

## Sandwell Towns Fund Superboard Midland Met Learning Campus Full Business Case

**10 March 2022**

<b>Subject:</b>	Midland Met Learning Campus Full Business Case
<b>Contact Officer:</b>	Jenna Langford, Regeneration Manager town_deal@sandwell.gov.uk

### 1. Purpose of the Report

- 1.1. To present the Full Business Case for the Smethwick Midland Met Learning Campus project including an equality impact assessment, environmental impact assessment, monitoring and evaluation plan and project adjustment.

### 2. Background and Main Considerations

- 2.1. 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.
- 2.2. The Town Deal for Smethwick was signed on 24 March 2021.
- 2.3. 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.

### 3. Full Business Case Contents

- 3.1. 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.
- 3.2. 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

3.3. Sandwell's Towns Fund Full Business Cases have been prepared according to this model.

3.4. 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.

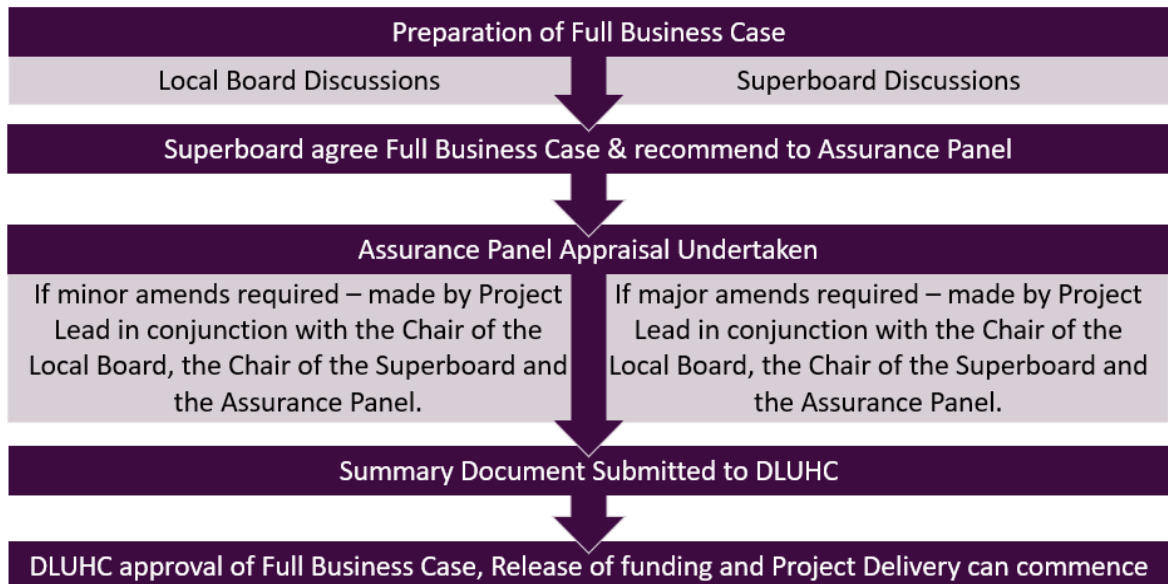
#### 4. Submission of Project Summary Documents to DLUHC

4.1. 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.

4.2. 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).

4.3. The Chair of the Superboard and Sandwell Council's S151 Officer will be a signatory on the Summary Document.

4.4. An outline of the process for approval of a project Full Business Case is as follows:



## 5. Midland Met Learning Campus Full Business Case Summary

<b>Lead Organisation</b>	NHS Trust
<b>Towns Fund Ask</b>	£12.9m
<b>Match Funding</b>	£0.029m
<b>Total Project Value</b>	£12.929m
<b>Project Description</b>	This proposal is for a major new skills resource next to the Midland Met University Hospital development, providing training in healthcare and healthcare related positions from entry level to level 7 skills. This is a collaborative proposal between Sandwell and West Birmingham Hospitals NHS Trust, Aston University, Sandwell College and the University of Wolverhampton.
<b>Project Start Date</b>	March 2021
<b>Project End Date</b>	September 2024
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Circa 4000m2 of education and community space</li> </ul>
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>• 1280 new learners assisted.</li> </ul>
<b>BCR Calculation</b>	The Benefit Cost Ratio (BCR) calculation for this project is 4.25 meaning this scheme offers excellent value for money.
<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>• Cost impact of VAT and effect on affordability if unable to recover some or all</li> <li>• Cost of inflation between date of FBC submission and works commencing on site, as well as risk of “super inflation” caused by Brexit / Covid and pressures on construction industry</li> <li>• Additional / Match Funding Availability</li> <li>• Failure to achieve Planning Permission in time</li> <li>• Ground Conditions</li> </ul>
<b>Equality Impact Assessment</b>	<p>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.</p> <p>However, some groups may experience negative impacts from the redevelopment during the construction period. Consideration should be given to the actions recommended in section 6 of the Impact Assessment to mitigate these.</p>
<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.



## 6. Midland Met Learning Campus Project Adjustment

- 6.1. 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.
- 6.2. **Revised Towns Fund Ask:** The Project Adjustment Form will include a revised Towns Fund Ask of £12.9m from £12.126m following the withdrawal of the Albion Family in the Park project.
- 6.3. **Revised Match Funding:** Adjustment made to reflect the amount of Match Funding committed at present.
- 6.4. **Revised Education m2 Output:** Adjustment made following concept design. Whilst the building has a smaller footprint it also includes significant capital investment in technologies to deliver a Net Zero Carbon project. Space planning discussions will take place once detailed schedule of accommodation is agreed with stakeholders.
- 6.5. **Reduction of Match Funding:** Adjustment made to reflect the amount of Match Funding committed at present.
- 6.6. A Project Adjustment Form has been prepared for the Midland Met Learning Campus project to record the following: -

Project Detail	Original Proposal	Adjusted Proposal
Towns Fund Ask	£12.126m	£12.9m
Match Funding	£3.6m	£2.898m
Total Project Value	£15.726m	£15.798m
Outputs	<ul style="list-style-type: none"> <li>• Circa 6000m2 of education and community space</li> </ul>	<ul style="list-style-type: none"> <li>• Circa 4000m2 of education and community space</li> </ul>
Outcomes	<ul style="list-style-type: none"> <li>• 1280 new learners assisted.</li> </ul>	No changes to record.
Changes to project description noted within the Project Adjustment Form	This proposal is for a major new skills resource next to the Midland Met University Hospital development, providing training in healthcare and healthcare related positions from entry level to level 7 skills. This is a collaborative proposal between Sandwell and West Birmingham Hospitals NHS	No changes to record.



Project Detail	Original Proposal	Adjusted Proposal
	Trust, Aston University, Sandwell College and the University of Wolverhampton.	

### Appendices

Midland Met Learning Campus Full Business Case document including:

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

### Source Documents

- Midland Met Learning Campus Project Confirmation Table
- Smethwick Town Deal Heads of Terms
- MHCLG Business Case Guidance, December 2020
- MHCLG Monitoring and Evaluation Guidance, April 2021

