

Sandwell Towns Fund Superboard Rolfe Street Canalside Regeneration Full Business Case

10 March 2022

Subject:	Rolfe Street Canalside Regeneration Full Business Case
Contact Officer:	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 Rolfe Street Canalside Regeneration 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

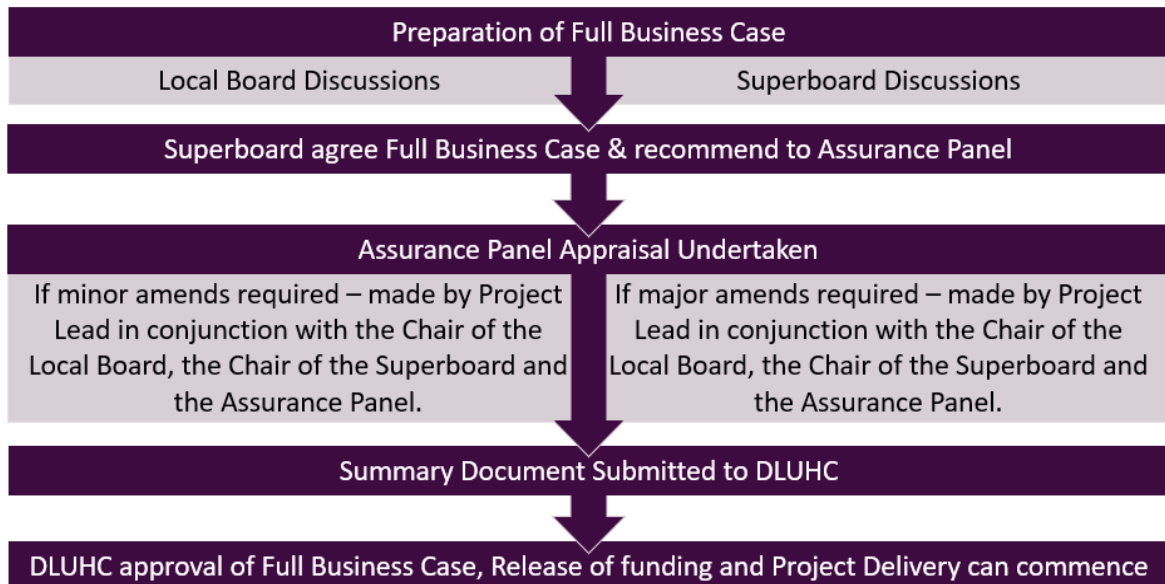


case for change, will maximise public value, is commercially viable, is affordable and is funded and can be delivered successfully by the organisation and its partners

- 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. Rolfe Street Canalside Regeneration Full Business Case Summary

Lead Organisation	Sandwell Council
Towns Fund Ask	£2m
Match Funding	£ -
Total Project Value	£2m
Project Description	The Rolfe Street Canalside Regeneration project will demolish existing structures located at Smethwick Enterprise Centre, Rolfe Street and remediate the land to provide a stand-alone development ready site, which will provide much needed housing and potential space for small enterprises, to support the wider regeneration of the town and link to the opportunities around the Midland Met University Hospital and the Towns Fund Midland Met Learning Campus.
Project Start Date	May 2022
Project End Date	Houses delivered June 2026, Towns Fund spent March 2023
Outputs	<ul style="list-style-type: none"> • 115 residential units • 1ha land remediated • 40 construction jobs
Outcomes	<ul style="list-style-type: none"> • Improved perceptions of place by residents • Land values raised
BCR Calculation	The Benefit Cost Ratio (BCR) calculation for this project is 2.70, meaning this scheme offers high value for money.
Key Risks	<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"> • Delays due to Covid-19 • Costs exceed Towns Fund allocation • Impact on the Commonwealth Games • Failure to achieve planning permission • Delays due to unforeseen ground conditions • Shifts in market conditions make proposals commercially unviable to be delivered through a JV Partnership. • Further site surveys find unexpected site contaminations leading to cost escalations. • Delays/ slippages as a result of approvals and DLUHC approvals
Equality Impact Assessment	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.
Environmental Impact Assessment	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 Form Required	Project Adjustment Form required. Details of changes outlined below.



6. Rolfe Street Canalside Regeneration 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 £1.88m from £2m following the withdrawal of the Albion Family in the Park project.
- 6.3. **Reduced Outputs – Residential Units:** Following financial viability appraisal, the project has reduced the number of residential units from 125 to 115.
- 6.4. A Project Adjustment Form has been prepared for the Rolfe Street Canalside Regeneration project to record the following: -

Project Detail	Original Proposal	Adjusted Proposal
Towns Fund Ask	£1.88m	£2m
Match Funding	£ -	No changes recorded.
Total Project Value	£1.88m	£2m
Outputs	<ul style="list-style-type: none"> • 125 residential units • 1ha land remediated • 40 construction jobs 	<ul style="list-style-type: none"> • 115 residential units • 1ha land remediated • 40 construction jobs
Outcomes	<ul style="list-style-type: none"> • Improved perceptions of place by residents • Land values raised 	No changes recorded.
Changes to project description noted within the Project Adjustment Form	<p>The Rolfe Street Canalside Regeneration project will assist the regeneration of the Smethwick Enterprise Centre site at Rolfe Street, a council-owned business facility falling into disrepair.</p> <p>Towns Fund investment will be used to deliver a stand-alone development ready site, after which 125 homes and apartments, 25% of which are affordable will be delivered. Funding will be used for the relocation of businesses and demolition and remediation of the canal-side site, which is presently underutilised and falling into disrepair.</p>	<p>The Rolfe Street Canalside Regeneration project will assist the regeneration of the Smethwick Enterprise Centre site at Rolfe Street, a council-owned business facility falling into disrepair.</p> <p>Towns Fund investment will be used to deliver a stand-alone development ready site, after which 115 homes and apartments, 25% of which are affordable will be delivered. Funding will be used for the relocation of businesses and demolition and remediation of the canal-side site, which is presently underutilised and falling into disrepair.</p>



Appendices

Rolfe Street Canalside Regeneration Full Business Case document including:

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

Source Documents

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

