

Report to Cabinet

4 December 2024

Subject:	Regeneration Performance Report
Cabinet Member:	Cabinet Member for Regeneration & Infrastructure Councillor Peter Hughes
Director:	Executive Director Place, Alan Lunt
Key Decision:	No
Contact Officer:	Tammy Stokes Assistant Director Spatial and Planning

1. Recommendations

For the reasons set out in the report, it is recommended that:-

- 1.1. Cabinet receive the performance of the Regeneration Programme;
- 1.2. approval be given to authorise the Executive Director of Place to make the recommended additions to the Regeneration Pipeline: -
 - Add three sites identified for development via the Wednesbury Levelling Up Programme to the project pipeline (Former Outdoor Market, Union Street; High Bullen Car Park; and Spires Health Centre).

2. Reasons for Recommendations

- 2.1 On the 23 March 2022, Cabinet approved the Regeneration Strategy, 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 considered on the 17 July 2024.

- 2.2 In addition, Cabinet resolved that approval be sought to make additions to the project pipeline and for updated pipelines to be published on the council website and the Regenerating Sandwell website.
- 2.3 On 15 November 2023 Cabinet approved the Sandwell Business Growth Plan, setting out the priorities for supporting Sandwell’s economy and business community over 23/24 & 24/25, and resolved performance for it to be monitored via a report to Cabinet every 6 months. The first report to Cabinet was considered on 17 July 2024.

3. How does this deliver objectives of the Council Plan?

Growing Up in Sandwell	The diverse nature of the projects within the Regeneration Project Pipeline and Sandwell Business Growth Plan stand to contribute the best start in life for children and young people in Sandwell.
Living in Sandwell	<p>The diverse nature of the projects within the Regeneration Project Pipeline and Sandwell Business Growth Plan stand to contribute towards people living well and ageing well in Sandwell.</p> <p>The diverse nature of the projects within the Regeneration Project Pipeline and Sandwell Business Growth Plan stand to contribute towards strong resilient communities in Sandwell.</p> <p>The diverse nature of the projects within the Regeneration Project Pipeline stand to contribute towards quality homes in thriving neighbourhoods in Sandwell.</p>
Thriving Economy in Sandwell	<p>The diverse nature of the projects within the Regeneration Project Pipeline and Sandwell Business Growth Plan stand to contribute towards a strong and inclusive economy.</p> <p>The diverse nature of the projects within the Regeneration Project Pipeline stand to contribute towards a connected and accessible Sandwell.</p>

4. Context and Key Issues

- 4.1 The Regeneration project pipeline now comprises 67 live projects, in addition to the 16 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). Detail on all projects is provided in the Pipeline Performance Report (Appendix A).
- 4.2 Detail on the Social Value commitments of the 67 live projects, including social value achieved to date is provided in the Regeneration Pipeline Social Value Report (Appendix B).

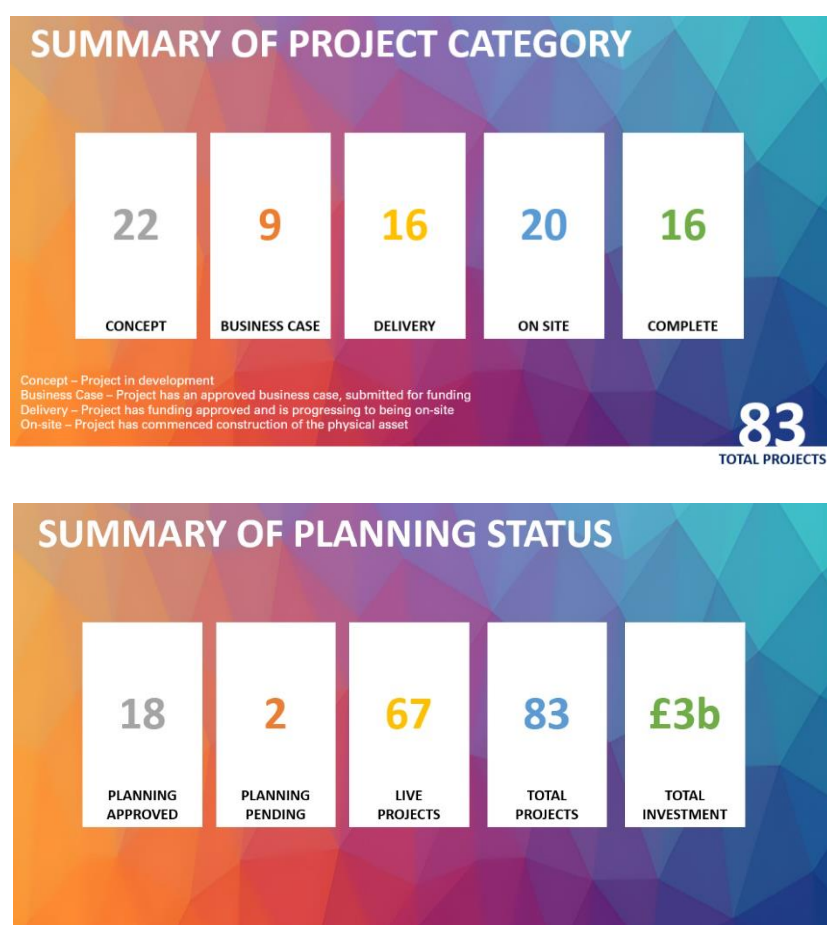


Figure 1. Performance Summary

- 4.3 Of note, since the last performance update to Cabinet in July 2024, two more projects have completed: -
- Woods Lane Phase 2 Housing Development
 - Midland Met University Hospital

4.4 Key project risks escalated to the Regeneration Programme Board for action on the 7 October 2024 are captured in the below table.

Project	Commentary
Grove Lane Regeneration (Towns Fund)	Smethwick Partnership Board are concerned with the minimal progress since CPO approval and requested details of legal advice on prospects of success. Towns Fund Board wish to start to explore alternative options for funding should CPO not be approved.
Rolfe Street Canalside Regeneration (Towns Fund)	Smethwick Partnership Board are concerned with the timescales to deliver this project following delays, particularly regarding the Heritage Impact Assessment and Feasibility Study.
Blackheath Interchange and Public Realm (Towns Fund)	Benefit Cost Ratio (BCR) calculation is complete. To achieve a positive BCR, the project value has been reduced to £2,891,252 from £3,746,000. MHCLG advised this will require their sign off due to removed outputs and change of scheme design. This project is RAG Rated Red due to awaiting MHCLG approval of the project for it to proceed.

4.5 In addition to the those escalated to the Regeneration Programme Board on the 7 October 2024, the report to Cabinet also includes more detailed commentary, covering; Wednesbury Levelling Up Partnership; Towns Fund Programme; Grove Lane, Smethwick LUF Round 3; and the Smethwick Long-Term Plan Programme.

4.6 **Wednesbury Levelling Up Partnership (LUP)** Much progress has been achieved across the LUP programme and this was reported to Cabinet in a bespoke report on 16 October 2024. Achievements include the agreement of a Masterplan for Wednesbury Town Centre.

4.7 There is currently one programme red risk related to the delivery of the Friar Park Urban Village Project due to risk of delays (including to obtain Environment Agency (EA) licenses, development partner procurement and/or planning permissions). Controls are in place to manage the risk including early engagement with the EA and making arrangements for capital management to enable delivery in 2025/2026. 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 MHCLG 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 On 7 October 2024, the Regeneration Programme Board agreed to recommend to Cabinet, that that three council owned sites identified for development via the Wednesbury Levelling Up Programme (currently reported via the Wednesbury Masterplan Pipeline entry) are itemised individually on the Regeneration Pipeline to enable accurate reporting of funding, outcomes, and deliverables. The three sites identified are Former Outdoor Market, Union Street; High Bullen Car Park; and Spires Health Centre.

4.9 **Grove Lane, Smethwick Levelling Up Fund (LUF) Round 3.** Following Government's requests for clarification on a few points within the £18,063,128.41 bid, on the 17 May 2024 the council received verbal confirmation that Minister Young had approved the 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.

4.10 Concerns have been raised with Government regarding the timescales to deliver this project and with the further delay in correspondence due to the General Election, the delivery timescales concerns and risks increase.

4.11 **Towns Fund Programme Update.** A summary of progress for each town is provided below and within Appendix C. A summary for each of the three towns is provided below:

4.12 West Bromwich Town Deal

- Number of projects: 6
- Forecasted spend by 30 September 2024: £19,213,223.44
- Actual cumulative spend by 30 September 2024: £17,664,599.46.
- Financial slippage: 8.1%
- The forecast cumulative spend by March 2025 is £22,832.799.20.

4.13 A change request for the Retail Diversification Programme was submitted to Government in September 2024. This was to report the change in scope regarding the acquisition strategy and revised Benefit Cost Ratio (BCR) for

the project. This change has impacted the outputs with a decrease to the amount of remediated land (36%) and reductions to the amount of floorspace rationalised (18%) and the amount of land bought into public ownership (56%).

4.14 A response from Government was received on 18 October 2024 confirming the Project Adjustment Request is approved.

4.15 There are currently no red risks for the West Bromwich projects.

4.16 Smethwick Town Deal

- Number of projects: 5
- Forecasted spend by 30 September 2024: £10,315,292.79
- Actual cumulative spend by 30 September 2024: £7,332,108.56.
- Financial slippage: 28.29%
- The forecast cumulative spend by March 2025 is £12,757,029.98.

The key risks for the remaining Smethwick projects include: -

- Grove Lane Regeneration – Project delivery is subject to successful acquisition by agreement with the landowner or Compulsory Purchase Order.
- Rolfe Street Canalside Regeneration – Project scope is subject to the outcome of a Heritage Impact Assessment and Feasibility Study, which in turn will assist the submission of a planning application and a possible Project Adjustment Request for Smethwick Partnership Board and Government approval.

4.17 As requested by the Smethwick Partnership Board, existing Smethwick Town Deal projects have been invited to submit an Expression of Interest for the potential underspend of the Grove Lane grant funding, should this project not proceed as outlined above.

4.18 The deadline for expression of interests is the 25 October 2024. This ensures the Board and the Accountable Body has sufficient time to reallocate funding within the delivery programme. A decision will be made if any funding is to be reallocated in February 2025.

4.19 As part of the bi-annual reporting to Scrutiny, an update on the Grove Lane Regeneration project and Rolfe Street Canalside Regeneration project has been requested. This will be presented at the Scrutiny committee in November 2024.

4.20 Rowley Regis Town Deal

- Number of projects: 5
- Forecasted spend by 30 September 2024: £4,292,806.24.
- Actual cumulative spend by 30 September 2024: £4,316,358.90.
- Financial slippage: 0
- The forecast cumulative spend by March 2025 is £8,194,664.68.

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 £250,000.00. Ongoing value engineering is taking place.
- Blackheath Interchange – Revised Benefit Cost Ratio (BCR) calculation is complete, confirming a positive BCR when reducing project investment value from £3,746,000 to £2,891,252.
- A Project Adjustment Request has been produced to report the change in scope, reduced funding amount and revised BCR. Approval of the Project Adjustment Request was granted by the Accountable Body Assurance Panel on 15 October and has been submitted to Government for approval. A response is anticipated at early November. The revised delivery programme includes a forecasted completion date of November 2025, leaving limited time for any unforeseen works.

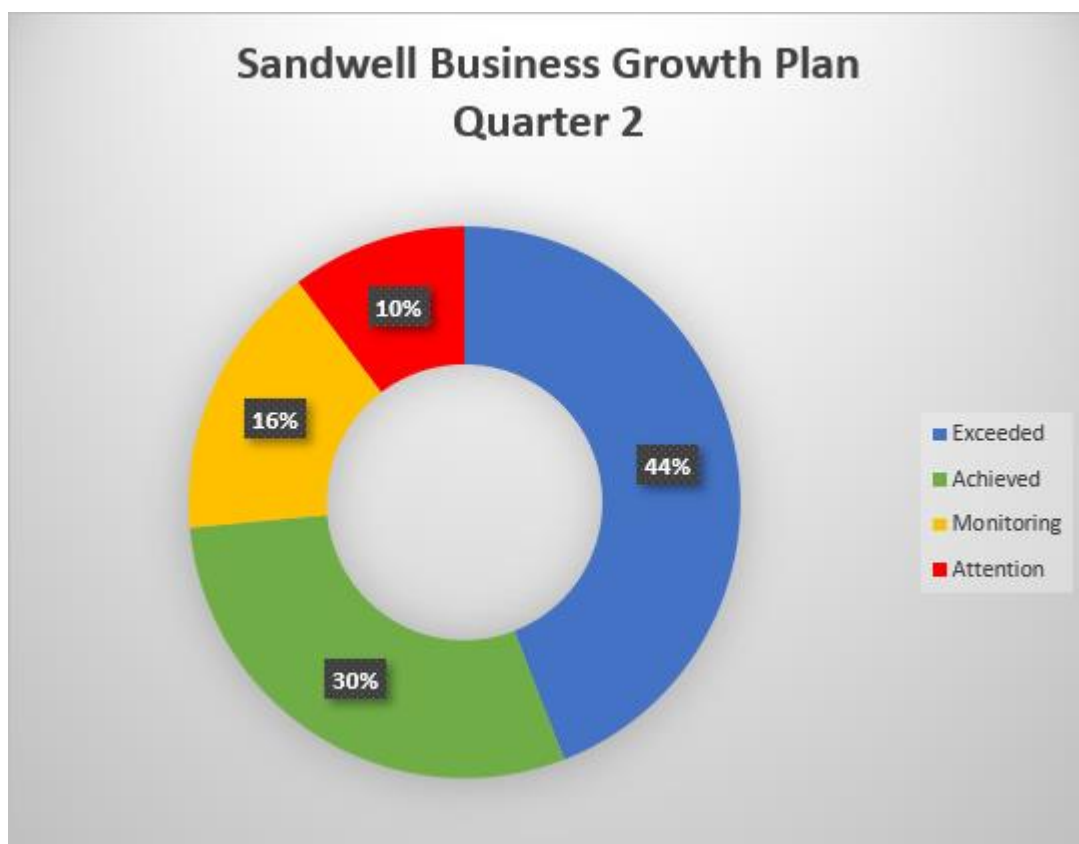
4.21 As a result of the reduction of grant funding for the Blackheath Interchange Project, there is an underspend of circa £840,000.00. Existing Rowley Regis Town Deal projects were invited to submit an Expression of Interest to request additional funds.

- 4.22 Three expressions of interest have been received and will be reviewed at the Rowley Regis Town Deal Board in November 2024 and recommended to the councils S151 Officer for sign off, prior to submitting a Project Adjustment Request to Government to report the reallocation of funding.
- 4.23 The Towns Fund financial monitoring returns for Qtr 3 - Qtr 4 23/24 (October 2023 – March 2024) were submitted to MHCLG on 28 May 2024. The monitoring returns for the period of April 2024 – September 2024 will be submitted to MHCLG by 24 November 2024 following sign off from Town Deal Boards and the Councils S151 Officer. Ongoing monitoring will continue throughout financial year 24/25 so that slippage remains below the 40% threshold, preventing audit assurance reviews by Government. The monitoring returns for the period of October 2024 – March 2025 will be submitted to MHCLG in June 2025 following sign off.
- 4.24 As part of the Government Assurance Framework, Sandwell has been selected for an Audit Review. This review will include the Sandwell Towns Fund Programme (West Bromwich, Smethwick, and Rowley Regis), and Levelling Up Funds for Tipton and Haden Hill. The audit review will take place during end of October/ November 2024.
- 4.25 **Smethwick Long Term Plan.** Since the announcement of the Long-Term Plan for Towns Programme, work has been undertaken to develop a Long-Term Plan for Smethwick. To shape the Plan for Smethwick, communities were invited to share their views through a survey between April and June, to inform the plan in readiness to submit to Government by 1 August 2024.
- 4.26 On 19 July 2024, the new Government postponed the submission of all Long-Term Plans across the country. The Plan for Smethwick was approved by the Smethwick Partnership Board on 25 July, despite the suspension in submissions.
- 4.27 Further guidance is anticipated from Government subject to the Spend Review on 30 October, therefore an update on the position is not available for this report. The Leadership Team and Cabinet Member for Regeneration & Infrastructure will be briefed following receipt of further guidance and a separate report to Cabinet will be provided if necessary.

4.28 Sandwell Business Growth Plan 24/25 Qtr 1 & Qtr 2 Performance Report.

4.29 The Sandwell Business Growth Plan was recently updated for financial year 24/25 – the final year of the plan and was reported to Leaders on the 6 November 2024. The plan is available on the Sandwell Business Growth website.

4.30 Appendix D of this report provides details of performance against the outputs and outcomes of the Sandwell Business Growth Plan for Quarter's 1 & 2 24/25. The performance report identifies that the Sandwell Business Growth Team are performing well against the plan with 74% of outputs and outcomes either being exceeded or achieved. Those which require monitoring or attention have mitigations identified to ensure the targets are achieved within the plan period. This report will now provide a high-level summary of performance against each of the 7 economic priorities of the Sandwell Business Growth Plan.



- 4.31 **Support in Sandwell.** In Q2 Customer Service Standards targets were exceeded, with 100% of enquiries being responded to within 2 working days and addressed within 10 working days. Over Q1 & Q2 enquiries via the website achieved an average of 52% exceeding the target of 50%. For Q3 & Q4 the website will be promoted across a range of events with businesses to drive traffic to the website. Over Q1 & Q2 customers rating the website as Excellent or Good achieved an average of 80%.
- 4.32 **Start Up in Sandwell.** The Start Up Hub has registered 30 users over Q1 & Q2, exceeding the quarterly targets. The hub has hosted 27 events with the average attendance rate of Q1 & Q2 meeting the 70% target. The Start Up grant programme requires attention during Q3. Only 16% (£23,900.52) of the grant has been administered due to grant applicants not being eligible. A further £24,000 (approx.) of grant has been approved, with a pipeline of applicants for consideration in Q3 & Q4 valued at £15,000 (approx.). If these forecasts do not increase the allocated funds for Start Up Grants will be re-allocated to another grant funding programme within the Sandwell Business Growth Plan – SME Grants. Q2 saw 35 participants complete the Business School programme, contributing to 29% of the annual target. Provider is confident that the programme is on track for Q3 & Q4 targets, but the programme is being monitored.
- 4.33 **Grow in Sandwell.** Sandwell Business Growth received 194 enquiries across the website, email, direct enquiries, and referrals from Business Growth West Midlands. In Q2 28% of enquiries were referred to specialist support programmes that are commissioned and managed by the Sandwell Business Growth Team. 72% of enquiries were addressed directly by the Sandwell Business Growth Team. The SME Grant Programme is exceeding targets and is closed to new applications until more funds can be allocated from the West Midlands Combined Authority. The grant budget may also increase should the need arise to reallocate Start Up Grant funds to the SME programme to meet demand. The quarterly profile targets have been exceeded in both Q1 & Q2, representing 54% of the annual target.
- 4.34 **Net Zero in Sandwell.** The Net Zero programme is exceeding its target for the number of businesses adopting new technologies, seeing adoption of Solar PV and LED lighting. The team are also seeing success in supporting Sandwell Business to complete energy audits with 89

completed to date. Referrals to the Business Energy Efficiency Programme is delivering positive results for Sandwell Businesses. Three Sandwell businesses joined the programme and are implementing new LED lighting and furnaces. A rise in applications is anticipated in Q3 due to late submissions. The programme delivered 5 grants totalling £76,105.70 in Q2. Poor weather and Solar PV supply and grid capacity challenges have caused delays to grant awards being expended. The programme has seven approved in principal applications worth approximately £359k, which will increase project spend during Q3 and the grant programme will continue to be monitored.

4.35 **Invest in Sandwell.** The team secured new inward investment during Q2 that will transform Carters Green Road, West Bromwich – a superstore that will specialises in Asian food is being built by a company based in London. The team are achieving the target for supporting businesses within the Life Sciences and Tech Clusters working in collaboration with the West Midlands Growth Company. With regard to Professional Services and Advanced Manufacturing Clusters the team need to liaise with the West Midlands Growth Company to determine Sandwell businesses within this cluster that require support during Q3.

4.36 **Innovate in Sandwell.** The team have successfully obtained £50,000 from the West Midlands Global Fund to undertake research to inform how Sandwell can better support businesses in their innovation aspirations. In partnership with other Local Authorities across the Black Country a tender is now live to commission a Black Country Innovation Delivery Framework, which will be completed by the end of March 2025.

4.37 **Social Value in Sandwell.** During Q2 the team have secured over 195 voluntary hrs for community projects and school support. In addition, 34 apprenticeships and 55 jobs have been secured across Q1 & Q2 through planning applications, council contracts, and Employment & Skills. More detail and case studies are included within Appendix B of this report.

5. Alternative Options

5.1. 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

Appendix 1 – Regeneration Pipeline Programme Report

Appendix 2 – Regeneration Pipeline Social Value Report

Appendix 3 – Towns Fund Programme Update

Appendix 4 – Business Growth Plan Qtr 1 & Qtr 2 Performance Report

8. Background Papers

None.