

Construction of Redditch Innovation Centre

Relevant Portfolio Holder	Cllr Matt Dormer
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Rachel Egan, Assistant Director Regeneration & Property
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Wards Affected	Central Ward
Ward Councillor(s) consulted	Cllr Sharon Harvey
Relevant Council Priority	Economy and Regeneration
Key Decision	
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 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Executive Committee RECOMMEND that:-

- 1. The Council utilise all available underspend from within the Town Deal programme (as set out in section 2.5) for construction of the Innovation Centre.**
- 2. The Council accept the £2,425,000 Enterprise Zone funding from Birmingham City Council for the construction of the Innovation Centre and incorporate it into the Council’s Capital Programme.**
- 3. Subject to the agreement of recommendations 1 and 2, authority be delegated to the Assistant Director Regeneration & Property Services, in consultation with the Section 151 Officer and relevant portfolio holder to enter into the necessary contracts and legal agreements required to implement the recommendations within this report.**

2. BACKGROUND

- 2.1 In June 2021, Redditch secured an historic investment of £15.6 million Town Deal funding. Town Deal is a national economic regeneration programme designed to reshape towns and secure long-term economic sustainability and growth. The Redditch submission was based on a vision for the transformation of the town summarised in

the Town Investment Plan. This investment plan was successful in securing funding for the following projects:

- Redditch Innovation Centre (£8,000,000)
- Redevelopment of Redditch Library Site (£4,200,000)
- Redditch Public Realm (£3,000,000)
- Programme Management Costs (£400,000)

TOTAL: £15,600,000

- 2.2 Redditch Innovation Centre will be a brand new 2600m² development in Redditch Town Centre. This will provide the platform for innovation and business growth, specifically (but not exclusively) targeting the digital manufacturing sector to create new and improved opportunities for businesses and local residents.
- 2.3 The accommodation will provide a flexible mix of office, lab and workshop space, combined with meeting rooms, networking areas and a café. The centre will also offer additional business support services and specialist shared digital manufacturing equipment, whilst acting as a hub for new and existing businesses to benefit from shared knowledge and experience.
- 2.4 The decision to cancel the redevelopment of Redditch Library site was taken at the Redditch Borough Council Executive Committee meeting on 29th July 2024, leaving a £4,200,000 underspend.
- 2.5 The Ministry for Housing, Communities and Local Government (MHCLG) agreed that this underspend could be used to further develop the Innovation Centre with a smaller amount also going towards Redditch Public Realm. This report now seeks agreement on behalf of the Council as lead accountable body to allocate the full £4,200,000 underspend to the Innovation Centre, along with £897,501 underspend from the Public Realm project, and £400,000 programme management costs. MHCLG funding rules allow easy virement of funding between projects within the Town Deal programme. This means the Innovation Centre can utilise funding from elsewhere within the programme, subject to S151 Officer approval alongside internal governance processes.
- 2.6 Members are asked to note that public realm works to Church Green West and Unicorn Hill have been completed within budget.
- 2.7 The Committee is asked to note that MHCLG have extended the deadline to spend Town Deal funding until the end of March 2028.

- 2.8 In consideration of the above, the Innovation Centre has been redesigned to increase the building in size resulting in additional economic benefits and overall sustainability.
- 2.9 Speller-Metcalf were appointed to work alongside the design team to complete the Stage 4 designs (via Procure Partnerships Framework), in line with the decision taken by Executive Committee on 8th July 2025. Stage 4 designs are now in place and we are currently in the process of agreeing final costs for construction.
- 2.11 This report seeks delegated authority to proceed to the construction phase, subject to agreement of final costs, within the budget framework set out in the exempt appendix. Construction is profiled to commence Summer 2026 with an anticipated 70-week programme, completing Autumn 2027. This work will be contracted via a JCT (Joint Contracts Tribunal) Design and Build 2024 Contract.
- 2.12 The project includes £2,425,000 from the Enterprise Zone Regional Investment Funding (EZRIF), now being managed by Birmingham City Council (BCC). This amount was approved by the Enterprise Zone Partnership Board in December 2025 and ratified by Birmingham City Council's (BCC) Cabinet on 20th January 2026. This report requests agreement to accept and spend all grant funding received from BCC on the construction of the Innovation Centre in line with the agreed business case. This funding forms part of the overall project budget, with detailed financial information set out in the exempt appendix
- 2.13 The Committee is also asked to note the project secured an additional £30,435 UKSPF (United Kingdom Shared Prosperity Funding), which was utilised as a contribution towards site enabling works which have already been carried out.

3. FINANCIAL IMPLICATIONS

- 3.1 Construction costs are to be funded by a combination of Town Deal, Enterprise Zone Regional Investment Fund (EZRIF) now managed by Birmingham City Council and Regeneration Reserves.
- 3.2 Construction costs are being developed in line with pre-agreed benchmarked rates which will be reviewed and validated by the Procure Partnerships framework. Additional checks and balances are also taking place including transparent pricing and specialist monitoring, to ensure continued value for money. The Council is also utilising specialist cost consultancy input from Gleeds to represent the Council in negotiating and agreeing final costs with Speller Metcalfe in line with the Stage 3 cost plan and pre-agreed rates. The Council

reserves the right to source further quotes or tender the works in the event of not reaching an agreement with Speller Metcalfe on final costs.

- 3.3 MHCLG funding needs to be spent by the end of March 2028. EZRIF funding (now managed by BCC) is profiled to be spent in the 2027/28 financial year.

4. LEGAL IMPLICATIONS

- 4.1 The Council's procurement and legal team will remain involved with this process to ensure that best value is demonstrated in line with the Council's Contract Procedure Rules.
- 4.2 Work will be contracted via a JCT Design and Build 2024 Contract. Officers will work closely with legal services in determining the most appropriate contractual arrangements and protections.

5. OTHER - IMPLICATIONS

Local Government Reorganisation Implications

- 5.1 Assets and ongoing management responsibility for the new Innovation Centre will transfer to the new authority.

Relevant Council Priority

- 5.2 The proposals detailed in this report align with the Council's Corporate Priority "Economy and Regeneration". It is a key project for the Council and will support delivery of objectives to support and encourage new start-up businesses, attract businesses to locate in Redditch and increase footfall in the town centre.

Climate Change Implications

- 5.4 The Innovation Centre remains on track to achieve a Building Research Establishment Environmental Assessments Method (BREEAM) Excellent rating. This reflects the project's commitment to climate-responsive design, as the standard integrates rigorous requirements on energy efficiency, carbon emissions, climate resilience, and sustainable resource use.

- 5.5 AHR Architects are the lead designers of the building and have ensured that designs are environmentally friendly and in line with local and national climate change policies. The design has been through a whole life carbon assessment to minimise the embodied carbon within the building. The super structure has been designed to bring maximum efficiency and reduce material weight. This is achieved by reducing spans where possible to reduce the size of beams and columns. High carbon materials like aluminium have been avoided in favour of long-life and recyclable products like brick.
- 5.4 The building follows a fabric first approach to maximise the sustainability credentials through: a regular, efficient form factor; highly insulated walls (0.15 W/m²K), floor (0.15 W/m²K), and roof (0.15 W/m²K); high-performing windows (1.3 W/m²K) and doors (1.6 W/m²K); and passive solar measures to reduce overheating. It will be fully electric and follow its ventilation, heating, cooling and water systems, which will be low-energy, efficient systems that follow sustainable principles. It will be a sealed (air tightness target 3.5m³/hm² @50Pa), mechanically ventilated building that has a high degree of control to individual spaces that seeks to maintain a consistent and comfortable internal temperature. Heat recovery, whilst ventilating the building, is done through individual Mechanical Ventilation and Heat Recovery (MVHR) units within tenant spaces and central air handling for landlord spaces. Air source heat pumps provide low-temperature heating to spaces via fan-coil units or wet radiators depending on the space.
- 5.5 Note that the designs include a photovoltaic (PV) array on the roof of the building.

Equalities and Diversity Implications

- 5.6 An Equality Impact Assessment has been carried out and has not identified any adverse equality or diversity impacts arising from this project. The Innovation Centre will be open to all businesses and individuals, and it is intended to support inclusive economic growth across Redditch. Although the Centre is not aimed at specific groups, it offers the opportunity to widen access to skills, employment and innovation-led opportunities for a broad range of residents. Equality considerations will continue to be kept under review as the Centre becomes operational, to ensure it remains accessible, fair and inclusive in practice.

4. RISK MANAGEMENT

5. There is an up-to-date costed risk register which is held by the project team and reviewed at regular intervals.

6. APPENDICES and BACKGROUND PAPERS

Appendices

Appendix 1 – Exempt Information

Background Papers:

“Redditch Town Investment Plan Business Cases” report to the Executive Committee on 28th June 2022

[Issue - items at meetings - Redditch Town Investment Plan Business Cases](#)

“Use of £300k of the Economic Development Reserve for feasibility studies at Matchborough, Winyates and Woodrow” report to Executive Committee 26th November 2024

[Medium Term Financial Plan 25-6 to 27-8 Tranche 1 - Final - covering report only.pdf](#)

“Digital Manufacturing Innovation Centre – Appointment of Design and Build Contractors for Stage 4 Designs” report to the Executive Committee on 8th July 2025:

[Issue details - Digital Manufacturing and Innovation Centre \(DMIC\) – Appointment of Contractor for Stage 4 Designs](#)

“Digital Manufacturing Innovation Centre – Proposed Project Changes” report to the Executive Committee considered on 13th May 2025:

[Link to covering report - Executive Committee 13th May 2026](#)

“Appointment of Design Team and Project Managers – Towns Fund Schemes”, report to the Executive Committee considered on 9th January 2024: [Link to the covering report to the Executive Committee - 9th January 2024](#)

Town Investment Plan: [Town Investment Plan submission | Redditch Town Deal](#)

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Matt Dormer	13/05/26
Lead Director / Assistant Director	Rachel Egan (Assistant Director Regeneration and Property Services)	30/04/26
Financial Services	Debra Goodall (Assistant Director Finance and Customer Services)	30/04/26
Legal and Democratic Services	Nicola Cummings, Principal Solicitor – Governance Claire Green, Principal Solicitor – Contracts, Commercial and Procurement Jess Bayley-Hill – Principal Democratic Services Officer	01/05/26
Policy Team (if equalities implications apply)	Rebecca Green	29/04/26
Climate Change Team (if climate change implications apply)	Matthew Eccles	30/04/26