

Sandwell Towns Fund Superboard Ron Davis Centre Expansion Full Business Case

10 March 2022

Subject:	Ron Davis Centre Expansion 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 Ron Davis Centre Expansion 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

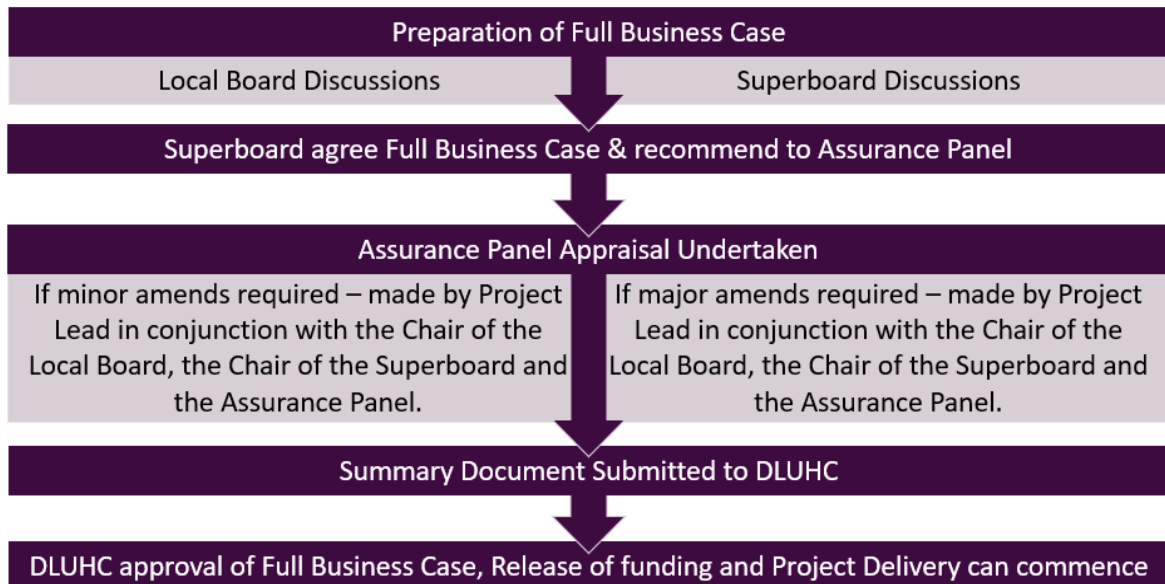


case for change, will maximise public value, is commercially viable, is affordable and is funded and can be delivered successfully by the organisation and its partners

- 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. Ron Davis Centre Expansion Full Business Case Summary

Lead Organisation	Sandwell Council
Towns Fund Ask	£0.360m
Match Funding	£ -
Total Project Value	£0.360m
Project Description	<p>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.</p> <p>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.</p>
Project Start Date	May 2021
Project End Date	December 2023
Outputs	<ul style="list-style-type: none"> • 2 new community assets • 2 new educational spaces
Outcomes	<ul style="list-style-type: none"> • 1,100 new learners assisted 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% of learners gaining relevant experience • 16% of learners being job ready
BCR Calculation	The Benefit Cost Ratio (BCR) calculation for this project is 2.2, 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"> • 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.
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. Ron Davis Centre Expansion 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 £0.360m from £0.338m following the withdrawal of the Albion Family in the Park project.
- 6.3. **Reduced Outputs/ Outcomes:** A detailed costings exercise was carried out to inform the project Full Business Case. The costs received exceeded the Towns Fund Ask (of both original and revised). 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 whilst still retaining as many outcomes.
- 6.4. A Project Adjustment Form has been prepared for the Ron Davis Centre Expansion project to record the following: -

Project Detail	Original Proposal	Adjusted Proposal
Towns Fund Ask	£0.338m	£0.360m
Match Funding	£ -	No changes recorded.
Total Project Value	£0.338m	£0.360m
Outputs	<ul style="list-style-type: none"> • 3 new community assets • 3 new educational spaces 	<ul style="list-style-type: none"> • 2 new community assets • 2 new educational spaces
Outcomes	<ul style="list-style-type: none"> • 1,100 new learners assisted over academic years 2023 – 2025 • 600 additional learners per annum specifically enrolled on digital courses of which 400 will be accredited qualifications over the academic years 2023-2025 	<ul style="list-style-type: none"> • 1,100 new learners assisted 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



Project Detail	Original Proposal	Adjusted Proposal
	<ul style="list-style-type: none"> • 32.6% of learners gaining relevant experience • 16% of learners being job ready 	<ul style="list-style-type: none"> • 32% of learners gaining relevant experience • 16% of learners being job ready
Changes to project description noted within the Project Adjustment Form	Investment will build three new classrooms, expanding the quality and quantity of the courses for Smethwick residents. The project objectives are to deliver transformational change in the Smethwick area, expand targeted education and skills support which has been so successful to help unlock the human capital of Smethwick residents and to regenerate and upgrade local assets, so the residents have access to modern learning facilities.	Investment will build two new classrooms, expanding the quality and quantity of the courses for Smethwick residents. The project objectives are to deliver transformational change in the Smethwick area, expand targeted education and skills support which has been so successful to help unlock the human capital of Smethwick residents and to regenerate and upgrade local assets, so the residents have access to modern learning facilities.

Appendices

Ron Davis Centre Expansion Full Business Case document including:

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

Source Documents

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

