



Haden Hill Leisure Centre

Levelling Up Fund application

July 2022

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1. Gateway

Please confirm which bid allowance you are using:

Constituency allowance

- Transport allowance

For bids using the transport allowance, is your bid at least 90% investment in the transport theme with the remaining investment related to the transport element of the bid?

Yes/No

N/A

Bids from a single applicant, excluding large transport and large culture bids - Please confirm that the bid does not exceed £20 million.

Yes/No

Package bids – Do you have more than three component projects?

Yes/No

N/A

Joint bids - For a joint bid in England, Scotland, and/or Wales, please confirm the names of the other local authorities you are working jointly with and confirm which bid allowance they are using to support this bid.

N/A

For a joint bid in Northern Ireland, please confirm the registered names of the other organisations you are working jointly with. Please confirm if any of your partners are from the non-public sector.

N/A

All joint bids. Do you have the support of the other organisations you are working with and have a signed pro forma to this effect from each organisation?

Yes/No

N/A

Joint bids with only one component project. Please confirm that your bid does not exceed the maximum threshold allowable for joint bids with only one component project.

N/A

Joint bids with multiple component projects - Please confirm that your bid does not exceed the maximum threshold allowable for joint bids that contain multiple component projects.

N/A

Large transport bids (from a single applicant) >£20 million – Please confirm that the bid does not exceed £50 million

N/A

Large transport bids (from a single applicant) >£20 million – Please confirm that at least 90% of the investment is in the transport theme. The remaining investment must be related to the transport element of the bid.

N/A

Large cultural bids (from a single applicant) >£20 million - Please confirm that the bid does not exceed £50 million

N/A

Large cultural bids (from a single applicant) >£20 million – Please confirm that at least 90% of the investment is in the cultural theme. The remaining investment must be related to the transport element of the bid.

N/A

Transport bids from the Northern Ireland Executive (NIE) – For transport bids in Northern Ireland, from the NIE, do you have the support of the relevant local council(s)?

N/A

Any bid with a transport element – For bids in Northern Ireland with a transport element, which are not from the NIE, do you have the support of the relevant local council(s)?

N/A

Any bid with a transport element - For bids in England, Scotland, and/or Wales, where you (the applicant) do not have statutory responsibility to deliver all of the transport elements of your bid, please confirm that you have the support of all the authorities with the relevant statutory responsibility before proceeding.

N/A

1.1 Gateway criteria for all bids

Please tick the box to confirm that some LUF grant funding will be defrayed in the 2022/23 financial year. [tick box]

Tick relevant box on upload.

Please ensure that you have completed in full the relevant [Costings and Planning workbook](#) (whether for single bids or package bids)

1.2 Gateway Criteria for single and joint bids where the lead applicant and any partner organisations are higher education / university, private and/or third sector organisations in Northern Ireland bids only.

N/A

1.2 Gateway Criteria for single and joint bids where the applicant and/or partner organisations are higher education / university, private and third sector organisations in Northern Ireland bids only.

N/A

1.3 Applicant details

Legal name of lead applicant organisation: Sandwell Metropolitan Borough Council

Bid Manager: Tammy Stokes

Name:

Position:

Contact telephone number:

Email address:

Postal address:

Senior Responsible Officer contact details:

Name: Alice Davey

Position:

Contact telephone number:

Email address:

Chief Finance Officer contact details:

Name:

Contact telephone number:

Email address:

Local Authority leader contact details:

Name:

Position:

Contact telephone number:

Email address:

Please provide the name of any consultancy companies involved in the preparation of the bid:

Mott MacDonald and Aspinall Verdi

Where is your bid being delivered? **England**, Scotland, Wales or Northern Ireland. [Tick box]

For Northern Ireland only, please confirm lead applicant type;

- Northern Ireland Executive
- Third Sector
- Public Sector Body
- Private Sector
- Local Council
- Higher Education/University
- Other (please state)

For Northern Ireland only. If third sector, private sector, higher education/university or other please provide charity and/or company registration number.

Charity number:

Company number:

For all bids. If VAT is applicable to your organisation, please provide VAT number:

Client to confirm response. This organisation is a local authority and so VAT is recoverable.

2 Subsidy control and state aid analysis

2.1 All applicants must establish if the direct award of LUF funds from UK Government to you (as the applicant) could constitute a subsidy.

If any of the four responses is a 'No' then the award is not considered to be a subsidy.

2.1.1 Is the support provided by a 'public authority' and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee?

Yes

2.1.2 Does the support measure confer an economic advantage on one or more economic actors?

No and typed response required.

2.1.3 Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services?

No

2.1.4 Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?

Yes/No

2.1.5 Did you respond 'Yes' to all the above? If so, the planned activities meet all four key characteristics which indicates it would be considered a subsidy.

For public sector applicants, if response to this question is:

- Yes - please go to question 2.2
- No - please go to question 2.4

2.2 Please demonstrate how the direct award of LUF monies from UK Government to you (as the applicant) has been considered under each of the subsidy principles.

N/A

2.2.1 Subsidies should pursue a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns ("the objective") Please demonstrate how your bid meets this principle.

N/A

2.2.2 Subsidies should be proportionate and limited to what is necessary to achieve the objective Please demonstrate how your bid meets this principle.

N/A

2.2.3 Subsidies should be designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of subsidies being provided. Please demonstrate how your bid meets this principle.

N/A

2.2.4 Subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy. Please demonstrate how your bid meets this principle.

N/A

2.2.5 Subsidies should be an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means. Please demonstrate how your bid meets this principle.

N/A

2.2.6 Subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition or investment within the United Kingdom. Please demonstrate how your bid meets this principle.

N/A

2.2.7 Subsidies' positive contributions to achieving the objective should outweigh any negative effects, in particular the negative effects on trade or investment between the Parties. Please demonstrate how your bid meets this principle.

N/A

2.3 All non-public sector applicants delivering in Northern Ireland. If the award of funds is or isn't considered to be a subsidy, please set out in detail how you will deliver the funds compliantly under the subsidy regime. If you are proposing to allocate some of the grant funds to third parties, such as project partners working with you to deliver the project, (e.g. sub-granting) please identify how you will ensure disbursement of the grant is done so in accordance with the UK subsidy control regime. The department will need to assess how funds will be awarded and how risk is managed.

N/A

2.3.1 All non-public sector applicants delivering in Northern Ireland. Confirm that you have obtained and uploaded independent legal advice that is aligned to your response in this section and verifies that the award of funds is considered to be UK subsidy control regime and/or State aid compliant.

N/A.

2.4 Public authorities only. Please confirm if you will be disbursing the funds as a potential subsidy to third parties.

If Yes, go to Question 2.5.

If **No**, End

Confirmed that this bid will not be disbursed as potential subsidy to third parties.

2.5 Public authorities only. Confirm that you have completed pro forma 5 statement of compliance signed by your Chief Finance Officer.

Yes/No

2.6 Public and private sector applicants for delivery in Northern Ireland only. Is the direct award of funds from UK Government to you (as the applicant) considered to be as State aid under the four EU State aid rule tests?

2.6.1 Is the support granted by the state or through state resources?

N/A

2.6.2 Does the support confer a selective advantage to an undertaking?

N/A

2.6.3 Does the support distort or have the potential to distort competition?

N/A

2.6.4 Does the support affect trade between EU member states?

N/A

2.7 Do the planned activities meet all four key State aid tests? If all four tests are met then the award constitutes State aid and must comply with the State aid law.

If Yes, go to question 2.7

If **No**, end.

Confirmed. This award does not constitute state aid.

2.8 Please list all the organisations (if known) which may benefit from the funding of the project and any economic benefit they may receive as a result of the funding.

Please list all the organisations who may benefit from the funding and set out what economic benefit they are set to receive.

A beneficiary is an entity who derives advantage from something, in this instance LUF funding.

2.9 Applicants must consider whether the award meets all the tests for each beneficiary. If beneficiaries are considered to be in receipt of State aid then you must consider how this is compliant under the State aid rules. Applicants may wish to refer to the European Commission's "notion of aid (europa.eu)" guidance.

Beneficiary name	Is the support granted by the state or through state resources?	Does the support confer a selective advantage to an undertaking?	Does the support distort or have the potential to distort competition?	Does the support affect trade between member states?	Is the award considered state aid?
					Yes/No

N/A

2.9.1 Where a project is funded under an exemption based on the General Block Exemption Regulations (651/2014), the Applicant is required to either:

N/A

2.9.2 Do you confirm that the project falls within the scope of Regulation 6(5) under the General Block Exemption Regulations (651/2014)

N/A

2.9.3 If no, confirm that you have attached document containing the required information.

N/A

2.9.4 If you intend to use an exemption(s) under GBER to deliver the project, please confirm you have read the terms of the scheme and meet all the relevant terms.

N/A

2.9.5 Identify the GBER provision, the title of the scheme and the amount of LUF award to be delivered under the provision. Describe how you meet all the relevant terms of the exemption.

N/A

2.10 As the bidding organisation are you subject to an outstanding recovery order in respect of State Aid? If 'Yes', provide brief details.

N/A

2.11 Describe the system in place for collecting and recording the required information for State aid audits and returns.

N/A

2.12 All non-public sector applicants delivering in Northern Ireland. Confirm that you have obtained and uploaded independent legal advice that is

aligned to your response in this section and verifies that the award of funds considered to be State aid compliant.

N/A

3 Bid summary

3.1 Bid name

Haden Hill Leisure Centre

3.2 Please provide a short description of your bid, including the visible infrastructure that will be delivered/upgraded and the benefits that will be felt in the area.

(100 words maximum)

Our LUF Application proposes the demolition and delivery of a new Leisure Centre in Rowley Regis, Sandwell. The existing Haden Hill Leisure Centre is now 46 years old, and there is an immediate requirement to replace the facility. Failure to do so, would compromise the Council's ability to meet the demand for sport and leisure facilities in the Rowley Regis area. Project delivery will support the long-term economic sustainability of sport and leisure facilities in Sandwell. The proposed site layout and facilities mix are illustrated in Figure 1.1 and Figure 1.2 as included within Appendix A.

3.3 Please provide a more detailed overview of the bid proposal.

(500 words)

Our LUF Application proposes the demolition and construction of a new Leisure Centre at Haden Hill, located in the Sandwell town of Rowley Regis. The existing Haden Hill Leisure Centre is now 46 years old, and there is an immediate requirement to replace the facility. Failure to do so would compromise the Council's ability to meet the demand for sport and leisure facilities in the Rowley Regis area. Project delivery will support the long-term economic sustainability of sport and leisure facilities in Sandwell. Details of the proposed site layout and facilities mix are set out below before illustrations are provided in Figure 1.1 and Figure 1.2 as included within Appendix A.

The proposed schedule of accommodation for the new Haden Hill Leisure Centre is listed below:

- Main 6 lane pool (25 x 12.5m)
- Learner pool (13 x 10m)
- Wet change village
- Sports hall (4 court)
- Gym (100 station)
- Spin studio (27 station)
- Dance studios (x2)
- Dry change
- Reception/office
- Café
- Staff room
- Wet and dry storage
- Plant rooms
- Circulation

The proposed facility will accommodate a larger number of members and users than the existing facility, enabling the site to meet demand of current leisure users which is not possible within the constraints of the existing facility.

The anticipated outcomes of the proposed intervention include:

- Delivery of a modern, fit for purpose facility which will encourage additional users.
- Increased capacity at the centre to accommodate additional users, supporting increased uptake of physical activity.
- Delivery of swimming facilities, which have been identified as underprovided.
- Improved accessibility for disabled users.
- Improved provision of health and leisure services for the local community.
- Reduced pressure on health care services due to physical inactivity.

3.4 Please provide a short description of the area where the investment will take place.

If complex (i.e. containing multiple locations/references) please include a map defining the area with references to any areas where the LUF investment will take place.

For transport projects include the route of the proposed scheme, the existing transport infrastructure and other points of particular interest to the bid e.g., development sites, areas of existing employment, constraints etc.

(278/500 words)

The proposed area of investment is located on Barrs Road, Cradley Heath which sits on the northern edge of Haden Hill Park in the Borough of Sandwell. The proposed area of investment falls under the jurisdiction of the Halesowen and Rowley Regis parliamentary constituency which extends west into the Borough of Dudley. Figure 1.3 included within Appendix A provides the red line boundary for the site, before Figure 1.4 provides context of the surrounding area of influence.

As illustrated in Figure 1.5, Appendix A, 73.2% of the population of Sandwell are within the three most deprived deciles of the Index of Multiple deprivation within the UK. This is compared to 30% for the national average. Notably, 71.8% of the population are considered to be within the three most deprived health deciles, again compared to 30% nationally. Life expectancy across the Borough in 2015, was 77 for men and 81.3 for women compared to a national average of 79.6 for men and 83.2 women [3.4.1/a].

As a result of the poor health outcomes exhibited within Sandwell, costs to the NHS per 100,000 people sits at £2,132,477 which is 10.9% more than the regional average at £1,922,771 and 17.3% more than the national average at £1,817,285, particularly damaging to the Birmingham and West Midlands NHS Trust.

The proposed site for investment is strategically located and has a large catchment. The site is well connected via sustainable modes of transport and accessibility will be further enhanced through the delivery of forthcoming active travel schemes, funded through Towns Fund.

3.5 Please confirm where the investment is taking place (where the funding is being spent, not the applicant location or where the bid beneficiaries are located).

[407/500]

The location of the proposed investment is Barrs Road, Rowley Regis, Sandwell, B64 7HA (SO 95845 85636). The site is bounded at the northern edge by Haden Hill Park in Cradley Heath. The proposed site is identified in the red line boundary plan provided in Figure 1.3, Appendix A.

Rowley Regis is one of six towns in the Sandwell Metropolitan Borough Council area. It is situated in the southwest of Sandwell and contains the wards of Blackheath, Cradley Heath and Old Hill, Rowley and Tividale. Rowley Regis borders Dudley to the South and West.

Sandwell has four parliamentary constituencies: West Bromwich West, West Bromwich East, Warley and a proportion of Halesowen and Rowley Regis. The proposed site of investment is located within the ward of Halesowen and Rowley Regis. The catchment of the site crosses parliamentary boundaries and the benefit would be realised across the borough.

The population of Rowley Regis in mid-2019 was estimated to be 51,301 (Females-25,849 (50.4%) Males-25,452 (49.6%)). Rowley Regis has a slightly older age profile than Sandwell, but a younger age profile than England.

Figure 1.4 (Appendix A) identifies local amenities surrounding the proposed site of investment including health care services, transport hub and residential centres.

The site is strategically located and is accessible via several transport modes. Residential units are located within the catchment area for the proposed site. The nearby high streets of Blackheath and Cradley are approximately a 25-minute walk from the site.

The proposed site of investment is well connected to existing public transport infrastructure. Old Hill Rail Station is located less than 500m away from the site, providing connections to Cradley Heath in the west of the Borough and Smethwick and West Bromwich in the east of Sandwell.

The site is also accessible via the active travel network. This will be further enhanced through the delivery of two complementary towns fund projects; Canal Connectivity and Rowley Connected.

Canal Connectivity – Will involve resurfacing, improving and signposting the existing towpath. The southern terminus at Station Road is only 600 metres from the Leisure centre supporting sustainable access to the site.

Rowley Connected – Upgrade of existing and creation of new off-road paths between Blackheath, Old Hill and Cradley Heath. The project will ensure HHLC is integrated within the new active travel network and positively referred to in the new signage strategy.

3.6 Please confirm the total grant requested from LUF (£).

The total grant requested from LUF is £20,000,000 (excluding VAT), detailed in the response to 6.1.1 and the costing workbook.

3.7 Please specify the proportion of funding requested for each of the Fund's three investment themes:

- a) Regeneration and town centre (0%)
- b) Cultural (100%)
- c) Transport (0%)

3.8 Please tick one or more sub-categories that are relevant to your investment:

- Regeneration
 - Commercial

- Civic
- Residential
- Other (please elaborate)
- Cultural
 - Arts & Culture ✓
 - Creative Industries
 - Visitor Economy
 - Sports and athletics facilities ✓
 - Heritage buildings and sites
 - Other (please elaborate)
- Transport
 - Active Travel
 - Buses
 - Strategic Road
 - Rail
 - Aviation
 - Maritime
 - Light Rail
 - EV Infrastructure
 - Local Road
 - Other (please elaborate)

3.9 Please provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome.

(150 words)

This project is not the subject of any other funding applications.

4 Strategic fit

4.1 Member of Parliament endorsement (England, Scotland and Wales ONLY)

This section should be completed for bids in England, Scotland, and/or Wales, and should only be used to record MP formal priority support. General MP support, including MSP, MLA and Members of the Senedd support should be recorded in question 4.2.1 below.

4.1.1 Has an MP given formal priority support for this bid?

No

4.1.2 Please confirm which MP has provided formal priority support

MP James Owen is local MP for the constituency of Rowley Regis and Halesowen. MP James Owen has voiced his support for this application. This is evidenced in Appendix C. It is noted that this is not considered formal priority support.

4.1.3 Which constituency does this MP represent?

Constituency name: Rowley Regis and Halesowen

See also Pro Forma 6 (see Appendix C) which accompanies this application.

4.2 Stakeholder engagement and support

4.2.1 Describe what engagement you have undertaken with local relevant stakeholders, including the community (the public, civic society, private sector and local businesses). How has this informed your bid and what support do you have from them?

[498/500]

In summer 2017, SMBC commissioned Continuum Sport and Leisure Ltd. to undertake a community consultation exercise exploring the sustainability of sport and leisure across Sandwell. Haden Hill was included in the consultation, identified as an ageing facility. Further engagement was undertaken in Summer 2019 to support future prioritisation and investment decisions across SMBC's leisure portfolio. The outcome of engagement to date has informed the proposals presented within this LUF application. Consultation and engagement have informed the identification of the proposed site for investment and supported the development of the facility mix proposed at Haden Hill.

Despite high usage of the centre, survey respondents commented on the poor condition of existing facilities. Cleanliness and deficient quality of the changing rooms, showers and toilets were noted within consultation responses. The swimming pool was specifically identified as needing cleaning and updating as it looks 'dirty and scruffy'. In 2019, survey respondents overwhelmingly identified the condition and cleanliness as the issue of primary importance for users of leisure centres within the Borough. Respondents also identified the provision of high-quality facilities as one of the most important factors in determining usage of a centre. Consultation has evidenced the need to respond to concerns about existing provision whilst also ensuring that the community is provided with the high-quality facilities which are sought.

Notably, consultation responses indicated that women from Black Minority and Ethnic (BME) communities were discouraged from using the swimming pool at this venue due to its openness and lack of privacy. In response to feedback received, the proposals outlined within this LUF

application will ensure the creation of a facility which is suitable for use by all members of the community, supporting SMBC's commitment to the creation of inclusive public spaces.

Throughout the development of this LUF application, the project team has sought to engage with Elected Members to support the development of an acceptable and widely supported LUF Proposal. Engagement with Elected Members has identified the poor accessibility of Haden Hill as a priority concern. Currently, there is no lift provision and access to upper floors is provided externally, making the centre challenging to navigate for disabled users and potentially excluding this group from using the facility.

Rowley Ward Members have advocated their support for a new facility in this town. Rowley is the only one of the Sandwell six towns to not see investment in a new wet leisure facility since improvements to leisure facilities began in 2010.

During the development of this LUF Application, a stakeholder mapping exercise has been undertaken to identify key stakeholders and community representatives and determine their level of interest and influence in the LUF proposals. This helped to identify how best to engage with each group and formed the basis of ongoing engagement work which will be undertaken throughout the LUF determination period and through to delivery should this application be successful.

Evidence of support from key stakeholders is provided in Appendix C.

4.2.2 Has your proposal faced any opposition? Please provide a brief summary, including any campaigns or particular groups in support or opposition, and if applicable, how will you work with them to resolve any issues.

(87/250 words)

No aspects of our proposal are controversial and there are no opposition campaigns that we are aware of. There is strong support for the aims of the LUF investment amongst stakeholders, as evidenced in Appendix C. There is also broad support for the proposals amongst the public, with notable recognition of the potential benefits of necessary improvements to the sport and leisure provision in the area. Project delivery will support the realisation of wider cultural, social, economic, and environmental goals for the local community and wider region.

4.2.3 Do you have statutory responsibility for the delivery of all aspects of the bid?

Currently, Sandwell Leisure Trust (SLT) have responsibility for the running of Haden Hill Leisure Centre. However, the Council's leisure services are in a transformational period. SMBC has recently identified some significant development opportunities and are seeking to implement a management option that enables the Council to develop its services further, in a more efficient and effective way with greater health benefits for our local communities. The existing contract with Sandwell Leisure Trust (who operate 9 out of 10 of the leisure facilities within the Council's remit) has been terminated and will end on 2nd May 2023. The Council's cabinet shall take a decision on the future delivery model on 22nd June 2022, which shall then be implemented in the following 10 months.

The Council and its partners have invested significantly in leisure facilities in Sandwell in recent years resulting in brand new facilities in Tipton Leisure Centre (2013), Wednesbury Leisure Centre (2015), Portway Lifestyle Centre (2013), West Bromwich Leisure Centre (2014) and perhaps most pertinently Sandwell Aquatics Centre in Smethwick (due to open summer 2023). This reflects the Council's commitment and level of priority it pays to local leisure services and the commitment to ensuring that facilities are operated in the best way possible for the benefit of the communities.

4.3 The case for investment

4.3.1 Please provide evidence of the local challenges / barriers to growth and context that the bid is seeking to respond to.

[499/500]

The proposals set out within this LUF application have been developed in response to an extensive review of the existing evidence base. A summary is provided in response to this question, this is further illustrated in the Theory of Change model presented in Q4.3.4.

Socio Economic

73.2% of the population in Sandwell are considered to be within the countries three most deprived deciles compared to a national average of 30% [4.3.1/a]. Further review of the Index of Multiple Deprivation (IMD) evidences that health outcomes are also significantly below average within Sandwell. 71.8% of the population are considered to be within the three most deprived health deciles.

Health

Life expectancy across the borough in 2015, was 77 for men and 81.3 for women. This is compared with a national average of 79.6 for men and 83.2 for women. The Borough's cost to the NHS per 100,000 people sits at £2,132,477, this is 10.9% more than the regional average at £1,922,771 and 17.3% more than the national average at £1,817,285 [4.3.1/b]. The annual cost to the NHS of physical inactivity in Sandwell is estimated at £6,510,405.

As of 2015, 27.2% of adults and 26.1% of children in Sandwell were considered to be obese. As illustrated in Figure 1.6, Appendix A, this is higher than the regional and national average. There is a 6-percentage point greater incidence of childhood obesity in Sandwell than nationally. Notably, 41% of children reaching Year 6 (aged 10-11) are considered to be overweight or obese, placing increased pressure on health care provision in Sandwell and the West Birmingham NHS Trust [4.3.1/c]. Obesity increases the likelihood of developing other health problems such as heart disease, diabetes, high blood pressure and certain types of cancers. Figure 1.7, Appendix A, illustrates the associated health costs of some of these in comparison to the West Midlands and nationally, indicating a significantly higher proportion of cost associated with diabetes.

Increasing physical activity is considered a key factor in reducing the incidence of these diseases and this has resulted in Sandwell Council outlining its ambition to 'create a more physically active Sandwell by catering to a reduction in inactivity by 1% per year through implementing a locally driven approach to the delivery of physical activity and sport'.

Ageing Asset and growing Maintenance Backlog

Haden Hill Leisure Centre is 46 years old, there is a requirement to replace the facility to ensure the long-term sustainability of sport and leisure provision in Rowley Regis. Failure to replace this facility would compromise the Council's ability to meet the demand for sport and leisure facilities in the Rowley Regis area, especially in terms of swimming pool and sports hall provision. Maintenance costs from SMBC records associated with the facility are set out below and included as Table 1.1 in Appendix A. It can be noted that maintenance costs have increased significantly since 2015/2016 due to the worsening condition of the facility.

- [REDACTED]

- [REDACTED]

4.3.2 Explain why Government investment is needed (what is the market failure).

(593/600 words)

Haden Hill Leisure Centre is over 46 years old. There is a requirement to replace the facility to ensure the long-term sustainability of sport and leisure provision in the Rowley Regis area, especially in terms of swimming pool and sports hall provision.

Aging Facility and Growing Maintenance Costs

Despite investment into the site, the building is still deteriorating. A condition survey of the building was undertaken by Strategic Leisure in 2015. The survey found the centre to have an Average 'Quality Audit Score' with a Moderate 'Need for Investment'. Since this survey was undertaken over seven years ago, the condition of the facility has continued to deteriorate significantly.

Informed by a Condition Survey undertaken by SMBC Building Services in 2021, Table 1.2, Appendix A, details the budget required for planned maintenance (this does not include emergency works or statutory checks which are also the responsibility of SMBC) for the centre. This information is also set out below:

- [REDACTED]

Over [REDACTED] is required to maintain the existing centre over the next 10 years. Of these costs, there is a requirement to replace the flat roof to ensure it satisfies safety standards and a complete refurbishment of the sanitary accommodation provided at the centre to ensure compliance.

Notably, contribution from Sport and Leisure to the Property Maintenance Account to maintain all SLT facilities was [REDACTED] pa when calculated. Upon reviewing the required costs to maintain the centre and available budgets it can be seen that maintenance of the existing centre is currently untenable for SMBC.

Table 1.1, Appendix A presents the actual expenditure for the centre since 2015/2016. A notable increase in the year-on-year maintenance costs associated with the site can be identified, this is likely to continue to increase exponentially as the centre nears the end of its economic life. Details are provided below for ease of reference:

- [REDACTED]

Council Subsidisation

Currently, memberships at Haden Hill Leisure Centre are priced at £30 per month. Current performance figures for the centre in February 2022 suggest that they were 2,116 members. Despite, the relatively high usage of the centre, SMBC are still presently required to provide an annual subsidy of [REDACTED] to ensure the centre remains open.

Complementary Investment

Since 2009, SMBC has delivered a capital programme replacing aged facilities across the borough to ensure an attractive and sustainable leisure offer is provided for local communities. Rowley Regis is the only one of the Sandwell six towns to not see investment in a new wet leisure facility. (Tipton – Tipton Leisure Centre opened 2013, Oldbury – Portway Lifestyle Centre opened 2013, West Bromwich – West Bromwich Leisure Centre opened 2014, Wednesbury – Wednesbury Leisure Centre opened 2015, Smethwick – Sandwell Aquatics Centre to open Summer 2023). The lack of investment in Haden Hill is not due to a lesser need but due to a lack of financial support to provide the investment required to deliver the necessary facility.

Public Goods

Access to leisure services is considered a public good. There are several associated positive consumption externalities i.e. where a third party outside of the transaction benefits from the exchange between the consumer and the leisure centre operator. In this instance, the West Midlands NHS trust could benefit from the potential reduction in costs of medical treatment associated with the physical inactivity.

Without Government intervention the Council will be unable to replace this facility. Failure to do so would compromise the Council's ability to meet the demand for sport and leisure facilities in the Rowley Regis area.

4.3.3 Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location.

(738/750 words)

What is proposed?

Our LUF application proposes the demolition and delivery of a new Leisure Centre in the Rowley Regis Ward of Sandwell. The existing Haden Hill Leisure Centre is now 46 years old, and there is an immediate requirement to replace the facility. Failure to replace this facility would compromise the Council's ability to meet the demand for sport and leisure facilities in the Rowley Regis area.

The proposals will deliver the following:

- Main 6 lane pool (25 x 12.5m)
- Learner pool (13 x 10m)
- Wet change village
- Sports hall (4 court)
- Gym (100 station)
- Spin studio (27 station)
- Dance studios (x2)
- Dry change

- Reception/office
- Café
- Staff room
- Wet and dry storage
- Plant rooms
- Circulation

What were the options for site selection?

In support of this LUF Application, an exercise was undertaken by the Council's Asset Management team to identify possible alternative sites within the Cradley Heath/Rowley Regis area. A summary of the discounted shortlisted options is provided below, supported by a rationale to explain why they were discounted from further consideration:

- Haden Hill Leisure Centre car park, Barrs Road, Cradley Heath.
 - Would require acquisition of adjoining car park from Sandwell Leisure Trust required – area 0.3173Ha. Site is also not considered to be large enough to accommodate the proposed facility.
- Bearmore Playing Fields, Bearmore Road, Cradley Heath
 - Would result in loss of Public Open Space.
- Britannia Park, Birmingham Road, Rowley Regis
 - Would result in loss of Public Open Space.
- Cornfield Road Open Space, Cornfield Road, Rowley Regis
 - Would result in loss of Public Open Space.
- Hingley Sports Ground, Bluebell Road, Cradley Heath
 - Would result in loss of Public Open Space. Additionally, the site currently accommodates Stourbridge Ladies FC.
- Land off Lower High Street, Cradley Heath
 - Private site ownership (12 titles approx.)
- Primrose Centre, Throne Road, Rowley Regis
 - Private site ownership. Would require the acquisition of houses – area 0.6787Ha.
- Sainsbury's, Halesowen Street, Rowley Regis
 - Private site ownership. Negotiations could be difficult and prolonged, adding additional programme and cost risk to scheme delivery.

Why was the final site chosen?

The site identified as the preferred option for investment is the existing Haden Hill Leisure Centre site, located on Barrs Road, bounding the northern edge of Haden Hill Park in Cradley Heath. Delivery will involve the demolition of the existing facility and construction of the new Leisure Centre. The proposed site is within Council ownership, removing the need to negotiate the acquisition of land and reducing the associated delivery and programme risks. Known site conditions have enabled robust cost estimates to be derived in support of this LUF application and an informed programme has been prepared. The site provides the space necessary to accommodate the centre and is strategically located within the community of intended benefit, ensuring existing users remain able to access the centre, whilst also increasing the catchment area and securing associated demand due to improved provision at the centre.

What the intervention is expected to achieve in addressing barriers and challenges?

Health outcomes are significantly below average within Sandwell. 71.8% of the population are considered to be within the three most deprived health deciles, compared to 30% nationally. Notably, the annual cost to the NHS of physical inactivity in Sandwell is estimated at £6,510,405 and 41% of children reaching Year 6 (aged 10-11) are considered to be overweight or obese, which is likely to place increased pressure on health care provision in Sandwell and the West Birmingham NHS Trust [4.3.3/a].

The relationship between increased physical activity and better physical health is well documented. Several studies outline how an increase in physical activity levels reduce the likelihood of a number of health issues, including; Cardiovascular Disease, Type 2 diabetes and colon cancer.

Failure to address the significant challenges at Haden Hill, as evidenced in this Strategic Case will compromise the Council's ability to meet the demand for sport and leisure facilities in the Rowley Regis area and could result in closure of the facility. Closure of this facility will jeopardise the health outcomes of the local community and likely place increased pressure on health care provision in the area.

Delivery of the proposals set out within this LUF application will safeguard provision of health and leisure provision in the area, providing the local community and wider catchment with access to reliable and attractive services. This is likely to support improved health outcomes associated with increased physical activity and resultantly reduce pressure on local NHS services.

4.3.4 Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions.

(463/500 words)

Our Theory of Change is set out below and further supported by Figure 1.8, Appendix A.

Drivers of Change

Sandwell currently experiences poor health outcomes. Residents have a life expectancy of around 2-3 years lower than the national average. A larger proportion of individuals in Sandwell are considered obese compared to the West Midlands, and nationally. Obesity is associated with a greater incidence of chronic diseases such as cardiovascular disease, stroke and particularly in Sandwell, diabetes. Physical inactivity is a causal factor in the poor health outcomes exhibited in Sandwell.

Haden Hill Leisure Centre (HHLC) is 46 years old. SMBC do not have sufficient funding to finance the maintenance backlog. SMBC currently provide an annual subsidy of over [REDACTED] to safeguard the running of the centre. However, SMBC cannot provide any further funding, compromising the long-term sustainability of sport and leisure provision in Rowley Regis. Failure to replace this facility would compromise the Council's ability to meet the demand for sport and leisure facilities in the Rowley Regis area.

Policy Alignment

The UK Governments Build Back Better strategy [4.3.4/a] sets out the importance of increased productivity. Participation in physical activity is a proven factor in helping determine productivity. HHLC presents the opportunity support the residents of Sandwell, through better opportunities to partake in physical activity.

The Levelling Up agenda outlines the importance of narrowing the gap in Healthy Life Expectancy between local areas by 2030, alongside addressing health and well-being

holistically through 'addressing determinants of health at the stage at which they arrive' such as through influencing 'behavioural factors' – the proposals for HHLC are strongly aligned with the Governments ambitions.

Sandwell's 2030 Vision identifies the importance of investing in health and wellbeing through key development of leisure centres and developing a place where people can live healthy and longer lives, to support '**Strong Resilient Communities**'. A key focus is on the need to produce greater opportunities for residents to participate in sport and physical activity. Delivery of HHLC will futureproof health and leisure provision for the community, encouraging participation and supporting positive health and wellbeing outcomes.

Intervention

Our LUF Application proposes the demolition and delivery of a new Leisure Centre in the Rowley Regis Ward of Sandwell. Project delivery will support the long-term economic sustainability of sport and leisure facilities in Sandwell.

Outcomes

The outcomes of the proposed intervention include:

- Delivery of a modern, fit for purpose facility which will encourage additional users.
- Increased capacity at the centre to accommodate additional users, supporting increased uptake of physical activity.
- Delivery of swimming facilities, which have been identified as underprovided.
- Improved accessibility for disabled users.
- Improved provision of health and leisure services for the local community.
- Reduced pressure on health care services due to physical inactivity.
- Removal of condition backlog maintenance and low future maintenance costs associated with the centre.
- Lower running costs and energy usage contributing to the Council's Net Zero agenda.

4.3.5 For package bids you should clearly explain how the component projects are aligned with each other and represent a coherent set of interventions.

(250 words)

Not Applicable. This application is for one individual project only.

4.3.6 Applicants should also briefly set out how other public and private funding will be leveraged as part of the intervention.

(500 words)

Not applicable. The scheme will not leverage any other public or private funding.

4.4 Alignment with the local and national context

4.4.1 Explain how your bid aligns to and supports relevant local strategies (such as Local Plans, Local Economic Strategies, Local Cultural Strategies or Local Transport Plans) and local objectives for investment, improving infrastructure and levelling up.

[457/500]

The bid will facilitate the demolition and construction of the new Haden Hill Leisure Centre, futureproofing an improved health and leisure offer for the local community. The key features and aims of this project are strongly aligned with the following local strategies, initiatives, and policies.

Sandwell's Vision 2030

Description: Sandwell City Council Local Plan for 2030

Scheme Alignment: The project aligns with the objectives within the Sandwell's Vision 2030, including the focus this gives to the delivery of leisure centres, developing a place where people live healthy and longer lives, and where those who are vulnerable feel respected and cared for. Crucially, it also supports improvement in the delivery of leisure facilities through the provision of specialised infrastructure, but also more widely by creating greater opportunities for residents to participate in sport and physical activities.

Research conducted by the School for Public Health suggests that access to leisure facilities has a great impact on reducing the decline into inactivity which takes place as people get older. The proposal of the new HHLC, would help to alleviate pressure on providing subsidised access to this age group, thus furthering the ambitions laid out in Sandwell 2030.

Sandwell Corporate Plan 2021-25: Big plans for a great place

Description: Sandwell's City Council strategy to boost the Borough in the following 3 years ahead.

Scheme Alignment: Project delivery is aligned with the following strategic outcomes; 1) Strong Resilient Communities - Sandwell will become a welcoming place for young people, where they will have jobs, activities, and facilities as part of a local community, 2) Strong and inclusive economy – Sandwell council aims to strengthen the business sector, benefiting local people from creation of stable jobs. According to the SLT Annual Report 2020/21, 64% of the total staff (424 in 2021) employed at leisure centres in the area are Sandwell residents. Thus, the project will generate additional jobs for residents, and increase participation in exercise and sport, leading to healthier lifestyles.

Sandwell Regeneration Strategy (2022-2027)

Description: Sandwell's Council Draft published in March with key strategy for development in the Borough.

Scheme Alignment: HHLC is included within the programme developed by Sandwell Council, that involves the replacement of ageing leisure centres and provision of new facilities for residents. Amongst actions highlighted in the strategy plan, Sandwell Council sets out its intention to promote Sandwell's centres as work-leisure-study spaces, encouraging new businesses and community organisations to relocate, fostering local clusters, and creating jobs. The promotion of HHLC offers a valuable opportunity to deliver on this objective with the proximity of the site to the local Cradley Heath High Street, located around one mile away along Barrs Road, then onto Grainger Lane.

4.4.2 Explain how the bid aligns to and supports the UK Government policy objectives.

(500 words)

Project delivery as proposed within this bid is aligned with the following national strategies, objectives, and policies.

Build Back Better

Description: UK Government national strategy to support the economy as a result of the impact of Covid-19.

Scheme Alignment: By improving living standards and wellbeing for Sandwell's communities, this project will directly support economic recovery from the impacts of Covid-19. Into the medium term, the influence of physical activity can enhance Sandwell resident's productivity, which is a key element of Build Back Better.

The Levelling Up Agenda

Description: UK Government strategy to support growth across UK focussing in areas that underperform relative to major growth areas.

Scheme Alignment: Within Levelling Up, the UK Government outline the importance of narrowing the gap in Healthy Life Expectancy (HLE) between local areas by 2030 and rising by five years by 2035. This document highlights that on average people living in the most deprived communities in England have over 18 years less of their lives in good general health than those living in the least deprived areas. Many of the Lower-Super Output Areas (LSOA's) within Sandwell, including the average for the Borough itself, sit within these most deprived areas. Project delivery seeks to minimise the gap in HLE, improving resident's wellbeing and reducing incidence of diseases (e.g., diabetes, coronary heart disease, obesity).

The Levelling Up document also highlights Government's approach to addressing health and wellbeing holistically – including factoring in the significance of physical activity in achieving this. Key to encouraging healthy lifestyles is provision of the necessary infrastructure, most important among this infrastructure is leisure facilities which address those at the lower-income level of the market such as Haden Hill Leisure Centre. Funding the proposals to create a new facility which is in line with modern standards and provides greater capacity to meet demand is one of the fundamental responsibilities of public bodies where the market will not efficiently provide the appropriate supply through market systems.

Additionally, investment in HHLC would help towards solving the geographic disparity in productivity in which London and the South-East far outpace the rest of the England – aiding the Levelling Up ambitions of Central Government.

Everybody Active, Everybody Day

Description: Public Health England evidence-based approach to physical activity in the UK.

Scheme Alignment: One of the main objectives of this bid is to improve resident's wellbeing through increased sport participation. According to the statistics highlighted in this national strategy document, around one in two women and a third of all men in England damage their health due to a lack of physical activity. This health damage of citizens leads to an added cost to national economy of up to £7.4 billion a year. HHLC will boost sport participation and support a reduction in the added cost for the UK Government.

4.4.3 Where applicable explain how the bid complements / or aligns to and supports existing and / or planned investments in the same locality.

(98/100 words max per fund)

The Rowley Regis Towns Fund seeks to provide or improve sustainable connections between communities and encourage healthy active lifestyles. Two projects in particular complement HHLC:

Canal Connectivity – Will involve resurfacing, improving, and signposting the existing towpath. The southern terminus at Station Road is only 600 metres from the Leisure centre supporting sustainable access to the site.

Rowley Connected – Upgrade of existing and creation of new off-road paths between Blackheath, Old Hill and Cradley Heath. The project will ensure HHLC is integrated within the new active travel network and positively referred to in the new signage strategy.

The Birmingham 2022 Commonwealth Games will take place this Summer. Sandwell will host the swimming and diving events at the new Sandwell Aquatics Centre in Smethwick. This major sporting event is likely to encourage additional uptake and participation in aquatic sports. Haden Hill Leisure Centre will provide the facilities to accommodate additional uptake, encouraging long term participation in sports.

4.4.4 Please explain how the bid aligns to and supports the government's expectation that all local road projects will deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is little or no need to do so).

(250 words)

Not Applicable.

4.4.5 Please tick to confirm which of the following Levelling Up White Paper Missions (p.120-21) your project contributes to:

• Living Standards ✓

- Research and Development (R&D)
- Transport Infrastructure
- Digital Connectivity

• Education ✓

- Skills

• Health ✓

• Wellbeing ✓

- Pride in Place
- Housing

- Crime
- Local Leadership

And write a short sentence to demonstrate how your bid contributes to the Mission(s).

Living Standards – The proposed Haden Hill Leisure Centre will provide access to state of the art Health and Leisure facilities at an affordable cost. The new centre will be accessible to all groups of the community and provide an inclusive facility for individuals to partake in sport and leisure activities. Good access to Leisure facilities supports improved living standards through an increase in uptake and participation, contributing towards positive health and wellbeing outcomes and ultimately improved living standards.

Health – The proposed Haden Hill Leisure Centre will support improved health outcomes through provision of sport and leisure facilities which are attractive and accessible to the local community. Currently, Sandwell exhibits above average levels of obesity and associated health issues. Increased uptake of sport and leisure activities could support improved health outcomes. The existing Leisure Centre is also largely inaccessible for disabled users. The new centre will be an inclusive space which is accessible for all, further supporting improved health outcomes.

Wellbeing - The proposed Haden Hill Leisure Centre will support improvements to wellbeing for the local community and wider borough through access to new sport and leisure facilities, increasing the likelihood of participation and engagement in positive physical activities. Exercise is proven to contribute to improved physical and mental wellbeing. The new centre will be an inclusive space which is accessible for all, further supporting improvements to wellbeing for all members of the community.

5 Economic case

All costs and benefits must be compliant or in line with HMT's Green Book, DfT Transport analysis guidance and DLUHC appraisal guidance. Please also see technical note .

5.1 Appropriateness of data sources and evidence

5.1.1 Please provide up to date evidence to demonstrate the scale and significance of local problems and issues.

(411/500 words)

Socio Economic

73.2% of the population in Sandwell are considered to be within the countries three most deprived deciles. This is compared to a national average of 30% [5.1.1/a]. Further review of the Index of Multiple Deprivation (IMD) evidences that health outcomes are also significantly below average within Sandwell. 71.8% of the population are considered to be within the three most deprived health deciles, again compared to 30% nationally.

Health

Life expectancy across the borough in 2015, was 77 for men and 81.3 for women. This is compared with a national average of 79.6 for men and 83.2 for women. The Borough's cost to the NHS per 100,000 people sits at £2,132,477, this is 10.9% more than the regional average at £1,922,771 and 17.3% more than the national average at £1,817,285 [5.1.1/b]. The annual cost to the NHS of physical inactivity in Sandwell is estimated at £6,510,405.

As of 2015, 27.2% of adults and 26.1% of children in Sandwell were considered to be obese. As illustrated in Figure 1.6, Appendix A, this is higher than the regional and national average. There is a 6 percentage point greater incidence of childhood obesity in Sandwell than nationally. Notably, 41% of children reaching Year 6 (aged 10-11) are considered to be overweight or obese, placing increased pressure on health care provision in Sandwell and the West Birmingham NHS Trust [5.1.1/c]. Obesity increases the likelihood of developing other health problems such as heart disease, diabetes, high blood pressure and certain types of cancers. Figure 1.7, Appendix A, illustrates the associated health costs of some of these in comparison to the West Midlands and nationally, indicating a significantly higher proportion of cost associated with diabetes.

Ageing Asset and growing Maintenance Backlog

Haden Hill Leisure Centre is 46 years old, there is a requirement to replace the facility to ensure the long-term sustainability of sport and leisure provision in Rowley Regis. Failure to replace this facility would compromise the Council's ability to meet the demand for sport and leisure facilities in the Rowley Regis area, especially in terms of swimming pool and sports hall provision. Maintenance costs associated with the facility are set out below and included as Table 1.1 in Appendix A. It can be seen that maintenance costs have increased significantly since 2015/2016 due to the worsening condition of the facility.

- [REDACTED]



5.1.2 Please demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased.

(333/500 words)

A range of sources, evidence and data are used and presented within the bid which support multiple findings and for different purposes. The data, surveys and evidence used and presented in this bid are largely official sources independent of and agnostic to the provision of the new Leisure Centre.

A combination of qualitative and quantitative data types has been used to demonstrate the evidence of findings, using both statistical data from ONS in conjunction with policy documentation to provide a qualitative overview of local and national context for issues relating to both the bid and the site.

The most recent Index of Multiple Deprivation statistics are used to demonstrate the scale and nature of issues in the local context, used in conjunction with policy documents outlining current governmental policies and investment programs with which the bid aligns closely. These documents have been used to demonstrate current guidance and requirements for the development and are based on national and local planning policy.

By using a mixed and varied transparent and auditable evidence base, the data and findings are used to support multiple different sections within the bid. The data, surveys and evidence used and presented in this bid are current and up to date as the majority of the data is the latest versions published and from sources which are frequently updated such as statistics derived from the ONS.

The policy documents used are those most appropriate and up to date with most being published within the last couple of years. Those dating between 2-5 years old reference relevant data and evidence as the policies and strategies within them set out visions and targets that are for current or future use.

Where more local data has been captured such for the consultation process, section 4.2 demonstrates the breadth and extent of the effort to capture views and input from the whole local community and specific groups which it was felt important to engage with specifically to understand their needs from a new wellbeing centre.

5.1.3 Please demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions.

(164/250 words)

The Index of Multiple Deprivation (IMD) is used to illustrate the nature and scale of local problems and the level of deprivation. The IMD data focuses both on the deprivation level of Sandwell as a whole and specific LSOA's within the boundary of the intervention. This is suitable as IMD can vary significant even within Local Authority areas as spatial characterises change. Demonstrating a high level of deprivation existing within the specific LSOA's comprising the site is appropriate for a targeted regeneration of site.

Publicly available data from the NHS has been utilised. Where possible, this has been sourced directly from the relevant trust to ensure data presented is relevant to the area of targeted investment.

On a wider geography, data has been derived from current local and national government strategies and plans which effectively provide context for the bid and allow for a narrative of how closely the bid aligns with and supports wider government investment programs on a national and local scale.

5.2 Effectiveness of proposal in addressing problems

5.2.1 Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems.

(738/750 words)

The proposed Haden Hill Leisure Centre will deliver; two pools, a gym, sport halls, as well as two dance studios and a spin studio. These sports facilities will be able to accommodate a wider user base than currently served by the leisure centre.

The economic benefits have been aligned with the Theory of Change, Figure 1.8, Appendix A, developed and presented in our response to Question 4.3.4 and to the specific outputs which will be delivered through the Haden Hill Leisure Centre LUF Project. The impacts of the project which have been quantitatively assessed are:

Health benefits from additional HHLC users

The new Haden Hill Leisure Centre will increase unique users for all sport facilities from 5,116 to 5,954 by 2025/26. This will create new opportunities for residents in the local area to improve their physical health through sports participation that may have been limited by capacity at the leisure centre previously.

Physical activity is in the top ten causes of ill health nationally, leading to negative impacts on wellbeing, social and economic outcomes for individuals and communities. Sports participation can provide many health benefits, such as reducing the risk of cardiovascular disease, depression and diabetes. In turn, monetary benefit can be assigned to this reduced risk, which is registered as a saving to the public health service. In a recent study by Sport England, it was assessed that participation in sport and physical activity at moderate intensity in adults for 150 mins + per week reduces risk of [5.2.1/a]:

- CHD/Stroke by 35%;
- Colon cancer by 20%;
- Diabetes by 40%;
- Back pain by 25%; and
- Depression by 30%.

This reduction in risk is applied to the monetary value assessed by Sport England from reducing the likelihood of heart disease, stroke, diabetes, back pain, colon cancer or depression to derive the economic benefit of this LUF scheme. Collectively, the reduced risk of those diseases, and the increased risk of sports related injury, are combined to provide an overall health benefit of £14,318 for new member participation at Haden Hill Leisure Centre.

Wellbeing benefit from sport participation

Our LUF application proposes the replacement of sports facilities at the Haden Hill Leisure Centre. The sport facilities noted above will be able to accommodate a wider user base than currently served by the centre. As well as the enhanced offer of the centre, new users are likely to be attracted to Haden Hill Leisure Centre by its updated sport facilities.

The benefits to users of the Haden Hill Leisure Centre have been monetised via calculation of the sports wellbeing uplift associated with the project. The wellbeing value from sport participation per year per person is £1,290 (in 2022 prices). Uplift in usage has been forecasted at 16%, resulting in additional benefits of £18.69m. Increased sports participation and resultant improved physical and mental wellbeing will support a reduction in health deprivation in Sandwell. Increased physical activity could reduce the risk of diabetes and CHD amongst residents, as this is closely linked with obesity.

Art attendance cultural benefit

As part of the services provided at the Haden Hill Leisure Centre, users will have the opportunity to attend dance studios. The wellbeing benefit for participating in this art activity has been quantified using the value of £47 per activity (in 2014 prices). After applying a GDP deflator to bring this value into 2022 prices, the updated value is equal to £54. As part of the assumptions, the number of visits has been projected at 76,050 for the first year of operation (2025) considering 975 unique users will visit the leisure centre at least 1.5 times per week. Aligned with the assumptions of the project team, the economic model considers an uplift in visitors of 10% in 2026 and 2027. As a result, the quantified benefits of the project are £8.6m compared to the counterfactual scenario in which SMBC do not receive the funding to refurbish the leisure centre.

Operational cost and maintenance liability saving

The investment will enable the demolition and delivery of a new Leisure Centre, including major structural equipment and upgraded services, and provide a fully equipped facility that will enable operation without revenue subsidy from financial year 2028 onwards. As a result of scheme delivery, the current net deficit of [REDACTED] per annum will be a net cost saving to SMBC. The additional benefit associated with operational cost savings is calculated at approximately [REDACTED] in present values.

5.2.2 Please describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs.

(500/500 words)

The assumptions and methodology adopted to quantify benefits described in section 5.2.1 are set out below:

Health benefits and wellbeing benefits from sport participation

The forecast number of unique users to HHLC following completion (year 2025/26) is equal to 5,954 p.a. This estimate was calculated by SMBC considering the number of visits expected by each sport facility. The baseline of visits to sport facilities at the existing centre is equal to 399,047. Considering an uplift of 16%, it is expected to see an increase to 464,413 annual visits because of the investment.

Benefit is focused on active participants, who might attend the gym once or twice a week or play any sport throughout the season. The number of annual visits is converted into a number of unique users with the assumption each participant goes 1.5 times a week on average (for 52 weeks per year). The calculation of dividing the annual visits between this factor of visits (1.5/52) gave a total of 5,954 users. According to the results of the user survey 2019, 42% of respondents participated in physical activity at an SLT centre (including HHLC) between 1 and 2 times per week, which is aligned with the assumptions described.

For the purposes of appraisal, 5,954 unique users has been increased cautiously by 4% from 2026/27 to 2027/28, and subsequently kept constant for the remaining appraisal period. Whilst it can be confidently assumed that the future usage of the centre would increase over time, to be cautious, avoiding potentially overstatement of benefits, the number of users has been held constant throughout the appraisal period from 2028/29 onwards.

Art attendance cultural benefit

Aligned with the expected outcome of higher wellbeing, the art attendance benefit is calculated on the number of visitors to dance classes after the development. The baseline of annual visitors to these facilities was estimated by SMBC at 65,560. After the project completion, the number of visitors will increase to 76,050 (applying an uplift of 16%) upon opening in 2025/26, then increasing 10% over the next two financial years (2026/27 and 2027/28) before reaching a steady state.

Operational cost and maintenance liability saving

The revenue model shared by SMBC considers an average annual revenue of [REDACTED] which mainly considers the key income lines of fitness and swimming. Overall fitness income is 16% higher than the pre-Covid 19 figure, given industry benchmarks for a high performing and expanded sport centre. Swimming revenue is projecting a similar number of school users at West Bromwich Leisure Centre (WBLC), one of Sandwell's newest leisure centres run by an external operator with similar sized flexible pools. The projected income from casual swimming is equal to pre-Covid 19, and it is not expected any significant change in the number of casual swims given the pool capacity is not being increased. As a result, income from swimming is in line with the income generated by WBLC pre-Covid 19. Sports hall income is aligned with the current income generated by HHLC as there is no capacity increase.

5.3 Analysis of costs and benefits

5.3.1 Please explain how the economic costs of the bid have been calculated, including the whole life costs.

(412/500 words)

Costs have been provided by SMBC, prepared by their in-house Cost Managers. Costs detail the profile of spend on the project from 2022/23 onwards. This section will set out the methodology adopted by Mott MacDonald in converting the cashflow forecast into the economic costs used in the economic analysis and the value for money calculations.

Firstly, the net economic costs were set out for the core scenario of the project, undiscounted and in 2022/23 prices. This included all public and private sector funding for each project. In addition, the SMBC's project lead determined a risk value, which was included in the economic costs for each project and has been apportioned across each year of development in line with CAPEX and OPEX phasing.

Once satisfied with the phasing of undiscounted costs, the net costs were discounted across the appraisal period of the HHLC project. In line with HMT Green Book 2020 guidance, values have been discounted at a rate of 3.5% per annum. An optimism bias has also been applied to the final sum of discounted CAPEX and OPEX for the delivery of the Haden Hill Leisure Centre project. According to the Green Book Guide, a 51% optimism bias has been applied as this is the upper bound for non-standard building projects. Upper bounds have been utilised to reflect the early stage of project design and cost estimation of the project, as well as to maintain a cautious approach to the economic case. The net economic costs to be included in the BCR will include only costs to the public sector, as part of the value of the bid is to address a viability gap at the site to leverage in private sector investment.

Below is the net cost profile for the Haden Hill Leisure Centre. The total economic cost for this project is £32.69m. Phasing is aligned to the milestones of the project (see Delivery Plan). This figure includes a risk factor of 5% as a contingency, as well as an optimism bias of 51% to reflect the relative infancy of design and cost work at this stage. The cost includes:

- [REDACTED] for demolition of the current site and build of the centre, including external works
- A risk allocation for contractor's design of £ [REDACTED], equivalent to [REDACTED] of the total construction cost
- Contractors' fees and design fees of [REDACTED] of the total construction cost

Please see Table 1.4 in Appendix A for further details about the net economic costs.

5.3.2 Please describe how the economic benefits have been estimated, including a discussion and evidence to support assumptions.

(750/750 words)

Building on the project objectives and outcomes described in the theory of change (section 4.3.4), the quantitative VfM assessment focusses on four key economic benefits:

Health benefits

Based on the outcome of health improvement and increased activity within Sandwell's population, the economic benefits have been estimated based on projected impact on key health indicators for the local area. The project aims to bring rates of conditions linked to low activity levels within the user community of the centre itself in line with Sandwell averages.

Deadweight is assumed to be zero in this assessment, given that only the additional users of HHLC are assessed for these benefits. If the demolition and construction of the new centre does not go ahead, there would be no additional health benefit as the backlog of new users would be not addressed due to capacity issues. Displacement has been assumed at 50% for this assessment. It is assumed that some new users to the HHLC will already participate in 150+ mins of sport and physical activity in other ways (e.g. walking). Therefore, for new users, the health benefit is already achieved through other forms of exercise. Together, this gives an additionality factor of 50%.

This benefit has been appraised for ten years, from the period 2025/26. It is assumed that there will be 838 new members in Year 1 (2025/26), 1,076 new members in Year 2 (2026/27) and 1,324 new members from 2027/28 onwards. It is assumed there is no decay in unique users of sport facilities over time. As this particular benefit is a health benefit, a discount rate of 1.5% has been used, in line with HMT Green Book guidance.

The total net additional discounted health benefit based on full ten-year appraisal period is equal to £53.7m.

Sport participation benefit

HHLC will deliver an increase in sport participation with 838 new users per year across the variety of sports facilities that will be provided at the centre (see Table 1.5 in Appendix A for further details).

DCMS commissioned research identifies the monetisable wellbeing benefits of sports participation [5.3.2/a], estimated £1,290 annually (in 2022 prices) [5.3.2/b] for individuals participating in team sports. This is not a willingness to pay estimate, these are values in addition to any price paid to participate such as entrance fees and represent the equivalent amount of money participants would need to derive the same wellbeing impact as engaging in sport.

The annual quantified wellbeing is applied to the total number of additional unique users. Displacement rate used is equal to 30%, assuming users may attend other leisure centers in Sandwell.

Following the methodology, an annual quantified wellbeing increase of £756,714 is calculated. It is assumed that the benefit persists for 15 years, a conservative estimate for the anticipated life span of the refurbished facility and accompanying service offer. Once totaled and discounted using the HMT Green Book discount rate of 3.5% a **total present value benefit of £12.26m results.**

The methodology and assumptions used in this analysis have been summarised in Table 1.6, Appendix A.

Art attendance cultural benefit

Research undertaken on behalf of the Department Culture Media and Sport (DCMS) into valuing the wellbeing impacts of culture and sport [5.3.2/c] found that the value per art attendance was between £47 and £62 (2014 prices). This is not a willingness to pay estimate, these are values in addition to any price paid to participate such as entrance fees and represents the equivalent amount of money participants would need to derive the same wellbeing impact that engaging in culture has. This net additional increase in attendees has been multiplied by the lower-bound wellbeing impact (i.e. £47) as a cautious approach and as to not overstate the benefit.

The total benefit has been calculated based on the additional attendees to dance classes. These benefits have been discounted at 3.5% per annum in line with HM Treasury Green Book and MHCLG Appraisal Guidance.

Once additionality is accounted for, the impact over 30-year appraisal year is estimated to **generate £8.67m in present values.**

Operational cost and maintenance liability savings

Haden Hill Leisure Centre operates on a net deficit of [REDACTED] per annum, which including outstanding building maintenance liabilities. The investment is expected to reduce the maintenance liability down to zero and obtaining a surplus of [REDACTED] by the end of the financial year 2028. This would constitute a net cost saving to Sandwell Council. Profiled over 30 years, the total impact of reducing the site maintenance liability **would be approximately [REDACTED] in present values.**

5.4 Value for money

5.4.1 Please provide a summary of the overall Value for Money of the proposal. This should include reporting of Benefit Cost Ratios (BCR).

(409/500 words)

There are two key metrics set out in the DCLG appraisal guidance that can be used to assess VfM: the calculation of BCRs, which simply show the ratio of benefits to costs; and the Net Present Social Value (NPSV), which represents the present value of benefits less the present value of costs. Both metrics have been used to assess the VfM of the Preferred Option in comparison to the Do Nothing option. The Do Nothing option contemplates the scenario under which Sandwell Council does not receive investment to deliver the new Haden Hill Leisure Centre. Thus, the sport facilities at the centre remain in poor condition and unable to meet the demand of residents and visitors. This option is carried forwards as the baseline/counterfactual option.

The BCR is calculated on the following formulae:

$$BCR(\text{intervention option}) = \frac{\text{Benefit}(\text{intervention option}) - \text{Benefit}(\text{do nothing})}{\text{Cost}(\text{intervention option}) - \text{Cost}(\text{do nothing})}$$

The NSPV is determined by the difference between the net marginal benefit and the net marginal cost of each intervention option:

$$NPSV(\text{intervention option}) = \text{Net Benefit}(\text{intervention option}) - \text{Net Cost}(\text{intervention option})$$

Where,

$$\text{Net Benefit}(\text{intervention option}) = \text{Benefit}(\text{intervention option}) - \text{Benefit}(\text{do nothing})$$

And,

$$\text{Net Cost}(\text{intervention option}) = \text{Cost}(\text{intervention option}) - \text{Cost}(\text{do nothing})$$

The VfM assessment for this project is based on a 30-year appraisal period (the assumed useful lifespan of the assets) and is presented in 2022/23 prices. For the benefits and all costs, the standard HMT Green Book discount rate of 3.5% is applied in line with HMT Green Book 2020 guidance, except in the case of health benefits that have been discounted using a discount rate of 1.5%. Optimism bias of 51% has been applied to the total discounted public sector costs (capital and revenue) in accordance with HM Treasury guidance.

The stream of benefits and costs which are tied to the flow of HHLC's unique users are discounted to present values using a 3.5% annual discount rate in line with HM Treasury guidance. The economic appraisal demonstrates that, based on the information and assumptions, the project produces a BCR of approximately 2.48, meaning that for every £1 of government expenditure in delivering the project just under £2.48 of net benefits are created. It also produces a NPSV of approximately £48.2m which is the present value of the flow of benefits over the appraisal period net of the present value costs. As highlighted, these benefits are solely defined and quantified in the VfM as lifetime benefits and productivity spillovers arising from courses and training provided. A BCR of 2.48 is classified as a 'high performing' project according to DCLG appraisal guidance.

5.4.2 Please describe the non-monetised impacts the bid will have and provide a summary of how these have been assessed, including the expected scale of these impacts. These will be factored into the overall Value for Money assessment of the bid.

(280/500 words)

The new HHLC is anticipated to have a substantial amount of non-quantifiable benefits locally, highlighting the uplift in social outcomes. The following paragraphs below briefly discuss these impacts including the potential size of non-quantifiable impacts, relative to the size of the public sector investment required at the site.

Visitor benefit – medium impact

The refurbished leisure centre is expected to attract a wider audience due to its upgraded facilities and potentially engage people to stay in the Town when visiting for sport matches or dance activities. For example, the investment may enable local sports teams to host county wide matches or training. A proportion of these visitors travelling for events organised at the HHLC will require accommodation and use local hotels, B&Bs and restaurants. This additional visitors to Sandwell will have a positive effect on the local economy.

Labour supply benefit – medium impact

The improved facility is expected to require more staff to manage. It is anticipated that approximately 4 additional full-time equivalent (FTE) staff will be required to provide the increase in services. Assuming the individuals employed in these posts were otherwise unemployed there will be a net additional increase in GVA in the Sandwell economy as a result.

Accessibility – medium impact

Existing provision is unsuitable and/or inaccessible for disabled users due to the layout of the centre being over several levels with no connecting lift access. The proposed HHLC will ensure accordance with appropriate legislation to improve accessibility for all users, creating an inclusive space.

Aesthetic – low impact

The Haden Hill Leisure Centre is showing signs of age and does not provide visitors with an encouraging view of Sandwell as a whole. The project will improve the aesthetics of these facilities and the impression of Sandwell to visitors.

5.4.3 Please provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid

(232/250 words)

To test the resilience of the VfM assessment the following sensitivity analysis tests were applied to key variables in the appraisal described above, with all other variables remaining unchanged:

- Sensitivity test 1 – analyses the risk that expected health outcomes may not be achieved due to exogenous factors, such as underlying health problems in some users. This may mean that certain cohorts of beneficiaries may not see the full reduction in incidence of CHD and diabetes. For purpose of the appraisal model, the health benefits have been reduced by 50%. The BCR obtained is equal to 1.66 with NPSV of £21.4m.
- Sensitivity test 2 – higher displacement on art cultural wellbeing benefit, with an increase of the displacement factor (i.e., the extent to which economic impact is offset by reductions elsewhere) from 60% to 75%. The BCR calculated in this scenario is 2.32 with NPSV of £43.2m.
- Sensitivity test 3 – analyses the effect of a 65% optimism bias to the CAPEX for the execution of the project (increasing from 51% under the core scenario). As a result, the BCR falls slightly from the core results to 2.21 with £44.4m NPSV.

The VfM criteria still performs robustly against the selected tests, producing relatively strong BCRs and net present values. The greatest sensitivity to performance is the health benefits projected, where a 50% reduction results in the BCR falling from 2.48 to 1.66.

5.4.4 We would expect an Appraisal Summary Table, to be completed to enable a full range of impacts to be considered. This should be consistent with the relevant appraisal guidance for the bid.

Please see Table 1.7 in Appendix A for full summary table.

6 Deliverability

6.1 Financial

Within this section applicants are required to provide clear and robust details of the financial aspects of the bid, including sources, secured status, and type of match funding, project costs, financial risks and mitigation measures, and how funding is structured – e.g., if you are intending to further disburse the LUF grant with bid partners. Management and consultancy costs should be clearly shown within the project budget, and any work to be sub-contracted explained within the application form. Prior to completing this section applicants should complete the relevant [Costings and Planning workbook](#)- Table B – Funding Profile and Table C – Cost Estimates

6.1.1 Please confirm the total value of your bid

Applicants should confirm the total value of the bid, this should include the LUF grant and any match funding.

All expenditure should be defrayed by March 2025 (and by 2025-26 on an exceptional basis e.g., for large projects between £20 million and £50 million).

The total value of our LUF Bid for Haden Hill Leisure Centre is £23,769,708. A Cost Plan has been provided as Appendix D.

6.1.2 Please confirm the value of the capital grant you are requesting from LUF.

SMBC is requesting a LUF grant of £20,000,000.00 to support the delivery of Haden Hill Leisure Centre.

6.1.3 Please confirm the value of match funding secured.

(92/250 words)

Demonstrating the importance of the proposed Haden Hill Leisure Centre to SMBC's ambitions, the Council has committed a 10% match funding contribution in support of this LUF Application, providing a total contribution of £2,376,970.

A funding gap of £1,392,737 has been identified. Currently there is no additional match funding secured to address this funding gap. However, it should be noted that conversations with Sports England and other funding organisations have been initiated and are ongoing. Efforts will be made throughout the LUF determination period to secure additional funding to address the gap identified.

6.1.4 If you are intending to make a land contribution (via the use of existing owned land), please provide further details below and confirm who currently owns the land, details of any restrictions and the estimated monetary value.

(250 words)

The proposed HHLC will be built on the site of the existing facility. Land is solely within the ownership of SMBC.

6.1.5 Please confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below.

(250 words)

Our proposed budget does not include unrecoverable VAT costs.

6.1.6 Please describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget. Please advise on any assumptions.

(665/750 words)

Costs have been prepared by SMBC's experienced inhouse Cost Managers. SMBC's dedicated costing team, positioned within the Design and Building Services portfolio have extensive experience of the delivery of Leisure Centre projects of a similar scale and complexity, making them well placed to prepare costs for the purposes of this LUF Application.

SMBC's Cost Managers have existing cost plans prepared for previous projects of a similar value and complexity to the proposed Haden Hill Leisure Centre. Cost information prepared in support of the Wednesbury Leisure Centre and Sandwell Aquatics Centre have been used as benchmarks to inform this costing exercise.

Sport England's Base Data has also been used to inform cost preparation and is considered an industry recognised source of base data to inform the costing of Leisure Centres such as the proposed Haden Hill Leisure Centre, particularly at Concept Design Stage.

RICS Building Cost Information Service (BCIS) Data has been used to verify benchmarks.

To provide clarity on the source of cost information utilised to derive costs for each cost item, Table 1.8 (Appendix A) itemises each capital cost item and provides details of the benchmarking activities undertaken. A summary is also provided below for ease of reference.

- Schedule of Accommodation - m² rate is based upon Sport England Base Data & RICS Building Cost Information Service data.
- Sauna Steam Room - m² rate is based upon Sport England Base Data & RICS Building Cost Information Service data.
- Moveable floor to main pool (half area only) - Historic data based upon costs for similar item on a recently constructed leisure centre
- Hard landscaping - m² rate is based upon Sport England Base Data & RICS Building Cost Information Service data
- Soft landscaping - m² rate is based upon Sport England Base Data & RICS Building Cost Information Service data
- Below ground drainage - m² rate is based upon Sport England Base Data & RICS Building Cost Information Service data
- Incoming services - m² rate is based upon Sport England Base Data & RICS Building Cost Information Service data
- Car parking - surface level - m² rate is based upon Sport England Base Data & RICS Building Cost Information Service data
- Demolition - Historic data based upon costs for demolition of a building of similar size
- Highways improvements - in the absence of detailed designs this is a general estimate based upon experience and historic data
- Sloping site - in the absence of detailed designs this is a general estimate based upon experience and historic data
- Retaining walls - in the absence of detailed designs this is a general estimate based upon experience and historic data

The cost breakdown presented in Table 1.8 (Appendix A) assumes the following:

- Construction phase commences in 1Q 2024 with a contract period of 78 weeks
- Demolition based on vacant possession i.e., all fixtures, fittings and equipment and pool chemicals removed
- Demolition includes for a reasonable allowance for services disconnections/diversions However, costs will require revising following engagement with the service providers
- Demolition makes an allowance for a reasonable amount of asbestos removal. However, costs will require revising following a full R&D survey
- Demolition phase commences in 1Q 2023 with a contract period of 26 weeks
- A demolition contractor will be procured through the Sandwell Demolition Framework 2019-2023 using a NEC4 contract
- A construction contractor will be procured through a compliant framework using the approved JCT or NEC contract
- No Tree Preservation Orders on site.
- The whole of the land is in possession of SMBC
- There are sufficient services on site to meet the demands of the new centre
- Increased costs are based on the BCIS published data dated 24 May 2022. However, costs may require revising once confirmed.

6.1.7 Please provide information on margins and contingencies that have been allowed for and the rationale behind them.

(190/500 words)

The project costs detailed in Appendix D include the following allowances, margins and contingencies above the base build cost:

- **Design Risk:** Risk has been applied at 5% given the current stage of design and cost work prepared in support of this LUF Application. Total project allowance: [REDACTED].
- **Professional fees and Surveys:** A 7.5% allowance has been made for; Contractors fees and design fees, Planning and Building Control Fees and Surveys and Reports. Percentage uplift applied has been informed by historic data and SMBC's extensive experience of capital projects such as Leisure Centres. Total project allowance: [REDACTED].
- **Other Costs:** Allowances have been made for; FF&E, Project Management Fees, Staffing Costs and Clerk of Work Fees. Allowances have been informed by historic data and SMBC's extensive experience of capital projects such as Leisure Centres. Total project allowance: [REDACTED].
- **Inflation:** An allowance for inflation has been calculated for the project, based on the BCIS All in Tender Index and the project's expected spending profile. Total package allowance: [REDACTED].
- **Risk:** Client Contingency has been applied at 5%. The percentage uplift applied is based upon historic data and experience. Total project allowance: [REDACTED].

6.1.8 Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UK Government funding partners. (You should cross refer to the Risk Register).

(750 words)

Risks associated with infrastructure development occur when the costs of capital materials or labour increases beyond that of forecasted inflation, when third party delays in programme

occur, when there are unforeseen ground conditions or when adverse weather conditions affect the construction. The main financial risks to the scheme revolve around programme delivery, inflation, and costs increase due to the relative infancy of design and cost work at this stage. These risks are captured in the appended risk register.

Inflation

Construction industry BCIS All-In Tender Price inflation has been used to forecast future material and labour price inflation. These values are the industry standard for construction inflation. While best available construction inflation assumptions are applied using BCIS benchmarks. The UK economy and the construction sector are experiencing inflationary pressure which is a particular concern and uncertainty for longer term capital schemes. As a result, inflation is considered a larger financial risk than pre-pandemic.

Cost Increase

Costs presented within this LUF Application have been derived from RIBA Stage 1 design work. The relative infancy of design and cost work is a recognised risk. Despite best efforts to inform a robust Cost Plan, utilising industry standard rates and historic benchmarks, it is recognised that further work is required to inform more detailed design and cost work to provide further certainty on the accuracy. Appropriate risk and contingency has been applied to reflect the current stage of design and cost work.

Risk allocation

SMBC accepts and understands that the risk of funding cost overruns sits with the Council and the Chief Financial Officer has signed off the submission on this basis. Should cost overruns occur, the experienced Council delivery team will either: a) draw down upon the allocated risk contingencies; b) seek additional funding; or c) work collaboratively with contractors to value engineer proposals wherever possible.

6.1.9 If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below.

(750 words)

Not Applicable. No partner engaged in the delivery of this LUF Proposal.

6.1.10 What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project?

(750 words)

Not Applicable. No partner engaged in the delivery of this LUF Proposal.

6.2 Commercial

6.2.1 Please summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted.

(1,173/ 1,500 words)

Sandwell Metropolitan Borough Council (SMBC) has a proven track record of major project delivery and will apply the necessary Governance and inhouse resource to deliver this LUF project. For the delivery of the Haden Hill Leisure project SMBC will build on vast experience from the delivery of their new build leisure facilities including the aquatic centre in readiness for

the Commonwealth Games 2022 and from the delivery of their leisure improvement strategy which has seen major investment in leisure facilities across the area. The organisational structure developed for the delivery provides a robust level of governance and reporting to manage risk and allow clear decisions. See organisational structure provided as Figure 1.9 (Appendix A).

Project governance will be through a designated LUF Capital Programme Board that will have overall responsibility for the delivery and will consist of the Councils Directorship, Portfolio Lead Member, legal services, and the Councils Section 151 Officer. The board will link the delivery with the SMBC's elected members through regular updates and monitor progress and risk and ensure that robust governance is being applied across the project

Reporting to the Regeneration Programme Board, Alice Davey, Project Sponsor, will act in the capacity of LUF Programme Manager, with overall responsibility for the LUF delivery. Alongside Alice, Jenna Langford, LUF Programme Manager and key point of contact for the DLUHC LUF will ensure a consistent approach across the 4 LUF applications. Alice and Jenna will work closely with the Project lead and Project Board to ensure that the project governance is followed, reports are completed in line with the project programme and any risks are identified, resolved or appropriate mitigation put in place where necessary.

The project Lead for the delivery of Haden Hill will be Gemma Ryan, Business Manager within Sandwell Leisure portfolio who will be responsible for the day-to-day delivery of the project.

Gemma is an experienced Commercial Manager and has overseen the delivery of several Leisure Centres across Sandwell, including the ongoing delivery of the Sandwell Aquatics Centre.

Nicola Leavy will be the dedicated Project Manager. Nicola has almost 18 years Project/Programme Management experience for SMBC in a wide range of projects and capital projects. Nicola successfully managed the delivery of West Bromwich Leisure Centre and Wednesbury Leisure Centre. Notably, Nicola is also currently Programme Manager for Sandwell Aquatics Centre, bringing extensive knowledge and experience to her role on HHLC.

The professional construction services will be provided through and managed through a dedicated central team positioned within the SMBC's Regeneration and Growth Directorate, Urban Design and Building Services. This central resource has a proven capability from the delivery of leisure facilities and capital projects within the borough of Sandwell and will lead the delivery of the Haden Hill LUF project. Led by Tony Farnsworth, a project lead with a proven track record from delivering leisure facilities as part of SMBCs Leisure strategy including the Commonwealth Games aquatic centre. Tony will lead the councils internal design team which will provide full multidisciplinary services to support the procurement and delivery of the LUF project.

Should any specialist consultancy services be required to supplement SMBCs design team, procurement will be through a government framework such as Crown Commercial Services RM6165 Lot 1 – Buildings and Infrastructure or Crown Commercial Services Dynamic Purchasing System (DPS), allowing the council to use a prequalified route to market via a recognised central government and wider public services framework. All external procurement of services will meet the requirements of the councils financial/procurement policies.

Recognising the current market conditions in relation to inflation, material prices, resource shortages and the industries potential lack of appetite for single stage open tender, in accordance with the Governments Construction Playbook aspirations, early contractor engagement will be sought through a two stage Design and Build procurement exercise utilising SMBC Demolition Framework and a contractor framework which can provide the capability and capacity to deliver. SMBCs Urban Design team have previous experience of using both local

West Midlands frameworks such as Constructing West Midlands and national frameworks such as SCAPE, the latter being used for the delivery of the new Commonwealth Games 2022 Aquatic Centre. Prior to finalisation of the procurement route, Sandwell Council will undertake a formal procurement exercise to review the potential routes, balancing risk, cost, and quality. By utilising a recognised route SMBC will ensure that the procurement meets all the councils' policies and relevant legal requirements including Public Contract Regulations 2015 and 2020 amendments (post EU exit) and other appropriate legislation including the Modern Slavery Act and equalities.

It is envisaged that the project will be tendered at RIBA Stage 2, allowing early contractor engagement to bring supply chain expertise and influence on the design and delivery of the project. This will be either through a JCT or NEC Contract with pre-construction agreements for design, surveys, and investigations to establish greater cost certainty, reduce risk and minimise change during the delivery stage.

Prior to tender, early market engagement will be undertaken through supplier days, allowing contractors to plan its commercial pipeline to prepare resources and respond to opportunity and provide details on their capability to deliver.

The tender process will be managed through Sandwell Councils Tendering Portal intend or whichever for the framework providing a clear transparent process in accordance with the requirements of the LUF funding and Sandwell Council procurement requirements. A dedicated procurement lead, Tony Farnsworth, will be allocated to the project to co-ordinate the process and ensure diligence.

Social Value will be considered at the outset of the project with Karen Richards, Community Benefits and Social Value Impact Officer forming part of the project team. SMBC have a Social Value Employment Skills template which is required to be completed as part of any project undertaken to identify opportunities that can be created. The template identifies several KPIs that will consider community benefits for targeted recruitment and training. Potential creation of jobs and apprenticeships will be explored as part of the development. Additional Social Value opportunities will also be considered that relate to school engagement and non-cashable benefits that can be gained through the project. Emphasis will focus on the importance to support local business and SMEs within Sandwell. Several media channels such as "think Sandwell" and the Black Country Chamber of Commerce will be engaged through Sandwell Procurement team who will coordinate the exercise.

SMBC declared a Climate Emergency in March 2020 where members agreed that greenhouse gas (GHG) emissions need to be reduced to a level that is compatible with keeping global warming below 1.5C above pre-industrial levels. To achieve that, the Council has adopted a target of becoming carbon neutral in its own activities by 2030, and carbon neutral borough-wide by 2041. The strategy is underpinned by a Climate Change Action Plan with six key themes which include council estate (theme 1) and operations and the built environment (theme 2). Throughout the delivery of the HHLC LUF project Phil Kingston, SMBCs Senior Energy and Sustainability Officer will be involved as part of the core team to ensure that measures are incorporated to meet the SMBSs Climate Change Action Plan.

6.2.2 Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature? If the procurement is being led by a third party and not the lead applicant, please provide details below.

(200/500 words)

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Overall responsibility for procurement and contractor management for the Haden Hill Leisure Centre scheme will be led Tony Farnsworth. Tony has worked for Sandwell Council since 1982, commencing as a trainee Quantity Surveyor and becoming chartered in 1989. Currently holding the role of Principal Lead Quantity Surveyor.

Tony is now a part of Urban Design's management team and leads a team of Quantity Surveyors, Clerk of Works, PFI contract managers and finance support officers who provide a full range of pre and post contract quantity surveying, construction quality control services across a range of construction projects, PFI contract management services and construction related financial services.

Tony has extensive knowledge of construction and public procurement, project and risk management, construction contracts and costs and construction related delivery frameworks and has experience in the construction of multi million-pound projects including high and low rise residential schemes, fire stations, education facilities, art centre fit out, libraries, leisure centres and swimming pools including the Sandwell Aquatic Centre

Professional development includes being a Prince 2 practitioner, Construction Skills Certification Scheme card holder, IOSH Managing Safely, ISO9001 Internal Auditor, CDM 2015 principal designer as well as gaining knowledge and experience over many management and leadership programmes.

6.2.3 Are you intending to outsource or sub-contract any other work on this bid to third parties? For example, where you have identified a capability or capacity gaps.

(536/750 words)

The professional construction services will be provided through and managed through a dedicated central team positioned within the SMBCs Regeneration and Growth Directorate, Urban Design and Building Services. This central resource has a proven capability from the delivery of leisure facilities and capital projects within the borough of Sandwell and will lead the delivery of the Haden Hill LUF project. Led by Tony Farnsworth, a project lead with a proven track record from delivering leisure facilities as part of SMBCs Leisure strategy including the Commonwealth Games aquatic centre. Tony will lead the councils internal design team which will provide full multidisciplinary services to support the procurement and delivery of the LUF project.

Should any specialist consultancy services be required to supplement SMBCs design team, procurement will be through a government framework such as Crown Commercial Services RM6165 Lot 1 – Buildings and Infrastructure or Crown Commercial Services Dynamic Purchasing System (DPS), allowing the council to use a prequalified route to market via a recognised central government and wider public services framework. All eternal procurement of services will meet the requirements of the councils financial / procurement policies.

Recognising the current market conditions in relation to inflation, material prices, resource shortages and the industries potential lack or appetite for single stage open tender, in accordance with the Governments Construction Playbook aspirations, early contractor engagement will be sought through a two stage Design and Build procurement exercise utilising a contractor framework which can provide the capability and capacity to deliver. SMBCs Urban Design team have previous experience of using both local West Midlands frameworks such as Constructing West Midlands and national frameworks such as SCAPE, the latter being used for the delivery of the new Commonwealth Games 2022 Aquatic Centre. Prior to finalisation of the procurement route, Sandwell Council will undertake a formal procurement exercise to review the potential routes, balancing risk, cost, and quality. By utilising a recognised route will ensure that the procurement meets all the councils' policies and relevant legal requirements including Public

Contract Regulations 2015 and 2020 amendments (post EU exit) and other appropriate legislation including the Modern Slavery Act and equalities

It is envisaged that the project will be tendered at RIBA Stage 2, allowing early contractor engagement to bring supply chain expertise and influence the design and delivery of the project. This will be either through a JCT or NEC Contract with pre-construction agreements for design, surveys, and investigations to establish greater cost certainty, reduce risk and minimise change during the delivery stage.

The tender process will be managed through Sandwell Councils Tendering Portal intend or whichever for the framework providing a clear transparent process in accordance with the requirements of the LUF funding and Sandwell Council procurement requirements. A dedicated procurement lead will be allocated to the project to co-ordinate the process and ensure diligence.

Social Value will be considered at the outset of the project with Karen Richards, Community Benefits and Social Value Impact Officer forming part of the project team. SMBC have a Social Value Employment Skills template which is required to be completed as part of any project undertaken to identify opportunities that can be created. The template identifies several KPIs that will consider community benefits for targeted recruitment

6.2.4 How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes? What measures will you put in place to mitigate supplier/contractor risks and what controls will you implement to ensure they deliver on quality.

(663/1000 words)

Applicants should set out what measures will be put in place to manage contractor / supplier risks. This should include due diligence, the checking of the financial and economic standing of suppliers, and effective contract / payment structures.

Should any specialist consultancy services be required to supplement SMBCs design team, procurement will be through a government framework such as Crown Commercial Services RM6165 Lot 1 – Buildings and Infrastructure or Crown Commercial Services Dynamic Purchasing System (DPS), allowing the council to use a prequalified route to market via a recognised central government and wider public services framework. All external procurement of services will meet the requirements of the councils financial/procurement policies.

Recognising the current market conditions in relation to inflation, material prices, resource shortages and the industries potential lack of appetite for single stage open tender, in accordance with the Governments Construction Playbook aspirations, early contractor engagement will be sought through a two stage Design and Build procurement exercise utilising a contractor framework which can provide the capability and capacity to deliver. SMBCs Urban Design team have previous experience of using both local West Midlands frameworks such as Constructing West Midlands and national frameworks such as SCAPE, the latter being used for the delivery of the new Commonwealth Games 2022 Aquatic Centre. Prior to finalisation of the procurement route, Sandwell Council will undertake a formal procurement exercise to review the potential routes, balancing risk, cost, and quality. By utilising a recognised route will ensure that the procurement meets all the councils' policies and relevant legal requirements including Public Contract Regulations 2015 and 2020 amendments (post EU exit) and other appropriate legislation including the Modern Slavery Act and equalities

It is envisaged that the project will be tendered at RIBA Stage 2, allow early contractor engagement to bring supply chain expertise and influence the design and delivery of the project. This will be either through a JCT or NEC Contract with pre-construction agreements for design,

surveys, and investigations to establish greater cost certainty, reduce risk and minimise change during the delivery stage.

Prior to tender, early market engagement will be undertaken through supplier days engage allowing contractors to plan its commercial pipeline to prepare resources and respond to opportunity and provide details on their capability to deliver.

The tender process will be managed through Sandwell Councils Tendering Portal intend or whichever for the framework providing a clear transparent process in accordance with the requirements of the LUF funding and Sandwell Council procurement requirements. A dedicated procurement lead will be allocated to the project to co-ordinate the process and ensure diligence.

Prior to appointment or shortlisting of any contractors, SMBC will undertake necessary checks to understand the financial status, any health and safety infringements and references (through case studies) to ensure that the contractor is suitable for the delivery of the project.

6.3 Management

Prior to completing this section applicants should complete the relevant [Costings and Planning workbook](#) - Table D – Milestones Delivery

6.3.1 Please set out how you plan to deliver the bid (this should be a summary of your Delivery Plan).

(998/1000 words)

A Delivery Plan has been provided as Appendix D and should be referred to for further details on the deliverability of this LUF Project. Our Delivery Programme evidences our ability to deliver successfully within the prescribed LUF programme. Notably, we can confidently commit to spending approximately 5% of funds within the 2022/23 financial year.

Project Milestones

- Submission of HHLC LUF Application to Government - 6th July 2022
- LUF Anticipated Funding Announcement - By 10th November 2022
- RIBA Stage 1 Commences - 11th November 2022
- RIBA Stage 1 Completion - 21st February 2023
- RIBA Stage 2 Commences- 1st March 2023
- RIBA Stage 2 Completion - 31st May 2023
- RIBA Stage 3 Design and Tender Development -1st June 2023
- RIBA Stage 3 Design Completion -20th July 2023
- Prepare Tender Documentation - 10th August 2023
- Issue Tender - 14th September 2023
- Tender Period Closes -25th October 2023
- Contractor Appointed -11th December 2023
- RIBA Stage 4 Commences -11th December 2023
- Sub-Contractor Appointed -12th December 2023
- Planning and Building Regulation Approval -1st April 2024
- RIBA Stage 4 Completion -1st April 2024
- RIBA Stage 5 – Contractor Mobilisation - 2nd April 2024
- Demolition - 23rd April 2024 – 12th August 2024

- Construction -13th August – 6th October 2024
- RIBA Stage 6 Handover - 24th October 2025

Interfaces and Interdependencies

Our Delivery Programme has been developed with an awareness of interfaces within this LUF project and the wider programme of works across Rowley Regis and wider Sandwell. Notable interfaces include:

1. Canal Connectivity; and
2. Rowley Connected.

SMBC recognise the importance of effective interface management.

Powers and Consents

Delivery of the LUF project is **dependent** on securing Full Planning Approval. Planning will be required to enable building demolition and construction of the new HHLC. SMBC will seek to engage through the formal Pre-Application process with the Local Planning Authority during the LUF determination period to accelerate the approvals process. Appropriate contingency has been included to account for potential delays associated with securing approvals whilst providing certainty on delivery within the prescribed LUF programme.

Land Acquisition

Scheme delivery does not require land acquisition from any third party. The scheme in its entirety will be delivered on land currently owned by SMBC.

Evidence of Capability to Deliver

SMBC has a strong track record of the delivery of similar project to HHLC, including Wednesbury Leisure Centre which opened in 2015 and Sandwell Aquatics Centre to open Summer 2023. SMBC's established approach will again be implemented for the delivery of HHLC, combining in-house experience with a range of external specialists.

Governance, Role and Responsibilities

SMBC has invested heavily in securing a team with experience in delivering complex programmes of work. SMBC has established a LUF Capital Programme Board to support the co-ordination of the LUF programme of works. SMBC will designate an experienced Project Manager, Nicola Leavy, who will be responsible for overall delivery of the project, including coordinating and managing day to day delivery, as well as undertaking the monitoring and evaluation of the benefits realisation of the HHLC project. SMBC remains the accountable body for the implementation of any LUF monies.

SMBC has an established project management hierarchy that will be in place for the duration of the project delivery. The project management hierarchy is illustrated below in Figure 1.10 (Appendix A), before further detail is provided on the roles and responsibilities of each of the noted Governance levels.

The key Governance structures responsible for the delivery of the LUF project are set out below:

Council Cabinet/Executive Committee – Strategic oversight of the scheme as SMBC Executive Committee is responsible for all key decisions made by the Council.

LUF Capital Programme Board - Chaired by the Director of Regeneration, this provides strategic and corporate oversight of all LUF projects, and ensures projects are coordinated

and all stakeholders are cited. It agrees requests for Council investment and takes an overall view of the Council's exposure to risk.

Project Board - A Project Board has already been established for this LUF Project. It will meet weekly to oversee, coordinate and approve decisions and key gateway points. The Board's responsibility will be to provide progress update to keep all stakeholders informed; monitor delivery of projects against key milestones and outcomes; and undertake quality, cost and programme analysis. The Project Board will comprise of the following members:

- Regeneration Programme Lead - Jenna Langford.
- SRO – Alice Davey.
- Project Lead – Gemma Ryan.
- Project Manger – Nicola Leavy
- Social Value and Procurement – Robert Marlow.
- Design and Build – Tony Farnsworth.
- Commissioned Consultancy Team.

Project Sponsor - As the Senior Responsible Officer, Alice, will provide the strategic oversight of the delivery of project. Responsibilities include:

- Setting the programme plan and review of progress
- Setting the objectives, scope, quality, timescales and cost controls for the project
- Reviewing and advising on the adherence to the objectives of the project plan and the delivery of critical success factors.

Project Manager – As Project Manager, Nicola Leavy will oversee the day-to-day delivery of the interventions and monitors the realisation of benefits across the project. Responsibilities will include:

- Project monitoring and evaluation reporting.
- Sub project issues and risk reporting.
- Contract management.
- Project controls.
- Project and financial update papers which will be circulated to the Project Board and LUF Capital Programme Board.

Figure 1.11 (Appendix A) provides further details of the Project Team who will be responsible for the successful delivery of HHLC.

Stakeholder Engagement and Communications

All communications will be led by SMBC, with communications relating to HHLC delivered through a variety of methods, where the approach will be tailored so it is appropriate for the specific stakeholder. It will be the responsibility of the Project Manager to develop a detailed Communications and Stakeholder Management plan should funding be awarded. Reporting arrangements in relation to stakeholder engagement and communications will include, as a minimum:

- Submission of progress reports
- Regular meetings with project delivery team and project board

6.3.2 Please demonstrate that some bid activity can be delivered in 2022-23

(140/250 words)

Please confirm the plans for LUF project activity in 2022-23.

SMBC has an extensive track record of the successful delivery of projects of a similar scale and complexity of HHLC and has dedicated internal resource who are able to mobilise quickly in response to funding award, enabling immediate spend.

RIBA Stage 1 activities are programmed for completion within the 2022/23 financial year. The professional construction services will be provided through and managed through a dedicated central team, Urban Design and Building Services, positioned within the Councils Regeneration and Growth Directorate. This central resource has a proven capability from the delivery of leisure facilities and capital projects within the borough of Sandwell. Should additional capacity be required to supplement Sandwell's internal team, SMBC is able to access several Government frameworks which enable timely appointment of support providing further confidence in SMBC's capability to delivery within the 2022/23 financial year.

6.3.3 Risk Management: Applicants are asked to set out a detailed risk assessment.

(484/500 words)

SMBC has established an effective risk management strategy, broadly based on the principles for risk management contained within the PRINCE2 guidance. The procedure for identifying key risks will follow as below:

Identify

Assess

Plan

Implement

Communicate

It is recognised that risk management needs to be an ongoing process.

The risk management strategy is owned by the Senior Responsible Officer (SRO), Alice Davey. Alice will ensure that risk management is effective, consistently applied and embedded across the constituent projects. The Project Manager, Nicola Leavy will be responsible for reviewing and updating risks and reporting these to the Board as appropriate. All risks are managed through the project governance structure. Risk information is required to be always up to date to facilitate reporting, with active risks and actions supporting monthly reporting requirements. The Risk Register will be updated throughout the LUF lifecycle to assist SMBC in identifying, controlling and managing risk.

The Haden Hill Leisure Centre LUF Risk Register has been developed and scrutinised through a series of Risk Workshops. The potential impact of each risk (time, cost, quality, reputation etc.) has been assessed, recorded and a suitable owner identified. Risks have then been scored for likelihood and impact, and control measures identified to reduce the risk score as far as practical. Several key risks have been identified which may occur as result of delivering this LUF Project. Risks include; Economy, Legal, Planning, Financial, Delivery and Project specific risks. The full Risk Register has been included as Appendix E and should be reviewed alongside the summary provided below.

The Key Risks are identified below. Mitigation plans have been put in place and are already being implemented to reduce the likelihood and impact of these risks as far as is practical.

- Failure to have robust project governance arrangements in place
 - Mitigation - A robust governance structure has been established, with effective reporting requirements identified. Council has significant experience in delivering similar projects

and has always demonstrated effective governance structures. Effectiveness of project governance structure will be kept under review.

- Failure to manage the project effectively and deploy sufficient resources
 - Mitigation - Identified project team have sufficient skills and experience in delivering projects of a similar scale and complexity. Council has the mechanisms in place to quickly outsource support should insufficient internal capacity be available.
- Client budget – affordability
 - Application of appropriate risk allowance, recognising relative infancy of design and cost work. Regular cost reviews to be undertaken throughout the project lifecycle.
- Failure to decommission current building in projected timescale
 - Early engagement with demolition contractor. Robust governance and realistic programme established at project inception.
- Failure to effectively communicate and engage with the community
 - Stakeholder mapping and Engagement has already been undertaken in support of this LUF application. An engagement strategy has been established and will be implemented throughout the project development and delivery phases.

6.3.4 Please provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature.

(749/750 words)

Experience of Similar Projects

SMBC has a strong track record of the delivery of similar projects to HHLC, including Wednesbury Leisure Centre which opened in 2015 and Sandwell Aquatics Centre, scheduled to open in Summer 2022. SMBC's established approach will again be implemented for the delivery of HHLC, combining in-house experience with a range of external specialists.

Case studies are provided below to demonstrate SMBC's experience and capabilities in the delivery of projects of this nature.

Project - Wednesbury Leisure Centre

Value - £10m

Team – Nicola Leavy, Gemma Ryan, Tony Farnsworth

Project Description - Wednesbury Leisure Centre was developed 2013 when it was no longer viable to maintain the existing Centre due to its corroding pipework and large quantities of asbestos. The new Centre was designed by the council's Urban Design and Building Services and provides a new sports hall, a 25-metre swimming pool, training pool, fully equipped fitness centre and dance studios. The design team created an attractive modern sports centre, valued by the community.

Transferable added value to HHLC - SMBC is experienced at successfully delivering Leisure Centres to scope, time, and budget. The same approach to procurement and delivery will be adopted for HHLC given its proven success with the same Project Team to ensure transfer of their experience and knowledge in successful delivery.

Project – Sandwell Aquatic Centre

Value - £73m

Team – Nicola Leavy, Gemma Ryan, Tony Farnsworth

Project Description - Construction of the Sandwell Aquatics Centre is almost complete. The centre will have state-of-the-art facilities and will host swimming and diving at the Birmingham 2022 Commonwealth Games. Located in Smethwick, it will become an important leisure facility for local people to use and enjoy for years to come.

Transferable added value to HHLC - Sandwell Aquatic Centre demonstrates SMBC's capability to deliver Leisure Centres of a large value. Tony Farnsworth is the dedicated Project Manager for the Aquatic Centre and lead in HHLC, bringing his extensive knowledge of project development delivery.

Core Project Team

A summary of the roles of our core project team is provided below. Further details of the responsibilities of the individuals are provided in our response to question 6.3.1. SMBC has carefully a team with the necessary skills, experience, and capabilities to support successful project delivery through all key stages of the project.

Alice Davey – Project Sponsor

Role - the Senior Responsible Officer, Alice, will provide the strategic oversight of the delivery of HHLC as set out within this application.

Why are they right for the role? Alice is an award-winning Chartered Manager, with more than 30 years' experience of managing and developing public services. Her focus is on transforming local services and spaces.

Gemma Ryan – Project Lead

Role - Project Lead, Gemma, will act as the key point of escalation within the project team.

Why are they right for the role? Gemma is an experienced Commercial Manager and has overseen the delivery of several Leisure Centres across Sandwell, including Sandwell Aquatics Centre.

Nicola Leavy – Project Manager

Role - Project Manager, Nicola, will oversee the day-to-day delivery of HHLC and monitor the realisation of benefits across the project.

Why are they right for the role? Nicola has almost 18 years Project/Programme Management experience for Sandwell MBC in a range of capital projects. Nicola successfully managed the delivery of West Bromwich and Wednesbury Leisure Centres. Nicola is also Programme Manager for Sandwell Aquatics Centre, bringing extensive knowledge and experience to her role on HHLC.

Tony Farnsworth – Design and Build

Role - Tony will act as the primary lead for the Design and Build Workstream. Tony will lead the councils internal design team which will provide full multidisciplinary services to support the procurement and delivery of HHLC. Tony will provide regular reports on this workstream to Nicola and escalate risks where appropriate.

Why are they right for the role? Tony is an accomplished Quantity Surveyor and has extensive knowledge of construction and public procurement. Tony is currently working as Project Manager and commercial lead on the delivery of Sandwell Aquatic Centre.

Capacity or Capability Gaps

SMBC has invested heavily in securing a team with experience in delivering complex programmes of work. Professional construction services will be provided through and managed through a dedicated with a proven capability from the delivery of leisure facilities and capital projects within Sandwell. However, should capacity or capability gaps be identified, SMBC is able to access several Government frameworks which enable timely appointment of support providing further confidence in SMBC's capability to delivery within the 2022/23 financial year.

6.3.5 Please set out what governance procedures will be put in place to manage the grant and project.

(736/750 words)

Sandwell Council has implemented an Assurance Framework detailing the procedures in place to ensure transparent decision making and governance of programmes. This includes but is not limited to the roles and responsibilities of the Accountable Body, Management Boards, Project Partners/Leads, delegated authority levels, project monitoring, risk management and change control. This Assurance Framework was adopted by Cabinet on the 22 Jun 2022 and will be updated should SMBC be successful in its LUF bid.

Communication

A Programmes Board is the platform where government guidance, new policies and updates is presented to Project Leads. The Programme Management Office will be responsible for reporting to Project Boards on the progress of project delivery in accordance with funding guidelines. SMBC has monitoring procedures in place to ensure that regular reviews are conducted throughout the lifetime of the project.

Delegated Authority

SMBC has procedures in places to request delegated authority to delivery programmes successfully. This includes but is not limited to changes to Terms of Reference, Board structures, programme change requests, procurement requirements.

Financial Controls

The financial management of the Levelling Up Programme will be in accordance with SMBCs Contract Standing Orders and Financial regulations. The statutory Section 151 Officer is also charged with ensuring that proper financial management processes are in place.

Where applicable, further delegations will be put in place by the council with specific reference to the delegation of authority for the Levelling Up Programme. The council has implemented a Claims Management process to ensure that financial claims to Government are verified and approved in accordance with the Financial Regulations.

Audit

The council's scrutiny process will apply to the Levelling Up Fund Programme. The Scrutiny Boards act on behalf of the Accountable body and will scrutinise the performance of the programme to ensure appropriate compliance to Council and DLUHC policies and processes. Quarterly reports will be presented to the Economy, Skills, Environment and Transportation Scrutiny Board to provide assurance of programme delivery.

Additional scrutiny of the programme will be carried out through programme reviews by Internal Audit on an annual basis and will include a full audit of the project lifecycle, including governance and transparent decision making and verification of financial transactions.

Counter fraud, corruption, and anti-bribery

The council operates a zero tolerance on fraud and corruption, all instances are investigated, and the perpetrator(s) dealt with in accordance with the council's Anti-Fraud and Corruption Policy. The council is committed to preventing money laundering by having anti-money laundering systems and processes in place.

The Council's policy is to conduct all its business in an honest and ethical manner. Any practice which involves an act of bribery shall be treated as a serious disciplinary offence, in the event of a Council employee being involved. In the event of an agent or third party contractor being involved, all association with the agent or third party contractor may be terminated and, where appropriate, legal action taken to protect the Council's interests and reputation.

Policies such as those dealing with gifts and hospitality, fraud and disciplinary procedure all provide controls to prevent and deal with bribery and those will be reviewed to make specific reference to the Act.

Procedures to avoid Conflict of Interests

SMBC has procedures designed to protect the council and individuals by ensuring decisions are impartial. The registration of interests protects individuals by giving early warning of any possible areas of conflict of interest and provides assurance to the public that, as an employee/ board member, they are acting transparently.

Cyber security, and data management

The availability, confidentiality and the data integrity of the Council's information systems are essential to the success of its business and administrative activities. The Council has defined policies designed to improve the management and security of council data.

A clear process to reporting cyber security attacks is set out for employees, with the first step being to report the incident via the council's ICT Portal. ICT immediately notify Audit and the Information Management Team in Governance Services who work alongside ICT colleagues to investigate and follow procedure to report the attack and communicate this with council employees.

Code of Conduct setting standards for ethical and professional behaviour

SMBC has a statutory duty under the Localism Act 2011 to promote and maintain high standards of conduct.

The SMBC Code of Conduct form sets out the expectations placed on all board members, project leads and officers of the Levelling Up Fund Programme.

6.3.6 If applicable, please explain how you will cover the operational costs for the day-to-day management of the new asset / facility once it is complete to ensure project benefits are realised. You should also consider any ongoing maintenance and servicing costs.

(750 words)

Table 1.9 of Appendix A, presents Operating Costs for the new Haden Hill Leisure Centre over the first ten years. Operating Costs have been prepared by SMBC's appointed Leisure Consultancy, Continuum Sport and Leisure Ltd. Staffing has been estimated to be at a level close to the existing costs with adjustment for wage cost inflation.

Operating Costs will be funded through SMBC's Sport and Leisure Budget. An operating deficit is forecast for Years 1 and 2, SMBC will provide a subsidy to ensure the successful running of the centre, before the centre begins to return a profit in Year 3.

A summary of the forecast Operating Costs is provided below. However, detailed review of Table 1.9 of Appendix A is advised to support the response provided to this question.

Total Operating Costs:

Year 1 - ██████████

Year 2 - ██████████

Year 3 - ██████████

Annual Operating Costs are forecast to remain at ██████████ for the following 22 years.

Operating Surplus/Deficit:

Year 1 - ██████████

Year ██████████

Year 3 - ██████████

Post Year 3, the centre is forecast to make ██████████ for the following 22 years. Total profit derived over the first 25 years is forecast to be ██████████

SMBC's leisure services are in a transformational period. SMBC has recently identified some significant development opportunities and are seeking to implement a management option that enables the Council to develop its services further, in a more efficient and effective way with greater health benefits for our local communities. The existing contract with Sandwell Leisure Trust (who operate 9 out of 10 of the leisure facilities) has been terminated and will end on 2nd May 2023. The Council's cabinet shall take a decision on the future delivery model in Summer 2022, which shall then be implemented in the following 10 months.

The Council and its partners have invested significantly in leisure facilities in Sandwell in recent years resulting in brand new facilities in Tipton Leisure Centre (2013), Wednesbury Leisure Centre (2015), Portway Lifestyle Centre (2013), West Bromwich Leisure Centre (2014) and perhaps most pertinently Sandwell Aquatics Centre in Smethwick (due to open summer 2023). This reflects the Council's commitment and level of priority it pays to local leisure services and the commitment to ensuring that facilities are operated in the best way possible for the benefit of the communities.

SMBC will prepare a new service specification which will determine and ensure outcomes and value delivered, aligned with the priorities of the Council identified through the development of the new delivery model.

Informed by the current transformation period, SMBC is currently developing a new Business Plan to ensure the viability of the business and the smooth running of all of Sandwell's eight leisure facilities, the new Haden Hill Leisure Centre will be considered within the development of the Business Plan.

6.4 Monitoring and evaluation

Prior to completing this section, please complete the relevant [Costings and Planning workbook- Table E – Monitoring and Evaluation](#)

6.4.1 Monitoring and Evaluation Plan: Please set out proportionate plans for monitoring and evaluation.

(826/1,000 words)

SMBC recognise that Monitoring and Evaluation are essential parts of any infrastructure project. It provides an opportunity to improve performance by reviewing past and current activities, with the aim of replicating good practice in the future and eliminating mistakes in future work. The objectives are as follows:

- Demonstrate local progress and the extent to which the project has met delivery milestones and objectives, including lessons learnt.
- Generate evidence on which interventions are the most effective at achieving the objectives and the progress of outcomes and impacts.
- Apply knowledge about what has worked, how and why to inform future projects and investments.

We have established the following topics and research questions:

Project Design and Rationale

Is the project well designed and underpinned by a strong intervention logic and clear rationale?

Delivery Progress

Has the project been delivered in line with expectations?

Delivery and Management

What factors have influenced the delivery and management of the project?

What lessons can be learnt for future programmes?

Impacts

Did the project achieve what it set out to do?

What difference did the project make?

What have been the changes in outcome indicators?

What has been the geographic distribution of any impacts?

Which target groups have been impacted?

Have there been any unintended outcomes?

Value for Money

How efficiently have these impacts been delivered and how much value has been achieved from the public sector investment?

Our approach to M&E is aligned to that set out in the Magenta Book [6.4.F1/a]; using monitoring as a tool to check progress against planned targets, and through evaluation seek to assess the effectiveness and efficiency of our programmes and whether anticipated benefits are realised.

Driven by our identified M&E objectives and Research Questions, we recognise that M&E activities need to be undertaken during scheme delivery to ensure the scheme is delivered on time, on budget and to specification. To this extent monitoring and evaluation has been split into two categories:

- Monitoring of project delivery; and

- Monitoring the achievement of scheme objectives.

Monitoring of Project Delivery

The monitoring and evaluation of the project's construction and delivery is set out in Table 1.10 (Appendix A) and summarised below:

- Delivery of Haden Hill Leisure Centre to Timeframe
 - Method - Programme/project plan assessment, Review of Risk Register and assessment of impacts, Project review during scheme design and build and Site inspections
 - Timeframe - Ongoing throughout delivery and construction
 - Responsibility – SMBC
- Delivery of Haden Hill Leisure Centre to budget
 - Method - Programme/project plan assessment, Identification of any changes to assumptions, Analysis of risk in the elements of costs, Project review during scheme design during scheme design and build and Site inspections
 - Timeframe - Ongoing throughout delivery and construction
- Delivery of Haden Hill Leisure Centre to specification
 - Method - Programme/project plan assessment, Review of risk register and assessment of impacts, Project review during scheme design and build and Site inspections

Monitoring the achievement of scheme objectives

The Logic Map provided in our support of Q4.3.4 shows how objectives have guided scheme development, the scheme outputs, and how these are linked to the desired outcomes and impacts. The Table 1.10 (Appendix A) notes the approach to monitoring and evaluating progress towards realisation of outcomes and impacts and achievement of objectives. This will be undertaken prior to or during delivery to assess baseline data and 1 and 4 years post completion. A summary is provided below:

M&E Objectives:

- Improve health outcomes for people across Rowley Regis
- Safeguard Heath and Leisure provision for the town of Rowley Regis and wider Sandwell
- Increase participation in sport activities in Rowley Regis

Outcomes:

- Reduction in illnesses related to lack of physical activity.
- Reduction in obesity levels.
- Reduction in hospital admissions with illnesses associated with a lack of physical activity.
- Modern facility -fit for purpose for 21st century leisure offer.
- Improved physical wellbeing for users.

Performance Indicators:

- Reduced incidences of; cardiovascular disease, stroke and cancer.
- Reduced incidences of obesity.
- Reduced incidence of hospital admissions for; cardiovascular disease, stroke and cancer.
- Reduced maintenance costs associated with an ageing facility.
- Increased usership and registered members.

Methodology:

- Review NHS data.
- Review data produced by local health service providers.
- Review operating and maintenance costs collected by SMBC Sport and Leisure
- SMBC to collect data on usage and membership.

Resourcing and Governance

SMBC will be responsible for ensuring that the Monitoring and Evaluation activities are carried out at baseline and following completion. Monthly project control meetings will be scheduled throughout the delivery programme between the Project Team and the Programme Manager to monitor progress, assess risk and monitor spend against budget.

The SRO. Alice will have overall accountability for project delivery, management, risk management and monitoring and evaluation. SMBC will cover the cost of Monitoring and Evaluation activities as set out in this Plan.

7 Declarations

7.1 Senior Responsible Owner Declaration

Please complete [pro forma 7](#) Senior Responsible Owner Declaration.

7.2 Chief Finance Officer Declaration

Please complete [pro forma 8](#) Chief Finance Officer Declaration.

7.3 Data Protection

Please note that the Department for Levelling Up, Housing and Communities (DLUHC) is a data controller for all Levelling Up Fund related personal data collected with the relevant forms submitted to DLUHC. The Department, and its contractors, where relevant, may process the Personal Data that it collects from you as part of your application to the Levelling Up Fund, in accordance with its privacy policies. The Department will use the Personal Data provided to contact you, if needed, as part of the assessment, selection and/or monitoring process. For the same purposes, the Department may need to share your Personal Data with other government departments (OGDs), their Arm's Length Bodies and contractors, where relevant, and departments in the Devolved Administrations, and by submitting this form you are agreeing to your Personal Data being used in this way. Any information you provide will be kept securely and destroyed within 7 years of the application process completing.

More information on how the department deals with data is available [here](#).

7.4 Publishing

When authorities submit a bid for funding to the UK Government, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, if the bid is successful they must also publish a version excluding any commercially sensitive information on their own website within five working days of the announcement of the successful bids by UK Government. UK Government reserves the right to deem the bid as non-compliant if this is not adhered to.

Please tell us the website where this bid will be published:

A. Project summaries

A.1 Project name

A.2 Please provide a short description of this project

(96/100 words maximum)

Our LUF Application proposes the demolition and delivery of a new Leisure Centre in Rowley Regis, Sandwell. The existing Haden Hill Leisure Centre is now 46 years old, and there is an immediate requirement to replace the facility. Failure to do so, would compromise the Council's ability to meet the demand for sport and leisure facilities in the Rowley Regis area. Project delivery will support the long-term economic sustainability of sport and leisure facilities in Sandwell. The proposed site layout and facilities mix are illustrated in Figure 1.1 and Figure 1.2 as included within Appendix A.

A.3 Please provide a more detailed overview of the bid proposal.

(250/250 words)

Our LUF Application proposes the demolition and construction of a new Leisure Centre at Haden Hill, located in the Sandwell town of Rowley Regis. The existing Haden Hill Leisure Centre is now 46 years old with an immediate requirement to replace the facility. Failure to do so would compromise the Council's ability to meet the demand for sport and leisure facilities in the Rowley Regis area. Project delivery will support the long-term economic sustainability of sport and leisure facilities in Sandwell. The proposed site layout and facilities mix are set out below with details provided in Figure 1.1 and Figure 1.2 Appendix A.

The proposed schedule of accommodation for the new Haden Hill Leisure Centre is listed below:

- Main 6 lane pool (25 x 12.5m)
- Learner pool (13 x 10m)
- Wet change village
- Sports hall (4 court)
- Gym (100 station)
- Spin studio (27 station)
- Dance studios (x2)
- Dry change
- Reception/office
- Café
- Staff room
- Wet and dry storage
- Plant rooms
- Circulation

The anticipated outcomes of the intervention include:

- Delivery of a modern, fit for purpose facility to encourage additional users.

- Increased capacity at the centre to accommodate additional users, supporting increased uptake of physical activity.
- Delivery of swimming facilities, which have been identified as underprovided.
- Improved accessibility for disabled users.
- Improved provision of health and leisure services for the local community.
- Reduced pressure on health care services due to physical inactivity.

A.4 Please provide a short description of the area where the investment will take place.

(247/250 words)

The proposed area of investment is located on Barrs Road, Cradley Heath which sits on the northern edge of Haden Hill Park in the Borough of Sandwell and falls under the jurisdiction of the Halesowen and Rowley Regis parliamentary constituency, extending west into the Borough of Dudley. Figure 1.3 included within Appendix A provides the red line boundary for the site, before Figure 1.4 provides context of the surrounding area of influence.

As illustrated in Figure 1.5, Appendix A, 73.2% of the population of Sandwell are within the three most deprived deciles of the Index of Multiple deprivation within the UK. This is compared to 30% for the national average. Notably, 71.8% of the population are within the three most deprived health deciles, again compared to 30% nationally. Life expectancy across the Borough in 2015, was 77 for men and 81.3 for women compared to a national average of 79.6 for men and 83.2 women¹.

As a result of the poor health outcomes exhibited within Sandwell, costs to the NHS per 100,000 people sits at £2,132,477 which is 10.9% more than the regional average at £1,922,771 and 17.3% more than the national average at £1,817,285, particularly damaging to the Birmingham and West Midlands NHS Trust.

The proposed site for investment is strategically located and has a large catchment. The site is well connected via sustainable modes of transport and accessibility will be further enhanced through the delivery of forthcoming active travel schemes, funded through Towns Fund.

A.5 Please confirm where the investment is taking place (where the funding is being spent, not the applicant location or where the bid beneficiaries are located).

The location of the proposed investment is Barrs Road, Rowley Regis, Sandwell, B64 7HA (SO 95845 85636).

A.6 Please confirm the total grant requested from LUF (£).

SMBC is requesting a LUF grant of £20,000,000.00 to support the delivery of Haden Hill Leisure Centre.

A.7 Please specify the proportion of funding requested for each of the Fund's three investment themes:

- a) Regeneration and town centre (%)
- b) Cultural (100%)**
- c) Transport (%)

¹ DCLG (2015), English indices of deprivation 2015, available: English indices of deprivation 2015 - GOV.UK (www.gov.uk)

A.8 Please confirm the value of match funding secured.

(250 words)

Demonstrating the importance of the proposed Haden Hill Leisure Centre to SMBC's ambitions, the Council has committed a 10% match funding contribution in support of this LUF Application, providing a total contribution of £2,376,970.

A funding gap of £1,392,737 has been identified. Currently there is no additional match funding secured to address this funding gap. However, it should be noted that conversations with Sports England have been initiated and are ongoing. Efforts will be made throughout the LUF determination period to secure additional funding via Sports England to address the gap identified.

A.9 Value for Money

(292/500 words)

Building on the project objectives and outcomes described in the theory of change (section 4.3.4), the quantitative VfM assessment focusses on four key metrics:

- Health benefits
- Sports participation benefit
- Art attendance benefit
- Operational cost and maintenance liability saving

All benefits have been selected for the quantitative VfM assessment as they can be quantified at this stage of scheme development. The relevance of these benefits and how they have been quantified is set out below.

The VfM assessment for this project is based on a 30-year appraisal period (the assumed useful lifespan of the assets) and is presented in 2022/23 prices. For the benefit and all costs, the standard HMT Green Book discount rate of 3.5% is applied in line with HMT Green Book 2020 guidance. Optimism bias of 51% has been applied to the total discounted public sector costs (capital and revenue) in accordance with HM Treasury guidance.

The stream of benefits and costs which are tied to the flow of HHLC's unique users are discounted to present values using a 3.5% annual discount rate in line with HM Treasury guidance. The economic appraisal shows that, based on the information and assumptions, the project produces a BCR of approximately 2.6, meaning that for every £1 of government expenditure in delivering the project just under £2.6 of net benefits are created. It also produces a NPSV of approximately £53.8m which is the present value of the flow of benefits over the appraisal period net of the present value costs. As highlighted, these benefits are solely defined and quantified in the VfM as lifetime benefits and productivity spillovers arising from courses and training provided. A BCR of 2.6 is classified as a 'high performing' project according to DCLG appraisal guidance.

A.10 It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be provided at Question 5.5 in the main application. If it is not possible to provide an overall BCR for your package bid, please explain why.

Section 5.4 of this document presents the overall Benefit Cost Ratio and Value for Money assessment for the HHLC project.

A.11 Where available, please provide the initial and adjusted BCR for this project:

To test the resilience of the VfM assessment the following sensitivity analysis tests were applied to key variables in the appraisal described above, with all other variables remaining unchanged:

- Sensitivity test 1 – analyses the risk that expected health outcomes may not be achieved due to exogenous factors, such as underlying health problems in some users. This may mean that certain cohorts of beneficiaries may not see the full reduction in incidence of CHD and diabetes. For purpose of the appraisal model, the health benefits have been reduced by 50%. The BCR obtained is equal to 1.8 with NPSV of 26.9m.
- Sensitivity test 2 – higher displacement on art cultural wellbeing benefit, with an increase of the displacement factor (i.e., the extent to which economic impact is offset by reductions elsewhere) from 60% to 75%. The BCR calculated in this scenario is 2.5 with NPSV of 49.6m.
- Sensitivity test 3 – analyses the effect of a 65% optimism bias to the CAPEX for the execution of the project (increasing from 51% under the core scenario). As a result, the BCR falls slightly from the core results to 2.4 with 50.3m NPSV.

The VfM criteria still performs robustly against the selected tests, producing relatively strong BCRs and net present values. The greatest sensitivity to performance is the health benefits projected, where a 50% reduction results in the BCR falling from 2.6 to 1.8.

A.12 Does your proposal deliver non-monetised benefits? Please set out what these are and a summary of how these have been assessed.

The new HHLC is anticipated to have a substantial amount of non-quantifiable benefits locally, highlighting the uplift in social outcomes. The following paragraphs below briefly discuss these impacts including the potential size of non-quantifiable impacts, relative to the size of the public sector investment required at the site.

Visitor benefit – medium impact

The refurbished leisure centre is expected to attract a wider audience due to its upgraded facilities and potentially engage people to stay in the Town when visiting for sport matches or dance activities. For example, the investment may enable local sports teams to host county wide matches or training. A proportion of these visitors travelling for events organised at the HHLC will require accommodation and use local hotels, B&Bs and restaurants. This additional visitors to Sandwell will have a positive effect on the local economy.

Labour supply benefit – medium impact

The improved facility is expected to require more staff to manage. It is anticipated that approximately 4 additional full-time equivalent (FTE) staff will be required to provide the increase in services. Assuming the individuals employed in these posts were otherwise unemployed there will be a net additional increase in GVA in the Sandwell economy as a result.

Accessibility – medium impact

Existing provision is unsuitable and/or inaccessible for disabled users due to the layout of the centre. The proposed HHLC will ensure accordance with appropriate legislation to improve accessibility for all users, creating an inclusive space.

Aesthetic – low impact

The Haden Hill Leisure Centre is showing signs of age and does not provide visitors with an encouraging view of Sandwell as a whole. The project will improve the aesthetics of these facilities and the impression of Sandwell to visitors.

A.13 Does this project include plans for some LUF grant expenditure in 2022-23?

Our Delivery Programme evidences our ability to deliver successfully within the prescribed LUF programme. Notably, we are able to confidently commit to spending approximately 5% of funds within the 2022/23 financial year.

A.14 Could this project be delivered as a standalone project or does it require to be part of the overall bid?

Yes. This project could be delivered as a standalone project.

A.15 Deliverability: Please demonstrate that project activity can be delivered in 2022-23?

Our Delivery Programme evidences our ability to deliver successfully within the prescribed LUF programme. Notably, we can confidently commit to spending approximately 5% of funds within the 2022/23 financial year.

Please refer to Appendix B for further detail.

A.16 Please list separately each power / consents etc. obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.

Required powers/consents have not yet been obtained.

A.17 Please list separately any outstanding statutory powers / consents etc, including the timetable for obtaining them.

Delivery of the LUF project is **dependent** on securing Full Planning Approval. Planning will be required to enable building demolition and construction of the new HHLC. SMBC will seek to engage through the formal Pre-Application process with the Local Planning Authority during the LUF determination period to accelerate the approvals process. Appropriate contingency has been included to account for potential delays associated with securing approvals whilst providing certainty on delivery within the prescribed LUF programme.

Planning and Building Regulation Approval will be secured on the 1st April 2024

