

**Overview & Scrutiny
2021****02 December****Redditch Town Deal – 6 Month Update**

Relevant Portfolio Holder	Councillor Matthew Dormer - Leader of the Council, Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships
Portfolio Holder Consulted	Yes
Relevant Head of Service	Ostap Paparega, Head of North Worcestershire Economic Development and Regeneration (NWEDR)
Report Author	Lyndsey Berry Job Title: Regeneration & Implementation Manager Contact email: Lyndsey.berry@nwedr.org.uk Contact Tel: 01562 732515
Wards Affected	Abbey
Ward Councillor(s) consulted	n/a
Relevant Strategic Purpose(s)	n/a
Key Decision / Non-Key Decision n/a	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph(s) of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Overview and Scrutiny Committee is asked to RESOLVE that:

1) subject to members' comments, the update report be noted.

2. BACKGROUND

- 2.1 The Towns Fund is the government funding scheme intended for towns to improve their economy. In 2019, the government invited 101 towns to develop proposals for a Town Deal as part of the £3.6 billion Fund. Redditch was one of the towns across the country eligible to bid for up to £25m from the Towns Fund.
- 2.2 The bid process needed to identify the regeneration projects most appropriate for the funding, what funding would be required and how the identified projects fit with the wider, longer term plan for ongoing regeneration and economic growth. The bid had to also ensure all Redditch residents would directly benefit from the proposed investment.

Overview & Scrutiny

2021

02 December

- 2.3 To take the bid process forward, Redditch Borough Council established a 'Town Deal Board' in accordance with the guidance detailed in the [Towns Fund prospectus](#). It includes local businesses, community representatives, council officers and other partners committed to improving the town. The [Town Deal Board](#) with the council as lead partner, developed a [Town Investment Plan \(TIP\)](#) which was submitted as part of the bid to Government on Friday 29 January 2021, this included 5 projects with an ask of £25 million.

Project	Description	Towns Fund Ask
Redditch Transport Interchange and Railway Quarter	<p>This project provides the opportunity to bring about a transformative change in Redditch, to create an integrated multi-modal transport interchange in Redditch Town Centre as part of the Railway Quarter redevelopment. Redditch is on the cross-city line as the destination running from Lichfield through Birmingham New Street Station. Redditch station will become a 'gateway' for the town supporting the overall regeneration of Redditch and the town centre. Towns Fund grant funding is being sought to bring forward a new two-storey station building and improved public realm providing attractive, modern facilities and supporting pedestrian access to the Town Centre.</p> <p>The project will deliver:</p> <ul style="list-style-type: none">• A new two-storey station building positioned to straddle the line, supporting passengers to access two platforms and both sides of Unicorn Hill. The building will also provide improved amenities for travellers, including digital infrastructure inherent to the construction and design (in line with Network Rails Digital Railway Strategy).• An interchange to include rail and bus services, parking for the station and services, taxi drop off/pick-up and support cycling and walking access to the quarter.• Creation of new open space in front of the station, providing improved connectivity between the station and the town centre, and joining up to the other public realm enhancements proposed in the Town Deal bid• Providing an enhanced, modern, and attractive sense of arrival and customer experience for commuters and visitors, with services that support the digital town proposals.• New car parking adjacent to the station. <p>The project will also support and enable the wider development of the railway quarter. Future work packages are expected to include: a second platform at Redditch to support increased train frequency; a second phase of station building on the east side of the track and connection over the line in support of the second platform; longer 210m platforms to support 9-car trains subject to future rail strategy; a bus interchange including a new terminus adjacent to the railway platforms, supporting movement between transport modes; redevelopment of adjacent land for potential residential,</p>	£8,500,000

Overview & Scrutiny

2021

02 December

	office, retail and leisure uses; and highways interventions to bring the track and platforms under a road bridge (Unicorn Hill) and into a new centre for the station, aligned with bus services and providing pedestrian access into the shopping centre and Town Centre.	
Redditch Digital Manufacturing and Innovation Centre	The project will provide digital innovation support to increase the resilience, productivity, and competitiveness of businesses within the manufacturing industry. The projects objectives are to: provide open access and specialist support to local entrepreneurs and companies, particularly in the manufacturing sector, that want to test and develop 5G-enabled services and applications (provision of a 5G test bed); provide access to a range of high-quality business and innovation services and space to nurture, mentor and facilitate businesses development and growth; to provide new businesses, predominantly, but not exclusively, within the manufacturing sector with a range of flexible workshop and office accommodation to enable them to prosper and grow; develop a base of local workforce and young talent equipped with the skills needed in a 21st century digitalised economy; to create an investment destination / eco-system that facilitates adoption of digital technologies, particularly in the manufacturing sector.	£8,000,000
Redevelopment of Redditch Library Site	Demolition of the existing library building and the delivery of a new public square and associated commercial development. The proposed new square on the site of the library can provide this space in a location which helps to drive footfall to and from the Kingfisher Centre and improving connectivity to the historic town centre core. The proposed new square would stimulate the conversion of the blank surrounding facades, including part of the Kingfisher Centre and the former Royal Hotel, currently operating as a nightclub. In addition, a new café pavilion is proposed to book-end the new square and helps to define the historic street frontage,	£4,200,000
Redditch Town Centre Public Realm	Church Green Evesham Walk and Unicorn Hill together form the heart of Redditch's Town Centre Public Realm. Unfortunately, over the years these cherished streetscapes have become tatty, uninviting, and more worryingly, underused. This proposed major investment will see these three important thoroughfares transformed into a series of modern, attractive and multifunctional public spaces which will together act as Redditch's 'shop window', showcasing everything the town has to offer by supporting vibrant public events, a thriving street dining and trading scene as well as improving access to the wide range of services provided in the Town Centre for all. The investment will include high quality street furniture, waymarking and repurposing of underused space to ensure that this scheme unlocks its maximum economic and social potential. The completed scheme will provide a valuable focus for civic pride in Redditch, acting as an essential catalyst for the wider regeneration of Redditch Town Centre, stimulating private sector investment and helping the town to recover and thrive beyond the COVID-19 pandemic.	£3,000,000

Overview & Scrutiny
2021**02 December**

Sustainable Projects Programme	<p>This is a package of interventions which build on previous sustainable improvements within the Borough. The use of sustainable development principles to grow Redditch whilst at the same time enhancing economic, social, and environmental spheres is of fundamental importance. RBC are looking to deliver carbon reductions and reduction in energy consumption to improve the efficiency of its assets, for instance through further solar pv and battery storage at Abbey Stadium, Arrow Valley Countryside Centre, and Greenland's Business Centre.</p> <p>Low Carbon Travel & Transport</p> <p>Installation of EV Charging Points</p> <ul style="list-style-type: none">• Top-up Charging – both 50Kw & 7kW to suit in key locations where residents regularly travel to (car park, leisure facilities etc)• Residential Charging – where residents do not have driveways, in RBC owned car parks• Workplace Charging – at RBC owned workplaces• Fleet Charging (and Vehicle to Grid) – for electric fleet at RBC Depot <p>E-Bike charging and hire stations</p> <ul style="list-style-type: none">• Arrow Valley Countryside Centre• Abbey Stadium Leisure Centre	£1,100,000
Revenue Ask		£200,000
Total Ask		£25,000,000

2.4 Progress Update

2.5 In June 2021 the council and Town Deal Board received confirmation from the Government that Redditch had been awarded £15.6 million through The Town Fund. Due to the shortfall in funding offered the board, with support from The Town Fund Delivery Partner undertook a session to reprioritise the projects using the Government re-prioritisation tool and an options paper (Appendix 1) drafted by Officers. The Towns Fund Delivery Partner is a consultancy support team, appointed by government to support Towns in successfully accessing the Towns Fund.

2.6 The Board agreed several parameters for reprioritisation prior to the assessment taking place, these were,

- approved projects should not lead to increased risk (financial; delivery and reputational) for the accountable body (Redditch BC).
- top slicing of projects should be avoided.

Overview & Scrutiny 2021

02 December

-
- additional third-party contributions / other sources of funding should not be considered unless approved in writing prior to the Board meeting on 13 August 2021.
 - use of the Towns Fund Delivery Partner's project re-prioritisation tool to select the projects to be taken forward for delivery.
- 2.7 Following the assessment, the projects agreed to be taken forward as part of the Towns Deal are,
- Development of a new digital manufacturing and innovation centre – Project Lead NWedR
 - Redevelopment of Redditch Library – Project Lead NWedR
 - Town Centre public realm Improvements -Project Lead WCC
- 2.8 Officers submitted project confirmation documents to the government at the end of August 2021 and an offer letter was received in November 2021. This letter outlined the grant amount to be provided, and the requirements of the accountable body (which is Redditch Borough Council)
- 2.9 Next steps**
- 2.10 With Stage 1 complete, and a Town Deal offer agreed, the programme moves forward to Stage 2: Business Case Development. A period of 12 months is given from the signing of Heads of Terms to produce HM Treasury Green Book 5 Case Business Cases for all projects.

The five cases in the Green Book are:

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

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

Overview & Scrutiny

2021

02 December

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

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

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

- 2.11 The business cases will need to be taken through the Accountable Body's (Redditch BC) own assurance framework before sign off from the Section 151 Officer & Town Deal Board Chair and submitting a summary document to Government by the end of June 2022. The Department for Levelling Up, Housing & Communities (DLUHC) also reserves the right to call in any business case to be assured centrally. External consultants will be commissioned using the revenue funding grant already received to assist with writing the business cases in conjunction with the project leads. The Business Cases will also address any project specific conditions as set out in the Heads of Terms letter and detailed below.

Redevelopment of Redditch Library

Provide as part of the business case an assurance from the County Council that there is an acceptable, viable, deliverable plan to relocate the library to an appropriate community hub which will serve the residents of Redditch and how it will fit with the overall delivery programme for the project. Detail through the business case a range of outcomes which can be assessed and how the assessments will be completed.

2.12 Town Deal Board

Since the heads of Teams announcement Adam Freeth has stepped down from his role as chair of the Town Deal Board, however, Adam is committed and supportive of the Town Deal and will remain on the board. Leigh Walton, a Redditch resident, and member of the Business Improvement District will now take the role of Chair. The board have agreed to select a board member to act as an ambassador for each project and to work with the project teams through the next phase as the Business Cases are produced.

2.13 Communications & Engagement Plan

Both NWEDR and RBC communications are now enhancing the communication strategy originally submitted with the Town Investment Plan to effectively communicate the process and latest news on the

Overview & Scrutiny

2021

02 December

Town Deal Fund as it progresses. This will include specific engagement with young people and Redditch Youth Council. The Town Deal Board chair will also oversee this work and act as “Communications ambassador”. This engagement will be in addition to any individual project consultation which will be carried out by project leads at the appropriate time.

3. FINANCIAL IMPLICATIONS

- 3.1 The Council was awarded a total of £213,029 through a revenue grant and capacity funding allocation to enable the production of the Town Investment Plan and subsequent Business Case. To date approx. £99,000 has been committed.
- 3.2 As the accountable body the Council will ensure that any draw down of funds agreed as part of the budget envelope are in accordance with the conditions of the final award. Funding received will need to be added to the Council's Capital programme.

4. LEGAL IMPLICATIONS

- 4.1 As Accountable Body for the Redditch Town Deal the Council has a number of obligations, including to ensure that decisions made by the Town Deal Board are in accordance with good governance principles and to support transparent delivery arrangements for the Town Deal. These obligations include:
 - Upholding the Seven Principles of Public Life (The Nolan Principles) in all the Board's activities.
 - Developing a delivery team, transparent delivery arrangements and agreements.
 - Ensuring that decision is made by the Board in accordance with good governance principles.
 - Ensuring transparency requirements are met through publication of information on the Council's website or on a Town Deal specific website.
 - Developing agreed projects in detail and undertaking any necessary feasibility studies.
 - Undertaking any required Environmental Impact Assessments and meeting all Public Sector Equalities Duties
 - Develop detailed, costed business cases.
 - Liaising with potential private investors in identified local projects and schemes.

Overview & Scrutiny 2021

02 December

-
- Signing the Heads of Terms Agreement with Government.
 - Monitoring and evaluating the delivery of individual Town Fund projects;
 - Submitting regular monitoring reports to the Towns Hub.
 - Receiving and accounting for the Town's funding allocation.
- 4.2 Individual projects identified as interventions within the Investment Plan will be subject to individual legal advice.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 Run and grow a successful business
Aspiration, work & financial independence

Climate Change Implications

- 5.2 The Climate Change Team are being consulted on the individual projects as they are progressed.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 n/a

Operational Implications

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

7. RISK MANAGEMENT

- 7.1 See appendix 2

8. APPENDICES and BACKGROUND PAPERS

- Appendix 1 Project Options Paper
Appendix 2 Risk Register

Overview & Scrutiny
2021

02 December

Overview & Scrutiny

2021

02 December

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Matthew Dormer	24 Nov 2021
Lead Director / Head of Service	Jon Elmer	24 Nov 2021
Financial Services	James Howse Executive Director of Resources	23 Nov 2021
Legal Services	Clare Flanagan	23 Nov 2021
Policy Team (if equalities implications apply)	n/a	
Climate Change Officer (if climate change implications apply)	Anna Wardell Hill Environmental Policy & Awareness Officer	20 Nov 2021