

Report to Cabinet

17 March 2021

Subject:	Towns Fund Heads of Terms
Cabinet Member:	Cabinet Member for Inclusive Economic Growth Danny Millard
Director:	Interim Director for Regeneration and Growth Tammy Stokes
Key Decision:	Yes Type c) significant effect on two or more Wards Exception has been made due to requirement in Heads of Terms that agreement reached by 24 March 2021. Notice had been added to forward plan for May 2021, with the expectation that a longer lead in time would be provided between Heads of Terms offer and approval.
Contact Officer:	Towns Fund Programme Manager, Rebecca Jenkins rebecca_jenkins@sandwell.gov.uk

1 Recommendations

- 1.1 That Cabinet recommend that the Sandwell Towns Fund Superboard give approval to the Towns Fund Heads of Terms offers for Rowley Regis, Smethwick and West Bromwich.



2 Reasons for Recommendations

- 2.1 Government have provided Sandwell with a Towns Fund Heads of Terms Offer for Rowley Regis, Smethwick and West Bromwich. The Heads of Terms Offers are not contractually binding offers, but are intended to act as a Memorandum of Understanding between Government, Sandwell Council and the Towns Fund Superboard for the future delivery of the Town Investment Plans.
- 2.2 The Heads of Terms offers include the maximum financial amount and the projects that the Government is willing to fund along with other conditions.
- 2.3 There is a deadline of 24th March 2021 for the Town Deal Board to agree the Heads of Terms offers.

3 How does this deliver objectives of the Corporate Plan?

	<p>Best start in life for children and young people Projects within the Towns Fund areas will create new and improved facilities for young people including new education and learning spaces</p>
	<p>People live well and age well Projects within the Towns Fund areas will deliver new housing, new education spaces, improvements to community assets, public realm and green spaces, improvements to transport links, and will support the creation of new jobs and learning opportunities</p>
	<p>Strong resilient communities Projects within the Towns Fund areas will deliver new housing, new education spaces, improvements to community assets, public realm and green spaces, improvements to transport links, and will support the creation of new jobs and learning opportunities.</p>
	<p>Quality homes in thriving neighbourhoods Projects within the Towns Fund areas will deliver new housing and bring a range of improvements that support thriving neighbourhoods.</p>



	<p>A strong and inclusive economy</p> <p>Projects within the Towns Fund areas will deliver new jobs and learning opportunities. Improvements to transport connections will improve residents' ability to access key transport hubs and hence their access to employment and education prospects and will make a contribution to attracting and retaining businesses in Sandwell.</p>
	<p>A connected and accessible Sandwell</p> <p>Projects within the Towns Fund areas will deliver improvements in cycling and walking infrastructure, and transport connections.</p>

4 Context and Key Issues

- 4.1 On 6th September 2019 it was announced that 101 Towns had been identified by Government to benefit from the Town Fund. In Sandwell, West Bromwich, Smethwick, and Rowley Regis were identified.
- 4.2 The objective of the fund is to drive the economic regeneration in Towns to deliver long term economic and productive growth through;
- 1.1.1 **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.
 - 1.1.2 **Skills and enterprise infrastructure:** driving private sector investment and ensuring towns have the space to support skills and small business development.
 - 1.1.3 **Connectivity:** developing local transport schemes that complement regional and national networks, as well as supporting the delivery of improved digital connectivity.
- 4.3 In October 2020, Sandwell submitted 3 Town Investment Plans for Rowley Regis, Smethwick and West Bromwich to Government as part of the Towns Fund Programme. The Town Investment Plans included an ask of £25m investment per Town. 6 projects were put forward in each Town.



4.4 On 3rd March, confirmation was received that the Town Investment Plans had been accepted and Heads of Terms were offered (1 per Town).

4.5 The Heads of Terms offer is not a contractually binding document, and is an offer, subject to various conditions being met. The Heads of Terms will act as a Memorandum of Understanding for the future development and delivery of each Town Investment Plan.

4.6 The Heads of Terms offers contain a maximum funding amount, details of the projects the Government is willing to fund and other conditions, including that each project should be developed to Full Business Case stage, each Full Business Case should be assured in line with SMBC's usual process, and that a Public Sector Equalities Duty analysis be undertaken.

4.7 The details of the Heads of Terms offers are as follows:

4.8 **Rowley Regis** – £19m. Projects Supported:

- Development of the Satellite Education Hub
- Development of the Blackheath Bus Interchange and Public Realm
- Development of Britannia Park Community Hub and Greenspace Improvement
- Rowley Regis Walking and Cycling
- Canal Network Connectivity

4.9 The Rowley Regis Town Investment Plan included a project to install Air Source Heat pumps as a proposal to offer skills development, employment opportunities and carbon benefits. This project is not included in the Heads of Term offer and therefore cannot be funded through the Towns Fund Programme. Feedback is being sought from MHCLG around this decision and options will be considered for bringing this project forward through other funding streams. All other projects put forward in the Rowley Regis TIP are eligible for funding.

4.10 **Smethwick** - £23.5m. Projects Supported:

- Creating the Albion Family in the Park



- Ron Davis Centre Expansion
- Constructing the Midland Met Learning Campus
- Launching the Grove Lane Project
- Regenerating the Rolfe Street Canalside
- Implementing Smethwick Connected

4.11 The Smethwick Town Investment Plan put forward £25m of projects. The offer received is for £23.5m and all projects are eligible to be funded. Clarification is being sought from Government around the reasons for this funding amount. As part of the project confirmation stage, options will be explored to reduce the funding required to £23.5m including seeking additional match funding, alternative delivery models, or reducing the scope of some projects.

4.12 **West Bromwich** - £25m. Projects supported:

- Revitalising the Sandwell Civil and Mechanical Engineering Centre
- Creating the Digital Den
- Renovating the West Bromwich Town Hall Quarter
- Forming the Retail Diversification Programme
- Urban Greening
- Improving the Cycling and Walking Infrastructure Provision

4.13 The West Bromwich TIP put forward £25m of projects, and all are projects are eligible to be funded.

4.14 The Heads of Terms are required to be signed by 24 March 2021 by SMBC Chief Executive and the Chair of the Town Deal Board (Sandwell Towns Fund Superboard) following the agreement of the Town Deal Board to take up this offer. Cabinet are advised to recommended to the Towns Fund Superboard that the 3 Heads of Terms offers be accepted.

4.15 Following acceptance of the Heads of Terms offer, Sandwell's 3 Towns will enter Phase 2 of the Towns Fund Programme. This will involve confirming the outline details of the projects to Government, developing full business cases for each projects and conducting a capital appraisal on each of the Full Business Cases.



A summary document will then be submitted to Government for funding to be approved. There is a maximum of 12 months from the signing of Heads of Terms to the submission of Project Summary Documents

4.16 Timeline

By 23 rd March 2021	Superboard Meeting to agree Heads of Terms	Phase 1
By 24 th March 2021	Heads of Terms signed and submitted to Government	
24 th March 2021	Towns Fund Phase 2 Commences - Full Business Case Development	Phase 2
By 24 th May 2021	Project Confirmation Tables submitted to Government	
Throughout 2021	Full Business Cases approved by Cabinet and Superboard following Capital Appraisal	
By 24 March 2022	All Project Summary Documents to be submitted to Government	
	Release of Funding and Project Delivery Commences	Phase 3

5 Alternative Options

5.1 The alternative option would be to not accept the Heads of Terms offer, however, this would conclude Sandwell's participation in the Towns Fund Programme and result in an offer of £67.5m investment to the Borough and project benefits not being achieved.

6 Implications

Resources:	The resource implications associated with accepting the Heads of Terms Offer are that the Council would be committing to continue to work with partners to develop the suite of 17 projects to Full Business Case Stage. This has implications on staff time, and financial resources as preparatory works for some of the projects e.g. surveys, ground condition reports etc. will be required to firm up cost analysis. A revenue budget has been identified to facilitate this
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	<p>work and an application made to MHCLG for additional capacity building monies.</p> <p>There is an additional resource consideration for Smethwick as £25m of projects were put forward and are eligible for funding within an offer of £23.5m. As part of the project confirmation stage, options will be further explored including seeking additional match funding, alternative delivery models, reducing scope of projects.</p>
Legal and Governance:	The Heads of Terms offer is not a contractually binding document, and is an offer, subject to various conditions being met. The Heads of Terms will act as a Memorandum of Understanding for the future development and delivery of each Town Investment Plan.
Risk:	A risk register is being prepared for Phase 2 of the Towns Fund Programme. Risks associated with not accepting the Heads of Terms offer are around reputational damage, and missed opportunities.
Equality:	A requirement of the Heads of Terms offers are that an Equality Impact Assessment should be completed at Town-wide level, and at project level. These will be prepared over Phase 2 of the Towns Fund Programme.
Health and Wellbeing:	The projects proposed within the Towns Fund Programme offer a range of health and wellbeing benefits through improving and developing new assets and places for people to go and improvements to infrastructure including cycling and walking routes.
Social Value	As part of Phase 2 of the Programme Social Value requirements for each project will be agreed.

7. Appendices

None



8. Background Papers

MHCLG Towns Fund Guidance, June 2020 and December 2020

