
Redditch Town Investment Plan Business Case

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)
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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:

The business case attached as Appendix 1 is endorsed and used to present summary information for submission to the Department for Levelling Up Housing and Communities on the 14th October 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 modern, attractive and multifunctional public spaces which will	£3,000,000

	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 was appointed to develop the business cases for the three projects in table 1 above using The Green Book Five Cases Business Case model (Central Government Guidance on Appraisal and Evaluation of programmes and projects).

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.

Mott Macdonald have completed the development of the draft Library Redevelopment site five (5) case business case and are now updating the business cases following stakeholder comments. The Business Case is attached at Appendix 1.

An extension of time to 14th October 2022 to submit the Summary Documents for the Library Site Redevelopment was granted by the Department of Levelling Up Housing and Communities (DLUHC) to allow Redditch Borough Council and Worcestershire County Council to reach an optimum solution for the potential relocation of the library service

4 Project Scope

4.1 The Redditch Library Redevelopment proposed project scope as set out by the TIP is to demolish the current Redditch Library and develop a new commercial mixed-use building with a mixture of Food and Beverage (F&B) units and co-working space. In addition, the public realm where Redditch Library currently stands will be remodelled and improved / upgraded to provide a public plaza and events space. This redevelopment project seeks to improve connectivity between the Kingfisher Centre and historic town core, increase town centre footfall and improve its vitality and viability, support new business creation, and develop an improved cultural and leisure offer. The project will complement, and is also complemented by, the parallel Town Centre Public Realm project whose project outcomes encompass public realm improvements across key town centre routes such as Unicorn Hill, with these together improving the town's vibrancy and driving social and economic benefits.

4.2 Projects' Vision and Objective

The key vision and objectives of the Redditch Library redevelopment is to act a catalyst for the revitalisation and rejuvenation of the Town Centre and making Redditch a great place to live, work, visit and invest. The project will provide significant benefits to the local economy and community by increasing town centre footfall, improving the evening economy, and encouraging further inward investment to the town centre.

The project will also play a pivotal role in realising the Redditch Town Investment Plan vision and will specifically contribute towards the

ambition to create a 'Creative Smart Town'. The project will achieve these objectives by contributing towards: -

- **Strengthening the town centres' viability and vitality** - The redevelopment of Library will improve the viability of the town centre by providing a high-quality food and beverage and commercial offer which will increase footfall and therefore the investable potential of the town. In turn, this footfall and investment will improve the vitality of the town centre by making it more likely for currently vacant retail units to be repurposed, as well as reducing crime and fear of crime through natural surveillance.
- **Making the town centre a more attractive place to live and work** - The Library currently provides an important community hub but could do more. Its redevelopment will ensure the continuation of Library services as well as providing a popular asset for residents and small businesses within the town centre. This should attract more people to want to live and work in Redditch.
- **Developing the town centre into a cultural and leisure destination by providing facilities for more dwell time** - The redevelopment of the Library site will provide a new leisure hub at the heart of the town centre, as well as providing space for people to dwell during a day out. Given the current lack of amenities within the town centre, this project will represent a change in the Redditch's cultural and leisure offer.

4.3 Projects Economic Benefits

The project will deliver wider economic benefits to the Town besides the building offering new retail (food & beverage units) and co-working office space. The investment will revitalise the town centre creating a hub for the evening economy, increasing footfall and supporting the creation of additional jobs. The project will also provide additional economic benefits in the form of amenity benefit, commercial and residential benefit as a result of public realm improvements i.e., increase in the land values and reduction in the number of town centre commercial vacant (vacancy uplift) and encouraging public sector investment thereby providing real value for money.

In addition, the project will provide the following substantial qualitative benefits: -

- **Supporting business creation and growth** - The newly redeveloped Library site will provide a key asset for small businesses through

providing affordable and high-quality co-working space. Its positive effect on the vitality of the town centre will also increase footfall, making the conversion of existing vacant retail units a more attractive prospect for small businesses.

- **Increasing business innovation** - The presence of affordable co-working space and reduced retail vacancies will provide an environment in which small businesses can survive and thrive

Improving the town centres' evening economy- The redeveloping of the Library will present a meaningful intervention to provide attractive and popular food and beverage units as well as high-quality shared workspace in the heart of the town centre. By providing a centre for footfall and spending, this will have a knock-on effect on the wider town centre, attracting private inward investment to take up currently empty retail units. This might result in some of these being converted into further food and beverage uses thereby improving the town's night time economy

4.4 Project's Social Benefits

Redditch Town Centre has suffered because of a significant lack of regeneration of the town's built environment which has resulted in the town centre feeling outdated and unwelcoming. The long term under investment has contributed to negative perception of the town centre with increased crime and fear of crime highlighted by residents as a major concern. This status quo has endured for a long time and is unlikely to change without the intervention of the library redevelopment project.

The redevelopment of the Library site will increase vibrancy in the Town Centre and provide natural surveillance thereby providing a catalyst to reducing crime and increasing visitor numbers to support the local economy. The project will also drastically improve the public realm within the Town Centre through making direct improvements to the immediate vicinity of the Library around Church Green as part of this project's investment, as well as linking in with the wider public realm improvements on Unicorn Hill. With the good urban design planned on the public realm project which includes improved lighting and the activation of frontages this will lead to the reduction of crime and also the fear of crime thereby helping to bring residents back into the town centre and improving perceptions which in turn will also attract future investment in the town centre.

4.5 Project Key Milestones Dates

The delivery of the project will be overseen by RBC with NWedr as the delivery agent. A project manager will be appointed to oversee the procurement of a consultant team to design and a contractor to construct the scheme

DLUHC Summary Documents	15 October 2022
Professional Services (PM) Tender Award	March 2023
Professional Services (Architectural & Design) Tender Award	October 2023
Detailed Design	January 2023
Soft Marketing (Testing F&B Occupiers)	January 2024
Stakeholder Engagement	February 2024
Planning	June 2024
Construction Tender Award	October 2024
Construction Completed	31 st March 2026

4.6 Project Dependencies

A separate report on this agenda deals with the possible move of the Library. This move will be subject to the County Council's required consultation process regarding the relocation of the library and the associated timescales.

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.

6. FINANCIAL IMPLICATIONS

- 6.1 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. £148,000 has been spend and committed.

6.2 Estimated project development costs

The funding for the project will be provided primarily by the Towns Fund. A total of £4,200,000 is available from the Town Deal grant funding. After a comprehensive options appraisal the recommended development is Option 3 comprising a three storey build and providing 612sqm of floor space.

Option 3 – Demolishing the existing Library and replacing with small rectangular three storey new build with floor space of 612m² of comprising office and food and beverages units and 1,172m² of new public realm. The estimated project development cost for this Option is £4.2m

- 6.3 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.
- 6.4 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 case has been finalised they will be sent to the Section 151 Officer for approval and final signoff. The sign off is required by 14th October 2022.

7. LEGAL IMPLICATIONS

- 7.1 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
- Drafting and reviewing the Pre-Construction Service Agreement and Main Building Contract
- Drafting and reviewing management contract and occupational leases of the building
- Legal support in obtaining stopping up orders and representation with Statutory providers.

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

8. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purposes

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

The project will contribute to all the above strategic purposes in a range of different ways. The Library Redevelopment project will contribute to running and growing business and aspiration and financial independence. The public realm (public square) 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

8.2 The Climate Change Team are being consulted on the project as they are progressed.

9. OTHER IMPLICATIONS

Equalities and Diversity Implications

9.1 None identified at this stage.

Operational Implications

9.2 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.

9.3 External project management support will be recruited to deliver the Town Deal. The cost of this will be covered by the Town Deal.

10. RISK MANAGEMENT

10.1 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.

A project risk register has been prepared, identifying who owns the risk, the likelihood and impact of each risk, as well as actions to mitigate these risks. Risks are to be managed through regular reviews of the risk register and identification of potential risks for each component. RBC will implement a hierarchy of risk management that will eliminate risks where possible, then mitigate any impacts of foreseeable risks. This will be done formally at project site meetings and Project Board meetings.

The main risks identified are outlined in Table 1 below.

Table 1

Risk Element	Identified Risk	Responsible Owner	Mitigation	Likelihood	Impact
Pandemic	Another Covid-19 outbreak or similar results in delays to construction and the overall project programme	NWedr	Project team to abide by any Covid-19 or other pandemic regulations with remote working undertaken wherever possible.	Low	Marginal Impact

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**Executive
2022**

11th October

Funding	Allocated funding may not be sufficient to deliver all aspects of the project, as a result of cost-overruns	RBC	Detailed financial monitoring will take place throughout the project, creating an early warning system to highlight any funding issues. Should the project forecast exceed the approved budget the council will ensure action is taken to either reduce costs or seek alternative funding strategies.	High	Major
Programme	The project takes longer to deliver than previously envisaged, resulting in the programme not being met	NWedr	Dedicated and experienced project manager and architect will work with contractors to minimise risk. Should the project then overrun, the project can be adapted to reduce impact (e.g., completing a percentage of units for occupation).	Low	Marginal
Planning	Planning permission for the site is refused or delayed	NWedr / RBC	RBC to engage with planning colleagues and consider relevant planning policy in developing	Low	Marginal

REDDITCH BOROUGH COUNCIL

**Executive
2022**

11th October

			more detailed proposals.		
Planning	Conditions of planning permission may increase costs or timelines of the project	NWedr / RBC	See above	Low	Marginal
Cost	Construction cost increases	NWedr / RBC	NWedr to identify VE and betterment in the programme via the tender submissions	High	Major
Site	Feasibility work identifies significant remediation costs	NWedr / RBC	RBC to address any future funding issues via alternative funding sources.	Medium	Marginal
Health and Safety	Risk of injury to the public during library demolition and construction phase	NWedr	NWedr to maintain a hierarchy of control to protect members of public i.e. measures to manage access across the defined boundaries, steps to exclude unauthorised people from site,	Low	Marginal
Procurement	RBC is unable to find a suitable contractor through the public procurement process	NWedr	NWedr will initially, and then continue to, contact organisations who have delivered around the UK to find recommended parties to approach.	Low	Marginal

			NWedr to initiate process soon after Summary Documents submission to DLUHC.		
Demand	Lack of demand for F&B outlets and co-working office space results in them not being filled or increase in footfall may be less than originally forecast	NWedr	Undertake early soft market testing to assess interest from F &B operators. Develop marketing brochure and implement a targeted marketing campaign to promote the new premises to F&B occupiers.	Low	Marginal

11. APPENDICES and BACKGROUND PAPERS

Appendix 1 Redditch Library Redevelopment Site
Appendix 2 Development Appraisal (612m2)
Appendix 3 Redditch Library FBC Economic and Financial Analysis
Technical Note

[Town Deal Board](#)
[Towns Fund prospectus](#)
[Town Investment Plan \(TIP\)](#)

12. REPORT SIGN OFF

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