



Northumberland

County Council

CABINET

TUESDAY, 14 FEBRUARY 2023

REVISED OUTLINE BUSINESS CASE FOR BERWICK THEATRE

Report of: Councillor Glen Sanderson, Leader

Lead Officer: Janice Rose, Interim Executive Director of Regeneration

Purpose of report

The purpose of this report is to provide an update about some important changes to the Outline Business Case (OBC) for the Berwick Theatre (New Maltings) project, including changes to the project costs, funding requirement, and value for money assessment. The project remains well placed to proceed as originally planned but it is important to set out the current state of progress and explain the reasons for the additional funding request.

Recommendations

Cabinet is recommended to:

- 1. accept the proposed changes to the Outline Business Case (OBC) as set out in this report for the redevelopment of Berwick Theatre (New Maltings) to reflect the increased project costs;**
- 2. approve an additional allocation of £837,415 capital funding in 2023/24 from the Strategic Regeneration Projects budget held within the Council's capital programme to be invested primarily in the Phase 1 works (Berwick Barracks);**
- 3. approve that a request is made to the Borderlands Partnership Board and the Government so seek a further sum of £5,000,000 from Northumberland's indicative allocation within the Borderlands Inclusive Growth Deal to be invested primarily in the Phase 2 works (Main Theatre);**
- 4. agree that the Council's capital programme is amended, following its approval as part of the 2023/24 Budget and Medium Term Financial Plan at full Council on 22 February, to reflect the full funding package for Berwick Theatre as set out in Table 4 in paragraph 36; and**
- 5. agree that Destination Tweed is added to the Council's capital programme as set out in Table 4 in paragraph 36 of this report to take account of the reprofiling adjustment agreed with the UK Government in the context of the Borderlands Inclusive Growth Deal – whilst acknowledging that a further report will be presented to Cabinet in due course to set out the details of the**

projects this investment will deliver.

[Link to Corporate Plan](#)

The progressive delivery of the Borderlands Inclusive Growth Deal is a key plank in the Council's approach to facilitating economic growth. As part of this, the comprehensive redevelopment of Berwick Theatre (New Maltings) will significantly contribute to the regeneration of the town and surrounding area as well as providing enhanced facilities for the continued engagement and participation of residents in a diverse culture and arts offer.

Key issues

Berwick Theatre (The Maltings) is one of the most important cultural venues and attractions in Northumberland and the wider Borderlands area. Despite the Theatre's strong reputation and significant impact on the town and the wider region, its potential to grow audiences and draw more visitors and spending into Berwick is constrained by the current building and facilities which are outdated, no longer meet the needs of modern visitor audiences, and are too small to enable the Maltings to achieve its full potential.

A major capital investment project is planned, funded principally via the Borderlands Inclusive Growth Deal, which will transform The Maltings Theatre building, dramatically improving and expanding its facilities and offer, enabling the venue to attract additional visitors and spending to the town, and delivering a significant boost to the local economy.

The project works will be undertaken in two phases:

- Phase 1 - Investment in temporary facilities at Berwick Barracks
- Phase 2 - Transformation of The Maltings Theatre

As a result of the ongoing project development work and business case refinement, a number of important project changes have been identified.

This has led to the preparation of a revised business case to reflect these changes, which relate to:

- an increase in project capital costs
- an increase in funding requests
- a budget reprofiling to accommodate changes to the equivalent business case for the Destination Tweed project within the Borderlands Inclusive Growth Deal
- an updated assessment of project benefits and value for money

Cabinet is being asked to approve the proposed changes to the project costs and the additional funding requests in order to facilitate the delivery of the project.

BACKGROUND

Context

1. Berwick Theatre (The Maltings) is one of the most important cultural venues and attractions in Northumberland and the wider Borderlands area, providing high quality cultural performances and engagement programmes for the benefit of local people as well as tourist visitors to Berwick from across the North East, the UK, and internationally. The Theatre attracts spending and generates jobs and wealth in the local economy, as well as being a key player leading plans for the wider culture-led regeneration of Berwick.
2. Despite the Theatre's strong reputation and significant impact on the town and the wider region, its potential to grow audiences and draw more visitors and spending into Berwick is constrained by the current building and facilities which are outdated, no longer meet the needs of modern visitor audiences, and are too small to enable the Maltings to achieve its full potential. The Theatre building is owned by the Council and let on a long-term, peppercorn lease to The Maltings (Berwick) Trust which operates a high-quality cultural programme from the venue, supported by its Arts Council National Portfolio Organisation (NPO) status.
3. A major capital investment project is planned which will transform the Maltings Theatre building, dramatically improving and expanding its facilities and offer, enabling the venue to attract additional visitors and spending to the town, and delivering a significant boost to the local economy.
4. Once open, this New Maltings venue will:
 - Support 112 gross new FTE jobs pa in the local economy.
 - Attract 118,800 visitors pa and generate visitor spend in the local economy of £6.1m pa.
 - Generate £2m net additional GVA pa for the Borderlands economy.
 - Support 50 learners per annum to gain a level 3 NVQ in a culture related occupation.
5. The project has previously secured indicative funding approval of £15m from the Borderlands Growth Deal and £2.5m from NCC's capital programme, based on an Outline Business Case (OBC) submitted to UK Government and the Borderlands Partnership Board in January 2021.
6. Since that time the Council and The Maltings Trust, with support from Advance Northumberland as project manager, have been progressing the development of the initiative. A key milestone was reached in December 2022 with the appointment of the design team and lead architect. From February 2023, the team will accelerate the project design work through the RIBA stages with the aim of completing the designs and appointing a construction contractor to start work on site in early 2024. The New Maltings facility will be complete by late 2025, ready to re-open to audiences and visitors from early 2026.
7. The project works will be undertaken in two phases.

Phase 1 - Investment in temporary facilities at Berwick Barracks

8. During the transformation of the Maltings Theatre at the current Eastern Lane site the building will be out of commission and The Maltings Trust will need to relocate temporarily to alternative premises to allow it to continue delivering its cultural programme and keep audiences engaged. The Berwick Barracks, an important historic building in the town, will provide this alternative accommodation.
9. During Phase 1 of the project, two areas of the Barracks (the Mob Store and the Gymnasium) will undergo capital improvement and refurbishment works to bring them back into more productive use.
10. The Maltings Trust will use the Mob Store as a temporary cinema and live performance venue for approximately two years while the transformation of the main theatre building is completed. These works will take place during the second half of 2023, allowing The Maltings Trust to relocate temporarily to the Mob Store initially from January 2024. These are essential enabling works needed to allow the main theatre transformation capital project to go ahead.
11. When The Maltings Trust vacates the Mob Store (in late 2025) it will become the permanent home of the Northumberland Archives, operated by the Council. The refurbishment works at the Barracks have been designed deliberately to provide the correct room sizes, layout and temperature settings needed to house the County's archives on a permanent basis. The Council is the main funder of this phase of the works, which also represents a core contribution by the Council to the Living Barracks initiative being led by English Heritage.
12. The Gymnasium is currently used by The Maltings Trust as a gallery space that is open to the public for exhibitions during the summer months. Improvements will be made to this building to improve its reception facilities and thermal quality thereby allowing it to become a year-round facility that also aligns with and contributes to the wider Living Barracks initiative. These works will start in early 2024 and conclude in 2025.

Phase 2 - Transformation of The Maltings Theatre

13. The transformation of the Maltings Theatre at the current Eastern Lane site will be a major, two-year construction and refurbishment project, running between early 2024 and late 2025. On completion of the works, The Maltings Trust will return to the theatre, offering an enhanced programme and facilities from early 2026 onwards. The Borderlands Growth Deal is the main funder of this phase of the works.
14. As the owner of the theatre building, NCC is the grant applicant and client for the construction project. However, as the end user The Maltings Trust is playing a leading role in shaping the project design and delivery. To ensure the needs of all parties are met, the project is being managed by the New Maltings Project Board, which involves representatives from the Council, The Maltings Trust, and Advance Northumberland.

Changes to the Project

15. The Council, The Maltings Trust, and Advance Northumberland have been working

on the continuing development of the project since the initial Outline Business Case (OBC) was submitted to NCC and UK Government in early 2021. As a result of the ongoing project development work and business case refinement, a number of important project changes have been identified, as described below.

Increase in project capital costs

16. In common with most construction projects conceived before or during the pandemic, the estimated costs have increased significantly above initial estimates, primarily as a result of supply shortages and cost inflation in the construction sector.
17. The table below provides a comparison between the original cost estimates (as set out in the original OBC in January 2021) and the latest estimates as of December 2022. The latest costs are based on estimates provided by Advance Northumberland and the preferred design team (for the main theatre transformation) selected via the recently completed RIBA design competition. Further details are provided in Table 1 of Appendix A.

TABLE 1	Original OBC Jan 2021	Revised OBC Dec 2022	Change
Phase 1 costs (Berwick Barracks)	1,177,100	1,935,370	+758,270
Phase 2 costs (Main Theatre)	16,522,900	21,402,045	+4,879,145
Total project cost	17,700,000	23,337,415	+5,637,415

18. The main cause of the cost increases is construction inflation, resulting from global shortages of construction materials and labour as the world recovers from the pandemic, and the knock-on effect this is having on the prices quoted by construction contractors, including supplies, labour and services. Building Cost Information Service (BCIS) construction data in 2022 confirms the significant rises in construction sector prices. It shows that average construction prices rose by 7.6% during 2022, following on from similar increases during 2021, meaning that average prices are 15-20% higher at the end of 2022 than they were at the end of 2020.
19. A secondary reason for the increase is that insufficient allowance was made for some cost items in the original cost estimates available at the time the original OBC was developed, partly because at this stage the Project Manager was not in place. The appointed Project Manager (Advance Northumberland) has now identified and estimated a number of additional cost items including extra allowances for cost uncertainty (design development, inflation) over and above the general contingency budget; extra allowance for statutory fees and surveys; and an allowance for loose furniture and equipment.
20. The net result of these changes is that, as of December 2022, the estimated project cost had increased by £5.64m above the original estimate of £17.7m.
21. It is important to highlight that the revised costs are subject to further testing and refinement as the project design commences through the RIBA stages during the course of 2023. It is expected that final costs will be confirmed by October 2023

when the preferred contractors have been appointed (for the main theatre project and for the Barracks) and final prices are submitted. For the time being all reasonable measures have been taken to factor in price risks by including separate allowances for design development, inflation and contingency in the latest project budgets.

22. Equally, it should also be noted that the benefits that the project can yield (as set out below) are now fully captured. This effectively means that the scope to accommodate additional costs whilst demonstrating value for money through a healthy Benefits/Costs Ratio (BCR) are constrained. In other words, within the current funding package, the budget envelope for this initiative is close to its limit. As such any further cost increases will need to be kept to a minimum unless a new funding source can be identified.

Increase in funding requests

23. As a direct result of the cost increases, additional capital funding is now required to enable the project to proceed. The revised funding requests is detailed in the table below.

TABLE 2			
Funding source	Original OBC Jan 2021	Revised OBC Dec 2022	Change
Borderlands Growth Deal	15,000,000	20,000,000	+5,000,000
Northumberland County Council	2,500,000	3,337,415	+837,415
Arts Council England	200,000	0	-200,000
Total	17,700,000	23,337,415	+5,637,415

24. The Arts Council contribution of £200,000 identified in the original OBC (January 2021) is no longer available due to other pressures on Arts Council budgets.
25. An additional £837,415 is requested from the Council to be invested primarily in the Phase 1 works (Berwick Barracks). This is requested from the Strategic Regeneration Projects budget within the Capital Programme on the basis that the funding will create a permanent asset to be used to house the Northumberland Archives from 2026 onwards, following the essential temporary usage by The Maltings Trust. The additional funding would address the cost increases within phase 1, as well as contributing towards offsetting the Arts Council funding that is no longer available. This would take the Council funding total for the project to £3.34m.
26. A further £5m is requested from the Borderlands Growth Deal to be invested in the Phase 2 works (Main Theatre), to be funded from the Borderlands Business Infrastructure Programme in which Northumberland has an indicative budget allocation but has not been in a position to bring forward a suitable project. The additional funding would address the cost increases within phase 2, as well as contributing towards offsetting the Arts Council funding that is no longer available. This would take the Borderlands Growth Deal funding total for the project to £20m.
27. Both of these additional funding allocations are needed to enable the project to go

ahead.

Impact of changes to Borderland's grant funding profiles

28. Destination Tweed is another initiative that is included in the Borderlands Inclusive Growth Deal. It represents a £24.7m investment in the creation of a shared use Trail, giving viable options for walking and cycling, that will connect Moffat to Berwick-upon-Tweed and beyond, providing a focal point for a wide range of conservation and enhancement projects throughout. Each year visitors will enjoy all or part of the 113-mile route, underpinned by an innovative interpretive experience.
29. The project sponsor for this project is the Tweed Forum with Scottish Borders Council acting as the Accountable Body. The total cost of the initiative is £22 million with the Scottish Government and National Heritage Lottery Fund for Scotland respectively contributing £10m and £11m. The UK Government committed to the residual £1million contribution to reflect the fact that the route extends into England.
30. An ambitious activity programme is now being developed. It will deliver events, learning, skills, employment, cultural engagement, training and business development opportunities, supporting a comprehensive approach to place development and regeneration. A significant stretch of the route – essentially from Coldstream to Berwick – lies within Northumberland. As such, A further report on the proposals for this section of the route will be presented to Cabinet in the next few months.
31. However, in developing the equivalent OBC for the Destination Tweed initiative, a revised approach to the funding contributions from the UK Government and the Council is now preferred. This revised approach has implications for the funding package for Berwick Theatre.
32. As outlined above, the UK Government is now being asked to contribute £20m to Berwick Theatre alongside the previously agreed £1 million for Destination Tweed. Similarly, the Council is now contributing £3.34m to Berwick Theatre with no contribution to Destination Tweed.
33. The preferred approach to the funding profile is to 'switch' the £1m for Destination Tweed to be provided by the Council rather than the Government. To balance this a reciprocal 'switch' of investment for Berwick Theatre is also proposed with the Government contributing an additional £1m and the Council a £1m less.
34. As is demonstrated in the following table the total investment in each project remains consistent with the Deal as does the respective investment by source.

TABLE 3	UK Government		NCC		Total	
	Deal Profile	New Profile	Deal Profile	New Profile	Deal Profile	New Profile
Destination Tweed (England)	1,000,000	0	0	1,000,000	1,000,000	1,000,000
Berwick Theatre	20,000,000	21,000,000	3,337,415	2,337,415	23,337,415	23,337,415
Total	21,000,000	21,000,000	3,337,515	3,337,415	24,337,415	24,337,415

35. As such, the change does not have a material impact on the content of the Deal. However, it does provide enhanced scope for alignment between the authorities on each side of the border and for the acceleration of the business case approval process. Consequently, the change has been approved by both the Borderlands Partnership Board and the UK Government. Given this, the Council's capital programme needs to be updated to reflect this reprofiling adjustment.

Revised allocations for inclusion in the Council's capital programme

36. From this, the revised profiles to be included in the Council's capital programme are as follows:

TABLE 4	Financial Year						Total
	21-22	22-23	23-24	24-25	25-26	26-27	
<i>Berwick Theatre (Phase 1)</i>	47,000	123,700	1,676,885	87,785	0	0	1,935,370
<i>Berwick Theatre (Phase 2)</i>	31,839	725,596	1,394,769	11,264,192	7,487,358	498,291	21,402,045
Berwick Theatre	78,839	849,296	3,071,654	11,351,977	7,487,358	498,291	23,337,415
NCC	78,839	849,296	973,900	435,380	0	0	2,337,415
Borderlands	0	0	2,097,754	10,916,597	7,487,358	498,291	21,000,000
Total	78,839	849,296	3,071,654	11,351,977	7,487,358	498,291	23,337,415
Destination Tweed	0	0	250,000	750,000	0	0	1,000,000

Updated assessment of project benefits and value for money

37. As part of the ongoing refinement of the project business case, as well as updating the financial case to reflect the latest costs and funding, the economic case has also been reviewed and updated to consider the project's value for money.
38. The assessment of economic benefits has been revisited to reflect recent updates from Government to HMT Green Book and appraisal guidance, as well as NCC's recent experience of developing business cases for other major regeneration proposals.
39. In particular, during the past couple of years Government economists have issued further guidance on estimating wider land value uplift (LVU) within the context of business cases for major UK Government regeneration programmes including Future High Streets Fund, Town Deal, and Levelling Up Fund. As part of a Green Book business case benefits assessment, the guidance on wider land value uplift allows for large-scale regeneration investments to be assessed for their impact on property values (both residential and commercial) within a reasonable wider catchment area around a major regeneration site.
40. Reflecting on this guidance, and in discussion with experienced economic consultants, it is now considered that the initial assessment of wider land value uplift included in the January 2021 OBC is likely to understate the true economic benefits of the Berwick Theatre investment. Against this background, the Council and The Maltings Trust commissioned economic consultants (Hatch Urban Solutions) to undertake a re-assessment of the project's wider land value uplift benefits.

41. The table below shows the assumptions used to assess wider land value uplift in the original OBC (January 2021) alongside those adopted by Hatch in their re-assessment of benefits undertaken in November 2022.

TABLE 5	Initial assessment (OBC Jan 2021)	Revised assessment (Nov 2022)
Assumptions		
Impact area	100m	400m
Per annum uplift in property values	5%	2.5%
Years of persistence	10	5
Additionality for <i>residential</i> wider LVU	25%	25%
Average <i>residential</i> property value	£188,100	£185,800
Additionality for <i>commercial</i> wider LVU	28.5%	28.5%
Average <i>commercial</i> property value	£100,000	£351,200

42. In summary, Hatch's view was that, based on the available literature about wider LVU, the latest data on actual property values in Berwick, evidence from other similar regeneration projects in North East England, and more recent Government guidance on wider LVU, the original assessment in the January 2021 OBC was likely to understate the true land value uplift benefits of the project.
43. In particular, Hatch identified that the 100m impact area could reasonably be extended to 400m to capture the true impact of the project, and the average commercial property value estimate of £100,000 used in the January 2021 OBC was a significant under estimate compared to the actual value in 2022 of £351,200 per property, based on Commercial Real Estate Information Company (CoStar) and Valuation Office Agency (VOA) data. Other adjustments were made to key assumptions to ensure that the revised wider LVU benefits value is conservative and realistic. This included reducing the annual property value uplift (from 5% to 2.5% pa) and reducing the impact period from 10 years to 5 years.
44. The table below shows the estimates of wider land value uplift from the original OBC (January 2021) alongside the updated estimates prepared by Hatch in November 2022.

TABLE 6	Initial assessment (OBC Jan 2021)	Revised assessment (Nov 2022)
Wider land value uplift (Net Present Value, 2021 prices)		
Residential wider LVU	£1,881,847	£6,653,400
Commercial wider LVU	£953,854	£4,843,100
Total wider LVU	£2,835,701	£11,496,500

45. Following a full review of the economic case, it has been concluded that all other quantified benefits included in the original OBC (January 2021) remain valid and that only the wider land value uplift benefits should be updated.

Summary of changes to the Berwick Theatre OBC

46. To reflect the changes to the project since January 2021, the following changes have been made to the economic case:

- The economic costs have been updated to reflect the increase in estimated project capital costs (see Appendix A, Table 2).
- The economic benefits table has been updated to reflect the revised wider land value uplift estimate. All other benefits values are unchanged (see Appendix A, Table 3).
- The value for money assessment and BCR has been updated (see Appendix A, Table 4).
- The reprofiling swop with the Destination Tweed as set out in paragraphs 28 to 35 above has been incorporated.

47. As summarised in the table below, the refreshed economic case demonstrates that the project continues to constitute good value for money, taking into account the additional costs and benefits identified since the OBC submission in January 2021. After the adjustments to net present value costs and benefits, the revised Borderlands Benefit/Cost Ratio (BCR) is 2.2 (reduced slightly from 2.4 in January 2021 but still a strong positive value) and the revised UK BCR is 1.3 (marginally up from 1.2 in January 2021).

TABLE 7		
Costs, benefits and BCR	OBC Jan 2021	Revised Dec 2022
Economic costs (NPV)	£19.5m	£25.8m
Economic benefits (total all benefits) (NPV)		
Borderlands level	£47.3m	£55.9m
UK level	£24.2m	£32.8m
BCR		
Borderlands level	2.4	2.2
UK level	1.2	1.3

Impact if Project changes are not approved

48. If the changes to the project costs and the additional funding are not approved, the project will not go ahead at all. The alternative option to undertake a less extensive and smaller scale refurbishment of the theatre has been assessed as part of the Outline Business Case options analysis. Although the capital cost of this approach would be lower than the preferred option it has been ruled out on the basis that it would fail to deliver the scale of transformative change to the theatre's facilities and offer needed to maximise the economic and cultural benefits of the scheme and kick-start the wider culture-led regeneration of Berwick.
49. Therefore, if the full funding package for the preferred transformational build is not secured the project will not go ahead and the potential benefits will be lost.

IMPLICATIONS

Policy	The Berwick Theatre project forms part of the Borderlands Inclusive Growth Deal which represents a key plank in the Council's approach to facilitating economic growth as one of its corporate priorities.
Finance and value for money	<p>The Council is being asked to contribute a further £837,415 from existing budgets within the capital programme and to seek a further £5million from the Borderlands Inclusive Growth Deal to facilitate both the redevelopment of The Maltings and the rehousing of the Council's Berwick Archive within the Living Barracks initiative This represents a total regeneration investment in the town of Berwick of around £36m.</p> <p>It is also being asked to agree to a cost-neutral funding switch of £1m between this project and the Destination Tweed equivalent which is also part of the Borderlands Inclusive Growth Deal. The rationale for this is to provide enhanced scope for alignment between the local authorities on each side of the border and to accelerate the business case approval process.</p>
Legal	<p>There is an agreed and signed collaboration agreement in place between the County Council and The Maltings Trust to define the governance arrangements for the project and the respective roles of the two organisations in facilitating its subsequent delivery.</p> <p>There is also a dedicated Project Board to steer the delivery of this initiative. Its membership is made up of appropriate representation from the Council, Advance Northumberland, and The Maltings Trust.</p> <p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 confirm that the matters within this report are not functions reserved to Full Council.</p>
Procurement	The procurement of all the works associated with both phases 1 and 2 of the project are being conducted in full compliance with the Council's procurement procedures
Human Resources	n/a
Property	The Maltings complex is owned by the County Council and as such the Council's Property Services team are acting as client for the project management arrangements and are represented at a senior level on the Project Board.
Equalities	<p>Impact Assessment attached</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/></p>
Risk Assessment	The project will not be able to proceed without this additional funding being secured.
Crime & Disorder	n/a

Customer Consideration	n/a
Carbon reduction	The design will seek to optimise the energy efficiency of the Theatre, in ways that will also reduce the carbon footprint of the building complex.
Health and Wellbeing	n/a
Wards	Berwick East, Berwick North, and Berwick West with Ord

Background papers

N/A

Linked reports and already published documents

New Berwick Theatre: Outline Business Case - Cabinet (Part 2 report), December 2020

[Borderlands Inclusive Growth Deal, March 2021](#)

Report sign off

Authors must ensure that officers and members have agreed the content of the report:

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Appendix A

TABLE 1 – REVISED PROJECT CAPITAL COSTS				
Category	Item	OBC Cost OBC Jan 2021	Revised Cost Dec 2022	Description
Temporary accommodation / transition phase costs	Gymnasium fit out	527,100	886,370	Refurbishment of the Berwick Barracks Gymnasium Gallery as a secure gallery environment and acoustically sound venue for events.
	Mob Store fit out	650,000	888,000	Adapting the Berwick Barracks Mob Store storage building into a 98-seat (two for wheelchair use) soundproofed temporary cinema.
	Professional fees & surveys	-	161,000	
Sub-total		1,177,100	1,935,370	
Main construction project	Land assembly	112,900	112,900	Purchase of adjacent garden area; other land / lease costs including current car park
	Construction	13,310,000	14,550,000	Includes building substructure, external superstructure, external works, utilities diversion, main contractor preliminaries, and fixed furniture.
	Design devt (5%)	-	727,500	
	Inflation (5.33%)	-	776,349	
	Client contingency (5%)	1,330,000	727,500	
	Loose FF&E and AV	-	1,897,795	
	Statutory fees and surveys	-	200,000	
	Design team fees	1,470,000	2,180,426	
Project management fees	300,000	229,575		
Sub-total		16,522,900	21,402,045	
TOTAL		17,700,000	23,337,415	

TABLE 2 – REVISED ECONOMIC COSTS	
Economic Costs	Revised Dec 2022
Total gross costs	23,337,100
Add optimism bias factor (+24%)	5,600,904
Total (including optimism bias)	28,938,004
NPV of costs (after discounting)	25,834,76
Net cost to public sector	£25.8m

TABLE 3 – REVISED ECONOMIC BENEFITS		
	Borderlands	UK
	Total Net Benefits (NPV, £m)	
<i>Benefits for Initial BCR</i>		
Land Value Uplift	0.6	0.6
Wider Land Value Uplift (REVISED)	11.5	11.5
Cultural Wellbeing	11.9	11.9
Wage Premium Benefits	7.0	7.0
Public Value of Unemployed into Jobs	0.3	0.3
<i>Total benefits for Initial BCR</i>	31.3	31.3
<i>Benefits for Adjusted BCR</i>		
Tourism sector GVA (and employment)	24.6	1.5
<i>Total benefits for Adjusted BCR</i>	55.9	32.8

TABLE 4 – REVISED VALUE FOR MONEY ASSESSMENT AND BCR		
	Borderlands	UK
	Total Net Benefits (NPV, £m)	
Total Net Costs (A)	25.8	25.8
NPV of private sector funding (B)	0	0
<i>Benefits for Initial BCR</i>		
Land Value Uplift	0.6	0.6
Wider Land Value Uplift (REVISED)	11.5	11.5
Cultural Wellbeing	11.9	11.9
Wage Premium Benefits	7.0	7.0
Public Value of Unemployed into Jobs	0.3	0.3
<i>Total benefits for Initial BCR (REVISED)</i>	31.3	31.3
<i>Benefits for Adjusted BCR</i>		
Tourism sector GVA (and employment)	24.6	1.5
<i>Total benefits for Adjusted BCR (REVISED)</i>	55.9	32.8
BCR (Initial) (REVISED)	-	1.2
BCR (Adjusted) (REVISED)	2.2	1.3