

5.1 Appropriateness of data sources and evidence

5.1.1 Please provide up to date evidence to demonstrate the scale and significance of local problems and issues. (500 words)

Applicants should explain the scale and significance of the local issues that they are seeking to address through the bid using data for the most relevant area; comparisons should be made between the area and the wider region and/or nation to evidence the scale of the problem. Data should be provided from credible and robust sources. The following list is not exhaustive but is indicative of the quality of sources expected: - Office for National Statistics - Indices of Multiple Deprivation - Labour Force Survey - Published studies - Past examples of similar interventions - Local area surveys - LA commissioned research reports - White papers on the area of focus/sector of interest - Comparative Devolved Administration data sources - Traffic count data - DCMS Sectors Economic Estimates - Culture and Heritage Capital Portal - The Active Lives Survey - Taking Part Survey - VisitBritain Surveys The data analysis and the evidence should be interwoven in the economic case providing a concise and easy to understand narrative. Bids with a transport element should provide clear evidence of how the current transport system operates, considering current congestion levels, public transport patronage and existing journey times to key services. This should illustrate the scale of the problem(s) the scheme is intended to address. The evidence should, in most cases, cover the level of service and capacity offered by the current transport network and the current demand for travel in the area. Associated issues should also be supported by evidence (e.g. where congestion/accessibility is stifling economic growth this should be clearly demonstrated).

The following data categories highlight the details that were used in creating the response. The source for this data are defined (as requested) in 5.1.2.

IMD

Andover has several LSOA's which suffer multiple indices of deprivation and are in the top 20% deprived areas in the country.

Health

- Life expectancy is 8.5 years lower for men and 7.5 years lower for women in the most deprived areas of Test Valley than in the least deprived areas, worse than Hampshire average.
- Average obesity prevalence was equivalent to 1 in 12 of all 4-5 years old which is consistently higher than Hampshire average.
- In Year 6, 17.1% (211) children are classified as obese, worse than county average 16.1%
- Rate of alcohol-related harm hospital admission is 530*, worse than county average (521*)
- Rate for self-harm hospital admission is 225*, worse than England average.

Crime

Andover is the second most dangerous medium-sized town in Hampshire with an overall crime rate was 91 crimes per 1000 people. This compares poorly to Hampshire's rate of 80 and South-East's average of 69.1. The most common crime in Andover in 2021 was violence and sexual offences with crime of 50. This is significantly higher than the second most common crime ASB with a rate of 16. Andover Central is the second most dangerous neighborhood with a crime rate of 104.

Environment

In Test Valley, transport is the largest source of emission 454.20 kt CO2 and car journey has increased by 61km (2014-19). The noise from cars in the town centre is higher than the permitted noise levels of 34 db. In 2018/19 the proportion of adults in Test Valley who do any walking or cycling once per

month (81.6), once per week (75.6), three per week (46.7) and five time per week (33.2) in 18/19 was lower than the Hampshire and Southeast Average.

Lack of Greenspace

Compared to the Southeast average (394.33 m) the average distance to the nearest park, public garden, or playing field in Harroway, Romans and St Mary are on average further (486.29). Additionally, the average number of parks, public gardens or playing fields within 1000m radius is lower (2.80) than the South East Average (3.93).

Education

73.2% of people in Andover have 1 GCSE or equivalent, which is lower than the 77.6% borough average. The number of 16- to 74-year-olds with no academic, vocational, or professional qualification is 3.2% higher than borough average. And only 20.45% of Andover residents have a level 4 qualification or above, which is significantly lower than the 30.5% borough average.

Housing

House prices in the borough has increased by 22% between 2014-2018. House price in Andover last year was £308,514 (last updated 3 May 2022 – info provided by HM land registry. Average house price in Hampshire was £380,155. England average house price is £292,000.

Barriers/Proximity to services

It takes longer to get to key services such as education, health care, food store, employment and town via public transport/walking (24.2), cycling (21.1), car (12.1) and walking (43.4) than Hampshire's average.

Footfall & Vacancy Rates

Andover's town centre footfall fell by more than a quarter between 2013-19. Andover the primary shopping area vacancy rate has risen from 10.09% in 2012 to 17% in October.

5.1.2 Please demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased. (500 words)

Applicants should provide the sources that the information presented in 5.1.1 were taken from and explain why these are appropriate data sources. Applicants should justify why the evidence used is the most appropriate (i.e. is it reliable and the most up to date) and explain why it is an accurate reflection of the challenges the area faces (i.e. not subject to bias). Data collection reports may be useful for transport schemes.

A range of sources, documents and web-based applications have been used to verify the information in 5.1.1. An accurate picture of the challenges faced was created by cross-referencing multiple up-to-date sources. The following sources were used to create a robust, current, and unbiased evidence base:

English Indices of Deprivation- Published by DLUCH(MHCLG) and is the official measure of relative deprivation in 32,844 small areas or neighbourhoods in England. The data indicators are used to construct the Indices of Deprivation 2019 and are based on the most up to date information. The technical report, statistical report and mapping resource were all used for robustness.

NOMIS- NOMIS is a service provided by Office for National Statistics (ONS), the UK's largest independent producer of official statistics. They publish statistics related to population, society, and the labour market at national, regional and local levels. These include data from current and previous censuses. It was used to compare local qualifications data against National Data.

Health Places Test Valley – From Hampshire's JNSA. It was used to understand challenges relating to physical environment and Climate Change and accompanied by PowerBI report.

DfT Walking and cycling statistics – Source uses data from two main sources the National Travel Survey and Active Lives Survey. The 2018/19 data was used instead of the 2019/20 to ensure data was not skewed by lockdown and subsequent irregular patterns.

DfT Journey Time Statistics- Covers journey time to key services, covering food stores, education, health care, town centre and employment. It was used for data related to barriers to service.

CrimeRate.co.uk- Crime Rate shows crime trends in England. It looks at various crimes such as ASB, Bicycle Theft, Drugs and violence and sexual offences, at county and city/ton and neighbourhood level. It is a credible source used and cited by government bodies including the United Nations and is updated on monthly basis.

LG Inform – It is a local area benchmarking tool from Local Government Association (LGA). It was used to gather data regarding qualification and vacancy rates.

Interim Economic Development Strategy- This provides a short- and medium-term assessment of Andover's local economic. It was used for data relating to footfall and retail vacancies in Andover.

Access to public greenspace- Analysis of Ordnance Survey (OS) data on access to greenspace.

PHE Health Profile 2019- Health overview of Test Valley and Hampshire. It contains data on range of a health indicators to assess Test Valley's health challenges against the County's average.

Andover Town Profile 2021- It provides the latest data/information on the demographic make-up for Andover Town. It was used for topics relating to economic, housing, health, and education.

Health Impact Assessment – The documents highlight the positive and negative health and wellbeing of Test Valley residents.

Right Move & Land Registry – Data of average price of in Andover and the type of properties sold over the last year. Monthly price inflation in the UK using data from HM Land Registry.

Noise nuisances: how councils deal with complaints & Extrinsic England Noise and Air Quality View - From DEFRA and used for data related to air pollution/environment section.

5.1.3 Please demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions. (250 words)

Applicants should explain how the data provided in 5.1.1 is relevant to the area targeted for the intervention. If the data provided is at a lower level of granularity than the specific area explain why the data is appropriate. Bids with a transport element should provide details of the travel market

including key origins and destinations and the geographical extent of current transport problem with underlying drivers identified.

The scope of the data is appropriate for Andover where the targeted interventions will occur. The source and scope/rationale for the relevant socio-economic problems are set out below.

Deprivation

Source: English Indices of Deprivation 2019 (IoD2019); mapping, statistical and technical report

Scope/Rationale: LSOA's within Andover, specifically Harroway, Romans and St Mary's.

Education

Source: IoD2019, NOMIS and LG Inform

Scope/Rationale: IoD2019 to highlight LSOAs within city centre with high education deprivation.

NOMIS and EIAoD to provide local and regional data to contextualise challenge.

Health

Source: Test Valley PHE health profile 2019, Hampshire PHE health profile and IoD019, Health Places

Scope/Rationale: IoD2019 to highlight LSOAs with high health deprivation and Health profile for city level health data. Health Places contains data at LSOA level.

Crime

Source: Crimerate.co.uk, Statista

Scope/Rationale: Local crime data at neighborhood and town level data. Statista looks at crime rate per 1000 in UK (2021/21), by region.

Greenspace

Source: Ordnance Survey to Greenspace

Scope/Rationale: Park, Public gardens and playing fields data at LSOA compared with regional levels.

Environmental

Source: DfT Walking and Cycling statistics, Health Places Test Valley, Extrinsic England Noise and Air Quality Viewer

Scope/Rationale: LA district level of car usage and CO2 emission.

Housing

Source: RightMove and Land Registry/ONS

Scope/Rationale: Housing data at a ward level.

Footfall and Vacancy Rate

Source: Interim Economic Development Strategy

Scope/Rationale: Footfall level and vacancy rates within Andover.

Barriers to Services

Source: DfT Journey Time Statistics

Scope/Rationale: Borough wide data of journey to key services compared to County average.

5.2 Effectiveness of proposal in addressing problems In this section applicants should clearly set out how the activity described in the bid will address the challenges identified.

5.2.1 Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should be forecasted using a suitable model. Theory of Change evidence should be identified and referenced. (750 words)

Applicants should provide a clear link between the problem, the proposal and the expected impact, describing the assumptions and the models used to justify how the proposal will be effective in resolving/mitigating the issue/s identified. For all proposals, evidence should be referenced which demonstrates how the inputs and activities from the Theory of Change clearly link to the outcomes and impacts the project intends to deliver. Quantifiable impacts should, where appropriate, be forecasted using a suitable economic impact model. At its most simple form, the model should demonstrate a % change of X will lead to a % change of Y, based on Z rationale. Data collection and survey reports may be annexed.

Theory of Change models for the specific projects within this bid are provided in Appendix M. These are summarised below.

Theory of Change – Riverside Development

Ref: Figure 1 - Riverside

For this aspect of the development, we are focused on the impact of removing the existing road that creates a barrier within the town and replacing with a public realm that can be utilised and enjoyed by the general public. The impact of removing the road can be quantified thus:

- Developing of the public realm will improve the image and interest in Andover. A 25% investment of the proposed budget in this area will see;
 - A significant increase in the property value within the immediate vicinity. We estimate 70% of the overall land value uplift experienced by the immediate vicinity will be due to this aspect of the development due to improved connectivity (cycle and walking), green space, and improved overall image following the removal of the road.
 - On a similar basis 65% increase of the business rates on the shops in Andover, felt by this project, will be due to this aspect as it will increase footfall and interest in the town centre.
 - The majority of the financial benefit to health (estimated 85%) will be because of this aspect and the access to cycle lanes, footpaths and outside gym equipment.

- 50% of the crime reduction benefit is associated with this aspect due to increasing pride and respect in the area.
- Finally, 40% of the construction return will be associated with this aspect due to the nature of the development.

Theory of Change – Cultural Hub

Ref: Figure 2 – Cultural Development

This aspect of the project is the 'glue' that binds the three parts together into a single cohesive project delivering optimum benefit to Andover. This will turn Andover into a 'day and night' location bringing more footfall, interest and future investment.

The impact of cultural development can be quantified thus:

- Developing of the cultural area equates for the majority (72.5%) of the project investment. Although the returns associated with this aspect are lower than the Riverside development, without this aspect there would be no cohesion in the overall project. This investment will support;
 - 10% of the overall land value uplift experienced by the immediate vicinity will be due to this aspect of the development due to regeneration of interest and structures.
 - On a similar base 10% of the business rates increase on the shops in Andover, felt by this project, will be due to this aspect as it will increase footfall and interest in the town centre. In the future this may increase as F&B (Food and Beverage) investment in the area increase.
 - 25% of the crime reduction benefit is associated with this aspect due to increasing pride and respect in the area.
 - 40% of the construction return will be associated with this aspect due to the nature of the development.
 - 100% of the return on income from running the theatre.

Theory of Change – Magistrate Court Demolition

Ref: Figure 3 – Magistrate Court

For this aspect of the development, we are focused on the impact of removing the exiting building and improving the image of the area. The removal should also increase the draw from the station through to the town as it removes a perceived barrier on the existing route. The impact of removing the demolishing the magistrate courts is:

- The demolition relates to only 2.5% of the overall investment. The effects of the investment will be only seen in the following areas:
 - 20% of the business rates increase on the shops in Andover, due to demolition as it removes a perceived obstacle between the station and the town centre (makes the town more inviting).
 - 25% of the crime reduction benefit is associated with this aspect due to increasing pride and respect in the area.

- Finally 25% of the construction return will be associated with this aspect due to the nature of the development.

5.2.2 Please describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs. Key factors to be covered include the quality of the analysis, the quality of the evidence and the accuracy and functionality of the models used. (500 words)

With reference to 5.2.1, applicants should discuss why the forecasting assumptions are reasonable, why the methodology and choice of model is appropriate and why the evidence used is accurate. Key factors to be covered include: - the quality of the analysis - the quality of the evidence - and the accuracy and functionality of the models used. Applicants should also reference any limitations in the model. Bids with a transport element should provide the methodology employed to forecast the 'do minimum' and 'do something' options. The method used to forecast demand should clearly be described in the bid. The methodology should be appropriate with a clear rationale provided. The methodology should also demonstrate alignment to Transport Analysis Guidance forecasting processes in a proportionate manner. Relevant local model validation report(s) and model forecasting reports can be attached.

Riverside Development

- Assumptions
 - This development will benefit the local population and draw people into the area who would not have previously chosen to come to Andover
 - Increasing people, will result in increased footfall into the town
 - Increasing people in green spaces increases the interest in cycling, walking and exercise
- Validation of assumption
 - The UK Government Publication – “Why do Parks Matter” (<https://publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/45/4505.htm>) clearly outlines the benefits around increasing people, and improving well being. Likewise this report (<https://www.gov.uk/government/news/visits-to-parks-on-the-rise-as-city-dwellers-head-outdoors>) show that going to parks is on the rise. Hence developing a park/green space will encourage people out of their homes
 - Development of the park, it is hoped that visitors and commuters arriving by train will be encouraged to walk or cycle to their final location

Cultural Theatre Development

- Assumptions
 - This development will benefit the local population and draw people into the area who would not have previously chosen to come to Andover
 - Increasing people, will increase footfall into the town
 - Extend the period people visit Andover (make it a day and night location)
 - Improving the overall UK economy
- Validation of assumption
 - The UK Theatre Organisation’s Publication – “The Case for a thriving theatre industry in the UK” (<https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwiRkdaL58H4AhV8REEAHXc6Da8QFnoECAkQAw&url=https%3A%2F%2Fuktheatre.org%2FEasySiteWeb%2FGatewayLink.aspx%3FallId%3D2474325&usg=AOvVaw3XmdCvJ>)

[RjbXnBYtVeGeVYW](#)) clearly details the financial, educational, and mental health improvements for a growing theatre industry

- The relevance of the benefits are detailed in the document – “The Interdependence of Public and Private Finance in Theatre” (<https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwil1Pzz6MH4AhW5Q0EAHRhCDIE4ChAWegQIBBAB&url=https%3A%2F%2Fore.exeter.ac.uk%2Frepository%2Fbitstream%2Fhandle%2F10871%2F20944%2FThe%2520Interdependence%2520of%2520Public%2520%2526%2520Private%2520Finance%2520in%2520British%2520Theatre.pdf%3Fsequence%3D1%26isAllowed%3Dy&usg=AOvVaw2SkAxI4KdDXb63aWChYaVx>) this details the returns that can be experienced through development of a theatre
- These two aspects support the assumptions and calculation of returns, but the bigger return is felt through the perceived regeneration of the area. This regeneration will affect property prices within the immediate vicinity of the project and the CBRE clearly explain this on their site (<https://www.cbreresidential.com/uk/en-GB/news/news-regeneration-results-36-annual-uplift-house-price-growth>). The issue is that this is based on London position, so some leeway must be applied for Andover – hence the application of only a 1.5% uplift compared to the proposed 3.6%

Magistrate Court Demolition

- Assumptions
 - The demolition of this building is required to support the beautification of the area
 - The demolition will open a clear walkway into the town centre and towards the cultural development
 - The riverside development will have an improved image by removal of this building which taints the image being developed
 - By demolishing this building it will encourage further development in the area to further enhance the overall image of Andover.
- Validation of assumptions
 - The pros and cons around reuse or remove have been considered in detail in documents such as <https://www.ukgbc.org/news/the-choice-between-demolition-or-refurbishment-developer-insights/> and https://www.london.gov.uk/sites/default/files/ad_52_anne_power_-_does_demolition_or_refurbishment_.pdf . These have all been considered

Overall

Generally, when assessing the financial position, we have been lean in our approach (chosen a lower option than the max achieved). This can be seen by our estimates on properties being affected and number of people increasing walking/cycling. We feel that this could prove a better return than expected, but do not wish to overestimate our position.

5.3 Analysis of costs and benefits In this section applicants should describe and explain the costs and benefits in the relevant Costings and Planning Workbook – Tables A – Economic Benefits and Table A - Economic Costs They should provide an explanation of how benefits and costs are analysed and estimated, and how this approach is proportionate for the proposal being submitted. All costs and benefits must be compliant or in line with HMT’s Green Book (including supplementary guidance), DLUHC Appraisal Guidance, and if appropriate Transport Analysis

Guidance. Package bids need to demonstrate both the overall package costs and benefits, and the disaggregated costs and benefits for each component project. Supplementary tables for component projects should be completed in full.

5.3.1 Please explain how the economic costs of the bid have been calculated, including the whole life costs. (500 words)

Applicants should explain how they have converted the financial costs into economic costs. Costs should be consistent with the costs in the financial case but adjusted for the economic case. This should include, but is not limited to, providing evidence that the costs have been adjusted for inflation and discounted back to an appropriate base-year. In addition, please explain how cost risks and uncertainty have been considered and adequately quantified. Optimism bias must also be explained and included in the cost estimates in the economic case.

The financial costs of the development of all aspects of this overall project have been quantified by experienced surveyors and based in the cost point of 2022 (current costs). These can be found in Appendix N – Cultural Hub & FMC Order of Cost Estimate, and Appendix O - Riverside Park Order of Cost July 2022 and Appendix P – Riverside Walkway Order of Cost July 2022.

Although the financial costs are set over the coming 3 years, there has been no application of inflation upon those costs as defining the uplift timescale would be guess work. Alternatively, a constructive contingency amount has been built into the financial pricing to allow for both changes in scope and costs driven by inflation and demand.

The economic costs associated with delivery of this project have been gathered from identified sources and where required baselined to 2022 utilising metrics such as inflation available from the ONS website (most metrics have been left at the route value to avoid overestimating the benefits). Returns are adjusted for inflation based on the highlighted predicted inflation rates (financial case) up to 2026 and then an implied trend increase for the remaining period.

The Green Book sets construction work optimism bias at either up to 24% (Standard Building) or up to 51% (Non-standard Building). Due to the level of initial work that has been carried out this bias has been lowered to 14%, which we hope to maintain and improve through the project life.

In relation to the whole life cost delivery of all aspects of the bid, current operational information from like environments (e.g. LUF 1 Developments, other Council run developments) have been used to identify the ongoing operational costs. These costs have then been adjusted for common metrics (inflation, bias) to ensure ongoing delivery is both capable and cost neutral to the Council. Any income will be reinvested in this development or developments directly related.

5.3.2 Please describe how the economic benefits have been estimated, including a discussion and evidence to support assumptions. (750 words)

Applicants should describe the quantifiable benefits of the proposal and where possible, be explained in terms of outcomes. These must be categorised according to the different benefits of the proposal. Suitable benefits include, but are not limited to, direct land value uplift, wider land value uplifts, amenity benefits, air quality benefits, reduced journey times, supporting employment, or reduced carbon emissions. Applicants should describe any assumptions used that have not been described in 5.2.1, including unit values used, forecasting assumptions and additionality. References to guidance

and/or unit values that have been used should also be provided. For transport bids the benefit calculations should be proportionately aligned with Transport Analysis Guidance. Applicants should provide specific appraisal outputs spreadsheets where used, including Active Travel Appraisal Toolkit, Local Highways Maintenance Appraisal Toolkit, Small Scheme Appraisal Toolkit, DfT's Small Scheme Appraisal Toolkit, or Transport User Benefit Appraisal (TUBA) outputs. For culture and heritage bids, the Culture and Heritage Capital Framework can be used to support valuing the benefits provided by culture and heritage assets. It provides a formalised approach to estimate how culture and heritage assets contribute to achieving the outcomes and how these benefits are captured in a stocks and flows framework. Assets, for example an art collection or historic building, are the "stock", while the services that create benefits to society are regarded as "flows". Once monetary values are estimated for these flows, it is possible to estimate the value of the asset as a whole by forecasting these values over a period of time. For further guidance on valuing cultural or heritage assets refer to: - Arts Council England: Local Museums Benefit Transfer Report - DCMS: Culture and Heritage Capital Portal - Historic England: Culture and Heritage Capital

The economic benefits and how they were estimated are set out below.

Wider - Cash Releasing Benefits associated with Theatre.

Linked to socio-economic categories: Deprivation, Footfall & Vacancy.

Using a comparable regional theatre (Theatre Royal Winchester), we estimate an annual turnover at the new theatre of £1.5m per year commencing in year 4. We estimate a net profit after expenses of £250,000 per annum. The report ([https://www.artscouncil.org.uk/sites/default/files/download-file/Economic impact of arts and culture on the national economy FINAL_0_0.pdf](https://www.artscouncil.org.uk/sites/default/files/download-file/Economic%20impact%20of%20arts%20and%20culture%20on%20the%20national%20economy%20FINAL_0_0.pdf)) states that for every £1 of turnover we can expect £1.24 in Wider - Cash Releasing benefits. From year 4 onwards we expect a return of £610,000 per year, adjusted for inflation

Direct - Cash Releasing Rateable value of Venue due to increased footfall

Linked to socio-economic categories: Deprivation, Footfall & Vacancy

There are 185 shop premises in the near vicinity of the project with an average rateable value of £12,000. Assuming that, the impact of the development will not affect the rateable value until year 4 onwards. Based on a conservative 5% increase to business rates due to an increase on rateable value, we estimate an annual financial increase of £111,000 adjusted for inflation.

Indirect - Cash Releasing Increase in Rateable Value

Linked to socio-economic categories: Deprivation, Housing

2011 Census: 20,254 properties in the Andover area with an average value of £353,816 (Zoopla) totalling £7,166,189,264. Each hectare of green space increases local land value (properties within 2000m = est. 10,500) by 0.08% (Strutt and Parker report). Assuming 2.5 hectare increase will be 0.2% which equates to £7,430,136. CBRE state that there is a 1.5% uplift on value on houses within 0.5 miles of regeneration which equates to (i.e. 500m – est. = 500 properties), this equates to £2,797,269. This will be applied in year 4 as a one off increase.

Wider - Monetiseable Cash Benefit Return on New Construction

Linked to socio-economic categories: Deprivation

The CBI report (<https://www.cbi.org.uk/articles/fine-margins-delivering-financial-sustainability-in-uk-construction-bv/>) states that for every £1 of construction the return on value to the UK is £2.92. Basing purely on the construction costs of £14,764,082 the financial benefit would be £43,111,119.40. This would be recovered up to April 2025.

Wider- Monetiseable Cash Benefit Increasing cyclist to lower Morbidity

Linked to socio-economic categories: Health

The value of a prevented death is £3,229,000 per year (Valuing Health Benefits of Transport Document). Population of Andover is 50,920. If, by implementing cycle routes, we can encourage 2.5% of that population to carry out 100mins plus per week cycling then the 1,273 people would reduce the number of deaths per year by a monetary value of £1,239,936 adjusted for inflation from year 4 onwards. Source is "Valuing Health Benefits of Transport Schemes".

Wider- Monetiseable Cash Benefit Increasing walking to lower Morbidity

Linked to socio-economic categories: Health

It is estimated that the Riverside development will encourage 2.5% of the Andover population to increase their walking in excess of 168 minutes per week. The monetary impact calculated on 1,273 people is £774,960. This is applied, adjusted for inflation, from year 4 onwards. Source is "Valuing Health Benefits of Transport Schemes".

Wider - Monetiseable Cash Benefit Return on Crime Reduction

Linked to socio-economic categories: Deprivation, Crime

The overall crime rate in Andover in 2021 was 91 crimes per 1,000 people. With a population of 50,887 in 2020 rising to 62,895 over 10 years sees an annual crime number of 4,641 in 2020 rising to 5,724 (circa 108 per year). The cost per incident, adjusted for inflation, would be £1,120.65. Public realm development reduces crime by 1.5%, due to gentrification. This sees a reduction from Year 5 onwards of £692,776.87 per year adjusted for inflation.

5.4 Value for money In this section applicants should set out the Value for Money (VfM) of their bid, taking account of monetised and non-monetised impacts and risks and uncertainties.

Prior to completing this section the application should complete the relevant Costings and Planning Workbook – Table A – VfM

5.4.1 Please provide a summary of the overall Value for Money of the proposal. This should include reporting of Benefit Cost Ratios (BCR). (500 words) If a BCR has been estimated, please provide the BCR of the proposal below. If you only have one BCR, please enter this against the ‘initial’ BCR. ‘Initial’ BCR (single bid) ‘Adjusted’ BCR (single bid)

Applicants should provide a summary of the overall Value for Money of the bid. This should be consistent with the relevant Costings and Planning Workbook Table A – VfM. If a Benefit Cost Ratio (BCR) has been estimated there should be a clear explanation of how this is estimated i.e. a methodology note. BCRs should be calculated in a way that is consistent with HMT Green Book. For non-transport bids it should be consistent with DLUHC appraisal guidance. For bids with a transport element this should be consistent with DfT Transport Analysis Guidance. If an ‘initial’ and an ‘adjusted’ BCR are provided, applicants should explain which categories of benefits are included in each. Applicants are encouraged to attach a more detailed explanatory note explaining how the BCR has been calculated.

Summary Of VfM “Andover Revealed”

The cost of development of the project overall is £20,316,968 with a predicted investment return over a 10-year period of £70,184,426.41. This return has been based on tried and tested monetized benefits and applied in a lean manner to ensure no over-estimating.

The Single Project BCR calculated is 3.36 (for every £1 invested a return of £3.36 is expected). This return will be felt locally and nationally and at 3.36 it represents a strong investment opportunity.

In addition to the financial returns, we have identified non-financial returns (e.g. image of the area) that will have a significant but none monetary impact to the area.

The BCR has been calculated using the supplier spreadsheet. This takes into account inflationary increases over the next 10 years, discount application and optimism. We have purposely set the optimism bias lower than expected because we have done significant investment with 3rd parties to ensure the accuracy to the proposed pricing.

We have chosen a 10-year timeframe because construction is involved, plus the development of a park – which will need time to settle and mature to receive full benefits.

We have categorised the benefits as:

- Indirect – Cash Releasing = Those bringing income into the area indirectly – e.g. a theatre generates direct jobs plus indirect jobs in the F&B market
- Direct – Cash Releasing = Direct cash improvement caused by the development – e.g. land development
- Wider – Cash Releasing = Income across the wider UK due to the development – e.g. reduction in morbidity.

These categories are relevant and reflective of what we are trying to achieve for Andover.

5.4.2 Please describe the nonmonetised impacts the bid will have and provide a summary of how these have been assessed, including the expected scale of these impacts. These will be factored into the overall Value for Money assessment of the bid. (500 words)

In response to this question applicants should discuss any non-monetised impacts the proposal will have including an assessment of how significant the nonmonetised impacts may be. Applicants should consider that beyond the economic impact that can be quantified, there are other important benefits associated with any intervention that are harder to monetise. These can be included as non-monetised benefits in acknowledgment that there a limited number of studies that have monetised these benefits.

The bid will have the following non-monetised impacts:

Impact: Increased footfall and tourism in the Town Centre

Scale: Medium

Evidence/basis for assumption: Extra cultural facilities, improved physical condition of heritage assets and a vibrant market will attract visitors and retain residents, who would otherwise travel outside the Town for retail and leisure. This has not been quantified but experience elsewhere shows this impact.

<https://www.localgov.co.uk/Repurposing-town-centres/50255>

Impact: Crime and fear of crime

Scale: Medium

Evidence/basis for assumption: Research shows: "A greater diversity of use in town and city centres is likely to reduce crime and fear of crime".

<https://www.bre.co.uk/filelibrary/Briefing%20papers/102417-Crime-Hotspots-Briefing-Paper-v4.pdf> (p12).

Impact: Mental Health

Scale: Medium

Evidence/basis for assumption: More green space leads to improvement in mental health. This is supported by multiple reference documents located here

<https://www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/hsmc-library/snappy-searches/Green-space.pdf>

Impact: Greater pride and satisfaction in living within Andover

Scale: Low

Evidence/basis for assumption: The overall impact of the other factors, physical regeneration, investment and wider choices for local cultural activities will lead to increased satisfaction of living in the area.

These will be supplemented by further specific monitoring and evaluation of areas where data is not currently collected to get a holistic view of the benefits this overall scheme brings to the area. (Please see answer 6.4 for more detail on wider targets and their measures).

5.4.3 Please provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid. (250 words)

In response to 5.4.3, applicants should provide an assessment of the risks and uncertainties that may impact the overall VfM of the bid. Page | 34 Applicants are expected to provide the results of any

sensitivity analysis here. Key assumptions should be varied to demonstrate how the overall VfM result is sensitive to changes in assumptions, for example the impact of lower transport demand after COVID-19.

Theatre Development

- Risks on BCR caused by
 - Lower attendance at events due to external issues (e.g. recession)
 - Fewer events than planned, this could be due to it being a new venue or again companies presenting at fewer venues due to external influences
 - Lower wider returns (not the £1.24 as defined) – attendees do not spend in the local area whilst visiting the theatre

Health Returns

- Risks on BCR caused by
 - Uptake on walking and cycling due to Riverside development not realised. This reduces the impact on morbidity calculations

Property (Residential and Shops)

- Risks on BCR caused by
 - Lower than expected footfall caused by change in people's shopping habits (e.g. more shopping on line, less shopping due to recession). This will impact the shops directly and potentially delay the impact on rateable value
 - Lower than expected uplift in house pricing caused by external factors (e.g. recession) impacting the initial value in 2022/23 on which the uplift is based

Crime

- Risk on BCR caused by
 - Crime increases as availability of a person's finances reduces. Any impact on a person's finances (e.g. recession) could lead to more people turning to crime, this would alter the base numbers on which the BCR is calculated.

These risks, would all potentially have an impact on the overall BCR for the project. As the BCR is currently strong (3.4) there would need to be a significant change overall to reduce it below 2.

5.4.4 We would expect an Appraisal Summary Table, to be completed to enable a full range of impacts to be considered. This should be consistent with the relevant appraisal guidance for the bid. For package bids, please provide an Appraisal Summary Table for each component project. For Regeneration or Cultural bids, the Appraisal Summary table should be consistent with the DLUHC appraisal guidance. For Transport bids it should be consistent the Transport Analysis Guide. Any additional evidence to support your responses to this section should be referenced within your responses (5.1.1 – 5.4.3) and attached as a single annex.

For Regeneration or Cultural bids, applicants are encouraged to submit an Appraisal Summary Table consistent with the DLUHC appraisal guidance for their project. For transport bids, applicants are encouraged to submit an Appraisal Summary Table consistent with the Transport Analysis Guidance for their bid. For package bids, applicants are encouraged to submit an Appraisal Summary Table for each component project consistent with the relevant appraisal guidance for the theme of the project. Any additional evidence to support your responses to this section should be referenced within your

responses (5.1.1 – 5.4.3) and attached as a single annex. Applicants should provide specific appraisal output spreadsheets where relevant, including Active Mode Appraisal Toolkit, Local Highways Maintenance Appraisal Toolkit, Small Scheme Appraisal Toolkit or Transport User Benefit Appraisal (TUBA) outputs.

Appendix Q