

Sandwell Towns Fund Assurance Framework

DRAFT

| Version | Details of changes | Approved Date | Updated by |
|---------|--------------------|---------------|------------|
| 1 | n/a | | R Rahim |

Contents

| | | |
|------------------|---|-----------|
| Section 1 | Introduction and purpose | |
| 1.1 | Local Assurance Framework | 5 |
| 1.2 | Sandwell Towns Fund | 5 |
| 1.3 | Phase 1 Town Investment Plan | 6 |
| 1.4 | Phase 2 Towns Fund Full Business Cases | 7 |
| 1.5 | Phase 3 Delivery | 8 |
| Section 2 | Transparent Decision Making | |
| 2.1 | Towns Fund Governance Phases 1-2 | 10 |
| 2.2 | Towns Fund Governance Phase 3 | 10 |
| 2.3 | Board representatives | 13 |
| 2.4 | Structure and Roles | 14 |
| 2.5 | Stakeholder Engagement | 17 |
| 2.6 | Inclusion and Sustainability | 18 |
| Section 3 | Accountable Decision Making | |
| 3.1 | The Accountable Body | 19 |
| 3.2 | Roles and responsibilities of Section 151 Officer | 21 |
| 3.3 | Audit and Scrutiny | 22 |
| 3.4 | Financial Regulations | 22 |
| Section 4 | Programme Delivery | |
| 4.1 | Contract management | 23 |
| 4.2 | Scheme of Delegation and Project Changes | 24 |
| 4.3 | Monitoring and evaluation - PMO and Project Leads | 25 |
| 4.4 | Monitoring and Evaluation – Towns Fund Local Boards | 26 |
| 4.5 | Monitoring and Evaluation - DLUHC | 28 |
| 4.6 | Claims Process | 29 |
| 4.7 | Procurement | 30 |
| 4.8 | Recovery of Funding | 30 |
| 4.9 | Publications of Reports and Information | 31 |
| 4.10 | Government Branding | 32 |
| 4.11 | Risk and assurance | 33 |
| 4.12 | Communications and Engagement | 34 |
| 4.13 | Data Management and Freedom of Information | 35 |
| 4.14 | Consultations during delivery phase | 35 |
| Section 5 | Signatories | 36 |
| | | |

Annex

The following is a list of Annexes referred to in this Assurance Framework. These documents are subject to change from time to time to comply with government guidance and Sandwell Councils procedures.

| Annex | Title of Annex |
|-------|--|
| 1. | Terms of Reference – Sandwell Towns Fund Superboard and Local Boards (Phase 1-2) |
| 2. | Terms of Reference – Sandwell Towns Fund Local Boards (Phase 3) |
| 3. | Board members Code of Conduct and Register of Interest |
| 4. | Terms of Reference – Towns Fund Programme Board (Accountable Body Officers) |
| 5. | Terms of Reference – Assurance Panel |
| 6. | Monitoring and Assurance Framework- projects |
| 7. | Project Approval Visit template (draft) |
| 8. | Project Claims process and forecasting (draft) |
| 9. | Change Process Protocol (draft) |
| 10. | Towns Funds Joint Publicity Protocol |
| 11. | Communications and Engagement Plan |
| 12. | Risk Management template |
| 13. | Assurance overview and 4 lines of defense model |
| 14. | Objection Resolution process |

Key Abbreviations and Terminology

| Word/Phrase/Abbreviation | Meaning |
|--|---|
| Accountable Body (AB) | the Local Authority allocated as the Accountably Body to central government for the Programme or any parts thereof; |
| Benefit Cost Ration (BCR) | Benefit Cost Ratio – value for money calculation |
| Assurance Framework | this Assurance Framework Agreement; |
| DLUHC | Department for Levelling Up, Housing and Communities Department within Government responsible for the Towns Fund Programme |
| Full Business Case (FBC) | Full Business Case developed as required by funder |
| Heads of Terms | Contract with government and funding provider |
| Internal Offer Letter | Agreement between Accountable Body and SMBC projects detailing project deliverables |
| MHCLG | the Ministry of Housing, Communities and Local Government, previous department to DLUHC (Department for Communities and Local Government) |
| Monitoring and Evaluation Plan (M&E plan) | Monitoring and Evaluation Plan requiring submission to government |
| Partnership Agreement | Contract with external project leads |
| Programme Management Office (PMO) | the Programme Management Office which forms part of the Accountable Body |
| Programme | The operational element of the individual programme within the Deal; |
| Project Adjustment Request (PAR) | Template to be completed to submit to DLUHC for changes to be approved |
| SMBC | Sandwell Metropolitan Borough Council |
| Summary Documentation | Summary information extracted from the Full Business Case requiring submission to government as part of the approval process |
| TIP | Town Investment Plans, submitted to government detailing the projects |

SECTION 1 INTRODUCTION AND PURPOSE

1.1 Assurance Framework

1.1.1 This Assurance Framework sets out how Sandwell Towns Fund Boards and Sandwell Metropolitan Borough Council (as the Accountable Body for the Towns Fund) will undertake their roles to ensure good governance and sound use of public money with respect to the Towns Fund allocation for Sandwell.

1.1.2 The framework is underpinned by a suite of documents including terms of references, policies and procedures which sets out the structure and roles that partners will play, and the processes and policies that will apply to the decision making that is required in managing the Towns Fund programme.

Adherence to the framework should ensure:

- Accountable decision making
- Responsible use of public money including achieving value for money
- Effective monitoring and evaluation

1.1.3 The framework is jointly owned by Sandwell Towns Fund Local Boards and Sandwell Metropolitan Borough Council (SMBC) as the Accountable Body, subject to approval by SMBC Cabinet in June 2022. This Framework will be reviewed annually, and any in-year changes will be made within one calendar month or following the next Cabinet and Local Board meeting where applicable.

1.2 Sandwell Towns Fund Programme

Background

1.2.1 On 6th September 2019 it was announced that 101 Towns had been identified by Government to benefit from the Towns Fund. In Sandwell, West Bromwich, Smethwick, and Rowley Regis were identified to benefit from the Towns Fund Programme.

1.2.2 The objective of the Towns fund is to drive the economic regeneration in Towns to deliver long term economic and productive growth through;

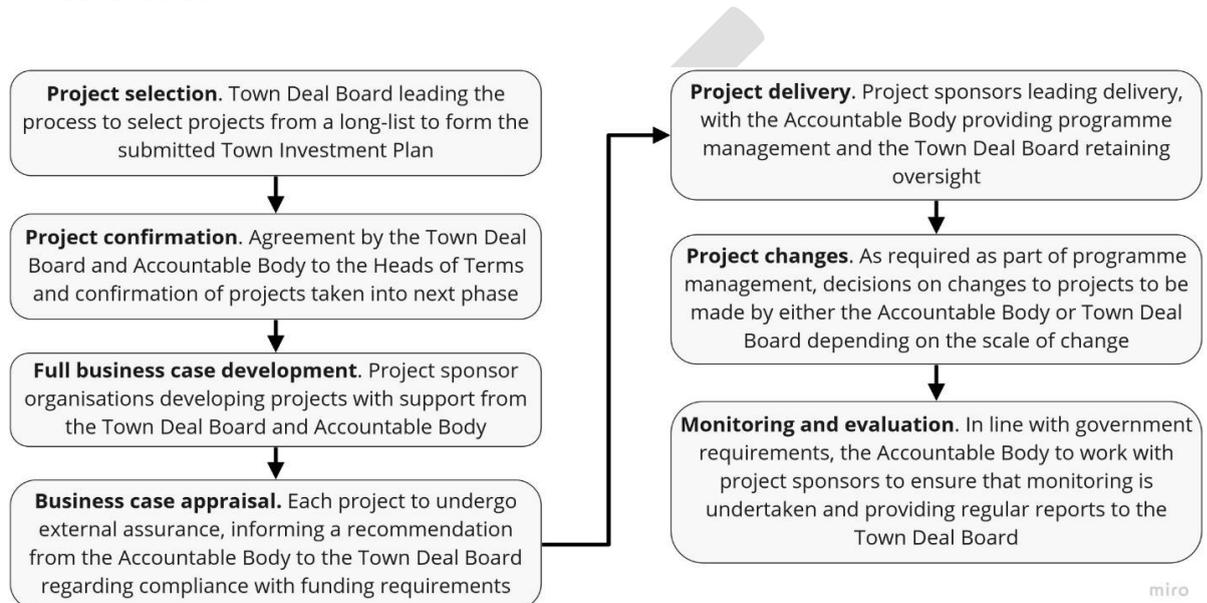
- a) Urban regeneration, planning and land use; ensuring towns are thriving places for people to live and work, including by; increasing density in town centre, strengthening local economic assets including local cultural assets; site acquisition, remediation, preparation, regeneration; and making the full use of planning tools to bring strategic direction and change.
- b) Skills and enterprise infrastructure: driving private sector investment and ensuring towns have the space to support skills and small business development.

- c) **Connectivity:** developing local transport schemes that complement regional and national networks, as well as supporting the delivery of improved digital connectivity.

The delivery process for the Towns Fund Programme was defined by three stages:

- Phase 1 Town Investment Plan - Heads of terms
 Phase 2 Full development of TIP Projects
 Phase 3 Delivery of TIP Projects.

The key processes in the appraisal and approval of the projects are summarised as follows:



1.3 PHASE 1 Town Investment Plan (Completed)

1.3.1 A Towns Fund Superboard and three Local Boards were formed in January 2020 and work was commissioned to prepare TIPs for each Town which contained a vision with a set of priorities and projects in line with the guidance issued. Superboard was responsible for signing off each stage of the development of the TIPs, this included the decisions relating to the project prioritisation process and final selection of projects for inclusion in the TIP. The following projects were developed during this process:

| | Project | Applicant |
|----------------------|--|-------------------------------|
| WEST BROMWICH | Digital Den | Greets Green Community Centre |
| | Sandwell Civil and Mechanical Engineering Centre | Sandwell College |
| | Urban Greening | SMBC |
| | Retail Diversification Programme | SMBC |
| | Town Hall Quarter | SMBC |
| | West Bromwich Connected | SMBC |

| | | |
|---------------------|--|-----------------------|
| SMETHWICK | Midland Met Learning Campus | NHS Trust |
| | Grove Lane Regeneration | SMBC |
| | Albion Family in the Park (project withdrawn following TIP submission) | The Albion Foundation |
| | Rolfe Street Canalside Regeneration | SMBC |
| | Ron Davis Centre Expansion | SMBC |
| | Smethwick Connected | SMBC |
| ROWLEY REGIS | Rowley Regis College- Satellite Education Hub | Sandwell College |
| | Canal Network Connectivity | Canal River Trust |
| | Britannia Park Community Hub and Greenspace Improvements | SMBC |
| | Blackheath Bus Interchange and Public Realm | SMBC |
| | Rowley Regis Connected | SMBC |

1.3.2 Following the submission of the TIPs for Sandwell in October 2020, Government issued Heads of Terms for each of the Sandwell Towns in March 2021. The Heads of Terms were a conditional offer of funding of £25m for West Bromwich, £23.5m for Smethwick and £19m for Rowley Regis.

1.4 PHASE 2 Towns Fund Project Business Cases (Completed)

- 1.4.1 Following the Heads of Term Agreement, the Towns Fund Boards oversaw the development of full business cases for all the TIP projects. Towns had up to 12 months from the signing of Heads of Terms (until 24th March 22) to develop and submit full business case to DLUHC to enable release of funding.
- 1.4.2 A key component of the Business Case process was to undertake Green Book compliant Value for Money Assessments, including calculation so Benefit Cost Ratios (BCRs) for individual projects.
- 1.4.3 Independent appraisal of the business cases were carried out prior to submission to government to give the necessary assurance to the Accountable Body and Towns Fund Boards.
- 1.4.4 Where applicable, community & stakeholder consultation and engagement with the support of SMBC, took place during full business case development to ensure the community and stakeholders remained active in shaping the projects.
- 1.4.5 Following the inclusion of 17 project in the TIPs, The Albion Foundation withdrew the Albion Family in the park project in December 2021 due to a number of challenges.
- 1.4.6 The remaining 16 projects which make up the Towns Fund Programme were divided into 3 tranches for DLUHC submission and submitted to DLUHC as follows:

1.5

| Project | Tranche | Approval Process | DLUHC Submission |
|--|---------|---|------------------|
| Digital Den | 1 | SIU | October 21 |
| Sandwell Civil and Mechanical Engineering Centre | 2 | Local Board Superboard SMBC Cabinet | January 22 |
| Urban Greening | 2 | | |
| Retail Diversification Programme | 3 | SIU Local Board Superboard Assurance Panel | March 2022 |
| Town Hall Quarter | 3 | | |
| West Bromwich Connected | 3 | | |
| Midland Met Learning Campus | 3 | | |
| Grove Lane Regeneration | 3 | | |
| Rolfe Street Canalside Regeneration | 3 | | |
| Ron Davis Centre Expansion | 3 | | |
| Smethwick Connected | 3 | SIU Local Board Superboard Assurance Panel | March 2022 |
| Rowley Regis Satellite Education Hub | 3 | | |
| Canal Network Connectivity | 3 | | |
| Britannia Park Community Hub and Greenspace Improvements | 3 | | |
| Blackheath Bus Interchange and Public Realm | 3 | | |
| Rowley Regis Connected | 3 | | |

- 1.5.4 The three projects within Tranche 1 and 2 followed the original assurance process, where projects were appraised by the Councils Strategic Investment Unit prior to being approved by the Local Boards and Superboard and finally the Cabinet before submission to DLUHC.
- 1.5.5 Tranche 3 projects followed a revised assurance process. SMBC Cabinet authorised the establishment of an Assurance Panel to comprise the Director for Regeneration & Growth, the Section 151 Officer, a representative from the Strategic Investment Unit, the Cabinet Member for Regeneration and Growth and the chair of the Town Deal Board. Full Business Cases were appraised by the Council's Strategic Investment Unit and third-party consultants, agreed by Local Board and Superboard before being presented to the Assurance Panel for approval.
- 1.5.6 Once approved by Cabinet/ Assurance Panel, a project Summary Document and Monitoring and Evaluation Plan was prepared and submitted to DLUHC for review. The Summary Document contains an overview of the context within each FBC, how it has been appraised, and confirmation that key conditions from the Heads of Terms have been addressed (where applicable).

1.5 PHASE 3 Delivery (Current Stage)

1.5.1 Once Government approval has been received following submission of Summary documentation, projects will draw down funding and commence delivery. Delivery of individual projects will continue to be overseen by the Towns Fund Local Boards in partnership with the Accountable Body.

1.5.2 The Accountable Body will be responsible for the day-to-day delivery and operational decisions for the Towns Fund programme. The Board will be responsible for overseeing delivery of the programme, monitoring and evaluation of the individual projects and compliance with the Heads of Terms Agreement with government.

1.5.3 The Programme Management Office (PMO) will have responsibility for day-to-day decisions and delivery oversight of the TIP projects:

- The PMO office will be supported by appointed project managers and other economic development and regeneration specialists, including legal, finance and communication specialists.
- Each TIP project will be led by an appointed Lead who will work with a Project Delivery Group made up of relevant internal and external stakeholders for the project.
- The Towns Fund Programme Manager/ PMO Team will provide update reports to the Programme Board, Local Boards, Cabinet, DLUHC and any Scrutiny Boards where applicable.
- Programme decisions will require final approval by SMBC Cabinet unless delegated authority has been authorised.

The Programme Management Office will be responsible for following work areas;

- Day to day responsibility for the management and administration of the Towns Fund programme
- Overseeing the delivery of all TIP projects
- Ensuring that projects remain state aid compliant - overseeing appropriate due diligence (whether internal or external)
- Drafting funding agreements letters/contracts, where appropriate (approved by SMBCs legal department)
- Communicating as required with private sector partners and any individual grant beneficiaries
- Performance managing any external grant awards, monitoring milestones, outputs and the terms and conditions
- Claim, drawdown, defray and account for funds from DLUHC
- Liaising with DLUHC/Towns Fund Delivery Team to ensure they receive monitoring updates and progress reports as required
- Supporting third party project teams in their delivery of Towns Fund projects, monitoring progress where appropriate through a grant agreement

- Reporting on Towns Fund progress to SMBC's internal Board, Portfolio Holders, Scrutiny and Cabinet
- Implementation and delivery of the Communication Plan

SECTION 2 TRANSPARENT DECISION MAKING

2.1 Sandwell Towns Fund Superboard and Local Boards (Phase 1 and 2)

- 2.1.1 The Towns Fund Superboard adopted the role of a senior strategic body working in partnership with SMBC. It provided strategic direction to the development and implementation of the Towns Investment Plans for Sandwell.
- 2.1.2 Specifically, the Boards were the vehicle through which the vision and strategy for the town was defined ensuring diversity in its engagement with local communities and businesses. The three Local Boards (Rowley Regis, Smethwick and West Bromwich) were constituted as working groups of the Superboard and had a remit to influence the Towns Fund Programme and to form part of the assurance mechanisms to ensure that project delivery remains in keeping with the Vision and objectives outlined in the Town Investment Plan.
- 2.1.3 As working groups of the Superboard, Local Boards committed to developing projects and through their recommendations and reports, influenced the programme and project direction to support the Towns Fund Superboard.

2.2 Governance for Phase 3 Delivery

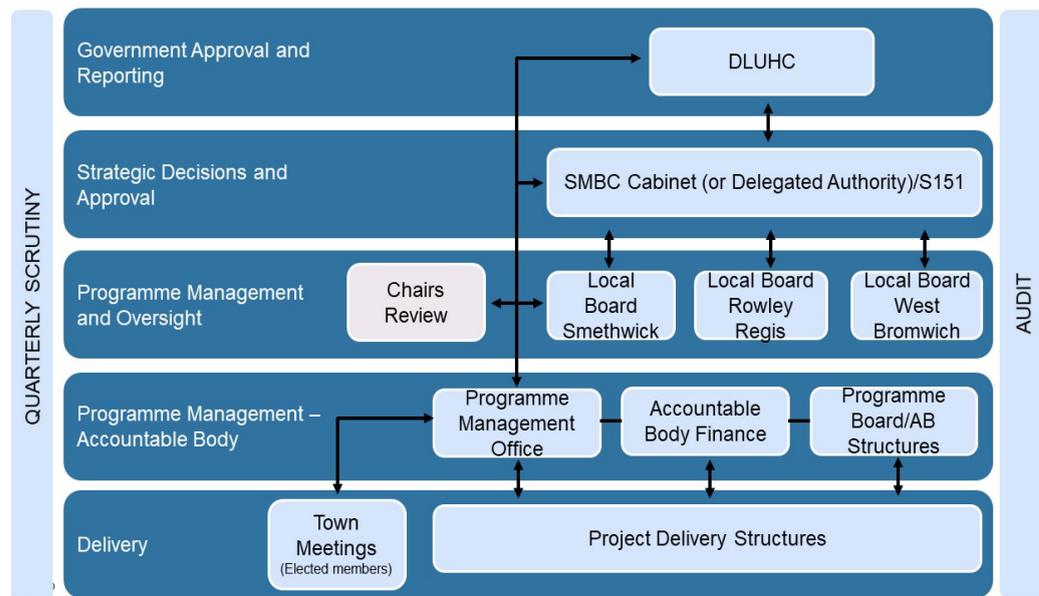
- 2.2.1 The governance model of the Superboard being supported by three Local Boards has been effective to date allowing the development of projects to FBC stage through robust due diligence and assurance processes. This structure has best served the projects in ensuring that due diligence was undertaken to submit summary documentation by 24th March 2022.
- 2.2.2 MHCLG Guidance (Dec 2020 and April 2021) sets out the following requirements of the Boards and the Council:
- Phase 3 of the Programme (project delivery) - that the Towns Fund Board should ensure an element of independent 'on-the-ground' monitoring of the deal delivery and act as a 'critical friend' throughout the programme lifecycle;
 - Through project delivery, ensure regular catch ups with the Towns Fund Board to enable the board to see through the town vision, take ownership of their proposed projects and provide a level of accountability.
 - The Towns Fund Board should have an ongoing role and sight of decisions, the nature and degree of which should be agreed locally.

2.2.3 This Towns Fund Assurance Framework will stipulate the roles and responsibilities of partners, Boards and the Accountable Body as well as the processes required to deliver the Towns Fund Programme successfully throughout the delivery phase. This will also include mechanisms on continuing reports to the Towns Fund Boards by way of highlight reports including progress towards finance, outcomes, milestones as well as project change requests, risk management and any other programme related matters.

2.2.4 To best serve the efficient reporting throughout the delivery phase, an updated governance structure was approved at Cabinet on 18 May 2022. The structural changes enables the Local Boards to inherit the Superboard responsibilities with ongoing delivery and progress being managed by the Local Boards. The changes for Phase 3 will include the following:

- Superboard members will be transferred over to the Local Boards as appropriate to ensure continuation of representation of key stakeholders.
- Inclusion of Elected Member representation on the Local Boards
- Update of Cabinet members roles required as the structure has changed since June 2021
- Cabinet members will continue to have an open invitation to Local Boards.
- S151/delegated representative to have an open invitation to ensure compliance on behalf of Accountable Body.
- Chairs of Local Boards will convene regularly for collaboration and consistency of approach.
- Ongoing quarterly reports to be presented to the Elected Members Towns Meetings.
- Superboard structure no longer being active.
- Ongoing quarterly reports will be presented to the Economy, Skills, Environment and Transportation Scrutiny Board to provide assurance that the programme is proceeding in line with Government requirements and agreed local assurance processes.

The revised structure is shown below:



2.2.5 Members of the Local Boards will continue to work within the guidance issued by government and will always demonstrate the highest standards of conduct. Any third party involved with the Local Boards or who is providing a service to the Sandwell Towns Fund Board will be made aware they are expected to act within the governance system and that their conduct is expected to be consistent with the standards applicable to members of the Local Boards.

2.2.7 As per the Towns Fund Prospectus, the Government expect that Towns Fund Boards align with governance and policies of the Accountable Body (SMBC). This includes whistle blowing, conflicts of interest and complaints. Details on such policies can be found on the Sandwell Towns Fund Website.

2.2.8 SMBC expects employees and its members to adhere to the seven Nolan Principles of public life. Therefore, members of the Local Boards are expected to adhere to those same principles of:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

2.2.9 Each Board Member and Substitute Board Member is required to adhere to the Terms of Reference and submit a signed version of the Register of Interest and Code of Conduct before formal membership is given. A copy of the Register of Interest, Terms of Reference, and Codes of Conduct are included within Annexes 1, 2 and 3 of this document. Completed forms are submitted on the SMBC Towns Fund Website, as Accountable Body, under the list of Board representatives.

2.2.10 In light of the Covid-19 pandemic, Sandwell Towns Fund Board meetings may be held in person or virtually, as required. The same governance rules apply to meetings that are held virtually.

2.3 Board Representatives

2.3.1 The Local Boards comprise of private and public businesses and bodies throughout the three towns and is the vehicle through which the vision and strategy for the town is defined.

2.3.2 The primary role of the Local Boards is to provide strong and visible leadership for Sandwell, challenging partners to increase their ambition of what can be achieved collectively and acting as advocates for the town.

2.3.3 Since inception in early 2020, Sandwell Towns Fund Boards have agreed a vision for Sandwell and sought to maximise the opportunities for growth; including, the development of a well evidenced Town Investment Plans which sets out clear understanding of the area, focusing on its assets, opportunities and challenges.

2.3.4 As the Towns Fund Programme serves three towns in Sandwell, Local Boards were set up as working groups of the Superboard to deliver phases 1 and 2 of the programme. As mentioned in Section 3 Governance, the Local boards will inherit the responsibilities of the Superboard to ensure that programme reporting is effective during the delivery phase. The Board representatives for Phase 3 will comprise:

- **Chair and Co-Chair** - The posts will lead and facilitate the Board providing strategic direction. Each role will be independent in its own right and at least one role will be held by a private sector representative. To enable the Board to proceed at least one of the two Chairs must be in attendance at the Local Board meetings The Chair and Vice-Chair will be voted in on an annual basis.
- **Board Members** - Representatives from the public and private sector including local business, Higher Education, Further Education, community voluntary services, health, elected members. Board Membership will be reviewed annually. Any decision made by the Chair must be formally ratified by the rest of the Board Members at the next meeting. There may be one vote per organisation.
- **Substitute Board Members** - Substitute members from organisations will be entitled to attend Board meetings and vote when a Board Member is not available. Substitute members are required to follow the governance process.
- **Advisors** - Advisors are invited by Board Members and participate in the meetings but have no voting rights or ability to make decisions on behalf of the Board.

- **S151 Officer** – SMBC is the Accountable Body for the Towns Funds Boards. The Council's S151 Officer will ensure compliance with all necessary financial regulations, in order to protect the accountable body and ensure proper administration of all financial affairs.

2.4 Structure and Roles during Phase 3 – Delivery

2.4.1 The two key bodies with responsibilities to develop and deliver the Towns Fund are Sandwell Towns Fund Boards and Sandwell Metropolitan Borough Council (SMBC), the latter being the Accountable Body for the Towns Fund. Detailed guidance was provided by government in December 2020 and updated in April 2021 on the respective roles of these bodies (see section 4.10 of the guidance). This framework has been developed in line with this guidance, though it was focused more on the development of the Town Investment Plan than the totality of the Towns Fund programme. Looking to the phases of the programme beyond the Town Investment Plan, more recent guidance summarises the roles as follows:

- *The Accountable Body (as identified in the Town Investment Plan) will be accountable for implementing the Towns Fund Programme. The Towns Fund Board should have an ongoing role and have sight of decisions as projects are developed in more detail or possible changes are made. The nature and degree of the Board's oversight should be agreed locally.*
- *Locally, ultimate decision-making responsibility will lie with the accountable body, but the Towns Fund Board Chair will be a signatory to the Summary Document and should make decisions in partnership and collaboration with the Towns Fund Board*

(Towns Fund guidance (stage two): business case development, Dec 2020 section 2.4-2.5)

2.4.2 The governance structure and roles have been defined throughout the different phases of the Towns Fund Programme to ensure that the responsibilities have been effectively discharged.

2.4.3 The Local Boards have been integral in the development of the projects throughout Phase 1 and 2 and will continue to have an ongoing involvement in Phase 3 delivery stage. To enable day to day programme management and decision making, the Local Boards have inherited the responsibilities from the Superboard and will be responsible for the delivery of the programme, ensuring compliance of Heads of Terms. The Boards Terms of Reference have been updated to align with the delivery phase and details the responsibilities and policies to deal with challenges faced in the delivery stages.

2.4.4 Overarching responsibility for steering and overseeing Sandwell Towns Fund programme lies with the Sandwell Towns Local Boards. As the Towns Fund progresses, some work may be delegated to specific sub-boards or panels. These sub-boards will be chaired by a member of the Local Boards who will report back on the sub-board activity.

2.4.5 More detail on the respective roles of the groups in the diagram are included within subsequent sections as key activities and processes are described. However, with a focus on phases during the submission of the Town Investment Plan and Business cases, the roles in brief are:

| Towns Fund Boards | |
|---|--|
| Sandwell Town Fund Superboard (Phase 1 and Phase 2) | Working in partnership with SMBC as the Accountable Body, Towns Fund Superboard provided strategic direction to the development and implementation of Sandwell Towns Fund. The Board had a critical role to play in ensuring a strong and diverse voice from Sandwell communities and stakeholders brought the discussions and decisions on the Towns Fund. |
| Local Boards (Phase 1 and 2) | The three Local Boards (Rowley Regis, Smethwick and West Bromwich) were constituted as working groups of the Superboard to influence the Towns Fund Programme and projects and to form part of the assurance mechanisms to ensure that project delivery remains in keeping with the Vision and objectives outlined in the Town Investment Plan. Responsibilities of the Local Boards included helping develop full business cases with project leads in line and providing critical challenge where required |
| Local Boards (Phase 3) | Local Boards will inherit Superboard responsibilities to have continued input into the delivery phase of projects benefitting from local knowledge. Monitoring progress towards programme delivery including agreeing project adjustment requests and ensuring compliance with Heads of Terms, making recommendations to Cabinet/Delegated authority where required. |
| Accountable Body | |
| SMBC Cabinet | As the Accountable Body for the Towns Fund, SMBC will have a range of responsibilities as set out in the next section. The role of its Cabinet will be to ensure that resources and arrangements are in place to discharge those accountable body responsibilities. It will be the senior decision-making body within the Council regarding the Towns Fund Programme, though it may choose to delegate decisions for example to S151 Officer, Director of Regeneration & Growth or Cabinet member in consultation with the Towns Funds Boards/Chair. Decisions taken by Cabinet will be subject to scrutiny through the existing SMBCs Scrutiny process. |

| | |
|--|--|
| Strategic Investment Unit | <p>The Councils Financial Regulations states that all bids for external funding must be appraised by Strategic Finance prior to being submitted. The SIU under this proposal, with the support of the external consultants have prepared 16 Business Cases for approval.</p> |
| Assurance Panel | <p>Due to the number of projects requiring Cabinet approval, Cabinet approved the establishment of an Assurance Panel consisting of the Chair of the Superboard, S151 Officer, Director of Regeneration and Growth. Delegated authority was approved for the Assurance Panel to review and approve the 13 project business cases in Tranche 3 prior to submission to DLUHC.</p> <p>The Panel provided assurance that the projects were a strategic fit; support a compelling case for change; maximise public value; are commercially viable; are affordable and funding and can be achieved successfully by the organisation and its partners.</p> <p>Terms of Reference for the Assurance Panel are detailed in Annex 5.</p> |
| Towns Fund Programme Board (Accountable Body Officers Group) | <p>The Towns Fund Accountable Body Officers Group consisted of Project leads and the PMO to support the development of full business cases during Phase 2. It also included department and external consultants who are critical to the delivery of the programme including Legal, Finance, Governance, Procurement, Communications.</p> <p>This provided a further line of assurance within the council with regard to the managing of public money as the Towns Fund programme forms part of the council's wider Capital Programme.</p> <p>During Phase 3, the Board will be revert to being the Programme Board and will review the Terms of Reference and ensure that its is fit for purpose. Having such a platform provides a route for escalation of project management issues and risks within the programme. The Board is run in line with the wider project and programme methodologies in place within the council. Where applicable, it will also provide regular updates to the Sandwell Towns Fund Board. The Terms of Reference for the Accountable Body Officer are included at Annex 4.</p> |

| | |
|--|---|
| Towns Fund Programme Management Office | The Programme Management Office has been established in order to provide the dedicated resources required to manage the programme and ensure the council can fulfil its role as the Accountable Body. It includes a Towns Fund Programme Manager and a Programme Support Officer responsible for the delivery of the Programme. The team will also provide secretariat support to the Sandwell Towns Fund Superboards, Local Boards and the Programme Board |
| Accountable Body Finance Support | The Claims Monitoring Officer will process and verify claims submitted to the Accountable Body ensuring compliance with the funding requirements prior to the payment of Towns Funds. The Claims Monitoring Officer will work closely with the PMO in collating information for monitoring returns submission which require Section 151 Officer sign off |
| External | |
| DLUHC | DLUHC is the lead government department for the Towns Fund. The accountable body will provide regular reports to DLUHC on implementation of the Towns Fund. |
| Towns Fund Delivery Partner | The Towns Fund Delivery Partner has been appointed by government to support all towns in their work to develop Towns Funds. The TFDP will also provide advice and support directly to both the Programme Management Officer and to Project Leads – individually and collectively – for the duration of its contract with DLUHC. |

2.5 Stakeholder Engagement

2.5.1 Sandwell Towns Fund Local Boards are committed to effective engagement and collaboration with all its partners and stakeholders to effectively undertake its role as an advocate for its area and communicate key information relating to the Town Investment Projects. A Stakeholder Engagement Plan was developed and submitted along with the TIPs to government. A copy of this plan can be found in Annex 11a.

Examples of Sandwell Town Board's engagement activities include:

- Consultation of partners and stakeholders in the region for the Town Investment Projects
- Regular engagement with the local media on the Towns Fund Board's work.
- Regular social media updates, website and video coverage of Town Investment Plan activity.

- 2.5.2 The Chairs of the Towns Fund Local Boards will regularly engage with local leaders, elected members, residents, and key business leaders. Within Sandwell Towns Fund Board this engagement is being used to inform key decisions and future strategy development. The Stakeholder Engagement Plan will be updated to align with the Communications Plan to ensure this is still fit for purpose during delivery phase.
- 2.5.3 Where there needs to be a change to the projects TIP, this will be presented and agreed at the Local Boards and Accountable Body before being communicated to the public. The decision will have been scrutinised appropriately by the Section 151 officer to ensure the change is fair and robust.
- 2.5.5 The Local Boards through the PMO, will remain in regular communication with DLUHC and the Towns Fund Delivery Partner and other towns who have received investment from the Towns Fund to ensure a collaborative approach to sharing ideas and support on any challenges.

2.6 Inclusion and Sustainability

- 2.6.1 The Local Boards will look to enable inclusivity and sustainability in to all its decision-making processes and strategic development. In order to be able to do this the Local Boards will nominate an inclusion representative and any sub working group must have at least one named inclusion representative at all times.
- 2.6.2 The Local Boards will consider how projects will improve the economic, social, and environmental well-being of Sandwell, how equality issues are considered, and how such improvements can be secured in the TIPs Projects.
- 2.6.3 The Local Boards and project leads have committed to securing social value within the project designs.
- 2.6.4 As part of the development of full business cases, project leads have set inclusive ambitions, ensuring compliance with strategies for capital funding where consideration must be taking into account the relevant charter which requires all projects to align their construction and development projects to a set of principles which create sustainable Economic, Environmental and Social impacts.
- 2.6.5 Each project as part of the Green Book Business Case include details of how it meets the governments clean growth principles and Public Sector Equality Duty (PSED).

Section 3 ACCOUNTABLE DECISION MAKING

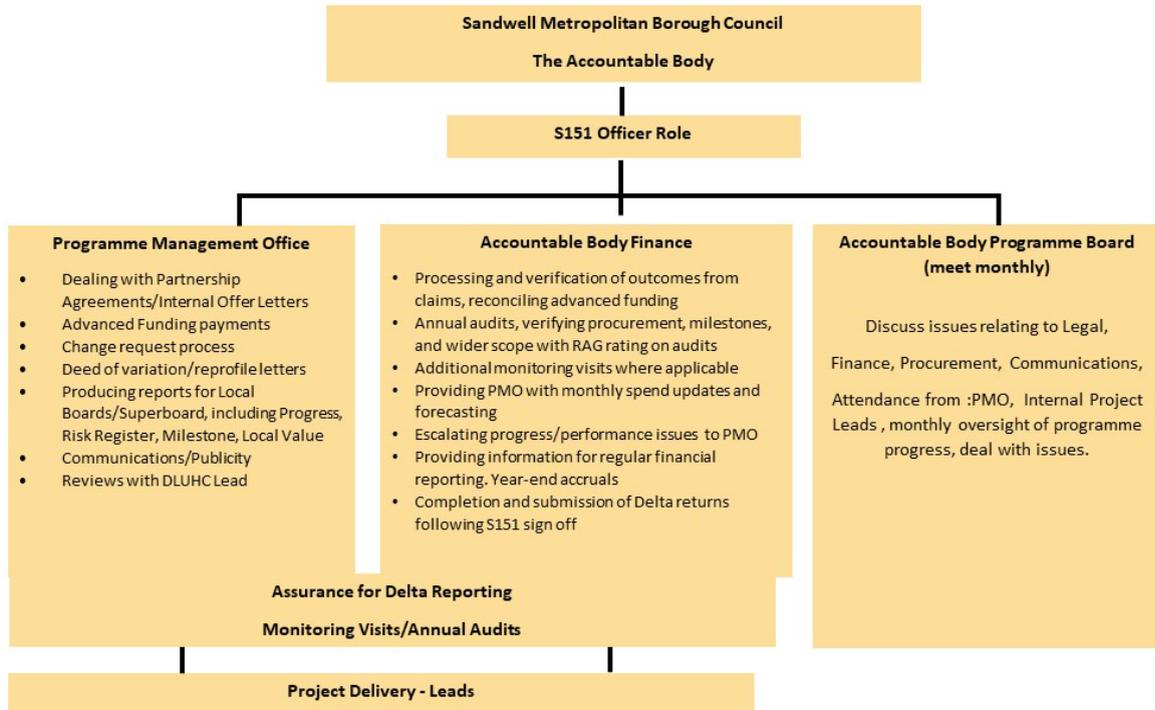
3.1 The Accountable Body

3.1.1 The Local Boards are an unincorporated body and therefore require an Accountable Body for the funding programmes it manages. The Accountable Body for the Towns Fund is SMBC and this Assurance Framework will be used to manage and administer the Towns Fund on behalf of the Local Boards.

The primary role of the accountable body will be to:

- Uphold the Seven Principles of Public Life (the Nolan Principles)
- Sign the Heads of Terms with Government
- Ensure Towns Funds are only used in accordance with Board recommendations.
- Establish a Programme Management Office function that will be responsible for ensuring appropriate systems are in place for the management and delivery of Towns Funds, that are compliant with the Towns Fund programme guidance and other relevant Government guidance, for example the HM Treasury Green Book.
- Through the Project Delivery Groups, develop the projects within the Town Investment Plan in accordance with the HM Treasury 5 Case Model.
- Ensure appropriate separation of duties and ethical walls are in place across the functions of the Towns Fund Governance structure to allow independent and transparent decision making.
- Consider and make the final decision on the recommendations of The Board. In making these decisions the Accountable Body will ensure the activities of the Board comply with legal requirements including but not limited to those in respect of equalities, human rights, environmental requirements, procurements and subsidies.
- Ensure that the recommendations made by the Boards are done so in accordance with good governance principles.
- Ensure independent due diligence and assessment processes are in place to review Towns Fund schemes that are compliant with the HM Treasury Green Book, to allow The Board to make an informed recommendation.
- Ensure transparency requirements are met through the publication of the governance arrangements, register or interests and meeting papers for the Board on the SMBC website
- Ensure, where required, Environmental Impact Assessments or Public Sector Equalities Duties are undertaken.
- Submit regular monitoring reports to the Government.
- Enter into Funding Agreements with external Project Applicants
- Hold publicly funded allocations, and make payments to, delivery bodies and account for these funds in such a way that they are separately identifiable from the accountable body's own funds and provide financial statements to The Board as required.
- Ensure that the Towns Fund Assurance Framework is adhered to.
- Act as the Secretariat for the Towns Funds Boards and maintain the official record of the Towns Fund.

The Accountable Body will discharge its responsibilities through the Programme Management Office, Finance and Programme Board as the key structures.



Sandwell MBC

- 3.1.2 A wider support function will be provided by Council officers including expertise provided by Legal Services, Democratic Services, Procurement Services and Financial Services. External consultancy services with specialist expertise will also be procured to support the Towns Fund Project Team, such as to ensure an independent and robust due diligence process.
- 3.1.3 The **Towns Fund Programme Management Office** will be responsible for day to day programme management once delivery commences. It will liaise regularly with each project sponsor and ensure that reporting requirements are clearly set out and understood. It will endeavor to provide and/or enable support for project sponsor organisations where delivery is challenging. The team will provide monthly programme reporting to the Towns Fund Programme Board with both highlight reports and, where commissioned, detailed project reviews. The regular reporting will include information at project and programme level on risk, finance, milestones and outputs/outcomes, social value, procurement with further information where required.

3.1.4 **The Towns Fund Programme Board (Accountable Body Officer Group)** chaired by the Director of Regeneration and Growth, this Board was established to support Phase - Development of Full Business cases. It provided a platform whereby the PMO could provide support to project leads on common issues and collaborative working in ensuring completion of the FBCs. The Programme Board continues to meet whilst awaiting government approvals. This will enable the PMO to update project leads on government guidance and requirements. A copy of the Programme Boards Terms of reference can be found in Annex 4.

3.2 Role of the Section 151 Officer

3.2.1 SMBC is the Accountable Body for the Sandwell Towns Fund Local Boards. The Council's Section 151 Officer will ensure compliance with all necessary financial regulations.

3.2.2 The Sandwell Towns Fund Local Boards and Accountable Body will ensure they address the five principles of the CIPFA guidance:

1. Embed a corporate position for the Section 151 officer in Local Board assurance
2. Create a formal/structured mandate for the Section 151 officer
3. Embed good governance onto decision making
4. Ensure effective review of governance
5. Ensure appropriate skills and resourcing

3.2.3 All Local Boards and any sub-group documents which have financial implications will be provided to the Section 151 Officer/delegate. Where decisions are being made, the Section 151 Officer/delegate will have the opportunity to comment.

3.2.4 Assurance will be provided by the requirement for Project Leads to submit signed monitoring returns to the Section 151 Officer as required.

3.2.5 Towns Funding will be separately identified from the Accountable Body's own funds; the Section 151 Officer will ensure that Towns funding is used appropriately and not for any purpose other than for that which it is intended.

3.2.6 The Section 151 Officer (or their delegated representative) will be invited to attend all Local Boards and sub-group meetings but will not be entitled to vote or make decisions.

3.2.7 The Section 151 Office will be responsible for the signing of monitoring and evaluation returns as required by DLUHC.

3.3 Audit and Scrutiny

3.3.1 The Accountable Body's scrutiny process will apply to the Towns Fund Programme. The Scrutiny Boards act on behalf of the Accountable body and will scrutinise the performance of the Towns Fund programme to ensure appropriate compliance to Council, DLUHC and Towns Fund policies and processes. The Scrutiny Boards are responsible for:

- Carrying out in-depth reviews of services or policies that affect Sandwell.
- Keeping up to date on new laws and issues that affect the council.
- Making recommendations to the cabinet on what the Boards think could be done to make things better.
- Asking cabinet members and other relevant officer questions about how they plan to do things.

3.3.2 Where a decision is made by Cabinet, then the Accountable Body will have five working days after the meeting to exercise their right to "request a call in" of a decision.

3.3.3 Quarterly Towns Fund reports will be presented to the Economy, Skills, Environment and Transportation Scrutiny Board to provide assurance of programme delivery.

3.3.4 Additional scrutiny of the programme will be carried out through programme reviews by internal Audit on an annual basis to provide reassurance that the programme is being managed effectively.

3.4 Financial Regulations

3.4.1 SMBC is the accountable body for the Towns Fund. SMBC must conduct its business efficiently and ensure it has sound financial management policies in place, including arrangements to monitor compliance. SMBC's statutory Section 151 Officer is also charged with ensuring that proper financial management processes are in place.

3.4.2 The financial management of the Towns Fund Programme will be in accordance with SMBC's Contract Standing Orders and Financial regulations. SMBC will account for financial resources granted or to be applied for in the name of the Towns Fund Local Boards.

3.4.3 SMBC's financial regulations provide clarity about the financial accountability of individuals. The regulations identify responsibilities of individuals across all levels. Written records are a requirement where decision making has been delegated to members of staff in order to give assurance that tasks or decisions have been performed in accordance with the Financial Regulations.

3.4.4 Where applicable, further delegations will be put in place by the Accountable Body with specific reference to the delegation of authority for the Towns Fund programme. This proposal will ensure the most efficient and timely management of the programme, in the context of the delivery timeframes.

Section 4 PROGRAMME DELIVERY

4.1 Contract Management

- 4.1.1 All external project leads organisations will receive a Partnership Agreement, which will be drafted by SMBC and issued by Bevan Brittan on behalf of the Accountable Body to the Lead applicant for its completion.
- 4.1.2 The Partnership Agreement between SMBC and the project sponsor sets out the conditions relating to SMBC's agreement to fund the project and the responsibilities of SMBC and the project sponsor. This will include any conditions for funding that are in place through either the requirements set by government in the Heads of Terms or in subsequent guidance, and/or conditions set by SMBC or the Towns Fund Boards as part of the process for approval of the project business case.
- 4.1.3 The funding agreement will also confirm that the project sponsor organisation:
- a) Bears the risk for all overspend on the project beyond the approved amount
 - b) Will be required to participate in a full and timely manner with any audit activity that is undertaken as part of the overall programme assurance
 - c) Will be required to participate in a full and timely manner with any external reviews undertaken by government (or commissioned by government) as part of its assurance of Towns Fund delivery and/or evaluation of the programme
 - d) Will maintain regular and timely reporting as set out in the monitoring and evaluation requirements outlined in Section 4.4
- 4.1.4 Any contractual issues relating to projects will be considered informally in the first instance through ongoing dialogue between the Towns Fund Programme Management Office and the lead applicant. Where issues are unable to be resolved, they will be considered by the Director of Regeneration and Growth and where applicable Cabinet member and Local Boards prior any formal action being taken. Where necessary, SMBC will seek external legal advice regarding significant contractual issues in the interests of fulfilling its role as the Accountable Body for the Towns Fund.
- 4.1.5 Section 4.2 of this framework details the processes in place to agree changes to approved business case or latest project adjustment request. It is the responsibility of the Towns Fund Programme Management Office to maintain overall change control and ensure any changes are recorded including the requisite level of approval obtained.

4.1.6 Payment milestones and any conditions will be agreed with the Project Lead organisation at the point of contract. The claims and payment process will be managed by the Accountable Body Claims Monitoring Officer and Towns Fund PMO in liaison with each project. Arrangements for processing claims will be made in line with the council's financial procedures and be subject to both internal and external audit. Where the project sponsor is the council itself, additional processes and checks will be put in place to ensure an appropriate separation of roles.

4.2 Scheme of Delegation and Project Changes

4.2.1 The Towns Fund funding will need to be managed effectively to ensure the devolved budget delivers both the aims and objectives of the Town Investment Plan as well as value for money.

4.2.2 The Accountable Body will put in place a transparent methodology for the Change Control to actively manage the project grant allocations and respond to changed circumstances including scheme slippage, changes in scheme scope and/or costs. The Change control process is detailed in Annex 9.

4.2.3 Project leads will be required to formally notify the Accountable Body of any changes that impacts the project grant, outcomes, outputs, or Heads of Terms immediately either through the agreed reporting regime or separately if timescales do not align. This will constitute the start of a Change Control process.

4.2.4 This section will be updated once we have detail from Government on their definitions regarding material changes. It is anticipated that the following principles outlined below will be used.

4.2.5 The Accountable Body will consider if any notified scheme variation represents a material change to the project. A material change would include, but is not limited to;

- Variation to delivery timescales – where delivery is likely to move into a different financial year;
- Variation to funding package such as a reduction in match funding which could affect the viability of a scheme, or virement of funding between financial years
- Variation to project outputs – forecast reduction in project outputs within the lifetime of the funding agreement; or
- Variation to project scope or scale – where key elements of the project may no longer be deliverable or may be delivered at a reduced scale.

4.2.6 Where a material change is proposed, a formal Change Control will be considered by the Accountable Body who will need to consider if delivery of the proposed changes would mean that;

- The project still fits strategically with the objectives of the Town Investment Plan.
- The project will still deliver acceptable value for money;
- The project is still allowable within Subsidy Control regulations;
- The project can be delivered effectively within the required timescales;
- The proposed changes raise the risk to delivery/achievement of outputs to an unacceptable level.

4.2.7 The PMO will notify the Local Boards where the Change Control process has been invoked and the impact, if any, on the delivery of the Towns Fund Programme. Any changes to the Heads of Terms, Monitoring and Evaluation Plan will be shared with the Board for their views before a decision is taken by the Accountable Body and submitted to DLUHC.

4.2.8 Changes to projects may also be recommended by the Programme Management Office or the Local Boards. They may arise in response to unforeseen external circumstances, changes that affect the capacity or capabilities of the delivery organisation, or as part of risk mitigation.

4.2.9 Where project changes are relatively minor with no bearing on the project grant or the agreed project outputs, these may be agreed directly between the project sponsor organisation and the PMO and reported to the Local Boards and DLUHC where appropriate.

4.3 Monitoring and Evaluation PMO and Project Leads

4.3.1 The Towns Fund PMO will develop local programme monitoring requirements in line with DLUHC's Monitoring and Evaluation guidance (April 2021) to inform the programme management activities and ensure that regular reports can be made to other groups within the governance structure, including the returns to central government. The Monitoring Assurance Protocol in Annex 6, details how the Accountable Body will undertake regular project visits/updates to provide assurance that project activity is on track. Changes to the monitoring approach may be required following government guidance.

4.3.2 In addition to the Monitoring protocol, project leads will also be required to submit returns to indicate their progress towards plans detailed within their Full Business Cases or approved Project Adjustment Requests (PAR). This is including but not limited to Claims returns, Risk Reporting, Consultation and Stakeholder Engagement, progress towards Social Value and Equality Impact Assessments where applicable.

4.3.3 Project sponsor organisations will be responsible for reporting at the agreed frequency against all project data required and in accordance with the agreed data collection methodology to ensure consistency. This monitoring will allow the Accountable Body and the Local Boards to hold each project

sponsor organisations to account for delivery against the activities, outputs, spend etc. set out in the final business case for the project. In turn, the Local Boards and SMBC will be held to account by government for delivery against the outputs included within the Heads of Terms for Sandwell Towns Fund.

4.4 Monitoring and Evaluation Towns Fund Local Boards

4.4.1 The Local Boards will be invited to consider project progress on a quarterly basis following the claims process timeframe. This will enable a review of projects activity against the profiles detailed in the full business case or approved change. A forward plan will be developed to highlight the key issues and reports being presented to the Local Board. As an indication, the timeline for Local Boards is suggested as follows:

| Period | Claims in by | Processed by | Local Boards Meeting | DLUHC Returns |
|--------------|-------------------------|------------------------|---|---------------|
| Qtr1 Apr-Jun | 5 th Jul 22 | 5 th Aug 22 | 24 th Aug 22 26 th Aug 22 30 th Aug 22 | December 22 |
| Qtr2 Jul-Sep | 10 th Oct 22 | 7 th Nov 22 | 23 rd Nov 22 25 th Nov 22 29 th Nov 22 | |
| Qtr3 Oct-Dec | 10 th Jan 23 | 6 th Feb 23 | 22 nd Feb 23 24 th Feb 23 28 th Feb 23 | June 23 |
| Qtr4 Jan-Mar | 10 th Apr 23 | 5 th May 23 | 25 th May 23 29 th May 23 31 st May 23 | |

4.4.2 At the meeting, the Local Boards will be presented with information including the following:

- Programme development to ensure projects deliver coherent package of interventions without duplication or gaps.
- Project Business Case development.
- Decision making at project level as details are agreed.
- Proposed project changes.
- Programme risk.
- Monitoring and evaluation across each project.
- Progress towards delivering match funding.

- 4.4.3 The principles of programme management will be for the PMO to manage the key programme risks, through proactive engagement with the project leads and developing a system of regular reporting. A programme overview including high risk projects will be presented at every Local Board meeting.
- 4.4.4 The Accountable Body and Local Boards may decide to withhold funding if the project delivery expectations as per FBC or approved project adjustment are not met, or there are high risks that require further investigation.
- 4.4.4 Projects will be required to submit quarterly monitoring reports (financial, output and narrative) explaining their progress to spend and delivery targets and noting specific changes to the project and challenges in delivery. The Project Lead will check monitoring reports are correct prior to submitting an approved return and that records are retained for the duration of the reporting period. Spot checks for verification purposes will be undertaken by the Accountable Body.
- 4.4.5 A variance of 25% or more on grant profile and delivery targets will trigger a review by the Accountable Body and Local Board, who will request a written response from the project lead detailing why the project has changed from the approved scope.
- 4.4.6 The Local Boards and SMBC, as Accountable Body, reserve the right to recover or withhold all or part of the funding supplied for a project in the following circumstances:
- The project is not delivered within agreed dates
 - The project delivered differs from that specified
 - The outcomes demonstrated through post-delivery evaluation fall short of those on which the value for money assessment and business case were based
 - The outputs identified in the Business Case are not delivered.
- 4.4.7 Monitoring reports will be summarised for consideration at the Local Board meetings, using a RAG rating system. In line with good practice and to support effective and robust decision making, monitoring reports to the Local Boards will typically summarise good progress and areas of good practice. The report will also highlight risks to the delivery of the programme.
- 4.4.8 If the Local Boards consider it appropriate, project leads will be invited to the Board meeting to explain any slippage. The Local Boards and Accountable Body will take circumstances beyond the projects control into account prior to making decisions over whether funding should be withheld or recovered.
- 4.4.9 All projects will be subject to a post-project evaluation completion report; this will ensure the Towns Fund Board follows best practice using recognised project and programme management techniques to ensure sound decisions have been made.

4.4.10 Each project claims monitoring report will be defined by the outputs, outcomes, and interrelationships to the wider programme.

4.4.11 Furthermore, projects will be subject to an annual monitoring/audit by the Accountable Body with summary of any findings and recommendations being presented to the Local Boards.

4.5 Monitoring and Evaluation Reporting to DLUHC

4.5.1 A condition of receiving Towns Fund funding will be providing regular feedback to DLUHC on progress of the Town Investment projects, to allow for monitoring and evaluation.

4.5.2 At least every six months (or more regularly, if required) the Accountable Body will be required to provide DLUHC with a comprehensive set of data relating to each Town Investment Project, including both total and forecast spend, and output metrics. These returns will be scrutinised and signed off by the Accountable Body's Section 151 Officer.

4.5.3 The specific data requirements are set out in the Monitoring and Evaluation Framework issued by DLUHC in April 2021.

4.5.4 DLUHC will lead on data collection relating to the outcomes and impact of Towns Fund interventions. Where data can be provided directly to government by SMBC it will undertake this; where data requires information from project sponsor organisations, this will be built into the local programme monitoring requirements where possible, to avoid duplication or unnecessary burdens for project leads.

4.5.5 Project sponsor organisations will also be responsible for collaborating with government and SMBC to assist its work on evaluation of the Towns Fund. Whilst this activity will be led by DLUHC, it will require local input and therefore local partners will need to contribute accordingly. This may include participating in any deep dive reviews that government chooses to conduct for the Towns Fund.

4.5.6 In addition to informing the evaluation activity to be conducted by government, the Sandwell Towns Fund Board may carry out its own review of Towns Fund delivery during the lifetime of the programme. The Towns Fund PMO will be responsible for presenting options for this review to the Sandwell Towns Fund Board.

4.6 Claims Process

- 4.6.1 The claims process is detailed in Annex 8 of this framework.
- 4.6.2 A Partnership Agreement or Internal Offer letter will be developed by the Accountable Body to align with its requirements in respect of the management and monitoring of Towns Fund projects. The Schedule sections of the agreement will then include the full business case which contains information relating to each project and take into account contractual obligations emerging from the due diligence appraisal process and expectations in terms of monitoring and evaluation of expenditure, outputs and outcomes.
- 4.6.3 A projects approval visit will be conducted by the PMO with Project Leads once Summary documentation has been submitted. The purpose of this visit is to explain further the delivery stages, monitoring and reporting during the project lifetime. The visit will be captured using the Project Approval Visit Template and provide the project leads with a suite of documents to support the monitoring and delivery of their project.
- 4.6.4 The Accountable Body will monitor performance of all projects every quarter and organise site visits/monitoring visits to each project once a year as a minimum. If a project is not performing as expected more frequent visits and progress meetings will be held with the funding recipients.
- 4.6.5 The Accountable Body is responsible for developing and maintaining a claims process enabling passporting of funds to grant recipients. Segregation of duties will ensure approval processes are in place where approval for payment is signed in accordance with scheme of delegation contained within Sandwell Financial Procedures.
- 4.6.6 The Accountable Body will ensure from the outset that robust and suitable systems and processes are in place locally in order to maintain adequate audit trails and manage information effectively and efficiently.
- 4.6.7 Funding recipients will provide quarterly claims to the Accountable Body, completing progress report information and spend/output updates on each claim. However, where a project is unable to financially cover its costs in the first quarter, an advance payment may be authorised, subject to approval by the Accountable Body.
- 4.6.8 The Claims process may be updated following further government guidance and requirements. The Accountable Body will review progress against outputs and outcomes quarterly until all outputs have been achieved.
- 4.6.9 Subject to government monitoring requirements, a quarterly reporting dashboard will provide the Local Boards with regular, detailed RAG rated information on how the project and overall programme is performing.

- 4.6.10 Where a project is Red RAG rated, it will be subject to monthly monitoring by the Accountable Body. If improvement is not demonstrated, this could result in withholding or claw-back of funds (see Section 4.8 Recover of Funds).
- 4.6.11 Projects will be subject to Annual audits from the Accountable Body in order to ensure compliance with funding regulations.
- 4.6.12 There may be occasions where projects incur essential eligible costs in advance of the contractual agreement being in place, for example, project design fees, planning fees, procurement costs, etc. These costs could be included within and considered as part of the due diligence appraisal, and if approved for funding support, would be specifically identified within schedules of the contractual agreement for the project.

4.7 Procurement

- 4.7.1 As a public sector body, SMBC employs rigorous procurement processes which fully comply with the European and HM Treasury regulation on tendering and procurement and is a 'contracting authority' under the Public Contracts Regulations. Any procurement carried out as part of the Towns Fund programme will follow the Council's procurement procedures where an organisation does not have such a policy. Compliance with procurement regulations are detailed in each project Partnership Agreement or Internal Offer Letter. The Councils Contract and Procedure rules can be found via the following link: [Sandwell Council's Contract and Procedure](#)
- 4.7.2 Procurement information will be required as part of the quarterly claims process. Compliance of procurement regulations will be verified during claims process or as part of the annual audits undertaken by the Accountable Body.

4.8 Recovery of Funding

This section will be updated once we have detail from Government on grant conditions.

- 4.8.1 It is anticipated that the Accountable Body through regular project monitoring will be in a position to identify where projects are likely to:
- Underspend
 - Underperform
 - Demonstrate non-compliance with the conditions of funding
- 4.8.2 Such concerns will be reported at the earliest possible stage to Accountable Body and where appropriate escalated to the Programme Risk Register.

4.8.3 Where mitigation measures fail and a project is likely to underspend, underperform or demonstrates non-compliance, an individual report will be considered by the Towns Fund Local Board which will include as a minimum:

- Project summary.
- Detail on the overall performance of the project to date.
- Description of the nature of the underperformance (financial, output or non-compliance);
- The level of funding at risk.
- A legal opinion setting out the legal basis for recovery of funding and the likelihood of success.
- A recommendation from the Accountable Body on the proposed course of action.

4.8.4 In exceptional circumstances, the Accountable Body may need to consider as to whether it is able to recover some or all funding from a project. In each circumstance the Accountable Body will provide a report to the Towns Fund Board to seek their endorsement for a proposed course of action.

4.9 Publications of Reports and Information

4.9.1 Sandwell Towns Fund Superboard papers for Phase 1 and 2 and the Local Boards for delivery phase will be published on Modern.gov website.

4.9.2 These are published in line with the Best Guidance Practice Guidance in accordance with the Local Government Act 1972, meeting agendas and papers are published 5 clear working days before the meeting takes place and draft minutes of the meeting are published within 10 clear working days of the meeting taking place.

4.9.3 Any declaration of interest made at the meeting will be included in the minutes.

4.9.4 The three Towns Fund Local Boards will follow the Accountable Body – SMBCs document classification policy in terms of how documents are classified as public, controlled, or restricted.

4.9.5 Information which is not to be placed in the public domain is treated under The Local Authorities-Executive Arrangements Meetings and Access to Information Regulations 2012 using one of following 7 exemptions:

- a) Information relating to any individual.
- b) Information which is likely to reveal the identity of an individual.
- c) Information relating to the financial or business affairs of any person (including the Authority holding that information).
- d) Information relating to any consultations or negotiations, or contemplated consultation or negotiations, in connection with any labour relations

matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

- e) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- f) Information which reveals that the authority proposes:
 - i. To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - ii. To make an order or direction under any enactment.
- g) Information relating to any action taken or to be taken in connection with the prevention, investigation, or prosecution of crime.

4.9.6 The Towns Fund Programme Board is a meeting of project leads, SMBC representatives and specialist advice from consultants therefore will not be a public meeting. Papers will be kept restricted to those attending the meetings, though (as noted below) any request for information under the Freedom of Information Act 2000 would be considered and responded to, subject to any relevant exemptions (for example due to commercial considerations).

4.9.7 SMBC have in place appropriate data protection arrangements in line with the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. The Council is the Data Controller for the Board in its capacity as Accountable Body

4.10 Government Branding

4.10.1 The Local Boards will meet any branding requirements set by DLUHC including the HM Government Identity Guidelines. Any additional branding changes or requests by HM Government will automatically be adopted by the Local Boards and Accountable Body and will apply to all communication produced afterwards

4.10.2 Each project is given the Towns Fund branding guidance document which includes details for press and publicity and marketing and branding materials. This guidance adheres to the standards issued by the DLUHC.

4.10.3 Each project is contractually obliged to conform to the branding guidance. This is followed up as part of the monitoring returns from each project, with projects required to provide details of forthcoming milestones linked to publicity opportunities to enable the PMO and Accountable Body to co-ordinate an appropriate marketing approach including engagement with DLUHC. A detailed Communications Plan (Annex 11) has been developed which will comply with any Government guidance.

4.11 RISK AND ASSURANCE

- 4.11.1 A detailed Risk Management Policy is included in Annex 12. Projects will maintain a detailed risk register and update on a regular basis to report to Boards as appropriate. The risks of each project are rated using a scoring matrix based on likelihood and impact that each risk presents. A set of mitigations is also included.
- 4.11.2 Based on the risk register and as part of the programme overview report, red and amber within projects are highlighted to the Local Boards on a quarterly basis.
- 4.11.3 Where a project as a whole is seen as high risk the Boards will seek a full risk report including how the risks will be mitigated. If the Boards are not satisfied with the response, they will seek further information from the project leads.
- 4.11.4 In the event that a project has, in the opinion of the Local Board, significantly changed (by 25% or more) from what was originally proposed (i.e.: spend profile, outputs and outcomes, or delivery) the Towns Fund Board will write to the project lead requesting a written response detailing why the project has changed.
- 4.11.5 Following receipt of the response, the Local Boards may decide to proceed with the amended project, may request that the project revert back to what was originally approved, release only part of the funding or delete the project from the programme.
- 4.11.6 The Local Boards will be provided with quarterly performance reports by the PMO. If it is reported that a project is delayed (commencement / completion / outputs / outcomes) by 3 months or more then the project will be reported as a High-Risk project. In this instance the Local Boards will write to the project lead requesting a written response detailing why the project was delayed.
- 4.11.7 If the Local Boards are not satisfied with the response, they can invite the project lead to present additional information to the next Board meeting.
- 4.11.8 The Towns Fund Programme will use a model of four 'lines of defense' in order to provide assurance across the programme to government and to the communities of Sandwell. The details of this are included in Annex 13. In summary, the four lines will be:

| | |
|-------------|--|
| First line | Towns Fund (PMO) working with project leads |
| Second line | Towns Fund Programme Board |
| Third line | Sandwell Towns Fund Local Board and SMBC Cabinet |
| Fourth line | Internal Audit and Scrutiny (SMBC) and external scrutiny including DLUHC |

4.12 Communications and Engagement

- 4.12.1 For the Towns Fund to be successful and of greatest benefit to the communities of Sandwell, it will be important to communicate effectively, accurately and regularly with stakeholders and the public. A Communications Protocol has been developed and adopted by the project leads.

This has been further developed into a detailed Communications and Engagement Plan (Annex 11) has been developed to ensure the Towns Fund Programme is communicated effectively.

- 4.12.2 Community stakeholder communication and engagement is essential to support the effective delivery of the Towns Fund by understanding how people are experiencing change in the local community and what their priorities are. Core principles to delivering communication and engagement activity were identified as:

- Clear, timely and accurate.
- Targeted and appropriate.
- Accountable to The Board.
- Planned, consistent and professional.
- Two way – with feedback considered in every interaction.

- 4.12.3 The Communications and Engagement Plan will also:

- Build a consistent and clear story of the Towns Fund and aligned initiatives.
- Take a coordinated Sandwell-wide approach.
- Be put into context and linked to the bigger picture.
- Use all available channels and techniques that are appropriate to the audience.
- Be meaningful and provide a feedback mechanism at all times.
- Be mindful of partners when sharing information.

- 4.12.4 Project leads will be asked to agree and follow the Communications Plan that will ensure communication regarding Towns Fund projects is coordinated and fulfils government expectations for branding and any other Towns Fund requirements. The Sandwell Towns Fund Board will be responsible for overseeing the implementation of the protocol and working with project sponsor organisations to ensure adherence to this.

- 4.12.5 The Towns Fund PMO will be responsible for maintaining the Sandwell Towns Fund website pages and ensuring information is kept up to date. It will also be responsible for ensuring any other digital channels are utilised effectively and contain accurate and timely information about the programme.

4.13 Data management and Freedom of Information.

- 4.13.1 Towns Fund programme activity will comply with the council's Information Governance Framework which is aligned to requirements of the General Protection Data Regulation (GDPR) 2015 and Data Protection Act 2018.

Through the Towns Fund PMO, the council will support the Board in Funding with any data protection questions and ensure that project sponsor activity is also conducted in line with information assurance requirements. The relevant council policies can be found [here](#).

- 4.13.2 The Freedom of Information Act 2000 will also apply and there should be prompt liaison with SMBC over any request for information received to enable an appropriate response within statutory timescales and under the council's procedures.

4.14 Consultations during Delivery Phase

- 4.14.1 All projects have been required to complete a detailed Consultation and Engagement plan as part of their Full Business case. Project leads will be responsible for regularly updating this document and reporting back to the PMO on progress towards this plan as part of the monitoring process.
- 4.14.2 Where objections have been received following consultation on the proposed designed of Towns Fund projects, a process has been developed to assist projects navigate through this and provide the necessary approvals required to proceed with projects where applicable. The process can be found in Annex 14.

Signatories:

Towns Fund Chairs

S151 Officer

Cabinet Member for Regeneration & Growth

DRAFT