

**REDDITCH TOWN CENTRE REGENERATION INCLUDING THE OUTCOME OF THE ONE PUBLIC ESTATE EXERCISE**

**OPEN WITH EXEMPT APPENDIX 3**

Relevant Portfolio Holder	Cllr Greg Chance - Portfolio Holder for Planning, Regeneration, Economy and Transport
Portfolio Holder Consulted	√
Relevant Head of Service	Kevin Dicks, Chief Executive
Ward(s) Affected	Central & Abbey Ward
Ward Councillor(s) Consulted	
Key Decision / Non-Key Decision	Key decision
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended.	

**1. SUMMARY OF REPORT**

- 1.1 This report sets out a number of development concepts for Redditch Town Centre that could drive new investment and effectively re-position the town as a place to live, work, enjoy and invest. The development concepts and proposals are contained within a 'Regeneration Prospectus' which has been produced by the Council and its key partners, recognising the need to develop a new vision for the Town Centre that provides an exciting future for the town and improves the vibrancy and diversity of the offer within it.
- 1.2 The proposals have been informed by the outcome of the recent 'Redditch Town Centre – Place Review' process which has been undertaken by Worcestershire Place Partnership Ltd (PPL) through the Cabinet Office's One Public Estate (OPE) Programme. The Council had led this process in partnership with key partners such as Worcestershire County Council, NHS, Homes England, Fire and Police.
- 1.3 The report includes details of the suite of proposals, work undertaken to date by officers and the key implications for the Council.
- 1.4 Specifically for the Council, this report sets out the outline business case for the Council to consider working with public sector partners to create a new purpose built 'Public Services Hub' on a site on Church Road, owned by the Worcestershire NHS Trust and Homes England (HE) which would potentially have implications for the current Town Hall.

**2. RECOMMENDATION(S)**

The Executive Committee is requested to **RECOMMEND TO COUNCIL THAT:**

- 1) The development concepts and proposals outlined in the Redditch Town Centre Regeneration Prospectus attached at Appendix 1 should be endorsed with a sum of £50,000 allocated to support the development of proposals contained within the Regeneration Prospectus; authority to be delegated to the Chief Executive to manage this budget in consultation with the Portfolio Holder for Planning, Regeneration, Economy and Transport;**
- 2) The Council provides in principle support for the key recommendation of the One Public Estate Review report (at Appendix 2) which is for the creation of a new purpose built multi-agency Public Services Hub, with the preferred site at this stage identified as land owned by the NHS and HE on Church Road, with a final decision to be taken by the Executive Committee following consideration of a detailed business case setting out the strategic, economic, commercial, financial and management case for the Council to:
  - a. Lead on the negotiation of acquisition of land from the NHS and HE to facilitate the development of the new Public Services Hub;**
  - b. Should the preferred option not be achievable, work to identify a suitable alternative option and work with the NHS and HE to progress an alternative solution for the Church Road site;**
  - c. Lead on negotiations with partner organisations regarding their commitment to transferring services to the Public Services Hub;**
  - d. Market the current Town Hall for re-development or conversion purposes.****
- 3) To include an initial budget of £150,000 in the capital programme for 2018/19 to support the development of the business case for the new Public Services Hub and authority to be delegated to the Chief Executive to manage this budget in consultation with the Portfolio Holder for Planning, Regeneration, Economy and Transport.**

**3. KEY ISSUES**

**Financial Implications**

- 3.1 The Place Review process has identified the potential financial implications for the Council and partners of working within a Public Services Hub.
- 3.2 According to indicative figures provided by Place Partnership it is estimated that the Council and its partners could achieve significant efficiency savings by co-locating in the Hub.
- 3.3 The proposal is that the Hub building could be funded through a mixture of funding sources including borrowing from the Public Works Loan Board, partner contributions, capital receipts generated by land sales and by leveraging in private finance potentially through setting up a Joint Venture arrangement. The precise funding arrangement would need to be examined further at the detailed business case stage.
- 3.4 It is estimated that by converting the Town Hall for residential uses and then disposing of the building within 3 years that the council could generate a significant capital receipt.
- 3.5 Furthermore, the regeneration of publicly owned land assets has the potential to generate new Business Rates revenue and Council Tax receipts.
- 3.6 To take forward the development of the business case for the Public Services Hub it is recommended that a sum of £150,000 is allocated in the Council's capital programme for 2018/19.
- 3.7 To support the cost of developing other proposals within the Regeneration Prospectus, it is also recommended that the Council allocates a further £50,000 whilst seeking funding contributions from other public sector partners including Worcestershire County Council, Local Enterprise Partnerships and the West Midlands Combined Authority.

**Legal Implications**

- 3.8 The proposals 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).
- 3.9 The Council has powers to purchase interests in land from reluctant (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.

- 3.10 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.
- 3.11 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**

#### **Strategic context**

- 3.12 One of the themes within the Council’s adopted Economic Priorities is creating a ‘Vibrant Redditch’ with a specific focus on ‘enhancing the retail, leisure and residential offer’ of Redditch Town Centre’ and ‘improving the environment and urban fabric’ of the area. The accompanying Action Plan envisages the development of a high level vision for the Town Centre and a ‘Regeneration Prospectus’ that can set out the range of opportunities that could drive the renaissance of the town.
- 3.13 The need to improve the vitality and viability of Redditch Town Centre is expressed explicitly in the Council’s ‘Town Centre Strategy’ produced by Arup in September 2009.
- 3.14 Furthermore, the Borough of Redditch Local Plan No. 4, which was adopted in January 2017, provides the spatial context for improving the Town Centre and reinforces the key themes outlined in the Town Centre Strategy. One of the objectives of the plan is *‘to improve the vitality and viability of Town and District Centres in the Borough by day and night by promoting a vibrant mix of uses including residential’*. The plan includes policies aimed at achieving this objective including ‘Policy 31 – Regeneration for the Town Centre’ which identifies a number of key regeneration sites that have the potential to improve the Town Centre offer and create confidence in Redditch as a place to invest. A key element of Policy 31 is to improve the linkages between the Kingfisher Shopping Centre and the rest of the Town Centre and to encourage new development that complements the offer of the Kingfisher Shopping Centre.

- 3.15 At a wider level, both of the Local Enterprise Partnerships (LEPs) that Redditch is a member of have prioritised the regeneration of town and local centres. Greater Birmingham & Solihull LEP (GBSLEP) is actively developing a 'Town and Local Centres Strategic Framework' to identify potential investment priorities.
- 3.16 Likewise, the Worcestershire LEP is also prioritising investment in key centres across the county and through its Local Growth Fund allocation is funding a number of projects aimed at supporting town/city regeneration plans.

**Redditch Town Centre – key issues and challenges – rationale for change**

- 3.17 It is recognised in the adopted Local Plan that Redditch Town Centre faces a number of challenges and opportunities. Since the development of 'Redditch New Town' in the 1960s, the role and function of Town Centres have changed significantly due to societal and commercial changes and as such there is a need to 'reboot' the New Town design to ensure that the town can better fit with 21<sup>st</sup> Century demands.
- 3.18 The Kingfisher Shopping Centre is seen as a key asset for the town providing 900,000 square feet (sqft) of retail / leisure space and is well served by a number of multi-storey car parks and public transport connectivity. The Centre has been improved in recent years with the current owners Capital & Regional investing significant sums in improving the offer with an internal refurbishment and the creation of a food/leisure hub. Recently the Centre has been further boosted by the arrival of 'The Range' who has taken the 46,000 sqft unit previously occupied by BHS. However, the decision of Marks and Spencer's to close their store has affected confidence.
- 3.19 The dominance of the Kingfisher Shopping Centre has meant that other areas of the Town Centre have suffered as a result. The wider Town Centre suffers from poor connectivity, accessibility and a lack of a vibrant daytime/evening cafe and restaurant culture. The town does benefit from the presence of the Church Green Conservation Area which is centred on St. Stephen's Church and includes a number of buildings of historic value. In addition, there are a number of parcels of land that require regeneration and could act as a stimulus for new development and investment. These include:
- The Church Road / North West Quadrant site which include Smallwood House, a bus depot, a former nightclub and a parcel of land owned by HE;
  - The Edward Street site is located adjacent to the Railway Station near to the western fringe of the Town Centre and is currently characterised by vacant parcels of land that provide a poor first impression of the town when arriving by train;

- Furthermore, the Railway Station and adjacent land provides a poor gateway into the Town Centre and reinforces its image as an 'end of the line' station rather than serving as a welcoming entry point to a key destination;
- Finally, there is a site at Prospect Hill located on the northern side of the Ring Road, currently used for car parking, which has the potential for new residential or office re-development.

3.20 At present, there is not a strong office market in Redditch Town Centre, largely due to the fact that the majority of demand for 'Grade A' accommodation is drawn towards Birmingham City Centre. The current rental level of approximately £5 to £10 per sqft renders any speculative development unviable. Despite this, there is considerable potential to stimulate demand for secondary office uses in the Town Centre given its location, large employment catchment area and the prospect of improved rail links to Birmingham. There is also an opportunity to drive new residential developments into the Town Centre, linked to an improved leisure, cultural and retail offer.

3.21 The Town Centre's public realm is in need of improvement and the Ring Road serves to create a man made barrier between the inner Town Centre and the out of town retail parks and residential areas, with pedestrians forced to navigate their way through uninviting subways. There is a need to re-think the 'New Town' highway design and look at ways in which vehicular traffic can be moved quickly and efficiently through the town whilst improving opportunities for cyclists and pedestrians to safely navigate around the urban environment and increasing public transport usage. Furthermore, Redditch Town Centre suffers from poor external perception and image and in recent times there has been a lack of new investment attracted into the town, other than the investment made by the owners of the Kingfisher Shopping Centre. The fabric and configuration of the town has not evolved to meet the changing needs of consumers and compared to neighbouring towns such as Solihull and Worcester is looking outdated, this makes it difficult to attract high quality new names to Redditch and is resulting in a loss of spend from the surrounding catchment area.

### **Redditch Town Centre Place Review**

3.22 It is clear that despite some of the town's competitive advantages, Redditch requires new investment to regenerate and revitalise the Town Centre ensuring that it remains vibrant and successful in the future. This is essential to ensure that the town keeps pace with nearby centres that have well developed growth plans already in place.

3.23 The development of a 'Town Centre Place Review' as part of the Government's One Public Estate (OPE) initiative has provided the catalyst to consider and bring forward new regeneration opportunities that could benefit the town. The public sector has an extensive land ownership in the Town Centre with the majority of assets owned by the Borough or County Council. Almost 90% of

assets are owned on a freehold basis with uses covering offices, retail units, and schools but also including health services, community buildings and the police station, courts, fire station and library. Some of these assets have already been identified as surplus or underused and others are in need of replacement due to high running and maintenance costs.

- 3.24 The Redditch Town Centre Place Review has been overseen by a Board comprised of key public and private sector partners including the Borough and County Councils, West Mercia Police, Hereford and Worcester Fire and Rescue Service, NHS, HE, Heart of Worcestershire College and the Kingfisher Shopping Centre. The boundary of the review covers the definition of the Town Centre as set out in the adopted Local Plan. The Place Review work has helped to the Council and its partners to better understand the opportunities available to regenerate the public sector estate in the Town Centre and to identify ways in which public sector partners can work in a more integrated and efficient way.
- 3.25 Furthermore, the Council has worked with key stakeholders such as Worcestershire County Council, the Kingfisher Shopping Centre, NHS and HE to develop a wider 'Regeneration Prospectus' that sets out a future vision for the Town Centre (see Appendix 1). The Prospectus identifies a conceptual plan for the future re-development of the Town Centre, building on the potential opportunities to re-develop surplus public sector land assets.
- 3.26 The Concept plan sets 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 sets out a vision for an uplift in the town centre public realm to provide a more pleasant and enjoyable environment for residents and visitors.
- **Business Quarter (Prospect Hill, Church Road, Church Green West)**  
The Church Road area has been long identified as a development opportunity area and has number of buildings of heritage value within the Church Green conservation area. The vision is for this location to become a business/commercial quarter that respects its heritage setting and that serves the public and private sector, building on improved rail services between Redditch and Birmingham and the development of the HS2 link. The key to unlocking the regeneration of this area and the creation of a business quarter that stimulates demand for new office developments will be the creation of a new Public Services Hub.
  - **Railway Station Quarter (Railway Station, Edward Street and surrounding area)**  
The Railway Station is an important gateway into the town; however it currently gives a poor impression of Redditch for anyone arriving by train. The vision for this location to be significantly upgraded and regenerated with new investment in the Railway Station building and car park, the comprehensive re-development of adjacent vacant land parcels and high

quality public realm improvements and improved connectivity into the Town Centre;

▪ **Cultural / Leisure / Residential Quarter (Grove Street, Red Lion Street, Alcester Street)**

It is envisaged that this area will become a focal point for the Town Centre with new high quality development coming forward to provide a mix of residential and commercial leisure / night time uses which complement the Palace Theatre;

▪ **Learning Quarter (Heart of Worcestershire College)**

The vision for this quarter is to further strengthen and reinforce the existing role that Heart of Worcestershire College plays in supporting the town's economy and the skills base of the Borough. Opportunities to improve the physical links between the College campus and the rest of the Town Centre will be identified and developed;

▪ **Retail Hub (Kingfisher Shopping Centre)**

The importance of the Kingfisher Shopping Centre to the success of Redditch Town Centre is recognised and it is anticipated that the plans and projects identified in the prospectus and through the OPE review process will encourage the owners of the Centre to invest and further develop the offer by bringing exciting new occupiers into the town;

▪ **Public realm and connectivity**

The vision is to create a high quality town centre environment and a sense of place. Development of new and improved public / community spaces, improved pedestrian links and signage and street furniture are at the heart of this vision. Furthermore, there is a need for improved connectivity between areas outside of the Ring Road and the Town Centre;

3.27 The delivery of this ambitious vision could be kickstarted by the re-development of the public sector assets located within the Town Centre. Investment from the public sector agencies can help to create significant confidence amongst private land owners and investors and this could in turn generate new re-development opportunities for privately owned sites in the Town Centre.

3.28 The proposed public sector assets to be brought forward for regeneration include Redditch Town Hall, Redditch Library, Police Station, Fire Station and Smallwood House Medical Centre. In addition, there are opportunities to regenerate land in and around the Railway Station and HE owned land adjacent to Smallwood House. The recommendations relating to the Council's own asset, the Town Hall is set out in detail in this report, but in summary the implications for other key stakeholders are as follows:

- **Worcestershire County Council;** Redditch Library is owned by the County Council and it occupies a prominent position on Alcester Street with Job



Centre Plus (JCP) set to relocate to the Library in early 2018. The recommendation from the Place Review report is that an integrated Library / JCP should seek to relocate to a new 'Public Sector Hub' to achieve operational efficiencies and complement other public sector services. It is then recommended that a vacated Library should be demolished and cleared to make way for a new public square / piazza and small scale retail units fronting the entrance to the Kingfisher Shopping Centre. Consideration of any alternative use of the site will be part of detailed feasibility work.

- **NHS / HE;** Worcestershire Health and Care NHS Trust currently own Smallwood House which is located on Church Road and sits adjacent to the Church Green area. The building is currently used as a medical centre and has a locally listed facade on the front portion. Adjoining Smallwood House is a cleared parcel of land owned by HE which has been identified for re-development. Smallwood House and the adjoining HE land are identified in the Place Review as the preferred site for a new multi agency Public Services Hub;
- **Police / Fire ('Blue Light Services');** the existing Police Station (Local Area Policing Base or LAPB) is located on Grove Street and has been identified as being in need of improvement or replacement, whilst the Fire Service has a requirement to replace the existing Fire Station located on Middlehouse Lane. The recommendation from the Place Review report is that the development of a joint 'Blue Light Hub' facility should be pursued. However, this outcome is dependent on further feasibility, design and costing work being undertaken. If the existing LAPB site was vacated it could free up the site for either residential, retail or leisure re-development;
- **Railway Station Quarter** – the area in the immediate vicinity of the Railway Station and Edward Street is identified in the Council's Local Plan as a strategic town centre site. The area currently provides a poor initial image of Redditch as visitors arrive by train but there is the potential to transform the area creating new development opportunities, improving public realm and pedestrian links and improving the Railway Station itself. Initial discussions have taken place between officers and representatives of West Midlands Rail and there is a willingness amongst all parties to work together to explore opportunities for the re-development of the Railway site and on the back of this secure the comprehensive regeneration of the land that adjoins it.

To create a cohesive Railway Station Quarter, it is proposed to commission a masterplan to identify a new vision for this area, development proposals, a proposed delivery and funding strategy to facilitate land assembly and the re-development of land parcels. To deliver the vision, the Council may need to use its Compulsory Purchase Order (CPO) powers where land owners are unwilling to negotiate. In addition to Council resources, funding will be sought from key partners such as West Midlands Rail, Worcestershire County Council and the LEPs to support the cost of this important project.

- 3.29 A copy of the final Place Review report is attached at Appendix 2. It is important to note that all of the recommendations pertaining to partners land assets will be subject to each partner's decision making processes and their inclusion in this report does not constitute a formal decision or commitment by each partner.

**The Case for a Public Services Hub**

- 3.30 A key recommendation arising from the Place Review work is the creation of a new build multi-agency Public Services Hub. The principle of the Public Services Hub is that key partners including the Borough Council, NHS, the Library, DWP, potentially the Police and other voluntary organisations could deliver their services from one site and reduce the running costs of the public estate. The released land assets could in turn generate capital receipts to fund the new Hub and would open up opportunities to drive the regeneration of the Town Centre. Additionally, the co-location of partners would allow for better service delivery across the entire public sector family and would help to achieve some of the service transformation that is also critical to a successful OPE programme.
- 3.31 The Place Review process has identified the current and future operational and space requirements of each partner. Based on the outcome of this work and stakeholder discussions an options assessment for the location of a Hub has been carried out identifying the costs and benefits of different sites, the options included:
- 1) Co-location with the Council within a refurbished Town Hall;
  - 2) New build Hub
- 3.32 Whilst it is recognised that the refurbishment of the Town Hall would maximise the use of an existing asset enabling the earlier implementation of the Hub proposal, and capital investment for a new build would be higher, a new build option could deliver a range of benefits. This includes a more efficient and flexible working space for the Council and its partners, the potential for more collaborative working, lower running costs from a modern and energy efficient building and the potential to generate new income streams by the letting of surplus space.
- 3.33 Indicative figures provided to the Council by Place Partnership estimate that the construction of a new build Hub facility could cost approximately £12 million and the annual running cost could be approximately £370,000 per annum. Furthermore, Place Partnership indicate that the Hub could generate revenue savings of up to £700,000 per annum, with the Council itself generating savings of almost £450,000 per annum compared to the status quo.

**Preferred option**

- 3.34 The Place Review process identifies that the Council and its partners could achieve the greatest benefits by moving to a new purpose built Public Services Hub.
- 3.35 After considering the potential site options, it has been suggested by Place Partnership that the new Hub should be located on the land owned by the NHS Trust and HE at Church Road.
- 3.36 Smallwood House on Church Road is owned by the NHS, whilst the adjoining parcel of land is owned by HE. The site is seen to be the most developable site within the Town Centre and has the advantage of overlooking Church Green. It is understood that the combined size of the land owned by the NHS and HE (0.85 hectares) is large enough to accommodate a new 3 storey Hub comprised of 4,464 square metres of floorspace and appropriate car parking.
- 3.37 PPL has obtained an 'in-principle' agreement with both HE and the NHS Trust regarding the sale of their respective land assets to facilitate the delivery of the Hub. Further negotiations would be required and it is recommended that the Council should act as the acquiring body to bring the land required for the Hub into a single ownership, subject to terms and conditions being agreed.

**Implications for the Council**

- 3.38 The Place Review process has identified that parts of the Town Hall are underutilised and the internal fabric of the building is showing signs of age and is need of refurbishment. The option of refurbishing the Town Hall to create the new Public Services Hub has been considered, however this option is not preferred at this stage as it is considered that new build option can deliver greater efficiencies and savings for the public sector, improved service delivery and significant regeneration benefits for the Town Centre.
- 3.39 A vacated Town Hall presents a range of potential options for re-development. These could include:
- 1) Letting or selling the building in its current condition;
  - 2) Refurbishing the building for office uses;
  - 3) Refurbishing / converting the building for residential uses;
  - 4) Mixed use conversion;
  - 5) Demolition and clearance of the existing building to facilitate a mixed use development.
- 3.40 Initial advice from Place Partnership suggests that the most viable option financially is for the Council to seek to convert the Town Hall for a residential scheme and to dispose of the building within 3 years. It is estimated that such a scheme could generate up to 78 new residential units which would help to

increase footfall and spending in the local economy and create demand for new business and investment. Other lower yield options have been explored and discounted at this stage including the potential demolition and re-development of the building for a mixed use or residential scheme. The work undertaken by PPL needs to be examined further at the detailed business case stage. The detailed financial workings are attached at the exempt Appendix 3.

- 3.41 The Executive Committee is only being asked at this juncture to endorse the principle of the Council leading the development of a business case for a new multi agency Public Services Hub, subject to more detailed work being undertaken and confirmation from partners that they can support the project.

### **Scale of the opportunity**

- 3.42 The Council, along with Worcestershire County Council, commissioned Amion Consulting in November 2017 to provide a high level economic impact assessment (EIA) of the re-development proposals contained within the Place Review report and the wider Regeneration Prospectus. The focus of the EIA is principally on the economic impacts of the proposed town centre projects. The initial assessment concludes that the proposals, if fully realised, could potentially generate up to 1,500 new jobs. Of these jobs, 1,100 will be net additional resident based employment i.e. jobs created for Redditch residents. In addition, approximately £74.5 million of net additional GVA per annum within Worcestershire could be generated once the development proposals are fully completed and occupied.
- 3.43 The conclusion of the EIA is that the proposals contained within the Regeneration Prospectus could generate a significant long term economic impact for Redditch and transformative impact on the fortunes of the town creating new investment and confidence.

### **Resources and capacity**

- 3.44 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. The work required during phase two of the process is likely to include:
- Project management / delivery of the projects identified within the Regeneration Prospectus (subject to the Council and partners approval for the schemes);
  - Confirming that partners have the necessary outline approvals to commit to relocating to the Public Services Hub and to dispose of their existing land assets;
  - Developing detailed business cases for the proposed Public Services Hub and other key projects identified in the Prospectus;

- Linked to the above, instructing architects and cost consultants to provide initial design and costing work and undertaking initial site surveys and investigations for the proposed Hub;
- Negotiating terms for the Council to acquire the land required for the proposed Public Services Hub from relevant land owners;
- Commissioning further soft market testing of the development proposals to ensure that there is sufficient market interest in bringing them forward;
- Commissioning a masterplanning exercise for the Railway Quarter to identify a new vision, re-development opportunities and funding/delivery strategy within that area, subject to securing external funding;
- Consultation with planners and other statutory bodies regarding the re-development proposals;
- Scoping funding and delivery options.

3.45 The Council in its role as a community leader will need to commit resourcing of its own if it is to demonstrate a willingness to initiate a programme of change for the Town Centre. It is therefore proposed that the Council should budget for an initial sum of £200,000.

3.46 Further contributions will be sought initially from Worcestershire County Council, other public sector partners and the LEPs. The Council has already submitted a bid for funding to the GBSLEP to support the cost of the masterplanning work to help support the feasibility of a number of the town centre projects being proposed and other bids will be progressed as necessary.

### **Funding and delivery options**

3.47 There are a range of funding and delivery options available to bring forward the individual project proposals. It is recommended that partners undertake further work to fully understand the available options and the benefits and risks of each option. At this stage, all options remain on the table, but it is likely that the Council and its partners will need to examine the feasibility of establishing a Joint Venture arrangement or setting up a Local Asset Backed Vehicle (LABV), where the public sector bodies would contribute the assets and the private sector partner contributes the expertise and resource to deliver the projects and potentially can offer access to private sector funding. This type of delivery vehicle has worked successfully elsewhere in the country, particularly with town centre regeneration schemes.

3.48 To support the cost of some of the 'enabling work' that would be required to support the re-development of key sites i.e. site acquisition, land assembly,

demolition and clearance and public realm works, the Council and NWEDR have submitted a bid to the GBSLEP for £5 million of capital funding from its Local Growth Fund (LGF) allocation. The bid has been well received and has been ranked as an 'A rated' project by the LEP which means it is 'essential' to the delivery of the LEP's Strategic Economic Plan. The LEP has been encouraged by the level of ambition shown to date by the Council. The Council is now required to prepare and submit a full business case to the LEP to secure the funding and this will need to be done in conjunction with the wider programme of work. However, the Council will look to Worcestershire County Council, Worcestershire LEP and the West Midlands Combined Authority (WMCA) to provide additional resources and funding for specific projects, as funding becomes available.

**Next steps and summary**

- 3.49 The Regeneration Prospectus sets out a range of different development concepts and proposals that could bring new life to Redditch Town Centre. In turn, the OPE process has identified that the initiative lies with the public sector to act as a catalyst for the regeneration of the town by working innovatively to release surplus land assets and to collaborate to transform service delivery. It is worth noting that because of the obsolescence of the original infrastructure of the new towns nationally, many are in the process of redeveloping their principle shopping areas; Telford, Corby and Stevenage being recent examples where significant redevelopment has taken place, in order to make their centres fit for the 21<sup>st</sup> Century. Without this commitment, there is a danger that the town will continue to stagnate and decline and the economic outcomes outlined in this report will not be realised.
- 3.50 The next stage is to confirm the commitment of each public service partner to the development of a detailed business case for a Public Services Hub. It is anticipated that the development of the detailed business case will be completed by January 2019 with a detailed report brought forward to the Executive Committee for consideration. Confirmation will also be required from the Fire Service and Police as to their preferred options and it is anticipated that Worcestershire County Council will offer their endorsement of the proposals in the Regeneration Prospectus and will confirm their decision in relation to the future of the Library.
- 3.51 To ensure that there is momentum, it is proposed to establish a Redditch Town Centre 'Regeneration Board' led by the Chief Executive and Portfolio Holder for Planning, Regeneration, Economy and Transport and comprised of key strategic partners, building on the work taken forward by the Place Review Board that has been in operation during the OPE process. The Regeneration Board will be responsible for driving forward delivery of the overall regeneration programme including the development of business cases for projects.

**Customer / Equalities and Diversity Implications**

- 3.52 The project has identified that there is an opportunity to create a Public Services Hub within the town that will accommodate the Council and a number of public service partners. This will improve services across the entire public sector estate, generate additional income for the town and manage the property portfolio in a more efficient manner. These outcomes are at the heart of the One Public Estate initiative which seeks to transform services so they are fit for purpose.
- 3.53 A detailed assessment will need to be framed around the impact of change on the Council’s service users and staff when the Hub is occupied. At this stage the project has developed a theoretical model which demonstrates that the site chosen can be delivered at an affordable price and meets the current operational requirements. However it is expected that through detailed design and decisions around disposal, wider consultation with the public / service users will be sought by the Council and its service partners. This will allow people to offer opinions and voice any concerns at the appropriate stage.

**4. RISK MANAGEMENT**

- 4.1 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:

<b>RISK REGISTER</b>	<b>Impact (H/M/L)</b>	<b>Likelihood (H/M/L)</b>	<b>Risk Rating (R/A/G)</b>	<b>Risk Mitigation</b>
Lack of stakeholder buy in and support	H	M	<b>A</b>	Continue to work closely with key stakeholders and ensure collaborative thinking is at the heart of decision making. Each partner to be invited to sit on the Regeneration Board.
Each land owner disposes of land assets individually rather than as part of a cohesive regeneration programme	H	L	<b>A</b>	As above.
Financial risks associated with proposed investment	H	L	<b>A</b>	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	<b>A</b>	Strong project management controls would need to be put into place to

<b>RISK REGISTER</b>	<b>Impact (H/M/L)</b>	<b>Likelihood (H/M/L)</b>	<b>Risk Rating (R/A/G)</b>	<b>Risk Mitigation</b>
				ensure that projects deliver on time and to budget. Additional resource to be procured to supplement project capacity.
Inability to secure funding and investment	H	M	<b>A</b>	The Council has provisionally secured funding from GBSLEP to help unlock some of the regeneration proposals. The Council will also seek funding from Worcestershire LEP and the Combined Authority. 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	<b>A</b>	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	<b>A</b>	An initial market demand assessment has been undertaken by Place Partnership and has informed the proposals contained within the Regeneration Prospectus. Further 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.

**5. APPENDICES**

Appendix 1 – ‘Redditch Regeneration Prospectus’

Appendix 2 – Redditch Place Review Report produced by Place Partnership Ltd

EXEMPT Appendix 3 – Redditch Place Review financial information

**6. BACKGROUND PAPERS**

- Redditch Economic Priorities and Action Plan – report to Executive Committee – February 2018
- Redditch Town Centre Strategy (Arup) – published in September 2009



- Borough of Redditch Local Plan No. 4 – adopted 30<sup>th</sup> January 2017 (refer to Policies 30 to 33)

**AUTHOR OF REPORT**

Name: Dean Piper

Title: Head of Economic Development & Regeneration – North Worcestershire

email: dean.piper@nwedr.org.uk

Tel.: (01562) 732192