

Appendix M – Soft market testing Redditch Town Investment Plan

Project:	Redditch Town Investment Plan		
Prepared by:	Redditch Borough Council/NWEDR	Date:	January 2021
Approved by:	Redditch Borough Council/NWEDR	Checked by:	RBC/NWEDR

The soft market testing aims to assess the level of private sector interest in co-investing and/or partnering to deliver the TIP interventions, but also in the long-term development and investment opportunities that the Town Investment Plan will generate.

The focus of activity is to identify a representative sample of operators, end-occupiers, delivery partners, developers and investors that have experience in developing, managing and using the type of projects envisaged to be delivered through the Town Investment Plan and hold informal conversations with them to present these opportunities.

An obvious constraint is the uncertainty, at this stage, of funding approval, which limits the scope and depth of the soft market testing exercise although we have made a start already.

A key partner in supporting this exercise is the West Midlands Growth Company (WMGC). WMGC is West Midlands' marketing and inward investment agency. Its primary purpose is to attract investment, jobs, visitors and business to the West Midlands region. Through its Commercial Partner Programme, WMGC offers access to approximately 100 businesses and organisations including investors, developers, universities, research centres, institutional investors, hospitality businesses, built environment consultancies and development companies. NWEDR is a member of the Commercial Partner Programme benefitting from full access to the programme's members and network of contacts.

Initial conversations have taken place already with the WMGC in January and in parallel, separate discussions have taken place with interested organisations.

The following examples have been anonymised for commercial confidentiality purposes.

Example A includes a potential anchor tenant who expressed a clear interest in operating the whole centre on a lease basis. They would also deliver the training programmes, apprenticeships and Level 5 and 7 qualifications accredited by a West Midlands university in a variety of specialisms including digital skills, fibre, mobile and 5G engineering and telecomms structural engineering. This organisation is a strategic training partner to Ericsson and Anritsu (Japanese multinational corporation, a cutting-edge company in the ICT services industry, they produced the world's first wireless telephone network).

Example B includes a leading operator of office, retail and co-working space with a portfolio of 100 buildings in the North and Midlands, £1.5 billion of property under ownership and £1.4 billion worth in development. The company is also a leading property provider dedicated to driving the growth of the science and technology sector. In that respect, the company has 1.8 million sq ft of assets under management with 850,000 sq ft of development pipeline and a community of over 500 companies in

the science and tech sectors. Their business support programme offers unrivalled access to finance, talent, new markets and connections.

Example C includes a Midlands based owner and operator of innovation centres and innovation support networks who are experts in supporting the growth of early stage and start-up business. They have over 30 years experience and an outstanding track record of success in incubating and accelerating high growth businesses through their network of innovation centres. These conversations will assess the investment appetite in this specialist facility and the level of interest in managing it; will draw key lessons from these companies' experience in terms of practical/operational issues (design, layout, equipment, facilities), the profile and mix of potential occupiers (type of community, networking, collaboration) and a more accurate assessment of resources needed to operate the centre as efficiently as possible.

In addition, the private sector representatives of the Town Deal Board have offered to facilitate discussions within their business networks, including the Redditch Business Leaders group. These efforts will provide additional opportunities to promote the TIP investment and development opportunities within the local business base and wider sectoral networks.

The soft market testing will be undertaken in two stages: informal / high-level conversations with representative leading businesses pre-Heads of Terms approval and then a wider, more detailed and specific engagement at business case development stage.

The outcome of the exercise will also inform the procurement strategy for the TIP interventions.

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