



Ministry of Housing,
Communities &
Local Government

**Ministry of Housing, Communities & Local
Government**
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Adam Freeth
Chair, Redditch Town Deal Board
[REDACTED]

www.gov.uk/mhclg

8 June 2021

Kevin Dicks
Chief Executive Redditch Borough Council
[REDACTED]

Dear Mr Freeth and Mr Dicks,

Redditch Town Deal

In September 2019, the Government announced the initial 101 places invited to develop Town Deal proposals as part of the £3.6 billion Towns Fund.

Redditch was included in this initial 101 places and we were pleased to receive Redditch's Town Investment Plan in January. We are grateful for your hard work, and that of your team and Town Deal Board, in developing this set of project proposals to deliver long-term and sustainable economic growth in Redditch.

I am delighted to be offering you a Town Deal for Redditch to a value of up to £15.6 million. The draft Heads of Terms for this deal are attached to this letter. A list of the projects that we are content to support within this funding envelope is also attached, with conditions as appropriate; it is for Redditch to choose which projects to proceed with.

I understand that you will need to secure the agreement of the Town Deal Board to take up this offer. I would therefore request that you do so and return to us the signed Heads of Terms as confirmation by 29 June 2021. My officials are of course on hand to answer any questions you may have.

This is an exciting opportunity to come together to drive long-term economic and productivity growth in Redditch, particularly as we meet the challenges presented by Covid-19. I look forward to working with you to make Redditch's plans a reality.

Yours sincerely,

RT HON ROBERT JENRICK

Heads of Terms offer for Redditch

Introduction

Situated to the South of Birmingham, Redditch has a rich heritage dating all the way back to the 12th Century, where it began as a crossroads on key trading routes. Redditch rose to prominence during the industrial revolution, when products including needles, fishing tackle, springs and motorbikes were shipped around the world. Despite its strategic location, Redditch faces several key issues: a lack of investment in the Town Centre, an enterprise deficit and local crime.

Government will work with Redditch Borough Council and its Town Deal Board to support the delivery of a Town Deal, with the goal of ensuring all Redditch residents have a share in the town's success.

The commitment

This document lays out the Heads of Terms offer to Redditch, under the Towns Fund. This is not a contractually binding document and the offer is subject to various conditions being met. The Heads of Terms will act as a Memorandum of Understanding for the future development and delivery of Redditch's Town Investment Plan and project proposals. It sets out joint expectations as Redditch enters the business case development phase.

Government will provide up to **a total of £15.6 million from the Towns Fund**, which will be used to enable Redditch to transform Redditch from a traditional New Town into a New smart Town fit for the 21st century, which is both a great place to live and work as well as being a hub for investment and visitor destination.

Redditch has proposed a range of projects that will contribute towards achieving this vision. These include:

- Sustainable Projects Programme
- Redditch Digital Manufacturing and Innovation Centre
- Redditch Town Centre Public Realm
- Redditch Transport Interchange and railway quarter
- Redevelopment of Redditch Library Site

Redditch will need to prioritise these projects within the funding envelope being offered. Funding for individual projects will be subject to successfully completing Phase 2 of the Towns Fund process. This includes detailed project development and business case assurance at local level.

Process, governance and assurance

Local partners will work with government to demonstrate the feasibility, viability and value for money of their projects by developing and submitting the Town Deal Summary Document, including (as per the Further Guidance and Stage two guidance: business case development):

- A list of agreed projects
- Details of business case assurance processes followed for each project

- An update on actions taken in relation to the Heads of Terms key conditions and requirements
- A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
- A Monitoring and Evaluation Plan
- Confirmation of funding arrangements and financial profiles for each project
- Undertaking Public Sector Equalities Duty analysis
- Approval from the Town Deal Board and Lead Council

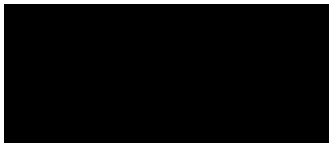
Redditch should conduct project assurance in line with agreed routes for each individual project. Redditch should also provide further detail on the project prioritisation process and how this aligns directly with the level of need in the town, as identified in the TIP.

If the priority projects identified for funding do not progress, MHCLG cannot guarantee that funding can be assigned to alternative projects or that if it is those will be to the same value. This may result in an overall reduction in the amount of funding received.

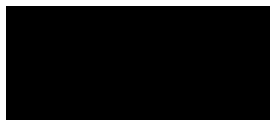
Within two months of accepting this offer, Redditch should confirm in writing details of projects being taken forward and a plan for addressing key conditions relating to those projects and the overall Town Investment Plan. This should be sent to towns.fund@communities.gov.uk, copied to the town lead.

Redditch must then complete business cases for the projects being taken forward and submit the Summary Document within 12 months of the deal being agreed. MHCLG will then provide the agreed funding up to the maximum amount of **£15.6m** for those projects, provided that all conditions are met.

Signed:



Chair of the Town Deal Board



Lead Council



MHCLG Secretary of State / Minister

29 June 2021 30 July 2021

Date

ANNEX TO THE HEADS OF TERMS: PROJECTS WITHIN SCOPE OF THE TOWN DEAL

The Town Deal offer is a maximum of **£15.6 million** of MHCLG funding in total.

Within this maximum amount, Redditch may take forward projects selected from those listed below.

This funding will be subject to successfully completing Phase 2 of the Towns Fund process as set out in the Towns Fund Further Guidance, including detailed project development and business case assurance at local level. It is also dependent on final spending profiles, including the RDEL/CDEL split being provided, and the further project-specific conditions set out below being met.

| Project | Funding offer limit | Match | Expected outputs and outcomes | Conditions | Fast track (Y/N) |
|---|---------------------|-------|---|--|------------------|
| <p>Sustainable Projects Programme</p> <p>This is a package of interventions built 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.</p> | £1.1m | £0.35 | <ul style="list-style-type: none"> • New or upgraded road infrastructure (EV charging points)-102 • Wider cycling infrastructure (e-bike charging /parking hubs) – 2 • Carbon savings (Tonnes) – 150 • Renewable energy generation capacity (kW)- 450 | <ul style="list-style-type: none"> • Provide a more detailed delivery plan that covers operational and management plans; and clear breakdown of Towns Fund and committed match funding (with sources) for each element. • Provide evidence of what community and business engagement/consultation took place on this planned programme and also outline how this engagement will continue in the future. | N |
| <p>Redditch Digital Manufacturing and Innovation Centre</p> <p>This project will provide 2,500 sqm of state-of-the-art business incubation, innovation and co-working space in a purpose-built landmark building in Redditch Town Centre</p> | £8m | N/A | <ul style="list-style-type: none"> • Increase in the amount (and diversity) of high quality, affordable commercial floorspace- 2500sqm • Other schemes to support enterprise and business productivity and growth – 2 • Programme of grants to local SMEs or employers in key sectors- 5 | <ul style="list-style-type: none"> • N/A | N |

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|---|-------|--------|---|--|---|
| | | | <ul style="list-style-type: none"> • Number of start-ups and/or scaleups utilising business incubation, acceleration and co-working spaces – 30 • Number of enterprises utilising high quality, affordable and sustainable commercial spaces - 100 | | |
| <p>Redditch Town Centre Public Realm</p> <p>This proposed major investment will see three important thoroughfares transformed into a series of modern, attractive and multifunctional public spaces which will together act as Redditch's 'shop window'.</p> | £3m | £0.55m | <ul style="list-style-type: none"> • Delivery of new public spaces -5 • Footfall – increased • Perceptions of the place by residents/visitors - increased • Land Values- increased | <ul style="list-style-type: none"> • N/A | Y |
| <p>Redditch Transport Interchange and railway quarter</p> <p>This project will transform Redditch, creating an integrated multi-modal transport interchange as a modern attractive gateway bringing together the Railway Quarter and Town Centre as one seamless place for visitors and residents and maximising the</p> | £8.5m | £1.28m | <ul style="list-style-type: none"> • New, revived, or upgraded train and stations – 800sqm • Improved interchange connectivity between transport modes – 1 • New or upgraded cycle or walking paths- 600sqm • Delivery of new public spaces – 5500sqm • Land release for new development uses – 7400sqm • Number of trips by purpose and main mode- forecast growth to be | <ul style="list-style-type: none"> • Provide confirmation that Network Rail are appropriately engaged and any requirements they may impose are reflected in the project timescale. • Quantification of outcomes are required to proceed with this project. | N |

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|---|-------|-----|---|---|---|
| town's benefits as the final destination on the Cross-City railway from Birmingham | | | between 8% and 22% increase in a range of post-COVID 19 scenarios to 2035 | | |
| Redevelopment of Redditch library site This project will demolish the existing library building and the deliver a new public square and associated commercial development | £4.2m | N/A | <ul style="list-style-type: none"> • Delivery of new public spaces- 750sqm • Delivery of commercial space- 15000sqft • Land Values increased | <ul style="list-style-type: none"> • Provide assurance on what will happen to the existing library provision, where it will go and how the needs of the community to access library services will be met when the existing site is demolished. • Provide further detail on the impact of this project through inclusion of a broader range of outcomes. | N |

General conditions

There are also the following requirements for the process and governance:

- **TIP Improvements:** Provide further detail on the project prioritisation process and how this aligns directly with the level of need in the town, as identified in the TIP.
- **Assurance:** The business cases for each project will be taken through Redditch Borough Council, in line with local assurance processes.
- **Public Sector Equalities Duty (PSED) and other assessments:** Redditch Borough Council will undertake programme-wide level impact assessment, relevant project-level impact assessment to meet their Public Sector Equalities Duty as well as carry out relevant Environmental Impact Assessments.

If the priority projects identified for funding do not progress, MHCLG cannot guarantee that funding can be assigned to alternative projects or that if it is those will be to the same value. This may result in an overall reduction in the amount of funding received.

Within two months of accepting this offer, Redditch should provide the following information to towns.fund@communities.gov.uk, copied to the town lead (annex a in business case guidance):

- Details of the projects being taken forward (including for each project the capital/revenue split and the financial profile)
- Overall capital/revenue split and financial profile for the Town Deal
- A plan for addressing key conditions relating to those projects and the overall Town Investment Plan.

Redditch must complete business cases for the projects being taken forward and submit the Town Deal Summary Document within 12 months of accepting this offer. Business cases should follow the Lead Council's usual assurance processes and be undertaken in partnership with the Town Deal Board.

If the town wishes to alter the projects being developed, change them for other projects, or otherwise depart from the conditions placed on the projects above, they will inform the Towns Hub as soon as possible setting out clear justifications and evidence. A form for requesting such changes is in the business case guidance.