

Outline Business Case Template

Project Name: Walsall Waterfront – Lex Site

1. What opportunity or barrier will this investment unlock? (approx. 300 words)

Waterfront is a gateway destination in Walsall town centre. Regeneration of the area is ongoing, building on the historic canal frontage and the success of the New Art Gallery as a landmark building and commercial and housing development, to create a unique waterside location for living, leisure and culture. While progress has been made with the Waterfront South and North sites, with 322 residential units and a hotel completed and a cinema and restaurant scheme under construction, the Lex site requires further intervention to be successfully delivered.

The 2.2 acre site benefits from frontages to both the ring road and the canal, but the ground contamination issues have acted as a barrier to investment in the past. The site was recently acquired by the Council from the HCA, in order to reinforce the Council's resolve to facilitate the delivery of the site and the wider Waterfront project. If this bid is successful, the funding would be used by the Council to complete site remediation works, with a view to delivering a commercial mixed use development supporting local economic growth and creating jobs. The remediation of the Lex site would create 2.2 acres of readily available development land, the delivery of which would effectively complete the redevelopment of the Waterfront area.

The Council is working with a current interest in the site for a predominantly commercial, mixed use development. This scheme has 3 elements, focusing on office and care uses. Whilst still in the early stages, this proposal demonstrates that market interest in the site for commercial uses does exist. However public intervention is required to remediate the site, which is necessary to retain this interest or attract an alternative investment if this interest does not proceed. The Council is working with the prospective occupier to progress the proposals on the basis of a remediated site.

2. Which of the BCSEP growth objectives and Measures of Success does this project address? (approx. 300 words)

The successful delivery of this site for the proposed uses would contribute to the achievement of the following Measures of Success:

- Creating new local jobs, and safeguarding existing Walsall-based jobs
- Increasing the number of visitors to the town centre
- Bringing brownfield land into employment use
- Attracting private sector investment
- Supporting local businesses
- Transforming the environment

3. How will this project unlock the specified BCSEP growth objectives (approx. 200 words)

The prospective interest is a local business, so this development would support a Walsall-based business, safeguard existing jobs and allow the company to expand, creating new jobs. The delivery of these commercial and other town centre uses on this site will provide hundreds of new jobs for local communities. It will also attract employees, service users and visitors to the town centre from within and outside of the Borough, who will make use of the town's shops and services, therefore benefiting the economy of the wider town centre. It will also help to stimulate market interest in investing further in the wider town centre.

The remediation and redevelopment of a brownfield, currently vacant site will transform the environment in this area by complementing and reinforcing the newly created development at Waterfront. The site is located in a key gateway location on the ring road and fronting the canal, and its transformation will provide a positive impression to

people entering the town via these routes. The site is currently vacant with no existing buildings, which creates a 'gap' in the street scene of Wolverhampton Road, which would be addressed by a development of new landmark buildings which further open-up the canalside conservation area.

4. What are the expected tangible Outputs/Outcomes to be realised?

Outputs/Outcomes	Metric	2015 / 16	2016 / 17	2017 / 18	2018 / 19	2019 / 20	2020 / 21
Business assisted	no.			3			
Business created	no.						
Employment – Jobs created	no.			190			
Employment – Jobs safeguarded	no.			600			
Skills – Learners assisted (exc. Apprenticeships)	no.						
Skills - Apprenticeships	no.						
Place – New Dwellings	units			30 bed care facility			
Place – Land remediated	Hectares		0.89				
Place – New floor space	Sq mtr			3,975 office 530 crèche 2,415 care facility = 6,920 total			
Other (please specify)							

NB. The total new jobs projection over a 5 year period is 190 new (130 office, 20 crèche, and 40 care). Jobs safeguarded are estimated as 600 (200 FT staff and 400 Care and Support operating from local offices). Of these 150 FT or so would be from offices located within the Black Country and almost all of 400 care and support workers would be from within Black Country. In terms of floorspace, around 325 sqm of office would be relocations from within the Black Country.

For Learners Assists/Apprenticeships please specify the course offering and the level of learning supported

Course Details	Level of Learning Supported

5. Expected TOTAL Project Cost & Source of Funding £m

	% of Total Cost	2014 / 15	2015 / 16	2016 / 17	2017 / 18	2018 / 19	2019 / 20
Total Project Cost		£0.302 m	£0.100 m	0.315 m			
Applicants own funds	42.1%	£0.302 m					

Other Public funds	%						
Private sector funds	%						
Funding requested from Black Country LEP	57.9%		£0.100 m	£0.315 m			

For the **BCLGF element of the funding only**, please specify the projected costs using summary spend areas. What will the grant be spent on?

Projects costs	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Securing planning consent for site remediation works, including consultancy fees for design and contract management	0.050				
Site remediation works	0.050	0.315			
Total					

6. Main Issue (s) likely to derail the Project.

Other than the contamination of the site, which as noted above is the focus of this project, we are not aware of any other issues at this stage.

7. Main Risks the Project will need to manage.

- Unexpected costs due to issues arising during remediation – this has been mitigated by undertaking 2 site investigations to better understand the required works.
- Not being able to procure a technical advisor to manage the remediation contract or a suitable contractor to undertake the works. The likelihood is considered low as the Council is experienced in commissioning such consultants and contractors.
- Planning consent for the remediation works not being awarded. The likelihood of this would be reduced by working closely with the Local Planning Authority throughout the process, and having already taken some informal pre-application advice from the Local Planning Authority.

8. Please indicate how your project complies with State aid Regulations without contravening the State Aid Legislation.

Aid awarded will be in accordance with General Block Exemption Regulations 2014-2020 (GBER), specifically Article 45 aid for the remediation of a contaminated site which allows aid of up to 20 million euro towards remediation costs required to bring back into productive use contaminated sites. Specifically, we will be looking at the potential for utilising the English Aid for Local Infrastructures Scheme which covers the West Midlands. Further legal advice will be taken to ensure eligibility and conformance.

9. Any other Significant Constraints to delivering the Project not mentioned above.

None.

Document Status

REVISION HISTORY

Revision Date	Version No.	Summary of Changes	Author / Editor
	0.1	Initial draft	

	0.2	Project team input	
28/05/2015	0.3	BCLEP Programme Office Review	Rachel Goodwin
	0.4		

DOCUMENT LOCATION

This document is only valid on the day it was printed or revised.

DOCUMENT AUTHOR

Name	Title	Organisation	E-mail address	Telephone

DOCUMENT OWNER

Name	Title	Organisation	E-mail address	Telephone

DISTRIBUTION LIST

Introduction to the Project

Section A: Introduction to the Project				
Section A1: Applicant Details				
Project Sponsor:	Simon Neilson			
Lead organisation:	Walsall Council			
Lead contact:	Alix Jackson Simon Tranter	Position:	Regeneration Officer Head of Regeneration Development & Delivery	
Phone number:	01922 654758 01922 654723	Email address:	Alix.Jackson@walsall.gov.uk Simon.Tranter@walsall.gov.uk	
Postal address:	Regeneration Directorate, 2nd Floor, Civic Centre, Darwall Street, Walsall, WS1 1DG			
Local Authority area (please highlight)	Dudley	Sandwell	Walsall	Wolverhampton
Section A2: Project Description				
Project Location:	Land bound by Wolverhampton Street and Walsall canal (town arm), Walsall town centre.			
Lead Delivery Organisation:	Walsall Council.			
Project Description: (50 words max)				
<p>The project aims to build on the successful delivery of new residential units, the hotel and the cinema and bar/restaurant development currently under construction at Waterfront. It will take advantage of the opportunity presented by the attractive canalside location and successful New Art Gallery, to bring forward a remediated site which enables the delivery of a commercial-led mixed use development.</p>				
Project Need & Additionality:				
<p>Waterfront is a gateway destination in Walsall town centre. Regeneration of the area is ongoing, building on the historic canal frontage and the success of the New Art Gallery as a landmark building and commercial and housing development, to create a unique waterside location for living, leisure and culture. While progress has been made with the Waterfront South and North sites, with 322 residential units and a hotel completed, and a cinema and restaurant scheme under construction, the Lex site requires further intervention to be successfully delivered. The site was recently acquired by the Council from the HCA, in order to reinforce the Council's resolve to facilitate the delivery of the site and the wider Waterfront project. If this bid is successful, the funding would be used to undertake site remediation works, with a view to delivering a commercial mixed use development.</p> <p>The project focuses on the remediation works which are required to de-risk the site in order to facilitate its delivery. The Council is working intensively with an existing interest in developing the site for a predominantly commercial, mixed used development, which requires this intervention to proceed, as discussed in more detail elsewhere. The proposal comprises 3 elements – a 3,975 sqm office facility, a 530 sqm crèche facility, and a 2,415 sqm care facility. The total new jobs projection over a 5 year period is 190 new (130 office, 20 crèche, and 40 care), while safeguarded jobs are estimated at 600 (200 FT staff and 400 Care and Support operating from local offices). Of these 150 FT or so would be from offices located within the Black Country and almost all of 400 care and support workers would be from within Black Country. In terms of floorspace, around 325 sqm of office would be relocations from within the Black Country. (These figures are drawn from initial discussions with the prospective end user, therefore the exact floorspace and uses could still be subject to change. However they have been included as the most recent source of information provided.)</p>				

This OBC and the associated risk log, outputs table and project plan have been prepared on the assumption that this interest will progress and ultimately be delivered (with LGF assistance towards remediation). Should this interest fall away, it is likely that the Council will need to consider its approach to the site following the remediation works, for example developing an outline planning application for future use of the site before putting this to the market. However, at the present time it is assumed that this work is not required and therefore this work is not covered in this bid.

Background to the Project

Section B: Background to Project Bid

Section B1: Status & Progress to-date

Present status of the Project. (approx. 100 words)

The Council now owns the site, and should funding be obtained, the intention will be to undertake remediation works as soon as possible. Based on LGF funding being confirmed the end of August 2015, and considering timescales for similar projects, it is therefore anticipated that the works will be completed by the end of August 2016. Please see attached project plan.

Soft market intelligence, valuation reports, and site investigation and remediation reports with costs have been undertaken. A brief is currently being prepared for the appointment of a suitably qualified consultant to design the remediation of the site, secure planning consent, and procure and manage a suitably qualified contractor to deliver the remediation. This procurement of this technical advisor will be undertaken as soon as funding is confirmed.

Progress achieved prior to Bid. (approx. 300 words)

The site was previously owned by the HCA, who marketed the site but received no firm offers. In 2014 the HCA offered the Council the opportunity to acquire the site, which the Council accepted. The acquisition was completed in January 2015, for a cost of £280,000.

A remediation report for the site was produced in 2012, and more recently a site investigation has been undertaken, with a report completed in October 2014, which provides a more up-to-date figure for remediation costs, although the nature of the necessary remediation works did not differ greatly between the two reports.

Section B2: Content of the Business Case

Section C

Strategic case and fit to Strategic Economic Plan Themes

Section D

Economic case – Options Appraisal

Section E

Commercial case – External Procurement (if appropriate)

Section F

Financial Case – Financial Analysis of the recommended Option

Section G

Programme Management Case – Achievability of Project Components

Section H

Appendices

- Stakeholder Map
- Profile for each Output / Outcome
- Evidence of planning permission
- Detailed breakdown of Project Costs by month
- Full Project Plan
- Issue Register
- Risk Register

Strategic Case

Section C: Strategic Case for Change and fit to BC LEP Strategic Economic Plan Themes

Context/Project Background

Describe the compelling case for change. Detail the problem or opportunity the project is intended to address, in terms of market failure or demand, and the contribution the project will make to the delivery of the Black Country Strategic Economic Plan (SEP) and other relevant plans and strategies.. A copy of the SEP can be found at www.blackcountrylep.co.uk/about-us/black-country-plans-for-growth/strategic-economic-plan (Word limit: 750)

The Waterfront area is an important gateway into the town centre. Anchored by the historic canalside location and the impressive New Art Gallery, the area has seen significant investment in recent years, including the completion of 322 residential units, a new hotel, and a cinema and leisure scheme is currently under construction. The Lex site is the last remaining vacant site in this area, and the delivery of this site would effectively complete the redevelopment of the Waterfront area.

The Council is in the process of developing the Walsall town centre Area Action Plan (AAP). The deliverability and viability of the AAP is currently being considered by independent consultants, in order to assist in the plan-making process. This involves an analysis of a number of key town centre sites including Lex. The Preferred Options report will then be subject to public consultation for a period of 6-8 weeks during late summer 2015 and any representations received will inform the policies in the final Plan. This will then be subject to examination by an independent examiner to ensure it is sound, before it can be adopted. While not finalised, the interim deliverability report suggests that the site is suitable for office and/or residential uses, perhaps with some ancillary retail/ A3 uses.

The Black Country Core Strategy (BCCS, adopted in 2011) set out ambitious targets of 220,000 sqm of new office/commercial floorspace to be delivered in the town centre by 2026. While recent office developments have focused on the Gigaport area, this site would also offer an attractive location for commercial activity. The AAP Issues and Options document considered that the Lex site could accommodate up to 22,375 sqm of office floorspace over 5 storeys if developed to its maximum potential for such uses.

The wider Waterfront area was identified in the UDP as the town centre's primary location for leisure developments, and to an extent this will be achieved by the successful delivery of the 9 screen cinema and restaurant uses which are currently under construction at Waterfront North. Increasing the range of attractions will bring more visitors into the town centre, which will benefit the wider town by increasing footfall and expenditure. More locally, the completion of 322 residential units at Waterfront South and the new Premier Inn hotel provides a captive audience for any new developments elsewhere at Waterfront.

The Council is currently working intensively with an existing interest in developing the site for a predominantly commercial, mixed used development, which requires this intervention to proceed. The proposal comprises 3 elements – a 3,975 sqm office facility, a 530 sqm crèche facility, and a 2,415 sqm care facility. The total new jobs projection over a 5 year period is 190 new (130 office, 20 crèche, and 40 care), while safeguarded jobs are estimated at 600 (200 FT staff and 400 Care and Support operating from local offices). Of these 150 FT or so would be from offices located within the Black Country and almost all of 400 care and support workers would be from within Black Country. In terms of floorspace, around 325 sqm of office would be relocations from within the Black Country. (These figures are drawn from initial discussions with the prospective occupier, therefore the exact floorspace and uses could still be subject to change. However they have been included as the most recent source of information provided.) Whilst still in the early stages, this proposal demonstrates that market interest in the site for commercial uses does exist, however public intervention is required to remediate the site, which will be necessary to retain this interest by reducing risk, or attract an alternative investment if this interest does not proceed. The Council is working with the prospective occupier to progress the proposals on the basis of a remediated site. The project will contribute to the LEP vision of a strategic centre offering a distinct, wide range of shopping, leisure and cultural facilities, office employment, and housing.

Walsall Council's Corporate Plan 2015-19 sets out the vision, values and priorities for the Borough. This project supports the Council priority of Creating jobs and helping people get new skills.

Please indicate which of the SEP Growth Objective/s the project will contribute to:

1. 4,000 New Jobs

3. 3,200 Business Assists

2. +1,000 New Homes

4. 7,000 Learner Assists

Please indicate which SEP theme(s) and strategic programme(s) the project will contribute to:

Place Theme:

People Theme:

Business Theme:

PL1. Sites & Premises

P1. Skills for the supply chain

B1. Supply chain development

PL2. Infrastructure

P2. Skills Capital

B2. Global Opportunities

PL3. Housing

P3. Skills for the future

B3. Access to Finance

PL4. Local Distinctive Economies

P4. Upskilling

PL5. Environment

Objectives and Outcomes

(Detail the specific objectives to achieve the anticipated outcomes. The objectives and outcomes should be stated in clear and measurable terms with a specified time frame)

The anticipated outcome of the project is the successful remediation of a 0.9 Ha development site within a priority investment location in Walsall town centre. This will be achieved by the end of August 2016, in order that a developer can obtain planning consent and undertake development of the site.

How does the project fit with national, sub-regional and local investment plans and strategies? (approx. 200 words)

The proposed uses accord with those set out in the Walsall UDP (adopted 2005), the Black Country Joint Core Strategy (BCCS, adopted 2011), and the emerging Walsall town centre Area Action Plan (AAP).

The AAP is currently being prepared, with the Preferred Option report expected to be subjected to public consultation in late summer 2015, and the final AAP is due to be formally adopted in early 2017. The Issues and Options document, and emerging Preferred Option report, reinforces the view that Waterfront Lex could be developed as a commercial or leisure-led mixed use opportunity.

Detail the elements that are within scope of the project, this defines the range and boundaries of the project.

The scope of the project is the completion of remediation works at the Lex site. This includes appointing a technical advisor to design the remediation approach and manage the remediation contract, including obtaining relevant planning consent and appointing a contractor to undertake the works.

The site was acquired by the Council in early 2015, and two site investigations have been undertaken to date. Both of these actions were undertaken by the Council at its own risk, and funded by the Council's capital funding, and are therefore outside of the scope of this project.

The Council is currently working closely with an existing interest, and so following the completion of the remediation works, it is anticipated that this end user will submit a planning application for a commercial-led mixed use development on the site. Once successful, the developer will be expected to undertake construction. These elements will be managed by the developer and are therefore outside of the scope of this project.

What stakeholder consultation has been undertaken/support received? What stakeholder consultation remains to be undertaken? (approx. 100 words)

The AAP Issues and Options report went out to public consultation between April – June 2013. During that time a number of consultation events were undertaken to gather the views of residents, businesses and stakeholders, and the document was also available online and advertised widely through press releases and social media. Representations were received from over 40 different consultees, which comprised residents, businesses,

landowners/ developers, interest groups, and statutory consultees. The representations were sorted and have been used to inform the next stage of the AAP process – the Preferred Option.

Before the Preferred Option report is put out for consultation, the deliverability and viability of the AAP is being considered by consultants to assist in the plan making process, including an analysis of key town centre sites such as Lex. This report will then be open to consultation for a period of 6-8 weeks during late summer 2015.

List the Key stakeholders and their Interest areas? (approx. 50 words)

(Include a Stakeholder Map if have one)

- Walsall Council – land owners
- Prospective end user / developer
- Canal and River Trust – neighbouring landowners
- Environment Agency
- Residents and town centre users

What are the Strategic Issues preventing successful delivery of the project? List. (approx. 100 words)

Other than the contamination of the site, which is the focus of this project and funding bid, we are not aware of any other issues at this stage.

What are the Strategic Risks that could prevent successful delivery of the project? List. (approx. 100 words)

- Unexpected costs due to issues arising during remediation – this has been mitigated by undertaking 2 site investigations to better understand the required works.
- Not being able to procure a technical advisor to manage the remediation contract or a suitable contractor to undertake the works. The likelihood is considered low as the Council is experienced in commissioning such consultants and contractors.
- Planning consent for the remediation works not being awarded. The likelihood of this would be reduced by working closely with the Local Planning Authority throughout the process.

Summarise the overall assumptions that have been made when planning this project. State the impact to the project if these turn out to be wrong.

The assumptions made that impact on the nature and cost of the remediation works flow from two separate site investigation reports. The likelihood, as a result, of additional exceptional remediation works being identified is considered low but would clearly impact on project costs.

The floorspace figures and jobs created/ retained have been provided based on information received from initial discussions with the prospective occupier, therefore the exact floorspace and uses could still be subject to change. However they have been included as the most recent source of information provided.

A number of the other outputs will only be known further into the process, once a planning application has been developed and granted consent, and if the prospective partner does not proceed, the site has been put to the market.

This OBC and the associated risk log, outputs table and project plan have been prepared on the assumption that this interest will progress and ultimately be delivered with LGF assistance towards remediation. Should this interest fall away, it is likely that the Council will need to consider its approach to the site following the remediation works, for example developing an outline planning application for future use of the site before putting this to the market. However, at the present time it is assumed that this work is not required and therefore this work is not covered in this bid.

Summarise any project dependencies that the project has or if there are other projects/initiatives that are dependent on this delivery. State the impact to the project if these are not met.

The Waterfront North site was granted planning consent in June 2013 for a 9 screen cinema with associated retail and eating / drinking establishments. This development is currently under construction and is due to start operating by the end of 2015/early 2016. While not directly dependent it is anticipated that this development will have a positive effect on the surrounding area, such as increasing market interest in the Lex site (particularly from the commercial/leisure market).

Define any constraints that may impact the success of the project, e.g. resource, legal, 3rd party agreement constraints.

Delivery of the project is dependent upon the appointment of a technical advisor, and thereafter a contractor, to undertake the site remediation. The process will also require Council officer time to oversee the project as "client" and the time of partners such as the Canal and River Trust and Environment Agency who will be stakeholders in the process. It is not anticipated at this stage that there will be any third party agreement constraints, but there will be a need for in-house legal advice for the grant agreement and contracts with the appointed contractor and consultant.

Economic Case

Section D: Economic Case - Options Appraisal

Section D1: Short List of Options considered

Please describe the options that have been considered in selecting the project proposal. This should include a minimum of 3 options : -

- A **reference case option** (the position in terms of outputs that would occur if the project did not proceed);
- The **proposed option** (as set out in Section A); and
- An **alternative option** (which may be based on changes to the scale, scope and cost of the proposed option).

Box 1:

Option Name:	Description:	Total Cost:	Amount requested:	Outputs
Reference Case	Do not remediate	0	0	0
Proposed Option	Public sector undertakes remediation	£415,000	£415,000	Remediated land which can be developed by interested party
Alternative Options:	Private sector undertakes remediation	0	0	Private sector may remediate, but uncertainty that this will happen because of the risk.

Box 2:

Please explain why the proposed option has been selected.

Option Name:	Advantages:	Disadvantages:	Fit with Project Objectives:
Reference Case	No costs	Land is likely to remain undeveloped	
Proposed Option	Increases ability of market to develop site by reducing risk	Initial cost to public sector	
Alternative Options:	No initial cost to public sector	Increases risk, uncertainty and delay, and could perpetuate market failure	

Specify the Preferred Option, with supporting justification for selection. (approx. 200 words)

The preferred option is for the public sector to undertake remediation of the site; it is considered that not remediating the site will not demonstrate sufficient confidence to the market that there is commitment by the Council to the development of the site and will increase uncertainty and risk to potential developers resulting in delays in attracting investment and creating jobs. The site in its present condition had previously been unsuccessfully marketed by the HCA. The current interest in the site is on the basis that the site would be reclaimed. Recent soft market testing of development opportunities in Walsall has concluded that the Council would continue to need to intervene in the development process by de-risking development sites through land assembly, demolition, remediation and securing

<p>planning consent. It has been concluded that these sorts of interventions are necessary to secure the regeneration aspirations of the Council.</p> <p>This bid is based on the expectation that the interest will progress and ultimately be delivered with LGF assistance towards remediation. Therefore additional work to market the site should not be required, however this option will be reconsidered if the existing interest falls away.</p>
<p>Outline Opportunities for Innovation and increased Collaboration. (approx. 200 words)</p> <p>Working collaboratively with a proposed end-occupier would enable the remediation solution to be designed more bespoke to the intended development while addressing the comprehensive treatment of the site, and in a form that adopts best practice techniques.</p>
<p>Service Delivery options considered, with Pro's & Con's. e.g. using a 3rd party for delivery (approx. 200 words)</p> <p>The remediation works could be undertaken by a 3rd party or private sector interest, however this option is considered unattractive due to the uncertainty it involves. There is no guarantee that a private sector interest in the site would be able to undertake the remediation works due to the costs and the risks involved, and the Council would have no control over the timescales for remediation. It is therefore considered more appropriate for the Council to take control of the remediation of its site.</p>
<p>Where applicable, specify the degree of Business Change required exploiting the Project output, e.g. the activities that need to happen to ensure that people enrol on a new course provided. (approx. 200 words)</p> <p>Not applicable.</p>
<p>Are there any Issues to be resolved before this option may proceed?</p> <p>Specify key Issues, and state resolution plan for each Issue.</p> <p>A technical advisor would need to be procured to prepare the works brief, secure planning consent, manage the process of appointing a contractor, and manage the works contract. This is considered a minor issue, as the Council has extensive experience of appointing consultants and contractors for such works. This would be done using either an open tender, or an OJEU-compliant framework, in line with the Council's procurement procedures.</p>
<p>What are the associated Top 5 Risks of this option :</p> <p>(Quantification, Ownership, & Mitigation for each).</p> <ol style="list-style-type: none"> 1. Unknown or unexpected costs associated with remediation – this has been mitigated by undertaking 2 site investigations to better understand the required works. 2. Remediation required is greater than LGF award – this has been mitigated by undertaking 2 site investigations to better understand the required works. 3. LGF funding is not awarded, or is withdrawn, reduced, or delayed – this is mitigated through continuous close working with LEP colleagues to understand timescales and work required to obtain adequate funding. 4. Not being able to procure a technical advisor to manage the remediation contract or a suitable contractor to undertake the works. The likelihood is considered low as the Council is experienced in commissioning such consultants and contractors. 5. Planning consent for the remediation works not being awarded. The likelihood of this would be reduced by working closely with the Local Planning Authority throughout the process.
<p>Provide a Profile for each Output / Outcome</p> <p>(Templates are provided in Appendix to this document)</p>

[please update the Output/Outcome profile provided]

Indicate any wider reaching Outputs / Outcomes that could not be easily tracked.

The delivery of the current interest in the site will help to stimulate further market interest in the wider town centre creating confidence and momentum. It will also bring more employees into the town centre, who will make use of the town's shops and services, therefore benefiting the economy of the wider town centre, and providing complementary services to other town centre users. An uplift in business rates would also result; based on the proposed uses and floorspace, this is estimated to be approximately £215,000 per annum for the office and £11,000 per annum for the crèche.

What is the evidence of demand / market interest that supports your case for investment in this project? (approx. 500 words).

The BCCS set a target of 220,000 sqm of new office/ commercial floorspace to be delivered in Walsall town centre by 2026. While the Gigaport masterplan secured outline consent for commercial and related uses along the ring road corridor, the targets are such that any available appropriate site in the town centre should be considered for office development.

An Office Demand Study was undertaken by Lambert Smith Hampton in 2007, which found that much of Walsall's available office stock is aged, badly configured and with inadequate parking provision. Whilst recent developments have worked to improve this, LSH felt that it is essential that suitable office accommodation is brought forward as the failure to do so will see employment locate elsewhere to the detriment of the town's economy and Walsall's residents.

In 2007 Lambert Smith Hampton also undertook a Leisure Demand Study for Walsall town centre. The study found that without much improved leisure provision, the town centre will decline even further in relative terms; however an opportunity exists through policy intervention to avoid such a scenario and as such, sites should be secured to create appropriate leisure provision in the town. The public consultation responses on the AAP Issues and Options report also suggested a number of leisure facilities that residents would like to see in the town centre. This demonstrates a high demand for a wide variety of leisure uses in the town centre, to complement the cinema development currently under construction. Informal market advice has also been received, which advises that the delivery of the proposed cinema at Waterfront North will lead to an increase in demand for other leisure uses nearby. This is likely to have a particularly positive impact on the Lex site.

As mentioned above, consultants have been commissioned as part of the AAP process to produce a viability and deliverability study, including a market demand study and detailed site assessments and appraisals of 24 key town centre sites. This report has not been completed at the current time, but initial views indicate that the site is capable of delivering mixed uses, not inconsistent, therefore, with the conclusions of those earlier studies.

As discussed above, the Council is currently working with an end-occupier interested in the site for a mixed but predominantly commercial and care-based development. Whilst still in the early stages, albeit the planning scheme is in preparation and discussions have commenced on the terms of the land sale, this proposal demonstrates that market interest in the site for commercial uses does exist. However public intervention is required to remediate the site, which will be necessary to retain this interest by reducing risk, or attract an alternative investment if this interest does not proceed.

Outline any market testing which has been undertaken to evidence the demand case. (approx. 300 words).

The Lex site was marketed by the HCA for two years in its current condition, but no firm offers were received. However the cinema at Waterfront North now under construction is likely to have a very positive impact on market interest for the nearby Lex site.

As mentioned elsewhere, the Council is working with a current interest in the site for a predominantly commercial, mixed use development. Whilst still in the early stages, albeit that the planning scheme is in preparation and discussions commenced on the terms of the land sale, this proposal demonstrates that market interest in the site for commercial

uses does exist. However public intervention is required to remediate the site, which will be necessary to retain this interest or attract an alternative investment if this interest does not proceed. The Council is working with the prospective occupier to progress the proposals on the basis of a remediated site.

Work is currently being undertaken by consultants as part of the AAP process, in assessing the viability and deliverability of specific sites within the town centre, including Waterfront Lex, which will provide a market perspective and complement the current interest in the site. Their view is that the site provides a medium term opportunity for office, residential, and ancillary A3 leisure or convenience retail (small scale). These proposed uses will bring this key gateway site back into active use and support the overall viability of other town centre uses.

Have the running costs of this investment been calculated and are they financed by you or your partners?

There are no running costs involved in this proposed investment; the fees incurred in managing the remediation contract are included in the bid.

Commercial Case

Section E: Commercial case – External Procurement (if appropriate)

If private development partners will be required to deliver project outputs, at what stage are discussions/negotiations? (approx. 300 words).

Private development partners are not required to deliver the direct project outputs (ie. a remediated site) but will be involved in delivering indirect outputs, including safeguarding and creating jobs, and creating new office and other floorspace.

Detail any other 3rd party services that will be used to deliver this project, e.g. legal, finance, other consultancy

A technical advisor will be appointed to prepare the works brief and secure planning consent for the remediation works. They will then manage the appointment of a contractor to undertake the remediation works.

Summarise Procurement requirements in terms of Outputs. (approx. 200 words)

(inc: Work to be procured; potential value; who will lead)

The funding will be used to fund the procurement of a technical advisor to manage the works, including preparing the works brief, securing planning consent for the works, managing the appointment of a contractor and overseeing the completion of the works. Walsall Council will lead of the procurement of the technical officer, using either an open tender process or an OJEU-compliant framework.

Will your Procurement trigger the OJEU process?

No.

Outline the sourcing Options: with a rationale for preferred option. (approx. 200 words)

The Council will procure a technical advisor, who will manage the works and oversee the contractor – as set out previously, this is preferable to a private interest undertaking the works due to increased certainty and maintaining control over timescales.

The Council will procure the technical advisor using either an open tender or an OJEU-compliant framework, as per the Council's procurement rules and procedures.

Are there any Personnel Implications, inc. TUPE? (approx. 200 words)

No, a standard tender process will be undertaken to procure the technical advisor, as per the Council's standard Procurement rules and procedures.

Outline the Procurement Project Plan and Timescales, including statutory and other consents.

Where the purchase of property or land is involved please confirm ownership status and state whether there are any charges over land/property interests critical to project delivery.

The site is owned by Walsall Council, having been acquired from the HCA in early 2015. There are no land/property interests critical to project delivery.

On the basis that the funding will be confirmed by the end of August 2015, the procurement process will be run during July and August, on the basis that a technical advisor will be appointed to start managing the works in September 2015, and will secure planning consent for the remediation works by the end of February 2016. During this time the technical advisor will also manage the procurement of the contract to undertake the works. The

works will then be undertaken starting in March, and will take approximately 6 months, finishing by August 2016. This is set out in the attached project plan.

Please provide evidence of planning permission (submit a copy of decision notice or committee resolution with this application), or a clear explanation of the timeframe for achieving this and how it fits with broader planning strategy.

Once appointed, the technical advisor will design the remediation works and then secure planning consent. This is expected to take no more than 6 months from appointment of the technical advisor. Informal discussions have already been held with representatives of the Local Planning Authority, which should ensure that the process runs smoothly.

Financial Case

Section F: - Financial Analysis of the recommended Option

Outline the anticipated cost and funding profile:

	Capital/ Revenue	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
BCLGF (Pre-Committed)*								
BCLGF (Competitive)			£100,000	£315,000				
Other Public Source (please indicate)								
Applicants Own Funds		£302,000						
Private (3rd party)								
Total Capital								
Total Revenue								
Overall Total		£302,000	£100,000	£315,000				

*LTB funding for Transport Major schemes

Please outline the strategy for securing the match funding as outlined above, and the progress made to date. What is the level of certainty of match funding remaining in place across the project duration? Please provide evidence to support any assumptions made

£280,000 of Council money was used to acquire the site, while £22,000 has been spent on site investigations in order to fully understand the level of remediation required.

Construction costs are identified as approximately £5million, which is based on costs provided by the prospective occupier.

Project slippage – is there provision for dealing with the financing of any time or cost overruns? How will you deal with the impact on LGF & Match funding, & Private Investment?

Should the project overrun the Council would seek to secure funding either through internal capital budgets or externally to complete the remediation works.

For the BCLGF element of the funding only, please set out the projected costs using summary spend areas. (Please note that a full a detailed breakdown of Costs by month will need to be included in the Appendices)

State date of this Estimate September 2015

Projects costs (delete as appropriate):	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
Land acquisition					
Land remediation	0.050	0.315			
Securing planning consent for site remediation works, including consultancy fees for design and contract management	0.050				
Surveys					

Construction, inc. materials, equipment and labour						
Fit Out (Equipment and furnishings not included in construction)						
Project Management						
Consultancy						
Legal Services						
Other (please specify)						
Contingency*						

Total Project Capital: £415,000: £365,000 remediation, £50,000 planning fees for remediation and appointment of consultant to design the approach, procure and manage the contractor. Total capital £415,000

As per the attached project plan, it is expected that the design of the works, securing planning consent and procuring a contractor will be completed by the end of February 2016; as such, the £50,000 allocated to this element will be spent entirely during 2015/16. It is then anticipated that remediation works can commence at the beginning of March 2016. On the basis that these works will be paid for on a monthly basis, it is expected that the first month's payment can be made in 2015/16 – this is likely to be around £50,000. The Council will use its best endeavours to expedite the project process and spend profile where possible.

***Note - Contingency:** Where an element of contingency has been added on top of individual cost elements it is assumed that there is a significant level of doubt about the future costs (the level of contingency is influenced by the extent of the doubt).

What risk contingencies are included in your cost estimates?

Outline the areas where contingency has been applied, the level of the contingency in each case and the reason for the contingency in each case.

A remediation report for the site was produced in 2012, and more recently a site investigation has been undertaken, with a report completed in October 2014, which provides a more accurate figure for remediation costs, as stated above. Construction costs are estimated based on the initial costs provided by the interested occupier.

However, a contingency of 10% has been included to allow for any unforeseen costs.

Section F: CashFlows

Please set out the Cashflow projections for the BCLGF element of Project funded costs being requested. (Indicate the estimated Quarterly Cash flows for each of the years affected):

Cashflows for Funding requested:	2015/16 Q3	2015/16 Q4	2016/17 Q1	2016/17 Q2	2016/17 Q3	2016/17 Q4	2017/18 Q1
	£m	£m	£m	£m	£m	£m	£m
Land acquisition							
Land remediation		0.050	0.189	0.126			
Planning and Feasibility Study, securing planning consent, designing works, appointing contractor.	0.025	0.025					
Surveys							

Construction, inc. materials, equipment and labour							
Fit Out (Equipment and furnishings not included in construction)							
Project Management							
Consultancy							
Legal Services							
Other (please specify)							

As per the attached project plan, it is expected that the design of the works, securing planning consent and procuring a contractor will be completed by the end of February 2016; as such, the £50,000 allocated to this element will be spent entirely during 2015/16. It is then anticipated that remediation works can commence at the beginning of March 2016. On the basis that these works will be paid for on a monthly basis, it is expected that the first month's payment can be made in 2015/16 – this is likely to be around £50,000. The Council will use its best endeavours to expedite the project process and spend profile where possible.

CONFIRMATION BY APPLICANT:

Please confirm that the funding requested is sufficient to deliver the Project as detailed above.

The level of funding requested is based on the recommendations of the remediation report produced in 2014. It is therefore sufficient, to the best of our present knowledge, to undertake and complete the remediation works.

Management Case

Section G: Programme Management Case - Achievability of Project Components

Section G: Project Plan (Extract of Key Milestones)

Please set out the Key Project Milestones, including those Milestones shown below.

(Or extract Key Milestones view from your gantt chart & insert the picture here).

Key Milestone	Delivery Date
Project Feasibility Studies – soft market intelligence has been undertaken	Completed
Project Design and Costings – Valuation and Remediation Reports have been conducted, including costs.	Completed
Appoint technical adviser	July 2015 – September 2015
Technical advisor to secure planning consent	February 2016
Technical advisor to appoint contractor	February 2016
Contractor to undertake remediation works	March 2016 – August 2016

Please attach the project gantt chart as an Appendix.

Should funding be obtained, the intention will be to undertake remediation works as soon as possible by appointing a technical advisor. Based on timescales for similar projects, it is therefore anticipated that the works will be completed by the end of August 2016. Please see attached project plan.

Section G: Issue Resolution Plan

Please extract the top 5 Issues from your project Issue log:

Description of Issue	Unforeseen issues during remediation requiring further unexpected costs
Impact (H,M,L)	M (although depends on the level of costs)
Owner for resolution	Walsall Council
Resolution	Two site investigations have been undertaken on the site to date with consistent conclusions, meaning that the extent and type of remediation required is as clear as it can be at this point. Should further unanticipated costs arise during the remediation process, Walsall Council will seek to fund this through other internal budgets or external funding.
Resolution Date	

Description of Issue	Existing interest falls away.
Impact (H,M,L)	L
Owner for resolution	Walsall Council
Resolution	The Council is working intensively with an existing interest in developing the site for commercial and service uses which requires this intervention to proceed. This OBC is prepared on the assumption that this interest will progress and ultimately be delivered with LGF assistance towards remediation. Should this interest fall away, the Council would still wish to undertake the remediation works in order to present an otherwise readily-available opportunity to the market.
Resolution Date	

(Please see the Risk and Issue Log Template for guidance. Provided by the BCC Programme Office)

Please attach all your full Issue register as an Appendix.

Section G: Risk Management Plan

Please extract the details of the top 5 Risks from your project Risk Register:

Description of Risk	Unknown or unexpected costs due to issues arising during remediation
Impact (1-4)	2
Probability (1-4)	2
RAG rating (Red, Amber, Green)	A
Risk owner	Walsall Council
Mitigation	This has been mitigated by undertaking two detailed site investigations, in order to understand the nature and scale of the required works as fully as possible.

Description of Risk	Remediation required is greater than LGF award
Impact (1-4)	3
Probability (1-4)	1
RAG rating (Red, Amber, Green)	G
Risk owner	Walsall Council
Mitigation	This has been mitigated by undertaking two detailed site investigations, in order to understand the nature and scale of the required works as fully as possible. Their conclusions are reflected in the amount of funding that has been requested.

Description of Risk	LGF funding is not awarded, or is withdrawn, reduced, or delayed
Impact (1-4)	4
Probability (1-4)	2
RAG rating (Red, Amber, Green)	A
Risk owner	Walsall Council/ BCC
Mitigation	This is being mitigated through continuous close working with LEP colleagues to understand timescales and work required to obtain adequate funding.

Description of Risk	Not being able to procure a technical advisor to manage the remediation contract or a suitable contractor to undertake the works
Impact (1-4)	3
Probability (1-4)	1
RAG rating (Red, Amber, Green)	A
Risk owner	Walsall Council
Mitigation	The likelihood is considered low as the Council is experienced in commissioning such consultants and contractors. Using a recognised framework/open tender will reduce this risk further.

Description of Risk	Planning consent (or other consents) for the remediation works not being awarded
Impact (1-4)	3
Probability (1-4)	1
RAG rating (Red, Amber, Green)	A
Risk owner	Walsall Council/ Technical Advisor
Mitigation	The likelihood of this would be reduced through close working with the Local Planning Authority throughout the process.

(Please see the Risk and Issue Log Template for guidance. Provided by the BCC Programme Office)

Please attach all top ranked Risks in your risk register as an Appendix.

Section G: Freedom of Information

Please indicate whether any information in this proforma is considered exempt from release under Section 41 of the Freedom of Information Act 2000.

Some of the information provided in this proforma is commercially sensitive and therefore the following figures should not be made public:

- The anticipated costs for the remediation works
- The amount paid for the site investigations
- Details of the prospective interest including the proposed floorspace, job numbers and uses.

Section G: State Aid Condition

All applicants need to take steps to satisfy themselves that any BCLGF funding approved does not amount to unlawful State Aid. Further confirmation to this effect will be requested at the Full Business Case stage. A declaration of compliance with EU State Aid regulations will be required prior to any BCLGF funding being provided.

If your project is awarded funds from the BCLGF it will be subject to a condition requiring the repayment of any BCLGF funding in the event that the European Commission determines that the funding constitutes unlawful State Aid.

Please confirm your acceptance to this condition:

Yes

Recommendation / Conclusion

Please state clearly the Recommended action this Business Case supports. (approx. 100 words)

Funding is required to allow the Council to remediate the Waterfront Lex site, which could otherwise be prohibitively expensive to bring to the market. The delivery of this site would substantially complete the redevelopment of the area.

The amount of funding requested is the minimum necessary for the project as, without remediation it is unlikely to be attractive to the market. It is considered that remediating the site is the minimum intervention required to make the site viable to developers.

Without BCLGF funding it is unlikely that the Lex site would be delivered by the market in any reasonable timescale (i.e. in the next 5 years). Recent soft market testing of particular development opportunities in Walsall with developers and agents has concluded that the Council would continue to need to intervene in the development process by de-risking development sites. It has been concluded that these sorts of interventions are necessary to secure the regeneration aspirations of the Council.

Section H: Appendices

H1: Stakeholder Map

H2: A Profile for each Output / Outcome

H3: Evidence of planning permission

H4: Detailed breakdown of Project Costs by month

H5: Full Project Plan

H6: Issue Register

H7: Risk Register