

**Sandwell Towns Fund Superboard
Ron Davis Centre Full Business Case**

20 January 2022

Subject:	Ron Davis Centre Full Business Case
Presenter:	Alan Taylor – Chair for Smethwick Local Board Project Lead Erroll Blackwood – Sandwell MBC
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1. Recommendations

- 1.1. To receive and agree the final Full Business Case for the Ron Davis Centre, including the project equality impact assessment, environmental impact assessment and monitoring and evaluation plan and the project adjustment request.
- 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 Smethwick Ron Davis Centre project for agreement including an equality impact assessment, environmental impact assessment and monitoring and evaluation plan and the project adjustment request.



3. Background and Main Considerations

- 3.1. On 3 March 2021, Heads of Terms for a Town Deal for Smethwick were offered by Government. This included an offer of an overall funding package of £23.5m Towns Fund offer. 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 24 March 2022.
- 3.2. The Town Deal for Smethwick was signed on 24 March 2021.
- 3.3. Details of the projects put forward for Smethwick 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

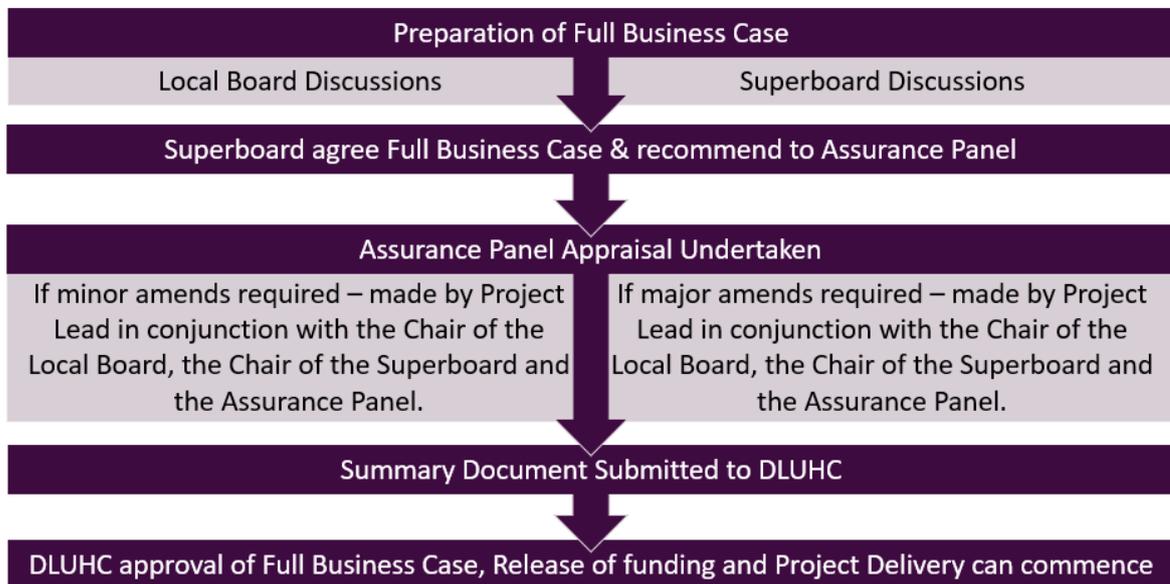
- 4.1. The Towns Fund Business Case Guidance, December 2021, outlined that Towns Fund Full Business Cases should be compliant with the HMT Treasury Green Book (2020). This sets out that Full Business Cases should address five cases; Strategic Case, Economic Case, Commercial Case, Financial Case and Management 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. Ron Davis Centre Full Business Case Summary

Project Description

- 6.1. The Towns Fund funding will expand the Sandwell Adult and Family Learning Service (SAFL) Ron Davis site by providing two additional specialised digital classrooms to be built by end of 2023. Subject to feasibility studies and planning the build is expected to take 12 - 18 months to complete.
- 6.2. The expansion of the Ron Davis Centre will increase capacity, provide a wider range of services and activities, often into the evenings and weekends, to help meet the needs of Smethwick families and the wider community. In creating a vibrant community hub through the provision of additional multipurpose space, closer working with partner organisations is realised, with a wider and more inclusive age range of users
- 6.3. The project objectives are to:
 - Deliver transformational change in the Smethwick area which for residents might see it just as levelling up and not getting left behind;



- Expand targeted education and skills support which has been so successful to help unlock the human capital of Smethwick residents. This is also one of the Smethwick TIP priorities;
- Regenerate and upgrade local assets so the residents have access to modern learning facilities.

Summary of Strategic Case

- 6.4. There are known high levels of digital poverty in the Smethwick area, therefore access to a well-resourced digital and careers hub to support the wider community will greatly address the local needs. The pandemic and resulting lockdowns have shown that education centres need to have a strong digital learning infrastructure based on the latest technology to keep learners engaged and supported.
- 6.5. Overall Smethwick is more deprived than England and Sandwell and its deprivation score would put it in the 20% most deprived areas in England. 55.9% of Smethwick's population are from ethnic minorities. This is higher than both Sandwell (30.1%) and England (14.6%). Other stats are included within the FBC, but essentially the Strategic Case is that resources should be aligned to and reflect residents needs and improve the social and economic conditions.
- 6.6. To address the above, the Ron Davis Centre Expansion will:
- help bridge the gap of digital poverty offering services to adults over 19 and families;
 - provide free point of access to online services and resources;
 - assist the development of residents needs throughout the delivery of the project;
 - allow students to access digital/ remote learning locally;
 - provide opportunities for vocational training (55.9% of Smethwick is ethnic minorities);
 - assist families with low income as services will be free point of access;
 - provide online education and training, assisting residents to upskill and present opportunities for them to gain employment/ better employment, gain higher paid jobs.
- 6.7. The project will contribute to COVID-19 recovery through tailored and sustained support to help students readjust and catch-up after the pandemic. The pandemic has highlighted the essential role of the Ron Davis Centre, successful education recovery will only occur if the lessons of the pandemic are applied after it subsides, and adult provision can be sustained.



- 6.8. The project aligns with Sandwell MBC's Vision 2030 & Corporate Plan, which provide the ambition and strategy for Sandwell's priorities and projects. By 2030, through the Town Investment Plan, SMBC's Vision 2030, and delivery of its pipeline projects, Smethwick will have a higher skilled workforce, creating a new talent pool for the health sector and beyond to hire and fulfil skills requirements.
- 6.9. The project has been bought forward as part of the Smethwick Town Deal through its contribution to the town priority of upgrading local assets and supporting good quality jobs. The project meets the goals of the Towns Fund by supporting investment in Skills Infrastructure. It is understood that there is digital exclusion in the Smethwick area and the project has articulated a clear understanding of how the intervention is expected to work in practice and what is required to improve the situation. The Towns Fund is providing the investment to enable the actions required to produce the outputs and outcomes that Ron Davis Centre will be measured against.
- 6.10. Engagement with stakeholders has demonstrated strong support for the project, with no negative comments. Stage 1 consultation concluded in December 2021. In 2022, SAFL Consultation Stage 2 will commence regarding the provision in the building and is expected to last 3 months.
- 6.11. The Ron Davis Centre project links to the Greets Green Community Enterprise – Digital Den project in West Bromwich and where it is possible for best practice to be shared between the projects, with the intention of the Ron Davis to facilitate a wider Sandwell Digital Network. Another project being brought forward in Smethwick Towns Fund will contribute to the Smethwick priority of supporting good quality jobs. This is the Midland Met Learning Campus which will focus on skills from Level 1-7 connected to healthcare professions. Together these projects provide an increase in skills provision across key levels and target groups.

Summary of Economic Case

- 6.12. The Ron Davis Centre project will provide local people with skills to allow residents at all levels of the labour market to find fulfilling and well-paid work. The project will raise aspiration, improve life chances, and secure the skills and training that young people and residents need to access and progress in the local and regional labour market. Not only will the expansion bring together people of different backgrounds in a friendly, supportive local space, it will also provide a place in which different services can address the multiple needs of learners at a neighbourhood level. This provides the Ron Davis Centre with an opportunity to add value to other services, and respond to entrenched, complex issues such as poverty and multi-generational long-term unemployment.



- 6.13. An Options Analysis was undertaken where the preferred option was identified to physically expand and improve existing facilities, with new multifunctional digital classrooms to provide an opportunity to install more efficient and technologically advanced equipment and be flexible enough to meet diverse community needs. Two alternative options were discounted upon analysis. Do nothing - would not incur costs but will not provide any growth in student numbers. Relocation - would achieve growth, however, the current site is in freehold ownership of SMBC and there are no funds available to purchase another site/ building.
- 6.14. The Heads of Terms has dictated a 6% reduction in funding of all Smethwick projects. For the Ron Davis Centre Expansion project, this means the funding ask has reduced to £338k (from £360k). This has impacted on the contingency funding associated with the original project proposal. Any significant rise in the cost of building materials or labour before the contract is signed could mean that there will be a shortfall in project costs. This is recognised within the project risk assessment. This is being proactively managed through seeking a full feasibility study to test the cost accuracy. Based on the reduced budget and the rise in building costs the expansion will now be a modular construction.
- 6.15. The Benefit Cost Ratio (BCR) calculation for this project is underway.
- 6.16. The main risks have been identified for the project within the project risk register (appended) and are being proactively managed through regular risk review and escalation, as required. The main risks are as follows: -
- Time - Delay may happen, deadlines may change, deadline for completion may be fixed. Controls - Project management timelines produced to provide a simple visual overview of the project from start to finish. This is then used to monitor the project;
 - Funding - Not enough to deliver the project. Controls - Monitor project spend as per the project methodology. Any spend above 5% tolerance reported to the Towns project Board.

Summary of Management Case

- 6.17. The project management is resourced through existing capacity within the Local Authority and will be overseen by the Project Manager who will report frequently to the Programme Management Office, Smethwick Local Board and Sandwell Superboard.



- 6.18. The delivery of this project is not dependent upon the delivery of any other TIP projects but will complement the Midland Metropolitan Learning Campus, Smethwick and the Digital Den, West Bromwich as outlined in 6.11.
- 6.19. Project Management and Governance arrangements are articulated in detail within the Full Business Case.

Summary of Financial Case

- 6.20. The project value is £338,000 comprising 100% from Towns Fund.
- 6.21. Long term running costs will be met by Sandwell MBC – SAFL.

Summary of Commercial Case

- 6.22. The Eastern Shires Purchasing Organisation (ESPO) Framework agreement will be used to undertake work on the Ron Davis Centre project, subject to new framework details. Procurement processes will be overseen by the Corporate Procurement Team to ensure compliance with Public Contracts Regulations 2015.
- 6.23. Specific social value targets and/or requirements to be included as part of the contract evaluation. Conditions will include:
- Employing two Sandwell residents preferably Smethwick residents, one of which that has been out of work for more than 12 months;
 - Using local Smethwick/Sandwell suppliers wherever possible i.e. Local buying – supplies and services procured from Sandwell based organisations;
 - Using apprentices where possible;
 - Providing work experience opportunities to Smethwick/Sandwell school children and young people.
- 6.24. The awarding of the contract will be in report format to Cabinet, setting out the procurement process followed, details of quotations/ tenders received, the evaluation methodology and naming the supplier(s) who have made the most economic advantageous offer. The report will be signed by the Chief Finance Officer (S151). The contract will be signed by the Chief Legal Officer or by the Chief Executive and a Legal Services Manager or sealed with the common seal of the council.



Equality Impact Assessment

- 6.25. 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.
- 6.26. The equality impact assessment has identified specific positive impacts for the following groups with protected characteristics:
- 6.27. Age. The Ron Davis Expansion will have a significant positive effect on the employment prospects of young people and adults regardless of age in the Smethwick area. It will benefit all young people in Sandwell schools regardless of age. Because Ron Davis provides Family Learning some children below school age will also benefit.
- 6.28. Disability. The initiative will have a significant positive effect on the employment prospects of residents regardless of disability. Reasonable adjustments to service delivery will be made to ensure 'accessible to all'.
- 6.29. Race, Sex, Gender Reassignment and Sexual Orientation: The initiative will have a significant positive effect on the employment prospects of young people and will benefit all residents based in Sandwell schools irrespectively.

Environmental Impact Assessment

- 6.30. 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.

Project Adjustment

- 6.31. Any project changes within the Towns Fund need to be formally submitted to DLUHC as a project adjustment request, following discussion with Sandwell's allocated Towns Fund Area Lead. Changes are recorded via a Project Adjustment Form outlining the changes made, rationale and detail of consultation to communicate changes.
- 6.32. In Summer 2021, a detailed costings exercise was carried out to inform the project Full Business Case. The costs received exceeded the Towns Fund Ask. The construction industry is seeing average increases of 30% and as a result, the Ron Davis Centre has refined the project scope to ensure project delivery is within budget.



6.33. A Project Adjustment Form has been prepared for the Ron Davis Centre Expansion project to record the following changes: -

Original Output/ Outcome	Revised Outputs/ Outcomes
3 new community assets	2 new community assets
3 new educational spaces	2 new educational spaces
1,100 new learners assisted over academic years 2023-2025	No changes
600 additional learners per annum specifically enrolled on digital courses of which 400 will be accredited qualifications over academic years 2023-2025	300 additional learners per annum specifically enrolled on digital courses of which 200 will be accredited qualifications over the academic years 2023-2025
32.6% of learners gaining relevant experience	32% of learners gaining relevant experience
16% of learners being job ready	No changes

6.34. The Project Adjustment Form will also include a revised Towns Fund Ask of £358,400 following the withdrawal of Albion Family in the Park project. The Full Business Case will be updated by the PMO in conjunction with the project lead and tabled at February 2022 Superboard.

Appendices

Ron Davis Centre Full Business Case document including:

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

Source Documents

- Ron Davis Centre Project Confirmation Table
- Smethwick Town Deal Heads of Terms
- MHCLG Business Case Guidance, December 2020
- MHCLG Monitoring and Evaluation Guidance, April 2021

