

**Sandwell Towns Fund Superboard  
Canal Network Connectivity Full Business Case**

**20 January 2022**

<b>Subject:</b>	Canal Connectivity Full Business Case
<b>Presenter:</b>	Adrian Eggington – Chair for Rowley Regis Local Board James Dennison – Canals & River Trust
<b>Contact Officer:</b>	Jenna Langford Interim Towns Fund Programme Manager town_deal@sandwell.gov.uk

**1. Recommendations**

- 1.1. To receive and agree the final Full Business Case for the Canal Network Connectivity Project, including the project equality impact assessment, environmental impact assessment and monitoring and evaluation plan.
- 1.2. To recommend the submission of the Full Business Case to the Assurance Panel and subject to successful appraisal, submission of the Project Summary Document to DLUHC.
- 1.3. To note that in the event that the Full Business Case appraisal leads to minor amends/ points of clarity being required, these will be addressed by the Project Lead in conjunction with the Chair of the Local Board, the Chair of the Superboard and the Assurance Panel.
- 1.4. To note that in the event that the appraisal leads to a recommendation of substantial changes to the Full Business Case, these will be addressed by the Project Lead in conjunction with the Chair of the Local Board, the Chair of the Superboard and the Assurance Panel.

**2. Purpose of the Report**

- 2.1. To present the Full Business Case for the Rowley Regis Canal Network Connectivity project for agreement including an equality impact assessment, environmental impact assessment and monitoring and evaluation plan.



### **3. Background and Main Considerations**

- 3.1. On 3 March 2021, Heads of Terms for a Town Deal for Rowley Regis were offered by Government. This included an offer of an overall funding package of £19m. The Heads of Terms offer is subject to the appraisal and approval of a Full Business Case for each project and the submission of a Summary Document (one per project) by March 2022.
- 3.2. The Town Deal for Rowley Regis was signed on 24 March 2021.
- 3.3. Details of the projects put forward for the Rowley Regis Town Deal were re-confirmed with Government in the form of a Project Confirmation Table. These were considered by Superboard on 17 May and submitted following approval from the Council's S151 Officer.

### **4. Full Business Case Contents**

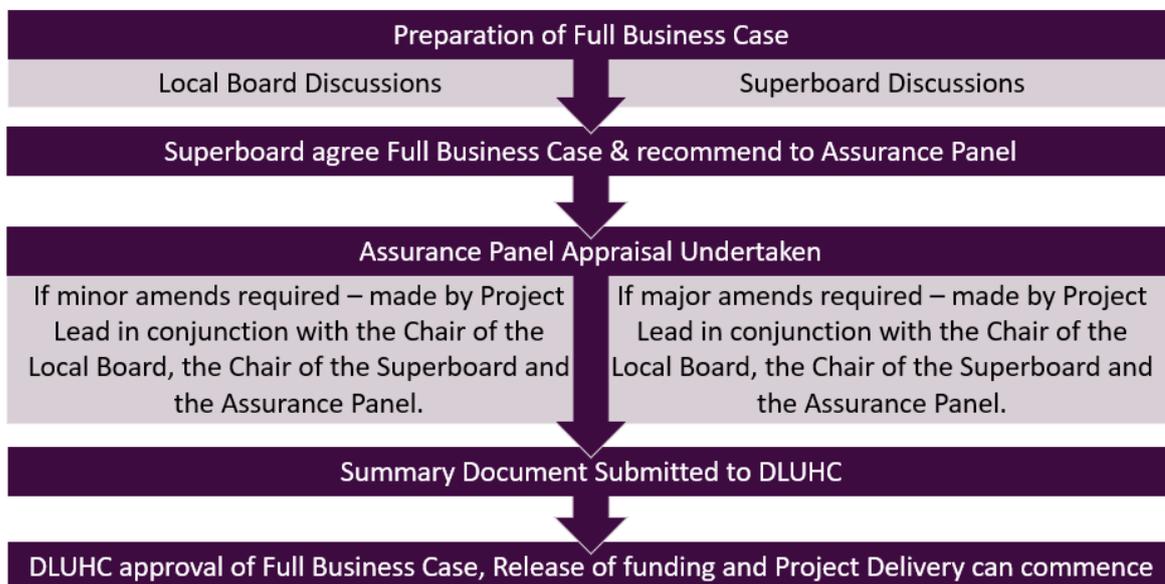
- 4.1. The Towns Fund Business Case Guidance, December 2021, outlined that Towns Fund Full Business Cases should be compliant with the HMT Treasury Green Book (2020). This sets out that Full Business Cases should address five cases; Strategic Case, Economic Case, Commercial Case, Financial Case and Management Case.
- 4.2. Preparing a project business case using the five-case model provides decision makers and stakeholders with a proven framework for structured thinking and assurance that the project: Provides strategic fit and is supported by a compelling case for change, will maximise public value, is commercially viable, is affordable and is funded and can be delivered successfully by the organisation and its partners
- 4.3. Sandwell's Towns Fund Full Business Cases have been prepared according to this model.
- 4.4. Following Cabinet approval on 24 November 2021, an Assurance Panel has been established comprising the Town Deal Board Chair, Director of Regeneration and Growth, Director of Finance (Section 151 Officer) and Cabinet Member for Regeneration and Growth, to appraise Full Business Cases.

### **5. Submission of Project Summary Documents to DLUHC**

- 5.1. Once a Full Business Case has been approved by the Assurance Panel, a Summary Document will be prepared and submitted to DLUHC for review before funding is released. At which point Terms and Conditions of the grant will be provided.



- 5.2. The Summary Document contains an overview of each Business Case, how it has been appraised, and confirmation that key conditions from the Heads of Terms have been addressed (where applicable).
- 5.3. The Chair of the Superboard will be a signatory on the Summary Document.
- 5.4. An outline of the process for approval of a project Full Business Case is as follows:



## 6. Canal Network Connectivity Full Business Case Summary

### Project Description

- 6.1. The strategic aim of the project is to improve active travel connectivity within and across Rowley Regis. This will be achieved through improvements to the canal towpath surface and the access points onto the canal from surrounding areas. Whilst this project falls primarily under the “Connectivity” programme described within the Towns Fund guidance, it will also deliver significant economic, social (health) and environmental benefits.
- 6.2. The project will focus on two areas of canal within Rowley Regis – Old Main Line Canal & Dudley No.2 Canal. Although both areas appear to be separate, they are in fact connected by the Netherton Tunnel and part of the “Birmingham Canal Navigations” (BCN) which provides connections to the UK’s inland waterway network.



## Summary of Strategic Case

- 6.3. The project aims to address 3 key problems – the topography of Rowley Regis urban streets is not conducive for active travel; existing towpaths are unsurfaced which become problematic to traverse during poor weather; the towpaths are not accessible for cyclists. The Full Business Case includes an evidence base which reviews the current available research into the benefits of towpath improvement schemes and the factors that most influence success. The key findings are that encouraging active travel is an important environmental and public health objective and providing accessible, safe, and pleasant routes to facilitate walking and cycling is critical to achieving this aim. Where towpaths have been improved, their usage has increased.
- 6.4. Engagement with residents has demonstrated support for the improvements, with anti-social behaviour hot-spots identified which will be taken into consideration. The delivery phase of the project will see engagement take a more informative approach – advising of temporary closures etc.
- 6.5. The project has been bought forward as part of the Rowley Regis Town Deal through its contribution to the town priority of Connectivity, delivering over 7km of upgraded active travel routeway which will link many residential, business & leisure areas within the town. Importantly, these routeways will be traffic and gradient free routes in what is a very hilly and congested area. As well as upgrading the surface of the towpath, the project will also improve accesses onto the towpath, with improved signage, especially where there are links for onward travel. The project will contribute to the “15-minute town” approach by providing a car-free option for people to travel around the area. As well as providing excellent routeways to get around, the canals offer an attractive destination for people to enjoy the health and wellbeing benefits of being by water and closer to nature. Stalled sites along canal-side locations can be very attractive to developers. Houses that offer a waterfront aspect often command a premium over other properties.

## Summary of Economic Case

- 6.6. The Canal Network Connectivity project will provide local people with improved towpaths with a lifespan of 20 years+ before significant maintenance is needed. By improving accesses and signage onto the towpath more people, including those with disabilities will be able to enjoy the health and wellbeing benefits of active travel and accessible greenspace. As a result of the project more people in Rowley Regis will choose to walk or cycle for short trips as part of a healthier lifestyle, leading to reduced congestion and pollution.
- 6.7. The Benefit Cost Ratio (BCR) calculation for this project is 15.86.



6.8. The main risks have been identified for the project and are being proactively managed through regular risk review and escalation, as required. The main risks are as follows: -

- *Construction - Unforeseen ground conditions;*
- *Construction - "Canal stoppages";*
- *Construction - Unforeseen events;*
- *Construction - Increase in interest rates given difference in time to date of pricing (December 2021) and start date on site (February 2023) - Unforeseen economic conditions;*
- *Construction - Increase in price of materials and labour as a result of 2 years passing between pricing and starting on site - Unforeseen economic conditions.*

### **Summary of Management Case**

6.9. The project management is resourced through existing Canal & River Trust's Project Management Team, overseen by the Project Manager who will report frequently to the Programme Management Office, Rowley Regis Local Board and Sandwell Superboard.

6.10. The delivery of this project is not dependent upon the delivery of any other TIP projects.

### **Summary of Financial Case**

6.11. The project value is £2.3m all funded from Towns Fund Grant.

6.12. Long term running costs will be met by Canal & River Trust.

### **Summary of Commercial Case**

6.13. The Canal Network Connectivity project will be delivered via existing framework contractor(s) that have been procured in compliance with procurement regulations. Contractors from Canal & River Trust's framework and Sandwell Council's framework will be invited to provide a price to deliver the works. This will ensure an element of competition and comparison to ensure best value. Costs will be provided on a like for like basis.



- 6.14. Note – Canal & River Trust is not required to comply with Public Contracts Regulations, however it does have robust financial / procurement policies in place which are compliant with OJEU requirements.

### **Equality Impact Assessment**

- 6.15. An equality impact assessment has been conducted and is appended. The assessment has indicated that there are no anticipated adverse impacts on any groups with protected characteristics as a result of this proposal.

### **Environmental Impact Assessment**

- 6.16. An Environmental Impact Screening has been undertaken and is appended. The screening has identified that Schedule 1 and 2 of the EIA regulations do not apply to this project and therefore a full assessment is not required.

### **Appendices**

Canal Network Connectivity Full Business Case document including:

- Consultation and Engagement Plan
- Equality Impact Assessment
- Environmental Impact Assessment
- Risk Register
- Monitoring and Evaluation Plan

### **Source Documents**

- Canal Network Connectivity Project Confirmation Table
- Rowley Regis Town Deal Heads of Terms
- MHCLG Business Case Guidance, December 2020
- MHCLG Monitoring and Evaluation Guidance, April 2021

