

Form Completion Status:

The form is complete. Thank you.

Project Details

High Street/Town Centre Name

Royal Leamington Spa

Value for Money Clarification Questions - SECTION A

This section is about **both** your proposal's original BCRs, and your proposal's BCRs as a result of the proposed changes to your project(s). We want to understand by how much the BCRs have changed and the main reasons for the change.

		Original BCR		Revised BCR
A1	Please confirm your proposal's original Initial and Adjusted BCRs, and your proposal's Initial and Adjusted BCRs as a result of your proposed changes.	Initial BCR	2.96	2.6
	(Note: if you do not have an initial and adjusted BCR then please refer to the FAQs for guidance)	Adjusted BCR	3.32	2.98

		Confirmation	Description
A2	Please provide: <ul style="list-style-type: none"> Confirmation as to whether the approach to calculating the changed BCRs is the same as was used for the original BCRs (i.e., whilst the quanta may have changed, the same types of costs and benefits have been included and the same methodology for monetising them has been used) A clear and detailed explanation of why the BCRs have changed, including why specific costs and benefits have increased or decreased. 	Yes	<p>The approach to calculating the BCR - in terms of the types of costs and benefits and overall methodology - remains consistent with that outlined as part of the original FHSF bid and subsequently clarifications.</p> <p>The BCR has changed as the east/west cycle project has been removed as it is no longer deliverable within the FHSF period. Based on changes to the scope of the overall programme, transport benefits (valued at £4.0 million within the revised business case submission dated March 2021) have been excluded.</p> <p>Funding will be transferred to the Town Hall Creative Hub and Stoneleigh Arms / Old School projects which have experienced cost increases due to inflationary pressure and regulatory requirements. Outputs on the Town Hall Creative Hub and Stoneleigh Arms/Old School remain the same and no change in benefits associated with these schemes is assumed.</p>

Value for Money Clarification Questions - SECTION B

This section is about the revised BCRs only. We want to understand the approach and methodology that has been taken to calculating them.

		Optimism Bias (%)	Net Public Sector Economic Costs (£m, PV)	Description
B1	Please provide: <ul style="list-style-type: none"> The Optimism Bias (OB) adjustment used in the calculation of the economic costs; The net economic costs to the public sector (£m, present values) following adjustments for discounting, inflation and optimism bias, as included in your BCR calculations; and A clear and detailed description of what the costs include and how these were calculated (e.g., explaining what sources of funding are included, any offsetting revenue, the adjustments made for discounting and inflation, the rationale for any adjustments made to the OB rate, etc.). Please also include what the economic costs are to the private sector. 	23.42	11.12	<p>The estimated undiscounted and discounted costs of each project within the Leamington FHSF project reflects the full cost of delivering each of the identified schemes based on project specific information. Cost estimates are based on detailed appraisal of the cost of works informed by tender prices and subsequent contract variations, reflecting the challenging market context within which delivery is taking place. Cost assessments also take into account the value of the completed assets which will be realised by Warrick Council or confirmed project partners, accounting for the expected operational performance of facilities over the life of the assets created.</p> <p>The calculation of economic costs makes appropriate adjustments to the financial cost appraisals and the treatment of cost remains consistent with the Revised FHSF submission dated March 2021.</p>

BCR Type

Benefit Category

Additionality of Benefits (%)

Monetised Value (£m, PV)

Description

<p>B2</p> <p>Please use the cells to the right to list the different categories of monetised benefits that have been included in the calculation of both your initial and adjusted BCRs. For each benefit category, please provide:</p> <ul style="list-style-type: none"> The additionality of the benefits once all relevant adjustments (e.g., displacement, deadweight) have been accounted for (e.g., if only displacement is an issue, and this is 20%, then the additionality of the benefits will be 100% - 20% = 80%); The monetary value of the economic benefits following additionality adjustments (£m, present values); and A clear and detailed description of what the benefit captures and how it was calculated, including guidance and evidence referred to, any adjustments for optimism bias, and your key assumptions - with respect to both the total monetary value and the additionality adjustments. 	Initial BCR	Direct Land Value Uplift	50% - 75%	1.2	Calculated using on project information in accordance with guidance published by former DCLG, based on development appraisals prepared in respect of key
	Initial BCR	Wider Land Value Uplift	75% - 100% (high additionality)	5.77	The estimate of wider land value uplift reflected the transition from rural impact of the investment through bringing key town centre assets back into use, including those
	Initial BCR	Amenity Impacts	50% - 75%	0.03	Lack of the proposed FHSF interventions will potentially contribute amenity
	Initial BCR	Crime	50% - 75%	0.27	benefits, as each includes an element of external works, while Spencer Yard and the
	Initial BCR	Other	50% - 75%	7.21	The retail Centre and AS is expected to arise from improved design and greater
	Initial BCR	Productivity	50% - 75%	14.45	footfall and tackling vacancy within the Old Town. Baseline crime data was
	Adjusted BCR	Wellbeing	50% - 75%	2.81	the approach to calculating the impact of proposals on indoor supply is consistent
	Adjusted BCR	Wellbeing	50% - 75%	1.47	with that set out within the VFM worksheet provided by MHCLG as part of the
	Initial BCR	Other	50% - 75%	0	the assessment of productivity benefits is consistent with internal best guidance.
	< Select >	< Select >	< Select >		Investment will contribute to addressing a significant shortfall in the availability of
	< Select >	< Select >	< Select >		estimated wellbeing benefits arising from investment in heritage assets including
	< Select >	< Select >	< Select >		listed buildings such as Spencer Yard and the Town hall. This will improve public
	< Select >	< Select >	< Select >		estimated wellbeing benefits arising from investment in heritage assets including

<i>Wider Benefits Considered?</i>		<i>Description</i>
B3	Please confirm whether you have considered any wider benefits that you have not included in your BCR calculations and, if so, provide a description of these.	Yes Wider benefits were considered as part of the FHSF submission. Benefits relating to catalysing regeneration, strengthening the digital creative sector, enhancing the image of the Old Town area to the south of the River Leam remain key drivers for investment in Leamington Spa.
<i>Analysis Undertaken?</i>		<i>Description</i>
B4	Please confirm whether any sensitivity analysis or switching values has been undertaken and, if so, explain the approach and the conclusions of this analysis.	Yes Updated appraisals have been subject to sensitivity testing by means of a switching analysis. This confirms that there would have to be a change in costs or benefits of +73.3% and -42.3% respectively for the Central BCR to fall below 1.5:1.