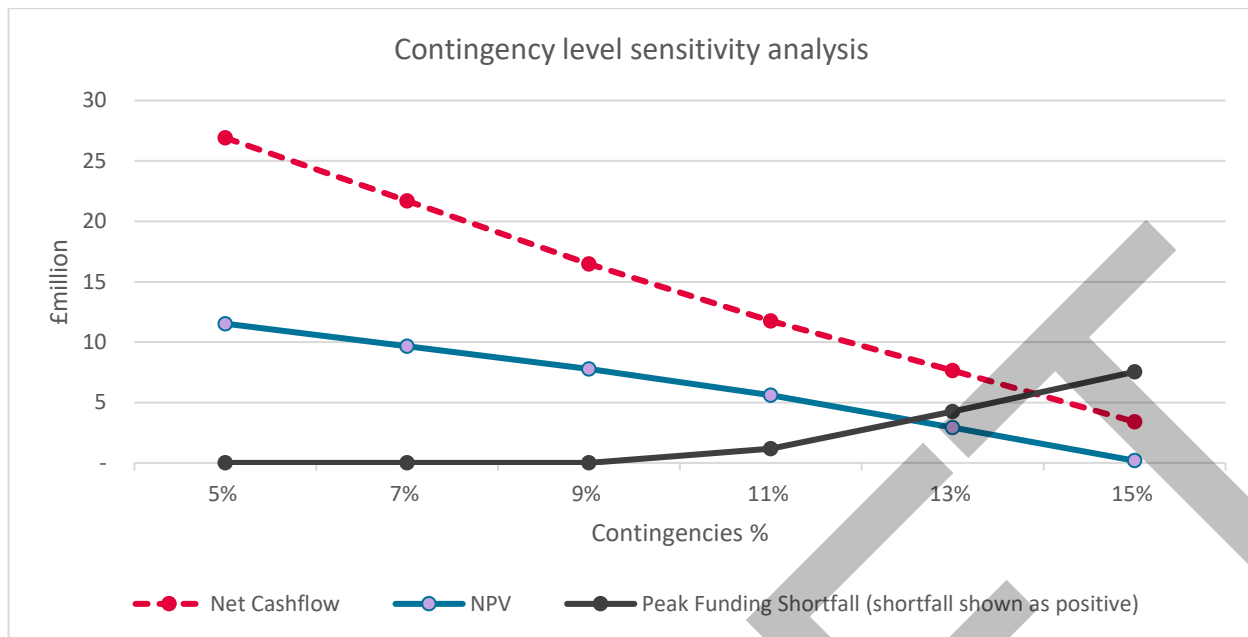
[how costs have been obtained and how robust they are - list out key assumptions such as the base financial year where development costs will be incurred, indexation rates, discount rates, etc.]

[whether / how risk has been factored into costs – include any summary variances from undertaking any sensitivity analysis performed and comparison to scenarios which include contingencies. This can be presented as a table and/or graph – an example has been set out below for further reference]

### Financial risks and mitigation plans

Key financial risks and mitigation measures are summarised below:

Type	Risk	Mitigation
Financial	Cost escalation	The project has been fully costed including contingency. Elements of the scheme will only be brought forward once full funding for them has been confirmed.
Financial	Long-term affordability of the scheme	Close financial management throughout delivery, following financial modelling undertaken for the business case.
Procurement	Programme and procurement allocation too short	Realistic programme and subsequent procurement timescales to be included in the procurement strategy.
Financial	Occupier requirement costs	Proactive conversations with occupiers and continue to get a detailed market testing
Financial	Tender prices exceed estimates	Independent cost estimating to verify Rider Hunt estimates
Financial	Funding not being in place	Confirm all funding is in place prior to commencement of works. Continue to apply for additional sources of funding to develop further phases of the scheme.



[capital costs (nominal terms), total and annual profile]

[operating costs (nominal terms) on an annual basis]

[consider the inclusion of a “sources and uses” table which sets out the assumed costs and income streams, an example table has been set out below]

Sources	Value	Uses	Value
Towns Fund	£xm	Operating Costs and Management Fees	£(x)m
Public sector co-funding	£xm	Development Costs	£(x)m
Private sector co-funding	£xm	PWLB Interest Paid	£(x)m
Revenue	£xm	PWLB Loan Repayment	£(x)m
PWLB Drawdown for capital costs (if applicable)	£xm	...	
...	£xm	Total Uses	£(X)m
	£xm	Retained Cash Balance	£(x)m
<b>Total Sources</b>	<b>£Xm</b>	<b>Total Uses less Retained Cash Balance</b>	<b>£(X)m</b>

## FUNDING AND REVENUES

[revenues from scheme]

[how funding options were identified and how secure they are – use evidence and update the funding amounts as set out in the TIP2 document]

[funding streams including a financial profile and sources, and with a clear presentation on match-funding revenue streams]

[if borrowing has been drawdown, provide an indicative timeline for when the funds are expected to be repaid in full]

Funding Profile	20/21	21/22	22/23	23/24	24/25	25/26	Total
Value	£m	£m	£m	£m	£m	£m	£m
Towns Fund							
E.g. XYZ Limited							
E.g. Council							
<b>Total Funding</b>							

## AFFORDABILITY ASSESSMENT

In the view of the project sponsor, these assumptions are realistic and valid but if there was an exceptional change to inflation then these forecasts would need to be reviewed. Nevertheless, at present the sponsor is confident that the project is viable and affordable over the coming years.

[assessment of affordability – include general financial metrics, such as net cash flow, net present value, internal rate of return and breakeven analysis as a way of assessing affordability. Sector specific metrics could be used to link the Financial Case to the Commercial Case]

[include the stakeholders – such as senior project leaders, funders, businesses, public and decision makers – that support the project and its continuing viability.]

[financial risks – this includes funding risk, interest risk and indexation risk]

## WIDER FINANCIAL IMPLICATIONS

There are no wider financial implications deemed to be pertinent to raise within the financial case.

[does the project's financial objectives meet the Council financial objectives as set out in the (if any) Local Plans and MTFS criteria. By undertaking the project, this may change the risk profile of the Council / Local Authority associated with the project]

[accounting Treatment and Impacts (where relevant) – obtain accurate definitions of capital and revenue items. This can contribute towards detailed and reliable financial analysis of the project.]

# COMMERCIAL CASE

## PRACTICE NOTES

The Commercial Case assesses the commercial viability of the investment.

Note the level of detail should be proportionate to the size of the project.

# COMMERCIAL CASE

## [summary of Commercial Case]

### INTRODUCTION

[intro to Commercial case, explaining the purpose of this section]

[set out the commercial objectives and constraints for agreements and procurements]

### COMMERCIAL DELIVERABILITY

[identification of potential commercial options and select/summarise the proposed commercial/delivery model with supporting rationale, with reference to the existing commercial strategy of the organisation where feasible]

[evidence of market testing or that there is a market to deliver the project]

[outline the key contractual arrangements, including personnel implications and charging/payment mechanisms]

[who will deliver the project/investment - role and responsibilities of the contracting parties, demonstrating the appropriate skills and capabilities are in place to deliver]

[treatment of risks, transfer proposals and, if applicable, conflicts of interests and how these will be managed]

[retained risk flows through to the management case to set out the mitigation measures]

### PROCUREMENT STRATEGY

[identification of the main components of the projects that will need to be procured and assessment of procurement options for each and identification of a preferred procurement route, including any packaging, interdependencies and so forth]

[summarise procurement process, including key milestones, assurance, and approvals]

[summarise any existing and proposed policies that will apply and be embedded into the procurement strategy, for example:

- social value e.g. jobs, supporting the local economy
- sustainability, ethical sourcing, supporting net zero
- innovation and deployment of modern methods of construction]

### WIDER CONSIDERATIONS

[other considerations if applicable]

# MANAGEMENT CASE

## PRACTICE NOTES

The Management Case assesses the deliverability of the investment, identifying timescales and project responsibilities.

The questions set out below are intended to help you to think through a number of aspects which will help to ensure your project is successful. Whilst this may look quite detailed compared to some of the other cases, it will be important for you to think through each of these elements so you can be in the best place possible as you look ahead to project initiation and project delivery.

The management case should build on the delivery plan outlined in the TIP for this specific project.

From a stakeholder engagement perspective, it's important to identify the key stakeholders and include a strategy and plan laying out a programme of stakeholder engagement activities that will help deliver the project.

Note the level of detail should be proportionate to the size of the project.



# MANAGEMENT CASE

## [summary of Management Case]

### INTRODUCTION

[intro to the management case]

This section outlines the management arrangements in place for delivering, monitoring and evaluating the Town Centre Public Realm project. At the FBC stage the focus should be on how the project will be managed, the timescales, assurance processes and risk management. A description of the proposed management structure for delivery of the Public Realm project is set out below.

[approach to deliverability]

North Worcestershire Economic Development and Regeneration (NWedR) will put in place a dedicated programme and project management structure to ensure that the Town Centre Public Realm project can be delivered to time, quality and budget, as part of the wider masterplan. NWedR will have overall responsibility for delivery of the project, which will be overseen by the Town Deal Board. The proposed management structure for delivery of programme is detailed below.

[rationale supported by evidence of application on similar projects]

NWedR has a strong track record of delivering urban realm projects to budget and timescale. In recent years NWedR has delivered a number of similar projects as outlined below:

- BirdBox (Bromsgrove) - BirdBox is an award winning bespoke multipurpose event space in the town centre designed to attract footfall to the high street.
- Townscape Heritage Initiative scheme (King's Lynn) - The Townscape Heritage Initiative scheme involved 25 buildings in Kings Lynn town centre five of which were major repurposing projects converting big empty units into successful restaurants and bars.
- Public Realm Improvements (Kidderminster) – The initiative involved public realm improvements in the town centre of Kidderminster while enhancing movement by managing traffic through street design.

### PROJECT ORGANISATION AND GOVERNANCE

[details of participants with reference to TIP and roles, accountabilities, and responsibilities]

[details of the project delivery organisation functions, key roles, capability, competences – including resourcing strategy (internal/external)]

[details of governance arrangements for oversight and approvals and delegated authorities]

The delivery of this scheme will be overseen by RBC, in partnership with Worcestershire County Council. A project manager will be appointed to oversee the procurement of a consultant team to finalise the designs and to secure planning consent at the site.

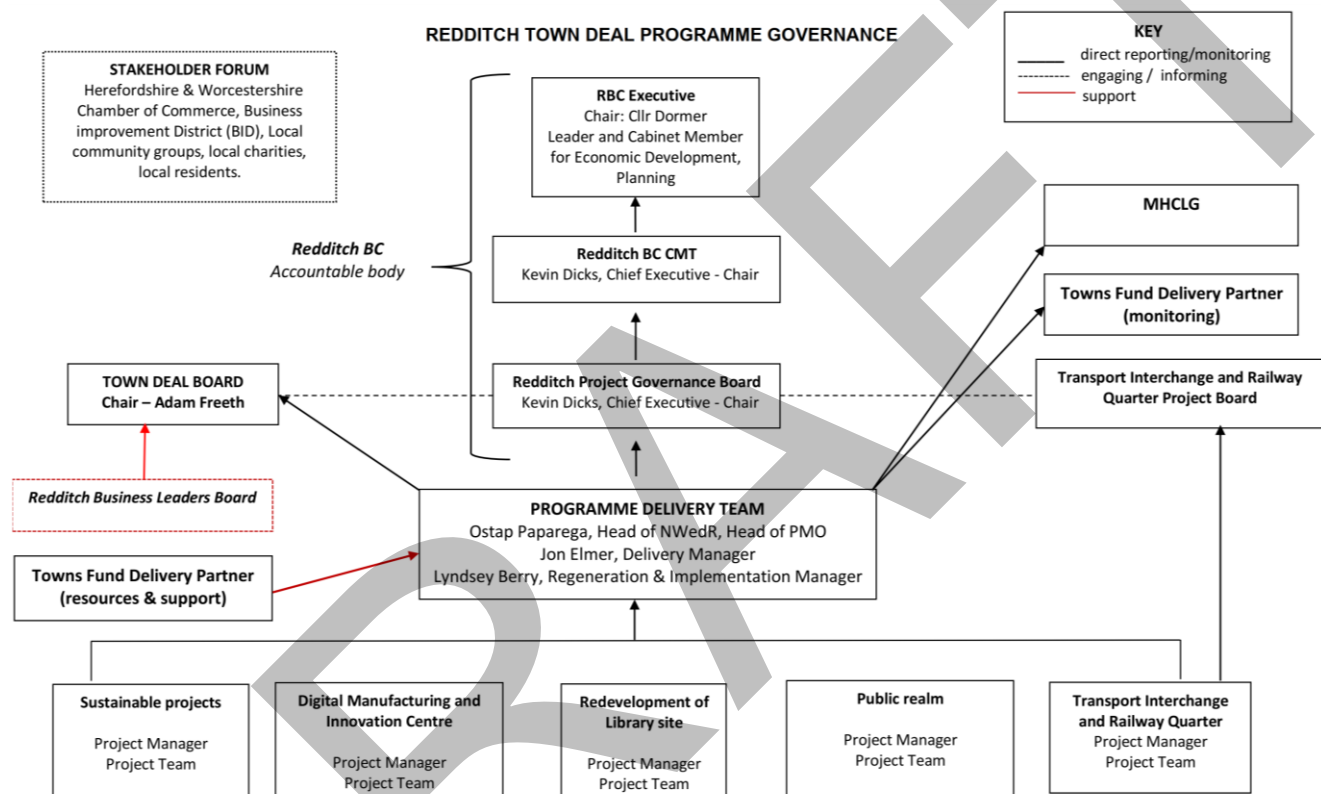
The team would also be required to assist the tender process for a contractor to deliver the works, through providing technical expertise and tender documentation. Finally, the consultant team would be retained to provide project assurance through the delivery phase of the works.

A project governance structure based on the Association for Project Management best practice and aligned to the Redditch Borough Council (RBC) decision-making processes has been put in place. This structure will ensure that the programme has appropriate decision-making processes in place with defined responsibilities set.

RBC will act as the accountable body and be responsible for:

- Developing and delivery team, delivery arrangements and agreements
- Developing agreed projects in detail and undertaking any necessary feasibility studies
- Helping develop detailed business case
- Monitoring and evaluating the delivery of individual Towns Fund projects
- Submitting regular monitoring reports to Towns Fund
- Receiving and accounting for the Town's funding allocation
- Ensuring that decisions are made by the board in accordance with good governance principles
- Ensuring transparency requirements are met
- Undertaking any required Environmental Impact Assessments or Public Sector Equalities Duties
- Liaising with potential private investors in identified local projects and schemes

The Governance model for the Redditch Town Deal Programme is shown in the below organogram.



The Redditch Project Governance Board has a strategic role that includes several responsibilities / accountabilities. Specifically the Board:

- Provides overall strategic direction and guidance, including inputs to context beyond the project, such as synergies with other council or partners' projects / interventions.
- Ensures cross-functional representation from Redditch Borough Council, project delivery partners and key stakeholders.
- Is responsible for the overall success of the project (i.e. delivery project outputs and outcomes).
- Ensures appropriate programme and project management processes, systems and procedures are implemented.
- Makes key decisions and is responsible for the commitment of resources (including external funding) to the projects, including taking reports to Cabinet Members, Boards.
- Signs off the completion of each project stages and authorises the start of the next stage (gateway approval).
- Resolves escalated issues and risks from the Project Delivery Team (i.e. which cannot be resolved by the Project Manager).
- Sets project tolerance levels.

- Approves project scope, budget and timeframe.
- Approves major changes to the project scope, budget and duration.
- Approves the key stakeholder and public engagement strategy and programme.
- Approves Project Highlights Reports.
- Approves the End Project Reports.

Redditch Town Deal's delivery will be managed by the North Worcestershire Economic Development and Regeneration (NWEDR), which is a shared service between the local authorities of Bromsgrove, Redditch and Wyre Forest. NWEDR have set up the Programme Management Office (PMO), which will use a cloud based project management software – Verto - to manage the project delivery. Verto is aligned with the Association for Project Management's Book of Knowledge 7th Edition. Each project will develop the following project management documentation hosted on Verto:

- Project plans / Gantt charts (key tasks, milestones and dependencies)
- Project budgets
- Action logs
- Risk logs
- Issue logs
- Change requests
- Highlights reports
- Evaluation reports

The Head of NWEDR will act as the Head of PMO and will be supported by the cNWEDR Delivery Manager and the NWEDR Regeneration and Implementation Manager. The team has experience in delivering similar programmes and projects on behalf of accountable bodies with grants ranging from £3m to £20m.

## ASSURANCE

[summary of approach to assurance including application of 3 lines model]

[summary of assurance plans including timing of key reviews and links to decision points]

[submission of an integrated approvals and assurance plan]

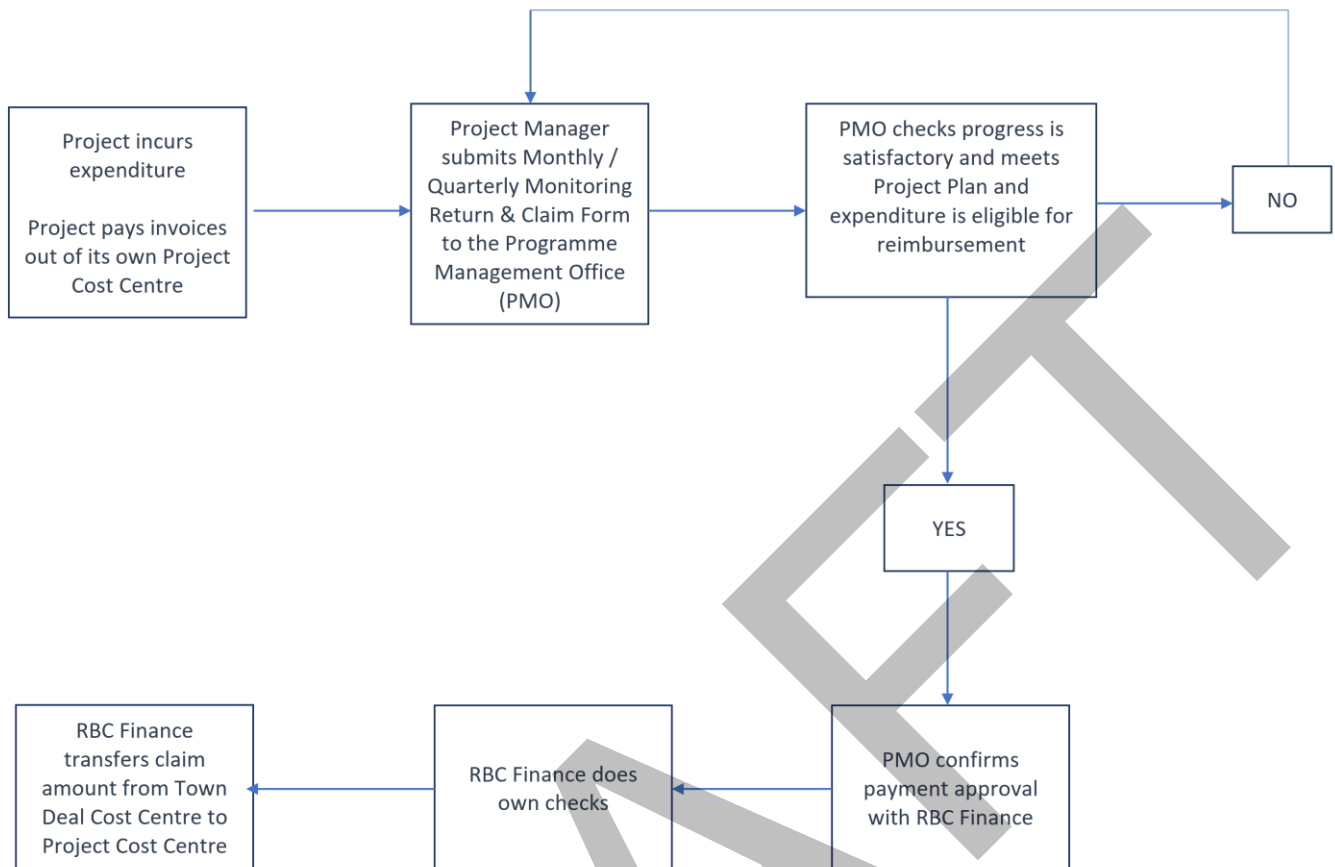
Project sponsors will report on progress to RBC officers who will be responsible for briefing the RBC Executive and the Town Deal Board as appropriate.

Key project monitoring and assurance steps are as follows:

- Project Managers submit Project Highlights Reports to the Programme Management Office (PMO) on a monthly basis.
- PMO submits Programme Highlights Reports to RBC Project Governance Board every six weeks
- PMO presents updated programme issues logs and risk logs at RBC Project Governance Board meetings
- PMO submits quarterly progress update reports to Town Deal Board

Grant claiming - A Town Deal programme cost centre (income and expenditure codes) will be created by RBC Finance.

Project cost centres (income and expenditure codes) will be set up by RBC and WCC for each of their projects. Project expenditure will be covered / provided by RBC and WCC for their own respective projects and claimed from the Town Deal programme in arrears. Once the claim forms are approved by the PMO, the funding is transferred from the Town Deal programme cost centre to the individual project cost centres.



## SCOPE MANAGEMENT

[summary of the **scope of the project** and its key elements]

The scope of the project is described more fully in the XX section of XX case, but involves public realm improvements in the vicinity Church Green, Evesham Walk and Unicorn Hill.

[approach to specifying, approving, and managing requirements]

Redditch Borough Council has responsibility specifying, reviewing and approving the detailed design issued under building contracts for general conformity to specification requirements and see that the dates for production and approval of design information are met. Redditch Borough Council will establish and maintain appropriate project management procedures and lines of communication for the exchange of information between consultants and contractors working on the project.

[summary of interfaces with third parties and management approach]

Redditch Borough Council will be responsible for engaging, procuring and managing third parties for the delivery phase of this project, as described above. The procurement arrangements and approach are set out in the Commercial Case.

[summary approach to solution development, confirmation management, acceptance]

## PROGRAMME/SCHEDULE MANAGEMENT

[summary structure of programme and principal stages and workstreams]

[summary timescales and explain if project is being fast-tracked]

[details of dependent and interdependencies with rest of TIP and non-TIP projects]

While the Town Centre Public Realm project is a stand alone project, it is one of 5 projects that form a programme of works in the Redditch Town Investment Plan aimed at revitalising and rejuvenating the town centre and making Redditch a great place to live, work, visit and invest. Therefore there are synergies between the Town Centre Public Realm project and other TIP initiatives, most notably the Redditch Library redevelopment project.

[summary of **key milestones** including key decision points, assurance, consents, approvals]

[summary of critical/near critical paths and/or higher risk workstreams/activities]

[summary of schedule hierarchy and tools and include high level pictorial summary]

[summary of constraints, assumptions, and basis for programme rates/durations]

[details of most likely forecast completion date within stated range]

[summary of risks and issues likely to affect implementation and delivery performance]

The following table shows the indicative schedule for delivering the project.

Key Milestone	Deadline
TIP submission	22 January 2021
Heads of Terms Agreement	June 2021
Stakeholder engagement	March 2022
Detailed projects and business case development	May 2022
Agree final projects and funding (Funding Agreement)	July 2022
Delivery of Project	August 2022 – March 2026

## RISK AND OPPORTUNITIES MANAGEMENT

[summary of risk management strategy reflecting organisation, financial and commercial case and covering identification, classification, quantification, mitigation]

An effective risk management strategy for the project will be based on the principles for risk management contained in within the PRINCE2 guidance. The project will implement a hierarchy of risk management that aims to eliminate risks where possible, then mitigate any impacts of foreseeable risks. This will be done formally at project site meetings and project board meetings. The investment has generally been assessed to be a medium to low risk project.

[summary of processes and tools including whether qualitative and quantitative assessments are proposed]

The procedure for identifying key risks will be as follows:

- Assess: assess the risks in terms of their probability and impact on the project objectives;
- Plan: prepare the specific response to the threats (e.g. to help reduce or avoid the threat), or this could also be to plan to maximise the opportunity if the risk happens;
- Implement: carry out the above in response to an identified threat or if one occurs; and
- Communicate: report and communicate the above to relevant project team members and stakeholders.

[summary of risk themes and key risks and mitigations]

Risk Element	Identified risk	Allocation
<b>Funding</b>	Viability gap for development of site	RBC
	Allocated funding may not be sufficient to deliver all aspects of the project	RBC
<b>Planning/Consents</b>	Planning permission for site refused	RBC

	Conditions of planning permission may increase costs or timelines of the project	RBC
<b>Project overruns</b>	The development may take longer than anticipated.	RBC
<b>Site</b>	Feasibility work identifies factors which result in a need to redesign or delay development.	RBC
<b>Procurement</b>	Unable to find a suitable contractor through the public procurement process.	RBC
<b>Demand</b>	Increase in visitation may be less than was originally forecast	RBC

[summary of risk themes and key risks and mitigations]

[summary of approach to issue management if separate from risk management]

[if applicable, summary of retained risks and mitigation/management plans]

[summary of approach to opportunities management and realisation]

[assessment of opportunities to gain from industry productivity initiatives]

As the Town Centre Public Realm project develops, there may be opportunities to gain from industry productivity initiatives. Contractors will be encouraged to flag if there are any opportunities which may benefit this project, in addition to the project delivery team (and wider stakeholders) also being encouraged to regularly review developments in this sector to understand if any opportunities could be realized.

## PROJECT MANAGEMENT

[summary of proposed project management approach/methodology]

The Redditch Borough Council's approach to project management is based on a clear structure with lines of accountability running throughout the delivery team, connecting each part of the team to senior leadership within the Redditch Borough Council, enabling monitoring of progress, accountability and the ability to escalate issues where required. The Redditch Brough Council has a long track record of delivering successful projects across a number of portfolios using this structured approach to project management.

[statement describing intent to apply existing or need to develop new processes]

The Redditch Borough Council is putting in place a dedicated programme and project management structure to ensure that the interventions set out in the Town Investment Plan application can be delivered to time, quality and budget, as part of the wider masterplan. The proposed management structure for delivery of programme is detailed below.

[summary of key processes for controlling scope, programme, cost, risk, HSE (health safety and environment), assurance and reporting]

The Project Board's day-to-day client liaison with each project team will be overseen by the Programme Sponsor. The Sponsor is responsible for project assurance, maintaining focus of the project team on the required objectives, authorising expenditure within delegated levels of authority and act as the client representative for the scheme. The Programme Sponsor will be responsible for the strategic alignment of each project during delivery, ensuring proposed changes are checked against effects on aim, benefits and critical success factors.

[summary of processes for managing key interfaces, consents, and compliance]

A designated Project Manager will run each project on a day-to-day basis on behalf of the Redditch Borough Council, with the primary duty of delivering the project within the required constraints of quality, cost, time, and risk. The Project Manager will also be tasked with ensuring that the project can achieve the benefits defined in the project brief. As the primary project lead, the Project Manager is responsible



for managing the drawdown of professional fees and monitoring the performance of external consultants against their appointment criteria.

[summary of approach to information management]

#### Client to provide

This will include the use of a Project Plan (Microsoft Project), Communications Plan, Risk and Issue Logs which will be maintained by the Project Manager.

[details for managing change linked to organisation, governance, and delegated authorities]

Monitoring actions to ensure compliance with Authority's governance.

- Approving the appointments of consultants and contractors (within delegated authority) and taking an active involvement in the appointment process.
- Maintaining at all times, on behalf of the Project Board, an overview of the project in relation to the business case.
- Informing and working with the stakeholders and other client departments.
- Ensuring that each Project Manager (and Project Team) receives decisions and instructions from the Project Board on time.
- Establishing with each Project Manager an agreed approach to major issues that arise (particularly risk assessment, value management and change control).

[arrangements for managing professional service contracts and third-party agreements]

## STAKEHOLDER ENGAGEMENT

[summary of key stakeholders and their interests and power to influence delivery]

Key Stakeholders include Redditch Borough Council, Worcestershire County Council, local business and community groups. A key vehicle for stakeholder engagement has been the Redditch Town Deal Board whose membership is outlined below:

Name	Organisation
Leigh Walton (Chair)	Redditch Community Forum / Redditch Resident
Simon Hyde (Vice Chair)	Faun Zoeller
Cllr Matthew Dormer	Leader - Redditch Borough Council
Kevin Dicks	Redditch Borough Council
Ostap Paparega	North Worcestershire Economic Development & Regeneration
Rachel Maclean	Redditch MP
Simon Hyde	Faun Zoeller (UK) Ltd
David Mitchell	Mettis Aerospace
Gary Woodman	Worcestershire LEP
Tim Martin	West Midlands Combined Authority
Annette Daly	YMCA
Penny Unwin	Worcestershire County Council OPE
Simon Geraghty	Leader – Worcestershire County Council
Shanaaz Carroll	Greater Birmingham & Solihull LEP
John Hobbs	Worcestershire County Council
Peter Sugg	Young Solutions

Julia Breakwell	HoW College
Ian Smith	Cities & Local Growth Unit
Rebecca Collings	Towns Fund Delivery Partner
Other officers / partners as agreed and required	

[summary of strategy(s) to engage through development, delivery, and operations]

Once the design teams are in place, they will be an extensive public and stakeholder engagement process.

[summary of approach to communications with stakeholders including the public]

Stakeholder feedback and evaluation forms will be used and also stakeholder input at exhibition events will be recorded and the design iterations will be measured / evaluated against the feedback.

## **BENEFITS, MONITORING AND EVALUATION**

[summary/cross reference to the benefits register covering development/delivery/operations]

Refer to the Economic Case for the full list of project benefits expected to result from the project.

[approach to developing a benefits realization plan and its approval]

Monitoring and evaluation are essential parts of any project. It provides an opportunity to improve performance by reviewing past and current activities, with the aim of replicating good practice in the future and eliminating mistakes in future work. The Redditch Borough Council has a responsibility to report on how funding is being utilised for this scheme and how its expenditure represents value for money to the taxpayer and how spending aligns with the main objectives of the scheme.

[arrangements for tracking and reporting benefits through development/delivery]

In order to monitor the delivery of the scheme correctly, the Redditch Borough Council proposes to create a detailed monitoring and evaluation plan. Monitoring and evaluation plans will be published on the Redditch Borough Council website and will be available to the public.

Monitoring and evaluation costs will be covered through the Town Investment Plan ask as per the Financial Case. Data will be collected on a number of key metrics relating to Redditch Library redevelopment, including footfall, retail vacancy numbers, number of local events, private commercial investment. It will be the responsibility of the Programme Manager to collate the annual data for the purposes of delivering the monitoring and evaluation report at project close. A proportionate approach to Monitoring and Evaluation will ensure value for money, utilising existing data to deliver efficiency for both the Redditch Borough Council and the Town Investment Plan.

[high level strategy for monitoring and evaluating benefits realization]

Monitoring and Evaluation (M&E) is essential for any publicly-funded project. It provides an opportunity to improve performance by reviewing past and current activities, with the aim of replicating good practice in the future and eliminating mistakes in future work. RBC has a responsibility to report on how funding is being utilised for this scheme and how its expenditure represents value for money to the taxpayer and how spending aligns with the main objectives of the scheme.

RBC is committed to the ongoing monitoring of the impacts of the schemes that it introduces to ensure that benefits are realised, impacts are identified, and any unforeseen effects are understood. In the case of the redevelopment of the Redditch Library site, the monitoring and M&E arrangements will include reporting against the project's business plan and financial performance, as well as the required construction monitoring and evaluation. The design of the M&E approach will be proportionate to the size of the investment, the risks, and the uniqueness of the project as well as being aligned to the requirements of other funding agencies.

The M&E objectives for this project are as follows:



- Implementation of the projects and how this impacts the intended outcome.
- Outputs of delivery.
- Outcomes measuring the intermediate effects of the project and what they achieve.
- Reporting the implementation and outputs of the intervention throughout the lifetime of the project and subsequent years after completion.

The Town Centre Public Realm project will be monitored throughout its life course following the logic model developed for the scheme and associated indicators.

Many of the required data sources are currently readily available, and some will require additional research and reporting, for example food and beverage turnover. Increased footfall will be tracked and measured via footfall counters.

In order to monitor the delivery of the scheme correctly, RBC proposes to:

- create a detailed monitoring and evaluation plan;
- publish the monitoring and evaluation plan on the Council website so as to be available to the public;
- provide progress reports on the evaluation process throughout the project lifecycle through its rigid management structures; and
- provide an initial report based on data collection annually throughout the project lifecycle.

Guidance for monitoring key benefits and factors for overall success of the project are set out in the tables listed below. These will be regularly reported on by RBC to the Project Governance Board. Tables below set out the structure for gathering, assessing and monitoring benefits and outcomes.

Benefit	Timescale	Measured	Risks	Critical Success Factors
5 new / improved public spaces encompassing approximately 9,571m <sup>2</sup> of urban realm	Immediate			
Increased footfall	Ongoing			
Improved perceptions of Redditch by residents and visitors	Ongoing			
Increase in land values	Ongoing			
Improved streetscape and urban furniture	Short term			
Increased number of local journeys made by walking / cycling	Short term			
Greater feeling of safety amongst residents	Short term			

Improved physical health as a result of increased walking / cycling provision	Medium term			
Increased private sector investment supporting uptake of vacant commercial space	Medium term			
Change in perception of Redditch as a more attractive town to live, work and invest	Long term			

Once Heads of Terms have been agreed, towns are required to develop business cases for each project and submit a Summary Document to Ministry of Housing, Communities and Local Government (MHCLG). MHCLG will need to review and be satisfied with the Summary Document before funding can be released.

The **Summary Document is mandatory**, even if you do not use the TFDP business case template.

## SUMMARY DOCUMENT

### Towns Fund Stage 2 Business case guidance Annex C: Summary Document template

Towns must:

- Submit a completed Summary Document for each project to Ministry of Housing, Communities and Local Government (MHCLG) as soon as they are ready and within 12 months of agreed Heads of Terms.
- **Where towns require funding in 2021/22** then Summary Documents **must** be submitted to MHCLG by 14 January 2022.
- Note that in the event of late submission of Summary Documents (SD), MHCLG cannot guarantee payment. If there is a risk of late submission, towns should promptly liaise with their MHCLG local leads.

- **With the first Summary Document, include** Part 2: Town Investment Plan (TIP) conditions (where applicable).

Please note: MHCLG will use the financial profile (Annex A-1) submitted previously to make any payment.

### **Programme-level update**

Where not submitted today, the remaining Summary Documents submission timings.

Project name	Month/Year
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

## **Part 1: Project Summary Document**

Towns should complete this for each project.

Summary Document table	
<b>1. Project name:</b>	
<b>2. Heads of Terms project conditions</b>	
<ul style="list-style-type: none"> <li>– Actions taken to address any conditions attached to the project in the Heads of Terms, where applicable.</li> <li>– Where the condition was to provide a delivery plan please input in the section below (no.9) and/or attach to this document.</li> </ul>	
<b>3. Business case appraisal</b>	
Provide details of how the business case has been appraised including:	
<ul style="list-style-type: none"> <li>– business case type</li> <li>– any internal or external assurances</li> </ul>	
<b>4. MHCLG capital (CDEL) 5% payment</b>	
Main activities, if applicable:	
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> <li>•</li> <li>•</li> </ul>	
<b>5. Quantified benefit-cost ratio/value for money (e.g. Benefit Cost Ratio or Net Present Social Value)</b>	
A quantified benefit-cost ratio should be provided. If it has not been generated, a summary of evidence used by the S151 Officer to demonstrate value for money should be stated.	
<b>6. Deliverability</b>	
Will this project still be delivered within the Towns Fund timeframe? (Y/N)	

**7. Delivery plan**

Including details of:

- timescales and key milestones
- partnerships
- interdependencies
- risks and mitigation measures (if not provided above).

**8. Town Deal Board Chair name & signature**

Name of the Town Deal Board:

Chair's name and signature:

Date:

**9. By signing, I agree that:**

1. The business case, in a proportionate manner, is Green Book compliant.
2. The 5% early capital (CDEL) has been included in the Town Fund project costs across the programme.
3. This project and expenditure represent value for money, including the 5% early capital (CDEL) provided.
4. Project-level Equality Impact Assessments such as Public Sector Equalities Duty and/or Environmental Impact Assessments have been undertaken.
5. For final submission - programme-level Public Sector Equality Duty assessment has been undertaken by the accountable body.

**Name of the lead Local Authority and signature of the Chief Executive Officer or S151 Officer**

Name of the lead Local Authority:

Job title:

Name and signature:

Date:

## **Part 2: Town Investment Plan (TIP) conditions**

Towns are **only** required to submit this with the **first batch** of Summary Document if any TIP conditions are listed in the Heads of Terms. All TIP conditions must be met **before funding can be released**.

TIP conditions table	
<b>1. TIP improvement condition</b>	Set out TIP improvement conditions as agreed in Heads of Terms
<b>2. Evidence</b>	Provide evidence of how conditions have been addressed
<b>3. Name of the Town Deal Board Chair &amp; signature</b>	
Name of the Town Deal Board:	
Chair's name and signature:	
Date:	
<b>4. Lead Local Authority's name &amp; signature of the Chief Executive Officer or S151 Officer.</b>	
Name of the lead Local Authority:	
Job title:	
Name and signature:	
Date:	

**Annex: submission checklist**

Use this as guidance when submitting the Summary Documents.

Items	Checked	Qty
<b>first submission</b>		
1. Programme-level update	<input type="checkbox"/>	
2. Part 1: Project Summary Document	<input type="checkbox"/>	
3. Part 2: Town Investment Plan (TIP) conditions	<input type="checkbox"/>	
4. Final Monitoring & Evaluation (M&E) plan	<input type="checkbox"/>	
5. Any other documents	<input type="checkbox"/>	
<b>all other submissions</b>		
1. Programme-level update	<input type="checkbox"/>	
2. Part 1: Project Summary Document table	<input type="checkbox"/>	
3. Final M&E plan	<input type="checkbox"/>	
4. Any other documents	<input type="checkbox"/>	

# PROPORTIONALITY GUIDE

**You should consider the following questions and prompts to help guide the level of detail required for your business case. Ultimately, this is a question for your local assurance processes and your Town Deal Board.**

## GENERAL CONSIDERATIONS

Key questions to consider the level of detail and effort required for your business case as a whole include:

- Is your project large (smaller projects – e.g. <£1m – require less detail compared to larger projects – e.g. projects over £25m)?
- Is the project of regional or national significance?
- Is it a complex or innovative project?
- Is this the first time you have delivered a project of this kind?

If you answer ‘Yes’ to one or more of these questions, you will need to produce a more detailed business case.

**Ultimately, you should follow any guidance on the level of detail required for business cases based on your local assurance processes.**

For each of the five cases below, we set out key questions and considerations to help you gauge the level of detail required for your business case.

At the end of this document, you can use the [Proportionality Tool](#) to assess where each business case falls on the scale of these key questions, which should help you understand the level of detail required for your business case.

## STRATEGIC CASE

Key questions to consider the level of detail and effort required for your Strategic Case include:

- Is the project a key enabler for other projects or programmes? Is it part of a set of projects to achieve more transformational change?
- Is there a complex stakeholder or policy challenge which requires further evidence or articulation of wider strategic alignment?
- Does the project or its theory of change have any dependencies on other projects or activities?

## ECONOMIC CASE

Key questions to consider the level of detail and effort required for your Economic Case include:

- Is the project in any way high risk or/and new and novel? Are the benefits of this type of project well understood and is there evidence that they are likely to be achieved?
- Is the “Do something” well-articulated – or does it need further refinement? Are the scenarios easily defined?



- What is the level of certainty around the costs and benefits? Is the BCR or NPV calculation particularly sensitive to any of the variables or assumptions?
- Is there any interrelationship or complexity between costs, benefits etc.? For instance, prices or costs impacting on demand?
- Are the costs and benefits dependent on the commercial or financial deal?
- Are there any significant dis-benefits?
- Is the case dependent on significant benefits which are difficult to monetise?
- Is the project likely to have a different impact on different groups (e.g. age, income)?

## FINANCIAL CASE

Key questions to consider the level of detail and effort required for your Financial Case include:

- What are the various sources of co-funding and commitment levels, and are there key uncertainties around those?
- Are there any foreseen Capital or Revenue constraints?
- What are the key assumptions that will impact the financial viability and what sensitivities do you plan to run? Are there any key financial risks to the project?
- Has there been consideration of tax and accounting treatment with your local assurance owner / accounting buddy?

## COMMERCIAL CASE

Key questions to consider the level of detail and effort required for your Commercial Case include:

- What is the commercial strategy underpinning delivery of the project?
- Which party owns which risk and the basis for the risk allocation? To what extent is there opportunity for suppliers to bear risk? Where suppliers are able to take risk how will the pricing mechanism reward/penalise them?
- Does the project involve partnering with multiple bodies and, if so, how will agreements be negotiated?
- Does the scope of the project require specialist input and are there any specific challenges or risks?
- Is the market understood and is the project likely to result in competitive tender(s)?
- Are there any specific challenges in deciding the procurement route to market? To what extent can existing processes for procurement and contract management be used? Do you have experience with this type of procurement?
- To what extent can the project be delivered as a single package or are multiple packages required?
- Can social value be delivered through procurement?

## MANAGEMENT CASE

Key questions to consider the level of detail and effort required for your Management Case include:

- Does the accountable body have an existing and proven approach for the delivery of projects and how will that be applied to the delivery of the project?
- What is the scale and complexity of the project?
- What are the key risks, who are the owners and how will they be managed?
- Is this an innovative project and does the project sponsor have experience in delivering similar projects?
- How many organisations will be involved in the delivery of the project and have they worked together?

- Does this project require complex delivery arrangements and are the roles and responsibilities clear and agreed?
- To what extent is the project dependent on projects by others and how will interfaces be managed?
- How many stakeholders will need to be engaged during development and delivery stages and how will this be achieved?
- What is the basis for the workstreams/activities in the proposed delivery schedule and the confidence in achieving key milestones?
- To what extent are there existing processes and procedures for project controls and how will these be applied?
- Who requires to assured, about what, to what level of detail and to what extent can existing arrangements be adapted and used?
- Is benefits realisation dependent on other parties, behavioural change, or additional enablers such as training or programming?
- How many outcomes and outputs will need to be monitored, and is there an established method for monitoring the outcomes and outputs that have been identified?

**PROPORTIONALITY ASSESSMENT TOOL**

	Less detail		More detail
<b>General</b>			
Project size and value	<£1m	↔	£25m+
Regional and national significance	Local	↔	Regional / national
Innovation	Low	↔	High
Experience delivering similar projects	High	↔	Low / no experience
<b>Strategic case</b>			
Enabler of other projects and transformational change	Local impact	↔	Transformational change
Stakeholder picture	Simple	↔	Complex
Key dependencies with other projects	No dependencies	↔	Strong dependencies
<b>Economic case</b>			
Risk and novelty of project	Low	↔	High
Scenario definition	Simple	↔	Complex, including Covid-19 impacts
Certainty around costs and benefits	High certainty	↔	Low certainty
Disbenefits	No disbenefits	↔	Potential Disbenefits
Monetising benefits	Easy to monetise	↔	Difficult to monetise
Distributional impacts across groups	simple impacts, less relevant to project	↔	Complex distributional impacts
<b>Financial case</b>			
Co-funding and uncertainties	Clear co-funding approach	↔	High uncertainty and complex co-funding
Capital and Revenue restraints	None	↔	Some
Financial viability and key financial risks	Low risks	↔	High financial risks
Tax and accounting treatment	Clear	↔	Complex, to be defined

	Less detail		More detail
<b>Commercial case</b>			
Number of parties	1	↔	>3
Procurement experience	Procured before	↔	Never procured
Risks and allocation	Clear and obvious	↔	Shared and need defining
Market assessment	Sufficient capacity	↔	Limited capacity
Procurement route	Framework	↔	Negotiated deal
Contract conditions	Standard, used before	↔	Modified, complex
Payment mechanisms	Cost reimbursement	↔	Target price
Incentives	None	↔	Pain / Gain
Assurance required	Minimal	↔	Independent
Value added	Minimal	↔	Multiple opportunities
<b>Management case</b>			
Technical complexity	Low	↔	High
Novelty	No novel aspects	↔	Little experience
Delivery risks	Few and manageable	↔	Many, likely, resource hungry
Dependencies	Few	↔	Many
Delivery model	Single body	↔	Multi-party
Project team	1-3	↔	>5
Project model	Single	↔	Part of a programme
Stakeholders	Passive management	↔	Active management
Assurance required	Minimal	↔	Independent
Benefits	Clear, concise, measurable	↔	Multi-faceted

Levelling U Fund 2 Report – Explanatory Note

The report relating to Levelling Up Fund 2 is different from the TIP report in that the money is not secured and this council will have to compete with other councils. The deadline is 6 July 2022, and the bid will be worked on until this deadline to maximise the chances of success. The choice for the council is whether to make a submission and if a submission is to be lodged the nature of the bid.

The deadlines are set by central government and are challenging.

This note has been prepared by Ruth Bamford who can be contacted on [r.bamford@bromsgroveandredditch.gov.uk](mailto:r.bamford@bromsgroveandredditch.gov.uk)

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**Executive Committee****28 June 2022****Redditch Levelling Up Fund proposal**

Relevant Portfolio Holder	Councillor Matt Dormer - Leader of the Council, Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ostap Paparega, Head of North Worcestershire Economic Development and Regeneration (NWEDR)
Wards Affected	Matchborough and Winyates
Ward Councillor Consulted	N/A
Key Decision	

**1. SUMMARY OF PROPOSALS**

- 1.1 The Levelling Up Fund (LUF) is a national grant funding programme which will invest in local infrastructure that has a visible impact on people and their communities. This includes a range of high value local investment priorities, including local transport schemes, urban regeneration projects and cultural assets.
- 1.2 Redditch has an opportunity to bid for up to £20m of LUF grant funding. This report outlines the proposed projects to be included in the bid.
- 2 The deadline for submission is 6 July 2022. Consequently, the details of this submission are draft only at this stage and will be worked upon until the deadline to ensure the best chance of success.

**2. RECOMMENDATION**

- 2.1 **That the Executive Committee endorses this report and gives delegated authority to the Executive Director for Resources (\$151 Officer) and the Head of NWEDR (Senior Responsible Owner) in consultation with the Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships to submit a Levelling Up Fund bid, as detailed in the report.**
- 2.2 **That the Executive Committee recommends to Council a match funding contribution of 10% of the total bid value up to £2 million.**

**Executive Committee****28 June 2022**

- 2.3 Should the submitted LUF Bid be successful, that Executive Committee recommends to Council the allocation of 10% of the total bid value in the Capital Programme.**

**3. BACKGROUND**

- 3.1 In March 2022 the government launched the second round of the Levelling Up Fund.

3.2 The Fund at a glance

- Local authorities can bid for up to £20m.
- Local authorities have been placed in priority categories 1, 2 or 3 with priority 1 category representing the highest level of need.
- Redditch are in category 1.
- Preference will be given to bids from priority 1 category.
- Bids from priority 2 and 3 will still be considered on their merits of deliverability, value for money and strategic fit, and could still be successful if they are of exceptionally high quality.
- Second round bids must be submitted by 6 July 2022, noon. Decision expected in autumn 2022.
- There are three investment themes: transport, regeneration & town centre and culture & heritage.
- Bids can be for one project, or a package bid for multiple projects.
- The government will prioritise projects which are able to demonstrate investment or begin delivery on the ground in the 2022-23 financial year.
- Funding must be spent by 31 March 2025.
- Capacity funding – a flat £125,000 will be allocated to local authorities in Priority 1 category to support the development of high quality bids.

3.2 Investment themes

The second round of funding, like the first one, focuses on three themes: smaller transport projects that make a genuine difference to local areas; town centre and regeneration; and support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets.

<b>Investment Themes</b>	<b>Key priorities</b>	<b>Project examples</b>
<b>Transport</b>	Public transport, active travel, bridge repairs, bus priority lanes, local road improvements and major structural maintenance, and	Investments in new or existing cycling provision. Improved priority for local bus services (e.g. bus priority lanes or signal priority at junctions).



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	accessibility improvements. The government is requesting proposals for high-impact small, medium and by exception larger local transport schemes to reduce carbon emissions, improve air quality, cut congestion, support economic growth and improve the experience of transport users.	Enhanced public transport facilities, such as bus stops and stations. Accessibility improvements to local transport networks for disabled people. Enhancements and upgrades to local road networks (e.g. by passes and junction improvements). Structural maintenance works to local roads, including bridges. Multi-modal proposals which combine two or more interventions to enhance transport across modes.
<b>Regeneration and town centre</b>	Building on the Towns Fund framework to upgrade eyesore buildings and dated infrastructure, acquire and regenerate brownfield sites, invest in secure community infrastructure and crime reduction, and bring public services and safe community spaces into town and city centres.	Regenerating key leisure and retail sites and improving their security, in order to encourage new businesses and public services to locate there. Removing derelict buildings and other eyesores to make way for new developments. Sire acquisition and remediation of abandoned or brownfield sites, for both commercial and new residential use. Improving the public realm including high streets, parks and green spaces, designing out opportunities for crime and anti-social behaviour. Creating better connectivity between and within key retail and leisure sites. Putting forward 'Town Deals' for individual or groups of smaller towns that did not receive investment from the Towns Fund.
<b>Culture and Heritage</b>	Maintaining, regenerating, or creatively repurposing museums, galleries, visitor attractions (and associated green spaces) and heritage assets as well as creating new community-owned spaces to support the	Upgrading and creating new cultural and creative spaces including sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens. Acquiring and refurbishing key cultural and heritage sites including hotels and historic buildings.

**REDDITCH BOROUGH COUNCIL****Executive Committee****28 June 2022**

	arts and serve as cultural spaces.	
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**3.3 Eligibility****3.3.1 The following areas are able to access the Fund:**

- Unitary authorities (including metropolitan borough councils), London borough councils and district councils in two tier areas in England
- County councils with transport powers, combined authorities, mayoral combined authorities and the Greater London Authority (GLA) are eligible to submit one transport bid; unitary authorities in England with transport powers are able to submit one additional bid which must be for transport.

**3.3.2 Local MPs, as democratically elected representatives of the areas, are expected to back one bid that they see as a priority. The number of bids that a local authority in the first category can make will relate to the number of MPs in their area. Every local authority can submit at least one bid. Where an MP's constituency crosses multiple local authorities, one local authority should take responsibility as the lead bidder and local areas should work together to designate that lead bidder.****3.3.3 The Fund will focus investment on projects that require up to £20m of funding. Bids above £20m and below £50m will be accepted for transport projects only, such as road schemes, and can be submitted by any bidding local authority.****3.3.4 All bids should have the approval of the relevant local authority responsible for delivering them. For example, transport bids submitted by district councils should have the approval of their relevant transport authority.****3.3.5 Bidding authorities are expected to consult the local MP, although their support is not a necessary condition for a successful bid.****3.4 Assessment criteria****3.4.1 The assessment will focus on the following key criteria:**

- Characteristics of the place – each local authority will be sorted into category 1, 2 or 3 based on the MHCLG's assessment metrics, with category 1 representing the highest level of identified need.
- Deliverability – will be based on supplementary finance, management and commercial cases, with bids able to demonstrate

**Executive Committee****28 June 2022**

investment or which begin delivery on the ground in 2022-23 financial year prioritised in the first round of funding.

- Strategic fit with local and Fund priorities – this should be addressed in the strategic case of submissions and should include support from stakeholders.
- Value for money – an economic case should be submitted to explain the benefits of the bid and how it represents value for money.

3.4.2 In addition, Ministers will have the opportunity to exercise discretion to meet the following additional considerations:

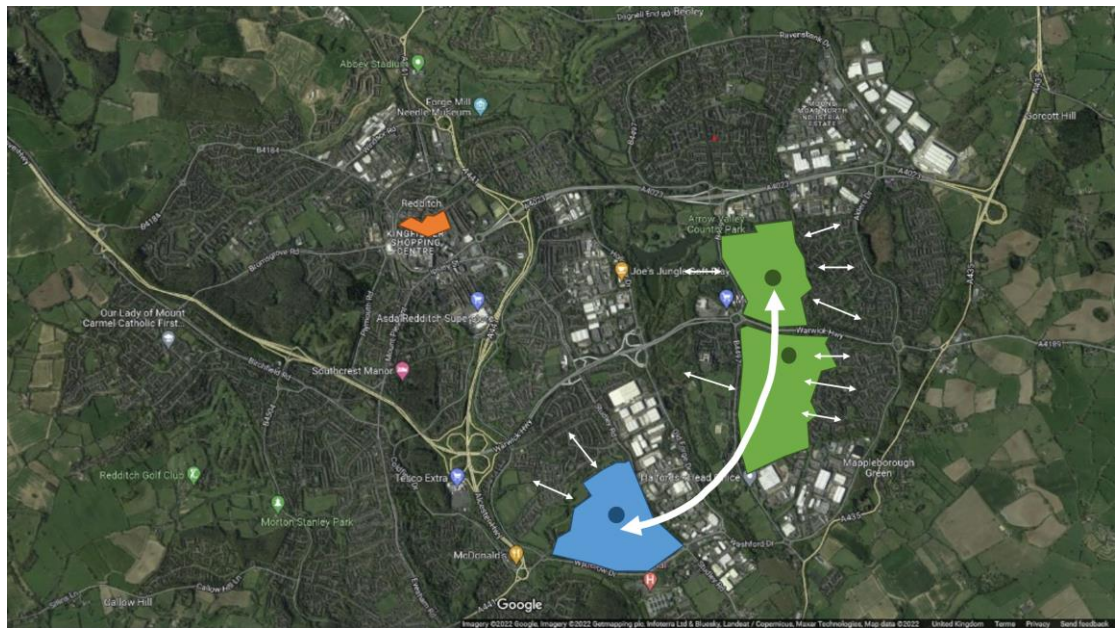
- Ensuring a reasonable thematic split of approved projects (e.g., across regeneration and town centre, transport and culture and heritage);
- Ensuring a fair spread of approved projects across Great Britain.
- Ensuring a fair balance of approved projects across places in need.
- Prioritisation of either 'strategic fit' or 'deliverability' or 'value for money' over the other criteria (noting this must be applied consistently to all projects).
- Taking into account other investment in the area. In future rounds, this could include funding provided to local areas through the first round of this Fund.

**4. KEY ISSUES**

4.1 It is proposed that this LUF bid focuses on the investment theme of Regeneration / town centre. It is important to note that the bid focus must relate to substantially progressed proposals. The Council has more proposals related to the Regeneration/town centre theme, to inform what will hopefully be a credible submission. However, a regeneration scheme could have elements of transport, culture and heritage when built out, as how future residents move around and engage with each other in open spaces and the wider built environment is a key element of regeneration.

4.2 Under the Regeneration/town centre theme the town centre and three district centres in need of improvement were considered. Figure 1 shows the location of the assessed sites i.e. town centre, Winyates, Matchborough and Woodrow.

Figure 1 – location

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4.3 The options appraisal considered four potential options for a package bid: town centre sites only; Winyates and Matchborough; Winyates, Matchborough and Woodrow and a full option including town centre sites and the three district centres.

4.4 The criteria used to appraise the four options were based on the Technical Note provided by central government that is listed as a background paper (Levelling Up Round 2: Technical Note).

4.5 The option that met most criteria was the Matchborough and Winyates option. This option will deliver the following outputs:

- Provision of new commercial and residential units
- Demolition of existing (outdated) commercial buildings and connected residential units
- Provision of new sports facilities (Matchborough only)
- Improved public realm
- Unlocking land for further residential developments
- 

4.6 Whilst specifics are not provided at this stage members should note there has been previous consultation with council tenants (commercial and residential) and other stakeholders such as the schools and community groups about the opportunity of redevelopment. Comparisons were made at such events with what has occurred at Church Hill Centre.

## **5 Financial Implications**

5.1 The Council was awarded a total of £125,000 of revenue funding to support the preparation of the bid and supporting evidence.

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- 5.2 The Council must make a contribution of at least 10% of the bid value. This is a LUF funding requirement.
- 5.3 If decanting (relocation) of commercial and / or residential tenants is needed, they may be entitled to financial compensation.
- 5.4 The LUF grant, if awarded, will only cover initial development phases. In other words it would not provide enough funding or time to complete all aspects of the redevelopment of the district centres. For the projects to be completed, further significant funding (public and private) will be needed.

**6. Legal Implications**

- 6.1 There are residential and commercial tenants currently in occupation of buildings that are proposed to be demolished as part of these projects. The existing tenancy, lease and / or license agreements will have to be reviewed to establish their rights and entitlements to compensation and other mitigating measures if applicable.
- 6.2 Tenancy and / or lease agreements may have to be terminated, depending on the type of lease agreement.
- 6.3 Legal agreements to swap land may be needed.

**7. Service / Operational Implications**

- 7.1 There may be significant operational implications, which may involve offering residential and commercial tenants currently occupying council owned buildings alternative accommodation.
- 7.2 These proposals envisage the delivery of new residential and commercial properties which will be owned by the council and would require the provision of housing and property services.

**8. Customer / Equalities and Diversity Implications**

- 8.1 These proposals will affect council housing and commercial tenants. Appropriate temporary plans need to be agreed with them and put in place to ensure service continuation with minimum disruption. The implications of emerging proposals will need to be fully quantified.

**9. RISK MANAGEMENT**

- 9.1 A full risk register is being developed.

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All proposals present major delivery risks, given the very tight implementation timeline – all grant funding must be spent by 31 March 2025.

The Winyates proposals in particular, present additional significant delivery risks and major dependencies on third parties' willingness to cooperate and ability to deliver their parts of the project within the required timeframe. Surgery relocation (to release its current site) is the most critical element of the proposal.

**10. APPENDICES**

None

**11. BACKGROUND PAPERS**

Levelling Up Fund Round 2 Prospectus: [Levelling Up Round 2 - Prospectus](#)

Levelling Up Fund Round 2: Technical Note: [Levelling Up fund Bid 2 - Technical Note](#)

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## Executive Committee

Tuesday, 14th June, 2022

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### MINUTES

#### Present:

Councillor Matthew Dormer (Chair), Councillor Nyear Nazir (Vice-Chair) and Councillors Karen Ashley, Joanne Beecham, Peter Fleming, Lucy Harrison, Anthony Lovell, Emma Marshall and Craig Warhurst

#### Also Present:

Councillors Joe Baker, Juma Begum and Sid Khan

#### Officers:

Peter Carpenter, Sarah Davis, Claire Felton, Sue Hanley, James Howse and Deb Poole

#### Principal Democratic Services Officer:

Jess Bayley-Hill

#### 1. APOLOGIES

There were no apologies for absence from Members.

#### 2. DECLARATIONS OF INTEREST

There were no declarations of interest.

#### 3. LEADER'S ANNOUNCEMENTS

The Leader advised that at a meeting of the Overview and Scrutiny Committee held on 9<sup>th</sup> June 2022, the Committee had pre-scrutinised the Council Plan, the Council Tax Support Scheme and the Review of Learning Online. The Committee had endorsed the proposals in respect of the Council Tax Support Scheme and Learning Online and had made an additional proposal in relation to the Council Plan. An extract from the minutes of the Overview and Scrutiny Committee had been published in a supplementary pack for the Executive Committee meeting in respect of the Council Plan and Members were urged to refer to this during the debate in respect of this item.

Chair

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## **4. MINUTES**

### **RESOLVED that**

**the minutes of the Executive Committee meeting held on 22<sup>nd</sup> March 2022 be approved as a true and correct record and signed by the Chair.**

## **5. BROMSGROVE AND REDDITCH DUTY TO CO-OPERATE**

The Head of Planning, Regeneration and Leisure Services presented the Bromsgrove and Redditch Duty to Co-operate report for the Executive Committee's consideration.

Members were informed that, like many local authorities, both Redditch Borough Council and Bromsgrove District Council were in the process of reviewing the content of their Local Plans. In the existing Bromsgrove Local Plan, Redditch was due to receive over 2,000 houses built in the District to help meeting the Borough's housing targets. However, since the previous Local Plan was agreed, it had been found that Redditch would require far fewer new houses by 2040 than had originally been anticipated. Officers were suggesting that the 2,000 houses should be returned to Bromsgrove and Bromsgrove District Council would then determine how this housing would be allocated.

Moving forward, Redditch Borough Council needed to continue to work closely with Bromsgrove District Council on the preparation of the Local Plans. There needed to be a shared understanding of local housing needs between the two Councils and ongoing co-operation.

Following the presentation of the report, Members discussed the content of the report and the possible implications of returning the 2,000 houses to Bromsgrove District Council's housing development figures. Concerns were raised that, in the long-term beyond 2040, this could result in the need for Redditch Borough Council to undertake development on green belt land. However, Officers explained that it was unlikely that a planning inspector would be supportive of arguments that the housing figures should be retained by Redditch Borough Council to help meet housing needs after 2040. There were other local authorities in the region that would potentially need to claim these houses in order to meet their housing development targets.

### **RECOMMENDED that**

**the Memorandum of Understanding (MOU) between Redditch Borough Council and Bromsgrove District Council be agreed.**



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## 6. COUNCIL PLAN (INCLUDING RECOVERY AND RESTORATION PLAN)

The Head of Business Transformation, Organisational Development and Digital Strategy presented the Council Plan, including the Restoration and Recovery Plan, for Members' consideration.

The Executive Committee was informed that the existing Council Plan had been reviewed at a series of workshops attended by Portfolio Holders and senior officers. The intention of these workshops was to provide an opportunity to review whether the content of the Council Plan remained relevant and viable, following the Covid-19 pandemic. At the workshops no changes had been suggested to the Council's strategic purposes or priorities. However, it had been proposed that the green thread, which ran throughout the plan, should also become a specific priority within the Council Plan.

The Restoration and Recovery Plan had been developed by Officers in 2020/21 in response to the Covid-19 pandemic. Many of the actions detailed in the plan had already been delivered or were in the process of being delivered and a further refresh of the plan was not considered necessary.

During consideration of this item, Members noted that the Overview and Scrutiny Committee had pre-scrutinised the Council Plan at a meeting held on 9<sup>th</sup> June 2022. The Committee had highlighted the need for action in respect of brown bins, as part of action on the green thread. Members commented that the comments made in respect of this matter by the Committee were valid and reflected the importance of the green thread. However, it was also noted that the Government was due to issue legislation which would provide further clarification as to whether brown bin services would be free or subject to a charge moving forward. In this context, Members commented that it would be appropriate to refrain from amending the content of the Council Plan in respect of this matter at this stage until that legislative position had been clarified.

The Overview and Scrutiny Committee had also commented on the need for the Council Plan to reflect the importance not just of recruiting suitably qualified employees but also of staff retention. Members commented that this was a high priority for the Council and a crucial consideration in respect of the authority's recruitment process.

Members noted that within the report reference had been made to the agile working policy in place for Council staff. Whilst Members recognised that this was an effective and efficient way of working, a

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request was made for the report to also clarify that face-to-face work would continue in order to meet the needs of customers who were unable or unwilling to use digital technology. It was agreed that further information about the division of time for staff between remote and home working would be helpful.

Reference was made to the requirement for Councils to introduce a food waste collection service and to extend garden waste collection services in the future. Members raised concerns about the need to think carefully about any charges levied for these services, particularly for residents living in flats who did not have access to gardens. There was general consensus that the Government's requirements would need to be reviewed carefully and the approach adopted by other Councils would be taken into account to ensure that lessons were learned.

Consideration was given to the progress that was being made by the Council in terms of achieving the authority's strategic purposes and priorities and questions were raised about the potential for data to be shared with Members in respect of this matter. Officers clarified that the Council was in the process of developing a new corporate dashboard that would contain a lot of useful data that could be accessed by Members. There would be reports on the subject for Members' consideration and it was anticipated that Members would also be able to access the data online in the future.

## **RECOMMENDED that**

- 1) the Council Plan Addendum 2022/23 be approved and included alongside the current RBC Council Plan 2020/24; and**
- 2) the Recovery and Restoration Plan 2020/21 be agreed and closed.**

## **7. DIGITAL STRATEGY**

The Head of Business Transformation, Organisational Development and Digital Strategy presented the Customer and Digital Strategy for the Executive Committee's consideration.

Members were advised that during the Covid-19 pandemic there had been an increasing move nationally towards using digital technology for service delivery. The Customer and Digital Strategy assumed that there would be a digital first approach to service delivery at the Council. This would help to improve service efficiency, although it was recognised that there were some customers who were not comfortable with or able to access digital technologies and their needs would continue to be met.

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There were four key themes in the Customer and Digital Strategy:

- Digital customer
- Digital workforce
- Digital leadership
- Digital infrastructure

Members welcomed the Customer and Digital Strategy and commented that adoption of this policy would enable the authority to undertake modern ways of working moving forward.

## **RESOLVED that**

### **8. the Customer and Digital Strategy be agreed and adopted FINANCIAL MONITORING REPORT**

The Interim Head of Financial and Customer Services presented the Financial Monitoring report for Members' consideration.

The Executive Committee was informed that the report related to the financial performance of the Council in the first 11 months of the 2021/22 financial year. An underspend was anticipated in the general fund. The Council had not had to use £1 million of Covid-19 grant funding, and this would be retained for use in the following financial year. Whilst some adjustments would be required for the twelfth month of the financial year, it was not anticipated that these would be significant.

A significant underspend was anticipated for the capital budget. A similar situation had been reported by many Councils across the country, due to competition over materials, labour and other key resources needed to deliver capital projects.

The Housing Revenue Account (HRA) was in a better position than previously anticipated. There had been underspends in areas such as on vacant posts and on expenditure in Repairs and Maintenance. However, some capital projects had been delivered, including upgrades to the bin sheds for some of the Council Houses in the Borough.

Members welcomed the report and in so doing commented on the pressures on the Council's budget arising from the Covid-19 pandemic and the action that had been taken to address this.

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**RESOLVED to note that**

- 1) the forecast 2021/22 outturn position in relation to revenue budgets based on the financial period April 2021 – February 2022 would be a projected revenue underspend of £136k;**
- 2) Capital expenditure to date would be £1.3m against a total an approved programme of £9.9m; and**
- 3) HRA net revenue expenditure would be £240k better than expected although Capital Expenditure would £5.3m less than budget.**

**9. COUNCIL TAX SUPPORT SCHEME -UPDATE**

The Interim Head of Finance and Customer Services presented an update on the Council Tax Support Scheme for Members' consideration.

The Executive Committee was informed that the report detailed arrangements for the scheme that were already in place as well as proposals for consultation on changes to the scheme for the 2023/24 financial year. There would be a number of options available to the Council in respect of the next Council Tax Support Scheme. Any changes to the scheme would need to be subject to public consultation. There would also need to be consultation with all the precepting authorities.

Members welcomed the report in respect of the Council Tax Support Scheme and the requirement for consultation in relation to any changes to the scheme. It was suggested that it might be helpful to offer incentives within the scheme to encourage people to foster children in the Borough.

During consideration of this item, Members noted that the Overview and Scrutiny Committee had pre-scrutinised the report at a meeting of the Committee held on 9<sup>th</sup> June 2022. The Overview and Scrutiny Committee was thanked for their hard work scrutinising the scheme.

**RESOLVED that**

- 4) the present scheme be noted; and**
- 5) the proposed consultation process for the 2023/24 scheme be approved.**

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## 10. OVERVIEW AND SCRUTINY COMMITTEE

The Chair advised that the recommendation detailed in the minutes of the Overview and Scrutiny Committee meeting held on 17<sup>th</sup> March 2022 had been considered at the previous meeting of the Executive Committee.

### **RESOLVED that**

**the minutes of the meeting of the Overview and Scrutiny Committee held on 17<sup>th</sup> March 2022 be noted.**

## 11. MINUTES / REFERRALS - OVERVIEW AND SCRUTINY COMMITTEE, EXECUTIVE PANELS ETC.

The Chair advised that there were no specific referrals from the Overview and Scrutiny Committee or any of the Executive Advisory Panels on this occasion.

## 12. ADVISORY PANELS - UPDATE REPORT

The following updates were provided in respect of the work of the Executive Advisory Panels and other groups:

### a) Climate Change Working Group – Chair, Councillor Anthony Lovell

Councillor Lovell advised that a meeting of the Climate Change Working Group had been held in March. The main issues that were in the process of being considered by the group were:

- Electric charging points for vehicles. Consideration was being given to working in partnership with other organisations to deliver electric charging points across the Borough. The Council already planned to install 50 electric charging points.
- Benchmarking data that could be used to help the Council to track progress in tackling climate change. This could be used to monitor areas such as the use of fossil fuels by the Council over time.

### b) Constitutional Review Working Party – Chair, Councillor Matthew Dormer

Councillor Dormer explained that a meeting of the Constitutional Review Working Party was in the process of being rescheduled to take place in July 2022.

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c) Corporate Parenting Board – Council Representative,  
Councillor Nyear Nazir

Councillor Nazir commented that the latest meeting of the Corporate Parenting Board had taken place on 12<sup>th</sup> May 2022.

During the meeting, a presentation had been delivered on the Corporate Parenting Board's pledges. Members had been advised that these were important aims which covered primary needs such as supporting and listening to looked after children and care leavers. However, it was important to ensure that the pledges were put into practice and prompt cards were being developed with input from young people to help achieve this.

Worcestershire Children First had recognised that there were some weaknesses in their service which were being addressed through the Connect programme, specifically around the 18+ pathway plans. A project to ensure all young people had access to some forms of identification was being delivered, as not all young people had access to this at present.

The Board had heard from three young people who had helped to launch the Kick Start Programme peer mentors' scheme. This had officially been introduced by Worcestershire Children's First's Business Support team. Three new job roles had been created as part of the programme. The Board had heard first-hand how this programme had given these individuals valuable opportunities and enabled personal development.

A new policy was in the process of being developed for when friends and family took care of young people who were classed as children in need. The policy would not be called a fostering policy but would suggest a way of working which allowed family values to be promoted and followed the duty to help children in care to access a connected person to take care of them in the first instance if the parents were unable to cope.

The Board had also noted the content of a quarterly data information report. Members of the Board had requested a report at a future meeting containing more data, with a specific focus on placements outside the county.

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- d) Member Support Steering Group – Chair, Councillor Matthew Dormer

Councillor Dormer explained that a meeting of the group was in the process of being rescheduled to take place in July 2022.

- e) Planning Advisory Panel – Chair, Councillor Matthew Dormer

Members were informed that a meeting of the Planning Advisory Panel had taken place in May 2022. During this meeting, Members had considered the content of the Bromsgrove and Redditch Duty to Co-operate report.

### 13. REVIEW OF SERVICE PROVISION - LEARN ONLINE

The Head of Legal, Democratic and Property Services presented a report detailing a review of the Council's Learning Online service.

Members were informed that the service had been reviewed as a result of the Council's budget setting process. The Council currently delivered the Learning Online service, which was a discretionary service and the service added value to the local community. However, a key question for Members to consider was whether the authority should continue to deliver the service moving forward. Alternatively, the Council could choose not to renew a contract with Herefordshire and Worcestershire (HoW) College when this came up for renewal in July 2022. The Executive Committee was asked to note that, should the Council choose not to renew the contract, the authority would be obliged to ensure that support was provided to the existing cohort of customers to enable them to complete their studies.

The report had been pre-scrutinised at a meeting of the Overview and Scrutiny Committee held on 9<sup>th</sup> June 2022. During the meeting, a number of issues had been raised in respect of alternative service providers. Worcestershire County Council had subsequently confirmed that that authority provided the same courses as Learning Online in respect of English and Mathematics. In addition, Worcestershire County Council provided certain IT courses that were not available to access from Learning Online. Worcestershire County Council had been providing remote learning courses during the pandemic, although would be returning to provision of face-to-face training in due course. For both online and face-to-face training the courses were tutor-led.

Should the Executive Committee decide to cease to provide the Learning Online service, this would be subject to the outcomes of formal consultation with staff. As no such decision had been taken to date, formal consultation had not yet been undertaken with staff.

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However, staff had been informally consulted on the proposals. Staff had reported that they provided support to a range of customers, including residents with barriers to learning. The Learning Online service provided a nurturing environment designed to support adult learners and to enable them to achieve their potential.

Members discussed the report in detail and in doing so questioned whether ceasing to provide the service at the end of the financial year, rather than the academic year, would have a detrimental impact on learners. Officers explained that this would be subject to the extent to which customers successfully completed their examinations. Should the Council cease to provide the service in December 2022, all of the current cohort apart from eight customers would have completed their studies. Should the Council wait until the end of the financial year then all of the participants should have completed their studies. There was the potential that some existing customers would want to transfer to alternative service providers whilst others might opt to continue to receive a service from Learning Online until the end of their studies.

Reference was made to the availability of alternative service providers and the organisations that could provide these services. Officers highlighted the information that had been provided in an appendix to the report concerning alternative service provision. Worcestershire County Council and HoW College were the larger local service providers but there were other organisations operating in both the Voluntary and Community Sector (VCS) and private sector that could potentially provide training to adults in future. There was no guarantee that a like-for-like service would be made available to residents should the Council cease to provide the Learning Online service. However, many of the courses offered by the Learning Online service were accessible from other providers operating in the Borough and online.

Reference was made to the number of customers who were currently registered with the Learning Online service. Officers clarified that there were 40 customers registered with the service and in various stages of training, although all would be on track to complete their studies by the end of the academic year in May 2023. Should the Council agree to cease to provide the service, then any potential customers who approached the Council in the future would be referred on to alternative providers. Information would also continue to be published on the Council's website for signposting purposes.

During consideration of this item, Members were advised that if they were minded to cease to provide the Learning Online service, an additional proposal delegating authority to officers to undertake a



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piece of work to enable existing customers to complete their studies by the end of the academic year would need to be approved.

**RESOLVED that**

- 1) **the Council cease to provide the Learning Online service by the end of the 2022/23 academic year; and**
- 2) **authority be delegated to the Head of Legal, Democratic and Property Services and the Head of Financial and Customer Services to undertake work to enable existing customers of the Learning Online Service to complete their studies by the end of the academic year.**

The Meeting commenced at 6.30 pm  
and closed at 7.31 pm

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