

# OPE 7 Bid

The comprehensive regeneration of  
Matchborough and Winyates District Centres,  
Redditch with significant new housing



An application for funding and support under One Public Estate

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## **1. Project Title**

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The comprehensive regeneration of Matchborough and Winyates District Centres, Redditch with significant new housing.

## **2. Headline**

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The redevelopment of the original 1970's New Town District Centre layout and design will enable Redditch Borough Council and partners to remodel the area, increasing the number and type of housing available as well as delivering community benefits and a more sustainable retail offer. This will include market and shared ownership housing to meet a specific need recognised and agreed with Homes England.

## **3. Project Rationale and Objectives**

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Redditch Borough Council is working in partnership with other public sector landowners to undertake the comprehensive redevelopment of two adjoining but failing District Centres within Redditch Borough to create a high quality and comprehensive new development comprising new retail and community facilities, over 400 new homes, and enhanced sports and leisure facilities at the Arrow Vale RSA Academy, set within a green, safe and attractive environment. Through its public sector partnership, Redditch Borough Council is also engaging with health and community safety partners to ensure appropriate health facilities and related local community services are all integrated within the planned development.

Round 7 of OPE places strong emphasis on the provision of new housing. Through a partnership approach, the developing plan for the new development could relocate the remote school playing fields within an enlarged RSA Academy curtilage on undeveloped land. The release of current playing field land and surplus highway extension land along with the footprint land of the existing District Centres provides a developable site of over 8ha gross. With the level of existing social housing provision in the area, the new housing would include a significant portion of market housing, including smaller units primarily aimed at first time buyers, for which there is known to be unmet demand locally. The majority of the developable land is within public sector ownership so only limited land assembly and property acquisitions will be required. The feasibility study and master planning will define and support the potential for further land acquisitions.

Initially, redevelopment and regeneration of this area was focussed on redeveloping the two District Centres simultaneously. Since then, alternative redevelopment options have been tabled, all of which could provide the desired enhancements for the area. These options include the potential to replace the existing centre with a major new district centre, serving both of the local communities served by the existing centres. In order to fully understand which development option should be pursued, a detailed feasibility study is now required. This will appraise the viability, deliverability and community benefit and value for money of all development options and once the recommended

option is selected by the public sector partners the study will extend to delivery method, master planning and funding to ascertain the most effective way to drive this project forward.

In terms of delivery method, it is recognised while that the Council (and other public sector partners) may wish to invest in the development, the nature of the mixed use development anticipated and the scale of the development, with 400 new homes to form part of any of the development options considered, we will need to work with an appropriate development partner who has the capacity and experience to undertake such a development. One option under consideration is to work with Homes England and their strategic delivery partners to identify a suitable development company who shares the visions and aspirations of the Council. This has clear advantages. First, procurement processes and time spans are greatly reduced, enabling a potential development plan to be agreed within twelve months. Second, Homes England's Strategic partners have been allocated capital funding for projects such as this, and additionally, discussions with Homes England indicate positive support for this method, with the likelihood that investment in a development of this scale and with these housing and community benefits would be supported, in principle.

To support this approach, Redditch Borough Council, as the lead partner would like to engage a development consultancy, who will advise the Council as well as other members of the partnership project team throughout the procurement processes, the preparation of development options and the master planning of the development once a development scheme has been agreed. If the decision is made to utilise the Homes England strategic partnership method to identify the development partner then the advisors to the Council will offer independent advice on the development of options which they will be asked to lead. The public sector partners will continue to develop plans for co-located community based services and the sharing of the new amenities and facilities to be created to inform the development options. The appointed consultants will also support the Council with the engagement of the local communities and the existing tenant businesses.

This is a major transformational project with potentially significant benefits to the local community and to key public sector stakeholders. Some initial work has already been undertaken in the area which will provide some enhancements and will not compromise the choice of a final development option. Enhancements include woodland management around Matchborough pond, brook realignment to increase water flows to and from Matchborough pond and preliminary ecological surveys.

Redditch Borough Council has a history of using innovative methods of construction and neighbouring developments are built under modular construction. The size and mixed use nature of the development would lend itself to Modern Methods of Construction (MMC) and the Authority is committed to exploring this opportunity during the development of the scheme. In selecting a potential development partner with Homes England, the Council will require evidence and track record of using MMC and their ability to provide the same opportunity for this scheme.

## 4. Site/s

The total area of the regeneration project is just over 8 hectares across two existing District Centres and adjoining green space and surplus highway land as indicated on the plan overleaf. The key to releasing the full 8 hectares of land will be support from Sport England to the development of a 5G pitch for school and community use and the release of the land currently housing the rugby pitch and the sub-standard all-weather pitch (outlined orange on the plan).

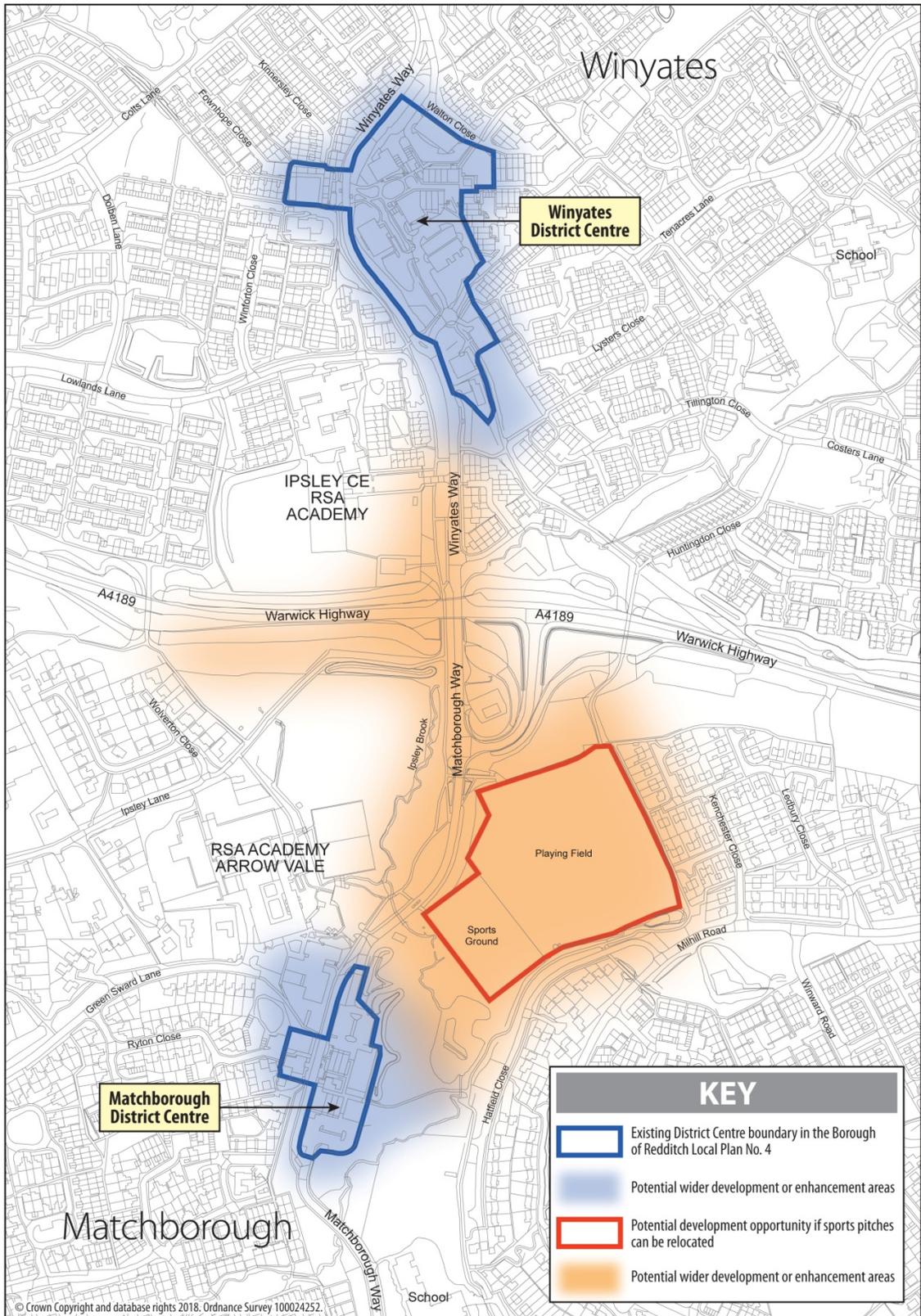
In order to ascertain the quantity of new homes that could be provided as part of this regeneration project, the available land has been evaluated. The Borough of Redditch Local Plan No.4 (Policy 5 Effective and Efficient Use of Land) indicates that densities of 70 dwellings per hectare (dph) should be sought on sites within or adjacent to District Centres. Using the Strategic Housing Land Availability Assessment methodology for new infrastructure and new open space provision the gross land areas are netted by 15%. Applying housing densities consistent with the Local Plan, the net developable land would allow for a new District Centre or two smaller centres in mixed used form with housing, and adjoining but separate, new housing development, providing over 400 new homes of mixed tenure.

### Number of residential units released through the bid

Dwelling capacities	Area (Gross)	Area (Net)	Existing dwellings	Net @ 30dph	Net @ 50dph	Net @ 70dph	Net @ 100dph	Net @ 120dph
<b>Winyates DC</b>	1.98ha	1.68ha	28	50 (+22)	84 (+56)	118 (+90)	168 (+140)	202 (+174)
<b>Matchborough DC</b>	2.20ha	1.87ha	1	56 (+55)	94 (+93)	131 (+130)	187 (+187)	224 (+223)
<b>New DC (1ha)</b>	3.98ha	3.4ha (minus 1ha for DC) 2.4ha	0	72	120	168	240	288
<b>Totals</b>	8.16 ha	5.95 ha	29	<b>178</b>	<b>298</b>	<b>417</b>	<b>595</b>	<b>714</b>

It is anticipated that there is additional land beyond the District Centre boundaries that could have development potential if this is identified through a feasibility study, which offers some flexibility as the project develops. The approximate total land holdings identified on the plan overleaf can be broken down as follows:

<b>Ownership</b>	<b>Area (Ha)</b>
<b>Matchborough</b>	
Redditch Borough Council	7.239
Worcestershire County Council	9.012
Homes England	0.104
Private landowners	0.04
<b>Winyates</b>	
Redditch Borough Council	2.721
Homes England	0.013
Health Centre	0.34
Private landowners	0.552



## 5. Project Scope

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The bid is for funding to undertake a feasibility study to enable the development options appraisal, master planning and delivery method for a comprehensive regeneration scheme involving new residential development, with retail, business and community space, enhanced local amenities, improved sports, health and leisure facilities and significant improvements in the built and natural environment.

This funding will enable the completion of all feasibility work, development appraisals and options analysis to secure a viable and sustainable development proposal. If the decision is taken to utilise the Homes England Strategic partner route to developer procurement then it is expected that work undertaken of the development appraisal and master planning will count as a matching contribution to the OPE funding now sought. All feasibility work will be completed in Q2 19/20 in order to advance master planning and development applications in the latter part of the financial year. The breakdown of project expenditure will be as follows:

- 1) £50k for stakeholder engagement and developer procurement including all legal agreements
- 2) £150k to undertake the full development options appraisal, master planning and design. 3) £50k for the development of the full business case for potential capital investment in the project
- 4) £50k for negotiations with additional land and property owners to support acquisition and associated legal agreements
- 5) £50k for further technical appraisals as required
- 6) £10k for continuing consultation and stakeholder events

The outputs from the project will include new housing, additional business space, enhanced retail and community space, new health facilities within a one-stop community services hub and a new traffic management scheme which prioritises local traffic movements, cycling and walking.

## 6. Partners

In addition to the public sector land owners, the regeneration scheme is supported by other interested parties in the locality who will not only benefit from the regeneration, but will also be consulted to help shape the preferred regeneration option.

<b>Name of organisation</b>	<b>Nature of support (funding/land/service delivery)</b>
Redditch Borough Council	<ul style="list-style-type: none"> <li>• Land owner and Lead Authority.</li> </ul>
Worcestershire County Council	<ul style="list-style-type: none"> <li>• Land owner.</li> </ul> <p>The County Council is committed to the comprehensive place-making approach and the remodelling of highways and pedestrian routes to support the preferred layout and housing development. The County Council will incorporate their land into this comprehensive approach.</p>
Arrow Vale RSA Academy	<ul style="list-style-type: none"> <li>• Agreement to release playing fields subject to Sport England approval. Partner in the delivery of services to the local community.</li> <li>• In-principle financial contribution towards relocating sports pitch.</li> </ul>
Homes England	<ul style="list-style-type: none"> <li>• Land owner and potential investor.</li> <li>• Use of HE's delivery partner panel to fast track appointment of suitable development partner.</li> <li>• The selected development partner will bring expertise and resources which may be considered as match funding to the bid.</li> </ul>
Sport England	<ul style="list-style-type: none"> <li>• Key early engagement as a consultee to advise on a strategy for playing pitch relocation and provision.</li> </ul>
P & E Sports	
Police and Community Safety Partnership	<ul style="list-style-type: none"> <li>• Community safety, design, local knowledge.</li> </ul>
West Mercia Police	<ul style="list-style-type: none"> <li>• Co-location (touchdown facility).</li> </ul>
Winyates Health Centre	<ul style="list-style-type: none"> <li>• Land owner and provider of community services.</li> </ul>
Christ Church, Matchborough	

Redditch Borough Council, Worcestershire County Council and the RSA Academy have already funded the feasibility of developing the 5G sports pitch in a new location on Redditch Borough Council and Worcestershire County Council land. The release of the existing rugby pitch land and sub-standard all-weather pitch will involve a Land Swap arrangement between Redditch Borough Council and Worcestershire County Council to facilitate the new 5G pitch.

Sport England has been consulted during the preparation of this Bid in order that the land swap and reconfiguration of school sports facilities can satisfy Sport England's requirements and standards for playing pitch provision.

Sport England is a statutory consultee for proposals that result in the loss of playing fields, for which there is a need to demonstrate that the proposal will meet the exception tests in Sport England's policy in order for Sport England to raise no objections.

Dialogue has been informative and largely positive to date. As a starting point, Sport England has been able to appreciate the benefits which would be achieved through playing pitch reconfiguration and has identified areas of work needed to demonstrate that the proposed package of mitigation would accord with Sport England's policy guidance. This feedback and advice offers Redditch Borough Council and its partners encouragement that the scheme could be achievable going forward.

Additional meetings with Sport England and a cross section of Council Officers have been scheduled for early December to ensure that the momentum to drive this project forward is maintained. Some works required by Sport England such as the identification of one new playing pitch elsewhere in the Borough may take time to achieve. The sooner this work can be undertaken, the sooner the Council and its partners can work towards positive outcomes which can be fully supported by Sport England.

RBC has invested around £15,000 to date in other feasibility activity in the area to support the redevelopment of this site, this includes:

Topographical Study: £2875.00

Preliminary Ecological Appraisal: £1500.00

Hydrological Study: £5950.00

Weir work and brook improvements (ongoing): £4570.00

Furthermore, additional work to be commissioned and costed early in the new year will include:

Tree felling

Land quality assessments for playing pitch relocation

Further ecological assessments.

## 7. Benefits

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The comprehensive regeneration of Matchborough and Winyates District Centres will create a sustainable and viable future for these important district areas in Redditch. It will attract new inward investment into the project, create a viable future for the retail and community facility offer, encourage people to choose to live in the area and create high standards of design, public realm and community safety. It will transform two failing and dated District Centres, characterised by poor design and obsolete buildings with significant improvement in the provision of local services and amenities.

### OPE measured benefits summary

<b>Benefits</b>	<b>Value</b>
Capital Receipts	The completed development project will have a gross development value of between £120m - £150m. With the likelihood of grant funding and direct capital investment by the Borough Council it is expected that the project will produce a capital receipt surplus. This will be determined during the feasibility study but is estimated at £2.5m based on a desktop assessment..
Reduced Running costs	The completed scheme will reduce the costs to the public sector through joined up service provision from a more efficient building and potential additional income from lettings. This will be determined during the feasibility study.
Land released for housing (ha)	8 ha
Land released for housing (homes)	400
Jobs created	To be determined
Inward Investment	The development scheme will attract over £100m of new inward investment. It will also attract additional Council Tax of £466k per annum
Reduced policing	
Reduced anti-social behaviour	
Increase in useable community and green space	
Increased community support	
Increased social aspirations	

## 8. Timescales

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Milestone	Estimated Start date	Estimated completion date	Notes
Completion of feasibility study including site appraisals and environment assessments. Appointed of development partner with HE	Q4 18/19	Q2 19/20	This work will be led by Redditch Borough Council with additional support
Appraisal of development options with development partner.	Q2 19/20	Q3 19/20	Potential land acquisition
Adoption of master plan and infrastructure delivery plan	Q3 19/20	Q1 20/21	Progression of full planning application for the development
Implementation of new infrastructure and delivery of new district centre and housing development	20/21	22/23	
Sale/lease of homes commences	22/23	23/24	

## 9. Funding

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Securing funding for this scheme will be fundamental to releasing the opportunity presented to acquire additional land, above what is in existing use, for the development of housing and the achievement of capital receipts to the public sector. The funding from OPE7 will specifically support master planning and design, options appraisal and business case development. It will complement the time and resources of Homes England and one of their strategic partners in undertaking feasibility work to consider the scope for further public investment and private sector housing investment in the comprehensive development scheme. It is not possible at this stage to quantify the value of this contribution from Homes England and the selected strategic partner but this will be undertaken and shown as match funding to the OPE7 grant.

Money has already been invested to determine the feasibility of the 5G pitch clearing the way for the Land Swap and development to take place. The OPE funding would allow the partners to develop a scheme to maximise the use of the site, and to ensure its delivery.

Funding body	Value
OPE grant	£160k
OPE sustainable grant *	£40k
Homes England and development partner	TBC breakdown of all costs shown above

*\*The sustainable grant element reflects the sale of some of the site for market housing or sale of land for market housing development.*

The phasing of OPE expenditure will run in parallel with the appointment of a suitable development partner and their own investment in feasibility studies and options appraisal working with the Council and its public sector partners. The OPE funding will provide the Council with independent advice throughout the procurement and development process. Capital investment in the project will include funding from Redditch Borough Council, Homes England and the chosen development partner. Homes England has indicated that this project qualifies in principle for capital funding providing it is delivered through one of its strategic partners.

The OPE funding awarded under round 3 predominantly supported the Redditch Town Centre Review, with some monies being used to progress some initial design work for Matchborough and Winyates District Centres assuming that both District Centres would remain.

The scheme currently proposed includes much more land for development and regeneration. Redditch Borough Council and its partners now need to understand the value of wider land holdings in the area, both in terms of generating capital to fund future progression and also the potential benefits of including additional public sector owned land in the project.

The comprehensive nature and potential scope for the regeneration project now therefore significantly outweighs the original regeneration schemes and the delivery of 60 housing units proposed at the time of the OPE3 bid. Through partnership engagement, the realisation of what can be achieved collaboratively would not only deliver regenerated District Centre facilities, but also superior sporting facilities for the nearby schools and around 400 new homes.

The redevelopment of the areas has political support and a readiness to commit capital funding if the scheme was to prove viable. Therefore, this OPE7 Bid would facilitate an increased level of housing development and inward investment and accelerate the development of an area that, without OPE7 funding, would struggle to get traction in sufficient time to realise the opportunity presented. The feasibility work now proposed would assess the potential capital investment from both the public and private sectors and the capital receipts and revenue income which will be forthcoming.

Redditch Borough Council has allocated up to £20m for acquisitions and housing development and this project will be eligible for some of this investment. Furthermore, the Borough Council will work with Homes England to secure a potential development partner to deliver the comprehensive housing led regeneration scheme and thereby to secure funding from Homes England to support the delivery of the scheme and the new housing once agreed.

Redditch Borough Council and Worcestershire County Council as principal landowners will look to enter into a development agreement with the appointed development partner whereby they would retain ownership of the housing development and potentially the new shopping centre with income from lettings shared between the developer and the public sector partners.

## 10. Risks

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The most significant risk to this scheme is securing the right developer and a fundable development scheme which meets the ambitions of the development partners. This OPE funding will guide the Council through this process and support the feasibility work needed, and master planning in order to ensure the best possible development is achieved.

Once secured the project has a high level of support and complies with current planning and Council policy.

<b>Element</b>	<b>Risk</b>	<b>RAG</b>	<b>Mitigation</b>
Planning	Policy	G	Scheme complies with approved planning policy
Planning	Design	G	Scheme design will be led by the Borough Council with support of its Planning Team, working with the appointed development partner
Planning	Highways	G	Worcestershire County Council will lead the transportation assessment and movement strategy
Land ownership	Third party ownerships	G	Most land is in public ownership. Where property is owned privately the Council will continue to work with the owners to ensure they are included in the scheme
Community	Lack of community support	G	A comprehensive approach of continued public engagement and consultation is planned to maintain confidence in the scheme and to ensure benefits are realised