Public Document Pack

additional papers 1

Executive
Committee

Mon 11 Nov
2019
6.30 pm

Council Chamber
Town Hall
Redditch

REDDITCH BOROUGH COUNCIL

making a difference

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

Town Hall, Walter Stranz Square, Redditch, B98 8AH
Tel: (01527) 64252 Ext: 3268
e.mail: jess.bayley@bromsgroveandredditch.gov.uk

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Executive

Committee

Monday, 11th November, 2019

6.30 pm

Council Chamber - Town Hall Redditch

Agenda

Membership:

Cllrs:	Matthew Dormer (Chair)	Julian Grubb
	David Thain (Vice-Chair)	Bill Hartnett
	Greg Chance	Mike Rouse
	Brandon Clayton	Craig Warhurst

6. **Town Centre Regeneration (Community Hub and Railway Quarter)** (Pages 1 - 144)

This item will be subject to pre-scrutiny at a meeting of the Overview and Scrutiny Committee that is due to take place on 7th November 2019. Any recommendations arising from this meeting in respect of this item will be reported for the consideration of the Executive Committee.

As requested by Members the covering report for this item will be included in the main agenda pack and the appendices in an Additional Papers pack.

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Agenda Item 6

REDDITCH BOROUGH COUNCIL

EXECUTIVE COMMITTEE **11 November 2019**

Redditch Town Centre Regeneration

Relevant Portfolio Holder	Cllr Matthew Dormer - Leader of the Council and Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships
Portfolio Holder Consulted	Yes
Relevant Head of Service	Kevin Dicks
Ward(s) Affected	Central and Abbey Ward
Ward Councillor(s) Consulted	Yes
Key Decision / Non-Key Decision	Key Decision

1. SUMMARY OF PROPOSALS

This report provides members of the Executive Committee with an update on the delivery of the Town Centre Regeneration Programme.

Specifically this report sets out the updated position with regards to the concept of a Community Hub and masterplanning options for key sites within the Town Centre.

2. RECOMMENDATIONS

The Committee is asked to RECOMMEND that

1) **The Council note the BDP Town Centre Sites report (appendix 4) and endorses the concept of a comprehensive regeneration scheme for the station quarter, Church Road sites, the Library site and the outdoor market site;**

2) **the Council agrees the content of the Dragongate Community Hub Business Case and BDP's Redditch Town Centre Development Sites Final Report be used as a basis for submitting a proposal to the Towns Fund; and**

3) **the Council agrees that the content of the Dragongate Community Hub Business Case and BDP's Redditch Town Centre Development Sites Final Report be used as a basis for submitting a bid to the Greater Birmingham and Solihull Local Enterprise Partnership's Strategic Economic Plan (SEP) Enabling Fund.**

The Committee is asked to RESOLVE that:

4) **the findings of the state of the area debate (appendix 1) are noted and officers are instructed to produce a future consultation plan related to the town centre regeneration programme;**

5) **the content of the Dragongate Community Hub business case (appendix 2) be noted and the Executive Committee endorse the concept of a Community Hub within the Public Sector and Culture quarter (appendix 3);**

6) **authority be delegated to the Chief Executive after consultation with the Leader of the Council and Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships to commission an architect-led professional team to draw up feasible and deliverable design proposals supported by viability appraisals for a Community Hub, to include consideration of partners' requirements; and**

7) **subject to the agreement of recommendation 1 above, authority be delegated to the Chief Executive after consultation with the Leader of the Council and Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships to work with key partners on the wider initiatives.**

3. KEY ISSUES

3.1 Current Position

The concept plan outlined in the March 2018 Executive report set out a vision to create well defined quarters and a retail hub within the Town Centre which provide a complementary and exciting offer to residents and visitors. It also set out a vision for an uplift in the town centre public realm to provide a more pleasant and enjoyable environment for residents. As visioning and ambition for town centre regeneration has progressed this concept plan has been revised in recognition of the need to secure new investment. The Redditch Regeneration Board has overseen the new Quarters Plan (Appendix 3), detailed below, for the town centre's future development, building on its residual strengths and on the collective will to deliver positive change.

3.2 'Four Quarters'

The focus for activity is centred on four regeneration quarters:

- Station and Residential
- Education and Enterprise
- Retail and Leisure – Kingfisher Centre and surrounds
- Public Sector & Cultural Quarter

At the heart of these quarters is the old town, anchored by the church and its surrounds. Linking the quarters together will be the new place making strategy which will consider connectivity, design and integration of these quarters. Concept plans for Public Realm improvements are in place to complement the redevelopment sites and ensure areas remain attractive vibrant places were people want to visit shop and spend time. This report will consider the sites within the quarters individually.

3.3 Community Hub

The consideration of a shared hub for public services was a component of earlier town centre studies – One Public Estate Review. The Council and its public sector partners recognised the opportunity to enhance their position by consolidating public services, including those currently delivered outside the centre, within a new community services 'hub'.

3.4 In August 2018, the Executive agreed in principle support to work with partners to develop a multi-agency Public Services Hub. In November 2018 Redditch Borough Council commissioned DragonGate Market Intelligence (DGMI) to develop a business case for moving forward with town centre public service hub with the local authority as anchor. The commission required DGMI to engage adjacent local partners in the public sector and establish the strength of the case for a project to meet the twin objectives of the regeneration of Redditch town centre and the Council-led transformation of public services delivered collaboratively in the town. The scope of the outline business case was to review all reasonable options including refurbishment of the existing Town Hall, the wholesale redevelopment of the existing site and relocation of a new build within the vicinity of the Public Sector and Cultural Quarter.

3.5 Dragongate engaged with a full range of local partners and public service organisations to assess the appetite for a facility of this type and secured in principle support from a number of tenants – see report. This information in addition to an assessment of the current working arrangements/space requirements at the town hall resulted in a preferred option emerging from the business case which is to build a new Community Hub and retain the existing Town Hall to be either sold or let.

3.6 There were clear benefits for pursuing the hub shown in the report which achieved both regeneration and transformational objectives;

- Increasing footfall arising from the co-location of a large number of public services in one space – public services which are in broad and increasing demand and which are generally complementary (e.g. Benefits, DWP (Jobcentre Plus), Citizens Advice, GPs in the longer term);
- Providing a catalyst for more attractive rent levels arising from those contingent upon a new BREEAM Excellent building; and
- Freeing up space for other development in the centre – housing and/or budget hotel.

3.7 Indicative space requirements at that time to include a new library facility, partner requirements and existing council services equated to the requirement for a building/2 buildings of around 92,000sqft (gross external floor area). Over the summer months Officers have met individually with all potential community hub partners to establish specific floor space requirements and has seen this figure decrease impacting on the suggestion by Dragongate to erect 1 or 2 new buildings within the vicinity of the Town Hall.

3.8 The appointment of an architect led team as a next stage will re-evaluate the need for a new building or whether the conversion of the Town Hall with possible extension and the use of the redundant market area can be pursued. As part of the design commission it is considered that we would need to ask the consultants to consider high level design options before providing detailed designs on the preferred option. In terms of funding the next stage of the process, in addition to monies previously ring fenced for town centre work, there will be the opportunity to bid for further revenue support from the GBSLEP SEP Enabling Fund. It is understood that a new bidding round for this fund would be launched shortly;

3.9 With the support of members the next steps in relation to the delivery of the Community Hub are as follows:

- Formulate MOUs with each partner
- Appraise funding and cost model options with a view to identify the most appropriate model for the Council
- Initial design options in conjunction with partners
- Timeframes
- Programme and strategy for delivery

3.10 Key Sites

In addition to the work in relation to the Community Hub, the Executive resolved in August 2018 to progress work on other town centre sites outlined in the Redditch Regeneration Prospectus. Following a competitive procurement exercise, the Redditch Town Centre Development Sites Study was commissioned in November 2018 led by

BDP, assisted by Highgate Land and Development and BE Group. The purpose of the study was to develop a master plan and implementation proposals for three key development sites within the town centre; the Railway Quarter, the Church Road site and the Library site. The objective behind the development of the sites was to promote the regeneration and growth of Redditch town centre, in support of the wider economic and development strategies of RBC and the Worcestershire and Greater Birmingham and Solihull Local Economic Partnerships (LEPs). The Preferred masterplan options presented below have evolved from a wider range of options and have been tested against the impact of key variables, such as the density of development, mix of uses and building typologies, and potential for phased implementation. Each option was subject to client review, viability testing and consideration of deliverability and fit with policy and wider town centre regeneration and growth objectives.

3.11 Railway Quarter

The Station area and Church Rd make up the new residential quarter and railway quarter and provide the most significant opportunity to provide new residential accommodation into the town centre. The preferred option for the railway quarter includes the following;

- Expansion of the rail station forming an elevated 'concourse' to provide pedestrian accessibility to Bromsgrove Road level. Hotel above the station is to incorporate a high level connection into Kingfisher Hub level.

- Improved crossing point between station and bus-station on Bromsgrove Rd, enhanced public realm and pedestrian crossing to reinforce connectivity

- New MSCP parking facility with increased capacity for the station and access from Hewell Road.

- Creation of high-quality public realm fronting the station reinforced by retail offers leading from Unicorn Hill to the station

- Creation of the 'Front Door' gateway into the Kingfisher Centre through the introduction of an enclosed glazed entrance hall, replacing the existing stairs with escalators.

- The delivery of the preferred option is not dependent on provision of a second track & platform at the train station, although the concept design shows a dual track. The intention was to illustrate that the preferred option could accommodate a second track, if necessary.

3.12 Church Road

The preferred option for the Church Rd site includes the following:

- Preserve and enhance setting of listed buildings by creating high quality garden and public squares
- Work with the established plateaux of the site to define development plots incorporating HE land ownership
- Create new green streets and spaces as a natural extension of the neighbourhood context.
- Mix of residential typologies including town houses and apartments to serve the local community and meet the wider demand.
- Commercial uses proposed fronting the Church Green West and Church Road.
- A large food store offer with associated parking to serve the local residents as well as a wider area.

These sites are existing brownfield sites and hold prominent locations within the town centre. The initial concept plans produced through this work identify that the sites could deliver circa 400 new residential units, commercial office space/convenience retailing and café pavilion. The proposal seeks to address a number of the challenges resulting in increased footfall, natural surveillance and increased dwell time. Enhanced pedestrian links provide improved connectivity with the kingfisher Shopping Centre and Unicorn Hill.

3.13 Library

The BDP report shows a preferred option for the library site to include;

- Demolition of existing building and creation of a new public square.
- New pavilion building provided to east of to create focus and activation for the square.
- Permeable definition to the historic street boundary frames the square
- Existing retail units within the Kingfisher Centre present an opportunity to be reconfigured to front on to the new Square.

- Alcester Walk benefits from secondary frontage of pavilion.

- Promote connection to and from Kingfisher Shopping Centre. Signage very poor and hard to see where routes to Town Centre exist.

- Capitalise on the quality of the square and surroundings of St Stephens Church. Potential for stronger commercial and community uses.

- Possible reconfiguration of no. 11 &12 fronting Church Green to promote foot fall through Market Walk

It's important to note here that there are clear interdependencies between the wider community hub project and the library site. Any preferred option for the library site can only start to be implemented once the community hub project has been finalised allowing the library services to relocate.

3.14 Redundant Market Area

The objectives of the masterplan option are to bring this area, which is largely owned by the Council, back into use as part of the town centre. In doing so, consideration must be given to the uses that will contribute to the vibrancy and success of the town centre without competing with existing developments. In addition, the urban design solution should encourage footfall and activity in areas and along routes that facilitate wider connectivity and overall town centre activity and safety.
Three masterplan options have been developed to test alternative approaches to the redevelopment of the site. The key drivers for the options are as follows:

Option 1: Do Minimum

The first option takes away the canopy structures to open up the space and encourage more use of the space, encouraged by remodelling of the Kingfisher Centre to present retail and food & drink uses as the market square level and the terrace level above (which is the ground floor level of the Kingfisher Centre). The use of the voids underneath the service access ramp is also proposed, to maximise the potential for active uses around the square.

Option 2: Market Square

The second option proposes the removal of the service access ramp to open up the square and create the possibility of remodelling the various buildings around the new space to allow for ground floor businesses, leisure and food & drink uses to enliven the square and create a new,

attractive town centre destination that is also a much improved entrance into the Kingfisher Centre.

Option 3: New Development

The third option uses the removal of the service access ramp as per Option 2, as an opportunity to introduce new buildings on the former site of the outdoor market. The new building would serve to reduce the current open area to a street sized space, with a remodelled Kingfisher Centre facing the new buildings. Servicing of Threadneedle House and the new buildings would be contained between the buildings.

This site will play a key part in the Public Sector and Cultural area and will interlink with the implementation of the Community Hub therefore will be included in the boundary plan for any architect led commission work going forward.

3.15 Retail and Leisure Quarter

The main focus for the Council on Improving the Town Centre retail and leisure offer and dwell time is through supporting the existing retailers and the wider business community in the creation of a business improvement district, which could raise funds for consolidating and promoting the town centre. The process of developing a BID presents opportunities to promote the town centre retail offer and to communicate with the wider stakeholder community our plans and the integrated investment strategy. The BID ballot was a positive result.

3.16 Officers will continue to work with the Kingfisher Management team and the Capital & Regional asset team to look at opportunities for development that complement the wider regeneration initiative and ensure vibrancy and vitality across the town centre.

3.17 Education and Enterprise Quarter

The release of the existing police station and related onsite parking is a site that could be redeveloped to create incubator units to support new businesses and improve links between businesses and HoW College. Initial dialogue with Worcestershire LEP has indicated the potential for this site being used for Betaden North – a dynamic launch pad for tech entrepreneurs. The existing Betaden located in the south of Worcestershire has access to a 5G test bed and this could be replicated in this enterprise quarter. Discussions with partners are ongoing however this is intrinsically linked with the Community Hub and the police being able to relocate.

3.18 Next Steps

Subject to the support of members, the next steps associated with the above projects are as follows:

- Establish MOUs with Partners and confirm they have the necessary outline approvals to commit to relocating to the Community Services Hub and to dispose of their existing land assets;
- Commission an architect-led professional team to draw up feasible and deliverable design proposals supported by viability appraisals for a Community Hub
- Carry out further soft market testing of the development proposals to ensure that there is sufficient market interest in bringing them forward;
- Progress several funding proposals including under the Town Fund and Greater Birmingham and Solihull LEP to secure funding for the next project stages
- Consider likely phasing of development where required and potential Delivery Mechanisms/routes to market, including strategic partnering and joint ventures
- Formulate land assembly strategies, where required, to enable development to be brought forward
- Consultation with planners and other statutory bodies regarding the redevelopment proposals;

3.19 Funding

To ensure the progression of the town centre vision the council has already submitted and had approved funding bids through the Greater Birmingham and Solihull LEP SEP Programme which has provided revenue funding for the Railway Quarter Area and the One Public Estate Partnership to further the regeneration plans.

3.20 Conclusion

3.21 The regeneration programme will be overseen by the 'Redditch Town Centre Regeneration Board' led by the Chief Executive and key strategic partners. The Regeneration Board will be responsible for driving forward delivery of the overall regeneration programme and

internally a project management team has been formed to ensure cohesion across the council.

3.22 In summary, the Council remains committed to delivering an ambitious and credible regeneration programme which has the potential to create an exciting new future for Redditch and crucially unlock significant levels of public and private sector investment and unlock the potential of Redditch Town Centre. The proposals included in this report and accompanying documents set out the overall framework and parameters for the town centre regeneration and provide the foundation for developing specific schemes, which will be subject to extensive stakeholder and public engagement.

4.0 Financial Implications

4.1 Following procurement a detailed financial model for the project was developed by Dragongate and is predicated on a number of assumptions. The key 3 assumptions were:

- a capital receipt of £1.5 million would be achieved by selling the town hall based on valuation for a housing development .
- a rent per square foot of £21.43 would be achieved
- that the borrowing rates from PWLB would be as at 8 March 2019.

4.2 These assumptions were assessed by the finance department at the council, and based on market data and advice from an independent property advisor Savills, they have now been amended as follows:

- The capital receipt has been adjusted to £1 million
- The rent per square foot for tenants has been reduced to £15 per square foot in line with a high, but achievable rent for Redditch for good quality office space.
- The borrowing has been adjusted to take into account the recent 1% increase in PWLB borrowing.

4.3 The changes in these three assumptions, coupled with the rest of the Dragongate model has resulted in the below outcomes based on a 35 year Net Present Value basis. The column titled “RBC Cost/Benefit p.a” compares each option to the ‘as is’ position to determine if it is a net cost/benefit when compared to doing nothing:

Option	Details	NIA Building size m2	NIA Building size ft2	Total 35 Year NPV costs £’000	(Income) / Cost per annum £’000	RBC (Cost) / Benefit p.a. £’000
As Is	No change - current running costs + maintenance backlog + future maintenance	7,250	78,040	15,215	**435**	**0**

Option 1	New Town Hall only, current usage, Agile working	2,304	24,800	12,269	**351**	**84**
Option 2	Option 1 + capital receipt for old property	2,304	24,800	11,303	**323**	**112**
Option 3	Option 2 + Tenant space + profit rents	7,433	80,010	15,641	**447**	**(12)**
Option 4	Option 3 + grant aid	7,433	80,010	13,708	**392**	**43**
Option 3a	Capital receipt at 50% value - 100% projected third party space, no grant	7,433	80,010	16,124	**461**	**(26)**
Option 3b	Capital receipt & 100% of third party space - profit rent at 60% of nominal value, no grant	7,433	80,010	24,952	**713**	**(278)**
Option 3c	Capital receipt at full value + 50% of projected third party space, no grant	4,868	52,400	13,432	**384**	**51**
Option 3d	Capital receipt at 50% and 50% of third party space, no grant	4,868	52,400	13,915	**398**	**37**
Option 3e	Option 3 with no capital receipt	7,433	80,010	£16,607	**474**	**(39)**

4.5 The above table demonstrates that from a purely financial perspective, only options 1, 2, 4, 3c and 3d are viable. Of these options, option 2 offers the greatest financial return to the council when compared to the current position of remaining as is. The other options offer marginal returns on such significant outlays of capital expenditure. The potential grant aid source or amount has not been confirmed at this stage.

5.0 Legal Implications

5.1 There are a number of proposals in the Regeneration Prospectus that relate to land which is largely outside of the Council's ownership and control. Although there may be at the current time an agreement in principle with other public authorities to work together to achieve the objectives, the priorities of other authorities may change and there is no legal commitment for any other parties to commit land in their ownership to the objectives (at any or at an agreed price).

5.2 The Council has powers to purchase interests in land from (public or private sector) landowners compulsorily. Compulsory purchase powers are only available to the Council for a set range of purposes and may only be used if necessary for the delivery of a fully funded and deliverable scheme (which fits within one of the purposes). Even if such a scheme were in place, before purchasing compulsorily the Council would be required to demonstrate that the objectives of the scheme could not be achieved in any other way and that the benefit to the public interest outweighed the interference with private property rights. The threshold for justification of compulsory purchase is high as

interference with property rights represents an infringement of human rights.

5.3 If compulsory purchase is necessary the process may take several years to complete and with the potential for protracted negotiations with landowners and a public inquiry, the costs would not be insignificant. Landowners may expect to sell their property by agreement at an inflated price so as to "save" on the costs of compulsory purchase. Landowners whose property is purchased compulsorily may be entitled to compensation above and beyond the value of the land itself.

5.4 The proposed developments / redevelopments would be subject to planning consent. The Council as the local planning authority would have to deal with all planning applications strictly on their planning merits.

Service / Operational Implications

5.5 To progress the ambitious proposals set out in this report, there will be a need for the Council and its partners to allocate additional resources.

Customer / Equalities and Diversity Implications

5.6 The delivery of the overall Redditch regeneration programme will improve the Town Centre of Redditch. The implementation of a Community Hub will seek to improve services from a customer perspective.

6. RISK MANAGEMENT

A detailed 'Risk Log' will need to be produced as part of the detailed business case. However an initial risk register has been produced as follows:

RISK REGISTER	Impact (H/M/L)	Likelihood (H/M/L)	Risk Rating (R/A/G)	Risk Mitigation
Lack of stakeholder buy in and support	H	M	A	Continue to work closely with key stakeholders and ensure collaborative thinking is at the heart of decision making.
Each land owner disposes of land assets individually	H	L	A	As above

rather than as part of a cohesive regeneration programme				
Financial risks associated with proposed development	H	L	A	Full business case will include detailed assessment of financial inputs i.e. build costs, sales prices, rental levels, demand, occupancy levels. No financial decisions will be made without a robust business case.
Reputational risk to Council and partners	M	M	A	Strong project management controls will be put into place to ensure that projects deliver on time and to budget. Additional resource will be sought to supplement project capacity.
Inability to secure funding and investment	H	M	A	The Council will seek funding from the Worcestershire LEP, West Midlands Combined Authority, Great Birmingham and Solihull LEP and relevant central government funding programmes and initiatives. It is anticipated that investment from the public sector will create the confidence for the private sector to invest in Redditch Town Centre.
Negative perception and image of Redditch	H	M	A	As part of the regeneration programme, the Council will work

				with key partners such as the Kingfisher Shopping Centre to look at how it can re-position Redditch and counter negative perceptions.
Market does not respond to the Council's vision	H	M	A	Market analysis will be commissioned to underpin the development of business cases for key projects including an assessment of demand for office uses, the residential market and retail and leisure opportunities.

7. APPENDICES

Appendix 1 **State of the area debate summary**
Appendix 2 **Dragongate Community Hub Business Case**
Appendix 3 **Town Centre Quarters Plan**
Appendix 4 **BDP Town Centre Sites report**

8. BACKGROUND PAPERS

9. KEY

AUTHOR OF REPORT

Name: Lyndsey Berry
Title: Regeneration and Implementation Manager - NWEDR
email: Lyndsey.Berry@nwedr.org.uk
Tel.: 01562 732515

Issues identified by Public Consultation by Quarter

Name/ Organisation	Quarter Identified	Cause for Concern
N/A	New Residential and Rail Quarter	As the gateway into the town centre the train station is not visually inviting and should be refurbished or landscaped. There is a need for more housing but it must be affordable not '4/5 bedroom executive homes' whilst enhancing their surroundings not built without considering the visual and community impact they will have.
N/A	New Residential and Rail Quarter	There is no direct train route to Worcester or other key destinations making Redditch seem like a 'Dead End'
N/A	New Residential and Rail Quarter	The rail service times and frequencies do not aid travel to London and are also unreliable.
N/A	New Residential and Rail Quarter	Need for short term parking on Unicorn Hill alongside housing provision that is evidence led respecting the need for supportive housing for the elderly. Supports part of the site being used for commercial use alongside housing.
N/A	Public Sector and Culture Quarter	Supports the congregation of public services into one area of Redditch in order to promote their efficiency and to increase collaborative practices between them eg rough sleeping, health and housing.
N/A	Education and Enterprise Quarter	Would like to see the creation of a day centre for adults with learning disabilities.

N/A	Education and Enterprise Quarter	Supports the proposals but wants us to look to the future and not the past taking into account new technologies- electric cars, renewable food sources etc into planning strategy. Don't support things that are vulnerable to AI or automation, rather support an R &D centre and high quality innovation.
N/A	Education and Enterprise Quarter	Try to integrate the possibility of creating more apprenticeships into the plans and development strategy.
N/A	Education and Enterprise Quarter	Supports the combination of Education and enterprise as the future changes to9 the workforce will mean they must be more interlinked. Ensure people are aware of the opportunities available to them all in one place. A focus on 5G would be excellent for the business community.
N/A	Education and Enterprise Quarter	Use the college as the location for an education hub as it's a big asset for the town.
N/A	Education and Enterprise Quarter	There should be provision of meeting spaces and venues for businesses to utilise in the area. Supports collaboration between education and enterprise as it will make the sector more aware of business opportunities in the area.
N/A	Retail and Leisure Quarter	The covered market area is an eye sore and should be regenerated for retail and leisure use in a similar way to the Courtyard area in Stratford which has been very successful. This example has many similariti8es to what could be achieved here being a small land locked covered area and should be followed.

N/A	Retail and Leisure Quarter	The Kingfisher Centre should diversify retail/leisure options to include:- • Supermarket • Bowling Alley • Fish and Chip Shop • Starbucks • More Charity Shops
N/A	Retail and Leisure Quarter	The Shopping centre needs to be far better connected to Church Green area as this should be the heart of the town.
N/A	Retail and Leisure Quarter	Entrances to the area and shopping centre should be improved as most people enter through car parks which are worrying. Supports the demolition of the library to create a plaza area which is aesthetically pleasing including a variety of usages. The market area should be brought back into use as an events space. Do not build more retail units as it's a dying sector due to internet shopping meaning we have to be more creative and bold in land usage.
N/A	Retail and Leisure Quarter	Since its inception the Kingfisher Centre has been going downhill and people want an indoor market like there used to be in Royal Square and an outdoor market. Indoor could be in the Old Heart Furniture Shop. More leisure facilities are needed e.g. bowling alley and an events area.
N/A	Old Town Conservation	This area should be the heart of the town and needs to have good connectivity to the surrounding quarters.
N/A	Old Town Conservation	There is a need for a cafe culture whilst making the most of our buildings heritage around Church Green. This area could house events like a Christmas market and food festivals for example.

N/A	Old Town Conservation	We need to protect our character of place as this is an important aspect of the areas heritage. This should be lifted up to help our visitor economy and we shouldn't forget to support the church as it's a key landmark and has wider uses beyond religion.
N/A	Old Town Conservation	We must protect our beautiful buildings built before the Newtown especially around church green. We have already lost too much of this and it is Redditch's identity.
School pupil	Across Whole Area	We need to create more facilities for young people as this will make kids safer and reduce crime. It will also give them fun things to do rather than just using technology.
Arrow Vale RSA Academy students	Across Whole Area	There is a need for more high quality facilities designed for young people across Redditch and these need to be better advertised. This will lower the rate of crimes and gangs as kids will have something productive to do. Ideas include an ice rink, bowling alley, mini golf, fencing, U-18s gym, park attractions, paddle boats on the lake and youth clubs.

Emotion	**Issue**	**Prevalence**	**Comment**
Sad ☹	Retail & Events	6	• There's nothing for families to do in the evenings. How about an Ice Rink, Olympic Sports, Youth & Family Entertainment. • There is a lack of places to meet up in the centre in the evening, particularly family friendly spaces. No area for community events and activities. • We should learn from Bromsgrove and their high street and have wine bars, independent cafes and use our heritage assets. • The town centre needs to offer more. Retail is changing. We need better

			diversity of shops. • There are too many empty shops especially cheap shops and fast food outlets. • Too many empty shops and lots of replication of services.
	Housing	2	• Sad that the town hall may be developed into flats. • The developer housing in the town is poor quality, has no character, has urban sprawl, small spaces and overpriced.
	Place	5	• It's sad to see the town looking so shabby and run down. • Each district needs selling points to encourage foot traffic. Vistas and connectivity will give people reasons to participate. Skaters should be allowed. • The great heritage potential areas we have (bandstand and St Stephens) are dominated by cars and poor quality retail. We need to pedestrianise and boost the amount of green areas whilst creating a clear vista towards/from the train station. • We need to implement the concrete collar idea.
	Culture & Image	3	• Sad we have such a poor public image, we should market ourselves better. • There's next to no culture. Palace theatre is great but we need more spaces for music and art. • It looks less and lees like the place people grew up. To take the resident population with us we need to embrace nostalgia and enhance heritage.
	Work	1	• Sad there isn't more better quality office space.

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Redditch Community Hub: Business Case

DragonGate Market Intelligence
March 2019

BUSINESS CASE SUMMARY

"A clear preferred option has emerged – build a new Hub and retain the existing Town Hall which can be sold or let"

In November 2018 Redditch Borough Council commissioned DragonGate Market Intelligence (DGMI) to develop a business case for moving forward with town centre public service hub with the local authority as anchor. The commission has required DGMI to engage adjacent local partners in the public sector and establish the strength of the case for a project to meet the twin objectives of the regeneration of Redditch town centre and the Council-led transformation of public services delivered collaboratively in the town. The context was to develop a proposition that could be delivered at lower collective cost and within the strategy set out in the Council Plan 2017-2020.

The strategic case for change presented in this paper is compelling at all levels of analysis; all the options considered are preferable to the 'as is' position, whether on the current Town Hall site or somewhere adjacent to that site. Moreover, evaluation of the alternative options identified an increasing financial return to the Council based upon inefficiency of the existing Town Hall and a range of transformational savings and income opportunities in the alternative options. This is balanced against a small number of significant risks that can be managed early on in the pre-development process through effective third party engagement. All these are set out in what follows, with relevant and effective mitigating actions.

DGMI engaged with twelve other partner organisations, all of whom were very positive about the initiative and willing to pursue it further, subject to their own wider objectives and initiatives. Third party indicative commitment was very strong, such that, if it all translated into formal firm commitments, any new building – as proposed in the Business Case – would be at least twice the size of the current Town Hall.

A clear preferred option has emerged - **Build a new Hub and retain the existing Town Hall which can be sold or let** – and a number of viable funding opportunities have been explored, with the preference established and modelled within this business case being delivered directly by the Council using Public Works Loans Board (PWLB) borrowing.

The Business Case concludes that what is proposed meets all five aspects of the HM Treasury Green Book Project Appraisal and will:

- Unlock significant Town Centre regeneration and sustain local public service transformation into the 2050s
- Enable public sector integration, with strong support from all local partners
- Employ a straightforward delivery vehicle, using Council land and PWLB, to deliver in 2022
- Be affordable and improve on the 'As Is' position
- Be deliverable within the Council's control, subject to levels of formal third party commitments

It is DragonGate's considered and independent conclusion that the preferred option is the most appropriate, given the Council's constraints on time and budget, having regard to the risks associated with the various options, as outlined in the report, and within the parameters agreed with the Council at the inception meeting (see: 'Project Initiation and Scope' below).

The Business Case concludes with a set of critical next steps, which are essential to ensure that the project maintains momentum and embeds the third party support now received, so that delivery is achieved by 2022.

Strategic Case for Change and Third Party Interest

1 THE CASE FOR CHANGE

1.1 Redditch Borough is a Council looking to deliver the most ambitious town centre regeneration since its formation as a New Town in 1964. As a consequence of its New Town heritage, a significant number of town centre assets are maturing at the same time, meaning this will be a significant, wholesale modernisation. The needs of businesses and the wider community in and around the town means that this regeneration must consider wider economic and social requirements, addressing the changing role of town centres in modern society.

1.2 The Council serves a population of around 80,000. The main industries are: manufacturing, wholesale and retail and real estate, and related business activities. It is one of six district councils in Worcestershire. Since 2008, the Council has shared its services and its senior management team with neighbouring Bromsgrove District Council. A Peer Challenge in 2018 concluded that the joint services were 'good and valued' and that the Councils were 'well regarded by partners'. Shared service arrangements are in place also – Worcestershire Regulatory Services, North Worcestershire Economic Development Regeneration and North Worcestershire Building Control.

1.3 In addition, the Council is facing the competing pressures of increased demand for services from residents and smaller resources to deliver these following a decade of reduced funding from Central Government. For example, between 2010-2020, local authorities will have lost 60p out of every £1 the Government previously provided for services and by 2019/2020 a further 36% is to be cut nationally. For Redditch, this means they need to find an additional £2.6 million worth of savings over the next four years. Similar challenges are faced across the spectrum of public services, including third sector providers, within Redditch. The Council takes its community leadership responsibilities very seriously and views the provision of effective, efficient services, designed around longer-term local needs, as at the heart of what it is seeking to achieve. To secure maximum effect, however, this must be allied to the development of the town centre as an attractive and vibrant location driving footfall for businesses and growing business rates income.

1.4 The Council cannot achieve these objectives alone; nor can any single organisation. The Council, therefore, is looking to design and deliver a plan of action with its many partners on this dual stream approach, to transform both the town centre as a place and the way services are provided and supported for the people who live in Redditch.

1.5 The development of a Community Hub will be the foundation stone for these objectives, by being the place dedicated to community business, thereby attracting significant footfall to a single area of the town, and within which services are delivered in a much more collaborative way than now. More effective services, delivered in a more integrated and efficient way – all in one place, with the customer at the centre.

1.6 The council plan indicates how the council intends to operate to meet the challenges it faces:

- Built around customers and residents;
- Innovate to ensure best use of resources, efficient and effective service delivery;
- Encourage and support change amongst partners and other agencies;
- Push departmental and organisational boundaries;
- Help people help themselves;
- Work with partners (private, public and voluntary) to serve residents' needs.

1.7 The project to create a new Community Hub and move the Council to a new, modern working environment must align fully with these principles in order to secure the greatest benefit to the Council and the residents it serves.

2 PROJECT INITIATION AND SCOPE

2.1 Redditch Borough Council commissioned DragonGate (DGMI) to examine the initial business case for developing a Public Service Hub (entitled the Redditch Community Hub reflective of its core focus) as the principle catalyst for the delivering the twin objectives of town centre regeneration and the collaborative transformation of local public services.

2.2 An important element in the commission was to engage with other public services providers operating in Redditch to identify and encourage their interest in the transformational potential of the Community Hub and to gather information about both the the level of collaboration possible and its extent in terms of numbers of staff who might be located in the Community Hub.

2.3 Utilising this information in parallel, the Outline Business Case was to review all reasonable options for the Community Hub. These options were to include: refurbishment of the existing Town Hall in Walter Stranz Square, the wholesale redevelopment of the existing site and the relocation of a new build Hub into other town centre locations.

2.4 The commercial appraisal of these and other options is set out in section 6, taking into account the provisional interests and requirements of third parties, the service transformation potential, the socio-economic implications and the regenerative ramifications. The financial bases and implications for the development are set out in sections 6 and 7 of this Business Case.

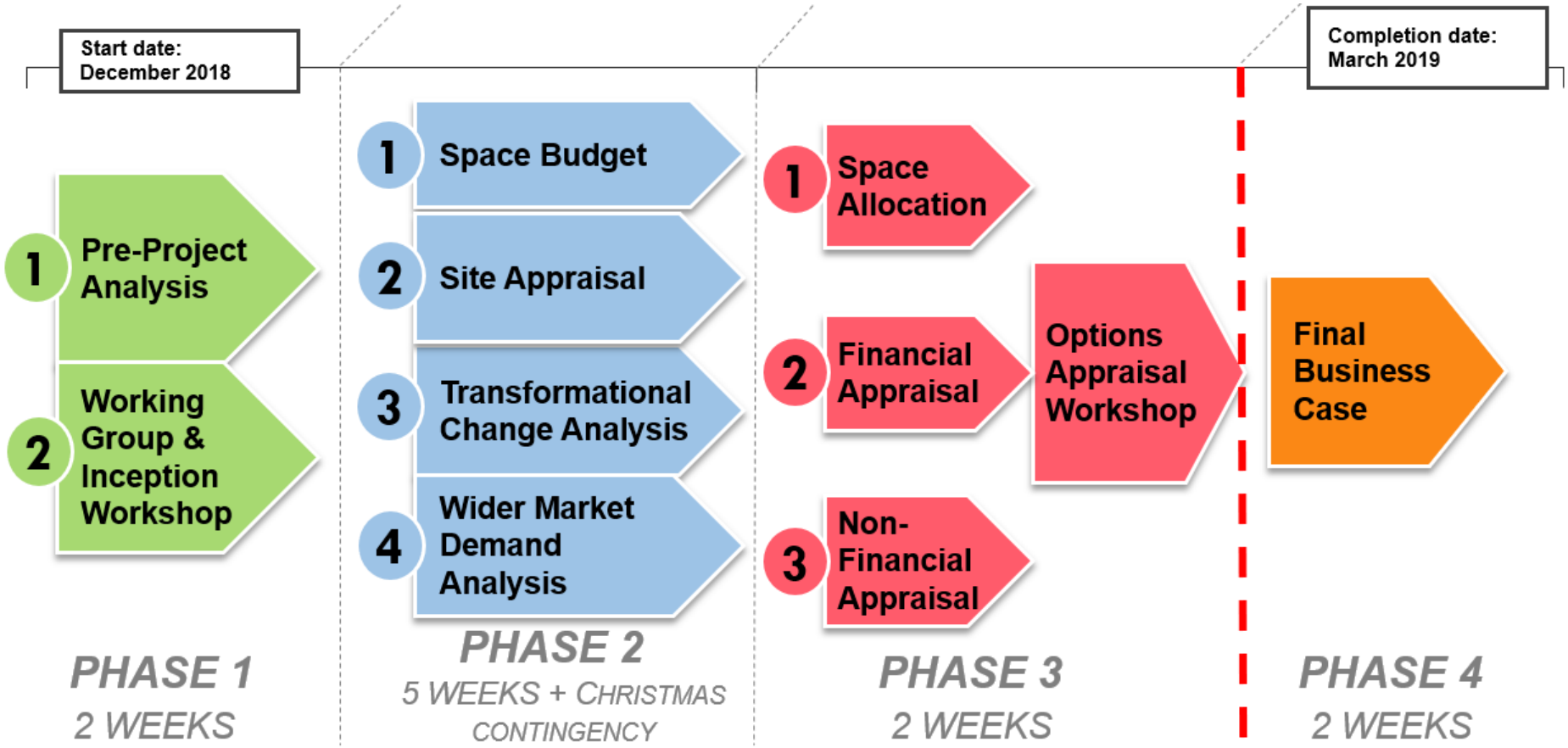
3 METHODOLOGY

3.1 DGMI undertook a rigorous four stage methodology in the completion of this business case. Starting in December 2018 and finishing on 20 March 2019. Phase 1, a pre-project analysis, lasted two weeks. Phase two, which included an initial space budget, site appraisal, transformation change analysis and wider demand analysis was conducted over five weeks. During phase 3, DGMI conducted more sophisticated space allocation exercises, a financial appraisal, and strategic appraisal, this was done over two weeks. DGMI finally put together a business case for Redditch Council's consideration.

3.2 DGMI formed a multi-disciplinary team from across various interlinked sectors including strategy and transformation, design and workspace, and financial modelling. This team was split into three sub-teams; core project team, sector expertise, and project support panel. The team was led by Steve Atkinson, DGMI's Head of Local Government and former Chief Executive of Hinkley and Bosworth Council which, under his leadership, also created a public service hub.

3.3 Crucial to the methodology was consistent engagement with the working group (first established in December 2018). The working group was made up of at least one DGMI representative from the aforementioned sub-teams and senior representation from property, finance, and HR within Redditch Council, including the involvement of Chief Executive, Kevin Dicks, on two occasions. The purpose of this group was to test assumptions DGMI had devised throughout the previous phase. These sessions concluded on 6 March 2019.

Table 1 Indicating DGMI's four phase methodology



The working group agreed the outputs of each phase. These were:

3.3.1 Phase 1:

- Agreed working group composition
- Early 'options dashboard' of strategic sites under consideration deciding that hub should be within the public sector and culture quarter
- Captured early tenant profile for hub

3.3.2 Phase 2:

- Indicative space budget based on the AS IS compare to the suggested space requirement, resulting in a 45% space saving
- Stack plans of AS is space compared to the suggest requirement, resulting in a building that promotes – not prohibits – collaboration
- A short list of 12 organisations engaged with, including obtaining an understanding of their property and operational drivers
- Senior management consultation session and partner executive group engagement

3.3.3 Phase 3:

- Specific understanding of external partners' requirements, including space requirement, FTEs, and unique needs
- A detailed analysis of all five site options being considered, resulting in the preferred option being selected as a result of the working group's decision
- Three funding options being considered and a preferred option being selected as a result of the working group's decision
- Financial modelling of five options (including AS IS) with an additional five sub-options reviews to consider variables

3.3.4 Phase 4:

- A detailed business case based on the five stage Green Book Methodology

    - Strategic - *The intervention is supported by a compelling case for change that provides holistic fit*
    - Economic - *The intervention represents best public value*
    - Commercial - *The proposed option is attractive to the market place, can be procured and is commercially viable*
    - Financial - *The proposed spend is affordable*
    - Management - *That what is required from all parties is achievable*

4 THE 'AS IS' POSITION

4.1 The existing Town Hall is in an area of the town which the Council considers as one of its four priority areas for regeneration (see graphic below). However, the building itself is an active barrier to developing operations and services in line with the council strategy. The ageing and inflexible layout makes it hard to change the organisation of teams and works against the increasing need for collaboration and innovation across departments. Fundamentally, the building isolates and separates teams and does not feel like the home of the kind of modern enterprise the council aspires to be. There is a demonstrable link between culture and environment and there is no doubt that changing the physical space will help catalyse positive new behaviours.

Figure 1: Picture showing the four areas of Redditch town centre as defined in the Town Centre Regeneration Prospectus

4.2 The building is significantly larger than necessary for the needs of the Council, thus adding to operational cost, whilst being a barrier to improved efficiency in joint service delivery. In addition, there is a significant backlog in maintenance work, which

has an impact on the structural integrity and 'feel' of the building, whilst being a negative factor in any consideration of using the existing building as the base for more collaborative working, in addition to the poor energy efficiencies inherent in the current building (see Financing evaluation at section 7 below).

4.3 In the initial phase of this work, moreover, it was established the wider public services in Redditch (Healthcare, Central Government and the Voluntary sector) are often working in isolated, old fashioned and inefficient offices and are spread across multiple sites. For example, the NHS in particular cited the poor quality space they occupy as an immediate reason to occupier a new Hub. Moreover, the CCG – who DGMI have engaged with regarding the GP surgeries – correctly point to five surgeries occupying a small area of land in the town centre. Poor quality, disparate space is a barrier to effective collaboration for those who need to access services, as many residents have complex needs, requiring support from more than one organisation, all of which operate from different sites.

4.4 The prima facie case for change is strong, therefore, but, given the funding reductions noted above, any business case must be affordable. What follows is the product of the analysis of the DGMI investigation and focused inquiry and the product of options considered at the Redditch working group, which comprised senior staff and management representatives from the Borough Council.

4.5 A workplace study of the Town Hall was conducted by DGMI, which concluded that the workspace was not only under-utilised, but was inefficient in a number of areas.

- Overall peak desk utilisation was estimated at 41% physical occupation (52% if "signs of life[1]" are included); Meaning there were 181 vacant desks from a total of 375 desks.
- Additionally, it is considered that the space per desk for the office could be reduced significantly without affecting comfort and/or productivity, given the requirements in a modern office. [2]

[1] 'Signs of life' refer to a desk that may have a laptop, coat, or note pad on, but does not have a physical person occupying

[2] It should be noted, however, that this was a snapshot survey and a more detailed survey will be required before finalising the workplace strategy. Nevertheless, it is typical of many surveys DGMI has undertaken for non-agile work spaces, especially in the public sector.

- This, along with opportunities to share facilities with other building users in the ground floor customer areas and office areas, leads to an estimate of a potential reduction (including contingencies) of 45% in the space the Council requires to approximately 28,000 sq. ft. (Gross Internal Area).

The comparison between the present and the potential usage is shown below.

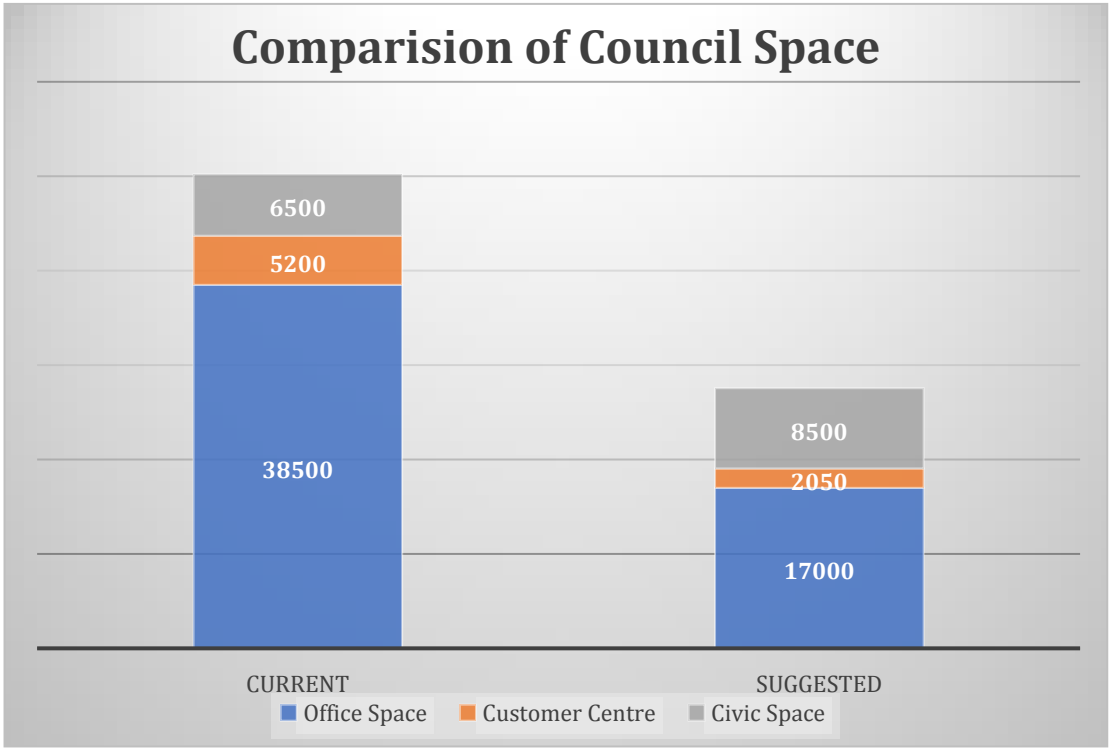


Figure 2: Comparison of current Coucil space (left) and suggested (right)

4.6 A staff survey undertaken by DGMI, reinforced the negative 'feel' of the Town Hall building, but showed also that staff generally had a positive outlook, which bodes well both for a new building/site and transformation which will require strong staff support throughout

- DGMI received 149 full responses and 117 part responses - a total of 266 responses
- Generally, the scores indicated that just under half of employees were either satisfied or very satisfied about their current working environment.
- 49% of respondents were very satisfied or satisfied with the working environment – this is a reasonable score when compared with the average from participating organisations and his higher than our benchmark of 41%.
- Just under a fifth of respondents (19%) were either dissatisfied or very dissatisfied with the workspace.
- Younger staff (aged 30 and under) and colleagues who have been with the Council between 1 and 2 years tended to be the most satisfied.
- Staff who spent on average of 3 days a week in the office were most satisfied

5 STRATEGIC CASE FOR CHANGE

5.1 The Community Hub, as proposed in this Outline Business Case, has the potential to have a transformational impact on Redditch with the full scope being felt across all of the major stakeholder groups:

5.2 Redditch Borough Council is facing the competing pressures of increased demand for services from its communities, reduced central funding and the need to regenerate its locality – socially and economically. Without collaborative action across multiple public service providers, including and led by the council, the competing pressures and interdependent challenges will become unsustainable.

5.3 The provision of effective and efficient services designed around longer term local needs, and the development of the town centre as an attractive and vibrant location, is at the heart of what the Council is seeking to achieve**.** The council has established 6 strategic objectives which serve as a focus for the provision and development of services to Redditch in the coming years. These are laid out in the Council Plan 2017-2020, as follows:

- Keep my place safe and looking good
- Help me run a successful business
- Help me to be financially independent
- Help me to live my life independently
- Help me find somewhere to live in my locality
- Provide good things for me to see, do and visit

5.4 The development of a Community Hub will become a foundation stone to these objectives by being the place dedicated to community business, thereby attracting significant footfall to a single area of the town, and within which services are delivered in a much more collaborative way than now. More effective services, delivered in a more integrated and efficient way – all in one place, with the customer at the centre.

5.5 In addition to the impact a dedicated Community Hub can have on the Council and the town centre, there is a strategic imperative when considering multiple, interlinked policy drivers from across the public sector.

Figure 3:Transformational business case from organisational starting point to objectives and the enabling intervention of the Redditch Hub for public services

5.6 **Redditch Town Centre Regeneration Prospectus**: The town centre regeneration prospectus sets the local context upon which major public sector transformation ought to be based. In addition to summarising the local position of Redditch at the moment, it also sets out a Visioning Statement based around growth, future need, continuous improvement and regeneration. The prospectus also builds on previous recommendations and takes forward an ambitious four quarter approach for town centre regeneration. The Community Hub will be central to the public sector and culture quarter, not only providing brand new office space for multiple organisations, but also increasing footfall throughout the town centre. It is the blueprint which has inspired the Community Hub ambition.

5.7 **NHS Long Term Plan**: The NHS Long Term Plan is the latest health service strategy published earlier this year (2019). In summary it can be broken down in five key points.

- Encouraging change in the way health services are delivered
- Focus on prevention and tackling health inequalities
- Workforce transformation
- Better use of data and digital technology
- Economic efficiency

A significant aspect of the Plan is the proportionate increased funding directed towards community and primary care. The goal is to transfer the balance away from acute and into either residential or non- hospital settings.

5.8 The Redditch Community Hub can support the delivery of the local Long Term Plan in four strategic ways;

- Facilitate intra GP coordination. The Plan is supporting the development of "Primary Care Networks" which enable multiple GPs to join service and therefore have a larger scale to increase the range of interventions and quality of service. This will be attractive to the CCG.
- Enable system coordination. The Community Hub can facilitate triage approaches from across the voluntary sector, NHS and local government to support coordinated interventions for individuals for complex challenges; individuals who in the 'as is' may have to visit multiple locations. The Community Hub brings services together to provide a one stop shop for residents.
- Support prevention not treatment. Coordinate preventive and social prescribing activity across a range of service providers, avoiding duplication and reducing missed opportunities for early intervention for individuals.
- The working environment designed around the workforce transformation needs of NHS. The Community Hub can incorporate training rooms, informal/formal break out rooms and agile working environments that reflect the new needs of the health and social care workforce.

5.9 **Social Care Plan**: The Government is due to publish a Green Paper looking at social care with the aim to 'ensure that the care and support system is sustainable in the long term'. Both adults and children's social care are areas of huge importance

for local authorities as they are placed under financial pressures and the demand simulations grow. As part of the plan, central government wants to focus on integration with health, workforce and technological developments and career paths for social workers – all central tenants of the Redditch Community Hub.

5.10 **Universal Credit**: The transition from 'legacy' benefits to Universal Credit (UC) has been a desire of the Government for some years. However, as of 2016, the Department for Work and Pensions (DWP) began rolling out their 'full service' – the final digital version of Universal Credit. Coming from a large central government department, the policy is wide in its scope and ambition, whilst relying on crucial relationships with other organisations, specifically the local authority which delivers the benefits, but also from across the entire public sector; from education providers, to healthcare, to small and large third sector providers. One significant area where Universal Credit delivery aligns with the Community Hub is the transition to digital. As UC is rolled out and the entirety of benefits move to an online only model, the Community Hub's digital connectivity is vital; providing a one-stop shop for users, with dedicated complementary support from staff in the Hub.

5.11 **Blue Light Amalgamation**: There need for blue light services to collaborate has been government policy since 2013 when they issued a report stating as such. Throughout the follow years, a number of policies were developed in an attempt to achieve this. In 2017, the Policing and Crime Act stipulated that Fire & Rescue services should work to amalgamate their provisions. While early reform was tested via the Police and Crime Commissioners, later examples of Blue Light Hubs emerged or are in the process of being built. For example, in Milton Keynes and south Cumbria. While DGMI have engaged with both the Fire & Rescue teams and the Police teams in Redditch, it is specifically the Police Community Safety Teams who have expressed the most interest in occupancy at this stage, not least due to their need to work closely with the local authority and other supporting services.

5.12 **Impact on/of Redditch Borough Council:** The Council will benefit from the transition from an old, largely segregated building to a new, modern working environment, which removes the physical barriers to collaborative working. With many of the Council's key partners also moving into the building, closer collaboration and coordination in serving residents will be easier to achieve. The open working environment will create a very different feel, making leadership much more visible to staff and enabling far more flexibility in the ways teams work together, adapting and responding to future service delivery change. Additionally, a reduction in the space directly used by the Council will reduce its running costs and, with the Council subleasing space to partners, create the potential of generating additional income

5.13 **Impact on the customer:** The direct impact of the Hub for customers will be the improved access to services; bringing together a full complement of provision in one location and improving the ease of hand-offs and referrals between partners. With the additional potential to include and grow the presence of the third sector, this will enable customers more effectively to find and access the most appropriate support for their needs.

5.14 **Impact on Partners:** Partners will also benefit from improved collaboration across services and the advantages of moving into modern facilities. Many of the buildings currently housing these organisations, particularly within the health sector, are old and in poor condition, with substantial backlogs of maintenance required. The Hub offers the prospect of avoiding that capital spend and providing right-sized, tailored space, ready to meet their needs going forward – with savings on their running costs also.

5.15 **Impact on the Town Centre:** As part of the regeneration of the town centre, the Hub provides a very visible indicator of investment and enables regeneration of other footprints by freeing up other sites such as Smallwood House and the library. The Hub gives clear purpose to the area around the existing Walter Stranz square and, particularly with the inclusion of health services currently outside the town centre, will help generate significant additional footfall to the centre of Redditch, which will have a multiplier impact on other services and businesses in the town.

5.16 The proposed Hub will meet and facilitate the more effective and coordinated delivery of a number of socio-economic policy areas, including: Universal Credit, NHS operational integration, social care strategy and more. It will secure wider public value for customers, ratepayers and businesses.

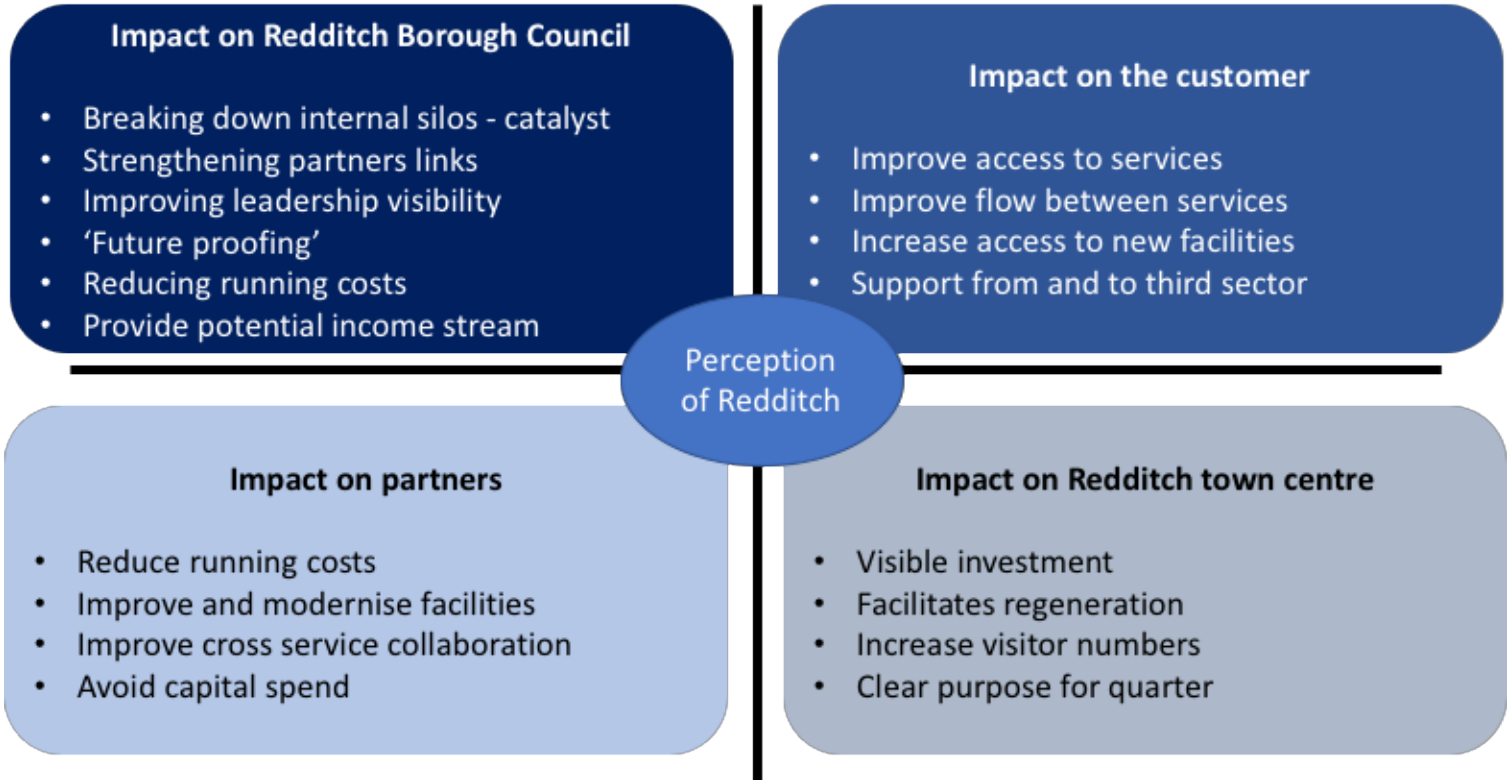


Figure 4: Transformational business case impact on council, customer, partners, and the town centre

6 THIRD PARTY REQUIREMENTS

6.1 In order to fully exploit and maximise the social and the economic opportunities, DGMI engaged with the full range of local partners of the Council and other public service organisations.

6.2 The level of third party occupancy in the Community Hub drives many of the potential benefits for the Borough Council:

- Financial – Creates possibility of a profit rent to make a long term contribution to council finances.
- Service Delivery – Maximises the opportunity to improve collaboration and information-sharing across different organisations serving residents, with the potential to facilitate improvements in the efficiency and effectiveness of the services delivered.
- Town Centre – With the inclusion of health partners, in particular, a significant impact can be expected on the number of residents travelling to the town centre on a regular basis. This increase in footfall will benefit the economy more broadly in the town centre.

6.3 Whilst these interests are only at an early stage, they indicate a strong appetite to participate in the Hub and to benefit from the new facilities. As part of the next phase of work further and early discussion will be needed with potential occupiers to firm up these commitments, alongside the development of specific plans for the new assets. If that interest is followed through, it could lead to the development of a Hub around twice the size of the existing Council requirements. This would accrue all the benefits of bringing together the many and diverse organisations serving the same customers and will facilitate development and delivery of services for the longer term.

6.4 The interests from third parties are summarised in the table below and in more detail in subsequent paragraphs. They are ranked in relation to a combination of: overt strength of commitment, scale of potential input and strategic importance to local operation. The overall impact is summarised in 3.5 above – the requirement would be for a building of around 80,000 sq.ft.

Table 2: Showing third party interest

Organisation	Primary AS IS location	Possible services in Hub	Closely liked organisations	Likelihood of move (%)	Estimated requirement
Worcestershire County Council	Spechley Road, Worcester	Social care (adults and children), relevant senior management, library	Local authority, health, DWP, Environment Agency, GPs, community safety	80	Adult care: 20 desks Children's care: 25 desks Highways: 2.5 desks Library
Department for Work and Pensions (DWP)	Market Place, Redditch	As current	Local authority, health services, College	90	6500 sqf
CCG (GPs)	5-8 surgeries	GP surgeries and support services	NHS Trust, social services, DWP	70	23500 sqf
NHS Trust	Smallwood House	Mental health services, extended primary care, dental, family	CCG, housing options, community safety, social services	75	18500 sqf
Probation Service	Clive Road, Redditch	Minimal, occasional meeting rooms	Safeguarding, third sector, police	25	1-3 rooms
CRC	Kingfisher Shopping Centre	Whole sale move	Childrens services, DWP, mental health, housing	65	5 interview rooms
CVC BARN	Easemore Road, Redditch	Office, access to meeting and function rooms	Benefits, DWP, housing, social care	65	300 sqf
Fire and Rescue	Police HQ	Very occasional meeting rooms	Community safety	0	-
Police	Archer Road, Redditch	Town Centre Presence	Social care and safeguarding, Environment Agency, DWP	75	4 desks
Heart of Worcester College	Redditch Campus	Minimal – visible drop in only	Learning online, DWP, children's services	0	-

Worcestershire County Council
In addition to relocating the library from its current building, the County Council sees significant benefit in co-locating certain services, whose work is focused on the population in Redditch. This would be primarily focused on adult and children's social care, which would benefit from closer collaboration across the range of other services to be located within the Hub: housing, healthcare, benefits and community safety. A flexible space able also to accommodate other teams on an ad hoc basis would be seen as beneficial. It should be noted that Social Care workers and their Business Support teams for both Adult and Children's Services work from different locations, including the Bromsgrove District Council office.

Department for Work and Pensions (DWP) – Jobcentre Plus
The DWP is currently located within the library and would anticipate relocating to the Hub, which would address some of the compromises which have been necessary to work from the library floorplate. Providing lease terms for the hub are comparable with their current arrangements, the relocation raises no concerns and the DWP recognises the benefits of co-locating with other services, both in the back office (2,067 sq.ft. required) and front of house (3,498 sq.ft.) It would be of particular importance to the DWP that the front of house facilities are located on the ground floor.

Clinical Commissioning Groups (GPs)
There has been little or no strategic planning on surgeries and there is potentially a significant opportunity looking across the 8 surgeries within the Redditch area. The surgeries are currently capacity constrained

and generally facing significant issues with the quality of the buildings and facilities they are using. Additionally, the anticipated population growth in the region needs to be accommodated and at the moment there are no clear solutions to address this.

Although no engagement has taken place with individual surgeries at this point, the CCG has indicated that a reasonable assumption would be to include the 5 closest surgeries to the town centre and allow for the anticipated growth in the region.

- Elgar House Surgery
- Hillview Medical Centre
- The Bridge Surgery
- The Dow Surgery
- St Stephens Surgery

As plans for the Hub are firmed up, engagement will be needed with surgeries to solidify commitments. Given the challenges facing these surgeries, there is potentially capital available to contribute to the build of the Hub, which could be deployed to significantly de-risk the project for RBC. Parking and accessibility will be key to making a Health-focused Hub a success.

Worcestershire Health and Care NHS Trust
Focusing on services provided from Smallwood house, there is a pressing need to relocate, given the quality of the existing building and significant backlog maintenance. The diverse range of services provided from Smallwood House means there will be significant work needed with stakeholders to determine exactly which services fit best with a Health-focused Hub and whether any should relocate to a hospital setting. There is the possibility also that other services (e.g. minor surgery / ultrasound scanning) could form part of the new Community Hub; so, the current Smallwood footprint has been used as a working assumption of footprint for the new Hub.

There are particular advantages for these services in locating alongside GP facilities, but benefits also in having close proximity to other services – especially social services and the voluntary sector. If included in the final scope for the Hub, the healthcare services will have a significant impact in driving footfall to the town centre; thus contributing to more sustainable regeneration. Unlike the other potential occupiers, healthcare facilities will be largely cellular in nature, with an emphasis on privacy and acoustic separation. Nevertheless, there is potential for sharing of supporting spaces, such as meeting / training rooms and for improvements in inter-agency communications.

Probation Service

The probation service highlighted real operational benefits in co-locating with other services (especially housing and social services). However, there are practical reasons relating to the type of users with whom the probation service deals, which makes co-location in a public space challenging. In particular, higher risk offenders who must, by law, be kept away from children and/or victims. As a compromise measure to achieve some of the benefits, the service has suggested that access to interview rooms with some supporting office facilities would be valuable and help improve cross service working and facilitating joint meetings with low to medium risk offenders. This would likely be at the scale of two staff (PO and PSO), two to three days per week.

Community Regeneration Company (CRC)
The CRC see similar benefits to probation, but without the same restrictions, and would be interested in re-locating from their current base in the Kingfisher Centre. The requirement would extend to space for 10 staff with access to up to 5 interview rooms with CCTV, secure escape routes etc. Their current location costs approximately £15,000 per annum. They are particularly keen to forge closer links with children's services as well as DWP, mental health and housing. It should be noted that the CRC service is facing significant organisational change in the near term and, therefore, will need closer engagement to understand how their needs may change.

Environment Agency (EA)
The regional office of the EA has no current base in Redditch, but they do operate within and outside the Borough, extending even into Warwickshire, where also they have no office base. Their current base in Solihull is soon to close. So, they have identified real benefits in having touchdown space for up to 10 staff at a cost of up to £10,000 per annum. Their requirement would be for shared "backroom" office space only, with access to meeting rooms. It has been identified that some of the enforcement work of both the EA and the Police do overlap; so, synergies will be positively affected.

Citizens Advice
Already based in the Town Hall, Citizens Advice have given a strong indication that they wish to remain in a new Hub. They expect to benefit from improved facilities (meeting rooms) and a larger number of interview facilities, as they expect demand for the service to increase and be sustained in the future. In addition, they have expressed a need for dedicated lockable / access restricted space. This requires further exploration to build requirements into the new Hub layout, without compromising principles on flexible use of space and facilities. They appreciate that additional/larger facilities will be at a cost.

CVC (Bromsgrove and Redditch Network: BARN) & Wider Voluntary Sector

Coordinating the voluntary sector in Redditch, BARN sees benefit in relocating to the Community Hub, provided the terms are acceptable. This might be financially challenging as their current rent is c. £6,000 annually. Access to shared rooms for meetings and training would be beneficial. In addition to their own requirements they see benefit in the availability of drop-in facilities in the Hub for other voluntary organisations to use and are willing to help explore any other potential co-locations from the voluntary sector.

Fire and Rescue Service
The fire and rescue service had already committed to plans for a blue light hub with the Police in Redditch before DGMI's engagement began. These plans are at an advanced stage at the time of writing. Nevertheless, the service does acknowledge some potential for community engagement in the Community Hub, perhaps alongside a police community presence. This is small scale, but the service may wish to take advantage of meeting space in the hub and it will enhance the fundamental 'community' element of the Hub.

Police
Outside of the blue light hub being developed elsewhere within Redditch (see Fire and Rescue Service above), the Police are keen to maintain a visible town centre presence. Although again small scale in nature (4+ desks), this does serve a useful role in maintaining a public face to the service, focusing on community policing. The potential for the relocation of Children' Social Care services into the Hub may prove attractive to an additional Police presence, because of their necessary working relationships with the Children's Safeguarding function.

Heart of Worcester College
Whilst the college is strongly supportive of the Council's plans, it does not see significant benefit in participating directly in the Hub. It does, however, support the idea of bringing services together under one roof and sees real benefit to its students, many of whom are referred to council services for support with housing and care matters.

There would be interest in having visibility of the college offerings to users of the Hub, particularly through the DWP, where strong links exist already. The excess of parking available at the college should also be considered in the redevelopment plans, if the parking provision around the current Town Hall is adversely affected by the final plans. Additionally, there is the potential for the College to form an important partner in the development of the Education and Enterprise Quarter/Hub, in which the existing Police Station site could be a significant element.

APPRAISAL FOR HUB LOCATION

7 APPRAISAL OF THE OPTIONS FOR HUB LOCATION

This section considers in detail the options agreed with the Council in the Working Group and sets out the rationale for the preferred option. It goes on to consider the next steps in the design work and potential funding options.

7.1 Site Options - including Regeneration Benefits and Net Present Values

The strict brief provided to DGMI at the project inception meeting in December 2018 was to consider locations for a Hub only in the immediate environs of the existing Town Hall in the Public Sector and Culture Quarter. Locations in the Education & Enterprise Quarter, including the site of the Police Station, were not to be considered. That instruction has been validated by the options review which follows, not least because the site is further from the twin centre, but also because of site/building limitations such as asbestos in the building fabric.

In addition to the "Do Nothing" option, a number of site locations have been considered which could potentially accommodate a Hub of approximately 80,000 sq.ft. (Gross Internal Area).This is following the identification of potential partner floor space requirements in addition to those of the Council as outlined above.

These options can be summarised as follows:-

7.1.1 Do Nothing

Opportunities

- There are no advantages to retaining the status quo in terms of the existing Town Hall occupation, other than there will be no disruption whatsoever to the on-going operation of the Council's day to day business.

Challenges

- Doing Nothing is not an option. It is already acknowledged by the Council that the Town Hall is an inefficient building, which is costly to run, and means that productivity and staff performance is compromised. There is also an acknowledgement that partner interaction in the public sector can be far more efficient and productive through co-location.

- DGMI research has identified that the building's footprint is 45% larger than is required and that the building layout encourages siloed working and is a barrier to collaboration.

7.1.2 Wholesale Redevelopment of the Town Hall site

Opportunities

- Would enable a comprehensive, masterplanned scheme to be delivered in this part of the town centre, incorporating a potential mix of a new Hub, additional Grade A offices for other occupiers, a hotel, new residential development, improved public spaces and linkages and greater clarity and efficiency of movement for pedestrians and vehicles.
- The opportunity to bring forward public realm and movement (vehicular and pedestrian) improvements as part of a town centre-wide approach.
- A new range of private investors would likely be attracted to the town.

Challenges

- The requirement to demolish the Town Hall and to clear the site to create a platform for development would mean a significant upfront cost would be incurred affecting the overall viability of the new Hub as the first phase of development.
- The Council would need to secure temporary office facilities during the demolition and construction period, estimated to be 30 to 36 months. This may mean a split operation depending upon availability of offices in the town centre.
- MBNL Ltd have a 20 year lease on rooftop masts from May 2006 at a current rent of £8,250 p.a. If this option were pursued, the Council would need to serve notice in May 2019, the date of a break option, in order to achieve vacant possession of the Town Hall. Specialist legal advice would be required in this respect.
- The tenant operating the crèche in the basement of the Town Hall will need to be either relocated or re-provided with space in the new Hub. The tenant has a 15 year lease from July 2014 at a current rent of £20,000 p.a. The Council can serve 12 months' notice on the Tenant at any time to obtain possession in the event of demolition or redevelopment of the Town Hall and the Tenant can serve not less than 6 months' notice on the Council to determine the lease at the 6th anniversary of the Term of Lease i.e. 28 July 2020.
- A master developer would likely be appointed to manage the redevelopment of the area. This will be a lengthy exercise due to the appointment process and preparation of a masterplan and a costly process due to the layering of profit between the master developer and sub-developers.

- In order to achieve a comprehensive redevelopment of the area between the existing Town Hall and the Kingfisher Shopping Centre, all buildings and infrastructure would ideally be in the control of the Council. Threadneedle House is in third party private ownership and unless a Compulsory Purchase Order (CPO) was made, an acquisition by negotiation would be either unlikely or expensive. A CPO also adds cost and time as well as risk to a delivery process.
- Securing Agreements for Lease with potential occupiers would be a pre-requisite for proceeding with this option.
- This approach would utilise the highest carbon footprint.

7.1.3 Conversion of the existing Town Hall

Opportunities

- This would enable the re-use of an existing Council-owned, prominent and well-known asset with opportunities for sharing space and costs, including business rates, with public and/or private occupiers for office use and other potential uses including a hotel or residential.
- There would be an opportunity to improve public spaces and linkages, providing greater clarity and efficiency of movement for pedestrians and vehicles. In particular, links and signage to the covered market area and the Kingfisher Shopping Centre could be strengthened.
- Following selective demolition, e.g. the Committee rooms and the café in Walter Stranz Square, the Council could dispose of land in the Square and in the existing car park area for private sector development of new housing and/or a hotel, subject to viability testing. Receipts generated could offset the cost of refurbishment.
- A conversion would represent the lowest carbon footprint option apart from the Do Nothing option.

Challenges

- The refurbishment would be expensive in order to deliver Grade A office accommodation and to accommodate other uses e.g. residential and hotel. Separate entrances and security systems may need to be created.
- A refurbishment of an existing building when compared to a new build will always provide a compromise solution. Energy performance will be less due to retro-fitted systems and the re-use of the existing structure and materials.
- A conversion would visibly contradict the Council's expressed intent to physically transform and regenerate the town centre.
- The Council staff and Members would need to temporarily relocate during the conversion works, either en masse or in phases. This would be expensive and disruptive to the day to day Council operations.

7.1.4 Locate in the Shopping Centre

Opportunities

- The Council's commitment to the Kingfisher Shopping Centre would strengthen the relationship between the Council and the owners of the Centre.
- The Hub would drive footfall in the Centre, helping to underpin its financial performance and longevity.

Challenges

- The Hub would suffer in terms of an identity and would not be customer facing.
- The potential partners in the Hub have expressed reservations about a location in a shopping centre.
- Operational flexibility may be compromised due to the Centre's own management policy e.g. opening and closing times.
- The service charge payable may be high relative to other independent locations.
- A Hub may only be accommodated subject to existing retailers relocating or ceasing to trade. This introduces risk on the delivery programme.
- This option would do little to enhance and regenerate the Public Sector & Cultural Quarter.

7.1.5 Build a New Hub and retain existing Town Hall which can be sold or let – *the preferred option*

Opportunities

- Enables a bespoke solution to suit all occupier requirements, encouraging agile and efficient working, with greater interaction between the public sector occupiers.
- Energy efficient and cheaper to operate per sq.ft. than the existing Town Hall
- Provides a strong statement of the Council's intent to physically transform and regenerate the town centre.
- Enables a capital receipt or revenue to be generated from the existing Town Hall, which can offset the costs of the new build.
- Grant funding is likely to be attracted for a purely residential scheme from Homes England.
- Enables public realm improvements and provides an opportunity for a strong urban design form to frame Alcester Street and/or the ring road, as well as stronger pedestrian links across the ring road.
- Provides an opportunity to establish a new rental tone for Grade A offices in the town centre, which will give confidence to private investors and developers to invest in other commercial schemes.

- Can act as a catalyst for changing attitudes towards car-borne travel and a desire for parking close to the Hub through the introduction of a Travel Plan, including dedicated parking areas for essential users only.

Challenges

- Partial demolition of the Committee rooms and the café in the centre of Walter Stranz Square may be necessary to accommodate a new Hub in Walter Stranz Square. The cafe will need to be offered premises elsewhere, possibly in the new Hub. Their lease is for 8 years from June 2015 at a current rent of £4,700 p.a.
- There would be a loss of dedicated parking if the new Hub was constructed on the existing Council car park.
- The Council may need to absorb the void costs or assist with the viability of a conversion scheme for the retained Town Hall.
- There may prove to be little market appetite for a purchase of the Town Hall or little demand from prospective tenants for office space. A full market testing and viability appraisal will be required.
- Securing Agreements for Lease with potential occupiers would be a pre-requisite for proceeding with this option.

The table below presents the ***net present values*** of the options - highest benefit last - allied to relevant payback periods. These relate solely to the preferred and 'As Is' options, as the other three have not been proposed for the reasons stated above.

Option	Details	NIA Building size m2	NIA Building size ft2	Total 35 Year NPV costs	(Income) / Cost per annum	RBC Cost / Benefit p.a.
As Is	No change - current running costs + maintenance backlog + future maintenance	7,250	78,040	£15,215	**£435**	**£0**
Option 1	New Town Hall only, current usage, Agile working	2,304	24,800	£11,834	**£338**	**£97**
Option 2	Option 1 + capital receipt for old property	2,304	24,800	£10,385	**£297**	**£138**
Option 3	Option 2 + Tenant space + profit rents	7,433	80,010	£6,833	**£195**	**£240**
Option 4	Option 3 + grant aid	7,433	80,010	£4,901	**£140**	**£295**

Table 3 Net Present Value benefits (lowest first)

7.2 The Preferred Option/Next Steps

The Working and Steering Groups comprising senior officers, and latterly the Leader of the Council and the relevant Portfolio Holder, have been clear that their preferred option is to construct a new Hub and retain the existing Town Hall for sale or to rent for a variety of uses, to be explored through market testing.

It is important to note that the Council is recommended to avoid constructing a single building as this would prove less flexible in the event that the Council wished to dispose of its interest and less desirable to third party investors.

Having identified the preferred option, the next stage in design would be to undertake some conceptual layouts in either Walter Stranz Square and/or in the area of the Council car park to explore how two office buildings, each of circa 46,000 sq.ft. (Gross External Area) could be positioned together. The rationale supporting two buildings is to enable the Council to retain flexibility for the disposal for one of both of the buildings at a future date. The opportunity for public realm improvements including the “breaking down” of the ring road collar, the forging of strong pedestrian linkages between the town centre, the Hub and the residential and commercial areas to the south and west of the town centre and the remodelling of the Council’s retained areas around the existing Town Hall needs to be optimised as part of the Hub project.

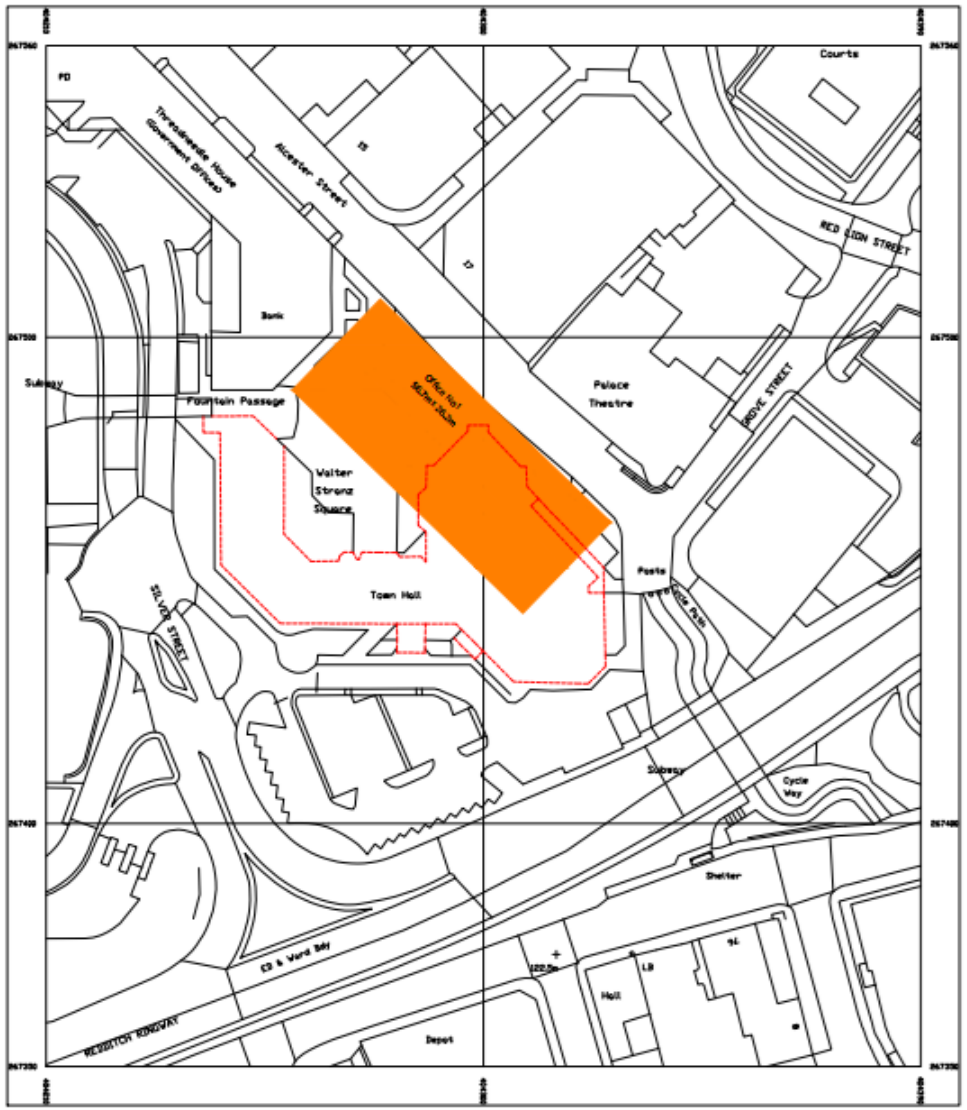
DragonGate can advise, on the basis of the professional opinion of our Chartered Surveyor and the information provided by the Council on the site, that a building or buildings as specified above, can be accommodated within the preferred site option. This would typically comprise five storeys (the same as the existing Town Hall) with floor plates, if two buildings are selected, of 46,000 sqft each GIA. The plans below are indicative exemplifications of that assurance, showing how a single building or two separate buildings (the recommended option) could ‘fit’ on the recommended site. However, detailed designs will be necessary to reflect the physical, legal, and planning limitations of the site.

In order to proceed with confidence and to reduce risk, the Council would need to have contractual commitments from third party occupiers by way of Agreements for Lease prior to either letting a construction contract or signing a long term lease for the new Hub. This work needs to be progressed in parallel to the design work, particularly as the potential occupiers will wish to see visualisations of the new Hub prior to committing to take space therein.

A period of 36 months should be assumed for delivery of a new 80,000 sq.ft. (GIA) Hub. This comprises 12 months for pre-planning work (surveys, legal due diligence, preparation of tender documents, preparation and submission of planning application etc.) and

24 months for the construction phase. The Council will need to shorten this delivery programme wherever possible in order to maximise the revenue savings identified in the Financial Case below.

Redditch Town Hall Development Option 1



All dimensions to be checked on site.
Do not scale from this drawing.
Subject to local authority approval.

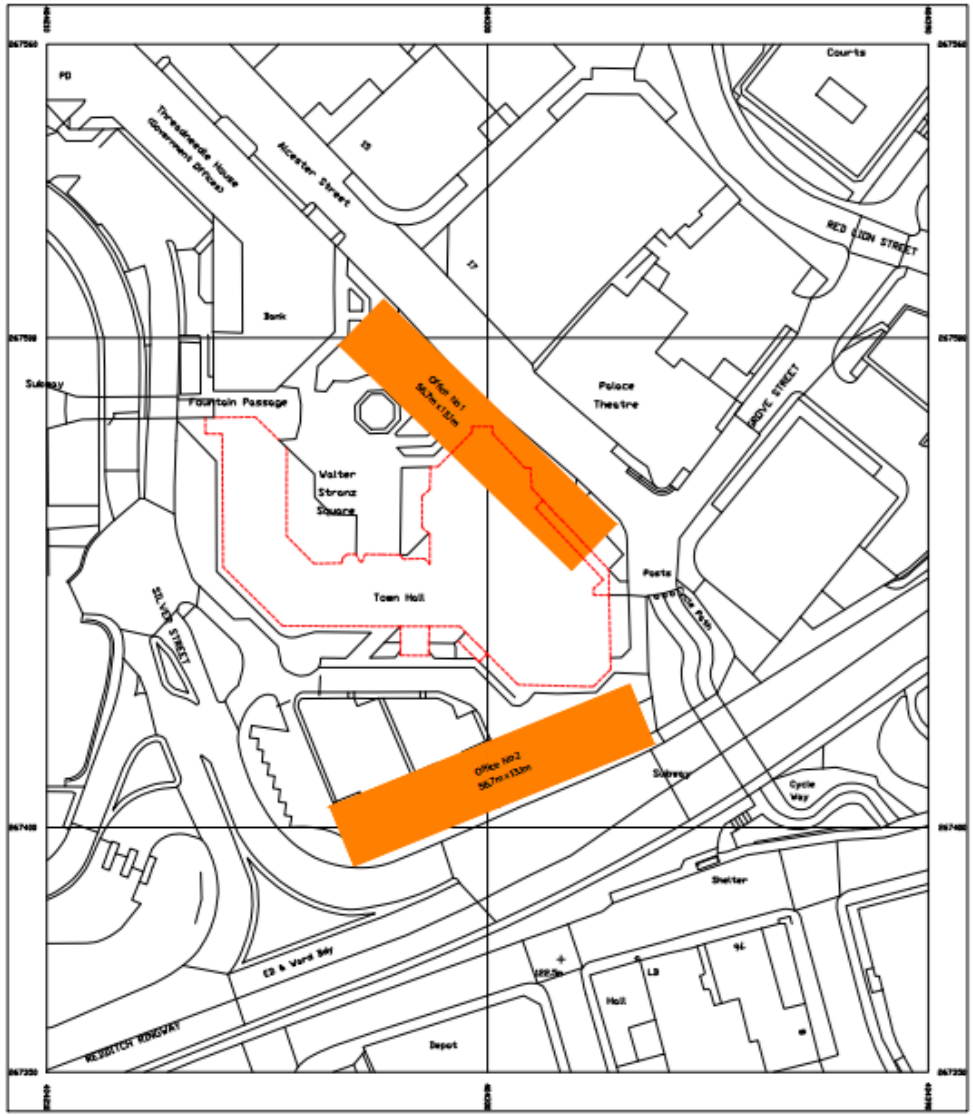
Drawing for visual purpose only.
For specification refer to scope of works.

Client:
Redditch Borough Council

Address:
Walter Stranz Square,
Redditch B98 8AH

DragonGate Market Intelligence
76 Vincent Square, Westminster,
London SW1P 2PD

Redditch Town Hall Development Option 2



NOTES:

All dimensions to be checked on site.
Do not scale from this drawing.
Subject to local authority approval.

Drawing for visual purpose only.
For specification refer to scope of works.

Proposal
A

Client:
Redditch Borough Council

Address:
Walter Stranz Square,
Redditch B98 8AH

DragonGate Market Intelligence
76 Vincent Square, Westminster,
London SW1P 2PD

7.3 Funding Options

There are three main funding options for the Council to enable delivery of a new Hub:- an occupational lease, say 15 years on institutional terms; an income strip lease, say minimum 30 years and direct delivery via a mix of PWLB borrowings and capital. There are various permutations of these; for example, the Council could build and then sell subject to a leaseback - either on a traditional occupational lease or an income strip lease.

The choice of funding option depends on the Council's attitude to capital and revenue exposure and appetite for risk, particularly in the construction phase. All three will require the Council to take responsibility for costs including business rates and service charges in respect of unoccupied areas. Rent will be payable also for void areas, if a leasehold funding route is taken.

Option 1 - Occupational lease

The Council would appoint a developer through open competition (probably OJEU). The developer would design the Hub to suit the occupational requirements of the various proposed occupiers and would procure the construction through an OJEU process and carry the development and construction risk.

In return, the Council would take a pre-let on institutionally acceptable lease terms for a minimum period of 15 years. The longer the lease term, the better the investment yield/higher value generated and the lower the rent the Council will pay.

The Council, as head leaseholder, would then sub-let various parts of the building to other public sector partners, offsetting its head lease rental payments and ideally creating a profit rent, although the ability to do so can be restricted by the terms of lease.

The Council would pay an annual rental related to the cost of construction plus a developer's return on cost. This rent would be reviewed every 5 years, probably indexed to the CPI and typically subject to a capped increase of 4% and a minimum increase of 1%.

DGMI initial appraisals indicate that external grant funding support would likely be required in order to make the project viable for a developer seeking a minimum return on cost of 15% based on an investment yield of 5.25%. This is with no rent-free period assumed.

The Council would be responsible for costs including rent, business rates and service charges in respect of all unoccupied areas of the Hub.

Option 2 - Income strip lease

The Council would appoint a developer and the design and specification would be progressed as under Option 1, with the developer taking the development and construction risk.

The main difference with this option is the duration and terms of the lease. Pension funds such as Aviva, Legal & General and Axa are attracted by contractual revenue streams from property or any other asset class which are underpinned by a local authority covenant. They will competitively bid against each other in order to secure that income stream to offset annuity payments to pension plan holders, thus driving up the price and compressing the yield.

The Council would be expected to take a minimum lease term of 30 years. The longer the term, the more attractive the yield and the greater value generated, being reflected in lower head lease rental levels.

The head lease is less flexible. For example, there would be no assignment permitted and it would be hugely expensive to exit the lease early. However, the Council has the opportunity to generate a significant profit rent, as the building is sub-let to other occupiers on the basis of pre-lets for a minimum floor area or to provide a minimum rental cover for the building. From an accounting perspective, this option may have balance sheet advantages as the Council will typically have an option to purchase the freehold of the building for £1 at the end of the lease. However, it is understood that HMRC is reviewing the local government accounting treatment of income strip leases. There is a view amongst procurement solicitors that the option to purchase the freehold for £1 may amount to a public works contract, as the local authority tenant is more inclined to become involved in the design and specification for the building.

On a 30-year lease, the Council would pay an annual rental for the building related to the construction cost including a developer's profit. This rent would be reviewed every 5 years, probably indexed to the CPI and typically subject to a capped increase of 4% and a minimum increase of 1%. It is likely there would be a rent-free period of three years. An investment yield of 3.5% would be achievable in this scenario, which would reflect the significant value generated by the local authority covenant strength.

If a 40-year lease is taken, an investment yield of 2.75% would be achievable, resulting in a lower rental payable under the head lease, thereby affording the Council an opportunity to generate a higher profit rent from third party sub-tenants.

The Council would be responsible for costs including rent, business rates and service charges in respect of all unoccupied areas of the Hub.

Option 3 - Direct delivery

The Council would appoint a development manager and a design team to prepare detailed Employers' Requirements and tender documentation. That design team would typically novate to a design & build contractor appointed via an OJEU process, either as part of a single or two-stage process. In the latter case, the Contractor's tender would include a fee and preliminaries, overheads and profit. The contractor would then work up detailed drawings and plans in consultation with the Council as Client and would prepare and submit a detailed planning application on the Client's behalf prior to constructing the Hub for an agreed price.

There would be no developer's profit to pay (typically 15% on cost) but there would be a development management fee to pay. An experienced development manager would aim to transfer the cost risk on to the contractor and away from the Council as client but it is likely the Council would still be exposed to some cost risk.

The Treasury rate for PWLB borrowings would be competitive against the finance rate secured by third party developers and the Council would retain the freehold ownership of the asset, being free to exit the investment at any time, subject to market demand. The revenue from tenant occupiers should outweigh the revenue required to service the loan, thus creating an attractive profit rent based on pre-lets.

Under this option, the Council would have to cash-flow the construction costs and would be responsible for business rates and service charges in respect of all unoccupied areas of the Hub.

FINANCIAL OPTIONS FOR REDDITCH COMMUNITY HUB

8 FINANCING THE PREFERRED OPTION

A) The Preferred Funding Model

The Working and Steering Groups have been clear that their preferred funding model is to deliver the new Hub directly using a loan from the PWLB. The Financial Case below includes financial modelling based on this approach and utilising stated assumptions, but the scheme will require detailed modelling using the Council's own assumptions in terms of cash flow, Net Present Values and income from tenants. The Heads of Terms for an Agreement to Lease with each tenant will need to specify the minimum amount of rental cover required from pre-lets to tenants before the Council will commit to letting the construction contract and the PWLB borrowing.

B) Approach

The Redditch Borough Council Community Hub business case is forecast over 35 years. This timescale is considered appropriate to a long-term property project that may be financed for a period of between 25 and 35 years.

C) Variables

The main fixed variable is provided by HM Treasury Green Book: the discount rate (the future cost of money) is set at 3.5% p.a. This has the effect of discounting future cash flows to a lower value than if they were made today. Therefore £1000 spent or received today is a higher value than if spent or received in ten years' time.

Variables specific to the Redditch Community Hub (RCH) financial business case include the following:

Variable	Value used	Notes
Plan and build time	3 years (2019 - 2021)	This has been estimated by DGMI as the time to bring the RCH to the point that occupancy can start.
Hub occupancy start	2022	The model presumes that Redditch Borough Council would occupy the Hub from the start of 2022

PWLB loan term	over 30 years at 2.59% p.a.	Varying terms are available from PWLB to finance the project. 25, 30 and 35 year periods have been considered. PWLB interest rates increase slightly for longer periods and change with markets. At this point interest rates vary from 2.41% p.a. to 2.68%. Equal half yearly repayments (mortgage style) are included in the forecast based on PWLB information.
Town Hall sale proceeds (option 2+)	£1.5M	DGMI has estimated that proceeds from the sale of the Town Hall could raise £1.5M.
Grant income (option 4)	£2.0M	DGMI has estimated that they may be potential grant aid for the RCH project (or spin offs) available to a total of £2.0M.
Tenant rent charge £/sq.ft.	£21.43	Tenant rents are derived from the cost of PWLB repayments divided by the area to be rented, with an additional mark up. Tenant rents must be commercially acceptable in the marketplace. The levers for adjusting the level of rents are: 1. Size of PWLB loan (total build cost less any receipts) 2. Length of PWLB loan term 3. Profit rent mark up (in this model 20% on costs) 4. Longer term tenancies reduce potential voids *NB: If the loan period is longer, projected rents would be lower.*
Rent profit mark up	20%	A mark up of 20% on the basic repayment rent has been applied.
Tenant rentals voids	10% throughout	Voids for 10% of available tenants space is assumed throughout the model.
FM (service) charge to tenants £/sq.ft.	£5.55	A service charge to cover running costs of the Hub is envisaged, payable by tenants. This is based at the same rate as existing Town Hall running costs, adjusted to account for the space occupied, BREEAM savings, and a mark-up.
FM (service) charge mark up	20%	A mark up of 20% on the basic running costs has been applied.
BREEAM excellence	£1.62	DGMI estimated running cost savings in a BREEAM excellent building versus a conventional building, per annum.

savings £pa/sq.ft.		
Town Hall maintenance backlog	£1,034,250	RBC provided an 2017 analysis of maintenance backlog for the town hall. A five year programme has been as part of the As Is costs.
Town Hall est future maintenance p.a.	£100,000	Similarly, a continuing town hall programme of running maintenance of £100K p.a. has been assumed for the remainder of the review period.

The following tables summarise the data used in the formulation of the above financial assessment. They set out respectively: the building and fit out costs, showing the split between building a new Town Hall only and the additional build necessary to accommodate interested third parties; and the NPV costs of the different options considered by the working group.

From Table 5 it is clear that all the alternative options considered would improve on the 'As Is' position.

Building and fit out costs - RBC Community Hub

	£000s	Building and fit out costs					PWLB costs	
	Details	NIA Building size m2	GEA Building size ft2	Build cost	Fit out	Total	Loan	Repayts p.a. (30 year loan)
	New Town Hall only	2,304	28,520	£6,674	£1,711	**£8,385**	£9,000	**£140**
	Tenant space additional build	5,129	63,490	£14,854	£4,073	**£18,927**	£19,000	**£295**
	Total build	**7,433**	**92,010**	**£21,528**	**£5,784**	**£27,312**	**£28,000**	**£435**
Unit costs	**Cost per sq foot (average / GEA)**			**£234**	**£63**	**£297**		

Table 4: Building and fit out costs – Redditch Community Hub

PWLB and effect on rents - RBC Community Hub

PWLB Loan term options	25 years	30 years	35 years
PWLB interest rate	2.45%	**2.59%**	2.68%
PWLB annual repayments	£ 1,589	**£ 1,429**	£ 1,315
Implied base rent psf (RBC)	£ 19.86	**£ 17.86**	£ 16.44
Tenant profit rent (base + 20%)	£ 23.83	**£ 21.43**	£ 19.73

Table 5:PWLB borrowing and effect on rents - Redditch Community Hub

Table 6: Business Case options analysis

	35 Year NPV costs of options - RBC Community Hub					
				£000s		
Option	**Details**	**NIA Building size m2**	**NIA Building size ft2**	**Total 35 Year NPV costs**	**(Income) / Cost per annum**	**RBC Cost / Benefit p.a.**
As Is	No change - current running costs + maintenance backlog + future maintenance	7,250	78,040	£15,215	**£435**	**£0**
Option 3a	Capital receipt at 50% value - 100% projected third party space, no grant	7,433	80,010	£7,558	**£216**	**£219**
Option 3b	Capital receipt & 100% of third party space - profit rent at 60% of nominal value, no grant	7,433	80,010	£20,132	**£575**	**(£140)**
Option 3c	Capital receipt at full value + 50% of projected third party space, no grant	4,868	52,400	£8,552	**£244**	**£191**
Option 3d	Capital receipt at 50% and 50% of third party space, no grant	4,868	52,400	£9,276	**£265**	**£170**
Option 3e	Option 3 with no capital receipt	7,433	80,010	£8,283	**£237**	**£198**

CONCLUSIONS AND NEXT STEPS

9 CONCLUSIONS

8.1. Having considered the information and analyses above against the stated objectives of the Council – town centre regeneration and transformation of local public services, including those of the Council – and the five components of the Treasury Green Book Business Case - there is a compelling case both for a Community Hub and for its location on the preferred site employing a direct delivery model.

8.2. It is DragonGate's considered and independent conclusion that the preferred option is the most appropriate, given the Council's constraints on time and budget, having regard to the risks associated with the various options, as outlined in the report, and within the parameters agreed with the Council at the inception meeting.

8.3. Strategically, the Hub initiative will unlock significant town centre regeneration at three levels: increasing footfall arising from the co-location of a large number of public services in one space - public services which are in broad and increasing demand and which are generally complementary (e.g. Benefits, DWP (Jobcentre Plus), Citizens Advice, GPs in the longer term); the catalyst for more attractive rent levels arising from those contingent upon a new BREEAM Excellent building; and freeing up space for other development in the centre – housing and/or budget hotel.

8.4. It will also provide a modern Community Hub to encourage and support more effective collaboration and appropriate integration of those public services, including the third sector, which serve residents and businesses in Redditch. This benefits customers in two ways: they have to relate to one site only, physically and remotely, reducing the confusion about where and whom to contact; and, when they make contact, the responses to potentially multiple requirements will be coordinated more effectively. Indeed, a further benefit will be that, because of that more collaborative approach to delivery of services, issues can be addressed more swiftly and underlying, but not immediately apparent issues, can be identified and addressed before they become more difficult – a form of informal triage.

8.5. In terms of the economic case, the provision of a Hub, developed in consultation with and the full engagement and commitment of relevant and willing third parties, will promote and enhance integration and improved service collaboration. This has been the impact where such initiatives have been implemented elsewhere in the country. As above, this benefits customers in terms of quality of service and service providers in terms of cost and efficiency.

8.6. The commercial case is clear and strong. There are a number of options, all of which will generate different levels of benefit and risk and which can be delivered in their different ways. However, there is one stand-out option, using Council-owned land and borrowing from the Public Works Loans Board (PWLB), which is recommended to the Council.

8.7. The preferred and proposed solution is one which is affordable financially and which improves on the 'As Is' position. It is for the Council to decide on the balance of benefit (service and financial) it wishes to adopt against the level of risk. These latter are set out below, highest risk first.

- Securing commitment from a critical mass of appropriate and collaborative partners – the income and profit from third party tenants is critical to the long-term finances of the project. A shortfall of tenants occupying space for the long term will mean that RBC would be making PWLB loan repayments without the income to cover those payments. Because of the current level of indicative interest, the Council has a significant opportunity to determine which agencies will be the most relevant and appropriate with which to co-locate.

- Securing pre-lets for an acceptable take up which meets voids assumptions – there is an acknowledged risk that current verbal interests may not translate into firm commitments and that this will result in voids, the cost of which will have to be met by the Council and which are likely to have a negative impact on future occupier interest. This should be addressed as a priority before the final size and design of the building is completed and physical work commences. It is equally unrealistic, though, to assume that there will be an available scenario where no risk from additional space and tenancies is engendered.

- Availability of funding – the PWLB is a long-standing source of project finance with fixed term interest rates. If central government were to reduce the availability of funds in the near future, the Council would be forced to consider more expensive means of financing the project

- Availability of internal (Council) project capacity – the Council needs to determine what dedicated capacity it can allocate to the project; this will be necessary to ensure effective completion and within required timescales. Failure to plan and manage the project effectively could lead to delayed timetables, late tenant occupancies and cost overruns. Any and all of these would contribute to reduced profits from the project.

- Adequate capital receipts from the sale of the Town Hall – the Council should test the market and determine the balance of advantage between capital receipt and renting out space in the Town Hall for ongoing revenue.

From the financial and commercial appraisal, it is clear that the project remains viable, even without a capital receipt.

- Ability of Council to maintain BREEAM Excellent building – a new build should be more capable of maintenance, thus avoiding the maintenance backlog built up on the current Town Hall.

- Location of Social Care staff – again a decision for the Council, taking into account the impact on the Bromsgrove office of relocating Social Care staff currently located there.

- Further space/service sharing between partners – If similar quality office space is developed in the region, tenants may be persuaded to relocate from the Hub or potential rents could be suppressed due to competition.

8.8. The proposed preferred option will fulfil the major requirements (set out in 1.6) for the Council, its partners and the people of Redditch:

- **Built around customers and residents**
  - Creating new facilities aligned with modern service needs
  - Bringing together services to one location easily accessed
  - Strengthening links with partners through physical co-location
  - Opportunities to rethink delivery

- **Innovate to ensure best use of resources, efficient and effective service delivery**
  - Reducing space requirements for the council and partners
  - Sharing facilities and improving joint working – significantly improving customer access to single points of contact.
  - Stimulating change and creating flexibility for the future due to the open and highly configurable space provided in a modern activity-based working environment

- **Promote Regeneration**

  - A new Hub in the area of Walter Stranz Square and/or on the Council car park area – the 'right' part of the town

- **Push departmental and organisational boundaries**
  - Removing physical barriers between teams
  - Improving communication

- **Help people help themselves**
  - Easier collaboration and case information-sharing between teams
  - More accessible and inviting service environment

- **Work with partners (private, public and voluntary) to serve residents' needs**
  - Removing physical barriers between organisations
  - Facilitating joint working

8.9. In strict Business Case terms, the proposed preferred option:

- Strategically – unlocks a significant area for Town Centre Regeneration, whilst providing a modern Hub for integrated services
- Economically – enables and promotes that integration, with strong 'in principle' support from many public sector partners
- Commercially – benefits from straightforward delivery, using Council land and the PWLB
- Financially – is affordable and improves the 'As Is' position, the degree depending on the mix selected
- Managerially – the biggest risk but can be controlled by ensuring that third party commitments are contractually secured (see next steps below).

10 NEXT STEPS

10.1 This Business Case has identified significant benefits both for the Council and for its partners, but also for people who live and work in the Borough:

- Regeneration of the town centre
- Transformation of local public services into a far more collaborative approach to customer responses
- Deliverable by a straightforward process, within the Council's control
- Providing a much-improved position from the status quo.

10.2 Based upon similar local authority anchored Hubs, the business case assumes to fulfil delivery and physical occupation of the Community Hub as a three year programme, with a first 12 months pre-development phase to secure the financial business case.

10.3 The main risks and their mitigations are:

- Securing formal contractual commitment from a critical mass of appropriate and committed partner occupiers, to avoid an unsustainable building size and voids – to be achieved by continuing and focused work with potential partners. This is the main risk and the only scenario modelled where the Council loses money against the 'As Is' baseline.
- Loss of momentum, resulting in project drift and partners making alternative arrangements – to be addressed by the Council making an early decision, whilst maintaining the engagement with and between the third party interests.
- Availability of funding – the Council to make early approaches to the PWLB to ascertain rates and payback

- Availability of internal Council capacity to maintain and complete the project on time, to ensure the minimum cost and maximum benefits – the Council to identify the necessary and appropriate resource to fulfil the project effectively and on time

10.4 In order for the Council to be able to move successfully into a twelve month pre-development phase, leading to the effective delivery of the Hub project within the necessary timescale, a small number of effectively managed workstreams will be required. The council may want to explore seed funding options via One Public Estate for this process or may ask, as part of the process, for financial commitment for the workstreams from the other participants;

Workstream 1 Securing Third Party Lock Out: the critical factor of timing of decisions across a number of very diverse bodies, including potentially competing proposals and timescales.

Action: engage at Chief Executive and SMT level in all identified third parties to ascertain; governance routemap, timescales and non-binding commitment to exclude alternative property options during the timescale of the pre-development programme in lieu of the Council covering the early costs. Ensure all key decision making and makers are mapped and have early sight of the intentions, including Office of Government Property. Identify any capital investment opportunities from Government,

Workstream 2 Formal Identification of Space Requirements and Related Matters (FM, digital);

Action: information exchange of 'as is' property costs, staff and locations for third parties. The model must demonstrate savings and early paybacks for third party end users by using agile working savings, reduced backlog maintenance and shared space/ facilities management. Costs to be provided on an FTE saving basis (i.e.: the cost of space per FTE will be low although the costs per sq.ft. may be higher than the 'as is'). Develop attractive CGIs of the Community Hub from the workstream to enable a wide audience to visualise the improved workplace benefits.

Workstream 3 Capital Receipts: a decision on the funding and cost model most appropriate for the Council

Action: market test the appetite, usages, likelihood and value range for the old Town Hall capital receipt. Also identify opportunities with central Government (DBEIS, MHCLG, Cabinet Office and DHSC) for grant in aid investment from existing transformation programmes.

Workstream 4 Collaborative Services: build the third-party business case around the resident and secure buy in from service directors and teams. Identify non-property savings through greater efficiency of early interventions

Action: Identify user journeys that are most inefficiently delivered across multiple services (focus on those requiring services from third parties already engaged upon the Hub). User journey mapping using a number of complex case scenarios to define where services would be optimally placed within the Hub.

10.5 It is strongly recommended that these steps begin immediately, targeting completion no later than June 2019 – the likely date of any formal decision by the Council. Continuing the engagement with potential occupiers, at a formal and informal level, will be a key element in maintaining momentum and building the commitments necessary to enable the Council to make decisions on the size, occupancy and financial base for the Community Hub to be made with confidence.

11 APPENDICES

11.1.1 Appendix A: Redditch Community Hub Financial Options Appraisal

Appendix A - Redditch Community I

11.2 Appendix B: Redditch and Bromsgrove Council PeopleLOOK Survey Results

Appendix B - Redditch and Bromsg

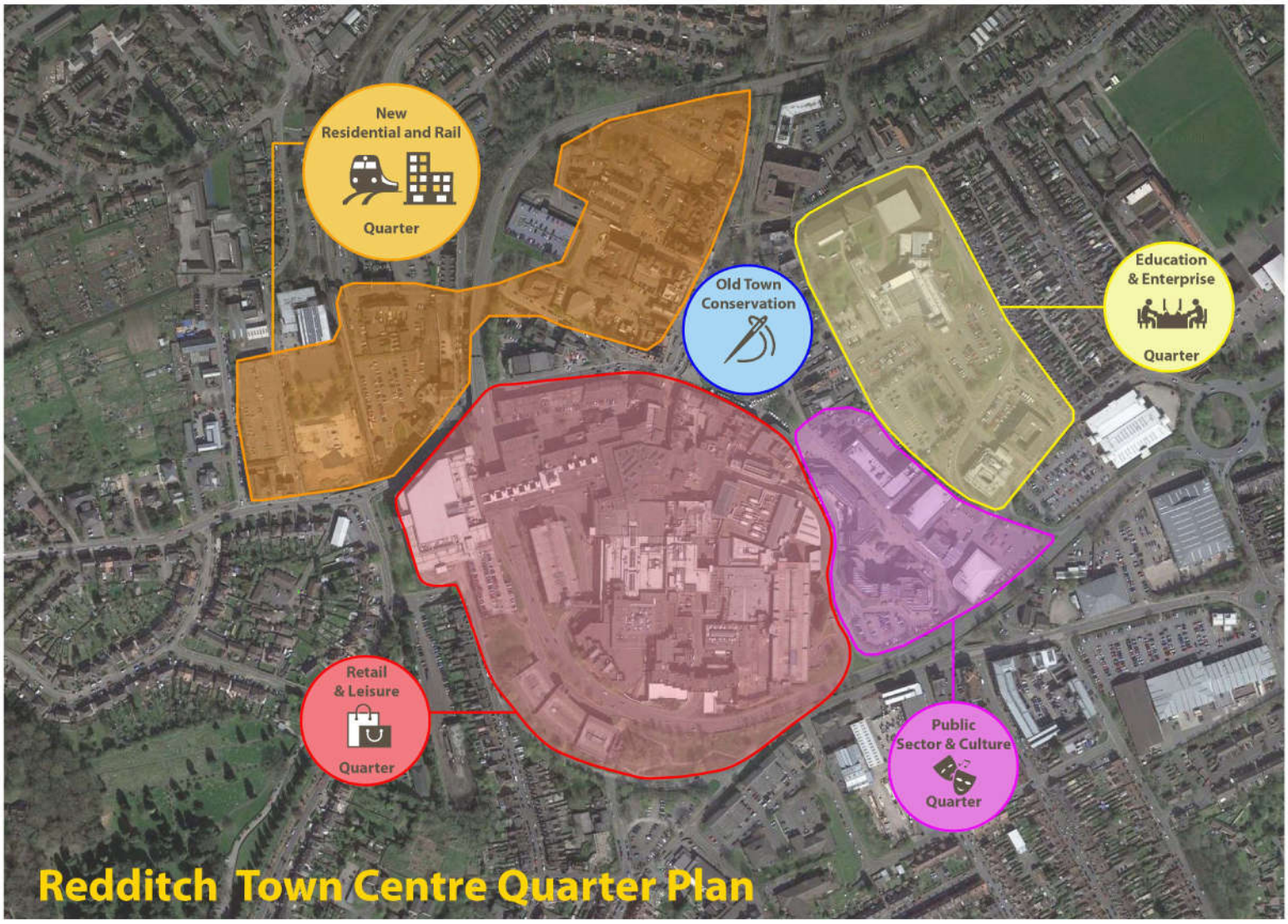
11.3 Appendix C: Business Case Presentation

Appendix C - Business Case Present

11.4 Appendix D: Indicative Mapping of Site Options

Redditch- Site Option 1.pdf

Redditch-Site Option 2.pdf


New
Residential and Rail
Quarter
Old Town
Conservation
Education
& Enterprise
Quarter
Retail
& Leisure
Quarter
Public
Sector & Culture
Quarter
Redditch Town Centre Quarter Plan

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September 2019

Redditch Town Centre Development Sites Final Report

BDP.

Redditch town centre circa. 1880

Contents

1. Introduction

1 Introduction

1.1 The Redditch Town Centre Development Sites Study

The Redditch Town Centre Development Sites Study has been prepared for Redditch Borough Council (RBC) by a team led by BDP, assisted by Highgate Land and Development and BE Group. The purpose of the study is to develop masterplan and implementation proposals for four key development sites within the town centre; the Railway Quarter, the Church Road sites, the Library site and the Outdoor Market site (see Fig. 1.1). The objective behind the development of the sites is to promote the regeneration and growth of Redditch town centre, in support of the wider economic and development strategies of RBC and the North Worcestershire and Greater Birmingham and Solihull Local Economic Partnerships (LEPs).

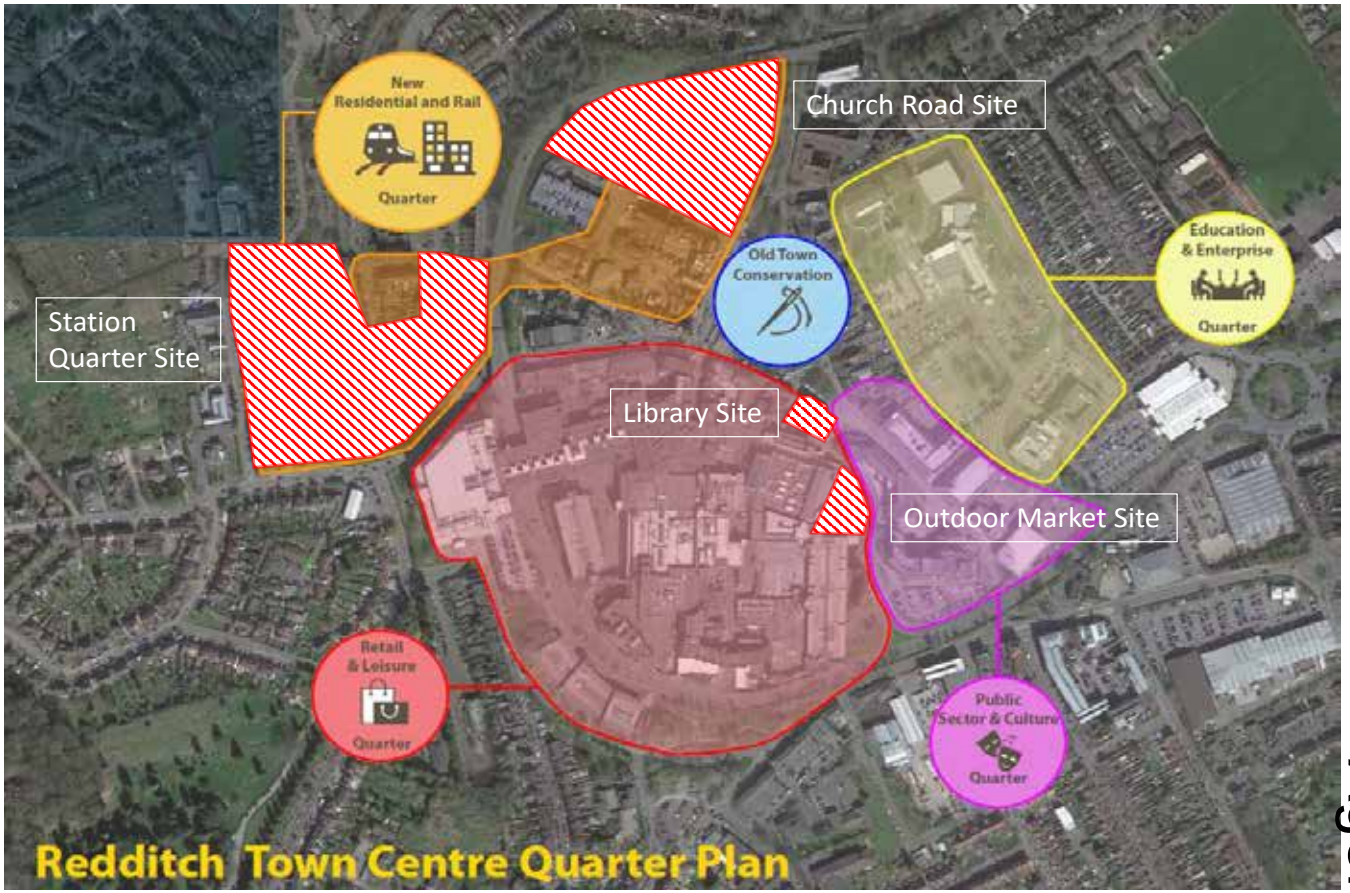

Figure 1.1: Town Centre Quarters plan showing the 4 strategic sites considered in this report.

1.2 The Final Report

The purpose of the Final Report is to set out the Preferred Option for each of the four development sites referred to at 1.1 above.

The masterplan options have been informed by the understanding of town centre development objectives, planning policies, the issues and opportunities presented by each site and the underlying property and market conditions, as summarised in the Stage 1 Baseline Report.

The Preferred masterplan options presented in this Final Report have evolved from a wider range of options presented and evaluated in the Stage 2 Options Report. These Options were selected to test the impact of key variables, such as the density of development, mix of uses and building typologies, and potential for phased implementation. Each option was subject to client review, viability testing and consideration of deliverability and fit with policy and wider town centre regeneration and growth objectives. As a result of this Preferred Masterplan Options were identified for each of the 4 strategic sites considered by this study.

The Preferred Masterplan Options have been refined by the study team and reviewed by the RBC Senior Management Team (7 May 2019) and the Redditch Regeneration Board (13 May 2019) and this report reflects feedback from those key stakeholder groups.

The Final Report is therefore structured as follows:

Section 2: Station Quarter

- Objectives
- Masterplan
- Economic Benefit

Section 3: Church Road Sites

- Objectives
- Masterplan
- Economic Benefit

Section 4: Library Site

- Objectives
- Masterplan
- Economic Benefit

Section 5: Outdoor Market Site

- Objectives
- Masterplan Options

Section 6: Delivery Strategy

- Land Assembly
- Station Gateway Site
- Church Road Site
- The Library Site
- Outdoor Market Site
- Delivery and Funding
- Summary and Next Steps

2. The Station Quarter

2 The Station Quarter

2.1 Introduction

The Options Report set out 3 alternative Masterplan Options (1,2,3) ranging from a base option that works largely within existing ownership boundaries and so can be implemented without the need for site assembly or coordination of infrastructure, to more comprehensive options, involving the relocation of station car parking to sites west of the platforms. These options were reviewed with the client team (12 March 2019) and in discussion with the Redditch Regeneration Board (18 March 2019). The review included an initial assessment of development viability and a discussion of deliverability including market context and procurement routes. As a result of these discussions, further masterplan testing was undertaken and a Preferred Option was developed, presented below.

2.2 Masterplan Objectives

All masterplan options for the Station Quarter, including the Preferred Masterplan, aim to meet the following objectives:

- An improved gateway to the town centre;
- Enhanced station facilities;
- Allowance for the provision of a second platform if required in the future;
- Stronger linkages to the town centre, particularly for pedestrians, via Unicorn Hill and via the Kingfisher Centre;
- Housing development to take advantage of the excellent rail connections to Birmingham city centre and to other key rail served economic and employment hubs such as the University of Birmingham and the Queen Elizabeth hospital complex;
- Provision of housing that by virtue of typology, design and tenure meets housing growth requirements and complements the existing housing stock;
- Capable of delivery, with Council assistance and through collaboration with other public sector stakeholders and third parties if necessary.

2 The Station Quarter

2.3 Preferred Masterplan: Option 3A

The Preferred Station Quarter masterplan is illustrated opposite (Figure 2.1) and on the following pages (see Figures 2.2 and supporting sketches and exemplars). The preferred masterplan is accompanied by a development schedule (Table 2.1) and a demolition plan (Figure 2.3).

An Enhanced Station Gateway

At the heart of the masterplan is a transformed station gateway, which will radically improve the experience of arriving in Redditch by train and that of residents using the train to access employment and leisure opportunities in the wider Birmingham conurbation. An enlarged station building, operating over two levels offers level access to Bromsgrove Road as well as platform level facilities. A new 70-bed hotel will occupy 4 floors above the station and the combined hotel and station building, at 6 storeys, will provide a much more visible marker for those coming to the station.

The new station building will sit within a remodelled concourse, with new convenience retail and café/bar units occupying the ground floor of mixed-use blocks (Blocks E and F) with apartments above and, to the rear of Block E, a 3 level station car park accessed from Hewell Road. The form of these blocks and the location of the main station entrance will frame a direct view up Unicorn Hill to the town centre and enhanced pedestrian crossing facilities ensure a pleasant route into town. The arrangement of the station building and mixed-use blocks will also serve to frame and enclose the public realm at this key arrival point to Redditch. This space will be further improved through the demolition of the existing low quality buildings (currently takeaway and restaurant uses) and their replacement with a contemporary café pavilion that faces towards the station as well as Bromsgrove Road. Taxi access and 'kiss & ride' drop-off to the front of the station will be retained.

The improved station concourse with internal escalator/ stair up to Bromsgrove Road level, will greatly improve the link form the station to the town centre via the Kingfisher Centre. The option of a high level bridge link across Bromsgrove Road has been dismissed as too expensive, but by bringing pedestrians up to the level of Bromsgrove Road, within the station building or via the improved public realm, and then creating a new 'super-crossing' to a refurbished bus station, the route into the town centre via the Kingfisher centre will be greatly improved. The suggested improvements to the bus station include extending the enclosed bus passenger waiting area to back of kerb, with glass doors opening to allow passengers on and off buses, and improved access to the Kingfisher Leisure Hub and shopping centre above, taking out the current steep stairs that pedestrians have to ascend before reaching escalator links up.

A New Urban Neighbourhood

To the west of the new station, and with land protected for a second platform if required in the future, the Preferred Masterplan sets out a new urban neighbourhood, comprising 379 new homes. The majority of the new homes will be new build apartments in 4-5 storey blocks with undercroft car parking, but also including 40 three-storey town houses on the site of Victoria Works and 8 apartments created through the conversion of the Ashleigh Works buildings on the corner of Bromsgrove Road and Britten Street. The masterplan also includes the option of some commercial space (local retail or employment) on the corner of Bromsgrove Road and Edward Street.

These new homes will appeal to new and existing residents looking for well-designed, contemporary living with town centre amenities on the doorstep and excellent rail connectivity into Birmingham. Such a development will fit well with the West Midlands Combined Authority (WMCA) strategy of encouraging high quality housing growth in well-connected locations with a good existing social and community infrastructure.

In summary:

- Extended station building
- Protected zone for second line / platform
- 379 residential units 40 town houses / 359 apartments
- Commercial unit onto Bromsgrove Road c. 7,000 sqft
- Commercial units in station forecourt including cafe pavillion c. 13,000 sqft
- Commercial space in station building c. 8,500 sqft
- Decked (2.5 level) station car park on existing site, providing 170 - 230 car parking spaces

Selected Option

Railway Quarter – Option 3A

Expansion of the rail station forming an elevated 'concourse' to provide pedestrian accessibility to Bromsgrove Road level, with hotel above.

Improved crossing point between station and bus-station on Bromsgrove Rd, enhanced public realm and pedestrian crossing to reinforce connectivity

New MSCP parking facility with increased capacity for station and access from Hewell Road.

Creation of high-quality public realm fronting the station reinforced by retail offers leading from Unicorn Hill to the station

Creation of the 'Front Door' gateway into the Kingfisher Centre through the introduction of an enclosed glazed entrance hall, replacing the existing stairs with escalators.

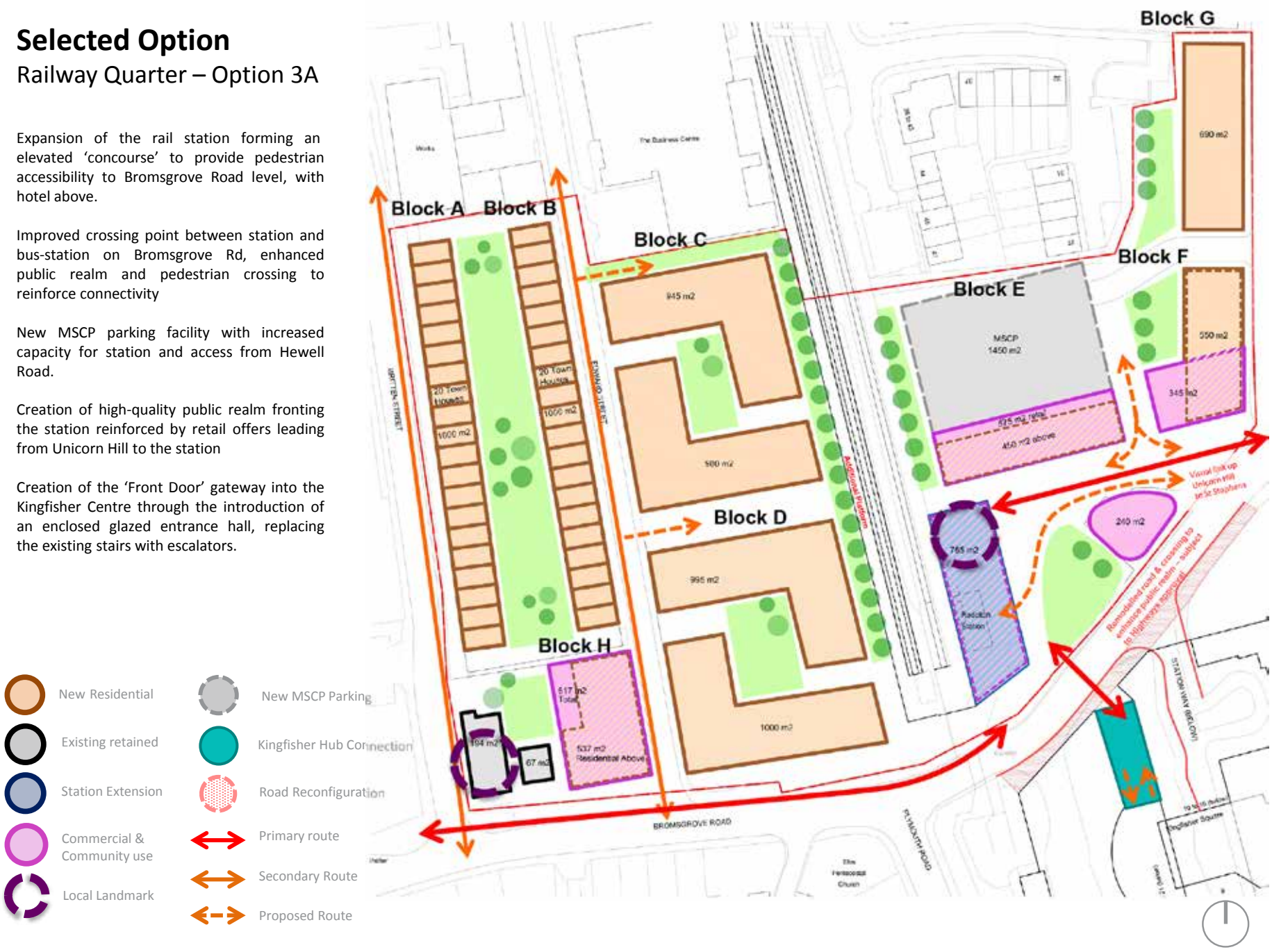

Figure 2.1 - Preferred Option Masterplan

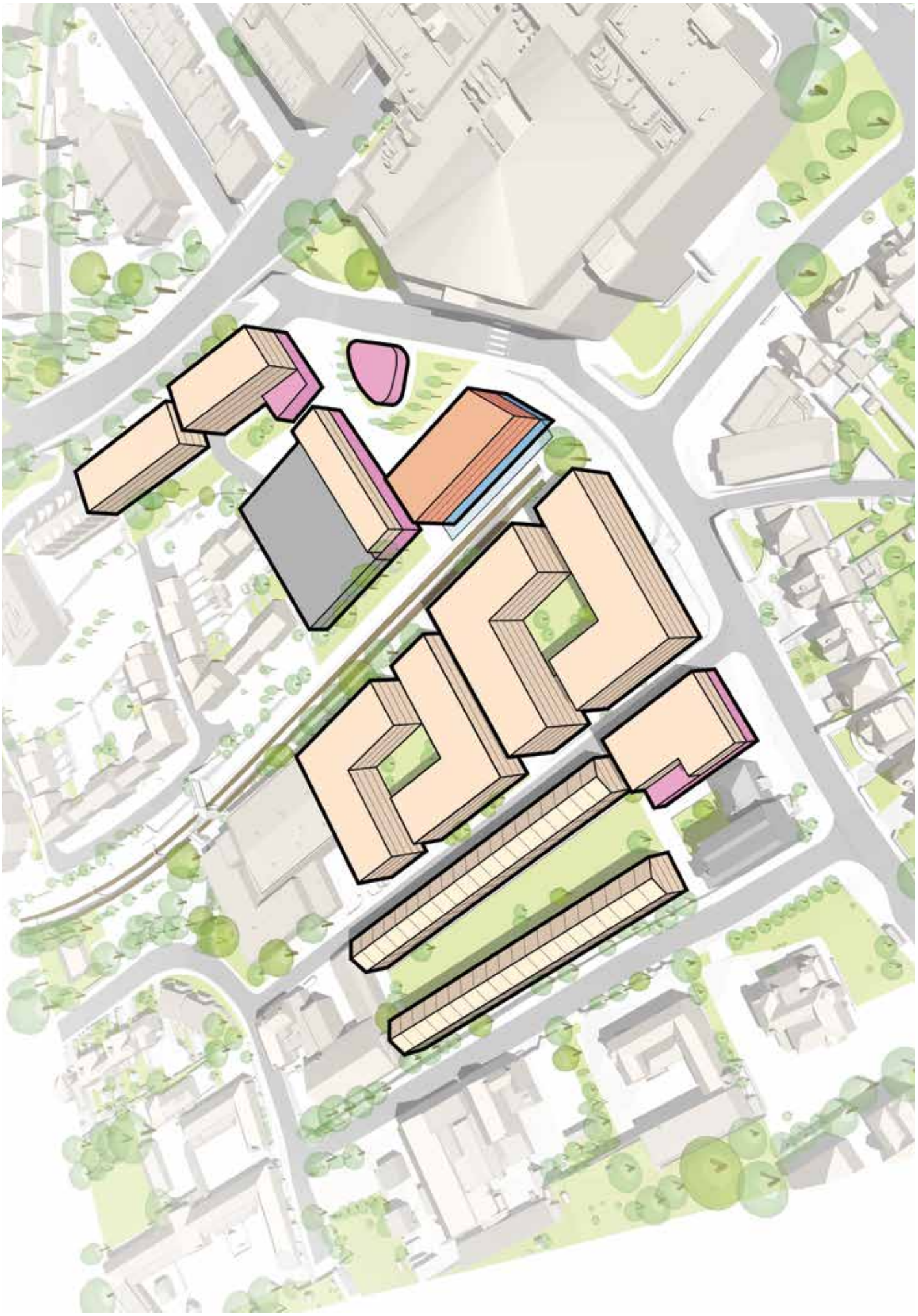

Figure 2.2 - Preferred Option Indicative Massing

View from Unicorn Hill looking towards the new station

View from Plymouth Road towards the new station

Exemplar Images

Middlesbrough - New platform & expanded amenities including retail and cafe's

Town Houses, Newbury

Northampton Station

Rock Bury - Apartments over commercial space

Redditch Masterplan - Indicative area schedule
Railway Quarter Site - Option 3A

Date 24.05.2019 Rev B

Block ref	Storeys	Residential Units		GEA sqm	GEA sft
A	3	20	(Houses)	3,000	32,292
per level				1,000	
B	3	20		3,000	32,292
per level				1,000	
C	4.5	98		8,663	93,243
per level				1,925	
D	5.5	130		10,973	118,108
per level				1,995	
E	2	18		900	9,688
per level				450	
F	5	35		2,750	29,601
per level				550	
G	4	36		2,760	29,709
per level				690	
H	2	14		1,074	11,561
per level				537	
Total units		**371**		**33,119**	**356,493**
Other uses			sqm	sqm	sqm
Demolition			7,070		
Conversion	2.5			653	
		8		261	
Commercial	1			2,442	26,286
70 bed hotel	4			2,660	28,632
Rail Station	1			665	7,158
Parking		170			
Total Residential		**379**			
Total Other				**5,767**	**62,076**

Table 2.1 - Railway Quarter Site Development Schedule

Block C
945
980

Block D
995
1000

Parking		
MSCP	**Undercroft**	**Surface**
170*	86	40

(Railstation)
*potentially 230 over 4 floors

Conversion Total
194
67
Commercial Total
617
665
575
345
240

Estimated Demolition

Railway Quarter – Option 3A

Railway Quarter - Option 3	
GEA sqm	
386	
138	
2336	
3338	
232	
310	
330	
261	
Total:	7331

Extent of demolition is estimated and subject to site survey

Figure 2.3 - Preferred Option demolition plan

2 The Station Quarter

2.4 Economic Benefit

- 371 residential units would result in an on-site residential population of about 600-650 persons.
- The commercial (office, retail, dining, hotel) uses would provide about 100-130 jobs (full-time equivalent), depending on the types of businesses occupying the units. This would include low to mid-skill jobs that would be appropriate for workers trying to enter the jobs market (i.e. school leavers).
- Construction costs for the project will be approximately £60 million, which would provide significant construction sector job opportunities during the development phase, anticipated to be over about eight years.
- At average turnover per worker levels, it is estimated that the project would provide employment equivalent to about 380-400 person years. There are likely to be peaks and troughs in this employment over the lifetime of the construction period, though if constant over an eight year period, this would be equivalent to about 50 jobs each year.
- The additional population would spend money on goods and services, including in the Redditch town centre. Based on ONS data for average per person expenditure, this could be equivalent to about £7.5-8.0 million per annum from the full resident population of the site. This includes all expenditure of households, (retail, transport, health, housing, education, etc.). Retail expenditure, of which the town centre would take a share, would be about £2.2-2.6 million per annum.

3. The Church Road Sites

3 The Church Road Sites

3.1 Introduction

The Options Report set out 4 alternative Masterplan Options (1, 2, 2b,3), testing different balances of commercial and residential accommodation, including the impact of including food retail, and also illustrating a phased approach, with some options looking at more extensive proposals including multiple land ownerships. These options were reviewed with the client team (12 March 2019) and in discussion with the Redditch Regeneration Board (18 March 2019). The review included an initial assessment of development viability and a discussion of deliverability including market context and procurement routes. As a result of these discussions Option 2B was selected as the Preferred Option and this is presented below.

3.2 Masterplan Objectives

All masterplan options for the Church Road sites, including the Preferred Masterplan, aim to meet the following objectives:

- Developing a town centre housing offer that attracts more people to live in the town and support town centre services and amenities;
- To bring vacant sites back into productive use and to eliminate the blight effect of such sites;
- To benefit from and make beneficial use of the built heritage of the area, including listed buildings and other buildings of character;
- Provision of housing that by virtue of typology, design and tenure meets housing growth requirements and complements the existing housing stock;
- Capable of delivery, with Council assistance and through collaboration with other public sector stakeholders and third parties if necessary.

3 The Church Road Sites

3.3 The Preferred Masterplan

The Church Road Preferred Masterplan is illustrated opposite and on the following pages (see Figures 3.1 to 3.6), accompanied by a development schedule (Table 3.1& 3.2) and demolition plan (Figure 3.3 & 3.6).

A new town centre neighbourhood for Redditch

The masterplan creates a new town centre neighbourhood that will have a distinct character in Redditch. The scale and massing of the blocks respects the character of the listed buildings and the conservation area to the east, and the urban design creates an intimate, fine-grained character that will help create a sense of community whilst remaining open and permeable for all town centre users. A total of 210 new homes would be created, the majority of them new build, with some highly characterful apartments created through the conversion of Smallwood Hospital, a listed building facing onto Church Green. A café pavilion at the heart of the new neighbourhood, set in a central public realm, would provide a focal point for the community.

Increasing footfall along Church Road

The masterplan includes a number of commercial development opportunities, including the reuse of the former Institute / Library, for office based uses or retail leisure uses, such as restaurant / bar. Situated at the corner of Church Road and Church Green West, the converted Institute / Library building leads the pedestrian down Church Road where a number of character buildings including the former County Court give character to the area. The new neighbourhood extends along the north side of Church Road and a new food retail store would be sited here to bring much needed food retail floorspace to the town centre as well as servicing the local neighbourhood. Other masterplan options (see the Masterplan Options Report) illustrate alternative ways of developing this part of the site, including managed workspace proposals and a smaller foodstore incorporated into a mixed use residential block. However the preferred masterplan illustrated in this report is the most financially viable of the options.

Housing led development that can be delivered in phases

The Preferred Masterplan lends itself to a phased approach, as this report illustrates, setting out Phase 1 and Phase 2 developments. In the future the town centre road infrastructure may be reviewed and this may result in the breaking down of elements of the road collar that bounds the site to the northwest. This may create future possibilities to extend the new town centre neighbourhood westwards, to link with the existing residential areas beyond.

In summary:

- 192 new build residential units
- 18 apartments from conversion of Smallwood Hospital
- Foodstore of c. 17,500 sqft on bus garage site
- Literary Inst. / Former Library provides 2/3 floors commercial space at c. 4,000 sqft/ floor
- Café pavilion c. 1.200 sqft.

Selected Option

Church Road – Phase 1

Preserve and enhance setting of listed buildings by creating high quality garden and public squares

Work with the established plateaux of the site to define development plots incorporating HE land ownership

Create new green streets and spaces as a natural extension of the neighbourhood context.

Mix of residential typologies including town houses and apartments to serve the local community and meet the wider demand.

Commercial uses proposed fronting the Church Green West and Church Road.

A large food store offer with associated parking to serve the local residents as well as a wider area.

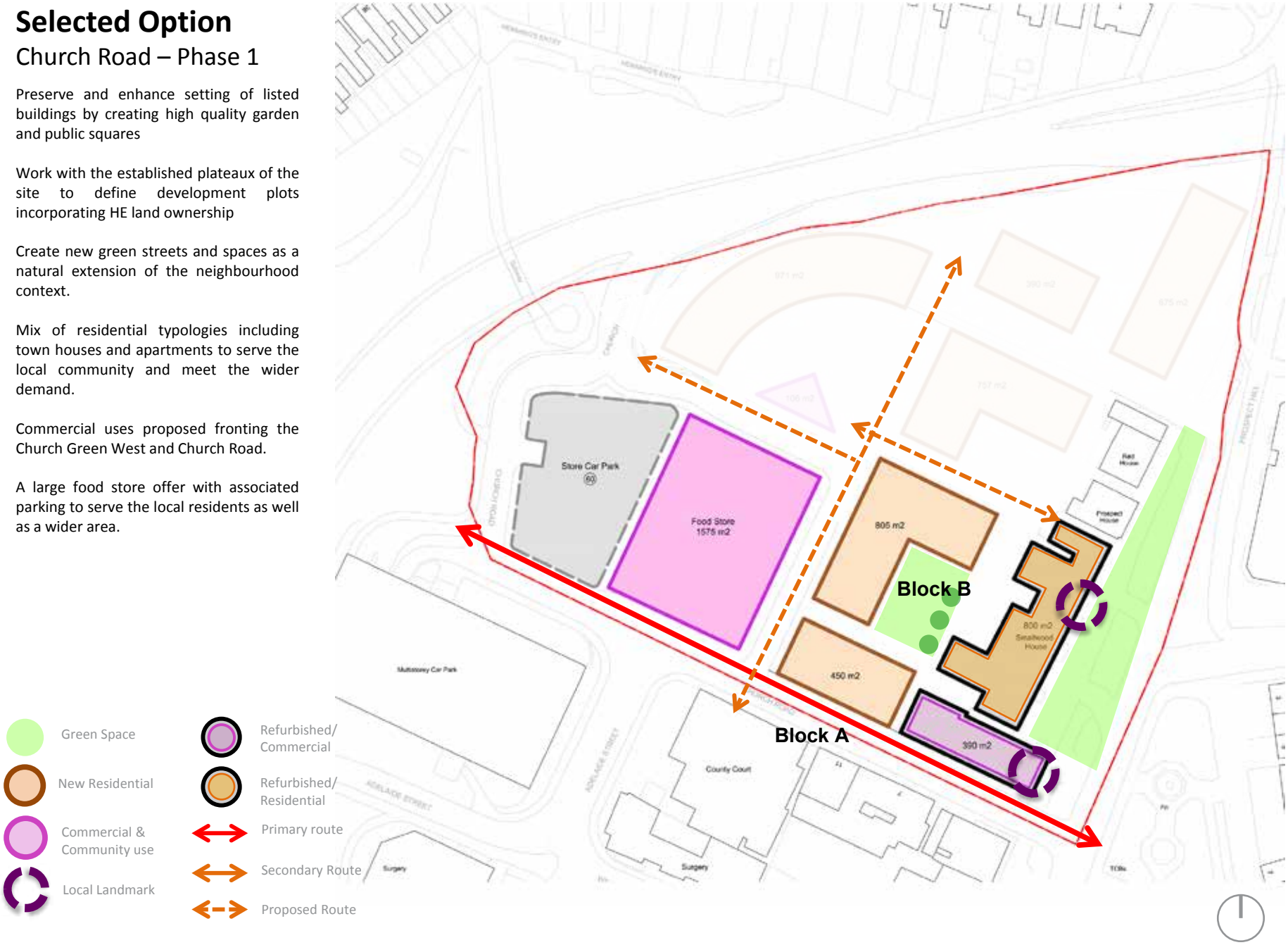

Figure 3.1 - Preferred Option Masterplan Phase 1

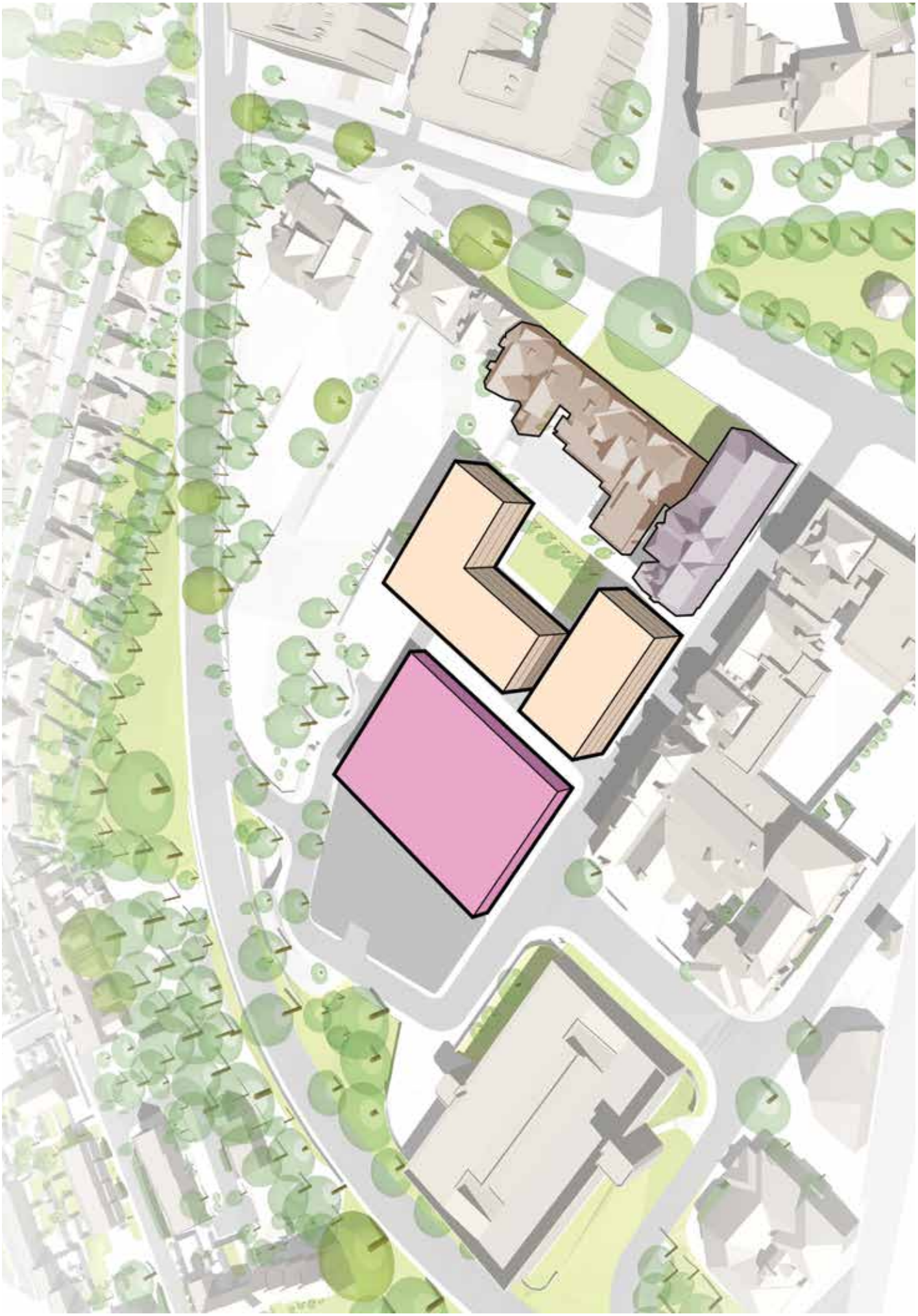

Figure 3.2 - Preferred Option Phase 1 Massing Plan

View down Church Road with Phase 1 developments on right hand side

Redditch Masterplan - Indicative area schedule
Church Road Site - Option 2B Phase 1

Date 24.05.2019 Rev B

Block ref	Storeys	Residential Units	GEA sqm	GEA sft
A	4	20	1,800	19,375
per level			450	
B	4	32	3,220	34,660
per level			805	
Total units		**52**	**5,020**	**54,035**
Other uses			sqm	sqm
Demolition			3,396	
Conversion			4,320	46,500
Smallwood House	2	18	1,575	
The Old Library			390	
Commercial	1		1,575	16,953
Food Store			1,575	
Food Store	1		1,575	
Total Residential		**70**		
Total Other			**5,895**	**63,454**

Surface Parking
40 General
60 Food Store

Conversion Total
800
390

Commercial Total
390
590

Table 3.1 - Church Road Site Phase 1 Development Schedule

Estimated Demolition

Church Road - Phase 1

Church Road - Phase 1	
	GEA sqm
473	
643	
430	
287	
1563	
Total:	**3396**

Extent of demolition is estimated and subject to site survey

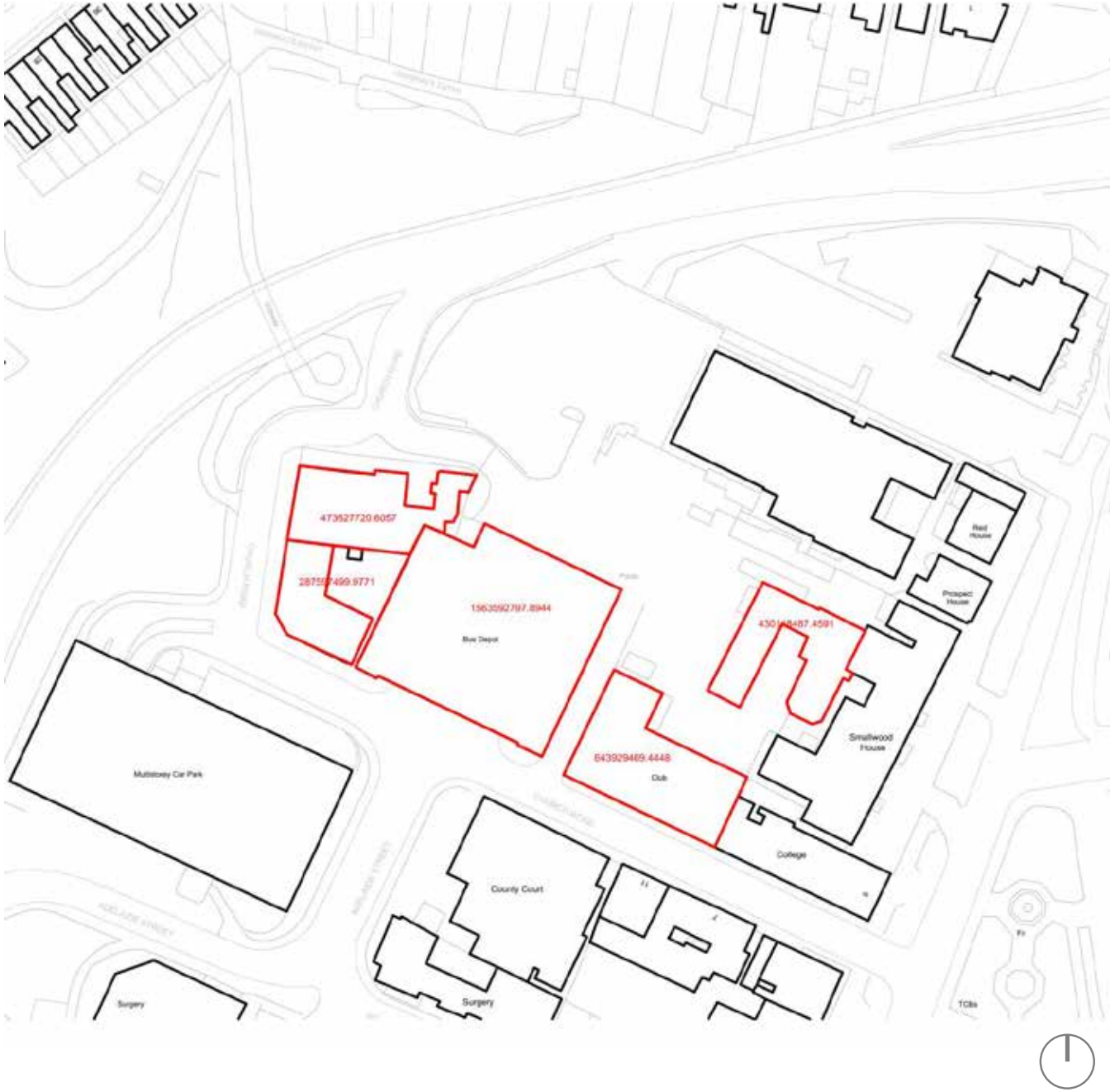

Figure 3.3 - Preferred Option Phase 1 demolition plan

Selected Option

Church Road Phases 1 & 2

Preserve and enhance setting of listed buildings by creating high quality garden and public squares

Work with the established plateaux of the site to define development plots incorporating HE land ownership

Create new green streets and spaces as a natural extension of the neighbourhood context.

Mix of residential typologies including town houses and apartments to serve the local community and meet the wider demand.

Commercial uses proposed fronting the Church Green West and Church Road.

A large food store offer with associated parking to serve the local residents as well as a wider area.

Figure 3.4 - Preferred Option Masterplan Phases 1 & 2

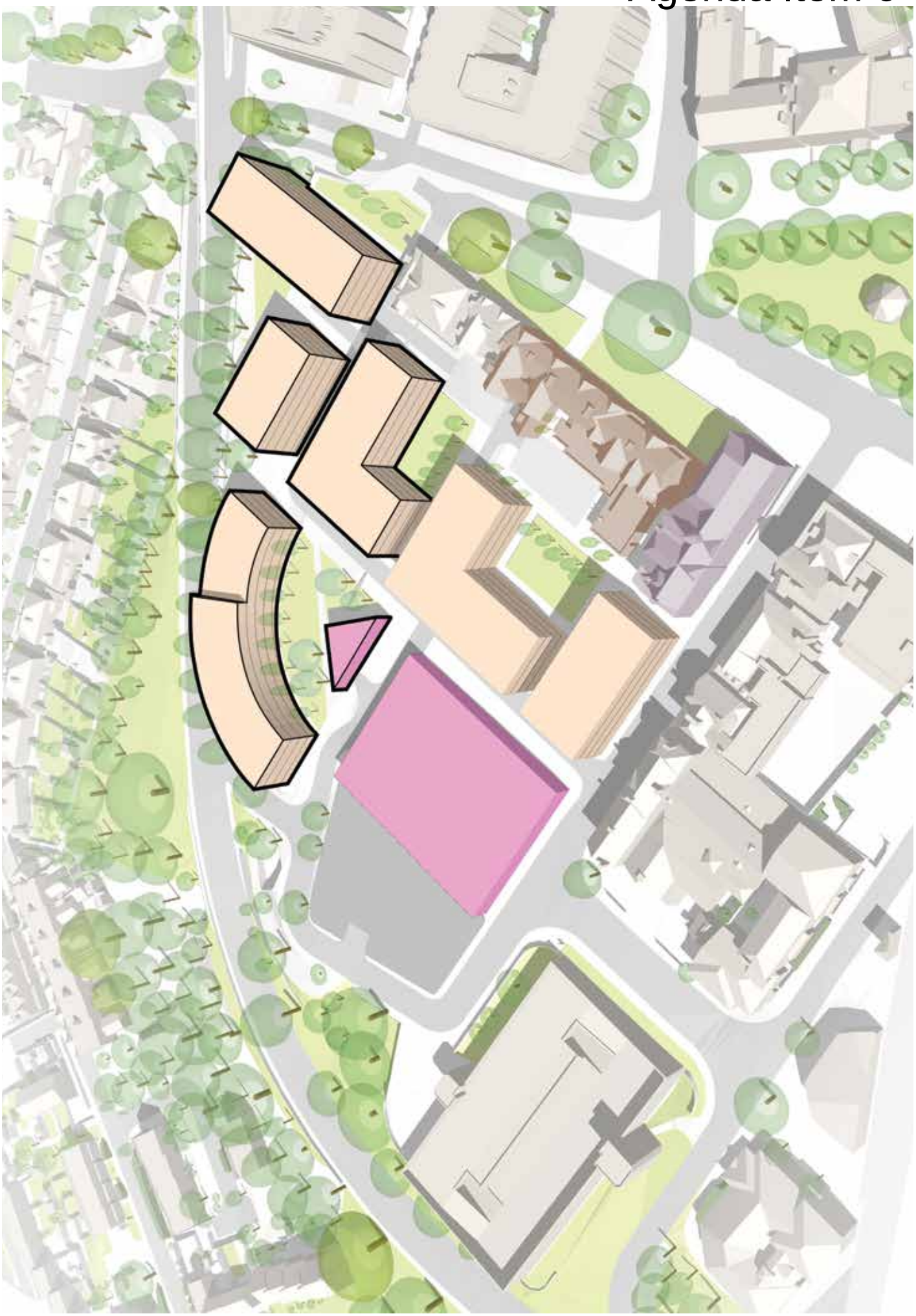

Figure 3.5 - Preferred Option Phases 1 & 2 Massing Plan

View of Cafe Pavillion at the heart of the new community

Exemplar Images

Freiburg, Germany

Hale Village, London

Cafe within pocket park, Rock, Bury

Redditch Masterplan - Indicative area schedule
Church Road Site - Option 2B Phases 1 & 2

Date 24.05.2019 Rev B

Block ref	Storeys	Residential Units	GEA sqm	GEA sft
A	4	20	1,800	19,375
per level			450	
B	4	32	3,220	34,660
per level			805	
C	4	36	3,028	32,593
per level			757	
D	5	60	5,325	57,318
per level			1,065	
E	4	44	3,880	41,764
per level			970	
Total units		**192**	**17,253**	**185,711**
Other uses			sqm	sqm
Demolition			5,029	
Conversion			4,320	46,500
Smallwood House	2	18	1,575	
The Old Library	3		390	
Commercial	1		1,681	18,094
Pavillion + Food Store			1,681	
Food Store	1		1,575	
Total Residential		**210**		
Total Other			**6,001**	**64,595**

Block D
390
675

Surface Parking
106 - General
60 - Food Store

Conversion Total
390
800

Commercial Total
106
1575
390

Table 3.2 - Church Road Site Phase 1 & 2 Development Schedule

Estimated Demolition

Church Road - Phases 1 & 2

Church Road - Phases 1 & 2	
	GEA sqm
473	
643	
430	
1205	
428	
287	
1563	
Total:	**5029**

Extent of demolition is estimated and subject to site survey

Figure 3.6 - Preferred Option phases 1 & 2 demolition plan

3 The Church Road Sites

3.4 Economic Benefit

- 192 residential units would result in an on-site residential population of about 300-320 persons.
- The commercial (office, retail) uses would provide about 100-130 jobs (full-time equivalent), depending on the types of businesses occupying the units. This would include entry level jobs in retail units as well as professional services jobs in office space.
- Construction costs for the project will be approximately £32 million, which would provide significant construction sector job opportunities during the development phase.
- At average turnover per worker levels, it is estimated that the project would provide employment equivalent to about 200-230 person years. There are likely to be peaks and troughs in this employment over the lifetime of the construction period, though if constant over an eight year period, this would be equivalent to about 25-30 jobs each year.
- The additional population would spend money on goods and services, equivalent to about £3.7-4.0 million per annum from the full resident population of the site. This includes all expenditure of households, (retail, transport, health, housing, education, etc.). Retail expenditure, of which the town centre would take a share, would be about £1.2-1.4 million per annum.

4. The Library Site

4 The Library Site

4.1 Introduction

The Options Report set out 3 alternative Masterplan Options (1, 2, 3), all of which were based on the creation of a new public square on the site of the library, but with different approaches to the scale of the space and the extent of new commercial activities around and within the space. These options were reviewed with the client team (12 March 2019) and in discussion with the Redditch Regeneration Board (18 March 2019). The review included an initial assessment of development viability and a discussion of deliverability including market context and procurement routes. As a result of these discussions Option 1 was selected as the basis of the Preferred Option and this has been refined and is presented below.

4.2 Masterplan Objectives

All masterplan options for the Library site, including the Preferred Masterplan, aim to meet the following objectives:

- Creating an improved entrance to the Kingfisher Centre, in contrast with the existing hidden entrance and uninviting approach past largely blank facades;
- Improving footfall and movement in this part of the town centre, encouraging links to the college and to the Town Hall area along Alcester Street in particular;
- Delivering high quality civic space that can accommodate outdoor dining and events;
- Encouraging the conversion of surrounding buildings to deliver active frontages that support and benefit from the activities and events attracted to the new square, including food & drink uses;
- Take account of the existing outdoor market;
- Design solutions that reflect the historic townscape and conservation area designation.

4.3 Preferred Masterplan: Option 1

The Preferred Masterplan for the Library site is illustrated overleaf and on the following pages (see Figures 4.1 to 4.3), accompanied by a development schedule (Table 4.1) and demolition plan (Figure 4.3).

A new civic square for Redditch

Church Green forms a highly characterful and attractive centrepiece to Redditch town centre and the conversion of a number of small business premises on Church Green East is signposting an increasing demand for interesting town centre leisure amenities, including independent cafes and bars. The existing Kingfisher Centre is largely inward looking and the town centre lacks a space that can be a focus for outdoor activity including food and drink. The proposed new square (approximately 30m x 25m) on the site of the library can provide this space in a location which helps to drive footfall to the Kingfisher Centre and that is linked to the existing outdoor market and Church Green beyond.

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, which is important to preserve the character of the Church Green conservation area. This frontage can be further reinforced through a high quality public realm that includes structures on the line of the historic building frontages, which can be used to help define the public square but also as structures to support lighting, screens for events and so on. Approximately 15,000 sq ft of refurbished and new commercial space would be created around the new square.

A stepping stone to the education, cultural and town hall quarters

Crucially, the proposed new square forms a stepping stone linking the Kingfisher Centre to the Education and Enterprise and the Town Hall and Cultural Quarters, encouraging footfall and helping to regenerate streets like Alcester Street which are currently not contributing to the town centre 'offer'.

In summary:

- New public square
- Refurbished retail space fronting new square c, 12,000 sqft
- Café/ restaurant pavilion c. 2,700 sqft.

Selected Option

Library Site – Option 1A

Demolition of existing building and creation of a new public square.

New pavilion building provided to east of to create focus and activation for the square.

Permeable definition to the historic street boundary frames the square

Existing retail units within the Kingfisher Centre present an opportunity to be reconfigured to front on to the new Square.

Alcester Walk benefits from secondary frontage of pavilion.

Promote connection to and from Kingfisher Shopping Centre. Signage very poor and hard to see where routes to Town Centre exist.

Capitalise on the quality of the square and surroundings of St Stephens Church. Potential for stronger commercial and community uses.

Possible reconfiguration of no. 11 &12 fronting Church Green to promote foot fall through Market Walk

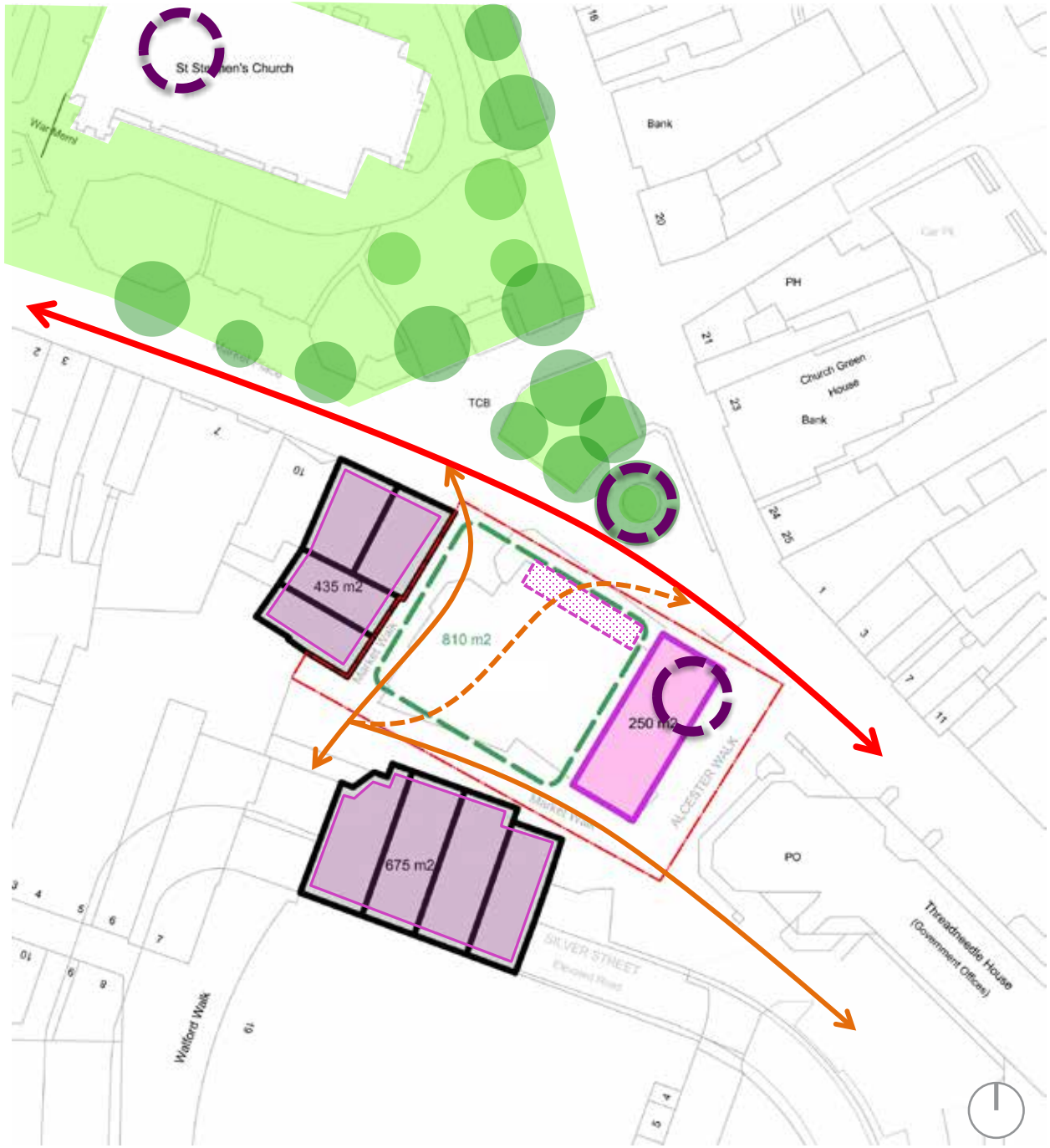

Figure 4.1 - Preferred Option Masterplan

Figure 4.2 - Preferred Option Massing Plan

View of new square from Kingfisher entrance

Exemplar Images

Brown Hart Gardens, London

Town Square, Weston-super-Mare

Concert Square, Liverpool Ropewalks

Redditch Masterplan - Indicative area schedule
Library Site - Option 1

Date 24.05.2019 Rev B

Block ref	Storeys	Residential Units	GEA sqm	GEA sft
Total units		**N/A**		
Other uses		sqm	sqm	sqm
Demolition		914		
Conversion GF only	1		1,110	11,948
Commercial Pavillion	1		250	2,691
Public Realm		810		
Total Other			**1,360**	**14,639**

Conversion Total
435
675

Table 4.1 - Library Site Option 1 Development Schedule

Estimated Demolition

Library Site– Option 1

Library Site - Option 1	
	GEA sqm
914	
Total:	914

Extent of demolition is estimated and subject to site survey

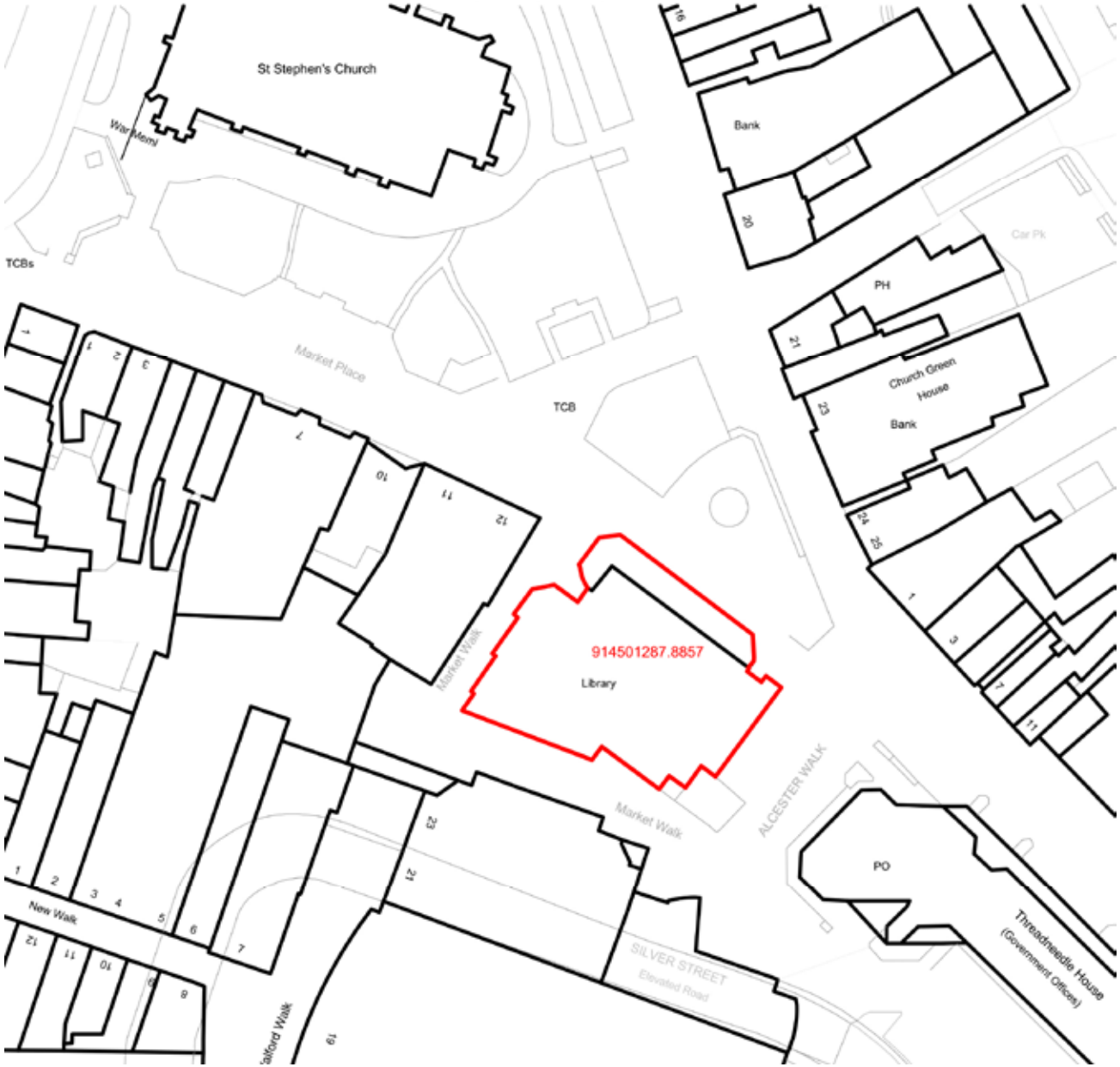

Figure 4.3 - Preferred Option demolition plan

4 The Library Site

4.4 Economic Benefit

- The commercial (office, retail) uses would provide about 70-80 jobs (full-time equivalent), depending on the types of businesses occupying the units. This would include jobs that would be appropriate for school-leavers.
- The markets would provide additional employment space, potentially 25-40 stalls, depending on final layout.
- The market provides opportunities for self-employed persons and micro-businesses to reach their customers.
- Construction costs for the project will be approximately £3 million, which would provide significant construction sector job opportunities during the development phase, anticipated to be less than two years.
- At average turnover per worker levels, it is estimated that the project would provide employment equivalent to about 18-20 person years.
- The improved links between the Kingfisher Shopping Centre and the high street would provide qualitative benefits for the functioning of the town centre.

5. The Outdoor Market Site

5 The Outdoor Market Site

5.1 Introduction

The Outdoor Market site was created at the time of the Kingfisher Centre development, and provided an outdoor but covered market area to the rear of the shopping centre. The outdoor market was not easily visible from Alcester Street, the entrance being obscured by the library and the Post Office and the Kingfisher Centre service access ramp which forms the curving boundary to the market site and also serves to conceal it from view. Despite entrances from the Town Hall complex (via a short underpass) and an entrance to the Kingfisher Centre, footfall was limited and we understand that the outdoor market did not operate in this location for very long. The remnants of the market still operate on market days from stalls at the top end of Alcester Street where it meets the Church Green.

This site was introduced to the study at a relatively late stage, after the options for the other three sites had been developed and preferred options selected (as presented in this report). As such, a slightly different approach has been taken for the Outdoor Market site, by including a number of options in the report rather than a single selected option. These options have been developed in consultation with the RBC client team but have not been presented to the Redditch Regeneration Board.

5.2 Masterplan Objectives

As noted above the site is currently vacant. The lower ground floor of the Kingfisher Centre has some small offices and retail kiosks facing the market square which are also unused and there are some stores and substations within the void underneath the service access ramp. The objectives of the masterplan options are to bring this area, which is largely owned by the Council, back into use as part of the town centre. In doing so, consideration must be given to the uses that will contribute to the vibrancy and success of the town centre without competing with existing developments. In addition, the urban design solution should encourage footfall and activity in areas and along routes that facilitate wider connectivity and overall town centre activity and safety.

5.3 Options

Three masterplan options have been developed to test alternative approaches to the redevelopment of the site. These options are illustrated on the following pages (Figures 5.1 to 5.9 and tables 5.1 to 5.3). The key drivers for the options are as follows:

- **Option 1: Do Minimum**
  The first option takes away the canopy structures to open up the space and encourage more use of the space, encouraged by remodelling of the Kingfisher Centre to present retail and food & drink uses as the market square level and the terrace level above (which is the ground floor level of the Kingfisher Centre). The use of the voids underneath the service access ramp is also proposed, to maximise the potential for active uses around the square.
- **Option 2: Market Square**
  The second option proposes the removal of the service access ramp to open up the square and create the possibility of remodelling the various buildings around the new space to allow for ground floor businesses, leisure and food & drink uses to enliven the square and create a new, attractive town centre destination that is also a much improved entrance into the Kingfisher Centre.
- **Option 3: New Development**
  The third option uses the removal of the service access ramp as per Option 2, as an opportunity to introduce new buildings on the former site of the outdoor market. The new building would serve to reduce the current open area to a street sized space, with a remodelled Kingfisher Centre facing the new buildings. Servicing of Threadneedle House and the new buildings would be contained between the buildings.

Conceptual Approach

Market Square – Option 1 (Min)

Convert GF level of Debenhams to Market/Garden type offer (which Ken indicated there was demand) This could contain food fronting the Alcester Walk area and outdoor Market to Market Walk.

Demolish existing canopies to open up the space for wider use including events and food market and civic purposes.

Convert the under road area below the raised Silver Street service road, and open it out to face in both directions. Ready made Market + food offers with internal face opening to Market Square capitalising on its southern aspect.

Add barrier to east side of service road to restrict access by traders and limit traffic and illegal parking. Area adjacent to MSCP could double as small service yard for use by local traders within 60m trolley distance. Others can access via Alcester St.

Reconfigure upper level of Debenhams to provide up to 3no. A3 units and consider potential with additional Leisure uses at 2nd floor.

Extend western frontage of Threadneedle House to offer commercial capacity fronting on to Silver St and create active frontages opposite market

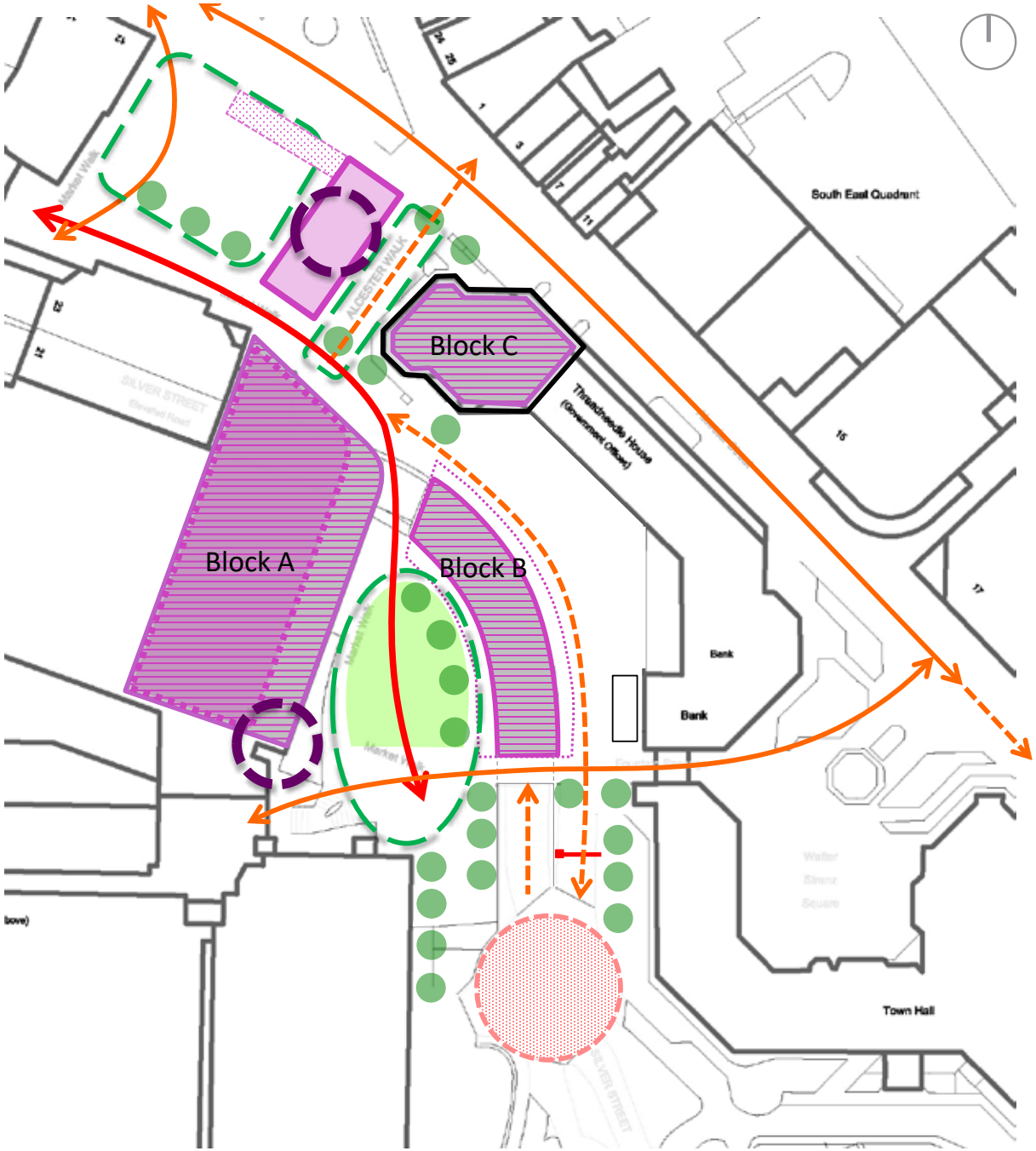

Figure 5.1 - Preferred Option Masterplan Option 1

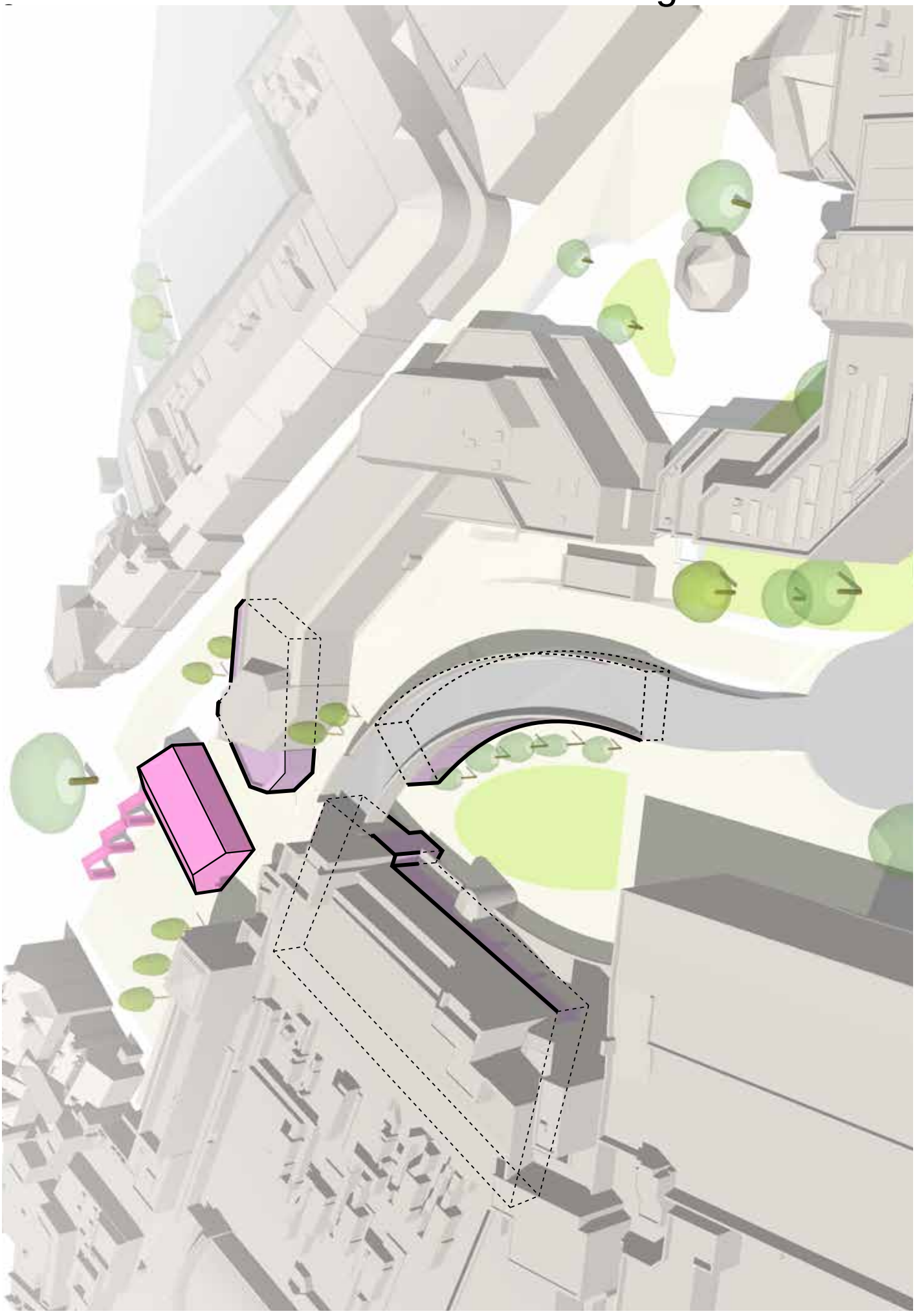

Figure 5.2 - Preferred Option Massing Plan Option 1

Redditch Masterplan - Indicative area schedule
Market Square - Option 1 (Min)

Date 24.07.2019 Rev

Block ref	Notes		GEA sqm	GEA sft
A (Kingfisher)			**4,160**	**44,778**
Lower GF Level	Reconfiguration	1	1,620	17,438
Upper GF Level	Reconfiguration	1	1,270	13,670
2nd Floor (Leisure)	Reconfiguration	1	1,270	13,670
B (Service Road)			360	3,875
Market / Commercial	Convert Undercroft	1	360	2,691
C (Threadneedle)			300	3,229
Commercial	Convert Post Office	1	300	3,229
Total			**4,820**	**51,882**
Other cost	**Location**			
Demolition	Canopy		610	6,566
Regrading Works	Silver St		570	6,135

Table 5.1 - Market Square Option 1 Development Schedule

Estimated Demolition

Market Square – Option 1

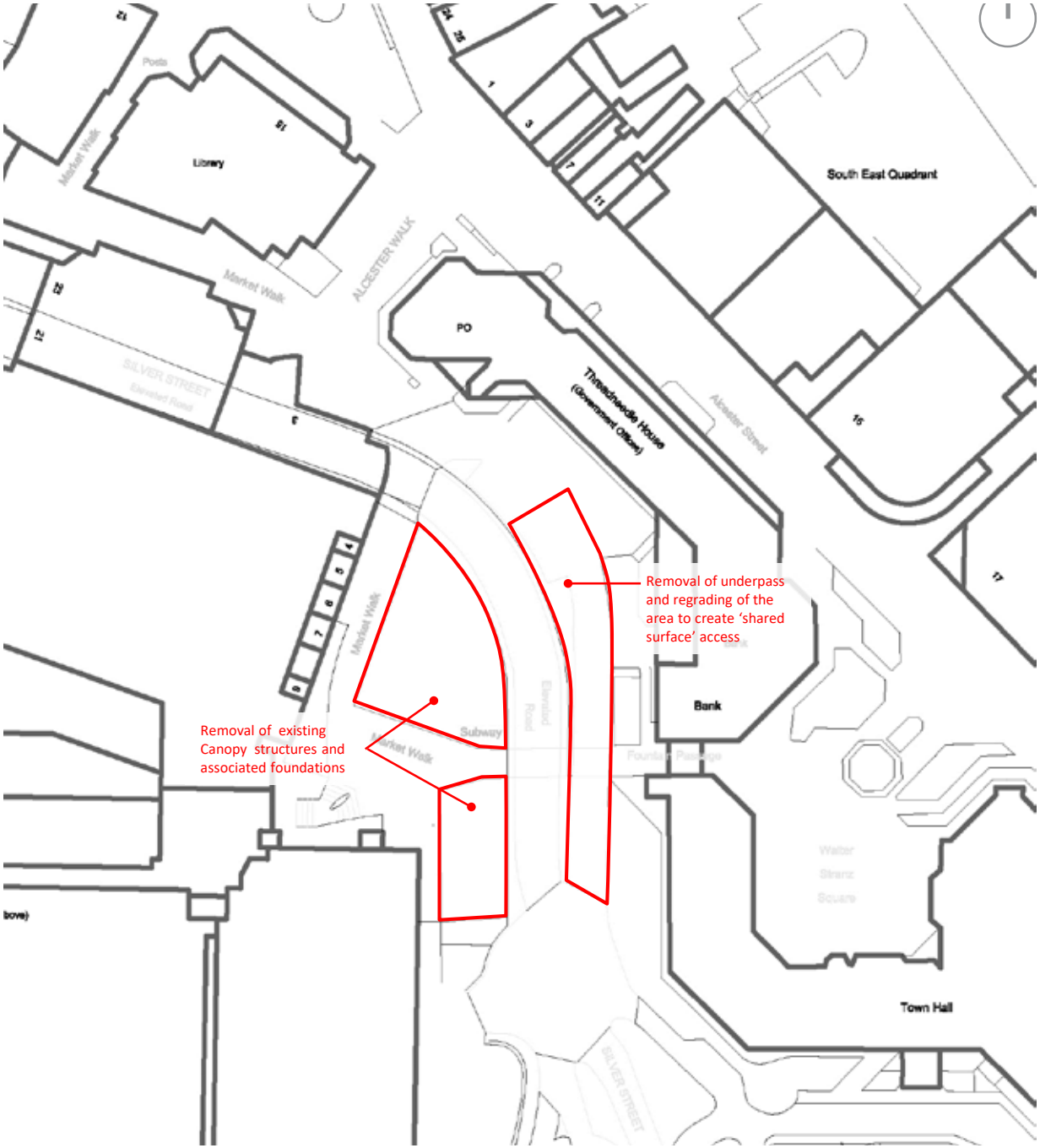

Figure 5.3 - Preferred Option demolition plan

Conceptual Approach

Market Square – Option 2 (Medium)

Remove service Ramp and level the area between Kingfisher and Threadneedle House

Convert GF level of Debenhams to Market/Garden type offer as Option 1.

Reconfigure upper level of Debenhams to provide up to 3no. A3 units with poss additional Leisure use as above

Extend southern and western frontages of Threadneedle House and enhance public realm throughout creating a useable civic and space for events and market and extending through to the old library area.

Potential to lower levels along Threadneedle House along Alcester St to increase height and convert to commercial to offer an active street frontage (currently set back, separated from the street and very 'dark/dead')

Improve connections into the Kingfisher centre. More visible/direct/accessible – Consider escalators and more generous terraces at intermediate and upper level to reduce current 'cliff face' effect.

Enhance landscape and arrival to space from the south

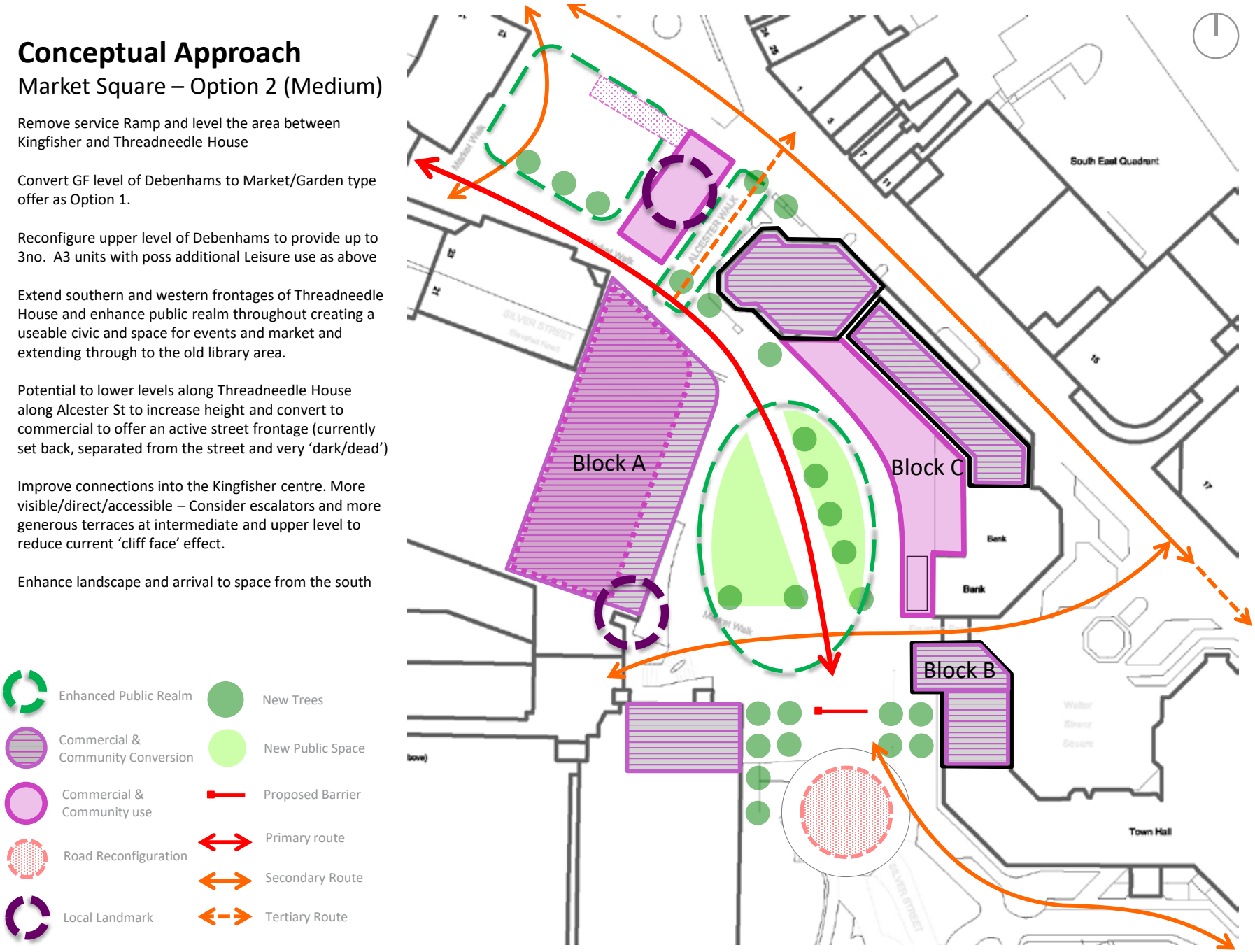

Figure 5.4 - Preferred Option Masterplan Option 2

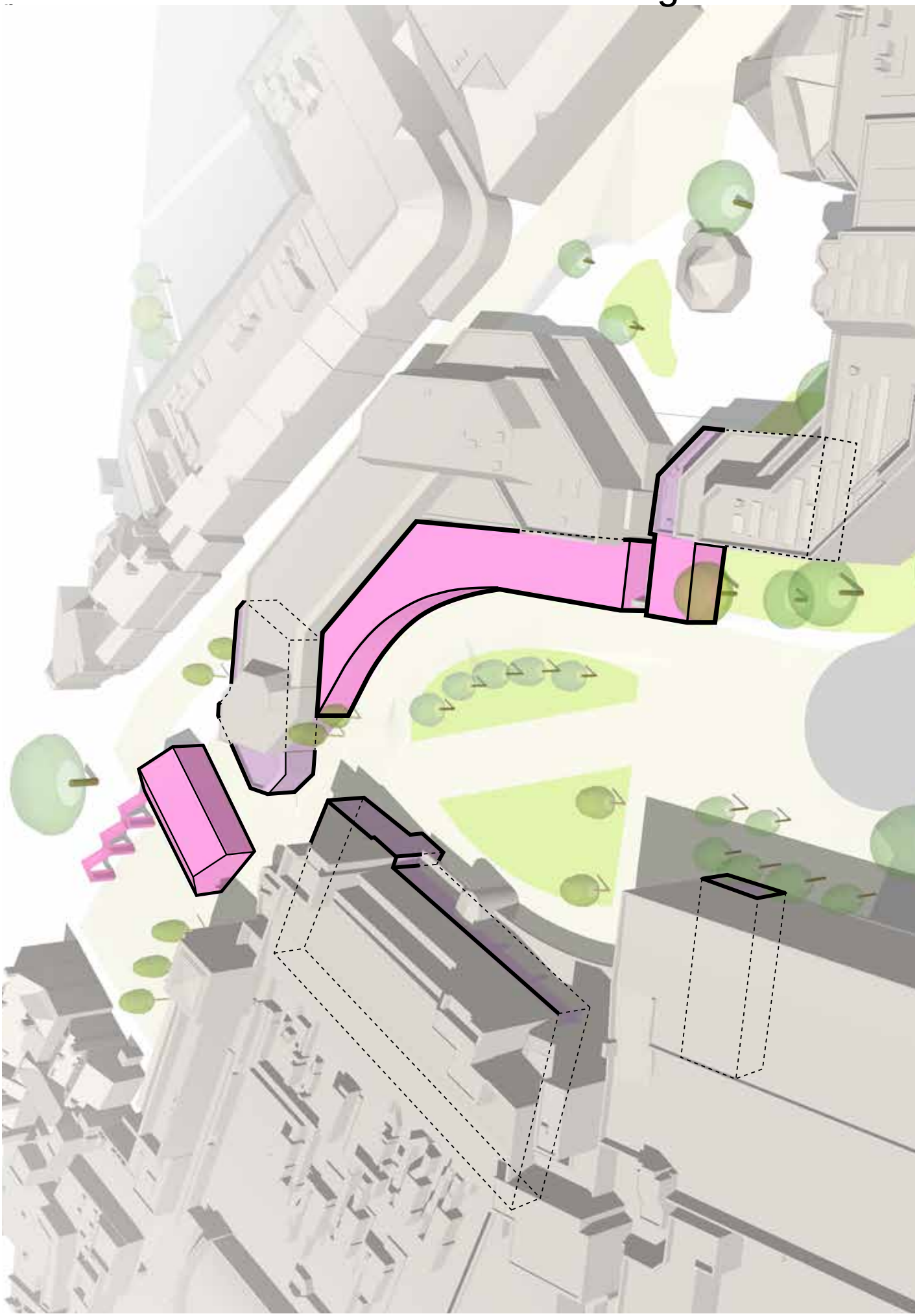

Figure 5.5 - Preferred Option Massing Plan Option 2

Redditch Masterplan - Indicative area schedule
Market Square - Option 2 (Medium)

Date 24.07.2019 Rev

Block ref	Notes	Levels		GEA sqm	GEA sft
A (Kingfisher)				**4,510**	**48,546**
Lower GF Level	Reconfiguration	1		1,620	17,438
Upper GF Level	Reconfiguration	1		1,270	13,670
2nd Floor (Leisure)	Reconfiguration	1		1,270	13,670
MSCP GF	Conversion	1		350	3,767
B (Part Town Hall)				**390**	**4,198**
Commercial	Convert GF	1		390	4,198
C (Threadneedle)				**1,194**	**12,852**
Commercial	New Build	1		432	4,650
Commercial	Convert Post Office	1		300	3,229
Commercial	Convert Upper level	1	462	462	4,973
Total				**6,094**	**65,596**
Other cost	**Location**				
Demolition	Canopy			610	6,566
	Service Road			540	5,813
Regrading Works	Silver St			570	6,135

Table 5.2 - Market Square Option 2 Development Schedule

Estimated Demolition

Market Square – Option 2

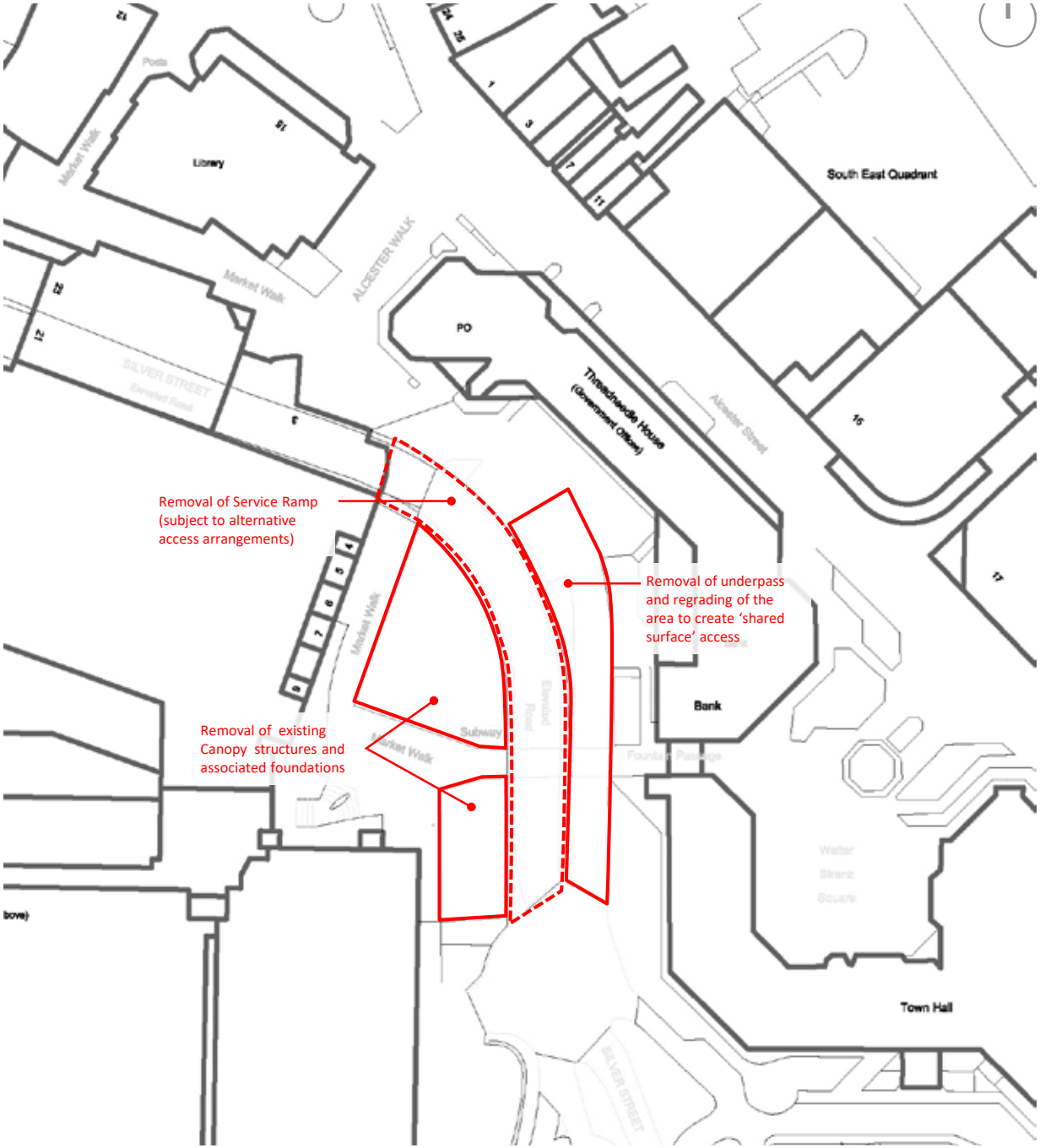

Figure 5.6 - Preferred Option demolition plan Option 2

Conceptual Approach

Market Square – Option 3 (Medium+)

Remove service Ramp and level the area between Kingfisher and Threadneedle House

Convert GF level of Debenhams to Market/Garden type offer as Option 1.

Reconfigure upper level of Debenhams to provide up to 3no. A3 units with poss additional Leisure use as above

Add new 3 storey block comprising Commercial ground floor with residential above spanning over gateway statement leading to reduced size market square

Improve connections into the Kingfisher centre. More visible/direct/accessible – Consider escalators and more generous terraces at intermediate and upper level to reduce current 'cliff face' effect.

Enhance landscape and arrival to space from the south

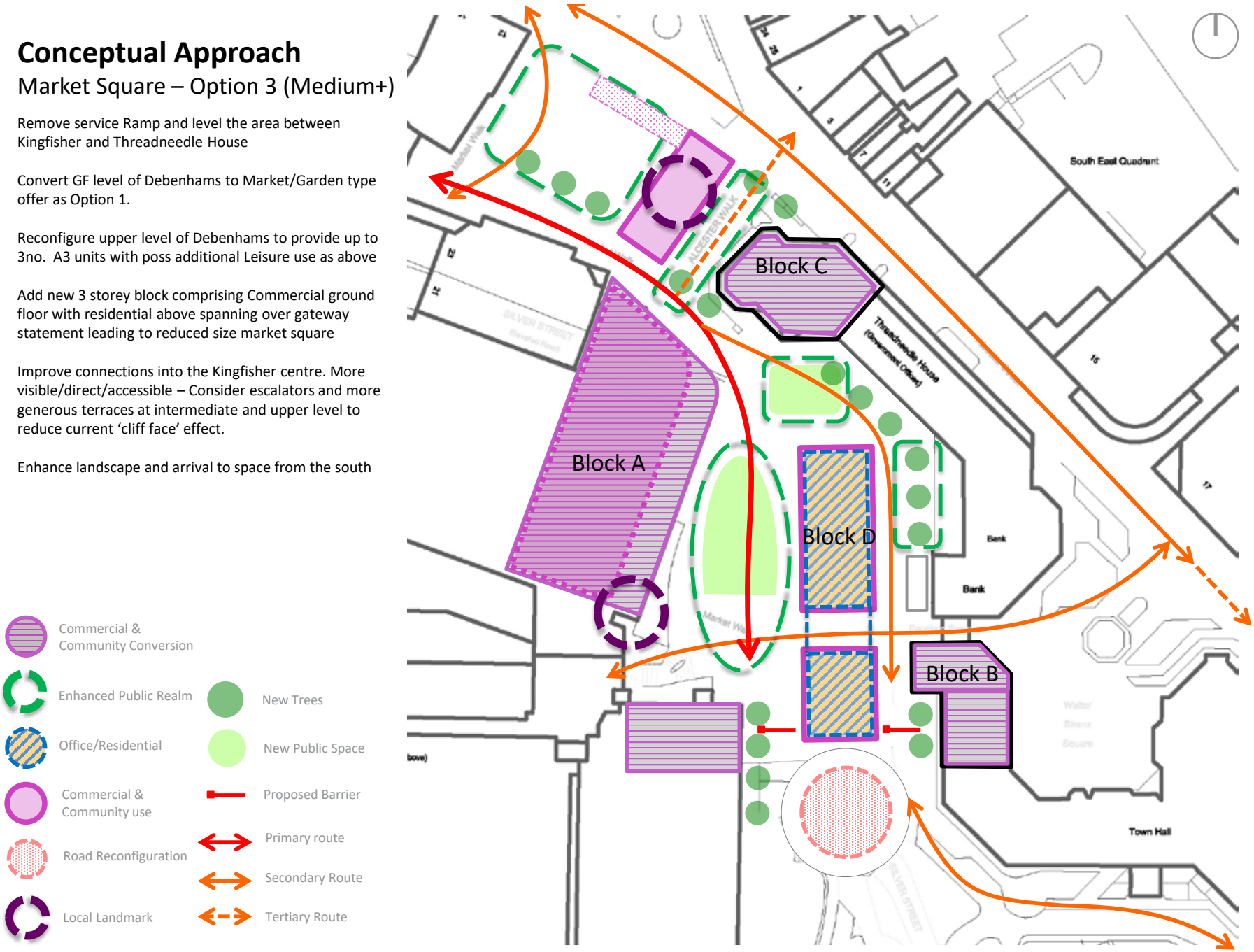

Figure 5.7 - Preferred Option Masterplan Option 3

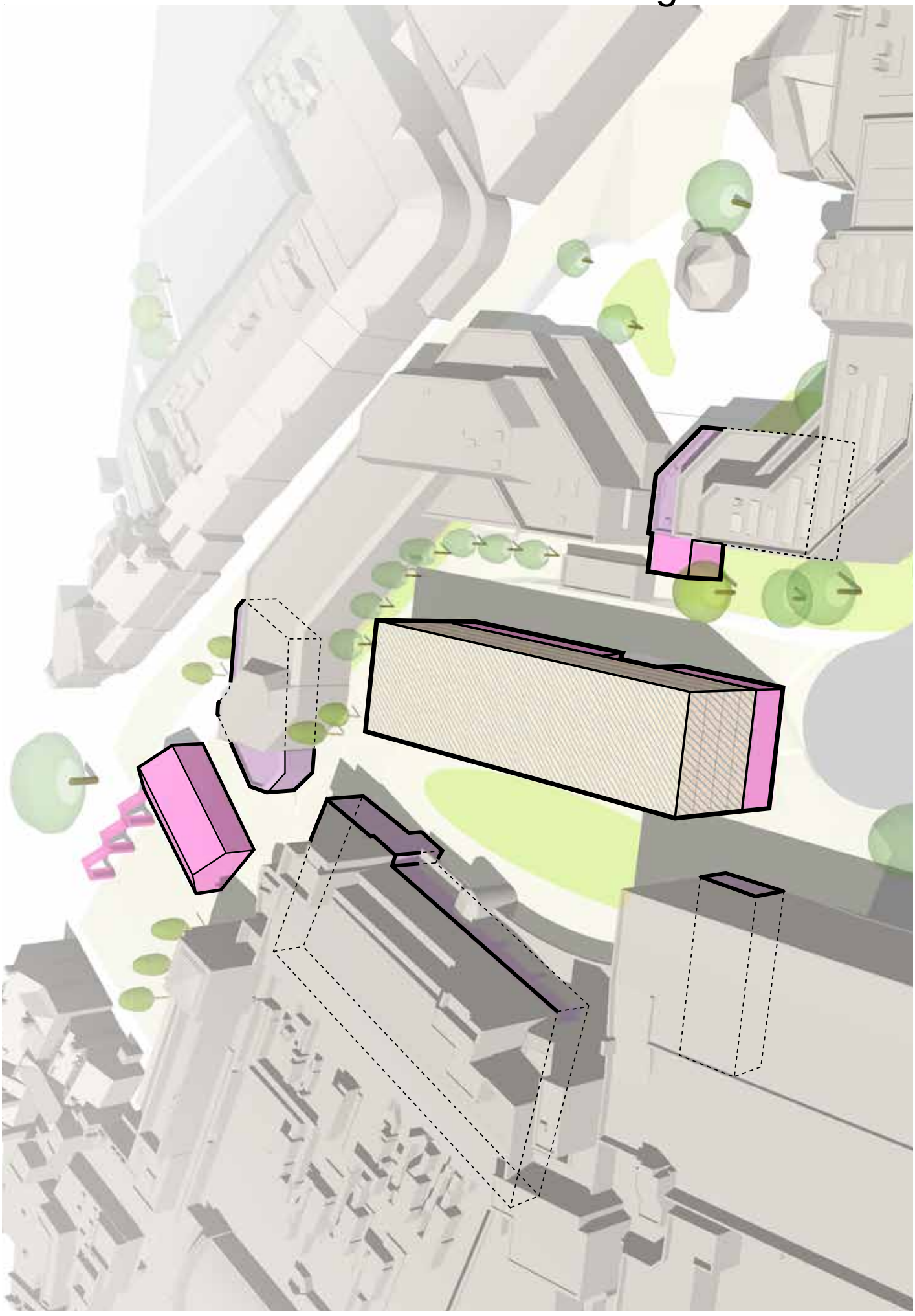

Figure 5.8 - Preferred Option Massing Plan Option 3

Redditch Masterplan - Indicative area schedule
Market Square - Option 3 (Medium)

Date 24.07.2019 Rev

Block ref	Notes	Levels	GEA sqm	GEA sft
A (Kingfisher)			**4,510**	**48,546**
Lower GF Level	Reconfiguration	1	1,620	17,438
Upper GF Level	Reconfiguration	1	1,270	13,670
2nd Floor (Leisure)	Reconfiguration	1	1,270	13,670
MSCP GF	Conversion	1	350	3,767
B (Part Town Hall)			**390**	**4,198**
Commercial	Convert GF	1	390	4,198
C (Threadneedle)			**300**	**3,229**
Commercial	Convert Post Office	1	300	3,229
Block D (Mkt Sq)			**3,360**	**39,073**
Commercial	GF	1	630	6,781
Residential / Office	Upper levels	4	3000	32,292
Total			**8,830**	**95,046**
Other cost	**Location**			
Demolition	Canopy		610	6,566
	Service Road		540	5,813
Regrading Works	Silver St		570	6,135

Table 5.3 - Market Site Option 3 Development Schedule

Estimated Demolition

Market Square – Option 3

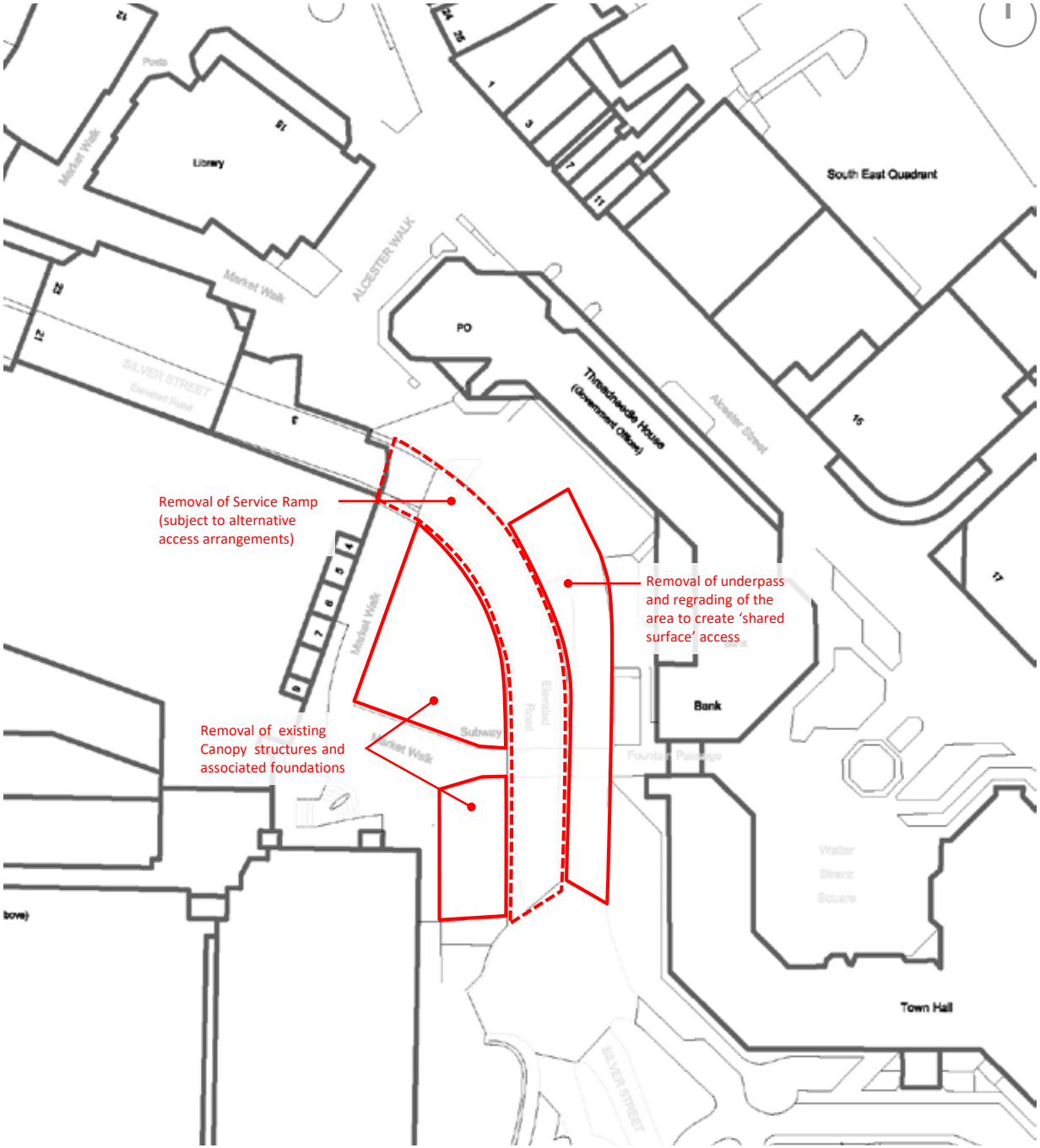

Figure 5.9 - Preferred Option demolition plan Option 3

5.4 Commentary on Options

The following commentary reflects discussions held with the client team.

- **Option 1: Do Minimum** would allow an expansion of the Kingfisher Centre retail and leisure offer, if it was felt that market demand warranted this. Whilst the development of a new outdoor space on the site of the library is an objective, then there is the risk that the development of food & drink and leisure use on the outdoor market site may compete with this. Moreover the outdoor market site, whilst the service access ramp is retained, does not offer an attractive outlook for new food & drink units facing into the former market square. Nevertheless, if there is a specialist retailer or leisure operator that requires or can benefit from outdoor space in close proximity to the existing centre, for example an urban garden centre, then the outdoor space could potentially add value to the Kingfisher Centre.
- **Option 2: Market Square** creates the greatest potential for a new square animated with business and leisure uses, through the removal of the elevated service access ramp, which it is understood would be possible by making the current service egress a dual purpose entrance and exit. Whilst the removal of the service access ramp undoubtedly opens up the square and makes it more attractive space, there is as noted above a danger of competing with the plans for the library square. In addition, whilst the remodelling of the buildings around the square is possible, the nature of the existing structures (e.g. the car park), private ownerships (e.g. Threadneedle House) and existing infrastructure (e.g. electricity substations), will complicate the realisation of the scheme.
- **Option 3: New Development** complements the proposals for the Library Site described elsewhere in this report, by promoting new development for health, other public services or business uses, rather than competing leisure and food & drink uses. This option might be considered as part of a scheme for the wider Town Hall area.

5.5 Economic Benefits

Option 1

- The commercial (leisure, retail) uses would provide about 150-180 jobs (full-time equivalent), depending on the types of businesses occupying the units. This would include entry level jobs in retail and leisure units. However, this is a gross figure and there would be displacement of jobs from the existing uses that would be redeveloped.
- Construction costs for the project will be approximately £6.4 million, which would provide significant construction sector job opportunities during the development phase.
- At average turnover per worker levels, it is estimated that the project would provide employment equivalent to about 40-45 person years.
- The improved activity levels within this area would remove the 'dead-zone' and improve attractiveness and vitality.
- The market square would provide opportunities for community events and functions that would add to the vitality of the town centre.

Option 2

- The commercial (office, retail, leisure) uses would provide about 200-230 jobs (full-time equivalent), depending on the types of businesses occupying the units. This would include entry level jobs in retail and leisure units as well as professional services jobs in office space.
- Construction costs for the project will be approximately £8.1 million, which would provide significant construction sector job opportunities during the development phase.
- At average turnover per worker levels, it is estimated that the project would provide employment equivalent to about 50-55 person years.
- The improved activity levels within this area would remove the 'dead-zone' and improve attractiveness and vitality. The removal of the service ramp and the reorientation of the existing units towards the market square would add value to the existing units as they would be more attractive to the market than at present.
- The market square would provide opportunities for community events and functions that would add to the vitality of the town centre.

Option 3

- The residential units would result in an on-site residential population of about 25-35 persons.
- The commercial (office, retail, leisure) uses would provide about 270-300 jobs (full-time equivalent), depending on the types of businesses occupying the units. This would include entry level jobs in retail and leisure units as well as professional services jobs in office space.

- Construction costs for the project will be approximately £11.3 million, which would provide significant construction sector job opportunities during the development phase.
- At average turnover per worker levels, it is estimated that the project would provide employment equivalent to about 70-80 person years.
- The additional population would spend money on goods and services, including in the Redditch town centre. Based on ONS data for average per person expenditure, this could be equivalent to about £0.3-0.4 million per annum from the full resident population of the site. This includes all expenditure of households, (retail, transport, health, housing, education, etc.). Retail expenditure, of which the town centre would take a significant share, would be about £0.1 million per annum.
- The improved activity levels within this area would remove the 'dead-zone' and improve attractiveness and vitality. The removal of the service ramp and the reorientation of the existing units towards the market square would add value to the existing units as they would be more attractive to the market than at present.
- The market square would provide opportunities for community events and functions that would add to the vitality of the town centre.

Francis Glare

158 Edmund Street
Birmingham
B3 2HB

T 07831 217 672
E francis.glare@bdp.com

www.bdp.com

BDP.