

STRETFORD: FUTURE HIGH STREETS FUND

FULL BUSINESS CASE (FBC)

A business case is a management tool and is developed over time as a living document as the proposal develops.

The Full Business Case (FBC) should summarise the results of all the necessary research and analysis needed to support decision making in a transparent way.

The evidence to support the investment decision must be set out in the HMT five case business case model: Strategic, Economic, Financial, Commercial and Management. In its final form the FBC becomes the key document of record for the proposal which summarises the objectives, the key features of implementation management and arrangements for post implementation evaluation.

When you have completed your business case, please submit it to the Future High Streets team on futurehighstreets@communities.gov.uk

Please also confirm separately with your delivery manager once you have submitted, via an email with no attachments

Version	Final Submission
Version Date	02 June 2020
Lead Author	Arup / Trafford Council
Place	Stretford
Senior Responsible Officer within Local Authority (SRO)	Richard Roe

SRO Sign-off	
Name:	Richard Roe
Date:	02/06/2020

PROJECT SUMMARY

WHAT IS THE INVESTMENT PROPOSAL?

Please limit the summary to 5 pages of text and tables.

Note that in all cases in this business case template we expect strict adherence to word limits. Any further detail can be annexed.

In no more than 500 words, please provide an overall summary of your proposed project.

Local Authority: Trafford Council

High Street: Stretford

Brief summary of proposal:

Stretford Town Centre has been identified by Trafford Council as a town in need of public intervention to support its regeneration as it currently fails to meet the needs or aspirations of the community and is in a cycle of decline consistent with the issues that the Future High Streets Fund (FHSF) seeks to address.

The Town Centre is in a prominent position along the A56 corridor (a major commuter route into Manchester), and whilst it benefits from strong highway links and public transport connections, these major arterial road routes sever accessibility for pedestrians and cyclists.

The Town Centre is dominated by Stretford Mall, an inward facing shopping centre built in the 1960/70s. The footprint of the Mall dominates the 'core' of the Town Centre and the town lacks a traditional 'High Street'. The Mall and Town Centre are no longer fit for purpose to meet the requirements of the community, evidenced by declining footfall and increasing vacancy rates across the Town Centre which at 26.4% in 2020 put it well above the national average. This is further supported by feedback received so far from the public consultation process.

Whilst there are a number of other important assets across the Town Centre, the existing infrastructure and highways hamper on-foot accessibility from the Mall to these assets adding to the effect of a disjointed and inaccessible Town Centre. Previous attempts to deliver the regeneration of the Town Centre have been hindered by key market failures as recognised by MHCLG such as Coordination Failure, no incentive to deliver Public Good and Imperfect Information in the market.

The Council has recently entered into a joint venture with development partners Bruntwood to acquire Stretford Mall and gain control of this key asset. The Council has also taken steps to acquire other strategically important assets in the Town Centre including land on Lacy Street, and through having control of these assets and the Mall, the Council is now in a position where it can take steps to deliver a comprehensive transformation of the Town Centre rather than a series of piecemeal interventions, subject to adequate funding.

With support from the FHSF, Trafford Council intends to deliver transformative change to Stretford Mall and the surrounding Town Centre area through the creation of a new 'High Street' through the Mall, with improved public realm which is better suited to the requirements of a modern town centre providing retail, leisure and commercial opportunities. In addition, the funding will be used for other configuration changes to the Mall site and surrounding infrastructure to help unlock redevelopment of the wider Town Centre and create over 600 additional new residential units to help bring vibrancy back to Stretford.

The Council is requesting £17.6m* from the FHSF to help support these interventions and unlock the full potential of the Town Centre, building upon the proactive steps taken by the Council to date and delivering to the core objectives of the FHSF.

WORD COUNT: 489

*Presented in nominal terms.

Key plans are provided in Appendix B.

Table 1.1 – Land and Buildings ownership summary

	Current use	Cost	Remediation /redevelopment cost	Intended future use
Stretford Mall (in ownership of the Council's Joint Venture with Bruntwood)	Site is currently a large shopping centre, operating at limited capacity with a high vacancy rate and units unsuitable for modern requirements.	£17.2m	£252m (estimated)	Site reconfigured to offer improved retail and leisure experience with a new 'High Street' running through its centre. Other parcels of land on the site to be redeveloped for future housing.
Lacy Street (in Council ownership)	Car Park and industrial units	£0.9m	TBC – To form part of a future phase of the scheme	For future redevelopment beyond the life of the FHSF.

What types of **physical infrastructure** is the **FHSF funding** required for? Please tick all that apply:

Public transport, traffic management, road improvements and access improvements	✓	Public facilities (local government/ health/ education/ leisure)		Severance and connection	✓
Digital infrastructure		Utility network extension and capacity reinforcement		Public Realm Works	✓
Other (please provide details)					

The ask of the FHSF is to make significant changes to the Mall site and the surrounding area which will unlock future development as well as create a vibrant and economically viable town centre. The core changes being proposed include:

- Removal of part of Stretford Mall's roof and alterations to the multi-storey car park to enable the creation of a new expanded 'High Street' along King Street with improved retail and leisure units better suited to market demand;
- Works to the multi-storey car park including removal of the entrance ramp to unlock additional land for future development such as residential and commercial space, and configuration changes to the upper levels to allow other uses; and
- Highways and landscaping works along the key corridors of Stretford Town Centre, covering Kingsway, Chester Road and Lacy Street to enable better pedestrian access across the town centre and to the Metrolink Stop.

Through reconfiguration of the Mall, and in particular, the extension / creation of a new 'High Street' along King Street; this will enable the Mall to provide a modern offer of retail and leisure units in keeping with market demand today and in the future.

The changes to the roof above the internal King Street section of the Mall and the multi-storey car park will not only unlock land for residential development but will also enable upper floors of the car park to be pedestrianised for a variety of other uses, such as open-air markets and events, building upon the good work of existing community groups, including the Friends of Stretford Public Hall, have already achieved in enhancing the real sense of community in Stretford.

The highways and landscaping works will serve to improve the key access points across Stretford Town Centre, particularly improving pedestrian access from the residential areas to key town centre sites including Stretford Mall, Lacy Street, Stretford Public Hall, and Stretford Library. These works are a public good and would not otherwise generate a direct commercial return for a private developer.

Table 1.2 – Benefit Cost Ratio Summary

	<u>Preferred option</u> <u>(NPV, 2019/20 prices, £'000)</u>
<u>Benefits</u>	
<i>PV benefit – land value uplift</i>	29,637
<i>PV benefit – amenity impact</i>	1,131
<i>PV benefit – health impacts of affordable rented housing</i>	39
<i>PV benefit – amenity impact</i>	8,393
<i>PV benefits total</i>	39,200
<u>Costs</u>	
<i>PV costs – FHSF</i>	15,562
<i>PV costs total</i>	15,562*
<u>BCR</u>	
<i>BCR (adjusted)</i>	2.52

Cost and benefits appraisal have been carried out in accordance with the HMT Green Book and DCLG Appraisal Guide. Land value uplift is the key driver of benefits. Key assumptions underpinning the benefits for the preferred option include the scale of development (615 units and c 40,000sqm of retail/commercial development) and the level of additionality (63% for residential and 50% for non-residential). The non-monetised benefits attributed to the proposals are in four categories: image, environmental, social and transport.

*This is the £17.1m cost from the RBA cost plan, minus the £1.5m Council contribution, to give the net additional FHSF cost, presented in discounted real 2020 prices.

KEY MILESTONES

The key upcoming milestones of the project are set out below based on indicative timings of the Future High Streets Fund process and pending any disruptive changes to the timeline caused by unknowns associated with the current Covid-19 situation:

Milestone	Timing
Submission of FHSF Business Case	End of May 2020
Completion of outstanding public consultation (currently paused due to COVID-19 lockdown)	September 2020
Confirmation of FHSF Funding	September 2020 (assumed)
Planning consents (where applicable) submitted for initial works	November 2020
Procurement process for appointment of contractors for enabling works to Stretford Mall begins	February 2021

Appointment of contractors for redevelopment works to the Stretford Mall site	April 2021
Completion of the initial development works (as requested from the FHSF spend)	December 2023
Completion of the full Stretford Mall scheme redevelopment (full Mall scheme)	January 2026

These are estimated key milestones based on the current position of the project. It should be noted that the recent Covid-19 pandemic resulted in the final public consultation sessions (originally scheduled for mid-March 2020) were cancelled as a result of the UK wide lockdown.

The above timeline assumes that some form of final public consultation will be held in September 2020 to complete the stakeholder engagement process, and that minimal refinements will be required to the preferred option. The project (capturing the redevelopment of the Stretford Mall site, but not including further development of other town centre sites such as Lacy Street) is based on timely receipt of the full amount of Future High Streets Funding requested.

STRATEGIC CASE – *What we're doing, and why*

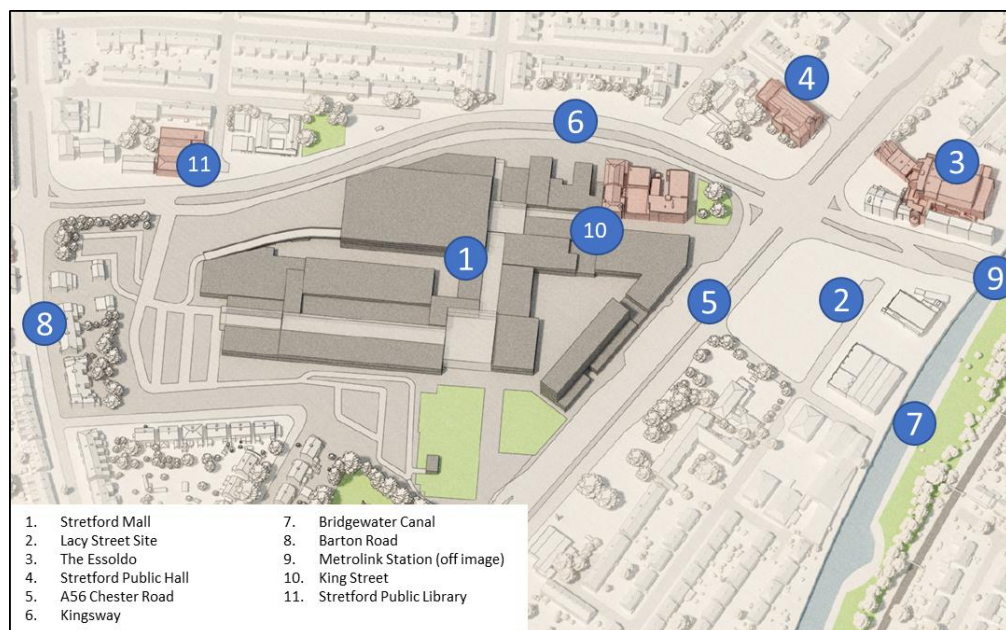
Please limit the Strategic Case to 5 pages of text and tables. Any further detail as relevant may be annexed.

Background

Stretford is one of four towns within the Trafford Borough, comprising of three wards, including Stretford, Longford and Gorse Hill, which are amongst the five most disadvantaged wards in Trafford (of twenty-one) according to the 2015 Indices of Multiple Deprivation. The town is located at the north of the borough, approximately 3.8 miles south-west of Manchester City Centre with a diverse population of approximately 36,000.

In the late 1960s, development took place in the area which resulted in the widening of the A56 to six lanes, and the completion of Stretford Mall, a large inward facing shopping centre with a large multi-storey car park. There has been little substantial redevelopment since this time, and the size of Stretford Mall is such that it continues to dominate the 'core' of the Town Centre to this day. Whilst a number of other important assets exist in and around the Town Centre, the existing infrastructure and highways hamper on-foot accessibility to the Mall and wider Town Centre from the main residential areas of Stretford.

The nature of Stretford is that it currently lacks a traditional 'High Street' that is open and easily accessible by residents. Instead it is reliant on the Mall as the central focus of the town, the architecture of which has changed little since the late 60s and the blank concrete facades are uninviting, inflexible and unsuitable for modern retail and 'High Street' uses. Whilst the previous ownership had invested to modernise the Mall (including £2m to deliver a new food store in 2014), footfall in the Mall and Town Centre has continued to decline such that visitor numbers fell 18% between 2017 and 2018 and have remained at low levels since.



To the North of Stretford Mall, the Grade II listed Public Hall has already undergone a transformational change under the stewardship of local community group, Friends of Stretford Public Hall. The Hall is home to a number of micro-businesses and the constituency office of Kate Green MP, and hosts a number of community events, helping to bring a real sense of a 'community' back to the town that had lost focus for a number of years due to the disjointed nature of the Town Centre.

To the east of the Stretford Mall site is Lacy Street, a prominent gateway into the Town Centre which faces onto Bridgewater Canal. A large part of this site is used for car parking along with several dated commercial premises and as such does not provide an appropriate mix of high-quality town centre uses and severs access to the Bridgewater Canal. To the North-East of Stretford Mall, is the Grade II listed Essoldo Cinema building which is in private ownership and has been vacant since 1995. Several of the adjoining buildings to the Cinema are also vacant and in poor condition, providing a poor gateway into the Town Centre that detracts from the historic significance of this landmark building.

Current vacancy rates across Stretford Town Centre (Q2 2019/20) are at 26.4% versus an average of 9.3% across Trafford as a whole, and a national average of 10.3% highlighting the scale of the challenge facing the town. The loss of major retail tenants in recent years such as Tesco, B&M, Iceland and Argos means that there are a significant number of large vacant units and under-utilised spaces across the Mall and the wider Town Centre. The lack of interest from the retail market for these units highlights the current imbalance in the Town Centre with excess retail space and poor diversity of uses. In particular, the internal areas of the Mall are unattractive to prospective tenants and the lack of diversity of uses means that outside of the core retail hours, there is little to encourage footfall or activity in the Town Centre.

The Council has recently entered into a joint venture with development partners Bruntwood to acquire Stretford Mall to gain control of this key asset in Stretford Town Centre. Previous attempts to deliver the regeneration of the Town Centre

have been hampered due to a lack of control of this site. In addition to the Mall, there are a number of strategically important sites and assets such as Lacy Street and the Essoldo which the Council intends to provide the basis for the creation of a renewed and reshaped Town Centre that will be a successful and distinctive place aligned to the future needs of the local community. This will support a whole town centre approach, with community engagement at its heart, underpinned by a robust strategic framework and effective delivery arrangements.

Given the scale of the challenges that exist in the Town Centre, the Council is seeking funding from the FHSF to fund enabling works to support the substantial and transformative development of Stretford Mall and the surrounding sites as a true 'town centre', to unlock the full potential of the opportunities that exist and act as a catalyst for wider investment and development.

A comprehensive, long-term approach to the regeneration of Stretford Town Centre is set out in the approved Refreshed Masterplan (January 2018) which seeks to facilitate considerable investment and development in the Town Centre and tackle the long-term cycle of decline. The Council has also commenced preparation of an Area Action Plan (AAP) for Stretford. The AAP will ensure that the scale of development and change proposed for the area over the next 10-15 years and beyond, is positively managed and guided by a robust planning framework, shaped and supported by the local community. Whilst this work is ongoing and will shape the longer-term ambitions of Stretford, the Council is seeking immediate FHSF funding to bring about this initial swift transformational change to Stretford Town Centre.

Proposed Works (Future High Streets Fund Ask)

The Council is seeking £17.6m in funding from the FHSF.

The Council had planned a comprehensive series of public consultation events prior to submission of this business case. However, the sudden COVID-19 crisis resulted in the final events being cancelled at short notice. This business case sets out the FHSF ask and the emerging preferred option for delivery of a rejuvenated Stretford town centre. However, it should be noted that the preferred option presented here may be subject to some refinement as a result of final consultation once this is able to take place. Further detail on the consultation process completed so far is provided in the 'Stakeholder Issues' section later in this Strategic Case.

The ask of the FHSF is to make significant changes to the Mall site and the surrounding area which will unlock future development as well as create a vibrant and economically viable town centre. The core changes being proposed include:

- Removal of part of Stretford Mall's roof and alterations to the multi-storey car park to enable the creation of a new expanded 'High Street' along King Street with improved retail and leisure units better suited to market demand;
- Works to the multi-storey car park including removal of the entrance ramp to unlock additional land for future development such as residential and commercial space, and configuration changes to the upper levels to allow other uses; and
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The highways and landscaping works will serve to improve the key access points across Stretford Town Centre, particularly improving pedestrian access from the residential areas to key town centre sites including Stretford Mall, Lacy Street, Stretford Public Hall, and Stretford Library. These works are a public good and would not otherwise generate a direct commercial return for a private developer.

Detailed breakdowns of the financial cost and impact of these interventions are presented in the financial and economic cases.

With the support of the FHSF, we believe that this will help unlock further development across the Stretford Mall site to the following quantum (subject to further consultation and detailed planning):

	Size / Units	Estimated Development Cost	Gross Development Value
Residential Development	64,756 sqm / 615 units	£176.6m	£228.6m
Retail / Leisure Development	31,222 sqm	£56.4m	£85.9m
Commercial Development	9,898 sqm	£18.8m	£24.7m
Total	105,876 sqm	£251.9m	£339.2m

MHCLG intervention

Market Failure

Whilst the Council has already begun to take steps to address the significant challenges facing Stretford Town Centre, these will not be able to come forward in a manner which aligns with the Council's and the Future High Streets Fund's objectives without appropriate public intervention.

The retail challenges facing the High Street along with the historic ownership of Stretford Mall has led to the façade and internals of the Mall steadily declining from a lack of investment. In its current form, there is limited appetite from the market to take up vacant units due to both aesthetic appeal and lack of footfall in the Mall and wider Town Centre. This decline has been compounded by key assets in the Town Centre which are either vacant (the Essoldo) or where their current use does not add to the diversity and quality of the Town Centre (Lacy Street). The Council is now aiming to address these issues.

The key market failures identified for the Town centre are:

Coordination Failure: The nature of Town Centres is such that ownership is often fragmented across multiple sites. There is little incentive for individual developers to invest in Town Centre-wide infrastructure / scheme improvements that would benefit the wider landowners, and this has been the case historically in Stretford. Whilst the Council has sought to address this market failure by acquiring key assets in the Town Centre (such as through the Stretford Mall acquisition) the Council requires MHCLG support to be able to deliver some of the infrastructure improvements and other enabling works to unlock the wider schemes across the Town Centre, which will enable further private sector investment.

Public Good: The interventions proposed require some investment in assets and infrastructure that represent public good; they require significant investment which on their own would not generate commercial return or sufficient return for the market. Interventions such as pedestrian/cycle improvements to enable better access across the Town Centre do not generate return directly but can enhance the commercial appeal of Stretford Town Centre as a place to do business.

Some of the works proposed such as the reconfiguration of the car park are not commercially viable on their own. For example, under a reduced scheme (the reference case) with less transformative change to Stretford Mall; a better commercial return for the joint venture versus the chosen preferred option would be achievable. However, the Council believes that it does not meet the objectives which we have for the Town Centre, in creating a vibrant and sustainable place for the future.

Local Authority Intervention

As a result, the Council has been steadily taking measures to acquire control of key sites in the Town Centre in order to give itself the best opportunity of being able to influence the development of Stretford in accordance with the Council's key objectives and deliver comprehensive transformation of the Town Centre. The steps taken already have partially addressed the 'coordination failure' issue.

The Council has already undertaken (or is in the process of undertaking) the following steps as part of its efforts to support the regeneration of Stretford Town Centre:

- Formed a joint venture company with private developer Bruntwood to acquire Stretford Mall;
- Acquired Stretford Mall using the joint venture company at a cost of £8.6m (including fees) representing the Council's 50% share of the joint venture;
- Acquired the former Royal Mail sorting office on the Lacy Street site for £0.85m (including fees), a wholly owned Council acquisition;
- Begun negotiations with the Probation Service to support their relocation to 'unlock' the Lacy Street site for further development; and
- Made initial enquiries to acquire the Essoldo Cinema, although recognises that a CPO may be required for this site.

Through these actions, the Council expects to obtain significant control and ownership over the core Town Centre area notwithstanding its development partner Bruntwood's interest in Stretford Mall. These actions reflect the proactive approach the Council has been taking to regenerate Stretford Town Centre.

Capital Constraints

As with other Local Authorities, Trafford Council is constrained by its capital budgets and the need to balance investment without overexposing itself to prudential borrowing risk. Despite these challenges, the Council has invested significant resources to bring about change in Stretford Town Centre demonstrating commitment to these plans. However, additional support is required to help unlock the full potential of the Town Centre through the FHSF, providing the public intervention that will 'kickstart' the regeneration of the Town Centre area.

Without securing the necessary funds from the FHSF to implement the interventions required to unlock the regeneration of Stretford Town Centre, the Council will only be able to make small incremental changes to the town centre, preventing the implementation of the sustainable reshaping necessary to adapt it to the requirements for current and future communities.

Whilst the Council has entered into a joint venture with Bruntwood, the lack of enabling works that are the focus of the FHSF bid will significantly inhibit the Council's ability to deliver the comprehensive regeneration of the Mall and Town

Centre to attract further investment, failing to meet the regeneration objectives for Stretford.

The future viability of other sites such as Lacy Street and the Essoldo require Stretford Mall (as the town centre's largest site) to be re-energised, providing a modern and attractive town centre and leisure experience along with additional residents attracted by new housing which will help sustain the Town Centre from the day right through to a strong night time economy. Without an improved Stretford Mall site, the attractiveness of these sites for future development appropriate to the Council's objectives for creating a vibrant Town Centre is reduced markedly; as a consequence, Stretford is unable to fulfil its potential in delivering growth and providing a sustainable Town Centre.

Objectives

The following SMART objectives have been identified by the Council for the regeneration of Stretford Town Centre and are driven by the vision as set out in the Refreshed Stretford Masterplan and informed by public consultation feedback received to date, ranked in priority order:

1. **Creation of a vibrant, town centre:** A significant challenge for Stretford is to create a prosperous, vibrant, sustainable Town Centre with an attractive and safe environment and a wide range of facilities throughout the day and evening. Through key improvements and the reshaping of the Town Centre, the Council intends to promote better diversity of uses that will improve the experience of visitors as well as spur the creation of a successful night-time economy by 2024 to deliver sustainable growth for Stretford. The vibrancy of the Town Centre will be measured by improvement to vacancy rates and footfall levels being recorded in Stretford Mall.
2. **Deliver additional high quality and affordable housing to Stretford:** The Council needs to ensure an adequate supply of quality new homes for Stretford to meet the needs of both its existing and new population (forecast to rise 10% over the next 20 years¹). The provision of additional housing (including affordable and social) in the Town Centre will provide new development in a highly sustainable location and contribute to the vibrancy of the Town Centre, helping to sustain a modern high street and night-time economy as well as enhance the community feeling in Stretford. The Council aims to deliver over 600 new residential units across the Town Centre by 2028, including significant affordable provision, ensuring that there is sufficient diversity of type, size and tenure (including affordable) aligned to the Trafford Housing Strategy 2018 and Trafford Housing Needs Assessment 2019.
3. **Reshape the Town Centre environment to make better use of existing assets and open spaces:** Stretford Town Centre is currently characterised by a busy road network that severs pedestrian access to key assets in the town. Through changes to the existing infrastructure and potential re-engineering of traffic flows, the Council intends to support better accessibility to the main Town Centre area for pedestrians and cyclists from all sides and in turn enable better access to the town's Metrolink stop, providing public transport links across GM, and the Bridgewater Canal.

In arriving at the emerging preferred option for development, the Council has reviewed a long list of options assessed them against the potential to deliver these objectives as well as against the following critical success factors to ensure the deliverability of the ultimate preferred option:

- Affordability – The preferred option is affordable within the Joint Venture's budgets and has an acceptable level of risk;
- Phasing and flexibility of delivery – There is a clear phasing of plans which is deliverable within the FHSF timeframes required;
- Value Generation – The preferred option generates value according to the Council's scheme objectives, achieving an efficient outcome;
- Operational feasibility and performance – It can be feasibly delivered with minimal operational disruption to the Council's assets such as Stretford Mall; and
- Stakeholder Acceptability – The option has been tested and aligned to the expectations of key stakeholders in Stretford Town Centre.

Stakeholder issues

The Council had planned a series of stakeholder engagement events to consult on the proposed works to ensure stakeholders were properly engaged and had the opportunity to influence and shape the final preferred option for delivery. A public consultation event was held at Stretford Mall in November 2019 to gather initial thoughts and feedback from the public on ideas and what they wanted to see as part of the regeneration of Stretford Town Centre.

A selection of the themes of the feedback from the community were:

- Improved pedestrian access to the Mall and surrounding areas;
- A better mix of retail, leisure and housing across the Town Centre;
- Improved community feel;
- More green spaces and better usage of the waterfront along Bridgewater Canal; and

- Improved air quality and better routes for cyclists.

A further public consultation event was held in February 2020 to gather additional feedback on the principles of the future development of Stretford and to also start testing the long list of potential options being considered. This event reaffirmed many of the findings from the first consultation event and has enabled the Council to progress development of more detailed development options aligned to this feedback.

The Council then had a final series of consultation events planned for the end of March 2020. These included a further public event to be held at Stretford Mall where the preferred options were to be presented for feedback prior to submission for the FHSF Business Case. This event was to be supported by two further focused events to be held at Stretford Public Hall where the plans were to be consulted on with a panel of young persons and a separate event with people from an older age range to ensure appropriate balance of feedback across the Stretford demographic.

Unfortunately, following guidance from the then rapidly emerging COVID-19 situation these consultation events were cancelled. Whilst the Council is able to present a 'preferred option' as part of this FHSF Business Case submission, the Council does intend to re-run these consultation events once it has a clearer view of how a future event can be run post lockdown – depending on Government guidance this may be undertaken virtually. As a result, the Council expects that the emerging preferred option presented here will be refined following this feedback, although the underlying principles and requirement of the FHSF ask to be unchanged.

These consultations (undertaken and planned) are in addition to the extensive consultation work already undertaken as part of the Refreshed Stretford Masterplan in 2018 which set out the long-term regeneration framework for Stretford, capturing feedback gained from the local community in part from the transformational changes already underway from the UA92 development which opened to the North of the town Centre in September 2019.

The Council has sought support from key stakeholders in Stretford and the wider community in Greater Manchester. Letters of support have been obtained from the following (and have been included in Appendix G to this business case):

Kate Green, MP for Stretford & Urmston	Andy Burnham, Mayor of Greater Manchester	Transport for Greater Manchester;
GM Local Enterprise Partnership	Trafford Inclusive Growth Board	UA92
Friends of Stretford Public Hall	Trafford Bruntwood (Stretford) Joint Venture Board (incorporating its letter of commitment to the project)	

Dependencies and Constraints

The dependencies and constraints identified at this stage of the project include:

- Finalisation of the Council's public consultation programme to inform the final preferred option;
- Approval of the preferred option by Trafford Council Executive;
- Approval of relevant planning applications for infrastructure and development;
- Resolving the involvement of remaining landowners and/or tenants where applicable;
- Securing an appropriate developer for schemes in the Town Centre beyond that of Stretford Mall (which is covered by the Bruntwood Joint Venture already in place); and
- Receipt of FHSF funding for appropriate infrastructure interventions to unlock wider development of the Town Centre.

Key Risks

The key financial risks at this stage of the project have been identified as below:

- Accurate cost estimation of interventions and inflation allowances as well as revenue assumptions;
- Barriers to accessing or acquiring key assets as part of the wider Town Centre masterplan;
- Securing necessary planning approvals for the measures proposed; and
- Procurement of suitable development partners for areas beyond the Mall.

A risk register been developed and is discussed in the Management Case section of this business case in the Risk Management Strategy. A project board has been established to monitor the financial risks associated with the scheme delivery and these risks will be tested and mitigated against as part of continued financial modelling undertaken for the wider scheme as it develops and / or market changes come into force.

Data Protection

We confirm we have consulted the Data Protection Compliance Manager (DPCM) and considered requirements under the General Data Protection Regulation and Data Protection Act 2018 including the need for a Data Protection Impact Assessment. We acknowledge that you will share this business case with other government departments where relevant, with third parties providing advice and assessment services to the FHSF and with the High Streets Task Force in all cases on a confidential basis. ☒

FINANCIAL CASE - How much it will cost, and how it will be funded

Please limit the Financial Case to 5 pages of text and tables. Any further detail as relevant may be annexed.

Financial Summary – FHSF Funding Request

The purpose of the financial case is to determine the net cost to the public sector. This section outlines the estimated total cost of the preferred option along with information regarding the co-funding to be leveraged and the funding sought from the FHSF.

The table below presents a summary breakdown of the FHSF funding requirement of each scheme within the Preferred Option. A financial profile for each of the additional options is also provided further below.

The total amount of FHSF Funding sought is £17,605,674 against an estimated total scheme cost of £323.4m (including finance costs and FHSF requirement).

Table 1 – Future High Street Funding Ask Summary

Description	Total Cost
Reconfiguration of Chester Road Entrance to Stretford Mall to form new linkage to the car park and service yard.	£3.44m
Works to allow the formation of a new ground floor linkage through Stretford Mall to enable the creation of an extended 'High Street' along King Street.	£7.79m
Reconfiguration of the Barton Road / Kingsway traffic lighted junction and associated highway and landscaping works to enable the site for mixed use development.	£1.85m
Reconfiguration of the highway and re-landscaping of Kingsway between Barton Road and Chester Road junctions to enable better pedestrian access to key town centre assets.	£3.25m
Pedestrian/cyclist upgrade measures to Chester Road Junction.	£1.28m
Preparation of land between Chester Road junction and Bridgewater Canal to unlock Lacy Street for development	£0.85m
Monitoring and Evaluation costs*	N/A
<i>S106 Funding Committed by the Council to the enabling works</i>	<i>(£1.5m)</i>
Inflation	£0.64m
TOTAL FHSF Funding Ask	£17.61m

*As the Trafford Bruntwood Joint Venture has existing provisions and resource in place to conduct key M&E tasks – principally footfall counters and other project management resource, no additional M&E costs are anticipated associated with the FHSF Funding.

All costs quoted above include preliminaries, OH&P, contingency (5%) and professional fees (8%). These costs have been prepared by RBA Quantity Surveyors who have significant experience of working on similar projects with Bruntwood. Value Added Tax (VAT) is assumed to be offset by VAT charged and therefore has been included in the cost estimate as a net zero amount.

The detailed cost breakdown as prepared by RBA is provided in Appendix F.

Financial profile (preferred option)

The financial profile of delivery of the works directly relating to the FHSF Funding is set out below, in addition to the estimated spend profile of development of the wider scheme at the Stretford Mall site based on the preferred option.

Table 2 – Financial Profile Summary (nominal prices)

	20/21	21/22	22/23	23/24	Beyond	Total
Co-funding utilised to date (sunk costs)	£20.6m	-	-	-	-	£20.6m

spent)						
Existing Funding ((106 Funding Committed)	£1.5m	-	-	-	-	£1.5m
Co-funding to be leveraged – Funding Brought by the Trafford Bruntwood Joint Venture*	-	£23.6m	£36.5m	£62.7m	£129.1m	£251.9m
Future High Streets Funding	£2.0m	£9.9m	£4.8m	£0.9m	-	£17.6m
TOTAL	£24.1m	£33.5	£41.3m	£63.6m	£129.1m	£291.6m

*The estimated co-funding required of the Bruntwood Joint Venture. The above profile excludes financing costs.

This financial profile assumes that Funding is received in Autumn 2020, to allow for initial works to begin prior to the end of FY21. It should be noted that this profile does not consider the recent impacts of COVID-19 and may be subject to slight change or delay, although it is expected that the FHSF spend will be completed by March 2024.

Scheme Summary

The £17.6m of FHSF funding being sought is to deliver the necessary enabling infrastructure works to Stretford Town Centre to unlock future development to:

- Provide a refreshed Stretford 'High Street', focused on the King Street section of Stretford Mall;
- Rationalisation and reconfiguration of retail space, better suited to current and future demands that will support a vibrant town centre and promote a stronger night-time economy;
- Provide quality commercial office space to attract and retain growing businesses and job opportunities for Stretford; and
- Provide quality new homes to satisfy the growing population and housing demand in Trafford Borough.

The quantum of this development under the preferred option is set out below:

Table 3 – Quantum of Development – Preferred Option (nominal prices)

	Size / Units	Estimated Development Cost	Gross Development Value
Residential Development	64,756 sqm / 615 units	£176.6m	£228.6m
Retail Development	31,222 sqm	£56.4m	£85.9m
Commercial Development	9,898 sqm	£18.8m	£24.7m
Total	105,876 sqm	£251.9m	£339.2m

General Assumptions

- An annual inflation amount based on OBR forecasts has been assumed. For the purpose of prudence in the financial case, no additional assumption for value growth has been assumed.
- Value Added Tax (VAT) is assumed to be offset by VAT charged and therefore has been included in the cost estimate as a net zero amount.
- Development Costs/Value include Professional Fees (8%), Contingency (15%) and Sales & Marketing Costs (3%).
- Costs presented above exclude financing costs.

Financial profile (option 1 – Do Nothing: Reference Case)

A profile is provided below to outline the scale of the reduced scheme option representing the reference 'Do Nothing' case where no FHSF Funding is secured. This would include a small amount of enabling works to unlock a limited first phase of development. This option has been discounted on the basis that it does not meet the Council's objectives for Stretford.

Table 4 – Financial Profile Summary – Do Nothing Case (nominal prices)

	20/21	21/22	22/23	23/24	Beyond	Total
Co-funding utilised to date (sunk costs spent)	£20.6m	-	-	-	-	£20.6m
Existing Funding ((106 Funding Committed)	£1.5m	-	-	-	-	£1.5m
Co-funding to be leveraged – Funding Brought by the Bruntwood Joint Venture*	-	£10.1m	£15.6m	£26.8m	£55.1m	£107.6m
TOTAL	£22.1m	£10.1m	£15.6m	£26.8m	£55.1m	£129.7m

This option has been discounted as it does not meet the objectives for Stretford. Under this option, the quantum of development is as follows:

Table 5 – Quantum of Development – Do Nothing Option (nominal prices)

	Size / Units	Estimated Development Cost	Gross Development Value
Residential Development	26,067 sqm / 222 units	£71.1m	£92.0m
Retail Development	14,730 sqm	£26.6m	£40.5m
Commercial Development	5,181 sqm	£9.9m	£12.9m
Total	45,978 sqm	£107.6m	£145.4m

Sources of funding

Sunk Costs

The Council has already spent a total of £12m (alongside an additional £8.6m of private sector investment leveraged via Bruntwood) in preparation for the regeneration of Stretford Town Centre. This has been utilised on the following:

- **Acquisition of Stretford Mall:** The Council alongside its joint venture partner Bruntwood have acquired the Mall for a combined £17.2m. The Council's share (£8.6m) has been funded through its capital investment strategy.
- **Acquisition of Sorting Office on Lacy Street:** The Council has acquired the Royal Mail sorting office on the Lacy Street site for £0.9m, funded through the Council's own capital investment strategy.
- **Phase 1 Public Realm Works:** The Council has invested £2.5m into public realm and highway works across the town centre covering subways, landscaping and pedestrian crossing changes, funded through S106 funding as well as the Council's own capital investment programme and Growth Deal funding.

Committed Funds, not spent

The Council has also set aside £1.5m in s.106 funding within its Capital Programme to be used to support the regeneration of the scheme.

- **Wider Town Centre works to support the redevelopment of Stretford Town Centre:** The Council has committed to Stretford town centre, £1.5m of funding to be used in conjunction with the funding from the FHSF to deliver infrastructure works required to unlock the Town Centre site for further development.
- **Future Development of Stretford Town Centre:** Through the Trafford Bruntwood Joint Venture, it is estimated that a further £251.9m of funding will be required to deliver the preferred option. Costings of this may vary pending further refinement of the preferred option once the public consultation process is completed, however the Trafford Bruntwood Joint Venture has committed to supporting the final scheme, subject to commercial viability. This is evidenced in the letter of commitment provided in Appendix G.

At this stage of the development, whilst the Trafford Bruntwood Joint Venture is not in a position to confirm the final source of funding for the wider scheme, it is working provisionally on the assumption that funding will be available either from the private finance market or through PWLB borrowing at market rates and the financial modelling presented in the financial appraisal has been prepared on this basis.

Financial appraisal

The total cost of the Preferred Option is £305.8m excluding the £17.6m of enabling works required from the FHSF. The below table summarises the cashflows of the scheme and its sustainability over the life of development.

Table 6 – Scheme Financial Appraisal (nominal prices)

	Preferred Option With FHSF Funding	Preferred Option Without FHSF Funding	Do Nothing Option (No FHSF Funding)
Residential Income from Sale (GDV)	£228.6m	£228.6m	£92.0m
Retail Income from Sale (GDV)	£85.9m	£85.9m	£40.5m
Commercial Income from Sale (GDV)	£24.7m	£24.7m	£12.9m
Gross Development Value	£339.2m	£339.2m	£145.5m
Acquisition Costs (Stretford Mall site)	£17.2m	£17.2m	£17.2m
<i>Enabling Works (cost to the Council JV) Funded by (where applicable):</i>			
<ul style="list-style-type: none"> ▪ £17.6m FHSF Costs ▪ £1.5m S106 Funding 	£1.5m	£19.1m	£1.5m
Construction Costs	£192.3m	£192.3m	£82.1m
Professional Fees	£15.4m	£15.4m	£6.6m
Externals & Contingency Costs	£38.4m	£38.4m	£16.4m
Sales & Marketing Costs	£5.8m	£5.8m	£2.5m
Total Development Costs	£253.4m	£271.0m	£109.1m
Estimated Finance Costs	£35.2m	£38.2	£12.5m
Total Costs	£305.8m	£326.4m	£138.8m
Income before Tax	£33.4m	£12.8m	£6.7m
Profit on GDV	9.8%	3.7%	4.6%

In line with the MHCLG guidance on viability in plan-making, the return to the developer (the Joint Venture) is 9.8% based on current estimations of the development cost and quantum of the scheme. Under a reduced scheme (representing the reference case), the commercial sustainability is reduced by the lower quantum of residential development possible and it would also not achieve the additional placemaking benefits gained from the preferred option. Were the Joint Venture required to fund the enabling works itself, this would result in a profit of 3.7% which would not be commercially viable.

Provided in Appendix G, is a letter of commitment from the Board of the Trafford Bruntwood Joint Venture, outlining its commitment to redevelopment of the site subject to receipt of FHSF Funding, planning approval and commercial viability.

The cashflow and detailed assumptions for this appraisal are also provided in Appendix E.

The above represents the what the Council perceives to be the most likely scenario, however further sensitivity testing has been performed against the preferred option to test the impact of sensitivity changes on the potential return of the scheme:

Sensitivity	+2% Finance Cost	-2.5% Reduced GDV	+2.5% Increased Construction Costs
Profit on GDV	5.0%	7.5%	2.8%

Further viability work will be undertaken as the project progresses, particularly with respect to any refinements made to the scheme as a result of final public consultations taking place.

Financial risks

The key financial risks at this stage of the project have been identified as below:

Risk Identified	Mitigating Actions
Potential cost overruns relating to site development and the infrastructure works	The Council and its JV partner Bruntwood are well experienced in managing such schemes having successfully delivered the first phase of development at the former Kelloggs site in the Trafford Civic Quarter area. Robust cost assumptions will be developed and where appropriate, construction risk passed to contractors.
Increase in construction and material costs as a result of market uncertainties	Costs have been developed with contingency and further sensitivity modelling will be performed on the wider scheme development. Where possible, such market risks will be transferred through construction risk to the contractors.
Financial impact of negotiations to acquire assets and potential legal impact if other approaches are required	The Council continues to negotiate with relevant landowners for sites not in current ownership for a commercial sale. However, the Council Executive has previously in principle authorised the use of a CPO if necessary.
Planning risks	Extensive public consultation has been undertaken to support the redevelopment of the Town Centre. Furthermore, the Council and the Joint Venture will work closely with planning partners to consider the key issues which may prevent a successful planning application.
Interest rate changes in the market driving up the cost of borrowing;	The Council retains multiple options for securing finance to enable the Joint Venture to undertake the redevelopment works. Bruntwood have access to private finance sources, whilst the Council has the option of borrowing from PWLB to on-lend to the Joint Venture at market rates. The lending market continues to be monitored by the Joint Venture and the most appropriate decision will be made at the point of requiring to drawdown funds.
Economic climate affecting commercial demand	Joint Venture partners Bruntwood continue to monitor the commercial lettings market with support from the Council's retained agents. The development retains flexibility in being able to reconfigure commercial space for other uses and this will continue to be monitored in line with current market conditions.
Economic climate affecting housing demand	Joint Venture partners Bruntwood continue to monitor the housing market with support from our retained agents. The development retains flexibility in being able to reduce the quantum of residential development undertaken, although this is considered unlikely given existing housing demand pressures in Trafford.

A risk register been developed and is discussed in the Management Case section of this business case in the Risk Management Strategy. A project board has been established to monitor the financial risks associated with the scheme delivery and these risks will be tested and mitigated against as part of continued financial modelling undertaken for the wider scheme as the scheme develops and / or market changes come into force.

ECONOMIC CASE – Our options and the extent to which they provide VFM

Please limit the Economic Case to 10 pages of text and tables. Any further detail as relevant may be annexed.

The economic case sets out the appraisal performed to assess the economic costs and benefits associated with the shortlisted options. Following a brief overview of the shortlisting process, a SWOT analysis of the shortlisted options is presented. The shortlisted options are then appraised in detail to assess their potential value for money, in line with MHCLG appraisal guidance and the HMT Green Book.

Shortlisting of the Options

The Council developed a longlist of options through consultation with key stakeholders, including local communities. An initial public consultation was held in November 2019 to gather ideas from the public to support consultation which had been performed previously as part of the Refreshed Stretford Masterplan of 2018. From this a longlist was developed which was then sifted down to four shortlisted options, as described below, for which enabling infrastructure costs and development quantum were defined.

1. **Do-nothing:** The business-as-usual case, which assumes no FHSF grant, but £1.5m of Council funding. This would enable only a small amount of enabling works that would unlock a limited first phase of development.
2. **Do-minimum:** This would deliver some of the identified works, at a total cost of £12.5m, unlocking the first three phases of development.
3. **Do-medium:** This delivers the entirety of the costed works, at a total cost of £17.1m, unlocking all five phases of development.
4. **Do-maximum:** This is a less well-developed option with more extensive infrastructure and highways works. Indicative development quantum have been established for this but the infrastructure works have not been fully costed, so a purely indicative additional allowance of £5m has been made, bringing the total cost to £22.1m.*

* Costs stated above are discounted real 2020 prices, including optimism bias.

Development quantum for the four options are set out below. These are based on options produced by FCB architects.

Table 1 - Development quantum

Type of use (Net Internal Area)	Option 1 <i>Do-nothing</i>	Option 2 <i>Do-minimum</i>	Option 3 <i>Do-medium</i>	Option 4 <i>Do-maximum</i>
Residential (<i>dwelling units</i>)	222	458	615	763
Commercial / office space (<i>sqm</i>)	5,181	6,596	9,898	10,982
Retail space (<i>sqm</i>)	14,730	18,753	31,222	31,222
Total NIA (sqm)	45,977	67,300	105,876	151,756

Enabling infrastructure costs for the do-nothing option are based on the Council's available funding for the project. For the remaining options, costs are based on a cost plan prepared by RBA. Option 2 assumes that only works associated with the first three phases of development are delivered, whilst option 3 assumes that all the works are delivered. No cost estimate has been prepared for the additional costs associated with option 4 beyond the RBA cost plan, so an indicative allowance has been made purely for the purposes of appraisal.

Table 2 – Enabling infrastructure costs, discounted real 2020 prices, including optimism bias

Enabling infrastructure costs	Option 1 <i>Do-nothing</i>	Option 2 <i>Do-Minimum</i>	Option 3 <i>Do-medium</i>	Option 4 <i>Do-maximum</i>
Costs (£m)	£1.5m	£12.5m	£17.1m*	£22.1m

* Consists of the £18.5m cost from the RBA cost plan, excluding inflation, in discounted real 2020 prices.

Swot Analysis

A high-level SWOT analysis of the shortlisted options is presented below:

Shortlisted options (Min. 3)	SWOT Analysis						
	Meeting Spending objectives	Strategic fit	Achievability	Supplier capacity and capability	Affordability	Potential VFM	Conclusion
1 – Do nothing	Low	Low	High	High	Medium	Low	Reference case
2 – Do minimum	Low	Medium	High	Medium	High	Low	Shortlist
3 – Do medium	Medium	High	Medium	Medium	Medium	High	Preferred option
4 – Do maximum	High	High	Low	Medium	Low	High	Shortlist

Economic appraisal of shortlisted options

The value for money assessment has been performed using a bespoke economic model, following HMT Green Book and MHCLG business case guidance, and includes a robust analysis of the predicted economic benefits and costs associated with each shortlisted option. The main benefit that has been assessed is the land value uplift associated with each option, which is the Government's preferred methodology for valuing the economic efficiency benefits derived from converting land into a more productive use. In addition, amenity, health and distributional benefits have been included in this economic appraisal.

The BCRs resulting from this value for money assessment are presented below. All economic benefits and costs quantified and monetised have been converted into 2020 prices and discounted over a 30-year period based on a 3.5% discount rate per annum.

Overall, the results indicate that the preferred option represents good value for money, with an initial BCR of 2.0 and an adjusted BCR of 2.5. Taking into account the considerable non-monetised benefits associated with the scheme, as described further below, overall there is a strong value-for-money case in favour of the preferred option. Option 2, the do-minimum, has a weaker value-for-money case, with an initial BCR of 1.3 and adjusted BCR of 1.7 putting it below the threshold for FHSF consideration. Option 4, the do-maximum, has the same BCR as the preferred option, but is less favoured due to the expected deliverability challenges associated with the level of infrastructure works envisaged which are difficult to accurately capture in this appraisal.

Detailed results for the preferred option, including sensitivity analysis, are set out below. A similar breakdown of the results for options 2 and 4 is available if required.

Costs and Benefits appraisal

Headline results

Total net additional benefits	Preferred option (NPV, 2019/20 prices, £'000)
Net benefits for initial BCR	
Land value uplift (see breakdown below)	29,637
Amenity impact	1,131
Total benefits for initial BCR	30,768
Net benefits for Adjusted BCR	
Health impacts of affordable rented housing	39
Distributional impact	8,393
Total benefits for adjusted BCR	39,200
Net Costs	
FHSF cost	15,562 ²
Co-funding local authority cost (including borrowing)	0 ³
Total cost (FHSF + Co-funding)	15,562
Private sector funding	0 ⁴

²This is the £17.1m cost from the RBA cost plan, minus the £1.5m Council contribution, to give the net additional FHSF cost, presented in discounted real 2020 prices.

³This is nil because Council co-funding is included in the do-nothing option and therefore does not feature in the net costs.

⁴The private sector funding for residential, retail and commercial property development is included in the land value uplift calculations and therefore treated as 0 here, to avoid double counting.

Benefit Cost Ratio	
Initial BCR (FHSF only)	2.0
Initial BCR (FHSF + Co-Funding)	2.0
Adjusted BCR	2.5

Net costs

As set out above, costs assumptions were primarily based on the RBA cost plan. Council co-funding of £1.5m is captured in the do-nothing option, meaning that it does not feature in the net costs presented above. Development costs for the residential, commercial and retail development are also excluded from the net costs because they are captured in the land value estimates.

In line with Green Book guidance, sunk costs, such as land acquisition costs, are not included in the appraisal.

Land value uplift

As per FHSF business case guidance, land value uplift was used to estimate the economic benefit of:

- the regeneration of the Stretford Town Centre (the renovation of existing non-residential space into commercial and retail space), and
- the development of additional housing within the Town Centre.

The land value uplift appraisal was carried out in accordance with the method set out in the *DCLG Appraisal Guide* and *HCA Additionality Guide*. A summary of the results for the preferred option is set out below, followed by a breakdown of key assumptions.

Results

Land value uplift – net additional benefits	Preferred option (NPV, 2019/20 prices, £'000)
Residential	20,507
Retail	6,866
Commercial	2,264
Total	29,637

For each option, the land value uplift measures the change in the value of land between its existing use and the proposed use under the intervention. For each intervention option, the net additional land value uplift estimate presented is the land value uplift that would be achieved in addition to that achieved under the Do-Minimum case (Option 1). All present values are provided in 2020 prices.

Assumptions

Assumption	Value	Source / Rationale
Gross development values		
Residential sales value	££3,229.2/sqm	Bruntwood – based on comparables
Retail sales value	£2,243/sqm	Bruntwood – based on comparables, assumes £12.5/sqft rent and 6% yield
Commercial sales value	£2,332/sqm	Bruntwood – based on comparables, assumes £13/sqft rent and 6% yield
Sales value inflation	3% per annum	Arup – see note below
Development costs		
Residential construction cost	£1,894/sqm	Bruntwood – blended rate based on £170/sqft for townhouses and £180/sqft for apartments
Retail construction cost	£1,256/sqm	https://costmodelling.com/building-costs - with a reduction due to scale of project – checked with Bruntwood

Commercial construction cost	£1,320/sqm	https://costmodelling.com/building-costs - with a reduction due to scale of project – checked with Bruntwood
Professional fees	8% of construction cost	Bruntwood – based on comparables
Externals and contingency	20% of construction cost	MHCLG standard estimates
Finance cost	5% of construction cost	Adjustment below MHCLG standard rate – confirmed with Bruntwood
Developer profit	10% of GDV	Adjustment below MHCLG standard rate – confirmed with Bruntwood
Marketing cost	3% of GDV	MHCLG standard estimates

Land value inflation

The *DCLG Appraisal Guide* advises that land values should be uprated by 5% each year in real terms. This has conservatively been reduced to 3%, which is judged to be a reasonable estimate based on strong underlying house price growth in Trafford since 2010, averaging over 5% a year in nominal terms, and the potential for regeneration of the Town Centre as seen in comparable areas such as Altrincham. Nonetheless, in view of the inherent uncertainty in estimating future land value growth, sensitivity analysis has been carried out on this assumption. This has tested the downside risk that there could be no land value inflation at all and the upside potential for 5% inflation per annum in line with the *DCLG Appraisal Guide*.

Additionality

Deadweight is accounted for by the do-nothing option, which was defined in accordance with the *HCA Additionality Guidance*. An estimate for displacement for each use was then made with reference to the additionality guidance set out in the *DCLG Appraisal Guide*. For residential, displacement of 5% gives an additionality of 63%, which is in the medium category for residential development. For commercial and retail, displacement of 25% gives an additionality of 50% which is the medium to high category for non-residential development. This was judged to be reasonable given the interventions are strongly supply-focused with a clear market failure and strategic rationale. The displacement assumptions have been made in recognition of the potential for some displacement of commercial and retail activity, though this is likely to be small since the masterplan is aiming to deliver uses with a local focus. For residential development, any displacement is expected to be minimal since Trafford has a supply shortfall against its housing requirements. Sensitivity analysis has been carried out on the displacement assumptions.

Existing use value

The existing use value of the site was estimated based on acquisition costs for the Stretford Mall and Lacy Street sites, which gave an average existing use value of £4.6m per hectare. This was checked against MHCLG's land value estimates (2017), which provide a residential land value for Trafford of £2m per hectare and a commercial land value for Greater Manchester ranging from £865k per hectare (in Bolton) to £12m per hectare (in central Manchester). The assumed value for the Stretford site was thought to be reasonable within these comparators. It was then applied to the total net developable area of approximately 4.8 hectares to give a total existing use value of £11m.

Health benefits of affordable rented housing

This was estimated in line with the method set out in the *DCLG Appraisal Guide*. This provides a benefit of £125 per annum (2017 prices) per affordable rented housing unit. It was assumed that 10% of dwellings would be affordable, based on information provided by Bruntwood, and that half of these would be rented (a total of 31 units in the preferred option). This was included in the core BCR.

Amenity benefits

The amenity benefit represents the gains in value associated with additional recreation, landscape, ecology and tranquillity that can be brought forward by development. In the Stretford case, additional amenity will be generated through the creation of squares and green spaces. The MHCLG guidance suggests to value amenity benefits unlocked within an 'urban core' at £109,138 per hectare (2016 prices). Further details of the spaces for which an amenity benefit have been estimated are provided in the table below. It is assumed that these would be delivered in all the options.

Table 3 – Areas that deliver amenity benefits

	Area (sqm)
Library square	1,376
Market square	1,206
Linear park	3,564
Church park	2,944
Waterside park	2,145
Pocket park	1,450

Distributional weighting

As of 2018, residents in the proposed area of intervention have a net equivalised annual income after housing costs that is 17% below the average in England and Wales. To reflect this and the impact that the shortlisted options would have on different groups of society in Trafford, a distributional analysis has been conducted. Doing so enables the appraisal to account for the income disparity between Stretford and the rest of the UK, by incorporating the economic principle of the diminishing marginal utility of income into this appraisal. A distributional weight has been estimated and applied to the economic benefits unlocked by the interventions, following the DCLG Appraisal Guide. Using the ONS equivalised net income estimates and the elasticity for marginal utility of income, a distributional weight of 1.27 has been applied to benefits calculated within this appraisal.

The distributional impact presented in this analysis represented the discounted value of the incremental weighted benefits (weighted benefits minus unweighted benefits) and are accounted for in the adjusted BCR.

Non-monetised benefits

The following non-monetised benefits have been identified:

- **Image** – The redevelopment of the area is expected to enhance the quality of the neighbourhood and promote a greater sense of belonging and local pride. While this will improve the general perception of Trafford amongst the public, it is also expected to make it more attractive to investors, businesses and residents alike.
- **Environmental** – The proposed intervention will see the creation and improvement of two public squares and several areas of green space as well as improvements to the public realm and roads, which altogether will contribute towards a healthier and more sustainable environment in terms of air quality, comfort, recreation and general pedestrian environment.
- **Social** – The quality of the redevelopment along with the public realm enhancements interventions associated with the preferred approach are expected to contribute towards an improvement in the security and safety levels in the area, while reducing crime and facilitating community participation and development.
- **Transport** – Transport enhancements and traffic calming measures are also associated with the proposal to improve the general mobility environment around the intervention area while promoting a more sustainable mode share.

Risk appraisal

Optimism bias was applied at 5% in line with the contingency allowance made in the RBA cost plan. Bruntwood is confident in the estimates provided by RBA and has found procured values to match their estimates on previous projects. The works are deemed to be fairly standard with no particular additional cost risk attached. Nonetheless, sensitivity analysis has been carried out at the top end of the range of optimism bias for standard civil engineering provided by the Green Book (44%).

Reflecting the additional uncertainty associated with the cost estimate for option 4, the do-maximum, an enhanced optimism bias of 20% has applied to the additional costs associated with enabling works for this option.

No optimism bias has been added to the estimates of land value uplift because they are based on local land value estimates and, as set out in the DCLG Appraisal Guide, they are expected to take account of typical development risks.

Sensitivity analysis

Sensitivity analysis has been carried out on a range of key assumptions to test the impact on the BCR. The results of this are set out below.

	Core scenario	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Land value inflation	3%	0%	5%	3%	3%
Optimism bias	5%	5%	5%	44%	5%
Finance cost of development	5%	5%	5%	5%	10%
Profit allowance	10%	10%	10%	10%	17.5%
Net additional land value uplift (NPV, 2019/20 prices, £'000)	29,637	10,021	44,265	29,637	25,250
Total adjusted benefits (NPV, 2019/20 prices, £'000)	39,200	14,241	57,814	39,200	33,618
Net project costs (NPV, 2019/20 prices, £'000)	15,562	15,562	15,562	21,342	15,562
Adjusted BCR	2.5	0.9	3.7	1.8	2.16

Switching values' test

To further understand the sensitivity of the value for money results to changes in key variables, a 'switching values' analysis has been carried out. This analysis looks at the changes that should be made to the real land value inflation, the residential displacement rate or the non-residential displacement rate in order to decrease the initial BCR to 1.5. The results are presented below:

- Decrease real land value inflation rate from 3% to 2.75%, or
- Increase the residential displacement rate from 5% to 26%, or
- Increase the non-residential displacement rate from 25% to 63%.

COMMERCIAL CASE - How will the project or programme be delivered?

Please limit the Commercial Case to 5 pages of text and tables. Any further detail as relevant may be annexed.

Market Analysis

Market analysis has been undertaken alongside the development of the potential options for the regeneration of Stretford Town Centre, gained through support from local agents, Bruntwood, and the Council's own experience of having ownership of Stretford Mall as part of the joint venture. The analysis underlines the fact that there is real need for intervention in order to help drive interest and investment into Stretford and help achieve its objective of transforming the Town Centre into a vibrant place.

Retail Analysis

Stretford Mall has historically been the subject of strong local interest, often extending to the wider region. One of the main challenges now faced by the Mall is in the lettings of its internal units which have seen high vacancy rates in recent years. This is partly driven by the high business rate values which are historic and do not reflect the current market, resulting in a high 'hurdle' cost significantly reducing the attractiveness of the Mall to prospective lessees. This is evidenced by the high vacancy rates:

Date	Occupancy	Total Sq Footage
Jan 2017	75.8%	388,719
Jan 2018	66.8%	388,719
Jan 2019	70.1%	322,127
Jan 2020	73.7%	322,127

Whilst the data above shows that occupancy in the Mall appears to have improved from 2018 onwards, this is masked by a reduction in size of the Mall following demolition of a section where the units were not considered viable for re-let due to the size and condition.

The combination of high business rates, low footfall and lack of visibility of the internal sections of the Mall mean it has been challenging to attract interest from prospective businesses in taking up leases inside the Mall, with the loss of major retailers such as Tesco having a detrimental effect on both the footfall and also the visual impact due to the 100ft of vacant frontage created. This is despite measures being taken to attract new tenants with the offering of short term lets covering full void costs with mutual break options.

Whilst vacancy rates within the internal Mall section clearly show a downward trend, the Mall has enjoyed some success and strong demand particularly for units with a visible external frontage. In the last 2 years, the Mall has been able to secure 7 permanent leases of between 5-10 years on units which were previously vacant for many years. This is partly attributable to the phase 1 public realm and highway works undertaken on the old King Street junction with Chester Road which has been improved so that the external facades are more attractive and welcoming to potential customers.

The new tenants have generally been A3 and A4 (restaurant, café and bar) use operators who would not have been willing to consider an internal unit, and the majority of other interest has come mainly from these types of operators highlighting the contrast between demand for external and internal units in the Mall. The majority of footfall and interest is now focused on the external King Street section of the Mall, where there has been major success with the opening of Stretford Foodhall, offering unique 'pop-up' dining experiences from local traders highlighting the transition and popularity of an 'experience' based high street away from traditional retail. The majority of enquiries from both national and independent retailers are focused on this area with little interest in the internal sections of the Mall.

Experience from agents such as Barker Proudlove highlights continued demand in this area of the Stretford Mall site, supporting the proposed plans to focus on the old King Street area as a centre point for Stretford Town Centre. By extending the external environment, and in turn reducing the internal accommodation, the market has already shown that there will continue to be growing demand from an eclectic mix of local, regional and national operators looking to secure representation in Stretford, as the environment where they ideally want to be located gets larger.

The proposed works to create a modern 'High Street' by extending the current King Street through the Mall by removal of part of the roof and alterations to the car park will help to unlock additional retail and leisure space to fulfil this demand, whilst unlocking other parts of the Mall site for other uses and redevelopment such as residential units or open spaces.

Housing Analysis

Median house prices in Trafford Borough have been consistently higher than those for Greater Manchester and the North West region since 2000. In 2018, median prices across the borough were £260,000, compared with £157,500 across Greater Manchester, and £154,000 across the North West. In Stretford, there remains a gap to the rest of the borough, with a median house price of £204,000. This remains higher than the North West average and remains a significant

affordability issue for local residents with low income households struggling to get on the housing ladder.

The population of Trafford Borough is projected to increase from 238,700 in 2019 to 260,500 in 2037⁵, an increase of 9.1%. There will also be a marked increase in the number and proportion of older residents, with the population 65+ expected to increase by 38% by 2037.

The Greater Manchester (GM) Housing Strategy 2019-2024 identifies decent and affordable housing as a priority and the Greater Manchester Spatial Framework (Jan 2019 draft) sets a minimum target of 201,000 net additional dwelling and 50,000 additional affordable homes, to be provided over the plan period, with Trafford to deliver broadly 19,280 new homes during the plan period; and 1,015 each year.

As the house price disparity in Trafford Borough continues to grow wider between affluent areas such as Altrincham with other towns in the Borough, local agents are seeing increasing demand for property in areas such as Stretford which offers strong transport links and good mix of existing housing stock. In order to satisfy this growing demand whilst also ensuring levels of housing stock for existing residents, there is a clear need to develop additional housing in Stretford. In particular, having new housing close to the Town Centre has been flagged by both commercial and residential agents as being important to support the development of an effective night-time economy in Stretford.

The demand for housing in Trafford is evidenced by median rental price increases which outstrip both the North West and England averages, with a 21.7% increase in median monthly rent between 2010 and 2018, versus 8.8% increase in the North West as a whole.

Location	Median Monthly Rent (£)		% Change 2010 - 2018
	2010	2018	
Trafford	641	780	+21.7%
North West	546	594	+8.8%
England	893	1,075	+20.4%

Source: Zoopla PPD 2019

Furthermore, house prices in Stretford continue to perform above the average across Trafford Borough as one of its strongest performing towns, highlighting the consistent housing demand in the area.

Location	Median Price by Year (£)		% Change 2010 - 2018
	2007	2018	
Stretford	144,950	204,000	41%
Trafford	188,000	260,000	38%
Urmston	168,000	246,250	47%
Altrincham	240,250	352,000	47%
Sale	190,000	272,500	43%
Partington & Carrington	120,500	163,000	35%
Old Trafford	150,000	179,000	19%
Trafford Borough Average	171,671	239,536	40%

Source: Zoopla PPD 2019

As per the Trafford Housing Strategy 2019, there is a clear requirement to increase the delivery of housing across Trafford. This is to be achieved through increased partnering with the private sector, better deployment and use of existing Council land and assets and increasing the range of housing stock available, including affordable housing. The Stretford proposals enable these goals to be achieved.

A Housing Needs Assessment (HNA) was produced for Trafford Borough in 2019 and considered the strengths and weaknesses of the housing market in Trafford. As part of this assessment, stakeholders were surveyed and asked what gaps in housing supply existed in Trafford Borough. The gaps identified included:

- There was not enough supply of larger family housing;
- There aren't enough good quality older people's housing options to encourage people to downsize and free up family housing;
- There is a big gap in larger social housing being built – housing providers seem to be concentrating on one- and two-bedroom properties. This means families will have to move out of the area that they would otherwise choose to live in;
- There is not enough social rent available in Trafford;

⁵ ONS 2016 Based Subnational Population Projections

- The area has limited housing stock and would benefit from additional development opportunities on the area;
- More affordable homes needed to be available in areas with good transport links;
- Affordable housing stock in all tenures and types – social rent/affordable rent/ shared ownership; and
- Home starter accommodation (equity release and or home buy options for new aspiring homeowners).

As part of the HNA the scale of affordable housing requirements has been assessed using latest (2019) household survey evidence and housing register data.

Based on the 25% income for renting and 3.5x income plus equity/savings for buying, the gross annual shortfall of affordable housing is 1,308. Once annual supply through sales, lettings and pipeline supply is considered, the net shortfall is 545 each year. It is planned that at least 10% of the proposed scheme’s residential development will be affordable housing, comprising 62 units to contribute against this shortfall.

The remainder of proposed housing in the Town Centre will be a mix of housing types, tailored to market demand. The estimated Gross Development Values have been costed based on the developer’s experience in the area, and to account for the quality and finish of the regenerated Stretford Town Centre.

Delivery Confidence

Delivery Experience

The Council has significant experience in regenerating Town Centres in collaboration with public and private sector partners. The revitalisation of Altrincham Town Centre has received national acclaim and commendation and was the Champion Award Winner for England at the Great British High Street Awards 2018. Achieving this level of change was only possible due to significant public-sector investment that leveraged further private sector investment and strong partnership working to deliver a comprehensive strategy since 2011. This experience and track record of working with local stakeholders to deliver change will facilitate the application of best practice to Stretford.

In addition, the Council’s joint venture partner Bruntwood, are a family-owned and run business, established for over 40 years. They have a strong track record in developing and managing properties and effective partnership working. As a leading property company Bruntwood have a long history of creating places, developing inspirational workspaces alongside flourishing retail destinations, and create environments and communities which support growth.

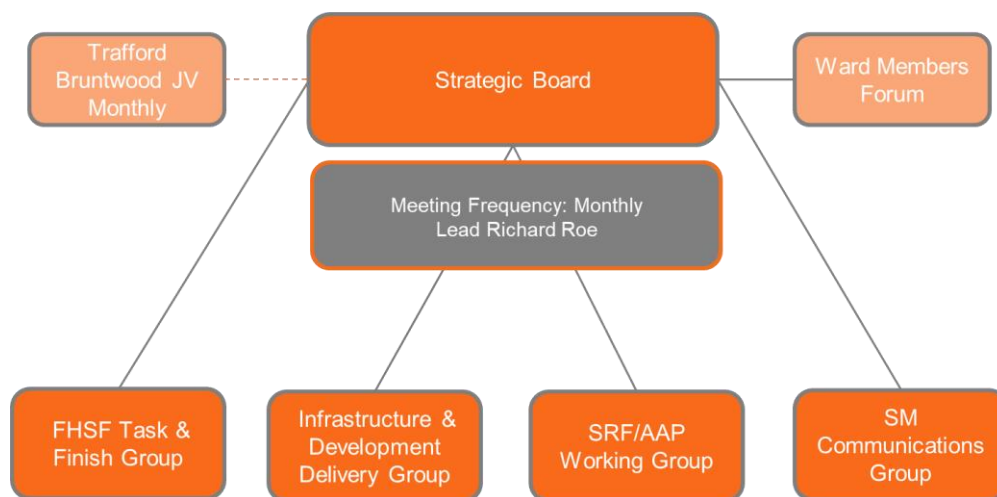
Bruntwood currently have more than £1bn in assets under their ownership across over 100 properties/sites and a development pipeline in excess of £1.4bn. The Council has now established a joint venture arrangement with Bruntwood on a 50:50 basis under commercial terms to provide additional expertise and resource in delivering the regeneration of Stretford Town Centre, in addition to its JV arrangements for the regeneration of the former Kelloggs site within the Trafford Civic Quarter area to the north of Stretford and the Stamford Quarter Shopping Centre in Altrincham Town Centre.

Governance Structure

The Council has agreed an initial governance structure to progress the development of an updated Stretford Masterplan to transform Stretford Town Centre into a prosperous and vibrant place aligned to those objectives presented in the strategic case.

This governance structure will be reviewed at each Strategic Board meeting to ensure that it is up-to-date and reflects the appropriate level of governance to manage the project as it progresses and develops.

The following diagram sets out the governance structure at this point in time that has been developed to support the delivery of the scheme:



The responsibilities of the group are as follows:

- **Strategic Board:** The Stretford Masterplan Strategic Board is responsible for decision making and the strategic direction of the Stretford Masterplan. The SRO is responsible for updating ward members at the ward members forum following each Board meeting.
- **FHSF Task & Finish Group:** This group is responsible for the preparation and delivery of the business case supporting the funding application for the Future High Streets Fund. It is made up of key Council officers, external advisors and the joint venture partner, Bruntwood.
- **Infrastructure & Development Delivery Group:** This group is responsible for coordinating the logistics for the varying components of the Stretford Masterplan. The group will be responsible for highways, development and all infrastructure related project delivery.
- **AAP Working Group:** The Area Action Plan working group will be responsible for all aspects of planning policy and the overall strategic masterplanning and vision for the Stretford Masterplan. They will be responsible for preparation of the Area Action Plan.
- **SM Communication Group:** The Stretford Masterplan Communications Group is responsible for the communications strategy and delivery for all stakeholders in the local community.
- **Trafford Bruntwood Joint Venture:** The board of the joint venture is made up of senior council members and officers and Bruntwood representatives.

Across each of the groups, the Council has pulled together an experienced and senior team to lead the delivery of the project and the governance for the project has been developed in line with the Council's strategic principles. Core Council officers have been involved with and are experienced in the delivery of previous successful regeneration schemes in Trafford as evidenced by the regeneration of Altrincham Town Centre, the Civic Quarter in Stretford and redevelopment of Urmston Town Centre.

Additional workstreams as required (e.g. finance and legal) will be managed through the project team, with relevant representatives being invited to join the team as the project evolves.

A Project Manager (an experienced Council officer) will be responsible for the day-to-day issues and acts as the Council's liaison with the key stakeholders such as the Bruntwood representatives whilst the Strategic Board will oversee delivery of the project, meeting each month and chaired by the Council's Corporate Director of Place. The Strategic Board will make recommendations to the Council's Executive who will retain ultimate decision-making responsibility for the project.

The Council has established consultants and partners supporting the delivery of the project. These are detailed as follows:

- **Bruntwood:** The Council's joint venture partner with respect to Stretford Mall. An experienced property owner and developer based in the North West, they will work alongside the Council to manage and redevelop the Stretford Mall site in the Town Centre.
- **Arup:** Arup are providing support to develop the business case underpinning the Future High Streets Fund submission. Comprising of a team of experts from Arup's Business & Investor Advisory and City Economics teams specialising in Financial, Commercial and Economic appraisal.
- **Richard Boothroyd & Associates (RBA):** Specialist Construction Consultancy and Chartered Quantity Surveyors working closely with Bruntwood who are providing QS services around the Stretford Mall and wider Town Centre sites.
- **Transport for Greater Manchester (TfGM):** The public body responsible for transport and highways services through Greater Manchester. The Council will work closely with TfGM to implement relevant highways interventions and cycling provisions according to the final project design.
- **Register Providers:** There are several profit-for-purpose housing associations with housing interests across Stretford. The Council will work closely with Register Providers to ensure the Town Centre regeneration aligns with their priorities and aspirations for their assets in the town, and potential development opportunities.

Additional technical resource from external consultant teams will be procured as required and managed by the Strategic Board. This will be undertaken in line with the procurement strategy of the Bruntwood Joint Venture as set out in the below section.

Delivery model

The Council has an existing joint venture in place which owns Stretford Mall and will be responsible for any planned development or reconfiguration of the Mall site. The joint venture has existing quantity surveyors in place to support this work and has processes in place to appoint relevant contractors to deliver any works for the Mall site as required.

This is evidenced by Bruntwood and the Council's previous joint venture experience on sites such as the Civic Quarter Partnership focused around redevelopment of the former Kelloggs headquarter site which has been successfully delivered.

As with the Civic Quarter partnership, the Joint Venture will follow a similar procurement process for contractors and consultants, with an aim of achieving best value procurement through an evaluation process that covers both cost and quality with a minimum of three proposals per appointment. This procurement strategy is formally outlined through a

'Development Management Agreement' between the JV and Bruntwood through which the process and procurement requirements are formalised. Notwithstanding this, Bruntwood being a JV partner of course means there is an inherent commercial imperative to ensure that best value procurement is achieved.

The works to Stretford Mall and the surrounding areas covered by the FHSF Funding will be delivered under this existing partnership with a track record in success. In addition, it will also cover the wider redevelopment of the Mall to the development quantum referenced earlier in this business case.

For the other sites in the Town centre beyond the Mall, the Council intends to review these on a site-by-site basis as to the most appropriate delivery option. This will be dependent upon the eventual delivery strategy which is ultimately selected and the ownership profile of the sites in question but will likely include the assessment of the following options:

- Land Sale: Sale of sites which have been 'unlocked' for development to a developer;
- Council Direct Delivery: Council leads the delivery of development of the Town Centre sites with a contractor;
- Master Development Agreement: A master developer is procured to deliver the development of the Town Centre sites; and
- Joint Venture with delivery partner: Council enters into a joint venture agreement (as per Stretford Mall site) to deliver the development of the remaining Town Centre sites.

These delivery options will be assessed in detail as each of the sites become 'unlocked' for development and the current state of the market as at that time. However, it is anticipated that for land wholly owned by the Council, it would most likely procure a delivery partner for redevelopment via the STaR procurement service, its shared procurement service provider.

This would be procured under the process of Competitive Procedure with Negotiation to secure either a delivery partner/contractor providing development management and construction delivery expertise, construction works (via a design and build contract with the Council to carry out the proposed works), development management services in connection with overseeing the development process through to its practical completion.

Whilst there is appetite and capability for the Council to take a lead role in developing the sites beyond Stretford Mall (and subject to future acquisition possibilities in the case of The Essoldo), this will need to be reviewed further into the development process when the infrastructure works and improvements to the Stretford Mall site have been made as the demand and appetite from the private sector may outweigh the benefits in the Council looking to deliver the redevelopment under its own umbrella.

Payment mechanisms

At this stage of the development of the project, no payment mechanisms have been identified or required.

Contractual issues

The Council will set out a proposed procurement strategy for the wider scheme (beyond Stretford Mall) once a preferred option for this development has been selected and a preferred delivery option is in place.

Consideration is being given to how the works around the Stretford Mall site will inform the wider works around the Town Centre area and this may inform the wider procurement and contracting strategy for these works.

The joint venture with Bruntwood for the acquisition of Stretford Mall is established and that site acquisition as well as that of the sorting office on Lacy Street are both complete so no further contractual issues remain for these assets. The Joint Venture has an existing procurement process and contracting strategy in place already which will be used to dictate the contracting process for the initial FHSF works as well as the development works on Stretford Mall itself.

The Council continues to consult with its legal team to ensure compliance with state aid rules. No state aid issues have been identified on the project to date or are anticipated based on the current development proposals.

MANAGEMENT CASE - How will delivery of the programme/project be planned, monitored and overseen to evaluate and ensure its success?

Please limit the Management Case to 5 pages of text and tables. Any further detail as relevant may be annexed.

KPIs, Monitoring and oversight

The scheme will be monitored as part of the Council's existing governance and monitoring arrangements. A core delivery team will be responsible for the preparation and updates of regular programme reports, risk register, and procurement plan for review by the Strategic Board.

Ongoing monitoring of the project will be reported by the delivery team to the Strategic Board, both as part of regular monthly update meetings as well as through the Council's internal project management system as necessary.

A monitoring and evaluation framework is currently being developed as part of the project to allow the Council to monitor the progress of the Stretford Town Centre regeneration against key identified performance indicators. The monitoring and evaluation framework will be aligned with the objectives of the project as well as the requirements of the Future High Streets Fund.

In some instances, in particular in relation to the indirect impacts, it will be difficult to fully attribute the impacts to the Town Centre regeneration, given the wider regeneration that is going on as part of the Stretford Masterplan. To evaluate this, the Council will supplement the monitoring data with qualitative assessment of the attribution of impacts based on consideration of other potential drivers and perceptions of local residents, businesses and visitors.

Further details of how the monitoring and evaluation of this project will be measured are set out in the Evaluation & Benefits Realisation section below.

PPM strategy

Trafford Council have a designated centralised Transformation Team, providing a variety of project management, business analysis and service re-design services to support a wider range of teams and services throughout the Council. The team is led by the Head of Transformation and made up of Business Change Analysts who report into Senior Business Change Managers.

The Transformation Team have a dedicated Place Project Team supporting the Council's Place Directorate in the main supporting colleagues in the Planning, Strategic Growth, Leisure and Development Teams. The Place Project Team is made up of 1x Senior Business Change Manager (SBCM) 2x Business Change Analysts.

The SBCM attends the Council's weekly Place Shaping Board and Place Directorate DMT meetings, where new and ongoing initiatives and projects are discussed. Both of these meetings are chaired by the Corporate Director of Place. The Place Directorate Heads of Service will discuss resource and support requirements and request resource from the Place Project Team to the SBCM.

The Place Project Team meets on weekly basis to review ongoing projects and to assess resources to support new initiatives and projects. The SBCM will allocate the necessary resource from the team to work on specific projects in the Place Directorate.

For the purpose of the FHSF programme, 1x Business Change Analyst has been allocated to work on all aspects of the programme, with the Senior Business Change Manager overseeing the progress and attending meetings as and when needed. The Business Change Analyst reports on progress at the weekly Place Project Team Meetings.

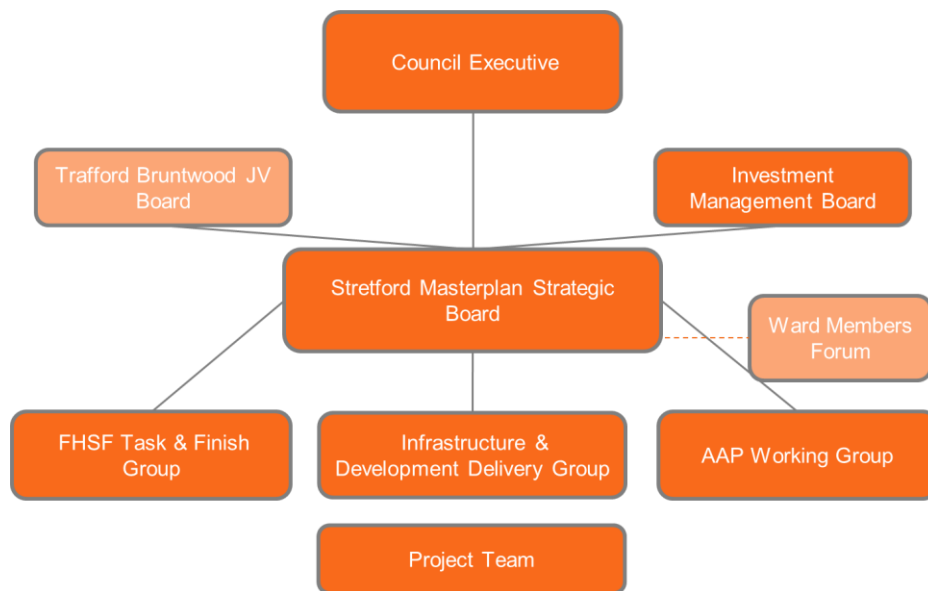
The team undertake a variety of tasks dependent on the type of project and the level of support required, including strategic work and project delivery. This can range from undertaking some research and analysis as to whether a project or new proposal is viable and in line with corporate objectives to leading on the delivery of specific programmes and projects.

In addition, the Business Change Analyst will work closely with a professionally qualified Project Manager from Bruntwood to cover all aspects of the Bruntwood JV and Stretford Mall development. It will be the Project Manager's responsibility to ensure full coordination of the design team to realise the Stretford Mall scheme. Bruntwood's in-house Project Management team will provide this service working in tandem with Bruntwood's Development Management team.

As this scheme will be complex and will require detailed phasing and sub phasing whilst maintaining and regenerating an operational town centre on all sides; significant thought will go into all aspects of delivery including project programme, contractors and subcontractors, construction site boundaries, scheme design, palette of materials and the physical delivery of the phases. Building on past experience alongside seeking out the advice of contractor with experience in working in live operational environments will allow Bruntwood to fully detail up and understand the deliverability of this scheme as it progresses to further detail.

Project framework

The decision-making process for the project is set out as below:



The roles and responsibilities are as follows:

- **Strategic Board:** The Stretford Masterplan Strategic Board is responsible for decision making and the strategic direction of the Stretford Masterplan and is chaired by Richard Roe, the Corporate Director of Place and the Senior Responsible Officer, he is responsible for updating ward members at the ward members forum following each Board meeting.
- **FHSF Task & Finish Group:** This group is responsible for the preparation and delivery of the business case supporting the funding application for the Future High Streets Fund. It is made up of key Council officers, external advisors and the joint venture partner, Bruntwood and is led by Mike Reed, the Council's Strategic Growth Manager.
- **Infrastructure & Development Delivery Group:** This group is responsible for coordinating the logistics for the varying components of the Stretford Masterplan. The group will be responsible for highways, development and all infrastructure related project delivery and is made up of Council Officers, representatives from Bruntwood and partner's TfGM and THT. It will be led by Joe Broadley, Development Surveyor for Bruntwood.
- **AAP Working Group:** The Area Action Plan working group will be responsible for all aspects of planning policy and the overall strategic masterplanning and vision for the Stretford Masterplan. They will be responsible for preparation of the Area Action Plan and is made up of key Council officers from across the strategic planning teams. It will be led by Adrian Fisher, Director of Growth and Regulatory services at the Council.
- **CQP & SM Communication Group:** The joint Civic Quarter Plan and Stretford Masterplan Communications Group is responsible for the communications strategy and delivery for all stakeholders in the local community. It will be led by Martin Dillon, Communications & Marketing manager for Trafford Council.
- **Trafford Bruntwood Joint Venture:** The board of the joint venture is made up of senior council officers and Bruntwood representatives.
- **Project Team:** Made up of a representative from the Council's Place Project Team and a project manager from Bruntwood as well as other support staff, they are responsible for coordination and delivery of the project programme.

Project plan

The key upcoming milestones of the project are set out below based on indicative timings of the Future High Streets Fund process and pending any disruptive changes to the timeline caused by unknowns associated with the current Covid-19 situation:

Milestone	Timing
Submission of FHSF Business Case	End of May 2020
Completion of outstanding public consultation (currently paused due to COVID-19 lockdown)	September 2020

Confirmation of FHSF Funding	September 2020 (assumed)
Planning consents (where applicable) submitted for initial works	November 2020
Procurement process for appointment of contractors for enabling works to Stretford Mall begins	February 2020
Appointment of contractors for redevelopment works to the Stretford Mall site	April 2021
Completion of the initial development works (as requested from the FHSF spend)	December 2023
Completion of the full Stretford Mall scheme redevelopment	January 2026

These are estimated key milestones based on the current position of the project. It should be noted that the recent Covid-19 pandemic resulted in the final public consultation sessions (originally scheduled for mid-March 2020) were cancelled as a result of the UK wide lockdown.

The above timeline assumes that some form of final public consultation will be held in September 2020 to complete the stakeholder engagement process, and that minimal refinements will be required to the preferred option. The project (capturing the redevelopment of the Stretford Mall site, but not including further development of other town centre sites such as Lacy Street) is based on timely receipt of the full amount of Future High Streets Funding requested.

Once there is confirmation of the scale of funding available from the FHSF (and therefore the quantum of development which will be taking place) and other unknowns based on the impact of the Covid-19 lockdown, the project team will develop an updated project plan including the critical path items according to this.

Change or risk management strategy

The Council has a number of existing systems and tools which it has used on other similar projects to support the management of contracts and capture all aspects of contract management including performance and delivery with early warnings, technical queries, change management, compensation events and payments assessment.

The Council has developed a risk register which is being periodically updated by the project manager and reviewed by the Strategic Board.

Risks are actively identified and recorded in the risk register, analysing the potential impact of the risk and the likelihood and project exposure it could cause. The register also identifies the appropriate implemented mitigating actions that are to be put in place.

Where risks require further action, this will be noted in the register where the risk will be flagged for future actions by a relevant date and the current status. This will be managed by the project manager who will involve relevant members of the project team and advisors as necessary.

Risks are assigned to specific owners and tracked according to date and severity. They are reviewed as part of the monthly Stretford Masterplan meetings where updates are provided on mitigating actions and any new issues which arise.

It is recognised that the recent impact of COVID-19 is still in the process of being fully captured in the risk register, further details are provided in the addendum response attached to this business case.

The risk register is appended to this business case submission.

Evaluation and benefits realisation

The Council in conjunction with Bruntwood and other partners including TfGM will monitor the impacts of the schemes supported by the FHSF. Both the impact of the individual components of the FHSF spend and wider Stretford Town Centre impacts will be monitored.

The Council notes that the FHSF Monitoring & Evaluation Guidance require that as part of the Tier 1 monitoring, Footfall Data, Vacancy Rates and Business Diversity should be monitored.

The Council has existing provisions in place to monitor these 3 areas across the key Stretford Town Centre sites and will provide this data in conjunction with MHCLG. This is summarised as below:

Area	Measure	Frequency	Data Source	Responsibility
Stretford Mall	Footfall	Monthly	Footfall Counters – Stretford Mall	Bruntwood Joint Venture – existing footfall counting provision is built into the Stretford Mall site currently
Stretford Mall	Vacancy Rates	Monthly	Vacancy Rates at Stretford Mall	Bruntwood Joint Venture – data already collected
Stretford Mall	Business Diversity	Annual	Unit usage by site	Bruntwood Joint Venture – data already collected

As these metrics are already measured by the Bruntwood JV, no additional cost is expected to undertake this Tier 1 monitoring.

To cover the Tier 2 Monitoring and Evaluation requirement, the Council intends to commission an impact evaluation of the schemes undertaken as part of the regeneration of Stretford Town Centre. The Council has developed a logic model to cover the scheme – this identified the key outputs, intermediate outcomes and impacts on which the success of the FHSF and wider regeneration of Stretford will be based on. The logic map is provided in Appendix H.

It is expected that the scheme will be assessed on the basis of a Tier 3 evaluation and will measure key metrics including, but not limited to:

- Pedestrian footfall data across the town centre and Stretford Mall. This data will help identify any growth in the number of visitors across the Town Centre and the accessibility success of the changes implemented;
- Measure of vacancy rates across the Town Centre including Stretford Mall. This data will identify the success of the measures in attracting businesses to the Town Centre to support the creation of vibrancy;
- A local perceptions survey to measure wellbeing, perception of safety and security, and meeting of the defined goals and objectives;
- Land value uplift as a result of the development works, measured through Co Star data;
- Number of people attending community events measured through Mall and Public Hall data;
- Travel to Mall to data, based on vehicle volume count and pedestrians and cyclist data; and
- Number of homes created.

It is intended that these measures will be assessed against a 2020 baseline to compare the change over time and the impact of the interventions. However, it is expected that there will be a need to identify other trends and interventions both in Stretford and on a national basis which may have also influenced the performance of Stretford Town Centre.