

Additional papers 1



Overview and Scrutiny Committee

Thu 6 Oct
2022
6.30 pm

Council Chamber
Redditch Town Hall

REDDITCH BOROUGH COUNCIL

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

Thursday, 6th October, 2022

6.30 pm

Council Chamber Town Hall

Agenda

Membership:

Cllrs:	Bill Hartnett (Chair)	Brandon Clayton
	Joanna Kane (Vice-Chair)	Sid Khan
	Salman Akbar	Timothy Pearman
	Imran Altaf	Gareth Prosser
	Michael Chalk	

5. Redditch TIP Library Development - Business Case (Pages 1 - 112)

This report will follow in an Additional Papers pack, once the report has been published for consideration of the Executive Committee.

6. Town Hall Hub (Pages 113 - 128)

This report will follow in an Additional Papers pack, once the report has been published for consideration of the Executive Committee.

7. Executive Committee Minutes and Scrutiny of the Executive Committee's Work Programme - Selecting Items for Scrutiny (Pages 129 - 138)

The latest version of the Executive Committee Work Programme will be published in an Additional Papers pack once it has been published on 3rd October 2022.

8. Overview and Scrutiny Committee Work Programme (Pages 139 - 142)

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Redditch Town Investment Plan Business Case

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

1. RECOMMENDATIONS

2. The Executive is asked to resolve that:

The business case attached as Appendix 1 is endorsed and used to present summary information for submission to the Department for Levelling Up Housing and Communities on the 14th October 2022.

3. BACKGROUND

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

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Redditch Borough residents would directly benefit from the proposed investment.

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

Table 1

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

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

Mott MacDonald was appointed to develop the business cases for the three projects in table 1 above using The Green Book Five Cases Business Case model (Central Government Guidance on Appraisal and Evaluation of programmes and projects).

The five cases business model includes the following:

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

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

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

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

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contingencies.

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

Mott Macdonald have completed the development of the draft Library Redevelopment site five (5) case business case and are now updating the business cases following stakeholder comments. The Business Case is attached at Appendix 1.

An extension of time to 14th October 2022 to submit the Summary Documents for the Library Site Redevelopment was granted by the Department of Levelling Up Housing and Communities (DLUHC) to allow Redditch Borough Council and Worcestershire County Council to reach an optimum solution for the potential relocation of the library service

4 Project Scope

4.1 The Redditch Library Redevelopment proposed project scope as set out by the TIP is to demolish the current Redditch Library and develop a new commercial mixed-use building with a mixture of Food and Beverage (F&B) units and co-working space. In addition, the public realm where Redditch Library currently stands will be remodelled and improved / upgraded to provide a public plaza and events space. This redevelopment project seeks to improve connectivity between the Kingfisher Centre and historic town core, increase town centre footfall and improve its vitality and viability, support new business creation, and develop an improved cultural and leisure offer. The project will complement, and is also complemented by, the parallel Town Centre Public Realm project whose project outcomes encompass public realm improvements across key town centre routes such as Unicorn Hill, with these together improving the town's vibrancy and driving social and economic benefits.

4.2 Projects' Vision and Objective

The key vision and objectives of the Redditch Library redevelopment is to act a catalyst for the revitalisation and rejuvenation of the Town Centre and making Redditch a great place to live, work, visit and invest. The project will provide significant benefits to the local economy and community by increasing town centre footfall, improving the evening economy, and encouraging further inward investment to the town centre.

The project will also play a pivotal role in realising the Redditch Town Investment Plan vision and will specifically contribute towards the

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ambition to create a 'Creative Smart Town'. The project will achieve these objectives by contributing towards: -

- **Strengthening the town centres' viability and vitality** - The redevelopment of Library will improve the viability of the town centre by providing a high-quality food and beverage and commercial offer which will increase footfall and therefore the investable potential of the town. In turn, this footfall and investment will improve the vitality of the town centre by making it more likely for currently vacant retail units to be repurposed, as well as reducing crime and fear of crime through natural surveillance.
- **Making the town centre a more attractive place to live and work** - The Library currently provides an important community hub but could do more. Its redevelopment will ensure the continuation of Library services as well as providing a popular asset for residents and small businesses within the town centre. This should attract more people to want to live and work in Redditch.
- **Developing the town centre into a cultural and leisure destination by providing facilities for more dwell time** - The redevelopment of the Library site will provide a new leisure hub at the heart of the town centre, as well as providing space for people to dwell during a day out. Given the current lack of amenities within the town centre, this project will represent a change in the Redditch's cultural and leisure offer.

4.3 Projects Economic Benefits

The project will deliver wider economic benefits to the Town besides the building offering new retail (food & beverage units) and co-working office space. The investment will revitalise the town centre creating a hub for the evening economy, increasing footfall and supporting the creation of additional jobs. The project will also provide additional economic benefits in the form of amenity benefit, commercial and residential benefit as a result of public realm improvements i.e., increase in the land values and reduction in the number of town centre commercial vacant (vacancy uplift) and encouraging public sector investment thereby providing real value for money.

In addition, the project will provide the following substantial qualitative benefits: -.

- **Supporting business creation and growth** - The newly redeveloped Library site will provide a key asset for small businesses through

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providing affordable and high-quality co-working space. Its positive effect on the vitality of the town centre will also increase footfall, making the conversion of existing vacant retail units a more attractive prospect for small businesses.

- **Increasing business innovation** - The presence of affordable co-working space and reduced retail vacancies will provide an environment in which small businesses can survive and thrive

Improving the town centres' evening economy- The redeveloping of the Library will present a meaningful intervention to provide attractive and popular food and beverage units as well as high-quality shared workspace in the heart of the town centre. By providing a centre for footfall and spending, this will have a knock-on effect on the wider town centre, attracting private inward investment to take up currently empty retail units. This might result in some of these being converted into further food and beverage uses thereby improving the town's night time economy

4.4 Project's Social Benefits

Redditch Town Centre has suffered because of a significant lack of regeneration of the town's-built environment which has resulted in the town centre feeling outdated and unwelcoming. The long term under investment has contributed to negative perception of the town centre with increased crime and fear of crime highlighted by residents as a major concern. This status quo has endured for a long time and is unlikely to change without the intervention of the library redevelopment project.

The redevelopment of the Library site will increase vibrancy in the Town Centre and provide natural surveillance thereby providing a catalyst to reducing crime and increasing visitor numbers to support the local economy. The project will also drastically improve the public realm within the Town Centre through making direct improvements to the immediate vicinity of the Library around Church Green as part of this project's investment, as well as linking in with the wider public realm improvements on Unicorn Hill. With the good urban design planned on the public realm project which includes improved lighting and the activation of frontages this will lead to the reduction of crime and also the fear of crime thereby helping to bring residents back into the town centre and improving perceptions which in turn will also attract future investment in the town centre.

4.5 Project Key Milestones Dates

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The delivery of the project will be overseen by RBC with NWedr as the delivery agent. A project manager will be appointed to oversee the procurement of a consultant team to design and a contractor to construct the scheme

DLUHC Summary Documents	15 October 2022
Professional Services (PM) Tender Award	March 2023
Professional Services (Architectural & Design) Tender Award	October 2023
Detailed Design	January 2023
Soft Marketing (Testing F&B Occupiers)	January 2024
Stakeholder Engagement	February 2024
Planning	June 2024
Construction Tender Award	October 2024
Construction Completed	31 st March 2026

4.6 Project Dependencies

A separate report on this agenda deals with the possible move of the Library. This move will be subject to the County Council's required consultation process regarding the relocation of the library and the associated timescales.

5 Communications & Engagement Plan

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

6. FINANCIAL IMPLICATIONS

- 6.1 The Council was awarded a total of £213,029 through a revenue grant and capacity funding allocation to enable the production of the Town

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Investment Plan and subsequent Business Case. To date approx. £148,000 has been spend and committed.

6.2 Estimated project development costs

The funding for the project will be provided primarily by the Towns Fund. A total of £4,200,000 is available from the Town Deal grant funding. After a comprehensive options appraisal the recommended development is Option 3 comprising a three storey build and providing 612sqm of floor space.

Option 3 – Demolishing the existing Library and replacing with small rectangular three storey new build with floor space of 612m² of comprising office and food and beverages units and 1,172m² of new public realm. The estimated project development cost for this Option is £4.2m

- 6.3 As the accountable body the Council will ensure that any draw down of funds agreed as part of the budget envelope are in accordance with the conditions of the final award. Funding received will need to be added to the Council's Capital programme.
- 6.4 The Executive Committee is asked to note that in addition to a decision being taken by members, there is a requirement in the Towns Deal process for the business case to be approved by the Section 151 Officer. Once the business case has been finalised they will be sent to the Section 151 Officer for approval and final signoff. The sign off is required by 14th October 2022.

7. LEGAL IMPLICATIONS

- 7.1 As Accountable Body for the Redditch Town Deal the Council has a number of obligations, including to ensure that decisions made by the Town Deal Board are in accordance with good governance principles and to support transparent delivery arrangements for the Town Deal. These obligations include:
- Upholding the Seven Principles of Public Life (The Nolan Principles) in all the Board's activities.
 - Developing a delivery team, transparent delivery arrangements and agreements.
 - Ensuring that decision is made by the Board in accordance with good governance principles.
 - Ensuring transparency requirements are met through publication of information on the Council's website or on a Town Deal specific website.

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- Developing agreed projects in detail and undertaking any necessary feasibility studies.
 - Undertaking any required Environmental Impact Assessments and meeting all Public Sector Equalities Duties
 - Develop detailed, costed business cases.
 - Liaising with potential private investors in identified local projects and schemes.
 - Signing the Heads of Terms Agreement with Government.
 - Monitoring and evaluating the delivery of individual Town Fund projects.
 - Submitting regular monitoring reports to the Towns Hub.
 - Receiving and accounting for the Town's funding allocation
 - Drafting and reviewing the Pre-Construction Service Agreement and Main Building Contract
 - Drafting and reviewing management contract and occupational leases of the building
 - Legal support in obtaining stopping up orders and representation with Statutory providers.

- 7.2 Individual projects identified as interventions within the Investment Plan will be subject to individual legal advice.

8. STRATEGIC PURPOSES - IMPLICATIONS**Relevant Strategic Purposes**

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

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

Climate Change Implications

- 8.2 The Climate Change Team are being consulted on the project as they are progressed.

9. OTHER IMPLICATIONS

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- 9.1 None identified at this stage.

Operational Implications

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

10. RISK MANAGEMENT

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

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.

The main risks identified are outlined in Table 1 below.

Table 1

Risk Element	Identified Risk	Responsible Owner	Mitigation	Likelihood	Impact
Pandemic	Another Covid-19 outbreak or similar results in delays to construction and the overall project programme	NWedr	Project team to abide by any Covid-19 or other pandemic regulations with remote working undertaken wherever possible.	Low	Marginal Impact

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Funding	Allocated funding may not be sufficient to deliver all aspects of the project, as a result of cost-overruns	RBC	Detailed financial monitoring will take place throughout the project, creating an early warning system to highlight any funding issues. Should the project forecast exceed the approved budget the council will ensure action is taken to either reduce costs or seek alternative funding strategies.	High	Major
Programme	The project takes longer to deliver than previously envisaged, resulting in the programme not being met	NWedr	Dedicated and experienced project manager and architect 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 units for occupation).	Low	Marginal
Planning	Planning permission for the site is refused or delayed	NWedr / RBC	RBC to engage with planning colleagues and consider relevant planning policy in developing	Low	Marginal

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			more detailed proposals.		
Planning	Conditions of planning permission may increase costs or timelines of the project	NWedr / RBC	See above	Low	Marginal
Cost	Construction cost increases	NWedr / RBC	NWedr to identify VE and betterment in the programme via the tender submissions	High	Major
Site	Feasibility work identifies significant remediation costs	NWedr / RBC	RBC to address any future funding issues via alternative funding sources.	Medium	Marginal
Health and Safety	Risk of injury to the public during library demolition and construction phase	NWedr	NWedr to maintain a hierarchy of control to protect members of public i.e. measures to manage access across the defined boundaries, steps to exclude unauthorised people from site,	Low	Marginal
Procurement	RBC is unable to find a suitable contractor through the public procurement process	NWedr	NWedr will initially, and then continue to, contact organisations who have delivered around the UK to find recommended parties to approach.	Low	Marginal

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			NWedr to initiate process soon after Summary Documents submission to DLUHC.		
Demand	Lack of demand for F&B outlets and co-working office space results in them not being filled or increase in footfall may be less than originally forecast	NWedr	Undertake early soft market testing to assess interest from F &B operators. Develop marketing brochure and implement a targeted marketing campaign to promote the new premises to F&B occupiers.	Low	Marginal

11. APPENDICES and BACKGROUND PAPERS

Appendix 1 Redditch Library Redevelopment Site

Appendix 2 Development Appraisal (612m2)

Appendix 3 Redditch Library FBC Economic and Financial Analysis
Technical Note

[Town Deal Board](#)

[Towns Fund prospectus](#)

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

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12. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Matthew Dormer	
Head of Service	Ruth Bamford	
Financial Services	Peter Carpenter	
Legal Services	Claire Felton	
Policy Team (if equalities implications apply)	Deb Poole	
Climate Change Officer (if climate change implications apply)	Judith Willis	

REDDITCH LIBRARY FULL BUSINESS CASE

EXECUTIVE SUMMARY

This document sets out the Full Business Case (FBC) for a UK Government Towns Fund investment of £4.2m to demolish Redditch Library and develop a new three-storey 612 sqm mixed-use building with a mixture of Food and Beverage (F&B) units and co-working space. This investment would not require any public sector borrowing. In addition, the public realm where Redditch Library currently stands will be refurbished to provide a 1,172 sqm public plaza and events space. This redevelopment project seeks to improve connectivity between the Kingfisher Centre and historic town core, increase town centre footfall and improve its vitality and viability, support new business creation and develop an improved cultural and leisure offer.

STRATEGIC CASE

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. Without action, Redditch's town centre will continue to deteriorate.

The Redditch Library project will deliver a new 612 sqm building with food and beverage units on the ground floor and co-working space on the first and second floor, as well as 1,172 sqm of public plaza space to be used for events and pop-ups. In addition, as part of a separate project the existing library will be relocated to Redditch Town Hall. This project will provide significant benefits to the local economy and residents of Redditch, by increasing town centre footfall, improving the evening economy, and encouraging further investment to develop a competitive edge.

The project is well aligned with the fulfilment of key policies, strategies and plans at a local, regional, and national level as summarized in Table 1.

Table 1: Policy Context

Policy Document	Description of Policy Document	Alignment with Redditch Library 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.	One of the key areas of focus for HMG 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. Redeveloping the Library and creating high quality public realm will help to attract new businesses into Redditch and encourage inward investment, addressing existing market failures and creating new employment and skills opportunities.
Towns Fund Prospectus, Ministry for Housing, Communities & Local Government, 2019	This prospectus provides practical guidance and advice to help communities, businesses and local leaders develop proposals for growth, drawing on successful examples from towns who have spurred long-term investment and regeneration.	This project will support the Towns Fund theme of 'urban regeneration, planning and land use' through investing in Redditch Library to create a more attractive townscape that is more accessible to residents, businesses and visitors. The investment will also strengthen the town centre's existing economic assets through remediation and regeneration.
Regional Policy Alignment		

Policy Document	Description of Policy Document	Alignment with Redditch Library Project
Plan for Growth, Worcestershire Local Enterprise Partnership (LEP), 2020-2040	This Growth Plan builds on the LEP's 2014 Strategic Economic Plan, outlining the vision for the county to create a connected, creative and dynamic economy for all.	The Redditch Library project supports the objective 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'. The redevelopment of Redditch Library is noted as a key intervention to achieve this goal.
North Worcestershire Economic Growth Strategy, North Worcestershire Economic Development & Regeneration, 2019-2024	Bromsgrove, Redditch and Wyre Forest councils have prepared this strategy and its supporting interventions to build on the area's current success and strengthen its competitive advantages. Progress will be managed by NWEDR.	The Strategy aims to help '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 Redditch Library project along with the Public Realm Town Deal project will have a significant positive socioeconomic impact on the town centre, delivering high-quality leisure and employment uses which will bring footfall to help avert nearby retail decline.
Worcestershire Library Strategy, Worcestershire County Council, 2020-2025	This Strategy sets WCC's ambitions for its libraries over this five-year period, with the aim of ensuring that libraries are positioned at the heart of the Council's corporate priorities and remain fit for the future.	Successful allocation of Towns Fund grant money for this project is dependent on the existing library being relocated elsewhere with no gap in provision. The library will be relocated to Redditch Town Hall, with this new library to be opened as soon as the existing Redditch Library closes for demolition.
Local Policy Alignment		
Redditch Local Plan No.4, Redditch Borough Council, 2011-2030	The Borough of Redditch Local Plan is the most important planning document for Redditch, setting the ambition and direction of growth within the Borough over a 20-year horizon.	The project aligns strongly with the Plan's objectives of 'Improving the vitality and viability of Redditch Town Centre' and 'Enhancing the visitor economy and Redditch's cultural and leisure opportunities. Redeveloping the Library will provide a stronger leisure offer within the town centre and generate footfall to revitalise the local economy.
Redditch Local Economic Recovery Framework, North Worcestershire Economic Development & Regeneration, 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. It also supersedes the North Worcestershire Economic Growth Strategy for the duration of the recovery effort.	The project complements this Framework through 'improving places'; one of three core objectives of the Framework. It also aligns strongly with the sub-objective of delivering 're-purposed / re-imagined town centre and local centres'. Redeveloping Redditch Library will improve the town centre as a place to work in, live in, and visit through forming one part of a coordinated effort to regenerate its commercial offer to meet current and changing demands.
Redditch Town Centre Regeneration Masterplan, North Worcestershire Economic Development & Regeneration, 2021	This Masterplan assesses the development potential of Redditch town centre and provides analysis of key opportunities, constraints, and the significance of the chosen study sites within the town. Redditch Library is included within the chosen study sites.	The Redditch Library site forms one of seven study sites analysed within the document. The site is highlighted as having high development potential. The plan notes the opportunity the Library redevelopment presents to contribute to the provision of high quality public space, active frontages, and an improved pedestrian network within the town centre.

Source: Mott MacDonald

In order to respond to the needs of the town and maximise 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 objectives for the project are detailed below, all to be achieved by 2026 for full opening of the new facility:

- Demolish the existing Redditch Library
- Deliver a new 612 sqm building with three food and beverage units and two floors of co-working space
- Deliver 1,172 sqm of new public plaza space
- Increase in footfall in the town centre
- Increase in land values in the town centre

The Redditch Library 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

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. Five options have been considered for delivering the project.

Table 2: Assessment Summary

Option	Description of Option	Conclusion
Option 1 – Do Nothing	No investment will be made at the Redditch Library site with Towns Fund grants.	This option does not meet HMT critical success factors or the project objectives. This option is however taken forwards as the counterfactual option .
Option 2 – Demolish existing Library, replace with large rectangular new build	This option totals a cost of £5.85m and proposes the demolition of the current Library and construction of three-storey new build with floor space of 874.5m ² comprising office and food and beverage units. 1,172m ² of new public realm is also delivered.	This option fully meets the aims and objectives of the project and directly addresses the need to improve the town centre in Redditch. However, it is not financially feasible with Town Deal money alone and would require public sector borrowing against expected future revenues.. This option is therefore rejected .
Option 3 – Demolish existing Library, replace with small rectangular new build	This option totals a cost of £4.2m and proposes the demolition of the current Library and construction of a three-storey new build with floor space of 612m ² comprising office and food and beverage units. 1,172m ² of new public realm is delivered.	This option fully meets the aims and objectives of the project and directly addresses the need to improve the town centre in Redditch. It is financially feasible with Town Deal money alone and provides a lower-cost, lower-risk option compared with Option 2. This option is therefore the preferred option .
Option 4 – Demolish existing Library, replace with L- shape new build	This option totals a cost of £8.83m and proposes the demolition of the current Library and construction of three-storey new build with floor space of 1,416m ² comprising office and food and beverage units. 1,080m ² of new public realm is also delivered.	This option fully meets the aims and objectives of this project, however it is not financially feasible with Town Deal money and public sector borrowing against expected future revenues alone, with a viability gap of £1.14m. This option is therefore rejected .
Option 5 – Re-design Library with increased public realm	This option totals a cost of £2.2m and proposes a re-model of the existing library reducing its size and improving the exterior image of the building. This will create a café on the ground floor, additional floorspace for public realm outside of the entrance to the Kingfisher shopping centre and improve access to and from Church Green.	Whilst this option does improve the town centre compared with the status quo, it does not fully meet all the HMT critical success factors or project objectives, due to the building remaining in situ. This option is therefore rejected .

Source: Mott MacDonald

Summary of Economic Benefits

The results of economic benefit assessment for Option 3 is outlined below.

Table 3: Economic Benefits (2022/23 prices, net present value)

Total net additional benefits	Present Value of Benefits
Labour Supply Benefit	£6,723,426
Amenity Benefit	£152,610
VURT - Commercial	£1,173,286
VURT - Residential	£894,227
Vacancy Uplift	£1,876,235
Total	£10,819,784

Source: Mott MacDonald

Summary of Economic Costs

Below details the economic cost of the Preferred Option, Option 3. Financial costs for the project are detailed in the Financial Case.

Table 4: Economic Costs, Discounted 2022/23 Values, Including Optimism Bias

Funding profile	2022/23	2023/24	2024/25	2025/26	Total
Total cost	£0	£1,144,781	£1,474,758	£1,424,887	£4,044,426

Source: Mott MacDonald

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 2.7. This option demonstrates very good VfM.

Table 5: Sensitivity Analysis (NPV, £2022/23 prices)

Economic Case – value for money analysis	BCR	Sensitivity 1	Sensitivity 2	Sensitivity 3
Total net additional benefits				
Labour Supply Benefit	£6,723,426	£4,304,762	£6,723,426	£6,723,426
Amenity Benefit	£152,610	£152,610	£152,610	£152,610
VURT - Commercial	£1,173,286	£1,173,286	£586,643	£1,173,286
VURT - Residential	£894,227	£894,227	£447,113	£894,227
Vacancy Uplift	£1,876,235	£1,876,235	£938,118	£1,876,235
Total benefits for the BCR (A)	£10,819,784	£8,401,119	£8,847,910	£10,819,784
Costs				
Total cost (B)	£4,044,426	£4,044,426	£4,044,426	£6,066,639
Of which is private sector cost (C)	£0	£0	£0	£0
BCR calculation formula (A-C) / B	2.7	2.1	2.2	1.8
NPSV	£6,775,358	£4,356,693	£4,803,484	£4,753,145

Source: Mott MacDonald

For the sensitivity analysis, three scenarios were identified to test the sensitivity of the VfM assumptions. These are as follows:

- **Sensitivity Test 1:** Analyses the impact of lower demand than expected in the new building. This test assumes a 50% occupancy rate for the office space (as opposed to 80%) and that only 2 out of the 3 restaurant units are let.
- **Sensitivity Test 2:** Analyses the effect of the public realm have a lower impact on commercial and residential units than expected. The benefits of the Commercial and residential VURT as well as the vacancy uplift benefit have been halved.
- **Sensitivity Test 3:** Analyses the impact of costs increasing by 50%.

The results of this analysis can be seen in Table 5. In each scenario, the scheme delivers a BCR that is 1.8 or above, thus providing good value for money in each sensitivity scenario.

In addition to the quantified benefits identified in the previous section, the completion of the Redditch Library project is expected to bring further qualitative benefits. They include increased town centre footfall, improving Redditch's evening economy, encouraging further investment and providing healthy competition with existing centres of economic activity within north Worcestershire (e.g. the Birdbox in Bromsgrove) and south Birmingham.

FINANCIAL CASE

The total project cost for the Redditch Library project is £4.2m to be funded solely through Towns Fund grant of £4.2m.

The cost summary is detailed in Table 6.

Table 6: Cost Summary

Source	Total	2022/23	2023/24	2024/25	2025/26
Mott MacDonald	Facilitating Works Estimates	£505,000	£0	£137,727	£183,636
	Cost of Building Work	£2,066,323	£0	£563,543	£751,390
	Main contractors' preliminaries	£463,000	£0	£126,273	£168,364
	Main contractors' overheads and profit	£152,000	£0	£41,455	£55,273
	Design & Project Team Fees	£239,000	£0	£65,182	£86,909
	Risk Allowance	£343,000	£0	£93,545	£124,727
	Inflation	£248,000	£0	£67,636	£90,182
Aspinall Verdi	Planning cost	£50,000	£50,000	£0	£0
	Sales and Legal fees	£21,107	£0	£5,756	£7,675
	Marketing	£7,036	£0	£0	£7,036
	Development Management	£103,030	£0	£28,099	£37,465
Total		£4,197,494	£50,000	£1,129,216	£1,505,621
				£1,505,621	£1,512,657

Source: Mott MacDonald and Aspinall Verdi

The project is funded from Towns Fund grant only, therefore the funding profile will match the cost profile as set out above.

Analysis of potential rental income from both the Office and Food and Beverage space has been undertaken by Aspinall Verdi. Annual net revenue is estimated at £94,042. For the project to be deemed affordable it should be the case that additional ongoing costs, such as financing costs, that the council or operator will incur are less than the annual net revenue.

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

COMMERCIAL CASE

Redditch Borough Council (RBC) will deliver the project using a Council-led model that is standard practice for 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.

RBC 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. RBC will also 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.

Table 7 presents the key risks identified.

Table 7: Risk Register

Risk Element	Identified Risk	Responsible Owner	Mitigation
Pandemic	Another Covid-19 outbreak or similar results in delays to construction and the overall project programme	RBC	Project team to abide by any Covid-19 or other pandemic regulations with remote working undertaken wherever possible.
	Key project leads are off sick for an extended period of time	RBC	Project team to have replacements in place for key roles, fully briefed and ready to undertake project responsibilities if required.
Funding	There is a viability gap for developing the site, resulting in a lack of private sector interest	RBC	No funding gap identified for this project and is achievable with Town Deal money alone. RBC to address any future funding issues via alternative funding sources.
	The Benefit-Cost Ratio for the site is poor, resulting in DLUHC pulling out of the investment	RBC	The BCR for this project has been calculated as 2.7, representing very good value for money.
	Allocated funding may not be sufficient to deliver all aspects of the project, as a result of cost-overruns	RBC	Detailed financial monitoring will take place throughout the project, creating an early warning system to highlight any funding issues. Should the project forecast exceed the approved budget the council will ensure action is taken to either reduce costs or seek alternative funding strategies.
Programme	The project takes longer to deliver than previously envisaged, resulting in the programme not being met	RBC	Dedicated and experienced project manager and architect 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 units for occupation).

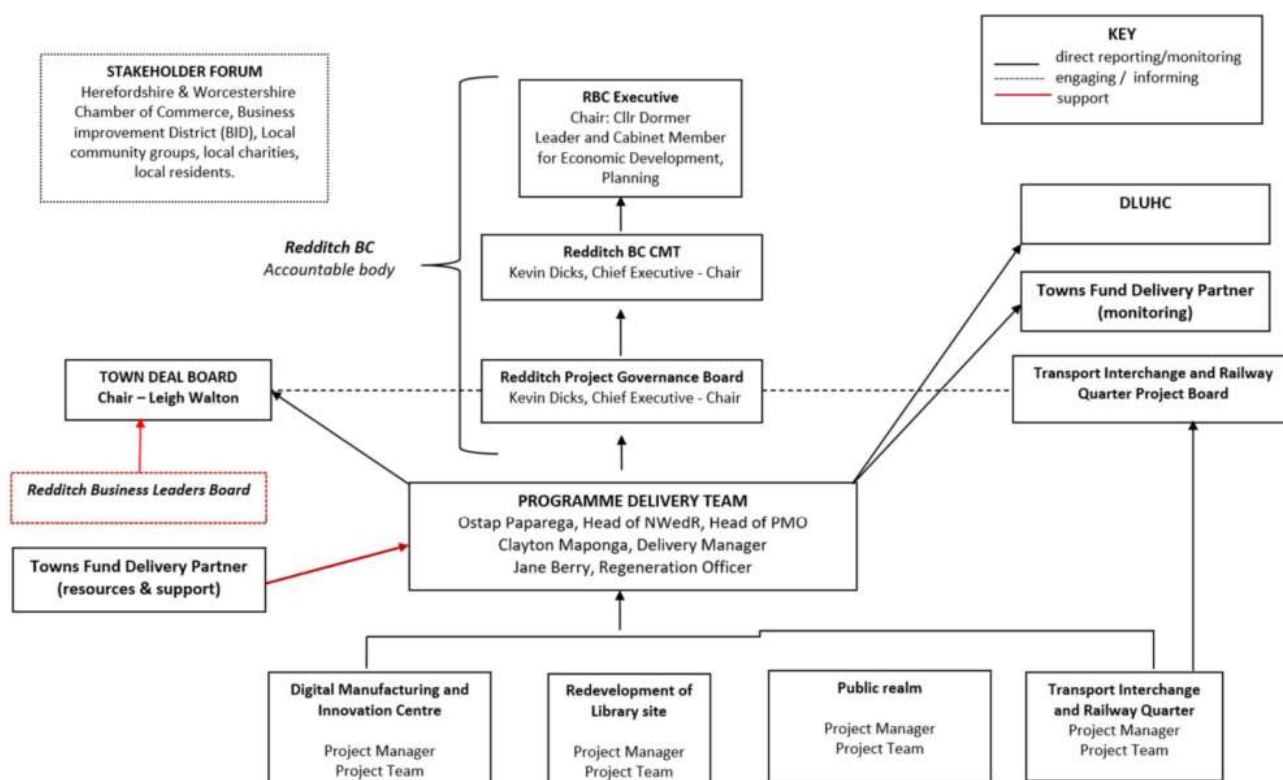
Planning	Planning permission for the site is refused or delayed	RBC	RBC to engage with planning colleagues and consider relevant planning policy in developing more detailed proposals.
	Conditions of planning permission may increase costs or timelines of the project	RBC	See above.
Site	Feasibility work 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.
	Feasibility work identifies significant remediation costs	RBC	RBC to address any future funding issues via alternative funding sources.
Procurement	RBC is 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.
Demand	Lack of demand for retail outlets results in them not being filled or increase in footfall may be less than originally forecast	RBC	Use Monitoring & Evaluation plan to understand key metrics and what might be driving footfall.

Source: RBC

MANAGEMENT CASE

A project governance structure based on the Association for Project Management (APM) best practice and aligned to the 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 in Figure 1.

Figure 1: Redditch Town Deal Programme Governance Model

Source: North Worcestershire Economic Development & Regeneration

The Redditch Town Deal Board which includes representatives of local business as well as public sector authorities have 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.

Whilst the Redditch Library project is a standalone project, it is one of three projects that form a programme of works as part of 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 Redditch Library redevelopment and other TIP initiatives, most notably the Town Centre Public Realm project, as well as the separate Redditch Canopies project.

Table 8 shows the indicative schedule for delivering the project.

Table 8: Key Milestones

Key Milestone	Deadline
DLUHC Summary Documents	September 2022
Professional Services (PM) Tender Award	February 2023
Professional Services (Architectural & Design) Tender Award	September 2023
Detailed Design	December 2023
Soft Marketing (Testing F&B Occupiers)	January 2024
Stakeholder Engagement	February 2024
Planning	June 2024

Construction Tender Award	October 2024
Construction	March 2026

Source: RBC

The only identified interdependency is with RBC's internal project to rehouse the Library elsewhere within the town.

In addition however, the Public Realm and Canopies projects are undoubtedly complementary so their proposals will need to be considered for their impact on the Library site.

To monitor the delivery of the scheme correctly, RBC proposes to create a detailed monitoring and evaluation plan. Monitoring and evaluation plans will be published on the RBC website and will be available to the public.

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

- Implementation of the project 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 Redditch Library redevelopment project will be monitored throughout its life course following the logic model developed for the scheme and associated indicators.

INTRODUCTION

Mott MacDonald has been commissioned by North Worcestershire Economic Development & Regeneration (NWEDR) to write a Full Business Case (FBC) for UK Government Towns Fund investment of £4.2 million towards the redevelopment of Redditch Library.

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 Plan¹ (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 Redditch Library scheme. RBC will act as both scheme promoter and accountable body.

The Redditch Library Project

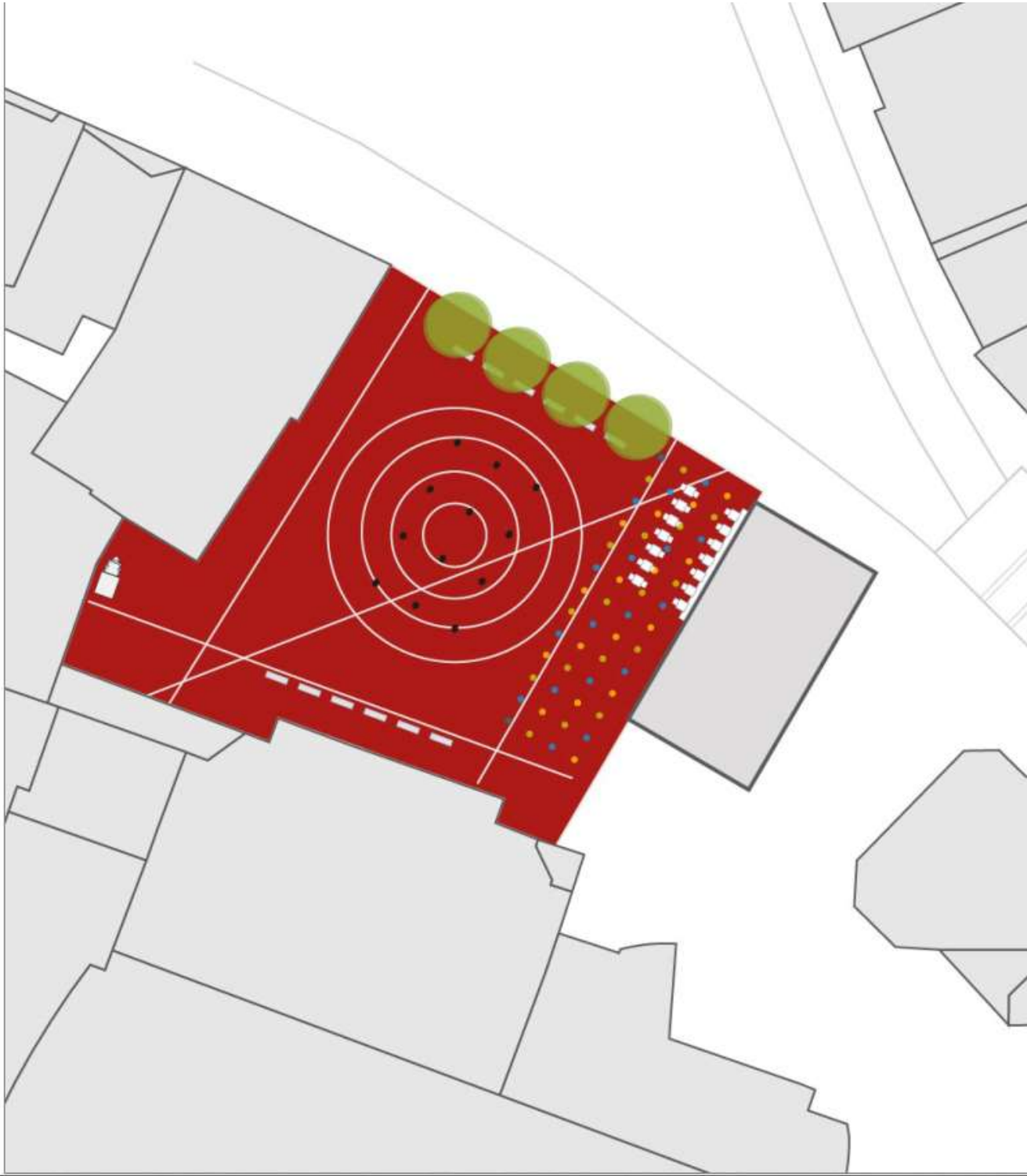
A key area of focus within the TIP is the Church Green area of Redditch, a characterful and attractive area of the town centre which suffers from poor access between the Kingfisher Shopping Centre and wider town centre, limiting its use by residents and visitors. Public consultation found that Redditch's residents believe the Church Green area should become the new heart of the town centre, enabled by the demolition of the existing Redditch Library. Although this provides a well-used and important community asset within the town centre, its design is old-fashioned and unpopular with many of those consulted, and its location currently restricts access between Church Green and the main commercial area of the town.

The £4.2 million investment will be used to transform the space around the Kingfisher Shopping Centre to drive footfall and improve connectivity to the outdoor market and Church Green, through:

- Demolition of the existing Redditch Library
- Construction of a new 612 sqm building comprising three food and beverage units on the ground floor utilising new basement kitchens and co-working space on the first and second floors
- Remediation and implementation of public realm improvements to the floorspace currently used by the Library into 1,172 sqm of public plaza and events space

A plan of the proposed building and public realm is shown in Figure 2.

¹ [Redditch Town Investment Plan \(redditchbc.gov.uk\)](https://redditchbc.gov.uk)
TFDP Stage 2 – Business Case Template

Figure 2: New Building & Public Realm Project Layout Plan

Source: Mott MacDonald

The project will also complement, and is complemented by, the parallel Town Centre Public Realm project, for which Mott MacDonald has also written the FBC. This project will encompass public realm improvements across key town centre routes such as Unicorn Hill, with these together improving the town's vibrancy and driving social and economic benefits.

In addition, this project is also complementary to the Canopies project at the current Market Square, which will deliver a shared events space linking with the new public realm on the site of the current Library and the new building.

Finally, a separate project is being led by RBC to relocate the existing library to Redditch Town Hall, forming an interdependency for this scheme.

Urban Design Considerations

The demolition of the existing Library and replacement with a small three-storey rectangular building of 612 sqm is representative of the scale and height of the adjacent buildings and provides the opportunity for improved visual and physical connectivity between the Kingfisher shopping centre and Alcester Street.

The enhanced public realm space extends the existing public realm of the town, creating a pocket park and transition between the Kingfisher and the wider streetscape, promoting improved legibility for users. The open space also presents further opportunity to enhance the green infrastructure, increasing the urban tree canopy cover of the town and potential for biodiversity through a well-landscaped scheme.

The building itself will offer a daytime and night-time economic use that will be a driver for potential change to adjacent land uses, creating a mini hub with surrounding ground floor activity.

This Business Case

This document forms the FBC for the Redditch Library project. It is written to HM Treasury Green Book standards and will be submitted to the Department for Levelling 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.

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 existing constraints and issues 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, summarising the difference in outcomes between Do Nothing and Do Something scenarios as well as the benefits, risks, constraints, and dependencies associated with the proposed scheme. Lastly, this case will set out the stakeholder consultations carried out to date and provide an overview of future engagement plans 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. Each of these is explored in more detail in the following paragraphs.

CASE FOR CHANGE

Ageing Building Assets

Since Redditch's designation as a New Town, there has been a lack of significant regeneration of the town's built environment, resulting in a town centre which feels dated and unwelcoming. As argued within the 2017 One Public Estate Report², Redditch's public sector estate mainly comprises of low quality, inefficient and underutilised assets located within some of the most prominent potential town centre

² [Appendix 2 Redditch Town Centre OPE Report.pdf \(redditchbc.gov.uk\)](#)

redevelopment sites. Focusing on Redditch Library, the Town Hall and the Police Station, the report identified between £350,000 and £700,000 of potential operational cost savings per annum through their redevelopment, highlighting the great potential for regeneration. The figures below exemplify this poor design quality within the town centre.

Figure 3: Redditch Library



Source: Mott MacDonald (2022)

Figure 4: View south down Alcester Street towards Redditch Town Hall



Source: Mott MacDonald (2022)

Figure 5: Redditch Town Hall

Source: Mott MacDonald (2022)

This long-term underinvestment in publicly owned town centre assets has contributed to negative externalities within the town centre of increased crime and fear of crime, with over 2,000 anti-social behaviour (ASB) incidents in 2018-19, the highest figure in the region³. This was also highlighted as a major concern by residents during public consultation⁴, exacerbated by high levels of homelessness, begging and drug taking within the town centre⁵.

Further negative externalities include increased pollution as people decide to drive elsewhere rather than walk, cycle, or use public transport to make shorter trips within Redditch, and poor public infrastructure. Together, these have resulted in multiple examples of market failure including public underinvestment leading to a lack of private investment in surrounding buildings, infrastructure, and public realm, as well as the free-rider problem causing long-term asset degradation.

³ North Worcestershire Community Safety Partnership, Strategic Assessment, 2019-2020

⁴ Town Centre Crime consultation, Street Survey 2018

⁵ Redditch Towns Deal Community Consultation, November 2020

This status quo has endured for decades and is unlikely to change without some form of local government intervention. Indeed, not intervening will only heighten the risk of failing to attract future private investment as macroeconomic pressures increase the cost of built assets and contribute to an increasingly competitive market. Moreover, these public assets are likely to fall into a long-term state of disrepair, further increasing their running costs.

Contrastingly, regeneration of these built assets and the subsequent increase in vibrancy would improve natural surveillance in the town centre, reducing crime and increasing visitor numbers to support the local economy⁶. This will, in turn, help to attract sustained private sector investment.

Town Centre Vacancies

Pre COVID-19, Redditch Town Centre performed at similar levels to national averages in relation to retail vacancy rates (both Great Britain and Redditch had vacancy rates at around 13%⁷). However, this figure worsened to 16% in October 2020 whilst the national rate was forecast to experience a vacancy rate of 14%⁸, showing that Redditch town centre fared worse than the national average during the 2020 pandemic.

The Kingfisher Shopping Centre currently dominates the retail offer in Redditch Town Centre with 140 stores including large high street brands and independently run shops. Since opening, the town's leisure offer has increased with a cinema opening in 2007. However, on average, one quarter of the units in the shopping centre have been vacant across the last three years and the centre has recently lost its flagship store, Debenhams, which will further reduce footfall into the Centre and the surrounding area.

Long term vacancy of some units is an issue in the wider Redditch Town Centre. Of the vacant units in October 2020, 56% (30 out of 54 units) were also vacant for the two years previous, suggesting a pattern of longer-term decline for Redditch's retail offer⁹.

Redeveloping Redditch Library will present a meaningful intervention to provide attractive and popular food and beverage units as well as high-quality shared workspace in the heart of the town centre. By providing a centre for footfall and spending, this will have an agglomeration effect on the wider town centre, attracting private investment to take up currently empty retail units. It may also lead to some of these being converted into further food and beverage uses, improving the town's night-time economy offer.

Figure 6 presents an example of vacant retail units on one of the main shopping thoroughfares in Redditch, Alcester Street.

⁶ 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)

⁷ Redditch Borough Council data compared to Local Data Company data
<https://www.localdatacompany.com/blog/retail-outlook-for-the-end-of-2020>

⁸ Where will covid-19 leave the retail and leisure market at the end of 2020? The local data company 2020

⁹ Redditch Borough Council data

Figure 6: Vacant Retail Units on Alcester Street

Source: Mott MacDonald (2022)

Low Quality Public Realm

Redditch Library is a key contributor to the town centre's poor public realm, which despite providing a valuable community function, dominates the town centre and severs connections between the attractive Church Green area and the Kingfisher Shopping Centre, the town's retail hub.

Close to the Library, the existing public realm on Unicorn Hill, Evesham Walk and the streets surrounding Church Green also contribute to Redditch's dated image, notwithstanding opportunities to maximise the setting of the church and connections to the wider town centre as targeted within the Public Realm business case.

More widely, the town suffers from its New Town aesthetic (i.e. dated architecture), perpetuating retail vacancies and crime levels (discussed above) which together have contributed to negative perceptions of the town, deterring private investment and regular local shopping trips. To limit future decline, there is a need to invest in better urban design and improve Redditch's town centre offer.

Redeveloping Redditch Library will drastically improve the public realm within Redditch town centre through making direct improvements to the immediate vicinity of the Library around Church Green as part of this project's investment, as well as linking in with the wider public realm improvements centred on Unicorn Hill. 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.

Figure 7 presents an example of the poor New Town aesthetic at the Kingfisher Shopping Centre Car Park.

Figure 7: Kingfisher Shopping Centre Car Park



Source: Mott MacDonald (2022)

Weak Leisure Offer & Evening Economy

There is currently a weak night-time offer in Redditch, with a limited number of evening attractions and uses (such as food & beverage) that could increase 'dwell time' in the town centre. This has further worsened the town centre's lack of appeal to residents, visitors and shoppers – which has also been flagged by residents through stakeholder engagement as an issue that limits the vibrancy and vitality of the town.

Indeed, residents believed that the aforementioned poor public realm and resultant sense of reduced safety contribute to a lessened desire to be in the town at night¹⁰. Furthermore, insufficient late-running public transport was also a recurring theme, highlighted as a barrier to staying out late¹¹.

Recent investment by Bromsgrove District Council (BDC) managed by North Worcestershire Economic Development & Regeneration (NWEDR) in Bromsgrove through the BirdBox scheme¹² has further highlighted the long-term lack of investment in Redditch's night-time economy and accentuated the gap between the towns. The BirdBox is a space for live events, pop-up dining and demonstrations, and provides the

¹⁰ Redditch Towns Deal Community Consultation, November 2020

¹¹ Redditch Towns Deal Community Consultation, November 2020

¹² BirdBox - bromsgrove.gov.uk

sort of small business incubator space and night-time offer that Redditch would greatly benefit from.

It is thought that by learning lessons from the success of this scheme, which won the 2021 Insider West Midlands Property Regeneration Project of the Year¹³, the redevelopment of Redditch Library can have the same level of success.

By providing a number of new food and beverage units in the heart of the town centre, this will create a natural centre for the town's night-time economy it has previously lacked. Not only will these units attract investment to redevelop nearby vacant retail units into other food and beverage options, but the co-working space within the building will also provide natural footfall to ensure the library's redevelopment is a commercial success.

Summary of Key Benefits

The key benefits this project will deliver are summarised as follows:

- **Increase town centre footfall:** This proposal will transform the space around the Kingfisher Shopping Centre. The proposed new square would stimulate the conversion of the blank surrounding facades, including part of the Kingfisher Centre and the former Royal Hotel, currently operating as a nightclub. This will help drive footfall by improving connectivity to the existing outdoor market and the wider Church Green area. Furthermore, the new food and beverage units will provide a new central location for the town's lunchtime and evening economy.
- **Improve Redditch's evening economy:** There is currently 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. This has been flagged by residents as an issue that limits the vibrancy and vitality of the town and contributes to increased crime and fear of crime due to limited footfall and therefore natural surveillance. Investing in new outdoor spaces for events and dining is one of two investment ideas that people in Redditch said would make the biggest difference to their lives¹⁴. There are opportunities to revitalise the town centre by repurposing existing assets to offer new outdoor multi-purpose entertainment and food and beverage spaces. This would incorporate an increased night-time economy offer and develop the public realm to improve perceptions and attractiveness of the town.
- **Encourage further investment and develop a competitive edge:** A council-owned, major opportunity site in a key town centre location offers the potential to create an exemplary development to attract further private investment. The project has an opportunity to become a beacon of local regeneration, and the new focal point of commercial and social activity for Redditch. If public sector investment results in increased activity this has the potential to stimulate private investment as the risk of investment is reduced. Moreover, the site will provide helpful competition to existing centres of economic activity within the local area, such as the Birdbox in Bromsgrove and south Birmingham.

Market Failure

¹³ [Bromsgrove's BirdBox wins prestigious award | Bromsgrove Advertiser](#)

¹⁴ Redditch Towns Deal Community Consultation, November 2020

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

- **Public goods:** Many town centre assets, including the Library and surrounding public realm, are in public ownership and suffer from free-riding effects: the overuse of an asset by those who aren't directly paying for it. This has led to underinvestment as the Library is not seen as an attractive, investable asset with clear socioeconomic benefits. As public goods such as the library do not offer private investors opportunities to generate revenue at sufficient levels to make investment financially viable, the private sector will simply not invest in assets such as Redditch Library.
- **Negative externalities:** Negative externalities have arisen from this aforementioned lack of public sector underinvestment as it has left the private sector with a weaker foundation on which to build, hire and invest in the town centre. This has led to the aforementioned deterioration of the town's built assets and an increased prevalence of litter due to residents having a lack of pride in the town. Ultimately, there is a lack of incentive for the private sector to invest in Redditch as it is not considered an attractive environment.
- **Imperfect information / coordination failures:** Limited wayfinding and unstructured public realm in the town centre have resulted in residents being unaware and unable to locate or navigate between key built assets. A coordinated approach to public realm investment, beginning with investment in redeveloping the Library and the wider public realm around Unicorn Hill and Church Green, is required to drive footfall. As noted in the above bullet point, negative externalities from long-term underinvestment have arisen which make it highly unlikely that the private sector will make this 'first move' in leisure / evening provision without public sector intervention to improve the town centre first.

The Influence of Covid-19

Redditch town centre has suffered acutely from the long-term socioeconomic effects of Covid-19, with falling market rates and increased unit vacancies. The pandemic accelerated many retail trends, including the increase in online shopping and requirement for a more 'experiential' retail offer linked to a range of land uses designed to make shopping just one part of a visitor's day out.

With this significant change in consumer behaviour, the impact on bricks-and-mortar stores has been substantial, with increased rates of closure and a general reduction in the space required within individual units as shoppers seek to experience products rather than buy on the day. Surviving retail space will need to be rethought, potentially requiring a move away from single use assets towards mixed use spaces creating footfall through linked trips, providing greater social and economic value.

The redevelopment of Redditch Library will commence this process in the town centre by providing a mixed use asset designed to act as the heart of a newly vibrant retail, food and beverage and leisure offer. This will directly address the long-term and recently exacerbated decline of Redditch's retail base, as well as providing a home for new businesses. Indeed, by consolidating a high-quality commercial offer focused on the needs of the people of Redditch, as well as improving the look and feel of the town centre through the redevelopment of an eyesore site and providing associated

improvements to the public realm, this programme will be the catalyst for the town centre's economic recovery post-Covid-19.

POLICY ALIGNMENT

The project has been developed with national, regional and local policy and strategy in mind. The key policy and strategy documents considered are summarised in Table 9.

Table 9: Redditch Library – Policy Alignment

Policy Document	Description of Policy Document	Alignment with Redditch Library 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.	One of the key areas of focus for HMG 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. Redeveloping the Library and creating high quality public realm will help to attract new businesses into Redditch and encourage inward investment, addressing existing market failures and creating new employment and skills opportunities.
Towns Fund Prospectus, Ministry for Housing, Communities & Local Government, 2019	This prospectus provides practical guidance and advice to help communities, businesses and local leaders develop proposals for growth, drawing on successful examples from towns who have spurred long-term investment and regeneration.	This project will support the Towns Fund theme of 'urban regeneration, planning and land use' through investing in Redditch Library to create a more attractive townscape that is more accessible to residents, businesses and visitors. The investment will also strengthen the town centre's existing economic assets through remediation and regeneration.
Regional Policy Alignment		
Plan for Growth, Worcestershire Local Enterprise Partnership (LEP), 2020-2040	This Growth Plan builds on the LEP's 2014 Strategic Economic Plan, outlining the vision for the county to create a connected, creative and dynamic economy for all.	The Redditch Library project supports the objective 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'. The redevelopment of Redditch Library is noted as a key intervention to achieve this goal.
North Worcestershire Economic Growth Strategy, North Worcestershire Economic Development & Regeneration, 2019-2024	Bromsgrove, Redditch and Wyre Forest councils have prepared this strategy and its supporting interventions to build on the area's current success and strengthen its competitive advantages. Progress will be managed by NWEDR.	The Strategy aims to help '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 Redditch Library project along with the Public Realm Town Deal project will have a significant positive socioeconomic impact on the town centre, delivering high-quality leisure and employment uses which will bring footfall to help avert nearby retail decline.
Worcestershire Library Strategy, Worcestershire County Council, 2020-2025	This Strategy sets WCC's ambitions for its libraries over this five-year period, with the aim of ensuring that libraries are positioned at the heart of the Council's corporate priorities and remain fit for the future.	Successful allocation of Towns Fund grant money for this project is dependent on the existing library being relocated elsewhere with no gap in provision. The library will be relocated to Redditch Town Hall, with this new library to be opened as soon as the existing Redditch Library closes for demolition.
Local Policy Alignment		
Redditch Local Plan No.4, Redditch Borough Council, 2011-2030	The Borough of Redditch Local Plan is the most important planning document for Redditch, setting the ambition and direction of growth within the Borough over a 20-year horizon.	The project aligns strongly with the Plan's objectives of 'Improving the vitality and viability of Redditch Town Centre' and 'Enhancing the visitor economy and Redditch's cultural and leisure opportunities'. Redeveloping the Library will provide a stronger leisure offer within the town centre and generate footfall to revitalise the local economy.
Redditch Local Economic Recovery Framework, North	The Redditch Economic Recovery Framework sets out the strategic priorities, key interventions and	The project complements this Framework through 'improving places'; one of three core objectives of the Framework. It also aligns strongly with the sub-objective

Policy Document	Description of Policy Document	Alignment with Redditch Library Project
Worcestershire Economic Development & Regeneration, 2020-2023	measures aimed at supporting the local economy throughout the Covid-19 recovery effort. It also supersedes the North Worcestershire Economic Growth Strategy for the duration of the recovery effort.	of delivering 're-purposed / re-imagined town centre and local centres'. Redeveloping Redditch Library will improve the town centre as a place to work in, live in, and visit through forming one part of a coordinated effort to regenerate its commercial offer to meet current and changing demands.
Redditch Town Centre Regeneration Masterplan, North Worcestershire Economic Development & Regeneration, 2021	This Masterplan assesses the development potential of Redditch town centre and provides analysis of key opportunities, constraints, and the significance of the chosen study sites within the town. Redditch Library is included within the chosen study sites.	The Redditch Library site forms one of seven study sites analysed within the document. The site is highlighted as having high development potential. The plan notes the opportunity the Library redevelopment presents to contribute to the provision of high quality public space, active frontages, and an improved pedestrian network within the town centre.

Source: Mott MacDonald

VISION AND OBJECTIVES

Alignment with Redditch Town Investment Plan Vision

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

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

The four themes lie at the heart of the investment approach and are expected to unlock the town's 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 Library project will play a crucial role in realising the vision of the Redditch TIP and will specifically contribute towards the ambition to develop a “Creative” town. This project will do so by contributing towards the theme's specific outcomes as follows:

- **Strengthen town centre viability and vitality:** The redevelopment of Redditch Library will improve the viability of the town centre by providing a high-quality food and beverage and commercial offer which will increase footfall and therefore the investable potential of the town. In turn, this footfall and investment will improve the vitality of the town centre by making it more likely for currently vacant retail units to be repurposed, as well as reducing crime and fear of crime through natural surveillance.

- **Make the town centre a more attractive place to live:** Redditch Library currently provides an important community hub but could do more. Its redevelopment will ensure the continuation of Library services as well as providing a popular asset for residents and small businesses within the town centre. This should attract more people to want to live and work in Redditch.
- **Support business creation and growth in Redditch:** As noted above, the newly redeveloped Library will provide a key asset for small businesses through providing affordable and high-quality co-working space. Its positive effect on the vitality of the town centre will also increase footfall, making the conversion of existing vacant retail units a more attractive prospect for small businesses.
- **Increased business innovation:** As above, the presence of affordable co-working space and reduced retail vacancies will provide an environment in which small businesses can survive and thrive.
- **Develop the town centre into a cultural and leisure destination:** The redevelopment of the Library will provide a new leisure hub at the heart of the town centre, as well as providing space for people to dwell during a day out. Given the current lack of amenities within the town centre, this project will represent a sea-change in the Redditch's cultural and leisure offer.

Further project-specific outcomes which have been agreed by RBC and NWEDR to be targeted through delivery of the scheme are as follows:

- Expand the town's leisure offer to improve the vitality of Redditch's town centre – and particularly evening – economy
- Provide a mixed use commercial space that increases employment opportunities in the town centre
- Deliver an intervention that improves both residents' and visitors' perception of place in Redditch
- Deliver an intervention that increases retail footfall in the town centre
- Ensure that any investment does not preclude the long-term existence of a library to serve the people of Redditch.

SMART Objectives Related to the Specific Project

The SMART objectives identified for the Redditch Library project, all to be achieved by 2026 for full opening of the new facility, include:

- Demolish the existing Redditch Library
- Deliver a new 612 sqm building with three food and beverage units and two floors of co-working space
- Deliver 1,172 sqm of new public plaza space
- Increase in footfall in the town centre
- Increase in land values in the town centre

THE PROPOSED INVESTMENT

Potential Options

The elements of the proposed project (the preferred option) are set out in Table 10. There were five options considered for delivering the Redditch Library project which are covered in more detail in the Economic Case and are linked to the spatial extent and pace of development on the site.

Table 10: Redditch Library Redevelopment Potential Options

Option	Description of option	Conclusion
Option 1 – Do Nothing	No investment will be made at the Redditch Library site with Towns Fund grants.	This option is unacceptable to the project team as the issues of ageing assets, low quality public realm and weak leisure economy will persist and stakeholder needs will not be met. This option is however taken forwards as the counterfactual option .
Option 2 – Demolish existing Library, replace with large rectangular new build	<p>This option totals a cost of £5.85m and proposes:</p> <ul style="list-style-type: none"> - Demolition of the current Library of 10,000m³ - Construction of three-storey new build with a floor space of 874.5m². The first floor of the new building is allocated for food and beverage usage and the upper two floors for offices - 1,172m² of new public realm is also provided located before the entrance of the Kingfisher Shopping Centre. This space will include trees, public seating and signage 	This option fully meets the aims and objectives of the project and directly addresses the need to improve the town centre in Redditch. However, it is not financially feasible with Town Deal money alone and would require public sector borrowing against expected future revenues.. This option is therefore rejected .
Option 3 – Demolish existing Library, replace with small rectangular new build	<p>This option totals a cost of £4.2m and proposes:</p> <ul style="list-style-type: none"> - Demolition of the current Library of 10,000m³ - Construction of three-storey new build with a floor space of 612m². The first floor of the new building is allocated for food and beverage usage and the upper two floors for offices - 1,172m² of new public realm is also provided located before the entrance of the Kingfisher Shopping Centre. This space will include trees, public seating and signage 	This option fully meets the aims and objectives of the project and directly addresses the need to improve the town centre in Redditch. It is financially feasible with Town Deal money alone and provides a lower-cost, lower-risk option compared with Option 2. This option is therefore the preferred option .
Option 4 – Demolish existing Library, replace with L- shape new build	<p>This option totals a cost of £8.83m and proposes:</p> <ul style="list-style-type: none"> - Demolition of the current Library of 10,000m³ - Construction of three-storey new build with a floor space of 1,416m². The first floor of the new building is allocated for food and beverage usage and the upper two floors for offices. <p>1,080m² of new public realm is also provided located before the entrance of the Kingfisher Shopping Centre. This space will include trees, public seating and signage.</p>	This option fully meets the aims and objectives of this project, however it is not financially feasible with Town Deal money alone, with a viability gap of £1.14m. This option is therefore rejected .
Option 5 – Re-design Library with increased public realm	This option totals a cost of £2.2m and proposes a re-model of the existing library reducing its size and improving the exterior image of the building. This will create a café on the ground floor,	Whilst this option does improve the town centre compared with the status quo, it does not fully meet all the HMT critical success factors or project objectives, due to the building remaining in situ. The current

Option	Description of option	Conclusion
	additional floorspace for public realm outside of the entrance to the Kingfisher shopping centre and improve access to and from Church Green.	Redditch Library is dated and detracts from private sector investment in Redditch. This option doesn't make a significant enough impact on public realm or visual appeal of the town centre. This option is therefore rejected .

Source: Mott MacDonald

Options Appraisal & Preferred Option Recommendation

An extensive exercise was undertaken to appraise each option against the scheme objectives, HMT critical success factors, likely economic benefits, deliverability, and affordability.

Options 1 and 5 were quickly discounted as although the cheapest and most easily deliverable options, they were not deemed to achieve the objectives or critical success factors sought by RBC, so failed to represent a strong return on investment.

Options 2, 3 and 4 were all deemed to meet the scheme objectives and HMT critical success factors. Therefore, all three went through a full process to develop a cost estimate, development appraisal and economic and financial analysis to calculate a BCR.

Option 2 would cost £5.85m, therefore requiring a further £1.65m. Commercial property advice was sought which indicated that this additional funding requirement could be achieved through borrowing against expected future revenues, but this would represent a significant risk to RBC going forward, particularly in the current inflationary climate. This would also achieve a BCR of 2.4.

Option 3 would cost £4.2m, providing an option which is fully achievable within the Town Deal funding envelope. The scheme was developed to be as similar in style as possible to Option 2, maintaining the three storeys and basements to ensure cohesion with the surrounding built form and the same area of public realm to bring the Library site back into public use. This would achieve a BCR of 2.7.

Option 4 would cost £8.83m, therefore requiring a further £4.63m. Commercial property advice was sought which indicated that the majority of this additional funding requirement could be achieved through borrowing against expected future revenues, but this would still leave a viability gap of £1.14m. This would therefore represent a significant risk to RBC going forward, and with no additional funding streams readily available, this option was not deemed to be achievable. This would also achieve a lower BCR of 2.3.

Given that Option 3 is achievable within the Town Deal funding envelope alone, achieves the same urban design benefits as Option 2, and has the highest BCR of 2.7, this was chosen as the preferred option.

Project Risks, Constraints and Interdependencies

Risks

Table 11 sets out the key risks for the Redditch Library project detailed within the risk assessment. Detail on risk management and mitigation is outlined in the Commercial Case in Table 24.

These have been assessed on a Red-Amber-Green (RAG) basis as follows:

- Red: Both relatively likely to happen and carrying a significant impact, representing a high risk to the project
- Amber: Either relatively likely to happen or carrying a high impact, representing a medium risk to the project
- Green: Either very unlikely to happen or carrying a very low impact, representing a low risk to the project

Table 11: Redditch Library Redevelopment Key Risks

Risk Area	Specific Risk	Likelihood	Impact	Total
Pandemic	Another Covid-19 outbreak or similar results in delays to construction and the overall project programme	2	4	8
	Key project leads are off sick for an extended period of time	3	2	6
Funding	There is a viability gap for developing the site, resulting in a lack of private sector interest	1	4	4
	The Benefit-Cost Ratio for the site is poor, resulting in DLUHC pulling out of the investment	1	5	10
Programme	Allocated funding may not be sufficient to deliver all aspects of the project, as a result of cost-overruns	3	4	12
	The project takes longer to deliver than previously envisaged, resulting in the programme not being met	3	4	12
Planning	Planning permission for the site is refused or delayed	2	4	8
	Conditions of planning permission may increase costs or timelines of the project	3	3	9
Site	Feasibility work identifies factors which result in a need to redesign or delay development	2	4	8
	Feasibility work identifies significant remediation costs	2	4	8
Procurement	RBC is unable to find a suitable contractor through the public procurement process	1	4	4
Demand	Lack of demand for retail outlets results in them not being filled or increase in footfall may be less than originally forecast	2	4	8

Source: RBC

Constraints

The key constraints of the project are as follows:

- Proposals for the library site will have to consider their impact on the adjacent Church Green conservation area
- Funding will not be granted without a reasonable alternative site provided for the Library to maintain its service
- Only limited funding is available via the Towns Fund. Alternative funding or private finance sources will need to be considered if costs dictate
- An alternative location will need to be found for the Department for Work & Pensions (DWP) service, which has a long-term lease on space within the Library building.

Interdependencies

The only identified interdependency is with RBC's internal project to rehouse the Library elsewhere within the town.

In addition however, the Public Realm and Canopies projects are undoubtedly complementary so their proposals will need to be considered for their impact on the Library site.

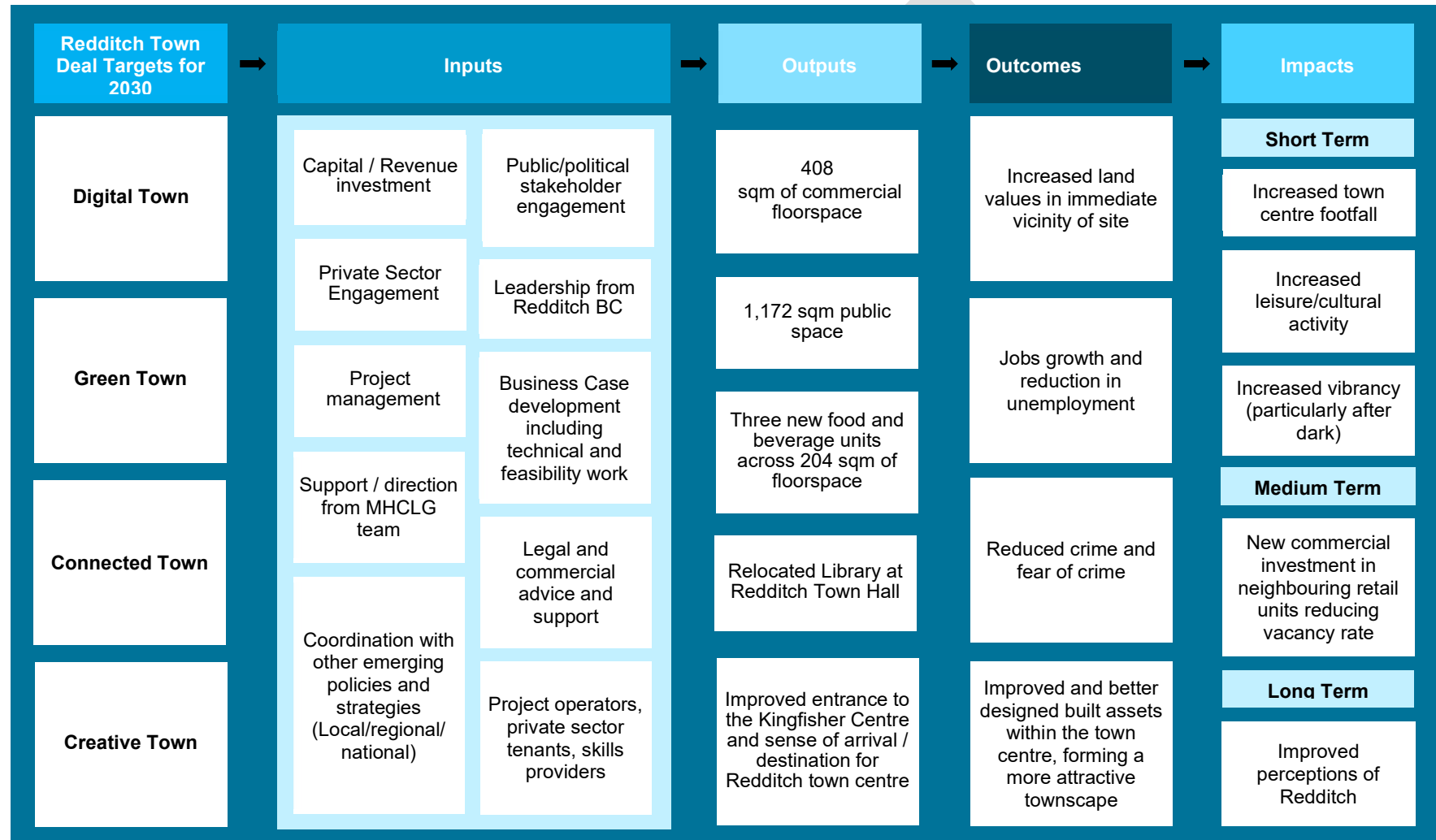
Project Theory of Change

A detailed summary of how this project will help achieve the objectives of the Redditch Library project, and link with the wider vision and objectives of the Redditch TIP alongside other broader policy objectives, is set out in the project theory of change model in Figure 8.

Following HM Treasury Magenta Book¹⁵ best practice, the Theory of Change sets out the contextual challenges faced by the intervention area. The required inputs outline the specific items required for delivery of the scheme including funding, stakeholder support and design expertise. Outputs describe clearly how the Towns Fund money will be spent and the tangible deliverables of the project within the scope of the Redditch Library project. Those outputs will then deliver outcomes which are the measurable results expected to arise from completion of the Redditch Library project.

¹⁵ The Magenta Book - GOV.UK (www.gov.uk)

Figure 8: Redditch Library Theory of Change



Potentially Differing Impacts by Protected Characteristics and/or Income Groups

The project aims to improve the public realm, vitality, and viability 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.

All new development will also be designed and built to be fully accessible for people with disabilities.

STAKEHOLDERS**Key Stakeholders and their Role or Interest in the Project**

Table 12 presents the key stakeholders for the Redditch Library project and details on their role in the delivery and interest in the project. A more detailed explanation of the roles and responsibilities of the various organisations is provided in the Management Case. The list of individuals on the Redditch Town Deal Board, which will oversee delivery of the project, is provided in Table 27.

Table 12: Key Stakeholders for the Redditch Library Project

Key Stakeholder	Delivery Role	Project Interest
Redditch Borough Council (RBC)	Senior Responsible Owner / Accountable Body	Project delivery body
Worcestershire County Council (WCC)	Stakeholder	Owner of Redditch Library
North Worcestershire Economic Development and Regeneration (NWEDR)	Oversight of project delivery	Project delivery body, responsible for monitoring and managing outcomes
Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP)	Stakeholder	Project supporter
Worcestershire Local Enterprise Partnership (WLEP)	Stakeholder	Project supporter
Kingfisher Shopping Centre	Stakeholder	Project supporter, major landholding nearby
Current users of Redditch Library	Stakeholder	Interested party

Source: Mott MacDonald

Summary of Engagement to Date and Evidence Gathered

Prior to the TIP development, the Council had established a strong understanding of the needs and aspirations of stakeholders built up through regular engagement. Engagements that related to the TIP include:

- Customer & Residents Survey 2019 – Town Centre survey
- Redditch Town Centre - Four Quarters Plan – 2018/19
- Local Plan (2017)

In November 2020, Social Marketing Gateway (SMG) were commissioned to conduct a community consultation with 650 Redditch residents about how TIP investment could make a difference to their lives. Alongside skills provision and investment at Redditch railway station, town centre redevelopment formed a main feedback topic of residents. Residents shared their support for investment to change what is on offer in the town centre. Redditch's residents shared a significant amount of feedback regarding the 'right kind' of retail, hospitality and entertainment. Consultees highlighted their desire for more local and independent shops and activities that transform the centre into a busy and vibrant place where people want to socialise.

In addition, wider engagement with businesses and public sector organisations in the area has taken place. This showed strong support for the Redditch Library project with letters of support received from Redditch BID, Kingfisher Shopping Centre, and the local and regional authorities.

Mott MacDonald | Redditch Towns Fund Programme
Redditch Library Full Business Case

Future Engagement

Once the design team is in place for the project, there will be a further, extensive public and stakeholder engagement process. Indicative dates for this are 7th November 2022 to 10th February 2023.

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

DRAFT

ECONOMIC CASE

PRACTICE NOTES

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

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

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

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

ECONOMIC CASE

INTRODUCTION

The proposal that is the subject of this business case comprises the demolition of the current Redditch Library and the construction of a new office and commercial use building and new public realm space.

This investment aims to drive footfall to and from the Kingfisher Centre and improve connectivity to the historic town centre core. The proposed new square aims to stimulate the conversion of the blank surrounding facades. Redditch Town Centre is in need of an improved evening economy offer, refreshed public realm and the encouragement of private sector investment, of which this intervention seeks to address. The Economic Case demonstrates the public Value for Money (VfM) of the preferred option for investment at the Redditch Library site to society, through an appraisal of the preferred option.

APPROACH TO ECONOMIC CASE

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

- Labour supply benefit
- Vacancy uplift
- Public realm improvement benefits – on commercial and residential land
- Amenity benefit

The above benefits have been selected for the quantitative VfM assessment as they can be quantified at this stage of scheme development. Additional benefits are captured qualitatively. The quantitative assessment has an appraisal period of 15 years, aligned to the anticipated minimum lifetime of this asset without the need for further investment and the appraisal is presented in 2022/23 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 2020 guidance. Each benefit has been assessed using methodologies and values (where available) from the appropriate UK Government department. Detail on the methodologies used to capture each benefit is set out in the economic benefits section below.

Options Appraisal

The development of the Redditch Library project has seen multiple potential options developed for the scheme. Each has been developed through design processes aimed at securing the greatest benefits and stakeholder consultation to ensure that the needs of residents, visitors and other stakeholders are met.

In total, five options have been considered for the project and Table 13 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, where a red, amber, or green rating has been applied to each criterion¹⁶.

¹⁶ Where the rating is red the project is deemed to fail to meet the criterion, amber indicates that the criterion is partially met and green indicates the option fully meets the criterion.

Table 13: Options Assessment

Option	Description of option	HMT Green Book Project Objectives Critical Success Factors							Conclusion
		Strategic fit	Value for Money	Supplier capacity and capability	Affordability	Achievability	Expand the town's leisure offer to improve the vitality of Redditch's town centre – and particularly evening – economy	Provide a mixed use commercial space that increases employment opportunities in the town centre	
1	Do nothing No investment is made at the Redditch Library site through Town Deal funding.								This option does not meet HMT critical success factors or the project objectives. This option will not address the issues and market failures present in Redditch and will not deliver benefits to the community. This option is carried forwards as a counterfactual .
2	Demolish existing Library, replace with large rectangular new build This option totals a cost of £5.85m and proposes: <ul style="list-style-type: none"> - Demolition of the current Library of 10,000m³ - Construction of 3 storey new build with a floor space of 874.5m². The first floor of the new building is allocated for food and beverage usage and the upper two floors for offices. - Basement of 60m² is utilised for restaurant kitchens. - 1,172m² of new public realm is also provided located before the entrance of the Kingfisher Shopping Centre. This space will include trees, public seating and signage. 								This option fully meets the aims and objectives of the project and directly addresses the need to improve the town centre in Redditch. However, it is not financially feasible with Town Deal money alone and would require public sector borrowing against expected future revenues. This option is therefore rejected .
3	Demolish existing Library, replace with small rectangular new build This option totals a cost of £4.2m and proposes: <ul style="list-style-type: none"> - Demolition of the current Library of 10,000m³ - Construction of 3 storey new build with a floor space of 612m². The first floor of the new building is allocated for food and beverage 								This option fully meets the aims and objectives of the project and directly addresses the need to improve the town centre in Redditch. It is financially feasible with Town Deal money alone and provides a lower-cost, lower-risk option compared with Option 2. This option is therefore the preferred option .

Description of option		HMT Green Book Critical Success Factors					Project Objectives			Conclusion		
Option		Strategic fit	Value for Money	Supplier capacity and capability	Affordability	Achievability	Expand the town's leisure offer to improve the vitality of Redditch's town centre – and particularly evening – economy	Provide a mixed use commercial space that increases employment opportunities in the town centre	Deliver an intervention that improves both residents' and visitors' perception of place in Redditch	Deliver an intervention that increases retail footfall in the town centre	Ensure that any investment does not preclude the long-term existence of a library to serve the people of Redditch	
	usage and the upper two floors for offices. - Basement of 60m ² is utilised for restaurant kitchens. - 1,172m ² of new public realm is also provided located before the entrance of the Kingfisher Shopping Centre. This space will include trees, public seating and signage.											
4	Demolish existing Library, replace with L- shape new build This option totals a cost of £8.83m and proposes: - Demolition of the current Library of 10,000m3 - Construction of three-storey new build with a floor space of 1,416m2. The first floor of the new building is allocated for food and beverage usage and the upper two floors for offices. - 1,080m2 of new public realm is also provided located before the entrance of the Kingfisher Shopping Centre. This space will include trees, public seating and signage.											This option fully meets the aims and objectives of this project, however it is not financially feasible with Town Deal money and public sector borrowing against expected future revenues alone, with a viability gap of £1.14m. This option is therefore rejected .
5	Re-design Library with increased public realm This option totals a cost of £2.2m and proposes a re-model of the existing library reducing its size and improving the exterior image of the building. This will create a café on the ground floor, additional floorspace for public realm outside of the entrance to the Kingfisher shopping centre and improve access to and from Church Green.											Whilst this option does improve the town centre compared with the status quo, it does not fully meet all the HMT critical success factors or project objectives, due to the building remaining in situ. The current Redditch Library is dated and detracts from private sector investment in Redditch. This option doesn't make a significant enough impact on public realm or visual appeal of the town centre. This option is therefore rejected .

Source: Mott MacDonald

The qualitative options appraisal set out above confirmed the identification of Option 3 as the preferred option for the Redditch Library project. As a result, Option 3 has been taken forward for detailed analysis in the Economic Case against Option 1 – Do Nothing.

ECONOMIC BENEFITS

As set out above, the quantitative VfM appraisal of this project focusses on five metrics:

- Labour supply benefit
- Amenity benefit
- Value of public realm – on commercial and residential land
- Vacancy Uplift

The relevance of each of these benefits and how they have been quantified is set out below.

Labour Supply Benefit

The investment at the Redditch Library site is anticipated to create both office and restaurant jobs. The upper two floors of the new building will be fitted out for office working, whilst the ground floor and basement will be offered as food and beverage space. Table 14 shows the estimated jobs supported within the new building utilising the Homes & Communities Agency Employment Density Guide 2010.

Table 14: Employment Estimates

Element	Value	Notes
Office floorspace	388m ²	Provided within cost estimates. This is net internal area based on total office floorspace of 408 m ²
Restaurant and kitchen floor space	254m ²	Provided within cost estimates. This is net internal area, based on 204m ² of total ground floor restaurant space plus 60m ² of kitchen space within the basement. This is gross internal area.
Average floor space per job – office	12sqm NIA/FTE	Sourced from Homes and Communities Agency, Employment Density Guide, 2010.
Average floor space per job – restaurant/kitchen	18 sqm NIA/FTE	Sourced from Homes and Communities Agency, Employment Density Guide, 2010.
Assumed occupancy rate for office space	80%	Mott MacDonald assumption. Cautious assumption based on office vacancy rates of 14.9% in Manchester and 7.7% in Birmingham in Q4 2021 ¹⁷ .
Assumed occupancy rate for restaurant space	100%	Mott MacDonald assumption. The British Retail consortium estimate that high street vacancy rates are 14.4% in Q4 2021 ¹⁸ . Three units are available in the new building. Based on the success of similar developments nearby, such as the Birdbox in Bromsgrove, we assume all 3 units are let. We test this assumption in the sensitivity analysis.
Office employment	26	Calculation: ([office floorspace] / [Average floor space per job]) x occupancy rate
Restaurant and kitchen employment	14	Calculation: ([restaurant/kitchen floorspace] / [Average floor space per job – restaurant/kitchen]) x occupancy rate

Source: Various, see table.

As the proposals have a focus on a specific part of the UK, Redditch, place-based analysis is appropriate, following the guidance set out in The Green Book (2020) Annex 2. The steps taken to calculate net additional employment are set out in Table 15.

Table 15: Net Additional Employment Analysis

Job creation, loss and displacement	Office	Restaurant	Notes	Formula
Creation	26	14	Based on the estimates above 26 and 14 jobs will be supported per year in the office and restaurant space respectively.	(a)
Substitution	0%	0%	Substitution arises when a firm substitutes one activity for a similar one because of the intervention. This is not identified as an issue for this scheme as all services and jobs currently present within the library will be relocated with no impact on employment.	(b)
Displacement	40%	20%	Displacement is the proportion of intervention outputs accounted for by reduced outputs elsewhere in the target area. Low to medium	(c)

¹⁷ Statista [link <https://www.statista.com/statistics/1042446/office-vacancy-rates-in-british-city-centers/>]
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displacement is expected. This is the extent to which an increase in economic activity at the Library site is offset by reductions in economic activity within Redditch or in areas close by. Lower displacement is anticipated within the food and beverage units as due to the lower skill requirement of the jobs, more employment is likely to be sourced from those otherwise unemployed or partially employed e.g. students.

Net 'direct' job creation	16	11		(d) = (a) x (1- (b) - (c))
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Direct employment effects	Office	Restaurant	Notes	Formula
Leakage %	42%	42%	Based on travel to work flows in the Redditch District (Census 2011).	(e)
Leakage number	2	4	Leakage is the proportion of the project outputs that benefit those outside of the intervention's target area/population i.e. the residents of Redditch Local Authority area. Based on travel to work flows in the Redditch area (Census 2011), approximately 42% of Redditch jobs are filled by non-Redditch residents. 42% is used for both leakage of net direct job creation but also leakage into the area through displaced jobs.	(f) = [(a) x (1-c) x (e)] - [(a) x (c) x (e)]
Net 'direct' employment effects	13	8		(g) = (d) - (f)

Indirect employment effects	Office	Restaurant	Notes	Formula
Composite multiplier	34%	34%	This is based on composite multiplier effect estimate within local areas provided by Homes and Communities Agency, Additionality Guide, 2014. Given this intervention is a combination of Office and Recreation interventions an average of their respective multipliers, of 29% and 38%, is utilised.	
Net 'indirect' employment effects	4	3		

Net additional employment	Office	Restaurant	Notes	Formula
Total net employment	18	10	Calculation	(k) = (j) + (g)
Deadweight/BAU	0	0	In a Do-nothing scenario the Redditch Library project and the associate outcomes will not be delivered.	(l)
Net additional employment	18	10	Calculation	(m) = (k) - (l)

Source: various, see individual footnotes. Figures may not sum due to rounding

MHCLG guidance allows for the quantification of the fiscal benefits of moving locally unemployed workers into employment. The guidance utilises WebTAG A2.3 (Appraisal of Employment Affects) which states that the valuation of the labour supply impacts resulting from a scheme can be calculated in terms of welfare impacts over and above user benefits. These are the tax revenues and social security savings resulting from labour supply impacts and can be estimated as 40% of the resultant change in GDP. This tax revenue impact reflects both the increase in tax revenue (income tax, national insurance contributions and corporation tax) and the reduction in social security payments.

Table 16: Labour Supply Benefit

Element	Office	Restaurant	Formula
Net Additional Employment	18	10	(m)
Gross GVA per annum (2022 prices)¹⁸	£57,681	£57,681	(n)
Welfare impact¹⁹	40%	40%	(o)
Additional welfare pa	£410,138	£237,089	(p) = (m) x (n) x (o)

¹⁸ Subregional productivity: labour productivity indices by local authority district, ONS, 2019. Converted to 2022 values using GDP DEFLATORS AT MARKET PRICES, AND MONEY GDP, Spring 2022 Update

¹⁹ TAG UNIT A2.3, Appraisal of Employment Effects, September 2016

Source: various, see individual footnotes.

The method displayed above is employed for each year the benefit is assumed to persist, in this case an estimate of 15 year persistence is assumed. Once totalled and then discounted this results in a net present value of total labour supply welfare impact of £6.7m.

Amenity Benefit

The conversion of the Library site results in a net gain in amenity space in Redditch. 1,172sqm of new public realm is to be delivered that will include improved surface paving, trees and benches. The benefit of this gain to the local community has been monetised through the use of amenity values identified within the MHCLG Appraisal Guide. The amenity value of urban core is applied of £109,138 per hectare per year (2016 values) (equivalent to £11 per sqm per year). On this basis, it is estimated that the development of Redditch Library would result in an amenity gain of approximately £152,610 over a 15-year appraisal period (in Present Value terms and adjusted to 2022/23 prices).

Public Realm Improvement Benefits – Commercial Premises

Public realm benefits, calculated using the Valuing Urban Realm Toolkit (VURT), have been assessed for the Redditch Library Project. VURT was developed by Transport for London (TfL) to quantify the uplift in the value of existing commercial property space within the immediate vicinity of a public realm enhancements. The tool applies an uplift to the rateable values of those businesses based on research into how public realm influences existing property land values.

The logic underpinning the VURT assessment is that an improved streetscape, with better lighting with a higher quality environment and a greater sense of personal security improves the attractiveness of an area and increases footfall in that area. The increased footfall and attractiveness of the area adds value to businesses whose customer base visiting the location of their premises increases, making the premises more valuable. The public realm intervention within this proposal most directly affects the commercial premise within the Kingfisher Shopping Centre that are in close proximity to the public realm improvement on entrance to the centre.

Based on research undertaken by TfL, a 1.22% uplift for each stepped increase in quality that is ascribed to the public realm enhancements being proposed in a scheme is applied to the current rateable value of each retail business assessed to be directly impacted by the enhancement to the public realm. The process applied is as follows:

1. Assessment of the existing streetscape quality using a Pedestrian Environment Review System (PERS) review.
2. Assessment of the future streetscape quality arising from the proposed scheme (plan based PERS assessment).
3. Valuation of the change in streetscape quality between the existing (Baseline) situation and the future (Scenario) situation through application of rateable values to monetise all user benefits.
4. Annualization of user benefits to calculate the overall benefit from the lifetime of the scheme in terms of public realm improvements.

A PERS assessment has been undertaken on the following four parameters which TfL found to have a statistically significant impact on land values:

- Lighting
- Personal security
- Quality of environment
- Maintenance

Each of these categories have been given a score of between -3 (worst) and +3 (best) which has been inputted into the VURT assessment. Scores are based on the evidence that has been gathered and provide a conservative assessment of the potential public realm benefits enabled in Option 3 compared to no change assumed for Option 1 - Do Nothing.

As a result of the scoring appraisal an uplift of 12.2% has been estimated for commercial properties in within the Kingfisher Shopping Centre in close proximity to the public realm enhancements. This results from a 2 point increase in score for Lighting, 5 for personal security and 3 for quality of environment. The increases are a result of the significant change in environment that the intervention will deliver.

Using rateable values from Redditch Borough Council, the total rateable value per annum for affected commercial properties is £1.03m. This totals the rateable values for occupied retail units on the two retail aisles leading off the improved entrance. A 12.2% uplift totals a benefit of £125,495 per year. For caution, a displacement factor of 10% is applied to reflect that some of the value unlocked on the affected sites may be relocated from other schemes. The benefit is assumed to persist for 15 years, producing a total benefit of £1.17m (in present value terms).

Public Realm Improvement Benefits – Residential Units

The improved streetscape, with better lighting with a higher quality environment and a greater sense of personal security improves the attractiveness of an area. Above, we analyse the estimated effect on nearby commercial units. However, we may also anticipate an effect on nearby residential units if the surrounding environment is improved.

To estimate the potential uplift in house prices current house price data was obtained. A GIS search of this catchment and price paid data for the Redditch Borough for 2019, 2020 and 2021 was undertaken to give a large sample and avoid any seasonal changes in house prices. Taking the total number of properties (18) within a 250m radius of the public realm improvement and the average price paid of £256,983 (£22/23) in Redditch results in a total property value surrounding the intervention of £4.63m.

Utilising the same PERS approach above we assume residential units experience a one-point increase in the quality of environment in Redditch due to the intervention. Applying a 1.22% uplift in value to an increase in quality of value provides an annual uplift of £56,433. For caution, a displacement factor of 10% is applied to reflect that some of the value unlocked on the affected sites may be relocated from other schemes. A 5% per annum real terms property value growth rate has been applied (as per MHCLG guidance) over the 15-year appraisal period. The result is a present value benefit of £0.89m.

Impact of Increased Footfall - Vacancy Uplift

Improvements to the public realm entering the Kingfisher shopping centre will bring vibrancy and strength to the local economy, which will lead to more confidence in the desirability of the area, increased footfall, and reduced risk for investors.

Currently on the two main retail aisles within the Kingfisher leading off the improved entrance there are four vacant units and on Market Place and Alcester Street directly leading from the new public realm toward Church Green there are a further four vacant units. Increased footfall in the centre and surrounding streets will lead to improved viability for businesses wishing to move into these units thus ultimately leading to them becoming occupied. It has been assumed that three out of the four units within the Kingfisher will be occupied and two out of the four on surrounding streets due to the public realm investment within the centre, with one additional occupied unit for each of the following five years post-project competition.

A change in land use will create a land value uplift, which is the change in the value of the land from its current use to its future use as a result of an intervention. As the units are currently vacant, land value is effectively zero.

Data provided by Redditch Borough Council shows the total rateable value per annum of the four vacant units is £704,000. Therefore, if five of these units are subsequently occupied, on average their total rateable value, will be £501,188, this takes into consideration the difference in rateable value within the centre and the surrounding streets. Commercial market analysis by Savills estimates that current average yield in UK shopping centres is 7.5%, so utilising this figure the Gross Development Value (GDV) is £6.68m. Further research by Savills estimates that land values are approximately a third of GDV²⁰.

Utilising this information, a present value benefit from the uplift in land value due to the occupation of vacant retail units due to increased footfall and vibrancy within the town is estimated at £1.88m.

Benefits Summary

Table 17 provides a summary of the monetisable benefits of the project.

Table 17: Economic Benefits (2022/23 prices, net present value)

Total net additional benefits	Present Value of Benefits
Labour Supply Benefit	£6,723,426
Amenity Benefit	£152,610
VURT - Commercial	£1,173,286
VURT - Residential	£894,227
Vacancy Uplift	£1,876,235
Total	£10,819,784

Source: Mott MacDonald

ECONOMIC COSTS

Table 18 details the economic cost of Option 3. 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. Secondly, optimism bias, at 10%²¹, is then applied to the figures. This is within the range suggested by Green Book guidance for capital expenditure on 'Standard Building' projects of 2 to 24%. Optimism bias below the upper bound is chosen due to the competition of detailed cost estimates and allocation for risk within them. 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. These costs are used within the VfM Assessment and are set out below.

Table 18: Economic Costs, Discounted 2022/23 Values, Including Optimism Bias

Funding profile	2022/23	2023/24	2024/25	2025/26	Total
Total cost	£0	£1,144,781	£1,474,758	£1,424,887	£4,044,426

Source: Mott MacDonald

VALUE FOR MONEY ASSESSMENT

There are two key metrics set out in the MHCLG appraisal guidance that can be used to assess Value for Money (VfM): the calculation of BCRs, which simply show the ratio of benefits to costs; and the net present social value (NPSV), which represents the present value of benefits minus the present value of costs. A

²⁰ The value of land, 2025, Savills [link: https://www.savills.co.uk/research_articles/229130/188996-0]

²¹ Optimism bias (OB) has been applied to the project at 10%, this is within the range suggested by Green Book guidance for 'Standard Building' projects. Source: HM Treasury (2002) Supplementary Green Book Guidance, Optimism Bias, Table 1.

BCR above 1 and a positive NPSV indicates that the intervention option under consideration represents good VfM. The higher the BCR, the higher the overall VfM (not taking into account qualitative benefits).

The results of the VfM assessment for Option 2 are outlined in Table 19. The VfM assessment for the option shows a high **BCR of 2.7**. This option demonstrates very good VfM²².

Table 19: Value for Money, (Net Present Value, £2022/23 prices)

Economic Case - value for money analysis	Project BCR
Benefits for the BCR	
Labour Supply Benefit	£6,723,426
Amenity Benefit	£152,610
VURT - Commercial	£1,173,286
VURT - Residential	£894,227
Vacancy Uplift	£1,876,235
Total benefits for the BCR (A)	£10,819,784
Economic costs	
Total cost (B)	£4,044,426
Private sector cost (C)	£0
BCR calculation formula (A-C) / B	2.7
NPSV (A-B)	£6,775,358

Source: Mott MacDonald

Sensitivity Analysis

For the sensitivity analysis, three scenarios were identified to test the sensitivity of the VfM assumptions. These are as follows:

- **Sensitivity Test 1:** Analyses the impact of lower demand than expected in the new building. This test assumes a 50% occupancy rate for the office space (as opposed to 80%) and that only 2 out of the 3 restaurant units are let.
- **Sensitivity Test 2:** Analyses the effect of the public realm have a lower impact on commercial and residential units than expected. The benefits of the Commercial and residential VURT as well as the vacancy uplift benefit have been halved.
- **Sensitivity Test 3:** Analyses the impact of costs increasing by 50%.

The results of this analysis can be seen in Table 20. In each scenario, the scheme delivers a BCR that is 1.5 or above, thus providing good value for money in each sensitivity scenario.

Table 20: Sensitivity Analysis (NPV, £2022/23 prices)

Economic Case – value for money analysis	BCR	Sensitivity 1	Sensitivity 2	Sensitivity 3
Total net additional benefits				
Labour Supply Benefit	£6,723,426	£4,304,762	£6,723,426	£6,723,426
Amenity Benefit	£152,610	£152,610	£152,610	£152,610
VURT - Commercial	£1,173,286	£1,173,286	£586,643	£1,173,286
VURT - Residential	£894,227	£894,227	£447,113	£894,227
Vacancy Uplift	£1,876,235	£1,876,235	£938,118	£1,876,235
Total benefits for the BCR (A)	£10,819,784	£8,401,119	£8,847,910	£10,819,784
Costs				
Total cost (B)	£4,044,426	£4,044,426	£4,044,426	£6,066,639
Of which is private sector cost (C)	£0	£0	£0	£0
BCR calculation formula (A-C) / B	2.7	2.1	2.2	1.8

²² 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.

NPSV	£6,775,358	£4,356,693	£4,803,484	£4,753,145
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Source: Mott MacDonald

QUALITATIVE BENEFITS

In addition to the quantified benefits identified in the previous section, the completion of the Redditch Library project is expected to bring further qualitative benefits. These are detailed in Table 21.

Table 21: Qualitative Benefits

Benefit type	Description	Assessed impact size
Increase town centre footfall	This proposal will transform the space around the Kingfisher Shopping Centre. The proposed new square would stimulate the conversion of the blank surrounding facades, including part of the Kingfisher Centre and the former Royal Hotel, currently operating as a nightclub. This will help drive footfall by improving connectivity to the existing outdoor market and the wider Church Green area. Furthermore, the new food and beverage units will provide a new central location for the town's lunchtime and evening economy.	Medium: proposal likely to have a direct benefit to town centre footfall but this will be concentrated in the Church Green area rather than town centre-wide.
Improve Redditch's evening economy	There is currently 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. This has been flagged by residents as an issue that limits the vibrancy and vitality of the town and contributes to increased crime and fear of crime due to limited footfall and therefore natural surveillance. Investing in new outdoor spaces for events and dining is one of two investment ideas that people in Redditch said would make the biggest difference to their lives ²³ . There are opportunities to revitalise the town centre by repurposing existing assets to offer new outdoor multi-purpose entertainment and food and beverage spaces. This would incorporate an increased night-time economy offer and develop the public realm to improve perceptions and attractiveness of the town.	High: proposal will be transformative for Redditch's evening economy, providing a leisure and entertainment hub which will attract visitors and residents in a way the town centre currently cannot.
Encourage further investment and develop a competitive edge	A council-owned, major opportunity site in a key town centre location offers the potential to create an exemplary development to attract further private investment. The project has an opportunity to become a beacon of local regeneration, and the new focal point of commercial and social activity for Redditch. If public sector investment results in increased activity this has the potential to stimulate private investment as the risk of investment is reduced. Moreover, the site will provide helpful competition to existing centres of economic activity within the local area, such as the Birdbox in Bromsgrove and south Birmingham.	High: proposal will represent a significant change in the town's competitiveness compared with other local markets, presenting an opportunity for local business to take advantage through new investment.

Source: Mott MacDonald

SUMMARY

The proposed project will deliver an additional area public realm in Redditch as well as a new building offering space for retail and office uses. The investment is hoped to revitalise the town centre creating a hub for the evening economy, increasing footfall and supporting additional jobs. Focusing on five benefits of the Redditch Library project (Labour supply, Amenity Benefit, commercial and residential impacts of public realm improvements and vacancy uplift) establishes the very good value for money of the project with a **BCR of 2.7** and an **NPSV of £6.78m** from these benefits alone. In addition, the project will provide substantial qualitative benefits including increased footfall, improved evening economy and encouraging private sector investment.

²³ Redditch Towns Deal Community Consultation, November 2020
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FINANCIAL CASE

PRACTICE NOTES

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

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

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

FINANCIAL CASE

INTRODUCTION

The Financial Case outlines the key financial considerations for the preferred option of the redevelopment of Redditch Library, including how the project will be funded, the total costs of the project over its implementation to March 2026, any sources of finance and the profile of both funding and finance over the delivery period. This business case is seeking £4,200,000 of Towns Fund grant funding to deliver the project.

APPROACH TO FINANCIAL CASE

The Towns Fund ask represents the total cost for the project. Grant funding is required due to the market failures identified in the Strategic case and as a result, the project cannot proceed without Towns Fund grant funding.

COSTS

The total cost is estimated to be £4,197,494 for the project in nominal terms for the construction phase, from both Mott MacDonald estimates and additional costs identified by Aspinall Verdi. It should be noted that these costs focus on the construction phase capital elements of the project and exclude the operational expenditure associated with the space. A number of assumptions and exclusions have been implemented to develop the cost estimates detailed in the Cost Estimate document. The estimate should be viewed with an estimating tolerance of +/- 20% due to the high-level nature of the information available at this point in time.

An inflationary adjustment has also been applied to the construction costs. Tender Price Inflation is allowed at 6.58% on the basis of an assumed proposed start on site of Q3 2022 and using the latest BCIS Tender Price Indices. Furthermore, £343,000 (10%) has been allocated towards risk including design development risks and construction risks.

The annualised cost profile is set out in Table 22.

Table 22: Annualised Cost Profile

Source	Total	2022/23	2023/24	2024/25	2025/26
Mott MacDonald	Facilitating Works Estimates	£505,000	£0	£137,727	£183,636
	Cost of Building Work	£2,066,323	£0	£563,543	£751,390
	Main contractors' preliminaries	£463,000	£0	£126,273	£168,364
	Main contractors' overheads and profit	£152,000	£0	£41,455	£55,273
	Design & Project Team Fees	£239,000	£0	£65,182	£86,909
	Risk Allowance	£343,000	£0	£93,545	£124,727
	Inflation	£248,000	£0	£67,636	£90,182
Aspinall Verdi	Planning cost	£50,000	£50,000	£0	£0
	Sales and Legal fees	£21,107	£0	£5,756	£7,675
	Marketing	£7,036	£0	£0	£7,036
	Development Management	£103,030	£0	£28,099	£37,465
Total		£4,197,494	£50,000	£1,129,216	£1,505,621
				£1,505,621	£1,512,657

Source: Mott MacDonald and Aspinall Verdi

FUNDING AND REVENUES

Funding for the project will be provided solely by the Towns Fund. A total of £4,200,000 is available from the Town Deal grant funding.

The annualised funding summary is outlined in Table 23.

Table 23: Annualised Funding Summary

	Total	2022/23	2023/24	2024/25	2025/26
Towns Fund	£4,197,494	£50,000	£1,129,216	£1,505,621	£1,512,657
Total	£4,197,494	£50,000	£1,129,216	£1,505,621	£1,512,657

Source: Project Sponsor

AFFORDABILITY ASSESSMENT

Costs can be separated into the construction phase (the focus of this business case) and the operational costs.

Analysis of potential rental income from both the Office and Food and Beverage space has been undertaken by Aspinall Verdi. Gross annual revenue for the building is estimated at £102,810. This is based on the assumption that individual tenants take on the responsibility for the internal maintenance and bills of their units.

Annual operating costs for the management of the building, external maintenance, letting expenses and potential void costs, accounting for gaps in rental income, are estimated at 10% of the annual revenue for the Food and Beverage Units and 7.5% of the annual revenue for the Office units. These costs will be borne by the owner of the building. Once these costs are accounted for, annual net revenue is estimated at £94,042.

For the project to be deemed affordable it should be the case that additional ongoing costs, such as financing costs, that the council or operator will incur are less than the annual net revenue.

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

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 Redditch Library project is based on a standard Council-led approach whereby Redditch Borough Council (RBC) will manage and administer the project. During the project development, RBC will oversee the construction and handover, in partnership with Worcestershire County Council (WCC), with a dedicated management team which will ensure that the proposed project meets expectations for scheduled delivery.

INTRODUCTION

The Redditch Library site redevelopment is proposed as one of three projects seeking to better use local assets and to encourage the vitality and viability of the Redditch Town Centre. As outlined in the Strategic Case (Section 2), the long-term plan is to create a vibrant and connected open space suitable for cultural and leisure activities, supported by appropriate food and beverage retail offerings that generate a high-quality experience both for those using the space but also for those transiting through (between Church Green and Kingfisher Shopping Centre).

This section of the report demonstrates the commercial viability and contractual structure for the Redditch Library 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

The commercial objective of this project is to deliver the Redditch Library 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, using established commercial structures and approaches used by the Council to deliver all its capital projects. Once the project is delivered, the new building will include a range of food and beverage offerings that is anticipated to generate revenue streams for the local authority (LA). The enhanced public space is also expected to attract new business and enhance land values in the area.

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 delivery and with agreed funding in place, as set out in the Financial Case.

COMMERCIAL DELIVERABILITY

Summary

RBC has decided to deliver the project using a Council-led model that is standard practice for 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 maximising financial and operational performance and minimising 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 North Worcestershire Economic Development & Regeneration (NWEDR) 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 design and project management procurement process, the consultants will be expected to sign the RIBA Standard Professional Services Contract 2018 (Architectural Services) contract. This contract provides comprehensive contract terms and is suitable where the Architect undertakes a commission using a traditional form of procurement.
- As part of the build phase, it is the intention to use an appropriate construction contract such as the JCT Intermediate Building Contract (IC) 2016. 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 as shown in Table 24, identifying who owns the risk and 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. NWEDR 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 24: Project Risk Register

Risk Element	Identified Risk	Responsible Owner	Mitigation
Pandemic	Another Covid-19 outbreak or similar results in delays to construction and the overall project programme	RBC	Project team to abide by any Covid-19 or other pandemic regulations with remote working undertaken wherever possible.
	Key project leads are off sick for an extended period of time	RBC	Project team to have replacements in place for key roles, fully briefed and ready to undertake project responsibilities if required.
Funding	There is a viability gap for developing the site, resulting in a lack of private sector interest	RBC	No funding gap identified for this project and is achievable with Town Deal money alone. RBC to address any future funding issues via alternative funding sources.
	The Benefit-Cost Ratio for the site is poor, resulting in DLUHC pulling out of the investment	RBC	The BCR for this project has been calculated as 2.7, representing very good value for money.
	Allocated funding may not be sufficient to deliver all aspects of the project, as a result of cost-overruns	RBC	Detailed financial monitoring will take place throughout the project, creating an early warning system to highlight any funding issues. Should the project forecast exceed the approved budget the council will ensure action is taken to either reduce costs or seek alternative funding strategies.
Programme	The project takes longer to deliver than previously envisaged, resulting in the programme not being met	RBC	Dedicated and experienced project manager and architect 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 units for occupation).
Planning	Planning permission for the site is refused or delayed	RBC	RBC to engage with planning colleagues and consider relevant planning policy in developing more detailed proposals.
	Conditions of planning permission may increase costs or timelines of the project	RBC	See above.
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.
	Feasibility work identifies significant remediation costs	RBC	RBC to address any future funding issues via alternative funding sources.
Procurement	RBC is 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.

Demand	Lack of demand for retail outlets results in them not being filled or increase in footfall may be less than originally forecast	RBC	Use Monitoring & Evaluation plan to understand key metrics and what might be driving footfall.
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Source: RBC

If the funding is approved and the development proceeds, all the commercial risks rest with RBC. A key feature of the new building is to provide 204 sqm for three food and beverage (F&B) outlets that will not only enhance the attractiveness of the open space but also provide a revenue source for the Local Authority. The process of leasing and managing the properties will be carried out through RBC's commercial property management team.

Construction Management

The approach to successful delivery of the project is that RBC will appoint an agent, NWEDR, to manage the construction works acting as the primary interface between RBC and builders. 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 NWEDR to cross-reference and validate. Once NWEDR 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.

Market Testing

Market testing has not been undertaken specifically for the new building, but engagement is currently being undertaken by SQW with the local business community regarding potential demand for space within the new Redditch Digital Manufacturing & Innovation Centre (DMIC), for which a separate FBC has been prepared.

Understanding the demand for space within the DMIC will provide a strong indication of likely demand to occupy the two floors of co-working space. This work will help to mitigate against the risk of low occupancy rates due to an unsuitable ethos or design.

In addition to this, ongoing engagement is occurring with wider stakeholders such as the Kingfisher Centre and other local businesses via the Redditch Town Deal Board. The full list of stakeholders on the Town Deal Board is provided in the Management Case in Table 27.

PROCUREMENT STRATEGY

Summary

The Redditch Library project is anticipated to be procured through a single-stage open tender for design work and a two-stage closed tender for construction, to be sent to a select group of firms.

The preferred procurement route is through a framework agreement such as Procure Partnership Frameworks²⁴. This is the preferred procurement route for Crown Commercial Services (CCS) and Local Authorities (LA) as they comply with all the public procurement regulations, and this also ensures best value for money, fairness, integrity, and transparency.

Procurement Policies

The procurement strategy will be fully compliant with the Public Contracts Regulations 2015²⁵. 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 fraudulently²⁶. WCC and RBC have a range of policies, guidance and requirements that address social value, innovation/modern methods of construction, sustainable development, and ethical sourcing. A brief outline is included as follows:

Table 25: Procurement Policies

Key Area	Response
Social Value	For all major contracts let by the county council (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.”</i> RBC (2019). To help to achieve this the design, development and future operations of Redditch Library will be carried out to best address these broad guidelines and follow appropriate environment and sustainability principles and practice.

Source: NWEDR

WIDER CONSIDERATIONS

Packaging of Works

Given the scope and potential scale of the broad Towns Fund programme, the Towns 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

²⁴ [Contract Procedure Rules - redditchbc.gov.uk](https://redditchbc.gov.uk)

²⁵ [The Public Contracts Regulations 2015 \(legislation.gov.uk\)](https://legislation.gov.uk)

The only identified interdependency is with RBC's internal project to rehouse the Library elsewhere within the town.

In addition however, the Public Realm and Canopies projects are undoubtedly complementary so their proposals will need to be considered for their impact on the Library site.

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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 Redditch Library project. At the FBC stage, the focus should be on how the project will be managed, its timescales, assurance processes and risk management. A description of the proposed management structure for delivery of the Redditch Library 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 Redditch Library project can be delivered to time, quality and budget as part of the wider regeneration programme for the town. RBC will have overall responsibility for delivering the project, which will be overseen by the Town Deal Board. The proposed management structure for delivery of the programme is detailed below and will include North Worcestershire Economic Development & Regeneration (NWEDR) as 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 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.

Together, NWEDR and RBC are also delivering the Canopies project on the site of the covered market. This has the following vision:

“Redditch Market Square will become the central hub for outdoor events which will connect seamlessly with the Kingfisher Shopping Centre and the Town Conservation Area. It will be a pivotal meeting point for both locals and visitors with abundant opportunities including; big screens, art installations, dining, seating areas, exhibitions, and festivals.

A creative focus to resurface local cultural heritage will enable people to interact and engage with the rich history of Redditch, helping to establish a strong sense of place”.

This project will be complementary to the Redditch Library project in further improving the town centre for a diverse range of uses. Figure 9 presents an image of the proposals for this project.

Figure 9: Redditch Canopies Project Vision

Source: ADP Architects (2021)

PROJECT ORGANISATION AND GOVERNANCE

The delivery of the Redditch Library scheme will be overseen by RBC, in partnership with Worcestershire County Council and will include NWEDR as delivery agent. A project manager will be appointed to oversee the procurement of a consultant team to finalise the designs and to secure planning consent for the site.

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

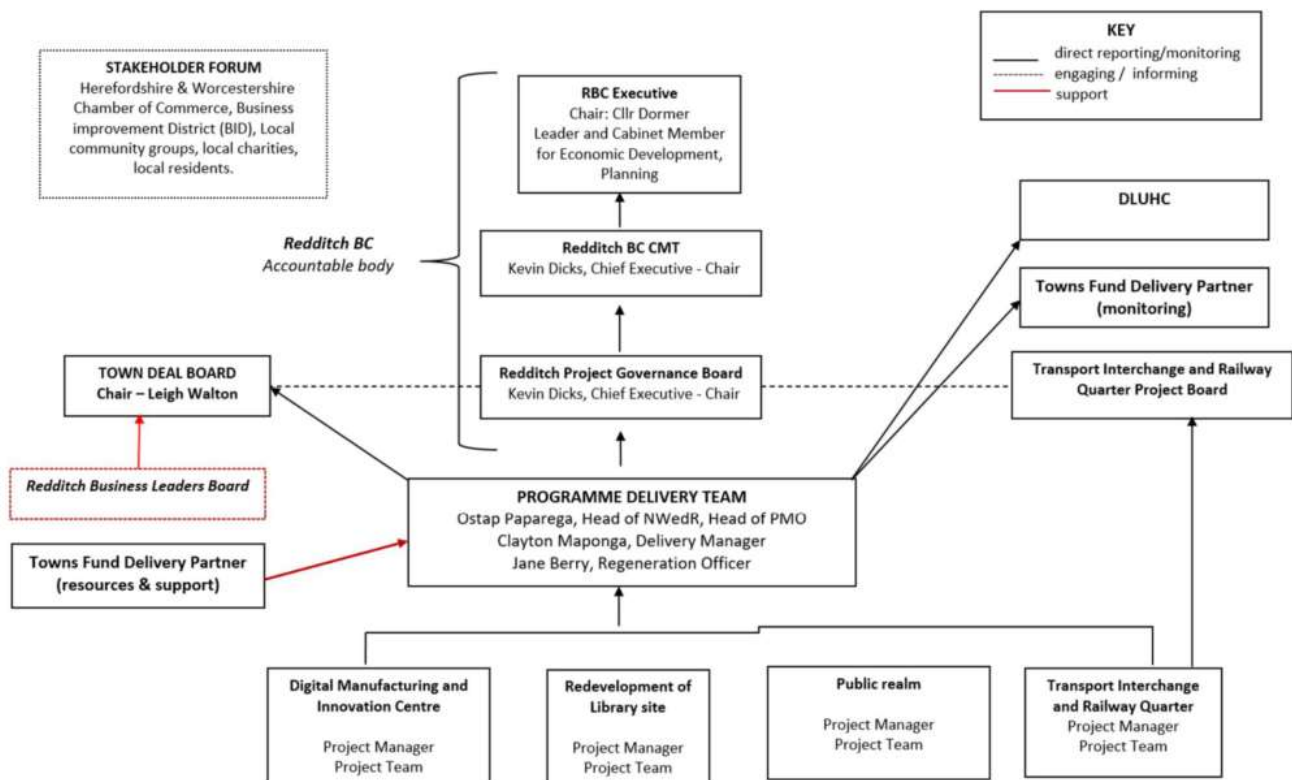
A project governance structure based on the Association for Project Management (APM) best practice and aligned to the RBC decision-making processes has been put in place. This structure will ensure that the programme has appropriate decision-making processes in place with defined responsibilities set.

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

- Developing the 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 organogram in Figure 10.

Figure 10: Redditch Town Deal Programme Governance Organogram



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 RBC, 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 and Boards
- Signs off the completion of each project stage 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.

The delivery of the Redditch Town Deal programme will be managed by RBC with NWEDR as delivery agent, which is a shared service between the local authorities of Bromsgrove, Redditch and Wyre Forest. NWEDR has 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 APM

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

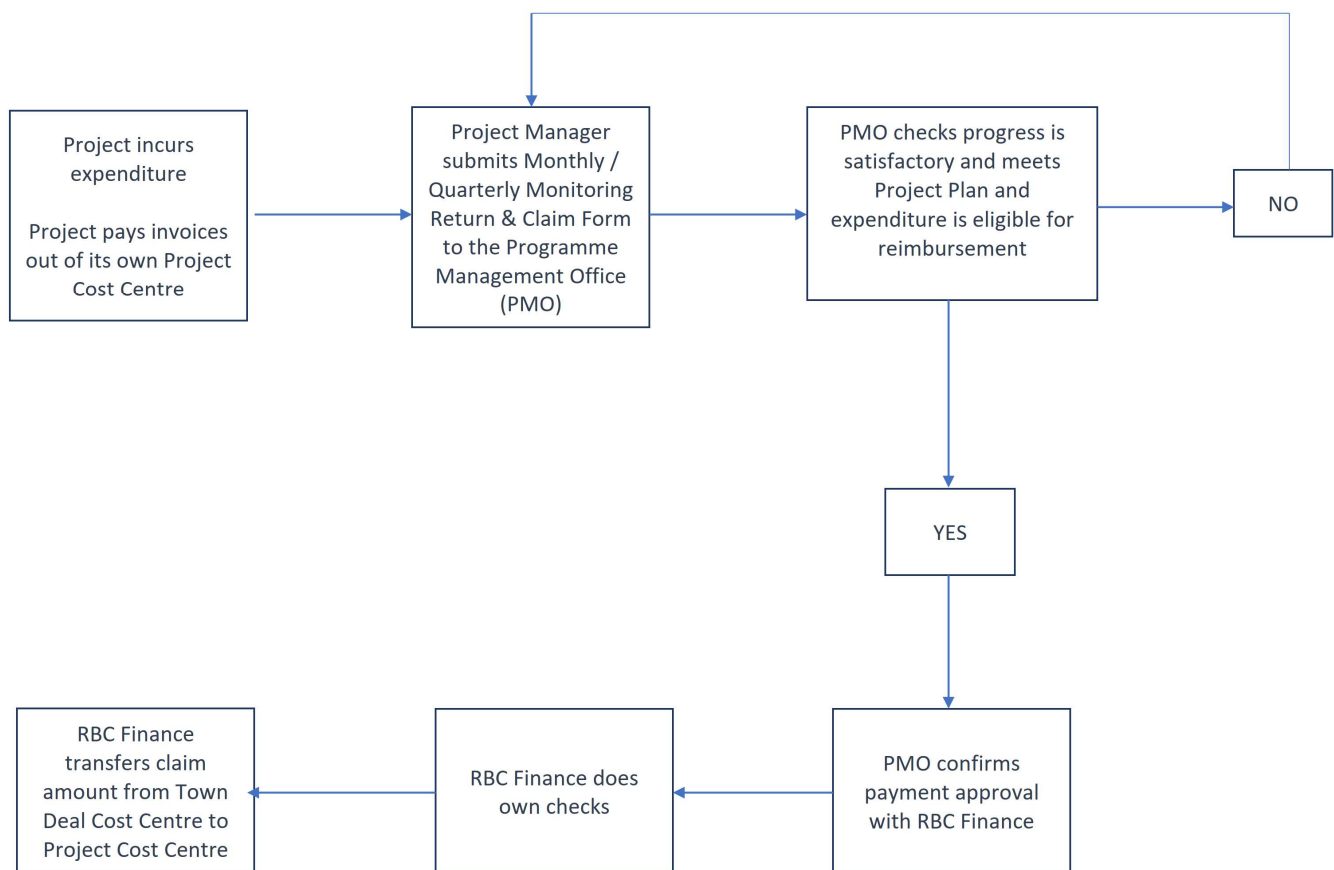
Project sponsors will report on progress to RBC officers who will be responsible for briefing the RBC Executive and the Town Deal Board as appropriate.

Key project monitoring and assurance steps are as follows:

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

Grant claiming: A Town Deal programme cost centre (income and expenditure codes) will be created by RBC Finance. Project cost centres (income and expenditure codes) will be set up by RBC for each of their projects. Project expenditure will be covered / provided by RBC for each project 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.

This process is illustrated in Figure 11.

Figure 11: Redditch Library Cost Centre Process

Source: RBC

SCOPE MANAGEMENT

The scope of the project is described more fully in the Strategic Case, but involves the demolition of Redditch Library, construction of a new three-storey building comprising food and beverage units and co-working space, and associated public realm improvements on the site of the former Library.

RBC has responsibility for specifying, reviewing and approving the detailed design issued under building contracts for general conformity to specification requirements and to see that the dates for production and approval of design information are met. RBC 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.

RBC will also 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

Whilst the Redditch Library project is a standalone project, it is one of three projects that form a programme of works as part of 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 Redditch Library redevelopment and other TIP initiatives, most notably the Town Centre Public Realm project.

Table 26 shows the indicative schedule for delivering the project. This project is not being fast-tracked.

Table 26: Key Project Milestones

Key Milestone	Deadline
DLUHC Summary Documents	September 2022
Professional Services (PM) Tender Award	February 2023
Professional Services (Architectural & Design) Tender Award	September 2023
Detailed Design	December 2023
Soft Marketing (Testing F&B Occupiers)	January 2024
Stakeholder Engagement	February 2024
Planning	June 2024
Construction Tender Award	October 2024
Construction	March 2026

Source: RBC

RISK AND OPPORTUNITIES MANAGEMENT

An effective risk management strategy for the project will be based on the principles for risk management contained 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 undertaken 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
- Communicate: report and communicate the above to relevant project team members and stakeholders.

The key risks to the project and their proposed mitigation strategies are provided in the Commercial Case in Table 24.

As the Redditch Library redevelopment 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 realised.

PROJECT MANAGEMENT

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

RBC is implementing 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 programme. The proposed management structure for delivery of the 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 Programme Delivery Manager. The Programme 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 acting 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 RBC, 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, and Risk and Issue Logs which will be maintained by the Project Manager.

Monitoring actions to ensure compliance with the Authority's governance are detailed below:

- 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 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 RBC, Worcestershire County Council, local businesses and community groups. A key vehicle for stakeholder engagement has been the Redditch Town Deal Board whose membership is outlined in Table 27:

Table 27: Redditch Town Deal Board Members

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
Simon Hyde	Faun Zoeller (UK) Ltd
David Mitchell	Mettis Aerospace
Gary Woodman	Worcestershire LEP
Tim Martin	West Midlands Combined Authority
Annette Daly	YMCA

Penny Unwin	Worcestershire County Council OPE
Simon Geraghty	Leader – Worcestershire County Council
Shanaaz Carroll	Greater Birmingham & Solihull LEP
John Hobbs	Worcestershire County Council
Peter Sugg	Young Solutions
Julia Breakwell	HoW College
Ian Smith	Cities & Local Growth Unit
Rebecca Collings	Towns Fund Delivery Partner
Ruth Bamford	Head of Planning, Regeneration and Leisure Services, Redditch Borough Council
Clayton Maponga	Programme Delivery Manager (NWEDR)

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

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 Redditch Library redevelopment, including footfall, retail vacancy numbers, number of local events, and private commercial investment. It will be the responsibility of the Programme Delivery 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 RBC 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, RBC proposes to create a detailed monitoring and evaluation plan. Monitoring and evaluation plans will be published on the RBC website and will be available to the public.

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

- Implementation of the project 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 Redditch Library redevelopment 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 unit turnover. Increased footfall will be tracked and measured via footfall counters.

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

- Create a detailed monitoring and evaluation plan
- Publish the monitoring and evaluation plan on the Council website so as to be available to the public
- Provide progress reports on the evaluation process throughout the project lifecycle through its rigid management structures
- 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. Table 28 sets out the structure for gathering, assessing, and monitoring benefits and outcomes.

Table 28: Project Benefit Measurement & Monitoring

Benefit	Timescale	Measured	Risks	Critical Success Factors
204 sqm of food and beverage space across three units	Immediate	Physical count	Lack of interest by the public and / or private operators	Space is fully let and footfall is high enough to deliver a suitable ROI to the private sector
408 sqm of co-working space across two floors	Immediate	Physical count	Lack of interest by the public / local businesses	>75% average utilisation
1,172 m ² of public space	Immediate	Physical count	Risk of vandalism / lack of cleanliness to newly opened spaces	Regular cleaning and good use of passive and active surveillance
40 jobs created	Immediate	Physical count	Lack of interest or ROI leads to medium term job losses	Stable employment figures for the first 12 months post-occupation
Increased footfall	Ongoing	Retail surveys	Lack of interest by owners	10% revenue increase 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	10% increase by year 3

			non-compliant adjacent developments)	
Change in perception of Redditch as a more attractive town to live, work and invest in	Long term	Increased population density in surrounding areas	Abundance of alternative attractive development areas	Localised density

Source: Mott MacDonald

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.	

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Part 1: Project Summary Document

Towns should complete this for each project.

Summary Document table
1. Project name: Redditch Library
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. <ul style="list-style-type: none"> • Provide assurance on what will happen to the existing library provision, where it will go and how the needs of the community to access library services will be met when the existing site is demolished. <i>The existing library will be relocated to Redditch Town Hall as part of a separate project being led by Redditch Borough Council (RBC). The existing library will only be closed once the new library is ready to open. The new library will provide the same level of provision and is in an equally central location within Redditch, located c.300m away from the existing library.</i> • Provide further detail on the impact of this project through inclusion of a broader range of outcomes. <i>Additional outcomes beyond those agreed in the TIP have been agreed between key stakeholders RBC and North Worcestershire Economic Development & Regeneration (NWEDR) as follows:</i> <ul style="list-style-type: none"> – <i>Expand the town's leisure offer to improve the vitality of Redditch's town centre – and particularly evening – economy</i> – <i>Provide a mixed use commercial space that increases employment opportunities in the town centre</i> – <i>Deliver an intervention that improves both residents' and visitors' perception of place in Redditch</i> – <i>Deliver an intervention that increases retail footfall in the town centre</i> – <i>Ensure that any investment does not preclude the long-term existence of a library to serve the people of Redditch.</i>
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 <p>The approach taken to the Economic Case is based on a combination of quantitative and qualitative analysis designed to reflect the proposals for the Redditch Library project. The quantitative VfM assessment focuses on the following key metrics:</p> <ul style="list-style-type: none"> • Labour supply benefit • Vacancy uplift • Public realm improvement benefits – on commercial and residential land • Amenity benefit <p>The above benefits have been selected for the quantitative VfM assessment as they can be quantified at this stage of scheme development. Additional benefits are captured qualitatively.</p> <p>The quantitative assessment has an appraisal period of 30 years, aligned to the anticipated minimum lifetime of this asset and the appraisal is presented in 2022/23 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 2020 guidance. Each benefit has been assessed using methodologies and values (where available) from the appropriate UK Government department.</p>
4. MHCLG capital (CDEL) 5% payment

Main activities, if applicable:

- Demolish existing Redditch Library
- Develop new 612 sqm three-storey mixed-use building
- Develop 1,172 sqm of new public realm

5. Quantified benefit-cost ratio/value for money (e.g. Benefit Cost Ratio or Net Present Social Value)

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.

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. 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 2.7, demonstrating 'very good' VfM.

6. Deliverability

Will this project still be delivered within the Towns Fund timeframe? (Y/N)

Yes

7. Delivery plan

Including details of:

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

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

Key Milestone	Deadline
DLUHC Summary Documents	September 2022
Professional Services (PM) Tender Award	February 2023
Professional Services (Architectural & Design) Tender Award	September 2023
Detailed Design	December 2023
Soft Marketing (Testing F&B Occupiers)	January 2024
Stakeholder Engagement	February 2024
Planning	June 2024
Construction Tender Award	October 2024
Construction	March 2026

The delivery of the scheme will be overseen by RBC with NWEDR as a delivery agent. A project manager will be appointed to oversee the procurement of a consultant team to design and construct the scheme.

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.

The only identified interdependency is with RBC's internal project to rehouse the Library elsewhere within the town.

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.

The following table presents the key risks identified.

Risk Element	Identified Risk	Responsible Owner	Mitigation
Pandemic	Another Covid-19 outbreak or similar results in delays to construction and the overall project programme	RBC	Project team to abide by any Covid-19 or other pandemic regulations with remote working undertaken wherever possible.
	Key project leads are off sick for an extended period of time	RBC	Project team to have replacements in place for key roles, fully briefed and ready to undertake project responsibilities if required.
Funding	There is a viability gap for developing the site, resulting in a lack of private sector interest	RBC	No funding gap identified for this project and is achievable with Town Deal money alone. RBC to address any future funding issues via alternative funding sources.
	The Benefit-Cost Ratio for the site is poor, resulting in DLUHC pulling out of the investment	RBC	The BCR for this project has been calculated as 2.7, representing very good value for money.
	Allocated funding may not be sufficient to deliver all aspects of the project, as a result of cost-overruns	RBC	Detailed financial monitoring will take place throughout the project, creating an early warning system to highlight any funding issues. Should the project forecast exceed the approved budget the council will ensure action is taken to either reduce costs or seek alternative funding strategies.
Programme	The project takes longer to deliver than previously envisaged, resulting in the programme not being met	RBC	Dedicated and experienced project manager and architect 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 units for occupation).
Planning	Planning permission for the site is refused or delayed	RBC	RBC to engage with planning colleagues and consider relevant planning policy in developing more detailed proposals.
	Conditions of planning	RBC	See above.

	permission may increase costs or timelines of the project		
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.
	Feasibility work identifies significant remediation costs	RBC	RBC to address any future funding issues via alternative funding sources.
Procurement	RBC is 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.
Demand	Lack of demand for retail outlets results in them not being filled or increase in footfall may be less than originally forecast	RBC	Use Monitoring & Evaluation plan to understand key metrics and what might be driving footfall.

8. Town Deal Board Chair name & signature

Name of the Town Deal Board: Leigh Walton

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: Pete Carpenter

Job title: Executive Finance Director / Section 151 Officer

Name and signature:

Date:

DRAFT

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?

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

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1 Addendum

- 1.1 This document is an addendum to the main report produced for Mott Macdonald to assess the viability of various options for the redevelopment of Redditch Library.
- 1.2 This addendum covers a fourth option as proposed by Mott Macdonald. Options 3 is a three-storey building of 204sqm footprint with Food and Beverage space on the ground floor and a flexible office offering on the upper floors. This would involve the demolition of the existing structure, whilst some basement space would be retained to accommodate kitchens.
- 1.3 Option 3 proposes the construction of an 612sqm mixed use unit with food and beverage premises on the ground floor and flexible office space across two upper floors. In addition, the scheme proposes retention of a proportion of the existing library basement for use as kitchens. Whilst the scale of this space is not made clear we have assumed three kitchen spaces at 20sqm each will be housed in the existing basement. This gives a total GEA for the proposal of 672sqm. Based on a 5% reduction from GEA to GIA, this gives a total lettable area of 638.4sqm.

Gross Development Value

1.5 We have listed the value assumptions for Option 3 below.

These are:

- F&B rental rates of £15.50psf & office rental rates of £14.50psf
- Investment yield of 6% for F&B and gymnasium areas and 6.5% for office space.
- Annual management and lettings costs of 10% for F&B space and 7.5% for office space.

1.6 The GDV assumptions and outputs for both Option 3 are summarised in Table 1.1

below. **Table 1.1 - GDV Summary**

Rental Rate (psf)	Option 3
Gross Revenue	£102,810
Net Revenue	£94,042
Capital Value/GDV (inc 12-month rent free)	£1,407,141

1.7 It should be noted however, that should the F&B space be let to local independent operators, investors would seek to realise a higher yield of circa 8% - therefore reducing the capital value of the scheme.

Cost Assumptions

- 1.1 A cost plan has been produced for the scheme by Mott Macdonald (Appendix 1) and is summarised in Table 1.2 below.

Table 1.2 - Cost Plan Summary

Item	Option 3
Facilitating Works Estimate	£505,000.00
Building Works Estimate	£2,066,322.50
Main Contractor's Preliminaries @ 20%	£463,000.00
Main Contractor's OH&P @ 8%	£152,000.00
Project / Design Team Fees @ 7.5%	£239,000.00
Risk Allowance @ 10%	£343,000.00
Total (excluding inflation)	£3,768,322.50
Inflation Allowance @ 6.58%	£248,000.00
Total (including inflation)	£4,016,322.50

Source: Mott Macdonald, 2022

- 1.2 We have also included the following cost allowances:
- £50,000 to secure planning for the scheme
 - Project financing at a rate of 3.5% applied to spends over the £4,200,000 grant allocation.
 - We expect this minimal fee is reasonable given works will be undertaken by the public sector with grant funding and any funding necessary will likely be attained on favourable rates from the Public Works Loans Board (PWLB).
 - Sales agents and Legal fees at 1% and 0.5% respectively
 - Marketing at 0.5% - as this is a council-led scheme, we assume a proportion of marketing will be accounted for through existing budgets and as such have included a marginal cost.
 - Development Management fee at 3% of cost (in lieu of dev profit).

2 Appraisal

- 2.1 A summary of the financial appraisal outputs for redevelopment option 3 are shown in Table 2.1 below. A full appraisal summary can be found in Appendix 2.

Table 2.1 - Appraisal Output Summary

Item	Total
Total Costs (excl land)	£4,197,494
GDV	£1,407.141
Residual Sum	(-) £2,790,353

- 2.2 The financial appraisal for shows that redevelopment option 3 is unviable with a residual sum of -£2,790,353. The appraisal shows that, with a total works cost of £4,197,494, this redevelopment option could be brought forward in its entirety under the £4.2m funding already available.

Appendix 1 – Cost Plans



Redditch Library Demolition and New Build (30% smaller)

Order of Cost Estimate

15 September 2022

Issue and Revision Record:					
Rev	Issue Date	Originator	Checker	Approver	Notes
0	13/09/2022	A.Sridhara	M.Mazzuchelli	P.Tan	
A	15/09/2022	A.Sridhara	S.Fiqow	P.Tan	Development cost added

Disclaimer:

This document is issued for the party which commissioned it and for specific purposes connected with the captioned project only. It should not be relied upon by any other party or used for any other purpose. We accept no responsibility for the consequences of this document being relied upon by any other party, or being used for any other purpose, or containing any error or omission which is due to an error or omission in data supplied to us by other parties.

Redditch Library Demolition and New Build (30% smaller)**Order of Cost Estimate**

15/09/2022

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ASSUMPTIONS & EXCLUSIONS**Assumptions and Notes**

- 1 The base date of this estimate is 3Q 2022
- 2 Construction is assumed to start in 3Q 2023
- 3 Contingency has been assumed at 10%.
- 4 Main Contractor's preliminaries have been assumed at 20%
- 5 Main Contractor's overheads and profit have been assumed at 8%
- 6 Project/Design Team fees have been assumed at 7.5%.
- 7 All building works are undertaken separately from this contract by others.
- 8 Works are completed within normal working hours.
- 9 The Main Contractor will be given possession of the whole of the site and there will be no phasing restrictions.
- 10 There is adequate access to site.
- 11 There are no onerous restrictions imposed by neighbouring parties.
- 12 There is no contaminated ground or asbestos on site.
- 13 The GIA for the scheme is assumed at 70% of 874.5 m² as a new build with an existing basement to be refurbished for 3 kitchen spaces of 20 m² each, excluding fitting out of kitchen. This has been agreed with the Client and Professional team in order to bring the overall project costs within the budget (£4.2m). It was recognised and agreed with the Client and Professional team that we are at RIBA Stage 0, the team will look at achieving the Client's requirement such as:
 - a) Opening up the floor area for Kingfisher mall
 - b) Increasing the external area to attract footfall into the town centre
- 14 Demolition costs assume a building height of 10m.
- 15 Demolition costs assume a building volume of 10,000m³.
- 16 Where noted sub-totals are rounded up to the nearest £1,000
- 17 This estimate should be viewed with an estimating tolerance of +/- 20% due to the high level nature of the information available at this point of time.
- 18 Assuming mid point of construction would be 4Q 2024
- 19 Based on the internal Benchmark data for Operational Costs, it is assumed that the new Building with a GIFA of 612 m² plus a basement of 690 m² would incur an annual Operational Cost of £170k. The current library Operational Costs was calculated to be c. £266k which is approximately £96k more than the new build option with a reduced footprint. The Operational Costs include renewal and maintenance cost (fabric, services and decorations), and operation cost (cleaning and utilities).
- 20 Please note that the Urban Development Team requested for the development costs to be included (c. £180k) within the £4.2m budget during a meeting on 14.09.2022. The development costs consisted of Planning Fees (£50k), a 3% fee on construction cost + inflation (c. £101k), 1% fee on GDV sale in agent fees (c. £14k), 0.5% fee on GDV in legal fees (c. £7k), 0.5% fee on GDV in marketing (c. £7k).

Exclusions

- | | |
|---|--|
| 1 Value Added Tax | 18 Out of hours working |
| 2 Legal fees | 19 Upgrade to off-site utilities (unless stated) |
| 3 Planning fees | 20 Service diversions (unless stated) |
| 4 Statutory fees | 21 Heritage consents and approvals |
| 5 Finance charges | 22 Arbicultural surveys |
| 6 Surveys and subsequent works required as a result, including: | 23 Relocation of wildlife |
| 7 Existing building site investigation / asbestos | 24 Highway improvements outside of site boundary |
| i) Services / drainage etc. | |
| ii) Works beyond boundary of the site | |
| 8 Special equipment (unless stated) | |
| 9 Main contractor pre-construction fee | |
| 10 Spoil disposed as contaminated (unless stated) | |
| 11 Adoption Costs | |
| 12 Consents | |
| 13 Land purchase costs / CPO etc. | |
| 14 Payments to third parties | |
| 15 Project Insurances | |
| 16 Funding or interest costs | |
| 17 Working capital, marketing, legal, pre-launch fees | |

Redditch Library Demolition and New Build (30% smaller)

Order of Cost Estimate

15/09/2022



APPENDIX 1 - COST BREAKDOWN - REDDITCH LIBRARY DEMOLITION AND NEW BUILD COSTS

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	Total
Facilitating Works Estimate	£505,000.00
Building Works Estimate	£2,066,322.50
Building Works Total	£2,571,322.50
Main Contractor's Preliminaries @ 18%	£463,000.00
Sub-total	£3,034,322.50
Main Contractor's OH&P @ 5%	£152,000.00
Works Cost Estimate	£3,186,322.50
Project / Design Team Fees @ 7.5%	£239,000.00
Sub-total [2]	£3,425,322.50
Risk Allowance @ 10%	£343,000.00
Cost Limit (excluding inflation)	£3,768,322.50
Inflation @ 6.58 %	£248,000.00
Cost Limit (including inflation)	£4,016,322.50

Allowance for planning	£50,000.00
3% on construction cost plus inflation (not including design team fees and risk contingency)	£101,881.65
1% on the GDV for sales agent fees	£14,071.00
0.5% on the GDV for legal fees	£7,036.00
0.5% on the GDV for marketing	£7,036.00

RIBA Stage			Tolerance
0	Strategic Definition	Order of Cost Estimate	+/- 20%
1	Preparation & Briefing	Order of Cost Estimate	+/- 20%
2	Concept Design	Formal Cost Plan 1	+/- 15%
3	Spatial Coordination	Formal Cost Plan 2	+/- 10%
4	Technical Design	Formal Cost Plan 3	+/- 5%

Redditch Library Demolition and New Build (30% smaller)

Order of Cost Estimate

15 September 2022

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	Quantity	Unit	Base Rate	Rate	Total	Notes
Allowance for asbestos survey	1	item		£5,000.00	£5,000.00	
Demolition of existing building	10,000	m3		£50.00	£500,000.00	
Allow for Strip out existing FFE for Basement to prepare for Kitchen Area	1	item		£10,000.00	£10,000.00	
Removal of Existing hard surfaces; including excavation to reduce level where required	600	m2		£35.00	£21,000.00	
Allow for Air conditioned Low rise Building construction (3 storeys)	612	m2		£1,900.00	£1,163,085.00	Rates have been reduced to fit client budget
Basement Kitchens - Allow for internal finishing only	60	m2		£200.00	£12,000.00	
Ground Floor - F&B (Allow for CAT A Finishing)	204	m2		£900.00	£183,645.00	
Ground Floor - F&B (Allow for FFE)	204	m2		£150.00	£30,607.50	
First and Second Floor (Allow for CAT A Finishing)	408	m2		£700.00	£285,670.00	Rates have been reduced to fit client budget
First and Second Floor (Allow for Furniture)	408	m2		£150.00	£61,215.00	
Allow for Tree Planting	8	nr		£2,200.00	£17,600.00	Rates have been reduced to fit client
Allow for screen	1	item		£10,000.00	£10,000.00	
Allow for Water Fountain	1	item		£75,000.00	£75,000.00	Rates have been reduced to fit client budget
Allow for Public Seating	10	nr		£1,000.00	£10,000.00	Assumed allowance only
Allow for table and chairs to F&B (external area)	1	item		£10,000.00	£10,000.00	Rates have been reduced to fit client budget
Allow for street signage	1	item		£5,000.00	£5,000.00	
Allow for Catenary Lighting	1	item		£10,000.00	£10,000.00	
Allow for connection of lighting to existing power supply	1	item		£15,000.00	£15,000.00	
Allow for New Hard surfacing	1,172	m2		£125.00	£146,500.00	VE: reduce footprint of building as agreed on 02/08/2022
BUILDING WORKS TOTAL					£2,571,322.50	
Main Contractor's Preliminaries @ 18%					£463,000.00	
Main Contractor's OH&P @ 5%					£152,000.00	
TOTAL					£3,186,322.50	

Appendix 2 – Financial Appraisal Summaries

Redditch Lib_MottMac_Option 3

APPRAISAL SUMMARY**ASPINALLVERDI****Redditch Lib_MottMac_Option 3****Appraisal Summary for Phase 1**

Currency in £

REVENUE**Rental Area Summary**

	Units	m ²	Rent Rate m ²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Ground Floor F&B	1	193.80	166.84	32,300	29,070	32,300	29,070
Basement Kitchens	1	60.00	166.84	10,010	9,009	10,010	9,009
Offices	1	387.60	156.07	60,500	55,963	60,500	55,963
Totals	3	641.40			94,042	102,810	94,042

Investment Valuation**Ground Floor F&B**

Market Rent	29,070	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	457,075

Basement Kitchens

Market Rent	9,009	YP @	6.0000%	16.6667	
(1yr Rent Free)		PV 1yr @	6.0000%	0.9434	141,651

Offices

Market Rent	55,963	YP @	6.5000%	15.3846	
(1yr Rent Free)		PV 1yr @	6.5000%	0.9390	808,415

Total Investment Valuation**1,407,141****NEGATIVE LAND ALLOWANCE**

Residualised Price	2,790,353	
		2,790,353

NET REALISATION**4,197,494****OUTLAY****ACQUISITION COSTS**

Negative Land Allowance	(2,790,353)	
Town Planning	50,000	50,000

CONSTRUCTION COSTS

Construction	m ²	Build Rate m ²	Cost	
Ground Floor F&B	204.00	15,619.23	3,186,322	3,186,322
Contingency			343,000	343,000

Other Construction Costs

Inflation Allowance	248,000	248,000
---------------------	---------	---------

PROFESSIONAL FEES

Project / Design Team Fees	239,000	
Development Management Fee	3.00%	103,030
		342,030

MARKETING & LETTING

Marketing	0.50%	7,036	7,036
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DISPOSAL FEES

Sales Agent Fee	1.00%	14,071	
Sales Legal Fee	0.50%	7,036	
			21,107

TOTAL COSTS**4,197,494****PROFIT****0****Performance Measures**

APPRAISAL SUMMARY**ASPINALLVERDI****Redditch Lib_MottMac_Option 3**

Profit on Cost%	0.00%
Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	2.21%
Equivalent Yield% (Nominal)	6.29%
Equivalent Yield% (True)	6.54%
IRR% (without Interest)	0.00%
Profit Erosion (finance rate 0.000)	N/A

SENSITIVITY ANALYSIS REPORT**ASPINALLVERDI**

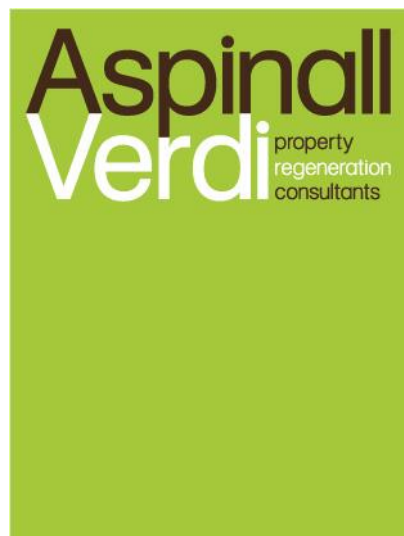
Redditch Lib_MottMac_Option 3

Sensitivity Analysis results are not available.
Click the Analysis Results tab, then print the report.

London | Leeds | Liverpool
Newcastle | Birmingham

Property | Infrastructure | Planning
Development | Regeneration

www.aspinallverdi.co.uk



Redditch Library FBC

Economic and Financial Analysis Technical Note

Prepared by:	HD	Date:	22/09/2022
Approved by:	RE	Checked by:	AC

1 Introduction

This note presents economic and financial information for Option 3 as described in the Redditch Library FBC.

2 Economic Overview

Table 1 presents a summary of the cost-benefit analysis of the option. The methodology used as part of this analysis is the same as has been presented in previous iterations of the FBC document and will be described in detail in the final version of the FBC.

Please note that the economic costs presented below do not represent the financial cost of the project. Economic costs represent the social cost of the project to society. Financial costs are detailed in Section 3 below.

2.1 Benefit and Cost Overview

Table 1: Cost benefit analysis summary

Economic Case – value for money analysis	Option 3 – small rectangular new build
Total net additional benefits	
Labour Supply Benefit	£6,723,426 ¹
Amenity Benefit	£132,873
VURT - Commercial	£1,133,609
VURT - Residential	£894,227
Vacancy Uplift/Impact of increased footfall	£1,814,218
Total benefits for the BCR (A)	£10,698,353
Costs	
Total cost (B)	£4,044,426
Of which is private sector cost (C)	£0
BCR calculation formula (A-C) / B	2.6
NPSV	£6,653,927
Sensitivity tests	
Sensitivity 1 BCR – lower demand for rentable restaurant and office space	1.9

¹ Based on gross direct jobs creation of 40 FTE.

Sensitivity 2 BCR – 50% lower impact on public realm	2.2
Sensitivity 3 BCR – 50% increase in costs	1.8

The quantitative outputs shown above should be considered alongside the qualitative analysis presented in the main FBC document.

3 Financial Overview

3.1 Capital Cost Summary

Tables 2 and 3 present a summary of the financial costs of the scheme.

Table 2: Financial cost summary

Source		Option 3 – small rectangular new build
Mott MacDonald	Facilitating Works Estimates	£505,000
	Cost of Building Work	£2,066,323
	Main contractors' preliminaries	£463,000
	Main contractors' overheads and profit	£152,000
	Design & Project Team Fees	£239,000
	Risk Allowance	£343,000
	Inflation	£248,000
Aspinall Verdi	Planning cost	£50,000
	Project financing	£0
	Sales and Legal fees	£21,107
	Marketing	£7,036
	Development Management	£103,030
Total		£4,197,494

Table 3: Annualised cost summary

	Total	2022/23	2023/24	2024/25	2025/26
Option 3	£4,197,494	£50,000	£1,129,216	£1,505,621	£1,512,657

3.2 Funding

Table 4 presents the funding requirement for the scheme.

Table 4: Funding

Option 3 – small rectangular new build	
Towns Fund Grant	£4,197,494
Loan	£0
Total	£4,197,494

Funding for the project will be provided primarily by the Towns Fund. A total of £4,200,000 is available from the Town Deal grant funding. This constitutes 100% of the total capital cost of Option 3.

3.3 Affordability

Analysis of potential rental income from both the Office and Food and Beverage space has been undertaken by Aspinall Verdi. Gross annual revenue for the building is estimated at £102,810. This is based on the assumption that individual tenants take on the responsibility for the internal maintenance and bills of their units.

Annual operating costs for the management of the building, external maintenance, letting expenses and potential void costs, accounting for gaps in rental income, are estimated at 10% of the annual revenue for the Food and Beverage Units and 7.5% of the annual revenue for the Office units. These costs will be borne by the owner of the building. Once these costs are accounted for, annual net revenue is estimated at £94,042.

For the project to be deemed affordable it should be the case that additional ongoing costs, such as financing costs, that the council or operator will incur are less than the annual net revenue. Advice to be sought from Redditch Borough Council on the potential annual cost of loan repayment.

Table 5: Revenue

	Option 3 – small rectangular new build
Gross annual revenue	£102,810
Net annual revenue	£94,042

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REDDITCH BOROUGH COUNCIL**Executive
2022**11th October**Town Hall Upgrade Works**

Relevant Portfolio Holder	Councillor Ashley – Portfolio Holder for Finance and Enabling
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton Peter Carpenter
Report Authors	Head of Legal, Democratic and Property Services c.felton@bromsgroveandredditch.gov.uk Interim Section 151 Officer Peter.carpenter@bromsgroveandredditch.gov.uk
Wards Affected	Abbey Ward
Ward Councillor(s) consulted	
Relevant Strategic Purpose(s)	All
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS**The Executive Committee is asked to RESOLVE that:**

- 1) subject to the agreement of the Town's Fund Library Business case, which itself is subject to the required public consultation, the Town Hall be repurposed as a Community Hub;
- 2) subject to approval of recommendation 3 below, authority be delegated to the Section 151 Officer and the Head of Legal, Democratic and Property Services to finalise and implement the community hub business case and to procure and appoint contractors to undertake and deliver the works;

The Executive Committee is asked to RECOMMEND that

- 3) building works on the Town Hall of up to £5.2m, (or reduced amount in the event that for any reason the Town's Fund Library Business Case does not proceed to fruition) to be funded from Capital Receipts, for the purpose of remodelling the Town Hall in accordance with the Town's Fund Library business case, be approved; and
- 4) the capital programme is increased by £5.2m to deliver these works.

Executive
2022

11th October

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2022**11th October

2. BACKGROUND

- 2.1 This report sets out how the Town Hall will be repurposed (this has already started with the closure of the cashiers' service) as a community hub, reducing overall operational costs to the Council for the building and facilitating the use of £4.2m of Towns Funding at the existing Library site.

3. DETAILED PROPOSAL

- 3.1 The C-19 Pandemic has resulted in significant changes to how Public Sector Services (Local Government/NHS) are provided. Prior to the pandemic, One Public Estate (OPE) initiatives were suggesting a change in delivery for Public Services with multiple agency services being delivered from one location. Indeed this has been the subject of a separate study considered by the Council.
- 3.2 The closure of the Cashiers in September (Executive Report "Future Use of the Town Hall and Customer Access" on the 12th July) set out that the Town Hall would be turned into a "public sector hub".
- 3.3 In assessing the best use of the building as a result of implementing more agile working, the Council's office space requirement has reduced significantly and can now be contained within the second and third floors of the Town Hall. This would include the Members' Suite, which would move from its present Ground floor location to the second floor in a new "future proofed" space which will be designed to facilitate agile and virtual working.
- 3.4 This would leave the Basement, Ground, First and Fourth floors available to other Public Sector Organisations.
- 3.5 As mentioned in the July report, the Council are in advanced negotiations with the NHS for use of the Cashiers side of the building, covering both the Ground and First Floors. As part of this arrangement, the NHS will invest a significant sum in the building to ensure it meets their standards.
- 3.6 For the remainder of the Ground Floor, First Floor and Basement the Council are in negotiation with the County Council on the possible move of services presently delivered in the library. This would obviously be subject to a public consultation but if it were to happen, it would open up the use of the existing Library space for wider Public Realm use for which £4.2m of "Towns Fund" financing is available. This is subject to a separate report on this agenda.

**Executive
2022**11th October

-
- 3.7 To move the projects forward, given Towns Fund funding deadlines, the Borough and County Council have agreed a draft Memorandum of Understanding (MOU), subject to the outcome of the consultation, whether a move of those services could take place. The County Council are not discussing the potential moves until their Cabinet Meeting in October but will supply the Borough Council with a letter of comfort based on the MOU in order to move both schemes forward.
- 3.8 Timing of delivery of both schemes, once approved, is a significant risk which will need careful coordination. The Towns Fund scheme has to be completed by 31st March 2026 giving both projects three and a half years to be fully delivered. Any delay to this delivery will result in the Council being responsible for all costs after this date.
- 3.9 Given these constraints, it would be prudent for the Council to move forward with a pre planning application on Town Hall changes now. The Town Hall will be used as a Community Hub what-ever the outcome of any consultation and moving this through the planning cycle now ensures that delivery timescales can be sped up.
- 3.10 The Council has draft plans and costings which have been discussed with the County Council. External artists impressions are set out in **Appendix A** and have an estimated cost of £5.2m. The Council would finance the building works through the use of Capital Receipts and some short-term borrowing (depending on receipts timing).
- 3.11 Tenants will have their own separate utilities and business rates costs and will pay a service charge. These income streams will reduce the Council's overall operational cost of the building (excluding Repairs and Maintenance) which is presently £878k. Through negotiations the Council are expecting to save between £325k - £375k a year and also reduce Repairs and Maintenance Budgets by circa £80k – an overall saving of £405k-£455k.
- 3.12 Whilst the proposals contained within this report will be subject to the County Council's required consultation process regarding the relocation of the library, members are advised that whilst it is recognised that the decision in this regard is yet to be determined that it will be necessary for officers to proceed with the necessary planning applications for the proposed changes to the Town Hall to enable the timeline for the consequential works to be achieved. It is, of course, understood that this work may be abortive if the library consultation does not for, any reason, result in the proposals being progressed.

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2022

11th October

4. FINANCIAL IMPLICATIONS

- 4.1 There are two aspects to the financial implications.
- Payment for the Building Works
 - Revenue savings from Tenants
- 4.2 Present estimated costs of the works are £5.2m. The Council will finance this through Capital Receipts which will recoup between £3.45m and £5.65m. Any timing differences will be financed through short term borrowing. For Farmore Lane, Easemore Road, and Web Heath we will receive a combined estimated Capital Receipt between £3.45m and £5.65m
- 4.3 As set out in 3.11 above, the revenue costs (excluding Repairs and Maintenance which will reduce significantly) is £878k a year. Through apportioning present costs based on expected floor space, the Council is expecting to save £325k to £375k a year and there will also be an expected £80k savings in Repairs and Maintenance budgets. These amounts will reduce the present budget deficit position which is circa £1.2m.
- 4.4 There are wider financial and social benefits of co-locating public sector organisations within one location. This includes saving running costs (including capital benefits) through the rationalisation and colocation of single delivery centres, which in turn add social value in terms of access and ease of use of multiple services at one location for stakeholders. There is also the opportunity to further transform services across different organisations in order to achieve better outcomes for people. It should also be noted that the creation of Community Hubs is in line with the County Council's vision for the future use of libraries.

5. LEGAL IMPLICATIONS

- 5.1 No direct legal implications have been identified within the report other than the proposals for the Towns Fund Library Business Case will be subject to Public Consultation (by the County Council) and as Accountable Body for the Redditch Town Deal the Council has several obligations, including to ensure that decisions made by the Town Deal Board are in accordance with good governance principles and to support transparent delivery arrangements for the Town Deal.

Individual projects identified as interventions within the Investment Plan will be subject to individual legal advice.

Executive
2022

11th October

6. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 This links to the Councils Strategic Purposes of
- Aspiration, Work and Financial Independence
 - Living Independent, Active and Healthy Lives
 - Finding somewhere to live
 - Run and Grow a Successful Business

Climate Change Implications

- 6.2 The green thread runs through the Council plan. The changes to the Town Hall will be to the latest Energy Efficiency standards which will be reviewed by climate change officers to ensure the correct procedures have been followed to ensure any impacts on climate change are fully understood.

7. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 7.1 There are no direct equalities implications arising as a result of this report. The vision for the Community Hub will, by virtue of its design and digital connectivity solutions, provide a more accessible environment for our customers and as a consequence an improved customer journey.

Operational Implications

- 7.2 The works will ensure that the use of the building will be converted to that of a “community hub” will maximise its use for the medium to long terms.

8. RISK MANAGEMENT

- 8.1 The building projects will run its own Risk Management process – as governed by appropriate regulations and project management standards.
- 8.2 Members are advised that the timescales and interdependencies that govern the proposals within this report are challenging, and that consideration will need to be given to this and various critical points within the project planning and associated risk management process.

**Executive
2022****11th October**

9. APPENDICES and BACKGROUND PAPERS

Appendix A – External Artists Impression of the Building

10. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillors Karen Ashley and Matt Dormer	27 th Sept 22
Lead Director / Head of Service	Pete Carpenter	23 Sept 22
Financial Services	Pete Carpenter	23 Sept 22
Legal Services	Claire Felton	23 Sept 22

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Town Hall Redditch

Community Hub
Massing Visuals



12905-AEW-XX-XX-PP-A-0004
Status: S2
Revision: P01
26/08/2022

Massing View : Aerial View



Massing View : Aerial View 2



Massing View : View from Alcester Street



Massing View : View towards entrance



Massing View : View from Alcester Street





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EXECUTIVE COMMITTEE LEADER'S WORK PROGRAMME

1 November 2022 to 28 February 2023

(published as at 3rd October 2022)



This Work Programme gives details of items on which key decisions are likely to be taken by the Borough Council's Executive Committee, or full Council, in the coming four months. "Key Decisions" are ones which are likely to:

- (i) result in the Council incurring expenditure, foregoing income or the making of savings in excess of £50,000 or which are otherwise significant having regard to the Council's budget for the service or function to which the decision relates; or
- (ii) be significant in terms of its effect on communities living or working in the area comprising two or more wards in the Borough;
- (iii) involve any proposal to cease to provide a Council service (other than a temporary cessation of service of not more than 6 months).

If you wish to make representations on the proposed decision you are encouraged to get in touch with the relevant report author as soon as possible before the proposed date of the decision. Contact details are provided. Alternatively, you may write to the Head of Legal, Democratic Services and Property Services, The Town Hall, Walter Stranz Square, Redditch, B98 8AH or e-mail: democratic@bromsgroveandredditch.gov.uk

The Executive Committee's meetings are normally held at 6.30pm on Tuesday evenings at the Town Hall. They are open to the public, except when confidential information is being discussed. If you wish to attend for a particular matter, it is advisable to check with the Democratic Services Team on (01527) 64252, ext: 3072 to make sure it is going ahead as planned. If you have any other queries, Democratic Services Officers will be happy to advise you. The full Council meets in accordance the Council's Calendar of Meetings. Meetings commence at 6.30pm.

EXECUTIVE COMMITTEE MEMBERSHIP

Councillor Matthew Dormer, Leader and Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships
Councillor Nyear Nazir, Deputy Leader
Councillor Joanne Beecham, Portfolio Holder for Leisure
Councillor Peter Fleming, Portfolio Holder for Environmental Services
Councillor Anthony Lovell, Portfolio Holder for Climate Change
Councillor Nyear Nazir, Community Services and Regulatory Services
Councillor Karen Ashley, Portfolio Holder for Finance and Enabling
Councillor Craig Warhurst, Portfolio Holder for Housing and Procurement
Councillor Lucy Harrison
Councillor Emma Marshall

Decision including Whether it is a key Decision	Decision Taker Date of Decision	Details of Exempt information (if any) and any additional information for noting	Documents submitted to Decision Maker / Background Papers List	Contact for Comments
Climate Change Strategy/Carbon Reduction Implementation Plan Key: No	Council 14 Nov 2022		Head of Community and Housing Services and Head of Environmental and Housing Property Services	Judith Willis, Head of Community and Housing Services, Guy Revans, Head of Environmental and Housing Property Services Tel: 01527 64252 ext 3284, Tel: 01527 64252 ext 3292
Fees and Charges 2023/24 Key: No	Council 14 Nov 2022		Report of the Executive Director of Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252
Leisure Strategy Key: No	Council 14 Nov 2022		Report of the Head of Planning, Regeneration and Leisure Services	Ruth Bamford, Head of Planning, Regeneration and Leisure Services Tel: 01527 64252

Decision including Whether it is a key Decision	Decision Taker Date of Decision	Details of Exempt information (if any) and any additional information for noting	Documents submitted to Decision Maker / Background Papers List	Contact for Comments
Town Hall Hub Key: Yes	Council 14 Nov 2022		Report of the Head of Legal, Democratic and Property Services	Peter Carpenter, Interim Section 151 Officer, Claire Felton, Head of Legal, Democratic and Property Services Tel: 01527 64252, Tel: 01527 881429
Financial and Performance Monitoring Quarter 2 Report Key: No	Executive 6 Dec 2022		Report of the Executive Director Finance & Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252
Financial Outturn Report 2021/22 Key: No	Executive 6 Dec 2022 Council 30 Jan 2023		Report of the Executive Director of Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252
Future Maintenance of Former Railway Bridge - Green Lane, Studley Key: Yes	Executive 6 Dec 2022		Report of the Head of Environmental and Housing Property Services	Pete Liddington, GIS/Design Officer Tel: 01527 64252 ext 3638

Decision including Whether it is a key Decision	Decision Taker Date of Decision	Details of Exempt information (if any) and any additional information for noting	Documents submitted to Decision Maker / Background Papers List	Contact for Comments
Homelessness Prevention Grant 2023/24 Key: Yes	Executive 6 Dec 2022		Report of the Head of Community and Housing Services	Amanda Delahunty, Housing Strategy and Enabling Officer Tel: (01527) 881269
Housing Policies Key: No	Executive 6 Dec 2022 Council 30 Jan 2023		Report of the Head of Community and Housing Services	Judith Willis, Head of Community and Housing Services Tel: 01527 64252 ext 3284
HR and Organisational Development / People Strategy Key: No	Executive 6 Dec 2022		Report of the Head of Business Transformation, Organisational Development and Digital Strategy	Deb Poole, Head of Business Transformation and Organisational Development Tel: 01527 881256
Medium Term Financial Plan 2023/24 to 2025/26 - Update Key: No	Executive 6 Dec 2022		Report of the Executive Director of Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252

Decision including Whether it is a key Decision	Decision Taker Date of Decision	Details of Exempt information (if any) and any additional information for noting	Documents submitted to Decision Maker / Background Papers List	Contact for Comments
Parking Enforcement Service Level Agreement Key: Yes	Executive 6 Dec 2022	This report may contain exempt information which would need to be discussed in private session.	Report of the Head of Environmental and Housing Property Services	Kevin Hirons, Environmental Services Manager Tel: 01527 881705
Treasury Management Report - Six Month Update Key: No	Executive 6 Dec 2022		Report of the Executive Director of Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252
Worcestershire Housing Strategy 2040 Key: No	Executive 6 Dec 2022 Council 30 Jan 2023		Report of the Chief Executive	Judith Willis, Head of Community and Housing Services Tel: 01527 64252 ext 3284
Appropriation of Land off Ipsley Church Lane for Planning Purposes Key: No	Executive 13 Dec 2022		Report of the Head of Environmental and Housing Property Services	Michael Birkinshaw, Bereavement Services Manager Tel: 01527 62174

Decision including Whether it is a key Decision	Decision Taker Date of Decision	Details of Exempt information (if any) and any additional information for noting	Documents submitted to Decision Maker / Background Papers List	Contact for Comments
Asset Management Strategy and investment programme for council housing stock Key: No	Executive 10 Jan 2023 Council 30 Jan 2023		Report of the Head of Environmental and Housing Property Services	Simon Parry, Housing Property Services Manager Tel: 01527 64252
Council Tax Base 2023/24 Key: No	Executive 10 Jan 2023 Council 30 Jan 2023		Report of the Executive Director of Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252
Financial Monitoring Report Key: No	Executive 10 Jan 2023		Report of the Executive Director, Finance & Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252
Final Council Tax Support Scheme 2023/24 Key: No	Executive 10 Jan 2023		Report of the Executive Director of Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252

Decision including Whether it is a key Decision	Decision Taker Date of Decision	Details of Exempt information (if any) and any additional information for noting	Documents submitted to Decision Maker / Background Papers List	Contact for Comments
Housing Revenue Account Rent Setting 2023/24 Key: No	Executive 10 Jan 2023		Report of the Head of Finance and Customer Services	Michelle Howell, Head of Finance and Customer Services Tel: 01527 64252
Matchborough and Winyates Regeneration Proposals Key: Yes	Executive Not before 10th Jan 2023		Report of the Head of Planning, Regeneration and Leisure Services	Ostap Paparega, Head of North Worcestershire Economic Development and Regeneration Tel: 01562 732192
Medium Term Financial Plan 2023/24 to 2025/25 - Update Key: No	Executive 10 Jan 2023		Report of the Executive Director of Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252
Quarterly Risk Update Key: No	Executive 10 Jan 2023		Report of the Executive Director of Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252

Decision including Whether it is a key Decision	Decision Taker Date of Decision	Details of Exempt information (if any) and any additional information for noting	Documents submitted to Decision Maker / Background Papers List	Contact for Comments
Review of Governance Arrangements for Rubicon Leisure Limited Key: No	Executive Not before 10th Jan 2023 Council Not before 30th Jan 2023			Claire Felton, Head of Legal, Democratic and Property Services Tel: 01527 881429
2023/24 Budget and Medium Term Financial Plan 2023/24 to 2025/26 (Including Treasury Management Strategy and Capital Programme) Key: No	Executive 7 Feb 2023 Council 27 Feb 2023		Report of the Executive Director of Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252
Decarbonisation of the Council Fleet Key: No	Executive 7 Feb 2023 Council 3 Apr 2023		Report of the Head of Environmental and Housing Property Services	Kevin Hirons, Environmental Services Manager Tel: 01527 881705
Financial and Performance Monitoring Quarter 3 Report Key: No	Executive 7 Feb 2023		Report of the Executive Director, Finance and Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252

Decision including Whether it is a key Decision	Decision Taker Date of Decision	Details of Exempt information (if any) and any additional information for noting	Documents submitted to Decision Maker / Background Papers List	Contact for Comments
Pay Policy Statement 2023/24 Key: No	Executive 7 Feb 2023 Council 27 Feb 2023		Report of the Head of Business Transformation, Organisational Development and Digital Strategy	Becky Talbot, Human Resources and Development Manager Tel: 01527 64252 ext 3385
Council Tax Resolutions 2023/24 Key: No	Executive 27 Feb 2023 Council 27 Feb 2023		Report of the Executive Director of Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252
Compulsory purchase of a long term empty property Key: No	Executive Not before 21st Mar 2023 Council Not before 1st Jun 2023	This report will contain exempt information which will need to be considered in private session.	Report of the Head of Community and Housing Services	Matthew Bough, Housing Policy and Performance Manager Tel: 01527 64252 ext 3120
Financial Monitoring Report Key: No	Executive 21 Mar 2023		Report of the Executive Director Finance & Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252

Decision including Whether it is a key Decision	Decision Taker Date of Decision	Details of Exempt information (if any) and any additional information for noting	Documents submitted to Decision Maker / Background Papers List	Contact for Comments
Future Plans for Auxerre House Key: No	Executive 21 Mar 2023 Council 3 Apr 2023	This report may contain exempt information which would need to be discussed by the Executive Committee in private session.	Report of the Head of Environmental and Housing Property Services	Simon Parry, Housing Property Services Manager Tel: 01527 64252
Quarterly Risk Update Key: No	Executive 21 Mar 2023		Report of the Executive Director of Resources	Peter Carpenter, Interim Section 151 Officer Tel: 01527 64252
Environment Act - Changes to Waste Services - Implications Key: No	Executive Not before 13th Jun 2023 Council Not before 26th Jun 2023		Report of the Head of Environmental and Housing Property Services	Guy Revans, Head of Environmental and Housing Property Services Tel: 01527 64252 ext 3292

Overview & Scrutiny

Committee

5th September 2022**WORK PROGRAMME 2022-23**

(Report of the Chief Executive)

Date of Meeting	Subject Matter	Officer(s) Responsible for report
ALL MEETINGS	REGULAR ITEMS	(CHIEF EXECUTIVE)
	Minutes of previous meeting	Chief Executive
	Consideration of the Executive Committee Work Programme	Chief Executive
	Call-ins (if any)	Chief Executive
	Pre-scrutiny (if any)	Chief Executive
	Task Groups / Short, Sharp Review Groups – feedback	Chair of Task Group / Short, Sharp Review
	Working Groups - feedback	Chair of Working Group
	Committee Work Programme	Chief Executive
	REGULAR ITEMS	
	Update on the work of the Crime and Disorder Scrutiny Panel	Chair of the Crime and Disorder Scrutiny Panel
	Tracker Report	Relevant Lead Head(s) of Service
	Updates on the work of the Worcestershire Health Overview and Scrutiny Committee	Redditch Borough Council representative on the Health Overview and Scrutiny Committee
	Annual Monitoring Report – Redditch Sustainable Community Strategy	Relevant Lead Head(s) of Service

Overview & Scrutiny

Committee

5th September 2022

MEETING DATE	ITEM TO BE CONSIDERED	RELEVANT LEAD
6 th October 2022	Redditch TIP – Library Business Case - Pre-Decision Scrutiny	Ruth Bamford, Head of Planning, Regeneration and Leisure Services
6 th October 2022	Town Hall Hub - Pre-Decision Scrutiny	Claire Felton, Head of Legal, Democratic and Property Services
20 th October 2022	Asset Strategy – pre-scrutiny	Claire Felton, Head of Legal, Democratic and Property Services and Pete Carpenter, Interim Section 151 Officer
20 th October 2022	Climate Change/Carbon Reduction Strategy and Action Plan– pre-scrutiny	Judith Willis, Head of Community and Housing Services and Guy Revans, Head of Environmental and Housing Property Services
20 th October 2022	Parking Enforcement Update - Pre-Decision Scrutiny	Kevin Hirons
20 th October 2022	Leisure Strategy - Pre-Decision Scrutiny	Judith Willis, Head of Community and Housing Services
20 th October 2022	Voluntary Bodies Scheme Pre-Decision Scrutiny	Ruth Bamford, Head of Planning, Regeneration and Leisure Services
20 th October 2022	Review of Governance Arrangements for Rubicon Leisure Limited - Pre-Decision Scrutiny	
1 st December 2022	Support Provided by the Council to residents in respect of the cost of living – Overview item	Various Heads of Service

Overview & Scrutiny

Committee

5th September 2022

1st December 2022	HR and Organisational Development / People Strategy– pre-scrutiny	Judith Willis, Head of Community and Housing Services
1st December 2022	Worcestershire Housing Strategy 2040 – pre-scrutiny	Deb Poole, Head of Business Transformation, Organisational Development and Digital Strategy
1st December 2022	Revisiting Items Identified During the Overview and Scrutiny Training held on 6 th June 2022	Jess Bayley-Hill, Principal Democratic Services Officer
1st December 2022	Matchborough and Winyates Regeneration Proposals – pre-scrutiny	Ostap Paparega, Head of North Worcestershire Economic Development
8th December 2022	Appropriation of Land off Ipsley Church Lane for Planning Purposes – pre-scrutiny	Bereavement Services Manager
5th January 2023	Pre-Decision-Scrutiny - Asset Management Strategy and investment programme for council housing stock	Simon Parry, Housing Property Services Manager
5th January 2023	Pre-Decision-Scrutiny - Review of Governance Arrangements for Rubicon Leisure Limited	Claire Felton – head of Legal, Democratic and Property Services
2nd February 2023	Draft Overview and Scrutiny Annual Report 2022/23	Councillor Bill Hartnett
16th March 2023	Pre-Decision-Scrutiny - Future Plans for Auxerre House	Simon Parry, Housing Property Services Manager
20th October 2022	Environment Act - Changes to Waste Services – Implications – pre-scrutiny	Guy Revans, Head of Environmental and Housing Property Services

Overview & Scrutiny

Committee

5th September 2022

Date to be confirmed	Health Priorities in Redditch - Overview item	Kevin Dicks, Chief Executive Officer
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