

Report to Economy, Skills, Transport and Environment Scrutiny Board

14 July 2022

Subject:	Towns Fund Full Business Cases
Director:	Director of Regeneration & Growth Tony McGovern
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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?

	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.
	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>Strong resilient communities</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>Quality homes in thriving neighbourhoods</p> <p>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 6 September 2019 Government announced that 101 Towns had been identified to benefit from the Towns Fund, to drive economic regeneration and deliver long term economic and productive growth through Urban regeneration, planning and land use; skills and enterprise infrastructure; and Connectivity. In Sandwell the Towns of West Bromwich, Smethwick, and Rowley Regis were identified.



- 4.2 In October 2020, Sandwell submitted 3 Town Investment Plans (TIPs) to Government for each of the Government identified Towns. Each TIP sought the £25m maximum level of investment.
- 4.3 On 3rd March, confirmation was received from Government that the TIPs had been accepted and 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.
- 4.4 Further to minute 22/22 (of 10 March 2022) the remaining 13 full business cases have now been submitted to Government by the deadline 24 March 2022. Following submission of the documentation, government have recently approved all 13 projects, resulting in Sandwell securing the full £67.5 million, with payments for 22/23 due over the next couple of months.
- 4.5 As the programme enters Phase 3 – delivery, Sandwell Council will then become the Accountable Body for the funding, responsible for administering the Towns Fund Grant to projects and responsible for ensuring the projects deliver the contracted outputs and outcomes in accordance with the Towns Fund Terms & Conditions. Partnership Agreements are being prepared between the Council and projects to ensure appropriate risk transfer relating to project delivery.
- 4.6 The governance structure in place during Phase 1 and 2, with the Superboard being supported by three Local Boards had been effective to date allowing the development of projects to Full Business Case through robust due diligence and assurance processes. As the focus now shifts to delivery phase, this process did not provide additional value and as such, the Board Chairs considered alternative governance structures, which would best serve the efficient reporting throughout the delivery phase.
- 4.7 A Superboard meeting was held on 3rd May 2022 whereby it was unanimously agreed that the Local Boards inherit the Superboard responsibilities which took effect from Cabinet approval on 18 May 22.



- 4.8 Local Boards will meet quarterly to review programme and project progress to provide assurance that projects are delivering as per approvals.
- 4.9 As SMBC is the Accountable Body, the Section 151 Officer is charged with ensuring proper financial management processes are in place to effectively manage the Towns Fund Programme.
- 4.10 At least every six months, the S151 Officer on behalf of the Accountable Body and Local Boards, is required to provide DLUHC with a comprehensive set of data relating to each Towns Fund Project, including both claimed and forecast spend, and output metrics.
- 4.11 To enable the council to fulfil its Accountably Body responsibilities, an Assurance Framework has been approved by Cabinet on 22 June 22, setting out how the Accountable Body, Local Boards and project partners will monitor and manage the Towns Fund Programme effectively ensuring timely release of funds.
- 4.12 The first monitoring return capturing progress made by the first 3 projects approved including Urban Greening, Digital Den and Sandwell College Mechanical & Engineering Centre, was submitted on the 10 June 22. The remaining 13 projects will be required to submit monitoring returns in early December 2022.
- 4.13 Rowley Regis payments for 22/23 have been received on 23 June 22 with Smethwick and West Bromwich payments due in August/September. Project Leads will submit first return on 10 October covering the period of activity from the start of their project to 30 September 2022. An updated of progress towards spend and outputs can be presented at the next Scrutiny Board.

5 Implications

Resources:	Resources are in place for the existing Governance arrangements and phases 3 of the Towns Fund Programme with regard to the Programme Management Office.
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	<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 & 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>
Legal and Governance:	Governance and Legal arrangements are in place phase 3 – delivery and the role of the council as Accountable Body.
Risk:	The strategic risk to the council was reported to Audit Committee on the 22 January 2022. The risk has a score of 8 (amber) with a downward trajectory, forecasting 6 (green) by the end of financial year 21/22 close.
Equality:	<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>
Health and Wellbeing:	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.
Social Value	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.



6 Appendices

Appendix 1 Towns Fund Project Financial Profiles

Appendix 2 Assurance Framework and Appendices

7. Background Papers

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