

Note for the attention of members of Overview and Scrutiny

Firstly, officers' apologies for the late circulation of these reports.

Town Investment Plan Report – Explanatory Note

Amongst other things The Town Investment Plan (TIP) Report is about pulling down the £15.6 million that has been identified by central government for spend in Redditch Town Centre. The TIP proposals are well documented on the website. The deadline for submission to central government is 29 June 2022 and officers and the consultants will continue to improve upon the council's submission until this deadline. The key objective is to successfully pull down the entirety of the monies identified for the council. If required, the council can submit a project adjustment form to suggest alterations within the objectives of the TIP.

In terms of some detail Mott MacDonald were appointed as the Towns Fund Delivery partner to deliver the business cases for the Digital Manufacturing and Innovation Centre and the Public Realm Phase three projects.

The approach to preparing the financial cases is premised upon the evaluation of several elements including: -

- Costs Assessment to determine how the costs have been obtained and how robust they are – including listing out key assumptions such as the base financial year where development costs will be incurred, indexation rates, discount rates
- Funding and Revenue Stream Analysis, analysing which funding options we considered and how secure they are
- Affordability Assessments which include the general financial metrics, such as net cash flow, net present value, internal rate of return and breakeven analysis as a way of assessing affordability. Sector specific metrics could be used to link the Financial Case to the Commercial Case
- Wider Financial Implications in which we must consider whether the project's financial objectives meet the Council financial objectives as set out in Local Plans. And whether by undertaking the project, this may change the risk profile of the Council / Local Authority associated with the projects.

However due to resources constraints across the industry, there has been delays regarding the finalisation of the business cases however the business cases have been significantly developed and with a few elements left to be completed. The business cases continuously being updated as more financial data is provided by specialist consultants working on the market demand & analysis, soft market testing and local business engagement.

The Overview and Scrutiny Committee is asked to note that in addition to a decision being taken by members, there is a requirement in the Towns Deal process for the business case to be approved by the Section 151 Officer. Once the business cases have been finalised, they will be sent to the Section 151 Officer for approval and this will occur before the 29th June 2022.

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