

## Smethwick Town Deal Board 7 September 2023 at 3pm

<b>Subject:</b>	<b>Project Reporting</b>
<b>Contact Officer:</b>	Rina Rahim, Towns Fund Programme Manager

### 1. Purpose of the Report

- 1.1. For Board members to consider the change request from the Midland Met Learning Campus:
- a) to reduce the building size from 3792m<sup>2</sup> to 2887m<sup>2</sup>, a 24% reduction
  - b) to increase the matchfunding from £2.24m to £4.97m from West Midlands Combined Authority subject to approval.

### 2. Background

- 2.1. The Midland Met Learning Campus is one of the 5 projects approved by DLUHC as part of the Smethwick Towns Fund allocation. The Towns fund allocation approved for the MMLC is £12.9m with a further £2.24m of matchfunding from the West Midlands Combined Authority and £650k from the NHS.
- 2.2. The original Heads of Terms funding allocation was offered to deliver 6000m<sup>2</sup> of new education and community space as identified from the Town Investment Plan.
- 2.3. During the development of the Full Business Case, a change request was submitted to reduce the output of new education space from to 6000m<sup>2</sup> to 3792m<sup>2</sup> following review of the concept design and identifying the site plan. The Full Business case was approved in June 2022.
- 2.4. Following approval of all Sandwell business cases, projects proceeded with the delivery phase, however the procurement phase for some projects highlighted cost pressures due to the changes and cost increases in the construction industry. Projects have been required to value engineer to ensure they can be delivered within the funding envelope.
- 2.5. DLUHC are aware of the cost pressures to projects across all Towns Fund Programmes and are updated on projects facing any difficulties. Although, no further funding is offered from DLUHC to meet any cost pressures, there have been changes made to the project adjustment request thresholds, enabling some flexibility to reduce outputs to support projects facing these challenges.
- 2.6. The DLUHC change request process delegates authority to the Towns Fund Boards and Accountable Body to approve project changes, including reduction of outputs and

outcomes, subject to the reduction being no more than 30%, and the revised BCR calculation being above the threshold of 1.0

- 2.7. Following approval of the Midland Met Learning Campus Full Business Case, the project has been working with architects undertaking full costs analysis which has identified that a further change is required to reduce the building size from 3792m<sup>2</sup> to 2887m<sup>2</sup>, a 24% reduction. The matchfunding ask from WMCA is increased from £2.24m to £4.97m to enable the delivery of a net zero project.
- 2.8. Although the reduction in the floorspace has been possible following design review and reducing ancillary/plant space, the overall footprint remains the same. The project has obtained a revised BCR scoring which has increased from 4.03 to 4.23 mainly due to the additional job outcomes offered subject to the approval of c£4.9m matchfunding from WMCA.
- 2.9. There is no change to the remaining learner outputs to be delivered by the project.
- 2.10. A detailed change request report has been submitted by the project applicant for the Boards consideration.

### **Appendices**

6a Midland Met Change request report – private item

6b DLUHC Project Adjustment Request form- private item

6c Towns Fund Project Adjustment Request Procedure