

**Sandwell Towns Fund Superboard  
Grove Lane Regeneration Full Business Case**

**17 February 2022**

<b>Subject:</b>	Grove Lane Regeneration Full Business Case
<b>Presenter:</b>	Alan Taylor – Chair for Smethwick Local Board Hayley Insley – Project Lead, SMBC
<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 Grove Lane Regeneration, including the project equality impact assessment, environmental impact assessment, monitoring and evaluation plan and project adjustment.
- 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 Grove Lane Regeneration project for agreement including an equality impact assessment, environmental impact assessment, monitoring and evaluation plan and project adjustment.



### **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**

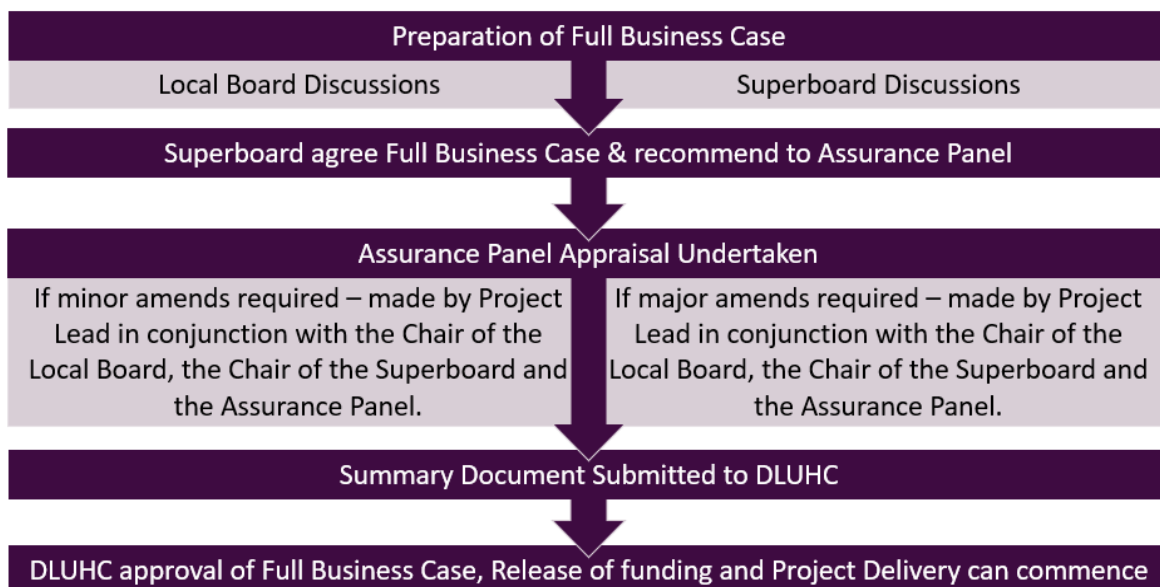
- 4.1. The Towns Fund Business Case Guidance, December 2020, outlined that Towns Fund Full Business Cases should be compliant with the HMT Treasury Green Book (2020). This sets out that Full Business Cases should address five cases; Strategic Case, Economic Case, Commercial Case, Financial Case and Management 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 and Sandwell Council's S151 Officer 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. Grove Lane Regeneration Full Business Case Summary

<b>Lead Organisation</b>	Sandwell Council
<b>Towns Fund Ask</b>	£4.350m
<b>Match Funding</b>	£ -
<b>Total Project Value</b>	£4.350m
<b>Project Description</b>	<p>The Grove Lane and Regeneration Project will regenerate the Grove Lane development site at the centre of Smethwick, a largescale mixed-use and housing development on the industrial site directly adjacent to the hospital. Investment will assist the acquisition and remediation of a selected site within the Grove Lane area to accelerate regeneration for housing delivery, the first phase of a comprehensive major regeneration project to deliver new homes and associated infrastructure.</p> <p>A co-ordinated and collaborative approach working with WMCA and other partner agencies, stakeholders and the private sector will enable the project to be delivered over time. The initial investment from the Towns Fund will create the opportunity for a first phase of development to commence in the Towns Fund timescales.</p>



<b>Project Start Date</b>	September 2022
<b>Project End Date</b>	Towns Fund: March 2023 / Housing Delivery: January 2026
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• 145 residential units</li> <li>• 1 new commercial unit</li> <li>• 1.2ha land remediated</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>• Perceptions of place improved for residents</li> <li>• Land values increased</li> </ul>
<b>BCR Calculation</b>	<p>The Benefit Cost Ratio (BCR) calculation for this project is 3.05 and a NPSV of £10m, meaning this scheme offers high value for money.</p> <p>The council will value the site as part of the Joint Venture negotiations however its value has not been considered as match funding for this appraisal.</p>
<b>Key Risks</b>	<p>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: -</p> <ul style="list-style-type: none"> <li>• Negotiations with landowner</li> <li>• Remediation costs exceed expectations</li> <li>• Delay in Smethwick to Birmingham Corridor Area Framework and Grove Lane masterplan being approved</li> <li>• Impact on Commonwealth Games Project</li> <li>• Shifts in market conditions – commercial viability</li> </ul>
<b>Equality Impact Assessment</b>	An equality impact assessment has been conducted and is appended. Overall, it is considered that the improvements will have a positive impact on local protected groups.
<b>Environmental Impact Assessment</b>	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.
<b>Project Adjustment Form Required</b>	Project Adjustment Form required. Details of changes outlined below.

## 7. Grove Lane Regeneration Project Adjustment

- 7.1. 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.
- 7.2. **Revised Towns Fund Ask:** The Project Adjustment Form will include a revised Towns Fund Ask of £4.350m from £4.089m following the withdrawal of the Albion Family in the Park project.



- 7.3. **Removal of Match Funding:** During the development of the Town Investment Plan, estimated match funding of £1.36m was identified. This match funding has funded the works to carry out the development of the Smethwick Area Framework, Grove Lane Masterplan and Transport strategy. Whilst funding has contributed to the development of the Grove Lane Regeneration project, it has been removed from the Full Business Case as the exact amount contributed cannot be confirmed.
- 7.4. **Alternative Location:** An opportunity to acquire an alternative site was made available. The alternative site has one land ownership whereas the previous location had multiple land owners, therefore the number of negotiations required and the risk around negotiations has reduced.
- 7.5. **Increased Outcomes:** As a result of the alternative location, the new site provides opportunity to deliver additional residential units. An additional output has been identified to deliver 1 new commercial unit.
- 7.6. A Project Adjustment Form has been prepared for the Grove Lane Regeneration project to record the following: -

Project Detail	Original Proposal	Adjusted Proposal
Towns Fund Ask	£4.089m	£4.350m
Match Funding	£0.136m	£0
Total Project Value	£4.225m	£4.350m
Outputs	<ul style="list-style-type: none"> <li>• 100 residential units</li> <li>• 1.2ha land remediated</li> </ul>	<ul style="list-style-type: none"> <li>• 145 residential units</li> <li>• 1 new commercial unit</li> <li>• 2.0ha land remediated</li> </ul>
Outcomes	<ul style="list-style-type: none"> <li>• Perceptions of place improved for residents</li> <li>• Land values increased</li> </ul>	No changes recorded.
Changes to project description noted within the Project Adjustment Form	Investment will assist the acquisition and remediation of <b>selected sites</b> within the Grove Lane area to accelerate regeneration for housing delivery, the first phase of a comprehensive major regeneration project to deliver new homes and associated infrastructure.	Investment will assist the acquisition and remediation of <b>a selected site</b> within the Grove Lane area to accelerate regeneration for housing delivery, the first phase of a comprehensive major regeneration project to deliver new homes and associated infrastructure.

## Appendices

Grove Lane Regeneration Full Business Case document including:

- Equality Impact Assessment
- Environmental Impact Assessment
- Consultation and Engagement Plan



- Risk Register
- Monitoring and Evaluation Plan

### **Source Documents**

- Grove Lane Regeneration Project Confirmation Table
- Smethwick Town Deal Heads of Terms
- MHCLG Business Case Guidance, December 2020
- MHCLG Monitoring and Evaluation Guidance, April 2021

