

# Report to Economy, Skills, Transport and Environment Scrutiny Board

**1 November 2022**

<b>Subject:</b>	Towns Fund Programme Update
<b>Director:</b>	Regeneration & Growth, Tony McGovern
<b>Contact Officer:</b>	Towns Fund Programme Manager, Rina Rahim Rina_rahim@sandwell.gov.uk


## 1 Recommendations

- 1.1 That Economy, Skills, Transport and Environment Scrutiny Board note the contents of the report.

## 2 Reasons for Recommendations

- 2.1 This report affords an update on the Towns Fund Programme to provide assurance that the programme is proceeding in line with Government requirements and the agreed local assurance process.

## 3 How does this deliver objectives of the Corporate Plan?

	<p><b>Best start in life for children and young people</b></p> <p>Projects within the Towns Fund areas will create new and improved facilities for young people including new education and learning spaces.</p>
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	<p><b>People live well and age well</b></p> <p>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><b>Strong resilient communities</b></p> <p>The Local Board membership is drawn from a range of organisations and sectors and provides input and direction to the Towns Fund programme at a strategic and local level.</p> <p>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><b>Quality homes in thriving neighbourhoods</b></p> <p>Projects within the Towns Fund areas will deliver new housing and bring a range of improvements that support thriving neighbourhoods.</p>
	<p><b>A strong and inclusive economy</b></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><b>A connected and accessible Sandwell</b></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 Following the Government announcement that 101 Towns had been identified to benefit from the Towns Fund, Heads of Terms were offered (1 per Town) offering West Bromwich £25m; Smethwick £23.5m and Rowley Regis £19m, making Sandwell's total Towns Fund allocation £67.5m. This was confirmed in a Grant Offer, received on the 20 August 2021.
- 4.2 Further to minute 22/22 (of 4 July 2022) and following submission of Full Business Cases, all 16 projects have now been approved by Government, resulting in Sandwell securing the full £67.5 million, with payments for 22/23 now received by the Accountable Body.
- 4.3 The first monitoring return capturing progress made by the projects approved in February and March 2021 including Urban Greening, Digital Den and Sandwell College Mechanical & Engineering Centre, was submitted on 10 June 22. These returns have been processed and accepted by DLUHC.
- 4.4 Following government approval, projects have commenced activity with the first monitoring returns for the period up to 31<sup>st</sup> September, submitted to the Accountable Body for review and approval. Project progress reports are currently being collated to present to the Town Deal Boards at the end of November and Leadership Team in December.
- 4.5 The timeline for progress reports is as follows:

10 <sup>th</sup> October	Project returns submitted to Accountable Body
22 <sup>nd</sup> - 29 <sup>th</sup> November	Towns Fund Board Meetings
13 <sup>th</sup> December	Towns Fund Programme update presented to Leadership Team
16 <sup>th</sup> December	Monitoring Returns submitted to DLUHC
Jan-Mar 2023	Returns reviewed by DLUHC prior to confirmation of 23/24 payments



- 4.6 Project returns have indicated carry forward requests from 22/23 to future financial years will be required for some projects, mainly due to timing of government approvals of funds. Financial profiles are regularly submitted and reviewed by DLUHC who have raised no concerns at this stage and Accountable Bodies have the freedom and flexibilities to manage funds in accordance with Accounting practices.
- 4.7 The Accountable will carry forward funds on behalf of the following projects:
- Town Hall Quarter
  - Midland Met Learning Campus
  - Rowley Regis Satellite Education Hub
  - Grove Lane Regeneration
  - Rolfe Street Canalside Regeneration
- 4.8 Subject to resolving any queries raised by Towns Board and Leadership Team, returns will be signed off by the Section 151 Officer for submission to DLUHC by 16<sup>th</sup> December. DLUHC may select projects for audit on random basis as part of their assurance process.
- 4.9 DLUHC have issued guidance in monitoring performance and assurance requirement on a regular basis through their audit and monitoring platforms. The Programme Management Team will undertake ongoing monitoring of project progress to ensure that spend is updated accordingly and any slippages are within tolerated level.
- 4.10 A 40% or more variance to overall Towns fund profiles will trigger a review by DLUHC, therefore projects are encouraged to escalate spend where applicable which will also help mitigate the rising costs experienced.
- 4.11 Following expression of interest from DLUHC colleagues, a visit to Sandwell Towns Fund projects was undertaken on 28<sup>th</sup> September. This enabled project leads to showcase projects and future ambitions for



Sandwell. Future visits will take place as projects progress towards construction/completion stages.

4.12 Towns Fund projects will also be promoted continuously through the new Regenerating Sandwell Website.

## 5 Implications

<p><b>Resources:</b></p>	<p>Resources are in place for the existing Governance arrangements and phases 3 of the Towns Fund Programme with regard to the Programme Management Office.</p> <p>There are resource requirements for the Council to fulfil its responsibility as Accountable Body, and these are being considered by the Director for Regeneration &amp; Growth and the Director of Finance.</p> <p>The Towns Fund represents an opportunity to attract £67.5m regeneration investment which has been conditionally offered by Government through 3 Town Deals.</p>
<p><b>Legal and Governance:</b></p>	<p>Governance and Legal arrangements are in place phase 3 – delivery and the role of the council as Accountable Body.</p>
<p><b>Risk:</b></p>	<p>The strategic risk to the council was reported to Audit Committee on the 29 Sept 22. The risk has a score of 6 (amber) with a downward trajectory, forecasting 4 (green) by the end of financial year 22/23 close.</p>
<p><b>Equality:</b></p>	<p>The revised Governance arrangements consist of three Local Boards, with membership drawn from a range of organisations and sectors.</p>



	<p>The investment gained through the Towns Fund offers the opportunity for Towns to ‘level up’ and put in place building blocks for economic prosperity.</p> <p>Specific equality and diversity implications have been assessed for each project within the programme.</p>
<b>Health and Wellbeing:</b>	<p>Projects within the Towns Fund Programme will deliver health and wellbeing benefits and are outlined as part of the Full Business Cases for each project.</p>
<b>Social Value</b>	<p>The Towns Fund Programme involves an offer of £67.5m for Sandwell and social value requirements for each of the projects is being considered as part of the full business case development.</p>

## 6 Appendices

Project Progress and Spend to date

## 7. Background Papers

N//A

