
Report title: Redditch Town Investment Plan Business Cases

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	Clayton Maponga Job Title: Programme Delivery Manager Contact email: clayton.maponga@nwedr.org.uk Contact Tel: 01562 732552
Wards Affected	Abbey and Central Wards
Ward Councillor(s) consulted	
Relevant Strategic Purpose(s)	Run and grow a successful business: Aspiration, work, and financial independence: Improved Health and Wellbeing: Community Safety and Anti-social behaviour
Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

2. The Executive is asked to resolve that:

That the two business cases attached as Appendices 1 and 2 are endorsed and used to present summary information for submission to the Department for Levelling Up Housing and Communities on the 29 June 2022.

3. BACKGROUND

- 3.1 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.
- 3.2 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 Borough residents would directly benefit from the proposed investment.

- 3.3 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. The aspects of the bid supported by the government are as follows:

Table 1

Project	Description	Towns Fund Ask
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	£3,000,000

	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.	
Total Ask		£15,200,000

Mott MacDonald have been appointed to develop the business cases for the three projects in table 1 above using the Five Cases Business Case model.

The five cases business model includes the following:

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.

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.

At time of writing the business cases are still being continuously updated and with new information being added in the build up to the 29th June 2022 formal submission. The business cases will be made available the week commencing 20 June.

4 Progress Update

4.1 Mott Macdonald are progressing the business cases development and significant progress has been made on the two business cases with current progress shown in the RAG Status tables below.

4.2 **Redditch Digital Manufacturing and Innovation Centre** – the development appraisal has been completed with the cost plan updated as a result, SQW Consultancy - have been appointed to undertake several commissions including market demand & analysis and engagement with local business and soft market testing.

Table 2 Innovation Centre Business Case Progress Status

Strategic Case	Economic Case	Financial Case	Commercial Case	Management Case
C.80% complete. First draft of the case has been completed. Has not yet been reviewed or signed off.	C.40% complete. Awaiting SQW inputs on numbers or firms and costs. Strawman model and write up at first draft stage.	C.10% complete. Awaiting input from SQW on operational costs and revenues	0% complete. Team to provide an update.	C.80% complete. Gaps around M&E, scope management and programme detail

4.3 **Redditch Library Site** – This will be subject to a separate report to the Executive Committee in September 2022.

An extension of time to 30th September 2022 to submit the Summary Documents for the Library Site Redevelopment was granted by the Department of Levelling Up Communities and Housing to allow Redditch Borough Council and Worcestershire County Council to reach an optimum solution for the potential relocation of the Library.

4.4 **Public Realm** – The financial modelling and options appraisal for the Public Realm project have been completed. The public realm financial modelling and options appraisal has three components namely:

Option A - Full Scheme at a projected cost of £4,002,213.57

Option B – Excluding Church Green East projected cost of £3,439,260.10

Option C – Excluding Church Yard projected cost of £3,353,339.11.

Table 4 Public Realm Business Case Progress Status

Strategic Case	Economic Case	Financial Case	Commercial Case	Management Case
C.80% complete. First draft of the case has been completed. Has not yet been reviewed or signed off.	C.60% complete. Need to decide on preferred option before we finalise the economic analysis.	C.60% complete. Need to decide on preferred option before we finalise cost profiles. Need clarification on funding sources and any funding spent to date.	0% complete.	C.80% complete. Gaps around M&E, scope management and programme detail

4.5 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 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.

5. FINANCIAL IMPLICATIONS

5.1 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.

5.2 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.

5.3 The Executive 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.

6. LEGAL IMPLICATIONS

6.1 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.
 - 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.

6.2 Individual projects identified as interventions within the Investment Plan will be subject to individual legal advice.

7. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purposes

- 7.1 Run and grow a successful business: Aspiration, work & financial independence: Improved Health and Wellbeing: Community Safety and Anti-social behaviour.

The projects will contribute to all the above strategic purposes in a range of different ways. In particular the Innovation Centre will contribute to running and growing business and aspiration and financial independence. The public realm enhancements will contribute to health and well-being related to more social interactions in the town centre and improved walking and cycling opportunities. In addition, the public realm work will attempt to design out anti-social behaviour and hence contribute to community safety objectives.

Climate Change Implications

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

8. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 8.1 None identified at this stage.

Operational Implications

- 8.2 Officer input from a number of Services 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 Climate Change.
- 8.3 External project management support will be recruited to deliver the Town Deal. The cost of this will be covered by the Town Deal.

9. RISK MANAGEMENT

- 9.1 There are several risks attached to the programme and these include operational and non – operational risks, commercial, construction and third-party risks. These are being constantly monitored and actions to mitigate the risks are ongoing.

10. APPENDICES and BACKGROUND PAPERS

Appendix 1 Redditch Digital Manufacturing and Innovation Centre
Appendix 2 Redditch Town Centre Public Realm

[Town Deal Board](#)

[Towns Fund prospectus](#)

[Town Investment Plan \(TIP\)](#)

Executive
2022

28 June

11. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Matthew Dormer	
Head of Service	Ruth Bamford	16/06/22
Financial Services	James Howse	16/06/22
Legal Services	Claire Felton	16/06/22
Policy Team (if equalities implications apply)	Deb Poole	16/06/22
Climate Change Officer (if climate change implications apply)	Judith Willis	16/06/22