

NON-CONFIDENTIAL
BOROUGH OF TAMWORTH



CABINET

8 June 2016

A meeting of the CABINET will be held on Thursday, 16th June, 2016, 6.00 pm in Committee Room 1 Marmion House, Lichfield Street, Tamworth

A G E N D A

NON CONFIDENTIAL

- 12 Tamworth Commercial Investment Strategy to Promote Growth and Regeneration** (Pages 1 - 32)
(The Report of the Leader of the Council and the Chief Executive)

Yours faithfully

A handwritten signature in black ink, appearing to be 'A. Cook', written over a circular stamp.

Chief Executive

People who have a disability and who would like to attend the meeting should contact Democratic Services on 01827 709264 or e-mail committees@tamworth.gov.uk preferably 24 hours prior to the meeting. We can then endeavour to ensure that any particular requirements you may have are catered for.

To Councillors: D Cook, R Pritchard, S Claymore, S Doyle, J Goodall and M Thurgood.

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CABINET

16th June 2016

REPORT OF THE LEADER OF THE COUNCIL AND CHIEF EXECUTIVE

“Investing in the Future of Tamworth”

EXEMPT INFORMATION

Not Applicable

PURPOSE

The purpose of this report is threefold:

- i) To seek Cabinet endorsement of proposals designed to align key strategic ambitions with corporate priorities in order to accelerate managed growth and regeneration supported by a commercial investment strategy with a view to developing opportunities for sustained income,
- ii) To seek Cabinet endorsement of a Member led Governance Structure to oversee the parallel work programmes for **commercial investment** and **regeneration projects** based upon agreed criteria focused upon value for money; return on investment; viability and sustainability; and
- iii) To seek Cabinet endorsement of the preparatory work, assessment and research undertaken to date together with the costs associated with accessing specialist external advice.

RECOMMENDATIONS

Cabinet Members are requested to:

- a) Endorse the proposed programme of work designed to reflect the necessary commercial approach to accelerating managed growth and regeneration supported by an agreed commercial investment strategy;
- b) Endorse the proposed member led Governance structure designed to provide executive direction, overview and leadership and to ensure the alignment between the primary outcomes:
Best use of assets and resources
Managed growth and regeneration
Sustainable income
- c) Endorse the work undertaken to date including the framework Commercial Investment Strategy; Initial Options Paper; draft ‘pipeline’ of approved regeneration projects; draft options for consideration.
- d) Retrospectively approve the waiving of Financial Regulations that were necessary to expedite access to specialist support, advice and knowledge in order to undertake the preparatory work.
- e) Endorse the use of specialist advisors in accordance with current policy, practice

and guidance under the direction of the Project Board and that the Project Board be granted delegated powers to determine the priority status of projects; options and opportunities for regeneration and set the criteria for future investment; regeneration and growth.

- f) Receive quarterly progress reports covering all aspects of this programme including i) Project Updates, ii) Proposals for Investment; Options Appraisals etc.
- g) Approve the release of £50k from the specific contingency budget for 2016/17 to support the Commercial Investment Strategy & Regeneration Programme.

EXECUTIVE SUMMARY

1. Introduction

The convergence of several key decisions with significant events, some planned, others more reactive, have provided the Council with an excellent opportunity to achieve a number of strategic ambitions and corporate priorities. Most notable amongst these are:

- The potential to accelerate the delivery of managed growth and regeneration;
- The opportunity to explore new mechanisms for public and private investment across the Borough;
- The potential to secure long term, sustainable income streams to ensure the future provision of services for vulnerable people; and
- To utilise assets and resources and the appropriate mechanisms to secure the financial viability of this Council.

The recently adopted revised corporate vision, priorities and objectives signalled a fundamental shift in the Council's ambitions for the future. Using the strapline: **'From Surviving to Thriving'** there is now a clear mandate to use managed growth and regeneration as the primary means of growing the local economy; revitalising and aligning the Town Centre with the wider retail, culture and leisure offer and making more of our existing economic links with Birmingham and the wider West Midlands collaboration in all its forms.

In summary, how do we.....

Make the best use of our Assets, Capital and other Resources in order to:

- Regenerate Tamworth
- Revitalise the Town Centre
- Meet the needs of local people
- Improve access to local services
- Support our most vulnerable people

2. Current Position

The vision, priorities and corporate objectives adopted in March 2016 together with the Medium Term Financial Strategy (MTFS) (**Minute 115 refers**) provided the mandate and the means for the Executive Board to commence preparatory

work which would include initial advice from 'industry specialists' and a high level options appraisal of our circumstances, our aspirations, our assets/resources and our capacity. The work also sought to clarify the Council's appetite for risk; an understanding of public expectations and where the knowledge and skills 'gaps' were in the Council.

Again in summary, there are a range of opportunities for the Council to make best use of its Assets, Capital and resources either independently or via the most appropriate **Public/Private; Public/Public** or other vehicles or mechanisms. It is proposed that a dedicated workstream be established to investigate, evaluate and determine the criteria for selecting the most appropriate model(s). This would ultimately form the basis of a **Commercial Investment Strategy (Draft Framework attached at Appendix A)**. Similarly, it is proposed that a dedicated workstream be established to review and evaluate the current list of regeneration projects with a view to establishing criteria for prioritising their order of delivery and approving the respective implementation plans and processes.

In addition to the list of planned regeneration projects, there are and will be a number of emerging projects that will arise as time, processes and plans evolve. The same robust level of review and evaluation will be applied and subject to the outcome, could result in their inclusion on the prioritised list of planned projects. Collectively, these would form the basis of a **priority Regeneration Strategy (Draft List(s) attached at Appendix B)**.

In recognition of the fact that the potential for investments, commercial use of assets and income generation could be achieved outside of the regeneration programme, a third workstream that will identify and evaluate such opportunities will be established.

The Project Board will direct, co-ordinate and support the programmes of work of the three workstreams: **Investment : Regeneration : Commercial**.

Strategic issues and associated works around Investment and Regeneration schemes can be both expensive and time consuming for all concerned. Robust, yet proportionate Project Governance will be key to progress and as an 'enabler' to the Council when directing their knowledge, capacity and resources.

Section 4 of the Draft Commercial Investment Strategy (CIS) sets out the proposed arrangements. The key purpose of the governance function will be to:

- i) **Ensure clarity of purpose, roles and responsibilities;**
- ii) **Enable effective project management;**
- iii) **Maintain momentum;**
- iv) **Manage risk;**
- v) **Provide transparency and accountability; and**
- vi) **Ensure maximum value from Council budgets and resources**

With a simple structure that is Member led; Officer driven, the governance processes must achieve the above with rigour and consistency.

Overarching direction will emanate from the Cabinet and through approved delegated authority, to the Project Board which will in itself have all Cabinet members and key officers on its membership.

The working groups will also have political representation together with the relevant officers and where necessary, specialist advisors.

NEXT STEPS

Subject to Members endorsement of the recommendations, the immediate next steps would be to convene the Project Board, appoint a specialist advisor and undertake a 'scoping' exercise in order to agree the strategic priorities and outcomes relevant to each workstream. Key actions would include:

- Agree priority order for Regeneration Projects;
- Agree priority order of 'potential' Regeneration Projects;
- Agree a short list of investment models/opportunities for further evaluation;
- Identify opportunities for engaging/collaborating with key strategic partners eg., GBSLEP and WMCA and the Private Sector to enhance/accelerate growth.
- Consider and agree specific criteria to be applied when evaluating investment proposals and/or identifying projects for inclusion in the Regeneration Programme.
- Further develop the C.I.S. and Regeneration Strategy to reflect the above.

OPTIONS CONSIDERED

At this stage, the only other option would be to do nothing in the hope that 'others' may regenerate Tamworth. This was not considered an acceptable or viable option.

RESOURCE IMPLICATIONS

With regard to the overarching strategic programme spanning the three strands of Commercial Investment; Regeneration programme and Commercial use of Assets, it is not possible to quantify costs at this stage. The underlying principle will be that each and every outcome will be based upon either: Invest to Save; Invest to generate a return or sustained income; Achieve a corporate priority or objective or a permutation of these measures.

In every case, the outcome must be able to demonstrate value for money and/or a return on investment or major efficiency; the inclusion of both the Director of Finance and Section 151 Officers on the Project Board will bolster financial rigour.

In the short term however, funding will be required. Currently, there is not a budget to support the programme, however, Cabinet is requested to approve the release of £50k from the £100k specific contingency budget for 2016/17 in order to provide funds for legal and other specialist support. Funding requests for specific investment and regeneration plans will in most cases require capital funding and will be brought to Cabinet and Council as part of the Capital Programme preparation for 2017/18, following formulation of a detailed business case.

LEGAL/RISK IMPLICATIONS BACKGROUND

Governance – the inclusion of the Section 151 Officer and appointment of specialist legal advisors to the Project Board will serve to identify and mitigate risks on an ongoing basis. This will be supplemented by the Council's Monitoring Officer.

The proposed Governance structure will ensure accountability, transparency and an openness to public and external scrutiny.

It must be recognised that subject to the advice of the Section 151 Officer, the commercial nature of these works areas may require variances to financial guidance as and when appropriate.

In the event that the Regeneration Programme is not delivered there is a risk of the Council failing to achieve the outcomes linked to managed growth as set out in the Local Plan.

SUSTAINABILITY IMPLICATIONS

A fundamental consideration with all three work streams is the need for sustainability whether in terms of income generation, physical regeneration or moving to a self-sufficient local authority.

BACKGROUND INFORMATION

Having included the ambition to adopt a more commercial approach to Asset Management, Investment and Managed Growth, the Council has embarked on the process of establishing a policy framework, strategic plan and robust programme of action designed to ultimately deliver a growing and significant commercial return; an enhanced asset base; a 'place' to be proud of and an organisation supported by a sustainable income stream.

REPORT AUTHORS

Anthony E. Goodwin, Chief Executive Officer

Andrew Barratt, Corporate Director – Growth, Assets and Environment

LIST OF BACKGROUND PAPERS

Corporate Plan and MTFS 2016/2017

Planning a Sustainable Future

Tamworth Local Plan

APPENDICES

A – Draft C.I.S.

B – List of agreed Regeneration Projects

DRAFT

Strategy and
Implementation Report
for
Tamworth Borough Council

Commercial Investment
Strategy Project

Second Draft Date: 01.06.2016

Drafting Notes

This report is designed to evolve as the project unfolds and the scope becomes clearer. It intended to ask questions of the Council and stakeholders and evolve into an effective audit trail for the Council's decision making process. It is not a high level strategy, but designed as a framework to govern and control individual investment projects to ensure they meet the Councils strategic priorities.

CONTENTS

	Page
A. INTRODUCTION	9
1. SECTION 1 - LOCAL ECONOMIC CONTEXT	10
2. SECTION 2 – COUNCIL’S POLICIES	13
3. SECTION 3 – PROPOSALS	16
4. SECTION 4 – PROJECT GOVERNANCE	17
5. SECTION 5 – IMPLEMENTATION AND DELIVERY	20
6. SECTION 6 – OUTCOMES TRACKING	25
7. SECTION 7 – LEGAL	26
8. SECTION 8 – FINANCIAL	29
9. FURTHER AREAS TO CONSIDER	30

A. INTRODUCTION

1. Tamworth Borough Council is embarking on a project to re-energise Tamworth, use major capital receipts to fund projects which in turn will generate income and move the Council towards financial autonomy. The collective name for this project will be the “Commercial Investment Strategy” (“CIS”). This paper sets out why, how and by when the Council, and its advisers, are going to deliver the planned outcomes. At this stage this document is designed to be an “evolving” report which captures the project as and when “Stages”, “Workstreams” and outcomes are met. By the end of the project the final version will be a full report and audit trail. In the intervening period the document sets out questions for the “Project Board” and “Working Group” to consider and address as the different limbs of the projects take shape.
2. This paper supports the strategic, legal and commercial structuring case for carrying out the CIS. This document also enables the Council to set out:
 - (i) the evidence base for the CIS including any sub-projects or workstreams;
 - (ii) how the CIS fits together with the Council’s anticipated economic and property portfolio strategies;
 - (iii) what other stated objectives may be impacted by the CIS or the linked funding strategy;
 - (iv) how CIS links with other housing, property, commercial or services projects the Council are undertaking or planning.
3. Significant preparatory and due diligence, market intelligence and evidence gathering work will be carried out by the Working Group before the project is presented to the Project Board. This is to give the Council increased confidence that the Council’s “vision” and “purpose” are achievable in terms of CIS and financial sustainability.

I. SECTION I - LOCAL ECONOMIC CONTEXT

I.1. This section sets out the economic context within which the CIS is taking place. It summarises the Council's economic vision, key economic challenges and opportunities and the ways in which the CIS project helps to address these.

I.2. The Council's economic vision

I.2.1. [] **[NB: link to current policy decisions and the move towards becoming a self-sustaining council.]**

I.2.2. The Council's objectives for CIS are: **[NB: Working Group to propose and Project Board to sign off on objectives.]**

I.2.2.1. sustained revenue generation (rather than further capital land receipts) **[NB: commercial workstream];**

I.2.2.2. development of [] **[NB: property workstream];**

I.2.2.3. creation of [] **[NB: trading investment workstream];**

I.2.2.4. [to form a public sector hub/engage with the One Public estate agenda];

I.2.2.5. raising the profile of Tamworth for inward investment;

I.2.2.6. ultimately, increasing surrounding land values and rents.

I.2.3. The timescale for delivery of each stage of the CIS will be agreed by the Project Board **[NB: WG to agree parameters and likely blockers]**. The delivery program will be geared to achieving the best outcomes against the Council's stated objectives. Timing and delivery milestones will be agreed with the Project Board and other stakeholders during the process.

I.2.4. As part of the CIS the Council has opportunity to develop [] **[NB: wider accommodation and property / asset strategy.]**

This links in to the discussion with SCC re possible collaboration. Link to WMCA - One Public Estate phase 4 programme.]. This has the potential to reduce the number of sites that the Council will require in the future, consolidate existing accommodation and plan for new. The Council's future accommodation is currently outside of the immediate scope of this report but it is complimentary to it and the CIS will help inform the Council's future plans.

1.3. Key economic challenges and opportunities

1.3.1. **[NB: summary of economic challenges/opportunities and how CIS addresses – Tamworth town centre area and wider geographic space as appropriate]**

1.3.2. Tamworth is believed to be well placed to achieve [] **[NB: explore economic uses]**. This will be supported by the Proposed masterplanning exercise (**evidence gathering exercise and soft market testing**)

[NB: Introduce the various workstreams [commercial, property, investment]

1.3.3. [] **[NB: Commercial Workstream – short/medium/long term protection of the golf club capital receipt]**

1.3.4. [] **[NB: Property Workstream – the sites / pipeline of possible physical assets – explanation and plan showing the possible sites to be developed / acquired. Possible JV with SCC / PENDA. Explore Public Sector Hub. Explore Health Hub. Possible relocation and release of library site. Any other quick win developments? Gateway projects. Relocating occupiers within Tamworth? Occupiers within Council offices**

1.3.5. [] **[NB: investment Workstream i.e. using the capital receipts.]**

1.4. The role of the CIS in addressing economic challenges and opportunities

[Council's desired outcomes via the CIS strategy; the CIS's role]

1.4.1. [] **[NB: expand the Roles and Responsibilities. Explanation of the delegated authority and the role of the Project Board and Working Group.**

2. SECTION 2 – COUNCIL’S POLICIES - TO BE DEVELOPED

This section will describe the current policies the Council is seeking to implement via the CIS. This section should include:

2.1. National and local planning policies

The following are extracts from the relevant national and local planning policies which will support the Council’s view that [].

2.1.1. The National Planning Policy Framework

2.1.1.1. The National Planning Policy Framework sets out as a core planning principle that Councils shall “promote mixed use developments, and encourage multiple benefits from the land in urban ... areas” and “make the fullest possible use of public transport, walking and cycling and focus significant development in locations which are or can be made sustainable”.

2.1.1.2. Section 7: Requiring Good Design comments that decisions should “optimise the potential of the site to accommodate development, create and sustain an appropriate mix of uses” and “establish a strong sense of place”. It concludes that “permission should be refused for development of poor design that fails to take the opportunities available for improving the character and quality of an area and the way it functions”.

2.1.1.3. Paragraph 23 sets out that decision takers should “recognise that residential development can play an important role in ensuring the vitality of centres” and “encourage residential development on appropriate sites”.

2.1.2. Tamworth Local Plan 2006 - 2031

2.1.2.1. *Policy []: [] states that [].*

2.1.3. **Tamworth Borough Council Economic Regeneration Strategy**

[]

2.1.3.1. The Council's Corporate Plan has five key priorities:

(a) []

(b) []

2.1.3.2. The Economic Development Strategy supports these as well as the Staffordshire County Council Growth Plan and [LEP] Growth Plan, and has as its vision that Tamworth will be a place that actively promotes [] and creates a Borough where people can thrive and realise their potential. The Strategy's key themes to deliver the vision are:

(a) []

(b) []

2.1.4. **Tamworth Town Centre Masterplan**

2.1.4.1. ***[Context to and role of document]***

2.1.4.2. []

2.1.5. **Car parking policies**

2.1.5.1. []

2.1.5.2. []

2.1.6. **One Public Estate Programme**

2.1.6.1. []

2.1.6.2. []

2.1.7. **Statutory Guidance on the Flexible use of Capital Receipts (Updated)**

2.1.7.1. []

2.1.7.2. []

3. SECTION 3 – PROPOSALS

- 3.1. *This section will build on and develop Section 2. This is where the Working Group will capture the proposed solutions and the rationale for each.*

4. SECTION 4 – PROJECT GOVERNANCE

4.1. Strategic Investment and wider regeneration schemes can be time consuming, drawn out and expensive for all parties. One of the key drivers for successful delivery of the CIS will be good project governance. Good governance will allow all of the project team to play to their strengths and:

4.1.1. ensure clarity of purpose, role and responsibility;

4.1.2. enable effective project management;

4.1.3. maintain momentum;

4.1.4. manage risk;

4.1.5. provide transparency and accountability; and

4.2. The project governance structure is built around a two tier approach addressing both strategic and operational input.

4.2.1. The “Project Board” comprises the 6 Cabinet Members, the Chief Executive (project sponsor), supported by the Executive Director Corporate Services, and the Corporate Director Growth Assets & Environment (commercial lead). Lead Advisors will attend to support as required. The Project Board will be granted delegated authority from Cabinet to a clearly defined level to ensure progress can be made on workstreams without unnecessary bureaucracy

4.2.2. The “Working Group” is comprised of the Chief Executive, Executive Director, Corporate Directors, Director of Finance, Director of Technology and Corporate Programmes (Programme Manager), Solicitor to the Council and lead external advisors as required.

(a) The Working Group is responsible for the delivery of the CIS and will make strategic decisions as to the running of the projects, in accordance with the powers delegated to it. The Working Group will ensure the day-to-day operational delivery of the project and will report to and engage with the Project Board for ratification.

4.3. Initially the Working Group will focus on [3] Workstreams, namely:

- Commercial;
- Property;
- Investment;

To inform each Workstream there will be an appropriate due diligence exercise led by the Workstream Lead. These are:

4.4. Input from areas of professional advice will be obtained when required.

These will include:

- 4.4.1. commercial / financial;
- 4.4.2. legal;
- 4.4.3. procurement;
- 4.4.4. design;
- 4.4.5. planning; and
- 4.4.6. property and market analysis.

4.5. ***[Engagement with Council Members – [workshops, etc]].***

4.6. ***[NB: explanation of the individual Workstream Leads – specific project delivery methodology to be concluded]***

4.7. The responsibilities of key roles are summarised in the following table with a more detailed account set out in Schedule []. Also the Scheme of Delegation is set out in Schedule []: ***[to be updated to reflect updated project scoping and professional engagement letters. These can be appended to the report as it evolves.]***

Role	Responsibilities
Project Board	To [confirm] the strategic direction of the project(s) and give delegated authority of the Working Group.
Project Sponsor	Responsible for the overall direction and management of the project within the Council and remit set by the Project Board.
Working Group	Chaired by the Project Sponsor. Responsible to the

	Project Board for the management and implementation of the Project.
Commercial Lead	Responsible for making sure focus is maintained through the duration of the project and that the objectives set by the Project Board are achieved. Responsible for ensuring value for money and a cost-conscious approach. Sets project controls and maintains these on behalf of the Council.
Workstream Lead	Responsible for the Working Group to the progress and management of a specific Workstream.

4.8. Where required further governance arrangements will be put into place following the approval of the Working Group.

5. SECTION 5 – IMPLEMENTATION AND DELIVERY

[To be updated to reflect the scope and detailed delivery planning based on the Project Plan when that is agreed]

5.1. The Council’s Advisor Team

5.1.1. The Working Group has identified, and the Project Board has acknowledged, that the Council does not have sufficient resource or expertise to deliver the CIS working only with in-house colleagues. Accordingly, external adviser support has been commissioned in accordance with the Council’s Contract Procedure Rules and approvals process. Details are set out in Schedule []. The Project Sponsor has engaged with the professional advisers to agree the terms of their appointments, the scope of works and the necessary project budget. **[NB: to be agreed and confirmed]**

5.1.2. The adviser team may comprise:

5.1.2.1. **Strategic, Legal and Procurement** – [];

5.1.2.2. **Programme Lead, Technical Input and Review/Oversight** – [];

5.1.2.3. **Financial Lead** – []; and

5.1.2.4. **Property Agency Lead** – [].

5.1.3. A copy of the “**Project Directory**” detailing the Council and adviser team is set out in Schedule [].

5.2. Working Together – the interface between the Project Board, Working Group and Workstream Leads

5.2.1. The Project Board has been formally constituted and will meet on a XX basis (or as and when required). Membership of the Board and the project governance arrangements are set out in Section 4 above. The Project Board has been given overall responsibility for the project deriving from a Cabinet decision dated 16th June 2016.

5.2.2. The Working Group has been formally constituted and will meet on a fortnightly basis (or as and when required). Membership of the Working Group and the project governance arrangements are set out in Section 4 above.

5.2.3. The primary operational objectives of the Working Group are to:

5.2.3.1. [oversee the implementation of the CIS and ensure its successful delivery;

5.2.3.2. support effective communication, data exchange, decision making and progress monitoring;

5.2.3.3. liaise with the Project Board and members as appropriate to ensure the CIS continues to have full cross party and public support;

5.2.3.4. [].

5.2.4. The Workstream Leads []:

5.2.4.1. []

5.2.4.2. []

5.3. Reporting and Sign Off

Agendas and Minutes of Project Board and Working Group meetings will be prepared and circulated by the Chief Executives PA. Each month, the Programme Lead will ensure progress reports from each Workstream Lead are prepared and submitted to the Working Group which will cover:

5.3.1.1. work carried out in the [month];

5.3.1.2. work to be carried out the following [month];

5.3.1.3. information required;

5.3.1.4. programme;

5.3.1.5. cost; [NB: adviser cost budgets and scope to be agreed.]

5.3.1.6. health and safety;

5.3.1.7. risks; and

5.3.1.8. decisions required.

5.4. **Schedule and Project Plans**

5.4.1. The Programme lead will maintain and update the Project Plan which will summarise the main activities from beginning to end of the project and responsibilities for delivery. The detail will be limited to key activities and milestones and will be used to provide an executive overview for monitoring and reporting progress.

5.4.2. Where necessary, the Programme lead will work with the Working Group and Workstream Leads to prepare detailed plans for each Workstream. This may be required to identify and confirm key activities and timescales to complete a particular aspect of the project.

5.5. **Risk and Opportunity Management**

5.5.1. The [Commercial and Legal leads] manage formal risk management in relation to the project, working with each Workstream Lead. The purpose of doing so will be to identify and assess project risks. All members of the Working Group will play an active role in identifying, analysing, classifying, allocating and mitigating risks to the t its duration.

5.5.2. The Programme lead will co-ordinate and facilitate the risk management process by including risk on the agenda of regular project meetings, and also by arranging specific workshops at key project stages. A project Risk Register will be maintained, capturing identified risks. This will be reviewed on a regular basis by Workstream Leads, as part of Working Group meetings and by appropriate project team members at significant project events.

5.6. **Project Implementation**

5.6.1. This section describes how the CIS will happen.

5.6.2. The following stages are envisaged: **[NB: to be agreed]**

- 5.6.2.1. Stage 0
 - (a) []
- 5.6.2.2. Stage 1
 - (a) []
- 5.6.2.3. Stage 2
 - (a) []
- 5.6.2.4. Stage 3
 - (a) []
- 5.6.2.5. Stage 4
 - (a) []
- 5.6.2.6. Stage 5
 - (a) []

- 5.7. ***Initial commercial input and project working with the Working Group to fully understand the Council's aspirations and translating the ambition into reality;***
- 5.8. ***Adviser team appointments to be confirmed and Council authority levels + CPR's to be waived etc.***
- 5.9. ***All roles and responsibilities confirmed;***
- 5.10. ***Due diligence lines to be agreed and begun;***
- 5.11. ***Scrutiny, reporting, risk management and review mechanisms confirmed and in place;***
- 5.12. ***Project Plan - capturing each Workstream and key milestones, prepared by Programme lead and agreed by the Working Group and the Project Board;***
- 5.13. ***Clarification of the Council's aspirations and work done to date around market engagement and information about the site(s) – initially by way of questions for the Project Board, with adviser input – reviewing and reporting on the previous advice if needed;***

- 5.14. **Market engagement and soft market test. This will clarify demand and developer appetite and will include market/commercial analysis, to ensure that the aspirations of the Council are viable. The outcome will further refine the nature of the opportunity to be presented to the market, and will inform the Council's choice of legal structure and procurement method;**
- 5.15. **Project pipeline review and evaluation matrix.**
- 5.16. **Options Report setting out some of the more likely scheme delivery options. An Options Appraisal, informed by the outcome of the soft market test and market/commercial analysis undertaken by commercial/financial advisers, will then follow. This will include setting criteria by which the options can be evaluated and long listed, then short listed;**
- 5.17. **Legal structure and procurement workshops, to confirm the Council's aspirations and evaluation criteria, and then go on to devise the appropriate legal and commercial structure;**
- 5.18. **Procurement process undertaken;**
- 5.19. **Delivery of chosen method;**
- 5.20. **Procurement options;**
- 5.21. **Funding and protection options and review;**

6. SECTION 6 – OUTCOMES TRACKING

- 6.1. This section will note the measures the Council plan to put in place for measuring and tracking performance against outcomes. It will also include options for generating policy learning through evaluation.
- 6.2. The programme for ensuring effective delivery of the Project and tracking performance will be owned by the Working Group. The key, transparent, methods will be:
 - 6.2.1. Project Plan
 - 6.2.2. Options Report and Options Appraisal and evaluation;
 - 6.2.3. This “evolving” Strategy and Implementation Report;
 - 6.2.4. Financial Report (including Financial Data);
 - 6.2.5. Options Evaluation;
 - 6.2.6. Options Workshop;
 - 6.2.7. Engagement and reporting to:
 - 6.2.7.1. The Project Board
 - 6.2.7.2. Cabinet;
 - 6.2.7.3. Council as appropriate
 - 6.2.8. Individual project procurement stages;
 - 6.2.9. Commercial and Legal documentation;
 - 6.2.10. Implementation and action plans;
 - 6.2.11. Contract monitoring throughout delivery

7. SECTION 7 – LEGAL

7.1. Legal Structure

7.1.1. Form follows function. A number of legal and commercial structures exist which could be adopted for delivery of the component parts of the CIS project. In deciding which to use the Working Group, guided by the Legal and Commercial leads, will work to an options evaluation matrix. It is an easy, expensive and often-made mistake to select a legal or commercial structure without considering properly what the model is seeking to achieve. [There will be no SPV's for the sake of it – although we may create a Local Authority Trading Company as one of the preferred options.]

7.1.2. These areas will be covered in the Options Report and Options Appraisal and informed by the market research and the engagement workshops.

7.1.3. The following are examples of the kind of questions designed to inform that decision making process. These will need to be applicable to individual projects, JV's, land and commercial deals.

7.1.3.1. Required Outputs

- (a) What does the Council want from the CIS?
- (b) Where there is a physical development what is the outcome apart from the end solution of a developed site? Are there any specific political promises made, policies adopted or financial imperatives which the treatment of the CIS needs to achieve?
- (c) What reassurance does the Council want from the legal structure? What does it seek to avoid?
- (d) Does the Council want / need to achieve any specific financial returns from a venture / development? This would be over and above

seeing CIS developed and creating job creation etc?

7.1.3.2. **Level of Control**

- (a) Does the Council want to be part of a collaborative and creative approach or will it simply accept private sector proposals?
- (b) On land deals, is process and engagement important to the Council and how it is involved during development phases bearing in mind that the development will last over a number of years?
- (c) What level of control does the Council want over the development and the stated regeneration outputs? Does it want a strategic/leadership/vision control over the process and the physical development?
- (d) Does the Council want to be at the heart of the decision making process as to how and when the site is developed? What type of relationship does the Council want with the other party? Does it want a contractual/directive approach or a corporate JV/collaborative approach? How do these options fit with the Council's available resources and level of ongoing commitment that could be provided to the project?

7.1.3.3. **Governance**

- (a) What is the Council's role in the structure?
- (b) How does the Council want to deal with risk and reward arising from development?
- (c) What does the Council need to make this project work? What does it need from the private sector partner over and above what can be

offered through a contractual development agreement joint venture?

7.2. Legal issues around title / ownership / rights.

7.2.1. The sites usually comprise a number of titles. The title picture will need to be fully explored and understood, and steps can be taken to consolidate titles and clarify matters affecting the site. The clearer the title, the more attractive it will be to a developer partner.

7.3. Procurement process

7.3.1. The procurement processes to be adopted will be driven by the Council's required outputs. In broad terms the greater the level of input required the more the EU procurement rules come into play. A full procurement strategy for each project or sub-project will be required.

7.3.2. The procurement Workstream will be a significant driver in the costs and time required for the project.

7.4. Vires and authority

7.4.1. The governance structure discussed above will deal with this point.

8. SECTION 8 – FINANCIAL

- 8.1. We need to understand the total financial picture for this project. How it fits into the Council's overall strategy as set out in the preceding sections.
- 8.2. Questions around the financial structure
 - 8.2.1. The Council's commercial/financial advisers will confirm this section but here are some examples:
 - 8.2.1.1. The Council has said it wants to generate income rather than capital receipt. Will that always be the case during the life-cycle of this matter?
 - 8.2.1.2. What is the Project Board's attitude to risk and exposure on financial matters?
 - 8.2.1.3. What is the current exposure on external borrowing / funding?
 - 8.2.1.4. Project budgets? The Council will need to allocate a budget for professional fees, any further land acquisition costs and any other preparation of the site.
 - 8.2.1.5. Sources of project income? Council reserves, LEP, PSP, grant, etc?
 - 8.2.1.6. Extent of forward funding to be provided by any developer / investor.
 - 8.2.1.7. Council expectations – level of capital receipts –vs- income stream -vs- regeneration outputs.
 - 8.2.1.8. How might negative land values or the impact of a CPO be financed?
 - 8.2.1.9. Tax issues to be considered, inc SDLT, Corporation Tax and VAT.

9. Further Areas to consider

9.1. []

DRAFT

Strategy and
Implementation Report
for
Tamworth Borough Council

Commercial Investment
Strategy Project

Second Draft Date: 01.06.2016

List of Draft Regeneration Projects/Concepts

- Spinning School Lane/Lower Gungate redevelopment
- Proposed redevelopment at Solway Close
- Review to Town Centre Car Parking/Car Parks
- Future use of Leyfields Community Centre and grounds
- Regeneration of Amington Industrial Estates
- Public Sector Hub – Expanded use of Marmion House
- Revised Town Centre Masterplan
- Former Golf Course future local centre use/community woodland creation
- Council House Regeneration/Redevelopment
- Health/wellbeing/leisure facilities and section 106 contributions
- Own Town Centre Shop regeneration
- Business Growth support schemes

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