Future High Street Fund
Project Adjustment Request - Value for Money Clarification Questions

Purpose
The department needs to ensure that the Future High Streets Fund provides value for money. This form requests additional information from places, through six clarification questions, to help the department better understand how any proposed changes to projects could impact on the value for money offered by your proposal and the FHSF programme as a whole.

Instructions
1. Please navigate to the 'Clarification Questions' tab and provide your high street/town centre name.
2. Please answer ALL six clarification questions, across sections A and B, on the 'Clarification Questions' tab.
3. The "Form Completion Status" bar at the top of the page indicates whether all necessary information has been provided; each individual question also has its own status indicator (column I) and guidance (column J) to indicate whether further information is required.
4. When you have completed all six questions, and the "Form Completion Status" bar indicates the form is complete, then please save a copy of this file and return it to the **Future High Streets Fund team <futurehighstreets@levellingup.gov.uk>**.

Important Notes
1. For questions A2, B1, B2, B3 and B4, please ensure you provide sufficient detail in the free text boxes to enable us to understand exactly how the value for money assessment has been undertaken. For example, if benefits relating to "Amenity Impacts" have been included in your BCR then please describe exactly what these relate to. Insufficient detail will prevent us from understanding the process and could cause delays.
2. Some cells will only accept certain types of input - for example, for A1, you can only enter numbers and no text.

END

Project Details

		Status	Guidance
High Street/Town Centre Name	Wealdstone Town Centre	●	

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	Status	Guidance
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. *(Note: if you do not have an initial and adjusted BCR then please refer to the FAQs for guidance)*				
	Initial BCR	2.03	1.74	●	
	Adjusted BCR	2.03	1.74	●	

	Confirmation	Description	Status	Guidance
A2 Please provide: • 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	The approach to the revised BCR calculation is the same as the original approach, in which the same price year (2020), methodology (DCLG/Green Book) was applied. The main difference between the two analyses is the benefits appraised. For the revised BCR, only LVU has been calculated, whereas for the original BCR submission the benefits LVU and transport benefits were estimated. The rationale behind excluding the transport benefits from the revised BCR is the proposed set of interventions no longer includes the transport intervention (Kodak Bridge). Hence, the exclusion of transport benefits has led to a slight decline in the BCR, but remains to deliver Value for Money (BCR over 1.5). The LVU estimated for the revised BCR (£11.46m) has reduced slightly compared to the original LVU (£13.2m) - this is driven by the exclusion of the LVU impact on residential properties, as housing data was unavailable for the revised BCR calculation.	●	

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	Status	Guidance
B1 Please provide: • 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.	0.20	6.59	The economic costs were derived based on the cost of implementing the programme of interventions. The costs of all three interventions we have assumed to be incurred in the financial year 2023/24. The PV cost of £6.59m consists of both FHSF (£5.87m) and Harrow Council co-funding (£0.73m). An optimism bias of 20% has been included to account for unforeseen cost overruns, as recommended by Council cost surveyors. The PV costs, presented in 2020 prices, were discounted using 3.5% pa factor, as recommended by Green Book guidance. No economic costs incurred to the private sectors are expected.	●	

	BCR Type	Benefit Category	Additionality of Benefits (%)	Monetised Value (£m, PV)	Description	Status	Guidance
B2 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: • 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	25% - 50%	11.46	The main benefit attributed to the interventions funded by the FHSF is land value uplift (LVU), and has been quantified for the VfM assessment. We have assumed the	●	
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	Wider Benefits Considered?	Description	Status	Guidance
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	- Increased Footfall: Improving abilities to walk and cycle as a result of public realm improvements , whilst activating spaces encourages people to visit different places and incentivises residents and visitors to spend more time in the area. This has numerous benefits: it builds a greater appreciation of spaces, helping to shift place perceptions, whilst also reducing carbon emissions, improving active travel and dwell time, which has direct benefits for people's health.	●	

	Analysis Undertaken?	Description	Status	Guidance
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	Four sensitivity tests were undertaken. Overall two of the scenarios maintain a BCR above the threshold of 1.50. Some sensitivities have a higher impact than others, as summarised below: 1. Lower land inflation - In the event that land value inflation is below the 5% applied in the core scenario (DLUHC's Appraisal Guide figure) and fell to 3%, the	●	

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Frequently Asked Questions (FAQs)

General Usability

Q: Why am I not able to scroll through the drop-down lists?
A: Excel doesn't allow mouse-scrolling within drop-down lists. Please use the "scroll bar" on the right-hand side of the drop-down window to navigate the list.

BCRs

Q: We only have one BCR and are unsure whether it represents an Initial or Adjusted BCR. Which cell should we input the value into?
A: Please speak to the person who calculated your BCRs, as we expect most proposals will have produced both an Initial and Adjusted BCR. However, if you only have one BCR even after consulting, then please enter this against the "Initial BCR" cell.

Q: Our BCR is in the format of a range. What value should we input?
A: The central value in the range. For example, if the range is 4.8 - 5.2, then please input "5.0" into the relevant cell on the "Clarification Questions" tab.

Economic Costs

Q: What costs should be included in the economic costs cell?
A: It is important that you provide the net public sector economic costs that have been used to calculate your BCR. Economic costs can differ from financial costs in a number of ways, but the main difference is they have been adjusted for discounting, inflation and optimism bias.

Benefits

Q: Some of our benefits are included in both the initial BCR and the adjusted BCR. Which "BCR Type" should we select from the drop-down list?
A: The adjusted BCR typically includes all benefits included in the initial BCR, plus additional benefits. Therefore, we will assume that all benefits marked as "Initial BCR" also appear in the calculation of the adjusted BCR.

Q: Are there definitions for additionality, displacement, deadweight, etc.?
A: HMT's Green Book includes a glossary with definitions for all of the terms mentioned. You can access it by clicking here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938046/The_Green_Book_2020.pdf

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