

Report to Cabinet

17 July 2024

Subject:	Regeneration Programme Performance
Cabinet Member:	Cabinet Member for Regeneration & Infrastructure – Councillor Peter Hughes Cabinet Member for Business & Skills – Councillor Sukhbir Singh Gill
Director:	Executive Director Place Alan Lunt Assistant Director for Spatial Planning & Growth Tammy Stokes
Key Decision:	No
Contact Officer:	Business Manager Regeneration & Growth, Jenna Langford jenna_langford@sandwell.gov.uk

1 Recommendations

- 1.1 That Cabinet receives the Performance of the Regeneration Programme.
- 1.2 That Cabinet receives the Performance of the Sandwell Business Growth Plan outturn report for financial year 23/24.

2 Reasons for Recommendations

- 2.1 On the 23 March 2022, Cabinet approved the Regeneration Strategy, and the Regeneration Project Pipeline, setting out the corporate regeneration priorities for the period 2022 to 2027. The pipeline is a live document, and



Cabinet resolved for it to be monitored via a report submitted to Cabinet every 6 months. The last report was submitted in December 2023.

2.2 On 15 November 2023 Cabinet approved the Sandwell Business Growth Plan and resolved that the performance of the Sandwell Business Growth Plan be reported to Cabinet every 6 months. This is the first report to Cabinet.

3 How does this deliver objectives of the Corporate Plan?

	<p>Best start in life for children and young people The diverse nature of the projects within the Regeneration Project Pipeline and Sandwell Business Growth Plan stand to contribute towards this objective.</p>
	<p>People live well and age well. The diverse nature of the projects within the Regeneration Project Pipeline and Sandwell Business Growth Plan stand to contribute towards this objective.</p>
	<p>Strong resilient communities The diverse nature of the projects within the Regeneration Project Pipeline and Sandwell Business Growth Plan stand to contribute towards this objective.</p>
	<p>Quality homes in thriving neighbourhoods The diverse nature of the projects within the Regeneration Project Pipeline stand to contribute towards this objective.</p>
	<p>A strong and inclusive economy The diverse nature of the projects within the Regeneration Project Pipeline and Sandwell Business Growth Plan stand to contribute towards this objective.</p>
	<p>A connected and accessible Sandwell The diverse nature of the projects within the Regeneration Project Pipeline stand to contribute towards this objective.</p>



4 Context and Key Issues

4.1 The Regeneration Project Pipeline sets out the major investment projects that the Council, its partners, and the private sector intend to deliver. It identifies the infrastructure priorities for the council and establishes where resources will be focused. The pipeline now comprises 69 live projects, in addition to the 14 projects that are now complete, bringing the estimated total investment value to £3bn by 2027 and total number of projects to 83 (see figure 1). Three projects have completed since the last update to Cabinet in December 2023. These are the Wednesbury High Street Heritage Action Zone; the Pivot Power Grid Scale Battery Storage facility in West Bromwich; and the Urban Greening project on Princess Parade, West Bromwich. Detail on all projects is provided in the Performance Report (Appendix A).

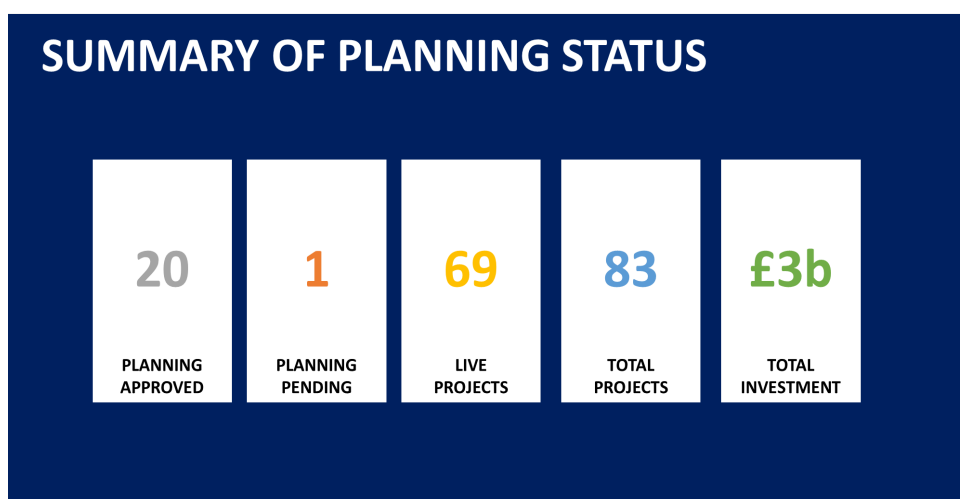
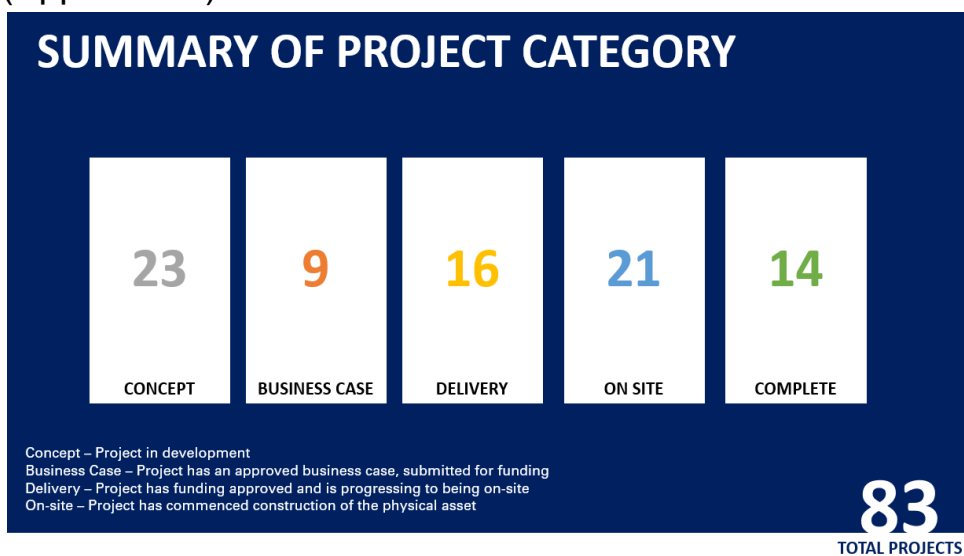


Figure 1 Performance Summary



4.2 To provide Cabinet with assurance that key project risks are monitored and considered, the below table summarises project issues or risks that were escalated to the Regeneration Programme Board on the 20 May 2024.

Project	Commentary
Long Term Plan for Smethwick	Agreeing Investment plan submission, process, appraisal and sign off with Finance and Legal will be required.
Rolfe Street Canalside Regeneration	Objections received to demolition application from statutory consultees. Planning application withdrawn putting demolition and £2m funding at risk. Current slippage of grant funding is 73.69% against the forecast submitted to DLUHC in December 2023.
Grove Lane Regeneration	Project delivery is subject to successful CPO. Current slippage of grant funding is 68.4% against the forecast submitted to DLUHC in December 2023.
Rowley Regis Connected	Project has modified a small section of works due to topographical constraints, resulting in a change to the outputs. Further works is to be completed to determine the impact on the outputs agreed with DLUHC. It is anticipated the changes to outputs would be within the delegated authority threshold; however, a Project Adjustment Request would need to be submitted to DLUHC for their records.
Grove Lane (LUF Round 3)	Awaiting signed MoU from DLUHC/ Minister. The issue of timescales has been raised within the revised bid submission. Will review this risk upon feedback from the DLUHC internal board.
Retail Diversification Programme	Negotiations continue to acquire properties and assemble sites within the project boundary. A change to the acquisition strategy has resulted in the requirement to submit a Project Adjustment Request to DLUHC and a revised BCR calculation for the project. The change has also impacted the outputs assigned. Further detail of this can be found in section 4.29 of this report.



4.3 **Wednesbury Levelling Partnership Update.** In September 2023 details of the Levelling Up Partnership (£20.4m) were formally announced by Government. This followed a set of Cabinet approvals in September 2023 to establish governance arrangements, approve the target geography as Wednesbury, and to agree the set of projects as follows:

- Friar Park Urban Village
- Wednesbury Community Safety Scheme
- Wednesbury Town Centre Improvements
- Wednesbury Greenspaces Improvements
- Friar Park Millennium Centre expansion

4.4 The LUP Programme governance is established with the Wednesbury Levelling Up Partnership Board meeting every other month to oversee the programme, internal project group meetings and regular reporting to DLUHC.

4.5 Individual LUP project delivery updates are provided to Cabinet through this Regeneration Pipeline report, and a LUP programme update report provided to Cabinet in March 2024.

4.6 A summary of project delivery is as follows:

- Wednesbury Town Centre Improvements – Consultation on draft masterplan due to close 11 June. A Cabinet report is scheduled for July to consider approval of the masterplan. Public realm works are due to commence on site in June 2024.
- Community Safety - CCTV installation complete. Procurement is underway for nuisance bike measures.
- Friar Park Urban Village – Preparations being made for Invitation to Tender for Development Partner for remediation phase.
- Friar Park Millennium Centre expansion – detailed designs being prepared following agreement to the scheme by the Millennium Centre Board.
- Wednesbury Greenspaces Improvements – phase 1 projects have commenced on site.



- 4.7 The full LUP grant of £20.05m capital and £0.35m revenue has been received by the Council with a spend deadline of March 2025. Agreement is in place with DLUHC for the Council to manage the LUP grant within the Council's overall capital programme to enable spend beyond the March 2025 grant deadline.
- 4.8 There is currently 1 LUP programme red risk related to the delivery of the Friar Park Urban Village Project due to risk of delays (including to obtaining EA licenses, development partner procurement and/or planning permissions). Controls are in place to manage the risk including by ensuring early engagement with the EA and making arrangements for capital management to enable delivery in 2025/2026.
- 4.9 **Long-Term Plan for Smethwick Update.** In October 2023, the Government Department for Local Communities and Housing (DLUHC) announced their 'Long-Term Plan for Towns' an investment programme of £1.1 billion into 55 towns for local people's priorities such as regenerating local high streets and town centres or securing public safety. The announcement was accompanied by the publication of 'Our Long-Term Plan for Towns' prospectus.
- 4.10 Each of the 55 towns selected are to receive £20m 'endowment-style' funding to invest over the next 10 years. Town selection for funding allocation was undertaken by Government according to the Levelling Up Needs Index which considers metrics covering skills, pay, productivity, and health, as well as the Index of Multiple Deprivation. For Sandwell, Government have selected Smethwick to receive Long-Term Plan for Towns funding. Other Black Country towns allocated funding are Darlaston (Walsall), Dudley (Dudley), and Bilston (Wolverhampton).
- 4.11 The programme will provide long-term certainty to deliver a range of interventions within three broad investment themes to be driven by the needs and wishes of local communities: Safety and Security, High Streets, Heritage and Regeneration and Transport and Connectivity.



- 4.12 Government stated that where a Town Deal Board is already in place (Smethwick Town Deal Board), this can be re-purposed to meet the needs of the Long-Term Plan for Smethwick. In March 2024, Cabinet received a report on the Long-Term Plan programme and Cabinet approved governance arrangements, which included the refresh of the former 'Smethwick Town Deal Board' to establish a 'Smethwick Partnership Board' to bring community leaders and representatives together to produce, oversee and deliver the Long-Term Plan and existing Smethwick Town Deal.
- 4.13 Following Cabinet approval, the Smethwick Partnership Board has been established and the first meeting was held on 7 May 2024, where members agreed the Terms of Reference and received information on both the Long-Term Plan and Smethwick Town Deal programmes.
- 4.14 Government have provided £250,000 in capacity funding to establish the board and develop the Long-Term Plan for submission. Consultants were appointed in April 2024 to support the Smethwick Partnership Board and the council as the Accountable Body to engage with communities and produce the Long-Term Plan for submission.
- 4.15 A number of engagement activities were planned to support the development of the Long-Term Plan, including community-based workshops and an online survey. However, following the announcement of the general election, the Long-Term Plan Engagement Strategy has been revised to reflect the approach to engage with communities during the pre-election period. This has resulted in the cancellation of workshops and the greater emphasis on engagement through virtual methods and via social media which will focus on the promotion of the online survey.



4.16 The Programme Management Office are awaiting guidance from Sandwells DLUHC Advisor including information regarding the 1 August submission deadline and if this has been impacted due to the general election. The councils Monitoring Officer has advised workshops may be reconsidered during the pre-election period if the submission deadline remains as 1 August 2024. An update report on the Long-Term Plan for Smethwick is being presented to Cabinet on the 17 July 2024.

4.17 **Grove Lane, Smethwick LUF Round 3 Update.** The Government's Levelling Up Fund was announced in 2020. It is a £4.8 billion fund to support town centre and high street regeneration, local transport projects and cultural and heritage assets. The Council submitted four bids under the second round of funding including one to acquire properties and remediate land in the Grove Lane area. Only one of the four bids – the project for a new leisure centre at Haden Hill – was successful.

4.18 In November 2023 Government announced Round 3 funding which reconsidered previous Round 2 bids and Grove Lane was automatically made a provisional funding award of £18,063,128.00, subject to project validation, and approval from the S.151 Officer. The bid was submitted on 1 December 2023.

4.19 Government confirmed the next stage of the project validation process on 22 December 2023, requiring a review of the 2022 bid to account for the 16-month passage of time and to confirm any update of project costs. This review was undertaken by the consultants who prepared the initial bid which was then submitted to Government on 2 February 2024 with S.151 Officer approval.

4.20 The review of the bid has not resulted in any changes to the scope of the project and the funding ask from Government and the council remains the same: -

- Project Funding Total - £20,070,142
- Levelling Up Fund - £18,063,128.41
- Sandwell Council - £2,007,013.69



- 4.21 The match funding of 10% of the project cost was approved by Cabinet in June 2022 and has been carried forward from the Capital Programme to support this bid. Delivering within a shortened timescale does remain a risk which will require further discussion with Government Office as the project proceeds.
- 4.22 The scope of the project is to acquire and demolish premises and remediation of 3.45 hectares of brownfield land. If successful, this would facilitate delivery of approximately 151 new homes and a primary school by third parties in the future. It is considered that the forecast total investment from third parties for the new homes and school could be £41,614,410.
- 4.23 The project will assist in delivering the aspirations of the Grove Lane Masterplan – creating a new community adjacent to the new Midland Metropolitan University Hospital and providing a range of new homes including affordable homes in an area identified for housing growth.
- 4.24 Following Government's requests for clarification on a number of points within the bid, it was considered by the Internal Board in April 2024. On 17 May 2024, the council received a verbal confirmation that Minister Young has approved the Grove Lane bid and the project has been validated. The council is currently awaiting confirmation in writing and the issue of a Memorandum of Understanding before moving forward.
- 4.25 **Tipton Town Centre Update.** The £33.3m housing-led regeneration project has obtained vacant possession of commercial and residential properties at Union Street. Planning consent for demolition was approved in February 2024 and a full planning application was submitted on the 18 June 2024 for 55 new homes (26 units Union Street East & 29 Union Street West).



4.26 **Towns Fund Programme Update.** The Towns Fund Programme has secured £67.5m to deliver 16 of the Regeneration Pipeline projects across West Bromwich, Smethwick, and Rowley Regis. The Programme continues to be governed by Sandwell Council and the three Town Deal Boards who meet on a quarterly basis to review project progress and approve financial returns to Government. Board members are committed to securing Social Value (local spend and jobs) from existing/ new contractors and subcontractors as part of project delivery.

4.27 A summary of progress for each town is provided below with more detailed information on progress and financial spend per town included in Appendix C of this report. The profiles were last updated and approved by the Department of Levelling Up Housing and Communities in December 2023.

4.28 West Bromwich Town Deal

- Number of projects: 6
- Forecasted spend by 31 March 2024: £14,357,358.94
- Actual cumulative spend by 31 March 2024: 13,270,218.08
- Financial slippage: 7.57%

4.29 Two projects are complete (Digital Den and Central St Michaels) and four are underway at various stages of delivery. The Urban Greening Project has been categorised as ‘completed’ on the Regeneration Pipeline as all capital works are complete. This project is now delivering the Cultural Programme, provided by Multistory.

4.30 The key risks for the remaining West Bromwich projects include: -

- Retail Diversification Programme – Key acquisitions subject to on-going negotiations remains a key risk, however the Council have successfully acquired the former Wilko unit on West Bromwich High Street, marking a significant step in delivering the Retail Diversification Project and the Masterplan for West Bromwich Town Centre. A Project Adjustment Request and revised BCR is required for this project due to the change in scope regarding the acquisition strategy. The change has also impacted the outputs with an



increase to the amount of rehabilitated land (7%) and reductions to the amount of floorspace rationalised (14.8%) and the amount of land bought into public ownership (57.9%).

4.31 Smethwick Town Deal

- Number of projects: 5
- Forecasted spend by 31 March 2024: £6,627,078.67
- Actual cumulative spend by 31 March 2024: £5,268,561.09
- Financial slippage: 38.93%

4.32 One project is complete (Ron Davis Centre Expansion) and the Smethwick Connected project is near completion. When considering the contract already committed for the Smethwick Connected Project which is due to complete Q1 2024, this slippage is reduced to 34.8%. This will be further reduced once the Midland Met Learning Campus is on site in August 2024 following approval of c£5m co-funding from WMCA.

4.33 The key risks for the remaining Smethwick projects include: -

Grove Lane Regeneration

Due to the landowner's unwillingness to accept an offer for the site, the Compulsory Purchase route, approved by the Cabinet in October 2022, has been pursued. The Statement of Reasons is being finalised and will be reviewed by the legal team before submission to the Secretary of State. A letter will be sent to the landowner to request renewed negotiations and inform them that the CPO will be actioned if they are unwilling to negotiate.

Meanwhile, a planning application for a residential scheme, aligned with the Grove Lane masterplan, is being prepared and is expected to be submitted within the next month. This application will support the CPO case, subject to its approval. The acquisition funding has been delayed due to the CPO process. DLUHC has been informed and, despite timing concerns, has agreed to allow the project to proceed while monitoring progress.



Rolfe Street Canalside Regeneration

The underspend on the Rolfe Street Regeneration is due to unexpected objections to the planning application for building demolition on the site. Located within a Conservation Area, the demolition required consent, and objections were raised by Historic England, Canal & River Trust, and The Victorian Society due to the lack of a replacement plan and potential impacts on the Heritage Asset. These objections led to the withdrawal of the planning application late 2023 and subsequent meetings early 2024 to determine next steps, causing the allocated demolition funds to be reprofiled.

A Heritage Impact Assessment is now needed to understand the potential impact of demolition on the Conservation Area and compliance with National Planning Policy Framework guidelines. The results of the Heritage Impact Assessment will guide whether to submit a change request to DLUHC to alter the project's scope or determine if the project will proceed. If the former, a new planning application will be prepared in consultation with Historic England.

Alternative options including redistribution of funds to other existing projects will need to be considered if the above projects are deemed to have limited delivery prospects.

4.34 Rowley Regis Town Deal

- Number of projects: 5
- Forecasted spend by 31 March 2024: £3,909,659.62
- Actual cumulative spend by 31 March 2024: £3,379,803.35
- Financial slippage: 13.55%

4.35 The key risks for the remaining Rowley Regis projects include: -

- Cradley Heath Skills Hub – Delays to the land transaction resulting in delay to on-site works and budget pressures with a forecasted overspend of circa £300,000.00. Ongoing value engineering is taking place.



- Blackheath Interchange – Revised BCR works underway and require approval from the Accountable Body and DLUHC for the scheme to proceed. The completion date is forecasted December 2025, leaving limited time for any unforeseen works.
- A Project Adjustment Request is required as a result of the revised scheme to notify the changes to the project outputs. These include:
 - Increase ‘Amount of new public realm’ from 700m² to 738m²
 - Increase ‘Length of resurfaced/ improved roads’ from 0.36km to 0.417km
 - New output ‘Length of pedestrian paths improved’: 0.054km
 - New output ‘Length of new pedestrian paths’: 0.071km
 - Removal of ‘Total length of new cycle ways’ output
 - Removal of ‘Road traffic flows in corridors of interest’ output

4.36 The Towns Fund Programme monitoring returns for the period of October 2023 – March 2024 were submitted to DLUHC on 28 May 2024 following Town Board and S151 sign off. Ongoing monitoring will be undertaken throughout the year to ensure that slippage is kept below the 40% threshold which triggers audit assurance reviews by Government. Overall, the risk of slippage exceeding the 40% is low due to construction projects scheduled to be on site over the next quarter. It is expected that progress over the next 6 months will provide a direction for Grove Lane, Rolfe St, and Blackheath Bus Interchange. Updated profiles will be included in the next monitoring returns for the period of April 2024 – September 2024, for submission to DLUHC in December 24.

4.37 **Sandwell Business Growth Plan outturn report 23/24.** On 15 November 2023 Cabinet resolved that the performance of the Sandwell Business Growth Plan be reported to Cabinet every 6 months. This is the first report to Cabinet.

4.38 The Sandwell Business Growth Plan sets 7 priorities each articulating detailed activity, outputs, and outcomes for each and identifies outputs which are contracted for delivery through the UK Shared Prosperity Fund (UKSPF) and other outcomes that the Sandwell Business Growth Team will measure to determine performance. Contracted outputs are set



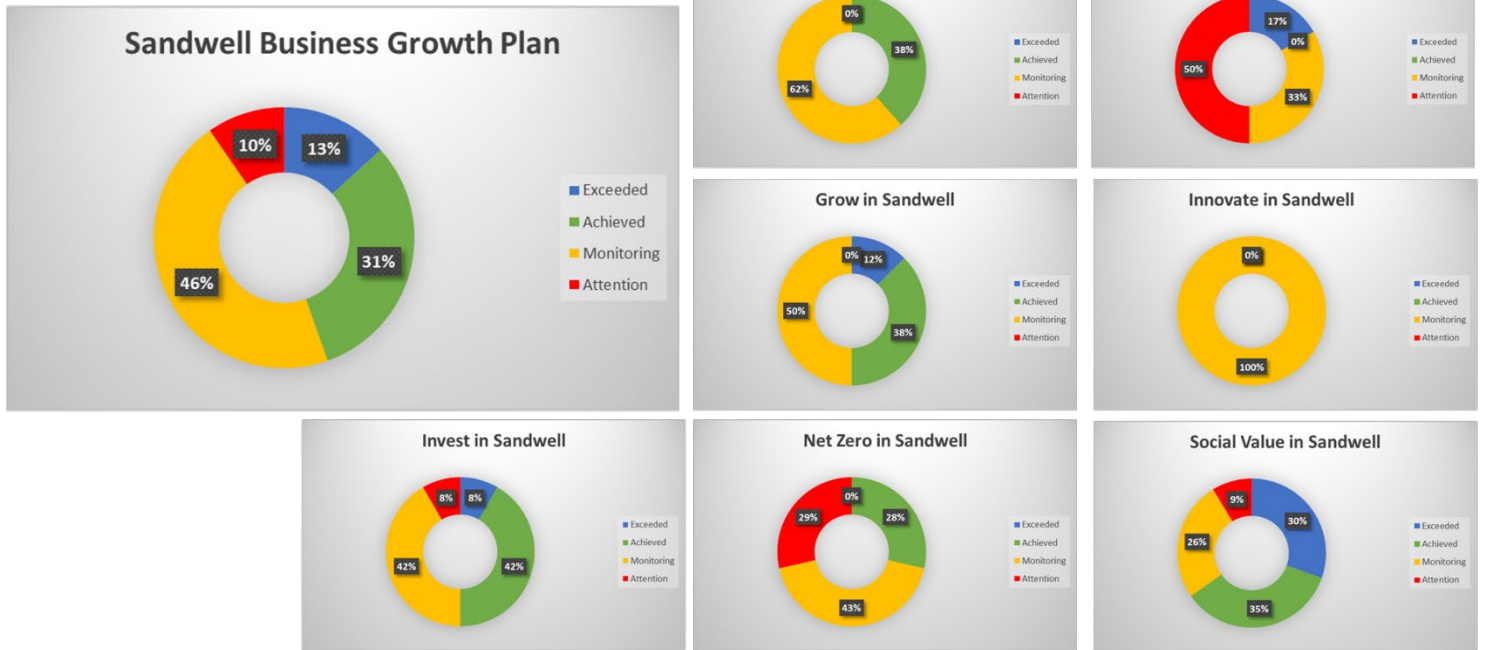
annually, so on this basis the outputs and outcomes profile will be monitored quarterly and set annually:

1. Support in Sandwell
2. Start Up in Sandwell
3. Grow in Sandwell
4. Innovate in Sandwell
5. Invest in Sandwell
6. Social Value in Sandwell
7. Net Zero in Sandwell

4.39 The full report which details the performance and activity against each of the 7 priorities is appended to this report (Appendix B), an overview of performance is provided in figure 2. Whilst this is an outturn report for financial year 23/24, much of the activity did not commence until Q3 23/24. Whilst the UKSPF was launched in April 2022 we were not in a position as a region to commence programmes until Q3 23/24 due to the process of agreeing the double-devolved funding terms between the West Midlands Local Authorities and the West Midlands Combined Authority. This has resulted in the programme duration being halved and the performance against a number of output targets and spend profiles not being achieved as envisaged. However, these have been carried forward into financial year 24/25 – the final year of the UKSPF programme.



Performance Overview



4.40 Sandwell Business Growth Plan Performance Highlights 23/24 include: -

Business Customer Journey (2023/24)

- Sandwell's Business Growth plan was approved by Cabinet and launched.
- Sandwell Business Growth's new brand and website were launched, a new dedicated customer contact phone number was established.
- New customer charter published setting out service standards.
- Sandwell Start Up Hub opened with 60 new desk spaces and meeting rooms for training or business delivery.
- SME Grants, Start Up grants and Net Zero Grant policies agreed and UKSPF grants launched for local businesses to apply for support. We also co-operate with business growth West Midlands to further offer the Business Energy Efficiency Grant programme opening to businesses.
- 88% of customers reported their positive views on our website.

Business Customer Support (2023/24)

- Our advisors supported 259 business support enquiries.



- We have 5 international companies on our Knowledge Account management programme working with the Department of Business and Trade and the West Midlands Growth Company, and a further 9 of our top 50 growing businesses in strategic account management too.
- 116 business attendees joined Sandwell's Top 50 Growing Businesses celebratory event held at the West Bromwich Albion FC conference suite.
- 331 businesspeople attended various events hosted by the business growth team over the year.
- 62 local entrepreneurs attended our Sandwell pop up business school project.

Social Value

- Sandwell's first Social Value Policy in a decade was approved by Full Council in January 2024.
- Seven Social Awareness sessions were held with businesses.
- We published ten Social Value good news stories over the year.
- Social Value planning applications exceeded our target creating 87 apprenticeships.
- Social Value planning applications exceeded our target creating 82 jobs.
- 39 new Social Value Planning Application delivery plans were completed.

4.41 Page 7 of the report (Appendix B) details that Sandwell UKSPF has a funding profile of £3,133,145.17 for financial year 24/25. Reduced resources, delays on the regional programmes, and internal processed all pose additional risks to the successful delivery of the programme. The UKSPF programme may be extended for a further year into 25/26, but this has not been confirmed.

4.42 There will be critical decisions over the next 6 months regarding the continuation of a number of Sandwell Business Growth activities, given the uncertainty of funding post March 2025.



5 Alternative Options

Not applicable.

6 Implications

Resources:	Resources have been identified and agreed by Budget Board. Finance, legal, and procurement representatives sit on the Regeneration Programme Board.
Legal and Governance:	Legal representatives attend the Regeneration Programme Board. Governance has been approved for the Regeneration Programme Board.
Risk:	Programme and escalated project risks are escalated to the Regeneration Programme Board.
Equality:	Equality Impact Assessments will be undertaken as and when required.
Health and Wellbeing:	Health and Wellbeing is a category of projects on the pipeline.
Social Value	Social Value is a priority within the Regeneration Programme and performance against Social Value outputs and outcomes will be monitored by the Regeneration Programme Board.
Climate Change:	Climate Change measures are considered as part of regeneration projects, with sustainability being a category of projects on the pipeline.
Corporate Parenting	There are no implications arising from this report. All projects to be added will be reviewed and assessed to ensure follows SMBC Corporate Parenting requirements

7. Appendices

- (A) Regeneration Pipeline Performance Report
- (B) Sandwell Business Growth Plan Outturn Report 23/24
- (C) Towns Fund Financial Profile



8. Background Papers

None.

