

additional papers 3



Executive Committee

Tue 28 Jun
2022
6.30 pm

Council Chamber
Town Hall
Walter Stranz Square
Redditch
B98 8AH



www.redditchbc.gov.uk

**If you have any queries on this Agenda please contact
Jess Bayley-Hill**

**Town Hall, Walter Stranz Square, Redditch, B98 8AH
Tel: (01527) 64252 (Ext. 3072)**

e.mail: jess.bayley-hill@bromsgroveandredditch.gov.uk



Executive

Tuesday, 28th June, 2022

6.30 pm

Committee Room 2 Town Hall

Agenda

Membership:

Cllrs:

Matthew Dormer
(Chair)
Nyear Nazir (Vice-
Chair)
Karen Ashley
Joanne Beecham
Peter Fleming

Lucy Harrison
Anthony Lovell
Emma Marshall
Craig Warhurst

7. Redditch Town Centre Regeneration Business Cases (Report to Follow) (Pages 1 - 62)

This pack contains an updated copy of the second appendix to the Redditch Town Centre Regeneration Business Cases report.

This page is intentionally left blank

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

DRAFT

VERSION CONTROL

Document version	Publication date	Description of changes	Modified by
1	8 th March 2021	First release of the <i>Stage 2 – Business Case Template</i>	TFDP
2	25 th March 2021	Updates to the Strategic Case, Financial and Commercial Cases to provide additional context and guidance for these cases	TFDP
3	24 th 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 th August 2021	Updated with the revised Annex C – Summary Document template	TFDP

CONTENTS

Foreword from the TFDP

Business Case Template Guide

Executive Summary

Introduction

Strategic Case

Economic Case

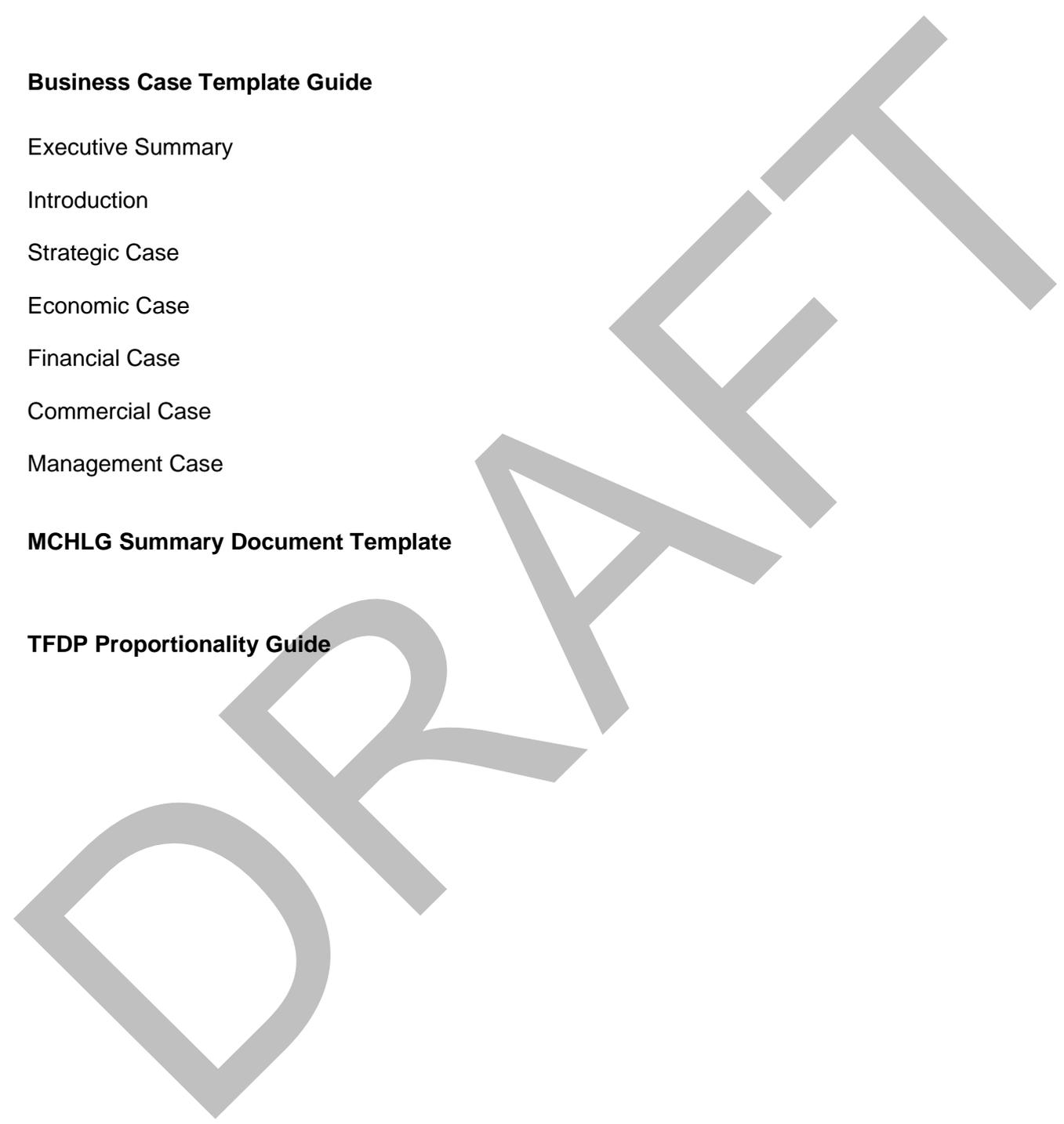
Financial Case

Commercial Case

Management Case

MCHLG Summary Document Template

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

This document sets out the Full Business Case (FBC) for a UK Government Towns Fund investment of £3m to enhance the public realm within the historic core of Redditch Town Centre. This investment will deliver new and improved public spaces in the vicinity of Church Green, Evesham Walk and Unicorn Hill totalling approximately 7,800 m² of new and improved public realm. The enhancements seek to increase footfall in the town centre and increase land values in order to support business creation and and develop an improved cultural and leisure offer.

STRATEGIC CASE

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 public realm in Redditch will continue to deteriorate.

The Redditch Town Centre Public Realm project is well aligned with the fulfilment of key policies, strategies and plans, at a local, regional, and national level as summarised in the below table.

Table 1 – Policy Context

Policy document details	Description of policy document	Alignment with Redditch Town Centre Urban Realm project
National Policy alignment		
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"> 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. Creation of good quality public realm will help attract business to locate to Redditch and encourage inward investment
Towns Fund Intervention Themes	Towns Deal prospectus	<ul style="list-style-type: none"> 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.
Regional Policy		
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"> The Town Centre Urban Realm project supports the objectives of 'Revitalising our city and town centres.' The Plan also identifies 'Place' as a key theme for growth with the objective to 'ensure prosperous communities across the county'.
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"> 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'. 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.

Policy document details	Description of policy document	Alignment with Redditch Town Centre Urban Realm project
Local Policy		
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"> 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.
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"> Complements the Recovery Framework (2020-2023) through 'improving places', one of three core objectives of the Framework. Specifically the project aligns strongly with the sub objective of 'Re-purposed / re-imagined town centre and local centres'
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"> The plan notes the opportunity it presents to contribute to the provision of high quality public space, active frontages, and improved pedestrian network.

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 SMART objective for the project are summarized below:

- Deliver 4 new / improved public spaces in the vicinity of Church Green, Evesham Walk and Unicorn Hill.
- Deliver approximately 7,800 m² of new / improved public realm.
- Increase in footfall in the town centre
- Increase in land values in the town centre.

The Redditch Town Centre Public 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

The Redditch Town Deal Board which includes representatives of local business as well as public sector authorities has been a key stakeholder in developing the Towns Fund Vision

ECONOMIC CASE

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 Town Investment Plan, 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.

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 is used to compare against. Four options have been considered for delivering the project.

Table 4 – Assessment Scenarios

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 1	The Redditch Public Realm project is delivered in full, meeting the required outputs and outcomes of the project within an affordable budget	This option has been discounted as although it would deliver extra benefits it can only be delivered if additional funding streams are identified.
Option 3 – Do Something 2	The project is delivered, with the Churchyard elements removed	This option has been discounted as although it would deliver extra benefits it can only be delivered if additional funding streams are identified.
Option 4 – Do Something 3	The project is delivered, with the Church Green east elements removed	Preferred option – this option will meet the councils aims and objectives.

Summary of economic benefits

The results of the VfM assessment for the project is outlined below. The VfM assessment for the Preferred Option shows a **BCR of 2.4**. This option demonstrates very good VfM¹. This is shown below.

Table 6 – Value for Money Analysis

Economic Case - value for money analysis	Core Scenario
Benefits for the BCR	
Active mode benefits	£7,820,091
Public realm benefits	£693,083
Total benefits for the BCR (A)	£8,513,174
Economic cost	£3,588,623
BCR calculation formula (A / B)	2.4
NPSV (A–B)	£4,924,550

Summary of economic costs

Below details the economic cost of the Preferred Options. Financial costs for the project are detailed in the Financial Case.

Table 7 – Economic Costs

Item	Unit	2021/22*	2022/23	2023/24	2024/25	2025/26	Total
Business Case	£000's	£94	£24	£0	£0	£0	£118
Design & Procurement Services			£130	£130	£0	£0	£259
Construction			£245	£245	£0	£0	£489
Inflation**			£0	£409	£818	£818	£2,046
Contract Risk			£0	£0	£70	£23	£94
Construction Risk			£0	£0	£141	£47	£188
Maintenance			£0	£0	£0	£0	£0
Total (excluding inflation)		£94	£398	£783	£1,030	£889	£3,194
			£0	£0	£0	£0	
Optimism Bias (23%)			£489	£964	£1,267	£1,093	
Discount rate (3.5%)			1.00	0.97	0.93	0.90	
Economic Cost			£489	£931	£1,182	£986	£3,589

¹ 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.

* 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.

** Inflation removed from economic analysis.

Value for money

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 and the net present social value (NPSV), which in this case represents the 2022 value of benefits minus the of economic 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).

VfM assessment for the option shows a **BCR of 2.4**. This option demonstrates very good VfM².

Table 8 – Value for Money Sensitivity Analysis

Benefit type	Appraisal scenario		
	Core scenario (£000's)	Sensitivity test 1 (£000's)	Sensitivity test 2 (£000's)
Active Mode Benefits	7820	3910	7820
Urban Realm benefits	693	347	693
Total benefits for the BCR (A)	8513	4257	8513
Economic cost (A)	3589	3589	5383
BCR (= A / B)	2.4	1.2	1.6

The Value for Money (VfM) assessment for this project is based on a 30 year appraisal period. The central scenario has been used as the core appraisal scenario in the table below. For this analysis, two scenarios were identified to test the sensitivity of the VfM assumptions. These were as follows:

- **Sensitivity Test 1:** Analyses the effect of a lower benefits accruing. Therefore this sensitivity test examines a halving of active travel and public realm benefits from £7.8m to £3.9m.
- **Sensitivity Test 2:** Analyses the effect of a 50% cost increase. Total economic cost increases from £3.6m to £5.4m.

In addition to the quantified benefits identified in the previous section the completion of the Redditch Public Realm project is expected to bring an additional qualitative benefits detailed in the table below. Investment in public realm will improve the functionality of the area to act as a gateway into the town via the train station by transforming unviable land catalysing more productive uses. Increase in vibrancy will improve natural surveillance in centre leading to reduced crime and increasing visitor numbers.

Table 9 – Summary of non-quantified benefits

Impact type	Description	Assessed impact size
Improved perception of Redditch	The public realm project will improve the perception of Redditch as a place to live and work. The scheme will improve the visual appeal of the town centre. This will demonstrate the commitment of the local authority to transform Redditch town centre for the benefit of residents and visitors.	Medium
Crime reduction	Good urban design, including improved lighting and the activation of frontages, reduces crime and fear of crime, which will also help to bring residents back into the town centre and improve perceptions, also attracting future investment.	Medium

FINANCIAL CASE

² 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.

The total scheme cost for the Town Centre Public Realm project is **£3.4m**. This includes £94k allocated for development costs that have occurred to date, for which funding has already been granted by RBC and spent in the development of the project to date.

There is no direct revenue expected as a result of the implementation of the scheme.

There is a £130,000 funding gap. There are a number of routes RBC can take to address this funding gap. They are:

- Seeking grants from alternative sources
- RBC applying for a loan
- Reallocation of Town Deal funds within the Redditch Town Fund Investment programme.
- Restricting the cost of the project to within the funding available.

It may result that a combination of the above approaches will be taken. The annualised funding summary by source is outlined in below.

Table 11 – Annualised Cost Profile

£000's	Total	2021/22	2022/23	2023/24	2024/25	2025/26
Towns Fund	3,000		221	865	1111	802
S106	176		176			
Match Funding from RBC	94	94				
Gap funding requirement	130					130
Total	3,400	94	398	865	1111	932

Key financial risks and mitigation measures are summarised below:

Table 12 – Key Financial Risks and Mitigation

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 Project Team 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.

COMMERCIAL CASE

Capital delivery of this project will be led by RBC, in partnership with Worcestershire County Council. RBC will use established commercial structures and approaches used by RBC to deliver their capital projects.

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.

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

A project risk register has been prepared, identifying who owns the risk, the likelihood and impact of each risk, as well as actions to mitigate these risks. Risks are to be managed through regular reviews of the risk register and identification of potential risks for each component. RBC will implement a hierarchy of risk management that will eliminate risks where possible, then mitigate any impacts of foreseeable risks. This will be done formally at project site meetings and Project Board meetings.

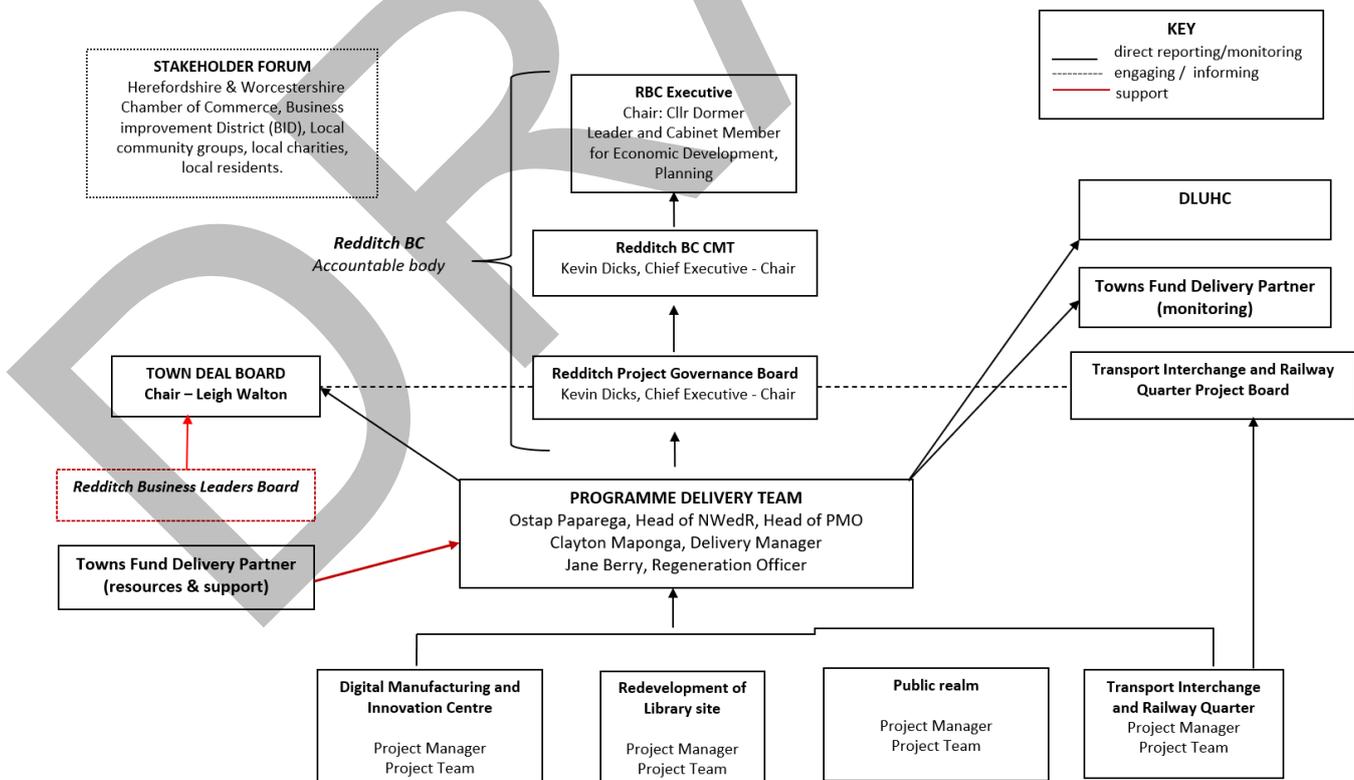
MANAGEMENT CASE

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.

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 the programme is detailed below.

Figure 2 – Redditch Borough Council Governance Model

APPENDIX 1 - REDDITCH TOWN DEAL PROGRAMME GOVERNANCE



Source: RBC

The Redditch Town Deal Board which includes representatives of local business as well as public sector authorities has been a key stakeholder in developing the Towns Fund Vision.

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

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.

While the Town Centre Public Realm project is a stand alone project, it is one of three 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.

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

Table 16 – Key Milestones

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

An effective risk management strategy for the project will be based on the principles for risk management contained in within the PRINCE2 guidance. The investment has generally been assessed to be a medium to low risk project and the key risks are identified below.

Table 17 – Risks and Mitigations

Risk Element	Identified risk	Allocation	Mitigations
Funding	Viability gap for development of site	RBC	RBC to address funding gap through alternative funding sources.
	Allocated funding may not be sufficient to deliver all aspects of the project	RBC	RBC has produced alternative plans of the scheme which could be considered.
Planning/Consents	Planning permission for site refused or delayed	RBC	Assumed that work can be undertaken under Permitted Development Rights
	Conditions of planning permission may increase costs or timelines of the project	RBC	See above
Project overruns	The development may take longer than anticipated.	RBC	Use of dedicated project manager and robust programme and risks and mitigations identified at project inception.
Site	Feasibility work identifies factors which result in a need to redesign or delay development.	RBC	Design has taken into account potential external factors such as unknown servicing issues. Use of experienced design team.

Procurement	Unable to find a suitable contractor through the public procurement process.	RBC	Use of Worcestershire County Council contractor's panel.
Demand	Increase in visitation may be less than was originally forecast	RBC	Use M&E plan to understand key metrics and what might be driving footfall.

No project interdependencies have been identified at this stage.

In order to monitor the delivery of the scheme correctly, 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

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.

INTRODUCTION

The following document sets out the Full Business Case (FBC) for UK Government Towns Fund investment of £3 million to enhance the public realm in the historic core of Redditch Town Centre.

INTRODUCTION

In September 2019, the UK Government invited 101 towns and cities across England to develop proposals for a Town Deal, outlining projects to address local growth constraints and help to level up the UK economy.

Redditch Borough Council (RBC) developed its Town Investment Plan³ (TIP), which sets out a long-term strategy for change to drive sustainable and inclusive economic growth and support recovery from the Covid-19 pandemic. The TIP forms the basis of a Town Deal for Redditch between the UK Government, RBC, and the newly formed Redditch Town Deal Board, now agreed in a Heads of Terms.

The next stage is to develop Business Cases for all the schemes agreed within the Heads of Terms, with this document comprising the FBC for the public realm scheme. RBC will act as both scheme promoter and accountable body.

Public Realm Project

This investment will deliver new and improved public spaces in the vicinity of Church Green, Evesham Walk and Unicorn Hill, totalling approximately 7,800 m² of new and improved public realm within the historic core of the town. The enhancements seek to increase footfall in the town centre, increase land values in order to support business creation and develop an improved cultural and leisure offer. The work will include the decluttering of footways to improve pedestrian flow, widened and newly surfaced footways, semi-mature tree planting with surrounding seating and new decorative planters along Church Green West.

This Business Case

This document forms the FBC for the Redditch public realm project. It is written to HM Treasury Green Book standards and will be submitted to the Department for Leveling Up, Housing & Communities (DLUHC). The structure is based on the Towns Fund Delivery Partner (TFDP) template for Five-Case Business Cases, presenting the strategic, economic, financial, commercial, and management cases for UK Government investment in the scheme.

³ [Redditch Town Investment Plan \(redditchbc.gov.uk\)](https://redditchbc.gov.uk)
TFDP Stage 2 – Business Case Template

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

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.

INTRODUCTION

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 dependence.

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).

CASE FOR CHANGE

Pre COVID-19, Redditch Town Centre performed at similar levels to national averages in relation to retail vacancy rates (both UK and Redditch had vacancy rates at around 13%⁴). However, this figure worsened to 16% in October 2020 whilst the national rate was forecast to experience a vacancy rate of 14%⁵, 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.

Residents note that poor public realm and resultant sense of reduced safety contribute to a lessened desire to be in the town at night⁶. Insufficient late-running public transport was a recurring theme in the stakeholder engagement highlighted as a barrier to staying out late in Redditch⁷. 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.

⁴ Redditch Borough Council data compared to Local Data Company data
<https://www.localdatacompany.com/blog/retail-outlook-for-the-end-of-2020>

⁵ Where will covid-19 leave the retail and leisure market at the end of 2020? The local data company 2020

⁶ Redditch Towns Deal Community Consultation, November 2020

⁷ Redditch Towns Deal Community Consultation, November 2020

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 public realm will continue to decay.

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

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

Table 1 – Policy Context

Policy document details	Description of policy document	Alignment with Redditch Town Centre Urban Realm project
National Policy alignment		
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"> 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. Creation of good quality public realm will help attract business to locate to Redditch and encourage inward investment
Towns Fund Intervention Themes	Towns Deal prospectus	<ul style="list-style-type: none"> 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.
Regional Policy		
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"> The Town Centre Urban Realm project supports the objectives of 'Revitalising our city and town centres.' The Plan also identifies 'Place' as a key theme for growth with the objective to 'ensure prosperous communities across the county'.

Policy document details	Description of policy document	Alignment with Redditch Town Centre Urban Realm project
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"> 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'. 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.
Local Policy		
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"> 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.
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"> Complements the Recovery Framework (2020-2023) through 'improving places', one of three core objectives of the Framework. Specifically the project aligns strongly with the sub objective of 'Re-purposed / re-imagined town centre and local centres'
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"> The plan notes the opportunity it presents to contribute to the provision of high quality public space, active frontages, and improved pedestrian network.

VISION AND OBJECTIVES

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. Improved rail, bus, cycling and walking infrastructure and networks.
- **Creative** - Re-purposed town centre. Leisure and cultural destination. Attractive place to do business, work and live.

The Redditch Town Centre Public 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

The SMART objective for the project are summarized below:

- Deliver 4 new / improved public spaces in the vicinity of Church Green, Evesham Walk and Unicorn Hill.
- Deliver approximately 7,800 m² of new / improved public realm.
- Increase in footfall in the town centre
- Increase in land values in the town centre.

THE PROPOSED INVESTMENT

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

Table 2 – Risk and Mitigation

Risk Element	Identified risk	Allocation	Mitigations
Funding	Viability gap for development of site	RBC	RBC to address funding gap through alternative funding sources.
	Allocated funding may not be sufficient to deliver all aspects of the project	RBC	RBC has produced alternative plans of the scheme which could be considered.
Planning/Consents	Planning permission for site refused or delayed	RBC	Assumed that work can be undertaken under Permitted Development Rights
	Conditions of planning permission may increase costs or timelines of the project	RBC	See above
Project overruns	The development may take longer than anticipated.	RBC	Use of dedicated project manager and robust programme and risks and mitigations identified at project inception.
Site	Feasibility work identifies factors which result in a need to redesign or delay development.	RBC	Design has taken into account potential external factors such as unknown servicing issues. Use of experienced design team.
Procurement	Unable to find a suitable contractor through the public procurement process.	RBC	Use of Worcestershire County Council contractor's panel.
Demand	Increase in visitation may be less than was originally forecast	RBC	Use M&E plan to understand key metrics and what might be driving footfall.

Source: Mott MacDonald

While the Town Centre Public Realm project is a stand alone project, it is one of three 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.

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

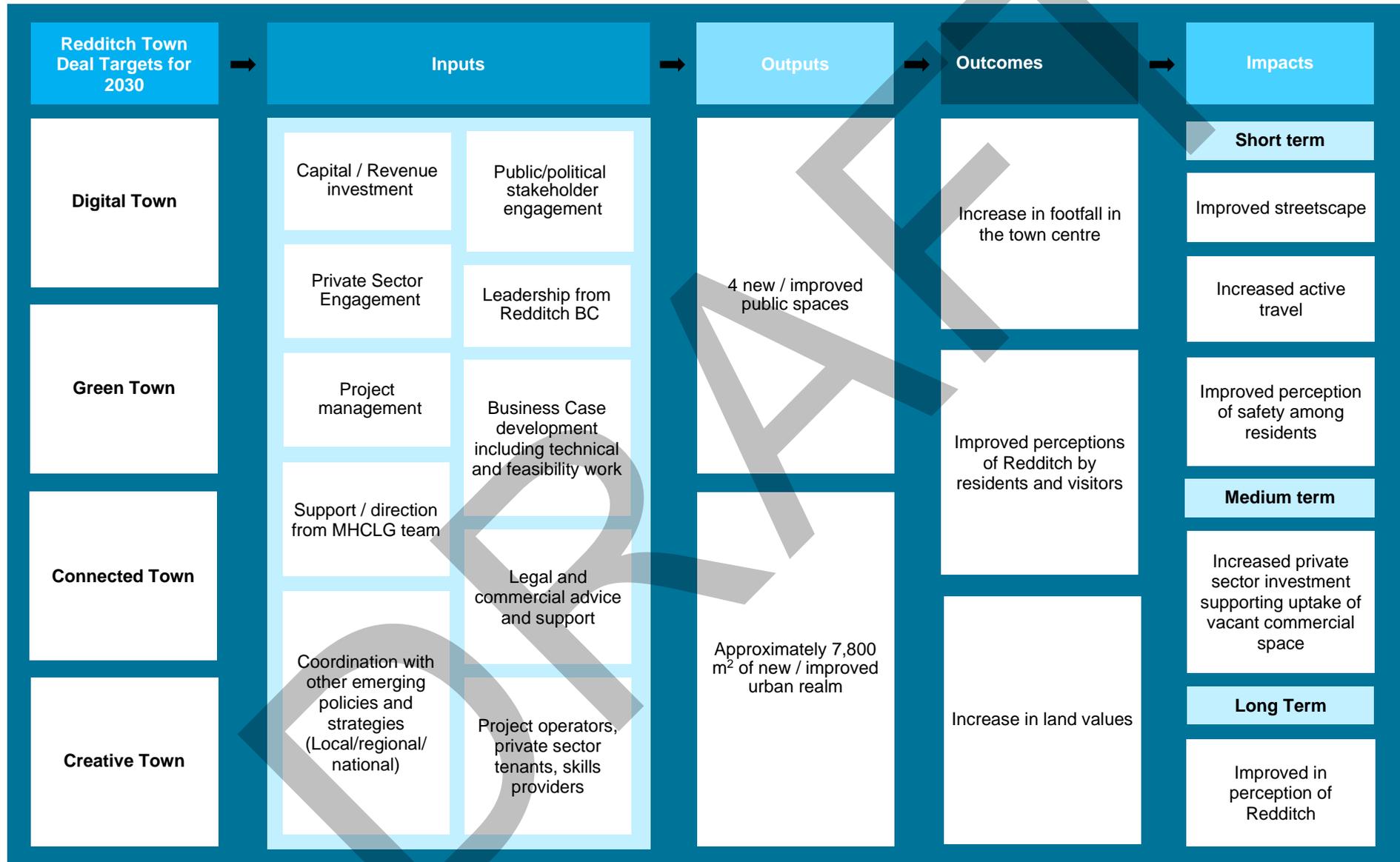
- Widened footpaths
- New Autumn Woburn block paving
- New disabled parking bays
- New 1.5 metre wide designated cycle lane with contrasting green surfacing
- Decluttering of footpaths to improve pedestrian flow
- All existing hedges and benches to be removed along Church Green West
- New semi-mature 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

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.

DRAFT

Figure 1: Redditch Town Centre Theory of Change



The project aims to improve the public realm of Redditch Town Centre which we believe will benefit all members of society. However, we recommend that a more detailed study is undertaken on social impact to understand the impact on protected characteristics and / or income groups.

STAKEHOLDERS

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:

Table 3 – Redditch Town Deal Board

Name	Organisation
Leigh Walton (Chair)	Redditch Community Forum / Redditch Resident
Cllr Matthew Dormer	Leader - Redditch Borough Council
Kevin Dicks	Redditch Borough Council
Ostap Paparega	North Worcestershire Economic Development & Regeneration
Rachel Maclean	Redditch MP
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
Ruth Bamford	Head of Planning, Regeneration and Leisure Services, Redditch Borough Council
Clayton Maponga	Programme Delivery Manager (NWDER)

Source: Redditch Borough Council

The Redditch Town Deal Board which includes representatives of local business as well as public sector authorities has been a key stakeholder in developing the Towns Fund Vision

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

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

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

This Economic Case is based upon guidance from the relevant government department (MHCLG/ DfT) as well as the HM Treasury's five case business model. The Economic Case demonstrates the public value for money of the Redditch 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: a proportionate assessment of the benefits, costs, and risks with the project and Sensitivity analysis based on key appraisal parameters to demonstrate the project's resilience.

INTRODUCTION

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.

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 uninviting and underused.

This proposed scheme will see these three important thoroughfares transformed into a series of 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.

APPROACH TO ECONOMIC CASE

The approach taken to the Economic Case is based on a quantitative assessment only designed to reflect the proposals for the Town Centre Public Realm project. This 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.

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 2022 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 guidance⁸. Each benefit has been assessed using methodologies and values (where available) from the appropriate UK Government department.

⁸ <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020#introduction>
100103017 | Economic + Financial Cases

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 Town Investment Plan, 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 the full Redditch Town Investment Plan submitted to Government in January 2021⁹.

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 is used to compare against. Four options have been considered for delivering the project.

Table 4 – Assessment Scenarios

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 1	The Redditch Public Realm project is delivered in full, meeting the required outputs and outcomes of the project within an affordable budget	This option has been discounted as although it would deliver extra benefits it can only be delivered if additional funding streams are identified.
Option 3 – Do Something 2	The project is delivered, with the Churchyard elements removed	This option has been discounted as although it would deliver extra benefits it can only be delivered if additional funding streams are identified.
Option 4 – Do Something 3	The project is delivered, with the Church Green east elements removed	Preferred option – this option will meet the councils aims and objectives.

Source: RBC

The four options have been considered for the project and the table below 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.

Table 5 – Option Descriptions

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	✓	✓	✓	✓	✓	This option does not meet HMT critical success factors for the project objectives The preferred options meets the project objectives.

⁹ <https://www.redditchtowndeal.co.uk/tip-submission/>

Option	Description of option	HMT Green Book Critical Success Factors					Conclusion
		Strategic fit	Value for Money	Supplier capacity and capability	Affordability	Achievability	
Option 3	Redditch Town Centre Public Realm project with Churchyard removed			✓	✓		This option does not meet HMT critical success factors for the project objectives
Option 4	Redditch Town Centre Public Realm project with Church Green east removed			✓	✓		The preferred options meets the project objectives

Source: RBC

The qualitative options appraisal set out above confirmed the identification of Option 4 as the Preferred Option for the development of the Redditch Public Realm project.

Appraisal Approach

Active travel benefits

The active mode 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, quality 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 A5.1¹⁰.

The Propensity to Cycle Tool (PCT)¹¹ has been used to estimate a baseline value for cyclists within the study area. 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.

Baseline demand for walking trips has been estimated using DataShine¹². Again, DataShine uses 2011 Census information to estimate a baseline value for pedestrians. As with cycle data, the 2011 value only accounts for commuting trips. As a result, in line with guidance released as part of the 2021/22 DfT Active Travel Fund, this initial value will be multiplied by 32 to account for all walking trip types and return trips. A further limitation within DataShine data is that movement are MSOA-to-MSOA. Therefore, professional judgement has been used to determine whether which MSOA flows are likely to use the route where improvements are proposed. An average figure from walking movements from the following MSOA areas has been used:

- Redditch 001
- Redditch 003
- Redditch 004
- Redditch 006

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.

¹⁰ <https://www.gov.uk/government/publications/tag-unit-a5-1-active-mode-appraisal>

¹¹ <https://www.pct.bike/>

¹² <https://datashine.org.uk/> Oliver O'Brien & James Cheshire (2016) *Interactive mapping for large, open demographic data sets using familiar geographical features*, *Journal of Maps*, 12:4, 676-683, DOI: 10.1080/17445647.2015.1060183

The uplift in cycling resulting from this scheme has been assumed to be 20%. 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. The lower bound uplift estimate has been taken due to the relatively small cycling infrastructure proposals within the scheme.

The uplift in walking has been assumed to be 30%, and again, 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*¹³.

The active mode benefits of this scheme are valued at **£7,820,091** in 2022 prices. The full list of assumptions are captured in the AMAT sheet Rev_B are appended to this business case.

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 MSCI, to quantify the benefits of this scheme. The annual value of this benefit within the VURT is £65,668.

The appraisal captures the benefit of the uplift, with no additional growth applied over a period of 30 years. The 2022 value of this benefit is **£693,083**.

ECONOMIC BENEFITS

Summary of economic benefits

The results of the VfM assessment for the project is outlined below. The VfM assessment for the Preferred Option shows a **BCR of 2.4**. This option demonstrates very good VfM¹⁴. This is shown below.

Table 6 – Value for Money Analysis

Economic Case - value for money analysis	Core Scenario
Benefits for the BCR	
Active mode benefits	£7,820,091
Public realm benefits	£693,083
Total benefits for the BCR (A)	£8,513,174
Economic cost	£3,588,623
BCR calculation formula (A / B)	2.4
NPSV (A-B)	£4,924,550

Source: Mott MacDonald

ECONOMIC COSTS

Below details the economic cost of the Preferred Options. Financial costs for the project are detailed in the Financial Case. To calculate the economic cost of the project, a number of adjustments to financial costs are made; firstly, transfer payments (i.e., VAT), contingency and inflation are removed. In this instance S106 contributions are treated as a public sector cost. Secondly, optimism bias, at 23%, is then

¹³ 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>

¹⁴ 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.

applied to the figures. This is the standard optimism bias as specified in the latest TAG guidance¹⁵ for a project at this stage of development. Finally, the cost is discounted using the public sector discount rate, at 3.5%.

These costs now represent the discounted real costs adjusted for optimism bias. The costs below have been rounded. These costs are used within the VfM Assessment and are set out below.

Table 7 – Economic Costs

Item	Unit	2021/22*	2022/23	2023/24	2024/25	2025/26	Total
Business Case	£000's	£94	£24	£0	£0	£0	£118
Design & Procurement			£130	£130	£0	£0	£259
Services			£245	£245	£0	£0	£489
Construction			£0	£409	£818	£818	£2,046
Inflation**			£0	£0	£0	£0	£0
Contract Risk			£0	£0	£70	£23	£94
Construction Risk			£0	£0	£141	£47	£188
Maintenance			£0	£0	£0	£0	£0
Total (excluding inflation)		£94	£398	£783	£1,030	£889	£3,194
Optimism Bias (23%)			£0	£0	£0	£0	
Discount rate (3.5%)			£489	£964	£1,267	£1,093	
Economic Cost			1.00	0.97	0.93	0.90	
			£489	£931	£1,182	£986	£3,589

* 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.

** Inflation removed from economic analysis.

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 and the net present social value (NPSV), which in this case represents the 2022 value of benefits minus the of economic 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 the preferred option are outlined below. The VfM assessment for the option shows a **BCR of 2.4**. This option demonstrates very good VfM¹⁶.

The Value for Money (VfM) assessment for this project is based on a 30 year appraisal period. The central scenario has been used as the core appraisal scenario in the table below. For this analysis, two scenarios were identified to test the sensitivity of the VfM assumptions. These were as follows:

- **Sensitivity Test 1:** Analyses the effect of a lower benefits accruing. Therefore this sensitivity test examines a halving of active travel and public realm benefits from £7.8m to £3.9m.
- **Sensitivity Test 2:** Analyses the effect of a 50% cost increase. Total economic cost increases from £3.6m to £5.4m.

The results of this analysis can be seen in the table below. In each scenario the scheme delivers a BCR of above 1 demonstrating that the scheme is resilient to changes in both costs and benefits. This also

¹⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1079011/tag-unit-A1-2-scheme-costs.pdf

¹⁶ 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.

excludes any national and sub-national Wider Economic Impacts (WEIs) likely to arise from the programme of investments planned in the Redditch Town Investment Plan. Considering these, and/or alternative future scenarios, means that the VfM is likely to be 'high' (above 2.0).

Table 8 – Value for Money Sensitivity Analysis

Benefit type	Appraisal scenario		
	Core scenario (£000's)	Sensitivity test 1 (£000's)	Sensitivity test 2 (£000's)
Active Mode Benefits	7820	3910	7820
Urban Realm benefits	693	347	693
Total benefits for the BCR (A)	8513	4257	8513
Economic cost (A)	3589	3589	5383
BCR (= A / B)	2.4	1.2	1.6

Mott MacDonald

NON-QUANTIFIED BENEFITS

In addition to the quantified benefits identified in the previous section the completion of the Redditch Public Realm project is expected to bring an additional qualitative benefits detailed in the table below.

Investment in public realm will improve the functionality of the area to act as a gateway into the town via the train station by transforming unviable land catalysing more productive uses. Increase in vibrancy will improve natural surveillance in centre leading to reduced crime and increasing visitor numbers¹⁷. This will, in turn, help to attract sustained private sector investment.

Table 9 – Summary of non-quantified benefits

Impact type	Description	Assessed impact size
Improved perception of Redditch	The public realm project will improve the perception of Redditch as a place to live and work. The scheme will improve the visual appeal of the town centre. This will demonstrate the commitment of the local authority to transform Redditch town centre for the benefit of residents and visitors.	Medium
Crime reduction	Good urban design, including improved lighting and the activation of frontages, reduces crime and fear of crime, which will also help to bring residents back into the town centre and improve perceptions, also attracting future investment.	Medium

Source: Mott MacDonald

SUMMARY

This section has considered the Value for Money (VfM) offered by the proposed development of the Redditch Public Realm project. The assessment of the preferred option's costs and benefits has been undertaken in line with DfT's TAG suite and Green Book guidance, referencing both modelling and appraisal units.

Cost inputs are principally taken from the project team estimate as detailed in the financial case. An appropriate optimism bias adjustment has been applied to the base cost estimate. Taken together, these benefits and costs result in a central case scenario BCR of 2.4, considerable of active travel and public realm impacts only. The scheme is therefore 'very good' VfM.

Two sensitivity tests have been undertaken which further demonstrate the projects resilience and ability to deliver value for money. This also excludes any national and sub-national Wider Economic Impacts (WEIs) likely to arise from the programme of investments planned in the Redditch Town Investment

¹⁷ Research in Kidderminster shows the linkages between public realm improvements and the local economy with improvements in public realm leading to an increase in retail sales and business turnover which can support employment and reduce vacancy rates in the area – Kidderminster Centre Public Realm Improvements, Economic Impact Assessment, A Report for Wyre Forest District Council, February 2018 - Kidderminster-Public-Realm_Impact Assessment_Final-Report_v1-3.pdf (wyreforestdc.gov.uk)

Plan. Considering these, and/or alternative future scenarios, means that the VfM is likely to be 'high' (above 2.0). This assessment is exclusive of additional non-monetised impacts.

The preferred option has also been considered in terms of its wider ability to meet each of the objectives as reported in the Strategic Case.

DRAFT

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

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 scheme opening in 2025, the sources of funding and the profile of funding over the delivery period.

INTRODUCTION

The total scheme cost for the Town Centre Public Realm project is **£3.4m**. This includes £94k allocated for development costs that have occurred to date, for which funding has already been granted by RBC and spent in the development of the project to date.

The Project Team has considered a range of funding sources and secured a range of private/public sector funding. Funding for the project will be provided primarily by the Towns Fund, with additional co-funding from RBC as set out in below.

Table 10: Funding Summary

Type	Source	Total Amount (£000's)
Public sector	Towns Fund	3,000
Match funding	S106 contributions	176
Match funding	RBC funds	94
Funding gap		130
Total		3,400

Source: Redditch Borough Council

APPROACH TO FINANCIAL CASE

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.

Costs for the Redditch Town Centre Public Realm project were provided by Redditch Borough Council in May 2022. The costs of the scheme are based on quantities and benchmarked costs and have been assessed at a high level.

An inflationary adjustment has also been applied to the construction costs. Tender Price Inflation is allowed at 15% on the basis of an assumed proposed start on site in 2025/26. Furthermore, £498k has been allocated towards risk including contract, design development and construction risks, as well as a 7.5% allocation for on-going maintenance.

COSTS

Funding for the Redditch Town Centre Public Realm project will be provided primarily by the Towns Fund. Across the delivery period (2022/23-2025/26), a total allocation for inflation of 15% has been applied, based on an average inflation of 30% per annum.

All cost plans allow for:

- 15% inflation risk on construction
- 5.7% contract risk (i.e. max pain share) (on inflated construction cost)
- 11.5% construction risk (i.e. CEs) (on inflated construction cost)

- 7.5% allocation for on-going maintenance
- Some service diversions costs are estimated by the Project Team (marked as 'unknown' on cost plans)
- All cost plans include full-time supervision during construction

Below shows the annualised cost profile.

Table 11 – Annualised Cost Profile

Item	Unit	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Business Case	94	24					118
Design & Procurement		130	130				259
Services		245	245				489
Construction			409	818	818		2046
Inflation			82	82	82		245
Contract Risk				70	23		94
Construction Risk				141	47		188
Maintenance					0		0

Source: Calculated from Redditch Borough Council Cost Schedule and Programme

Financial risks and mitigation plans

Key financial risks and mitigation measures are summarised below:

Table 12 – Key Financial Risks and Mitigation

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 Project Team 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.

FUNDING AND REVENUES

There is a £130,000 funding gap. RBC is looking at a series of routes to address this funding gap. They are:

- Seeking grants from alternative sources
- RBC applying for a loan
- Reallocation of Town Deal funds within the Redditch Town Fund Investment programme.
- Restricting the cost of the project to within the funding available.

It may result that a combination of the above approaches will be taken. The annualised funding summary by source is outlined in below.

Table 13 – Funding Summary

£000's	Total	2021/22	2022/23	2023/24	2024/25	2025/26
<i>Towns Fund</i>	3,000		221	865	1111	802
<i>S106</i>	176		176			
<i>Match Funding from RBC</i>	94	94				
<i>Gap funding requirement</i>	130					130
Total	3,400	94	398	865	1111	932

Source: RBC

AFFORDABILITY ASSESSMENT

As identified in the sections above, the funding identified by the Project Team (which includes the Town Fund contribution and the Town Council) is sufficient to cover 88% of the costs of the scheme. The Town Council have identified options to address the funding gap. In the view of the Project Sponsor these costs, along with the assumptions, are realistic but if there was an exceptional change to inflation then these forecasts would need to be reviewed. However, from a current perspective the Project Sponsor is confident that the project is viable and affordable over the coming years.

WIDER FINANCIAL IMPLICATIONS

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

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

The Commercial strategy for the Public Realm project is based on a standard Council led approach where Redditch Borough Council will manage and administer the project. During the project development RBC will oversee the construction and handover, in partnership with Worcestershire County Council, with a dedicated management team who will ensure that the Project, as proposed, meets expectations for scheduled delivery.

INTRODUCTION

This section of the report demonstrates the commercial viability and contractual structure for the Public Realm project and includes an outline of the commercial deliverability, procurement strategy and an outline of other relevant material that should be considered at this FBC stage.

Commercial objectives and constraints for agreements and procurements

The commercial objective of this project is to deliver Public Realm project effectively, using an appropriate public procurement methodology to meet legal requirements, operate a transparent procurement system and to deliver value for money.

Capital delivery of this project will be led by RBC, in partnership with Worcestershire County Council. RBC will use established commercial structures and approaches used by RBC to deliver their capital projects. Once the Public Realm project is delivered the enhanced public space is expected to attract new business and to enhance land values although there will be no direct revenue benefits for RBC.

The sections below set out the proposed delivery model. This process will ensure the project is governed and managed effectively and provide confidence that it will be delivered to time and budget. While the project is multi-faceted, it is straightforward from a funding, procurement, and construction approach, with RBC leading the delivery and with agreed funding in place, as set out in the Financial Case.

COMMERCIAL DELIVERABILITY

Redditch Borough Council has decided to deliver the project using a Council led model that is a standard practice by RBC having been used consistently over the last 20 years. To deliver the project, RBC will select a contractor using standard methods of procurement with whom they will negotiate and then commission to undertake the construction work. RBC as Project Manager, will be responsible for delivery of the agreed works. Overall details of relevant roles and responsibilities, including details of RBC and relevant experience are included in the Management Case.

Contract Management

Contract management is the process of systematically and efficiently managing contract creation, execution, and analysis for the purpose of maximizing financial and operational performance and minimizing risk. Contract management for this scheme will include negotiating the terms and conditions in the selected contract and ensuring compliance with those terms, as well as documenting and agreeing on any changes or amendments that may arise during its implementation or execution.

The day-to-day contract management for both the design and construction phase of the work will be managed by RBC with NWedra as delivery agents. In addition, the following steps will be taken to ensure effective contract management and delivery of the results expected from the programme.

- As part of the build phase, it is the intention to use an appropriate highways construction contract such as NEC4 ECC (Engineering and Construction Contract). This type of contract will allow for RBC

and its design team to provide for detailed contract provisions, with drawings and a specification, work schedules or bills of quantities to define adequately the quantity and quality of the work. It also allows for a contract administrator and quantity surveyor to administer the conditions.

- For both contracts, a clear work specification will be issued prior to appointment which will detail the scope of the work required. When procuring a contractor to build the scheme there will be a clear indication of the quality required when considering the final output. Once a contractor or consultant has been appointed, they will be required to attend regular meetings with the project team to provide an update on progress with the work programmes.
- Changes to the contract: If the contractor/consultant needs to make any changes to the programme, they will be required to formally submit the details of the change and any implications in terms of programme or budget to the project manager via email. The project manager will then consider the change being requested and will respond in writing setting out whether the change has been agreed and if there are any alternative solutions to the issue identified which may reduce the impact on the project.

There are also clear timelines and KPIs which the consultants and build contractor will be required to meet. If these are not being met the supplier will be required to attend a meeting with the project team to explain their failure to comply with the requirements of their appointment. If a solution cannot be found, consideration will be given to terminating the contract and re-appointing from the framework.

Risk Assessment and Allocation

A project risk register has been prepared, identifying who owns the risk, the likelihood and impact of each risk, as well as actions to mitigate these risks. Risks are to be managed through regular reviews of the risk register and identification of potential risks for each component. RBC will implement a hierarchy of risk management that will eliminate risks where possible, then mitigate any impacts of foreseeable risks. This will be done formally at project site meetings and Project Board meetings.

Table 14 - Risk Register

Risk element	Identified risk	Responsible owner	Mitigation
Funding	Viability gap for development of site	RBC	RBC to address funding gap through alternative funding sources.
Project overruns	The development may take longer than anticipated.	RBC	Dedicated and experienced project manager will work with contractors to minimise risk. Should the project then overrun, the project can be adapted to reduce impact (e.g., completing a percentage of the public realm).
Site	Feasibility work identifies factors which result in a need to redesign or delay development.	RBC	Use experience of previous project delivery, dedicated project manager with regular progress meetings with both client and contractor to mitigate delay and monitor progress and key milestones.
Procurement	Unable to find a suitable contractor through the public procurement process.	RBC	RBC will initially, and then continue to, contact organisations who have delivered around the UK to find recommended parties to approach. This will occur in parallel to the standard public tender releases. Use Worcestershire County Council contractor's panel.

Source: Mott MacDonald

If the funding is approved and the development proceeds, all the commercial risks rest with RBC.

Construction Management

The approach to successful delivery of the project is that RBC will appoint an agent to manage the construction works acting as the primary interface between RBC and contractors. The contractors will invoice monthly for works undertaken to RBC who, as responsible for generating the OCE, review and evaluate delivery through on-site visits. Each package or phase of the works will have a corresponding Purchase Order number from RBC accounts department allowing the agent to cross-reference and validate. Once the delivery agent is satisfied with the work undertaken then invoices will be sent to RBC accounts department and RBC will issue a certificate of completion for the respective works (further information on this is provided in the Management Case).

It is expected that a contingency will be included in the cost estimates with no incentive payments or pain/gain agreements incorporated into the agreement.

In the event of a construction cost over-run or failure to meet the specified scope of works by the Contractor action will be taken by the Redditch Project Governance Board. Further detail is provided in the Management Case.

PROCUREMENT STRATEGY

The Public Realm project is anticipated to be procured as a single phase.

The preferred procurement route is through a framework agreement such as Procure Partnership Frameworks¹⁸. This is the preferred procurement route for Crown Commercial Services (CCS) and Local Authorities as they comply with all the public procurement regulations, and this also ensures best value for money, fairness, integrity, and transparency.

¹⁸ [Contract Procedure Rules - redditchbc.gov.uk](http://redditchbc.gov.uk)
100103017 | Economic + Financial Cases

Procurement policies

Contract Procedure Rules exist to ensure that the Council lets contracts in a fair, consistent, honest, legal, and transparent manner. There is a statutory basis for the rules which promote good purchasing practice and public accountability. Following the rules is also the best defence against potential allegations that a purchase has been made incorrectly or fraudulently¹⁹. WCC and RBC have a range of policies, guidance and requirements that address social value, innovation/modern methods of construction, sustainable development, ethical sourcing. A brief outline is included as follows:

Table 15 – Procurement Policies

Key Area	Response
Social Value	For all major contracts let by RBC (those of more than £100,000 in total value) we will expect a meaningful contribution to our vision of social value in the county. The council has a statutory responsibility to include social value in its procurement. The Public Services (Social Value) Act 2012 requires the County Council (and all public bodies) to consider how the services they commission and procure might improve the economic, social, and environmental well-being of the local area. The inclusion of social value requirements will be included for all capital and operating contracts where appropriate.
Sustainable development	National Planning Policy Framework – Local Plan 4
Ethical sourcing	Ethical procurement covered under existing procurement rules
Innovation / Modern Methods of Construction	TBC
Achieving Net Zero	WCC and RBC are both committed to achieving net zero by 2050 as indicated in the WCC Corporate plan 2022-2027 and the RBC Climate Emergency Declaration (as below). <i>“Our commitment to reducing our carbon emissions and influencing the reduction of local carbon emissions goes hand in hand with the ‘net zero by 2050’ target set by the UK Government, a goal that requires us and all sectors to pull together to achieve.” RBC (2019)”</i> . To help to achieve this the design, development and future operations of the DMIC will be carried out to best address these broad guidelines and follow appropriate environment and sustainability principles and practice.

Source: NWedr/RBC

WIDER CONSIDERATIONS

Packaging of Works

Given the scope and potential scale of the broad Town Fund programme, the Town Deal Board is continuing to consider potential packaging of works to drive improved value for money. This is currently being considered during the project planning stages and will consider funding organisation delivery timescales (amongst others).

Interdependencies

There are currently no known interdependencies.

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

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.

INTRODUCTION

Redditch Borough Council (RBC) 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. RBC 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 and will include NWedr as a delivery agent.

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:

- Bromsgrove Town Centre – £14.5m, Levelling Up Fund funding a 3,000 sqm flexible workspace and cultural hub on the former Market Hall site. It will deliver site infrastructure and enabling works to unlock a key town centre site for a residential-led mixed-use development as well as comprehensive public realm improvements.
- Kidderminster Town Centre - £38.4m from the Future High Street Fund (£20.5m) and Levelling Up Fund (£17.9m) will support converting the Grade II listed former Magistrates Court building into a 5,000 sqm Creative Hub, including 1,000 sqm of covered multi-purpose event space.

PROJECT ORGANISATION AND GOVERNANCE

The delivery of the scheme will be overseen by RBC, in partnership with Worcestershire County Council and will include NWedr as a delivery agent. A project manager will be appointed to oversee the procurement of a consultant team to finalise the designs.

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.

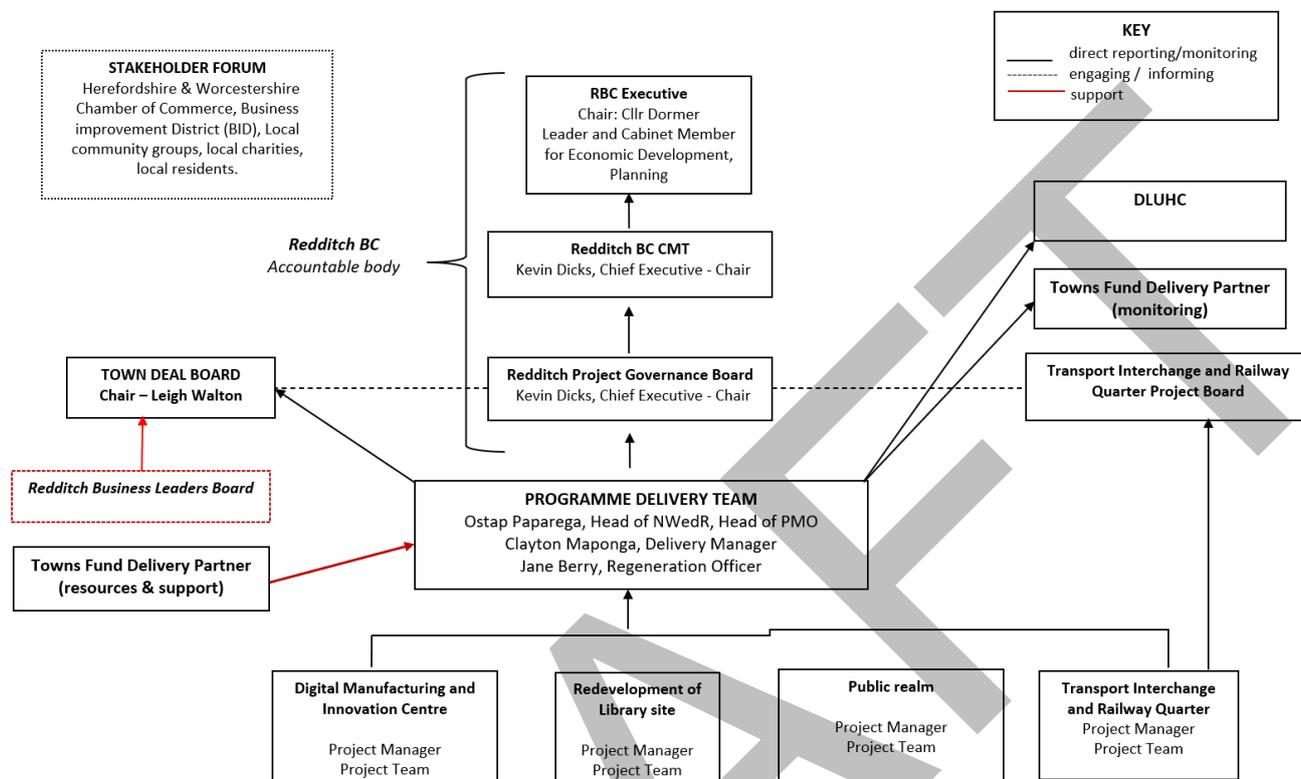
RBC will act as the accountable body and be responsible for:

- 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.

Figure 2 – Redditch Borough Council Governance Model

APPENDIX 1 - REDDITCH TOWN DEAL PROGRAMME GOVERNANCE



Source: NWedR

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 RBC with North Worcestershire Economic Development and Regeneration (NWedR) as delivery agent, 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 NWedr 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.

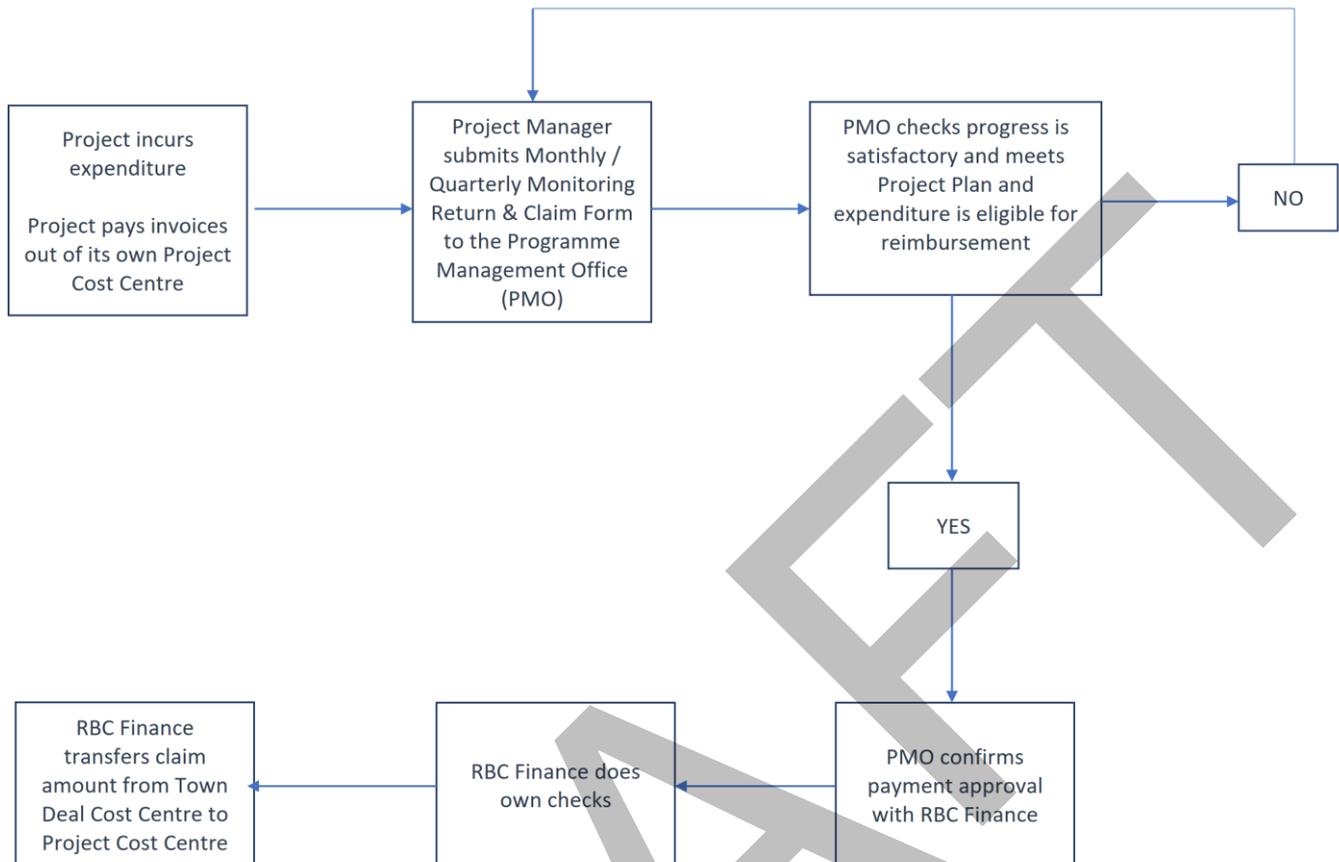
ASSURANCE

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) monthly.
- 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 for each of their projects. Project expenditure will be covered / provided by RBC 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.

Figure 4 – Grant Claiming Process

SCOPE MANAGEMENT

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

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.

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.

PROGRAMME/SCHEDULE MANAGEMENT

While the Town Centre Public Realm project is a stand-alone project, it is one of three 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.

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

Table 16 – Key Milestones

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

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.

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.

Table 17 – Risks and Mitigations

Risk Element	Identified risk	Allocation	
Funding	Viability gap for development of site	RBC	RBC to address funding gap through alternative funding sources. RBC has produced alternative plans of the scheme which could be considered.
	Allocated funding may not be sufficient to deliver all aspects of the project	RBC	Assumed that work can be undertaken under Permitted Development Rights
Planning/Consents	Planning permission for site refused	RBC	See above
	Conditions of planning permission may increase costs or timelines of the project	RBC	Use of dedicated project manager and robust programme and risks and mitigations identified at project inception.
Project overruns	The development may take longer than anticipated.	RBC	Design has taken into account potential external factors such as unknown servicing issues. Use of experienced design team.
Site	Feasibility work identifies factors which result in a need to redesign or delay development.	RBC	Use of Worcestershire County Council contractor's panel.
Procurement	Unable to find a suitable contractor through the public procurement process.	RBC	Use M&E plan to understand key metrics and what might be driving footfall.
Demand	Increase in visitation may be less than was originally forecast	RBC	RBC to address funding gap through alternative funding sources.

Source: Mott MacDonald

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

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 Redditch Borough Council, enabling monitoring of progress, accountability, and the ability to escalate issues where required. Redditch Brough Council has a long track record of delivering successful projects across several portfolios using this structured approach to project management.

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 in the structure chart above.

The Project Board's day-to-day client liaison with each project team will be overseen by the Delivery Manager. The Delivery Manager 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 Delivery Manager 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.

A designated Project Manager will run each project on a day-to-day basis on behalf of 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.

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.

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).

STAKEHOLDER ENGAGEMENT

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:

Table 18 – Redditch Town Deal Board

Name	Organisation
Leigh Walton (Chair)	Redditch Community Forum / Redditch Resident
Cllr Matthew Dormer	Leader - Redditch Borough Council
Kevin Dicks	Redditch Borough Council
Ostap Paparega	North Worcestershire Economic Development & Regeneration
Rachel Maclean	Redditch MP
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
Ruth Bamford	Head of Planning, Regeneration and Leisure Services, Redditch Borough Council
Clayton Maponga	Programme Deliver Manager (NWDER)

The Redditch Town Deal Board which includes representatives of local business as well as public sector authorities has been a key stakeholder in developing the Towns Fund Vision.

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

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

BENEFITS, MONITORING AND EVALUATION

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

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. 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.

Monitoring and evaluation costs will be covered through the Town Investment Plan ask as per the Financial Case. Data will be collected on several key metrics relating to the public realm 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.

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. A proportionate approach to Monitoring and Evaluation will ensure value for money, utilising existing data to deliver efficiency for both Redditch Borough Council and the Town Investment Plan. It will reflect 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.

To monitor the delivery of the scheme correctly, 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

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.

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. The table below set out the structure for gathering, assessing, and monitoring benefits and outcomes.

Table 19 – Monitoring and Evaluation Plan

Benefit	Timescale	Measured	Risks	Critical Success Factors
4 new / improved public spaces encompassing approximately 9,571m ² of urban realm	Immediate	Physical count	Risk of vandalism/lack of cleanliness to newly opened spaces	Regular cleaning and good use of passive and active surveillance
Increased footfall	Ongoing	Retail surveys	Lack of interest by owners	10% increase revenue by year 3
Improved perceptions of Redditch by residents and visitors	Ongoing	Public Surveys / social media monitoring	External factors – e.g. economic downturn/recession	50% increase in social media posts by year 3
Increase in land values	Ongoing	Market Intelligence	External factors impacting valuation (such as non-compliant adjacent developments)	10% increase by year 3
Improved streetscape and urban furniture	Short term	Natural and built environment count	Lack of maintenance (e.g., trees, benches) maintenance.	20% increase in trees and vegetation
Increased number of local journeys made by walking / cycling	Short term	Active mode appraisal - surveys	Scheduled counts are interrupted by external events (weather, Covid etc)	Cycling - 20% uplift by year 3 Walking - 30% uplift by year 3
Change in perception of Redditch as a more attractive	Long term	Increase population and urban density in surrounding areas	Abundance of alternative attractive development areas	Localised density

town to live, work and invest				
-------------------------------	--	--	--	--

DRAFT

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.	

DRAFT

Part 1: Project Summary Document

Towns should complete this for each project.

Summary Document table	
1. Project name:	
2. Heads of Terms project conditions	
	<ul style="list-style-type: none"> - Actions taken to address any conditions attached to the project in the Heads of Terms, where applicable. - Where the condition was to provide a delivery plan please input in the section below (no.9) and/or attach to this document.
3. Business case appraisal	
	<p>Provide details of how the business case has been appraised including:</p> <ul style="list-style-type: none"> - business case type - any internal or external assurances
4. MHCLG capital (CDEL) 5% payment	
	<p>Main activities, if applicable:</p> <ul style="list-style-type: none"> • • • • •
5. Quantified benefit-cost ratio/value for money (e.g. Benefit Cost Ratio or Net Present Social Value)	
	<p>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.</p>
6. Deliverability	
	<p>Will this project still be delivered within the Towns Fund timeframe? (Y/N)</p>

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	
1. TIP improvement condition	Set out TIP improvement conditions as agreed in Heads of Terms
2. Evidence	Provide evidence of how conditions have been addressed
3. Name of the Town Deal Board Chair & signature	
Name of the Town Deal Board:	
Chair's name and signature:	
Date:	
4. Lead Local Authority's name & signature of the Chief Executive Officer or S151 Officer.	
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
first submission		
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"/>	
all other submissions		
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?

DRAFT

PROPORTIONALITY ASSESSMENT TOOL

	Less detail		More detail
General			
Project size and value	<£1m	↔	£25m+
Regional and national significance	Local	↔	Regional / national
Innovation	Low	↔	High
Experience delivering similar projects	High	↔	Low / no experience
Strategic case			
Enabler of other projects and transformational change	Local impact	↔	Transformational change
Stakeholder picture	Simple	↔	Complex
Key dependencies with other projects	No dependencies	↔	Strong dependencies
Economic case			
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
Financial case			
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
Commercial case			
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
Management case			
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

This page is intentionally left blank