

Sandwell Towns Fund Superboard Canal Network Connectivity Full Business Case

10 March 2022

Subject:	Canal Network Connectivity 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 Rowley Regis Canal Network Connectivity project including an equality impact assessment, environmental impact assessment and monitoring and evaluation plan.

2. Background and Main Considerations

- 2.1. On 3 March 2021, Heads of Terms for a Town Deal for Rowley Regis were offered by Government. This included an offer of an overall funding package of £19m. 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 March 2022.
- 2.2. The Town Deal for Rowley Regis was signed on 24 March 2021.
- 2.3. Details of the projects put forward for the Rowley Regis 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

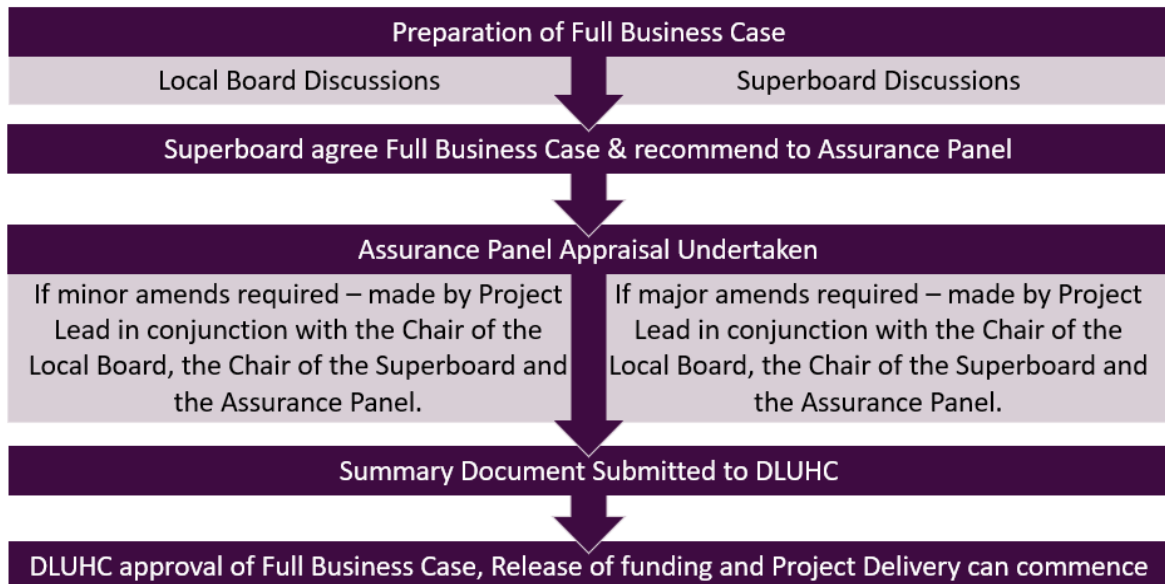


case for change, will maximise public value, is commercially viable, is affordable and is funded and can be delivered successfully by the organisation and its partners

- 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. Canal Network Connectivity Full Business Case Summary

Lead Organisation	Canal and River Trust
Towns Fund Ask	£2.3m
Match Funding	Nil
Total Project Value	£2.3m
Project Description	<p>The strategic aim of the project is to improve active travel connectivity within and across Rowley Regis. This will be achieved through improvements to the canal towpath surface and the access points onto the canal from surrounding areas. Whilst this project falls primarily under the “Connectivity” programme described within the Towns Fund guidance, it will also deliver significant economic, social (health) and environmental benefits.</p> <p>The project will focus on two areas of canal within Rowley Regis – Old Main Line Canal & Dudley No.2 Canal. Although both areas appear to be separate, they are in fact connected by the Netherton Tunnel and part of the “Birmingham Canal Navigations” (BCN) which provides connections to the UK’s inland waterway network.</p>
Project Start Date	February 2023
Project End Date	May 2023
Outputs	<ul style="list-style-type: none"> • 7.13km new or upgraded cycle or walking paths
Outcomes	<ul style="list-style-type: none"> • 40% increase in cycling journeys on canal towpath from baseline • 40% increase in overall visitor numbers to canal from baseline
BCR Calculation	The Benefit Cost Ratio (BCR) calculation for this project is 2.0, meaning this project 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"> • Construction - Unforeseen ground conditions; • Construction -"Canal stoppages"; • Construction - Unforeseen events; • Construction - Increase in interest rates given difference in time to date of pricing (December 2021) and start date on site (February 2023) - Unforeseen economic conditions; • Construction - Increase in price of materials and labour as a result of 2 years passing between pricing and starting on site - Unforeseen economic conditions.
Equality Impact Assessment	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.
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	Not required.

Appendices

Canal Network Connectivity Full Business Case document including:

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

Source Documents

- Canal Network Connectivity Project Confirmation Table
- Rowley Regis Town Deal Heads of Terms
- MHCLG Business Case Guidance, December 2020
- MHCLG Monitoring and Evaluation Guidance, April 2021

