

Name of meeting: Cabinet
Date: 12th October 2021
Title of report: Dewsbury Town Deal – Next Steps.

Purpose of report

To bring to the attention of Cabinet the next stage of the Dewsbury Town Investment Plan Project Delivery. With an emphasis on business case preparation and agreement and the use of the Government's early advance payment as part of the Dewsbury Town Deal.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Yes - Published 9 th August 2021
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd – 10 th September 2021
Is it also signed off by the Service Director for Finance?	Eamonn Croston – 27 th September 2021
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Karl Larrad on behalf of Julie Muscroft – 24 th September 2021.
Cabinet member portfolio	Cllr Peter McBride Regeneration Portfolio Holder Cllr Eric Firth – Town Centres Lead

Electoral wards affected: Dewsbury East, West, and South

Ward councillors Consulted: No

Public: An engagement process was carried out in November 2020 as part of the preparation of the Town Investment Plan process

(Have you considered GDPR?) Yes.

1. Summary

- 1.1 Dewsbury is one of 101 places to be invited to develop proposals for a new generation of multi-million-pound Town Deals. The town has therefore been eligible for support from the £3.6 billion Towns Fund and was able to access £24.8m. A Town Investment Plan (TIP) was submitted in January 2021. This followed agreement from Cabinet. The Dewsbury Town Deal Board (DTDB) also endorsed the plan for submission.
- 1.2 On 8th June 2021 the Council received confirmation that the TIP had been accepted and the Council has been awarded £24.8m to deliver the plan; subject to signing of Heads of Terms (HoT). HoT were signed at the end of June 2021. This was only £780,000 less than our bid of £25.58m. It should be noted there was considerable match fund associated with this making the total investment in 9 projects closer to £62m.

1.3 This report sets out the proposed next stages for the delivery of the 9 TIP projects. In particular arrangements:

- to reaffirm and agree the details of the identified Town Investment Plan projects;
- to agree an assurance process for agreeing/authorising business cases for individual projects;
- to authorise the Strategic Director for growth and Regeneration in consultation with relevant portfolio holders to agree individual business cases;
- to put in place arrangements to continue to develop individual projects utilising the capital allocations and future Town Deal grant highlighted in the report;
- to agree the Governance arrangements for the development and delivery of projects; and
- to agree to spend the advance payment of 5% and subsequent grant allocations of the total Town Deal allocation on project development and delivery including providing grants to third parties where this helps to deliver those projects.

2 Information required to take a decision

Identified Town Investment Plan Projects

2.1 As part of the decision to agree the Dewsbury TIP all 9 identified project were agreed in principle. Whilst there was a small shortfall in funding only two projects had conditions attached to them that will need to be addressed. In accordance with the decision made by cabinet on 19th January 2021 heads of terms and more latterly project confirmation details have been sent to and agreed with Ministry of Housing, Communities and Local Government (MHCLG). This also required agreement with the Dewsbury Town Deal Board Chair.

2.2 The Table below is a summary of the financial details of the projects agreed to date. For further project details please refer to the Dewsbury TIP (included in the background papers at the end of this document).

Project Details	Total Project Cost	Town Deal contribution	Agreed Match Fund (KMC and Other)
	£m	£m	£m
Dewsbury Arcade	3.68	1.31	2.37
Dewsbury Market	16.5	6.6	9.9
Town Park – Urban Realm	14.93	6.25	8.68
Daisy Hill Neighbourhood	11.0	2.22	8.78
Creative Culture Programme	3.7	2.195	1.505
Building Revival	6.4	3.15	3.25
Skills Village	2.25	1.5	0.75
Fibre	0.5	0.25	0.25
Sustainable Transport Modes	2.325	1.325	1
Totals	61.285	24.8	36.485

Business Cases Assurance.

The Need for Individual Project Business Cases

2.3 As part of the TIP process, it is expected that each project has an agreed business case. Each business case is it to be completed along with summary documents within a year of agreeing the heads of terms at the latest 29th June 2022.

2.4 Business cases are expected to follow the government’s five case model. This means developing:

1. The Strategic Case
2. The Economic Case
3. The Commercial Case
4. The Financial Case
5. The Management Case

2.5 To date the agreement by Cabinet on 19th January 2021; The Town Deal Board on 26th January 2021 and the overall TIP agreement by MHCLG on 8th June 2021 is enough to satisfy the early phases of business case development – the Strategic Outline Cases. The projects now need to be developed to the final or full business case stage. To do this, officers will be working with specialist consultants to finalise these. Avison Young who advised and assisted in the preparation of the successful TIP have been appointed to do this.

2.6 To assist with the preparation of business cases, MHCLG are working with individual local authorities and have produced proportionality guidelines. This is to ensure that the right level of information is produced to allow decisions to be made on each business case. Larger projects will of course require more detail to be provided whereas smaller projects will need much less. As officers, we will be following the MHCLG guidance as we prepare each business case. The link below is the current MHCLG template for business cases and the proportionality guidelines as they are drafted presently. If this changes so will our approach to business case preparation.

<https://townsfund.org.uk/resources-collection/business-case-template>

2.7 Importantly, business cases must be agreed through the council's agreed assurance process for business case approval. The next part of this report sets out the anticipated programme of business case development and a process for agreeing business cases.

The Business Case Programme

2.8 Officers working in conjunction with consultants have already drafted an early programme for completing the 9 project business cases. This programme is set out in the table below.

Project	Business Case indicative Completion date
Dewsbury Arcade	November 2021
Dewsbury Market	January 2022
Town Park – Urban Realm	April 2022
Daisy Hill Neighbourhood	March 2022
Creative Culture Programme	From January 2022
Building Revival	April 2022
Skills Village	March 2022
Fibre	December 2021
Sustainable Transport Modes	Early 2022

2.9 It should be noted that the ninth project, the sustainable transport project, has funding derived from the Transforming Cities Fund. As such the business case will be run in parallel with the agreed Mayoral Combined Authority assurance process.

2.10 Each of the individual projects are at different stages of development with two requiring feasibility work to be completed prior to being in a position to produce a business case. Although the Council is the lead delivery organisation for the majority of projects there are three projects/sub projects which are being led by other organisations. These are the:

- Arts & Cultural Hub proposal (part of the Creative Culture project) being led by Brigantia Creative,
- The Skills Village which the Council is delivering in partnership with Kirklees College, and
- Field House (part of the Daisy Hill project) being led by Mood Developments.

Feasibility studies will need to be funded and, in some cases, it will require the Council to provide grant support (using Town Deal or its own funds) to these third parties to undertake the feasibility/development work. Without this arrangement being in place projects cannot be progressed within the required timescales.

- 2.11 It is expected that the Council as the responsible authority will agree business cases through its assurance process. Within the Council the process of business case assurance is not standardised. Projects are scrutinised in a variety of ways depending upon the funding source. For example, projects associated with the West Yorkshire Transport Fund, Transforming Cities Fund and Getting Building Fund will have been through the (now) West Yorkshire Mayoral Combined Authority assurance process. Similarly, Cabinet will oversee the business case development of the Cultural Heart programme. The first stage of that will be ready later this year.
- 2.12 It should be noted that the government has set a challenging time table for delivering business cases – in our case 12 months for 9 projects. The proportionality guides referred to earlier in the report will help speed that process up, but it is also important that any internal process for agreeing business cases is efficient and effective. This point is particularly underlined by the fact that officers will be working on a number of business cases at the same time and need to ensure that funding allocations can be drawn down as quickly as possible to allow projects to move to the next stage of delivery
- 2.13 To ensure that the timescales are met and in order to continue to delivery projects seamlessly Cabinet are being asked to consider a proposal that allows business case sign off by the Strategic Director for Growth and Regeneration in consultation with the relevant Portfolio Holders - most notably those for Regeneration and Town Centres.
- 2.14 The following diagram (Figure 1) helps to map out the Business Case assurance process that officers feel is most appropriate to deal with this particular circumstance.

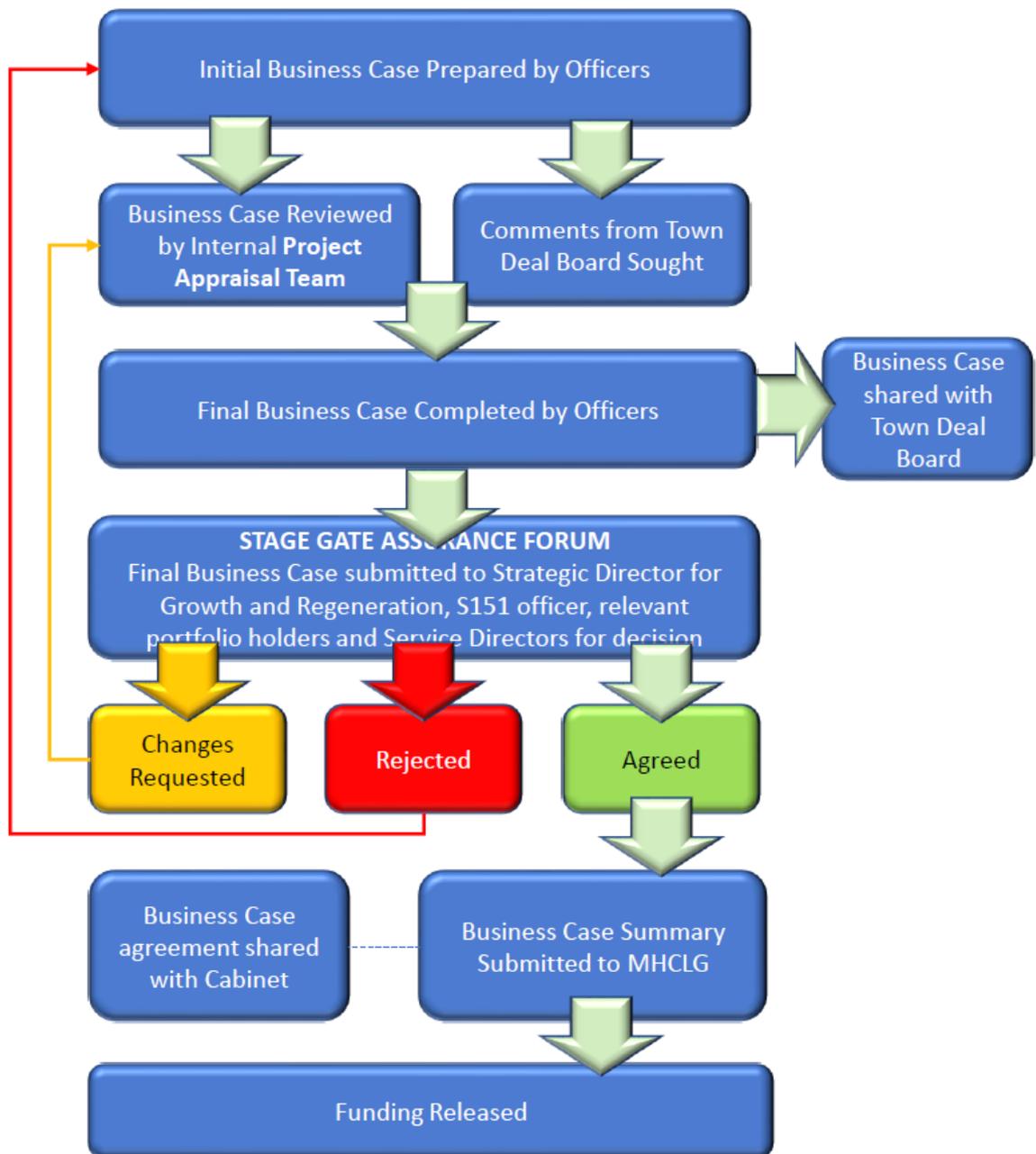


Figure 1 – Proposed Business Case Assurance Process

- 2.15 Once the funding is released projects will be delivered in accordance with appropriate project governance and management arrangements put in place to ensure decisions are made and projects are monitored and evaluated during delivery. The 6 areas set out below will be particularly important.

Procurement	<ul style="list-style-type: none"> • Approach for Delivery and Supply Requirements • Lead in Times
Benefits Realisation	<ul style="list-style-type: none"> • Benefits Tracking (Business Case v Forecast)
Project Management	<ul style="list-style-type: none"> • Appropriate Project structure set up • Develop Project Plan (including dependencies) • Project Reports • Board Reports
Risk Management	<ul style="list-style-type: none"> • Ongoing Risk and Issue Management
Change Arrangements	<ul style="list-style-type: none"> • Set Up Change Control Mechanism
Contract Management	<ul style="list-style-type: none"> • Provide and Evaluate Arrangements for Delivering the Project

The Roles of MHCLG, the Dewsbury Town Deal Board (DTDB) and Council in business case approval

- 2.16 MHCLG guidance is clear that the responsible authority – the Council - should be responsible for agreeing business cases through an internal assurance process. Once this is agreed then a summary business case needs to be submitted to MHCLG to access funding for each project. There may, however, be scrutiny checks of business case detail as the process progresses.
- 2.17 In terms of the Dewsbury Town Deal Board (DTDB) this is now established with a permanent independent chair. Whilst the Board is an important partner in the delivery its role is advisory and the Council as the accountable body will take responsibility for project delivery including the assessment of business cases. In the case of the Dewsbury TIP this is particularly important given the amount of match funding that the Council is contributing to projects. The above process does however recognise a role for the Board to input into business cases and be kept up to date. However, the Board's role is not limited to business case input. The Board will be able to input to several stages of each project's development.
- 2.18 The Council is the accountable body which will lead project delivery. The Council through the assurance process will also be responsible for determining what an acceptable business case will be. At this stage no particular thresholds or criteria have been attached to business case outcome by MHCLG. As such, as decision maker the Council will be able to determine where weight should be placed in the overall decision making process.

Role of Internal Project Appraisal Team and Stage Gate Assurance Forum

- 2.19 A Project Appraisal Team will be set up to review project business cases and provide independent critical technical feedback to project managers. This feedback can be used to inform the final version ahead of decision making. The team will adjust personnel depending upon the type of project being delivered
- 2.20 The Stage Gate Assurance Forum consists Strategic Director for Growth and Regeneration, S151 officer, relevant portfolio holders and Service Directors. This group will decide on the acceptability of the business case and make a decision in line with the diagram above. It is at this point a decision will be made as to when a project needs to return to cabinet for further decisions. In any event Cabinet will be made aware of the decision made.

What is Required to Deliver an Efficient Process?

- 2.21 It has already been highlighted above that the process to agree business cases needs to be effective and efficient to keep pace with the number of projects and the timeframes set by MHCLG.
- 2.22 To achieve this Cabinet is requested to endorse the process set out in paragraph 2.11 to 2.15 and give authority to the Strategic Director for Growth and Regeneration in consultation with the relevant portfolio holders to agree business cases and once agreed submit the required information to MHCLG to access the funding required for individual projects.

Utilisation of Funding Allocations

- 2.23 Once the funds are released by MHCLG then these will be utilised to develop and deliver the identified projects and will form part of the overall capital plan for the Council.
- 2.24 Ahead of business case approval MHCLG have committed to releasing 5% of the total allocation – for Dewsbury this equates to £1.24m. Once this is released then officers will require this to develop and deliver the identified projects. Authority is requested to allow officers manage this initial contribution across the 9 projects. Officers will commit to providing regular updates on this and any subsequent allocations to the relevant portfolio holders.
- 2.25 As set out in paragraph 2.10 some projects are to be delivered by external partners. There may be the need for assistance to develop the business cases or to facilitate early stage delivery. Cabinet is therefore requested to allow the Strategic Director in consultation with the portfolio holders to utilise allocated funds, including making grants to third parties, to expedite business case development and project delivery of the 9 identified projects.

Project Governance

- 2.26 The Council is the Accountable Body for the projects in the TIP and will be legally responsible for ensuring that the conditions of the funding with MHCLG are met as DTDB does not have legal status to do this. The Council will be responsible for oversight and carrying out some of the work as well as match funding the projects. The council therefore needs to be confident that the TIP is achievable and the terms and conditions of the funding agreement with the MHCLG can be met. For that reason, it will be important for the Council to work closely with the DTDB to ensure that this is managed appropriately. Projects will be overseen by DTDB and managed internally within the Council by the Dewsbury Blueprint Board chaired by a Service Director. Project approvals will be considered by cabinet as appropriate.

3 Implications for the Council

3.1 Working with People

As part of the Dewsbury Blueprint the Council held town centre consultations and workshops in the town centre during the early part of 2020. This included a town centre presence via a blueprint shop. This work has fed into the preparation of the TIP. During November 2020 specific engagement across Dewsbury was undertaken as part of the TIP preparation. This work was carried out by a consultancy on behalf of Dewsbury Town Deal Board to align with Government guidance on the preparation of TIP's. This work was constrained by the latest co-vid restrictions, in normal circumstances activities would have taken place in the form of public meetings but with restrictions in place the consultation approach involved a digital and telephone based approach. This included the production of an information leaflet that was distributed to over 23,000 households, an on-line survey and press releases.

3.2 Working with Partners

Dewsbury Town Deal Board includes a wide of stakeholders from across the Dewsbury area including community, education, business, and development sectors as well as the Council and the local Member of Parliament. The bespoke TIP engagement exercise set out to be as

inclusive as possible and reach out to a wide range of audiences. Officers have attended all Town Deal Board meetings where they have had the opportunity to participate in discussion with Town Board members.

3.3 Place Based Working

Developing the TIP and the projects within them is part of a place-based approach to regeneration. The board which includes local representation has based the TIP on an established evidence and has sought to engage widely to ensure that the vision and projects are part of the overall solution of improving Dewsbury as a whole. The vision and projects have endorsement from the community and are one strand of the overall package of regeneration and place-based solution.

3.4 Climate Change and Air Quality

The Council has declared a Climate Emergency and has adopted a 'net zero' carbon emissions target for 2038. All projects delivered through the Town Investment Plan will be assessed on a case-by-case basis to ensure that the right principles are applied to ensure they achieve or come as close to this objective as possible. The whole TIP programme has been designed to support clean growth by:

- Encouraging active travel by investing in new cycle ways and footpaths along with new public spaces such as a new town park. These investments will encourage residents to make journeys by foot or bike and which will help to improve air quality.
- Creating a vibrant town centre with a revitalised Market, the Arcade, a new town park and a programme of arts and culture activities will encourage residents to choose to stay local for recreational activities.
- The planned upgrades of many of the historical buildings through projects such as the Arcade, the building revival scheme, 15 Union Street and Field House will improve the energy efficiency of the buildings and restore and recycle existing assets.
- The TIP is supporting local town centre housing, close to public transport and other amenities. This will be a key feature of sustainable living for the town and is promoted by the TIP.

3.5 Improving outcomes for children

The regeneration of Dewsbury, in particular the town centre, has always had a family friendly emphasis. The stakeholder engagement has reconfirmed this. The projects reflect the need encouraging families back into the town. Projects such as the Town Park, the Market and the Cultural Programme will underpin this as an objective.

3.6 Legal

A "Town Deal" has been agreed with the Council being the accountable body. The council has power to enter into any grant or funding agreement with MHCLG. The council has legal powers to apply for grant and enter into Heads of Terms and any grant agreement under section 1 of the Localism Act 2011 and section 111 of the Local Government Act 1972, and all other enabling powers. Individual projects will need to rely on an assessment of appropriate legal powers on a case by case basis and be compliant with the Council's public sector equality duty under section 149 Equality Act 2010, Subsidy Control rules, Contract Procedure rules, Council Financial Procedure Rules, and the Public Contracts Regulations 2015.

It should be noted as referred to elsewhere in the report that the Council will be the Accountable Body for the projects in the TIP and will be legally responsible for ensuring that the conditions of the funding with MHCLG are met as the Board does not have legal status to do this. The Council will be responsible for oversight and carrying out some of the work as well as match funding the projects. The Council therefore needs to be confident that the TIP is

achievable and the terms and conditions of the funding agreement with the MHCLG can be met. For that reason, it will be important for the Council to work closely with the DTDB (Board? – used earlier in the paragraph) to ensure that this is managed appropriately.

Projects will be overseen by DTDB (Same comment as above) and managed internally within council by the Dewsbury Blueprint Board chaired by a Service Director. Project approvals will be considered by Cabinet as appropriate. Further work is underway to finalise these project management arrangements during compilation of the Business Cases which will be finalised alongside agreeing and finalising the Funding Agreement with MHCLG and any other ancillary documents/ agreements required.

3.7 Finance

The Town fund deal represents an additional £24.8m of investment into the regeneration of Dewsbury. It is an important catalyst to delivering key projects from the Dewsbury Blueprint and means the vision can be realised earlier. The implications for the Council are set out in sections 2 and 3 above. It is important to note that the Council is the “Accountable Body” to MHCLG with responsibility for receiving and managing the grant funding and delivery of the projects. Management, governance and delivery of the TIP will be overseen by the Dewsbury Town Deal Board (DTDB) and the Council will be responsible for the delivery of projects in conjunction with the DTDB and other partners.

4 Consultees and their opinions

A full engagement exercise was undertaken in November 2020 this included some interviews with Ward Members and the MP. DTDB members have been engaged on the best way for the Board to interact with the business case process at their meeting on 2nd September 2021. Please refer to the interim report for Dewsbury Town Fund consultation by Social Communications (See background documents at the end of this report).

5 Next steps and timelines

Following a decision by Cabinet, officers will finalise the TIP business cases and submit to MHCLG by June 2022. Grant and allocated funding will be used to develop and deliver the projects.

6 Officer recommendations and reasons:

Officers recommend that:

1. the details of the identified Town Investment Plan projects as set out in paragraph 2.2 are agreed;
2. the assurance process for agreeing/authorising business cases for individual projects as set out in in Figure 1 above at paragraph 2.14 and described in paragraphs 2.11 to 2.20 are agreed;
3. as set out in recommendation 2 above authorise the Strategic Director for Growth and Regeneration, in consultation with the portfolio holders for Regeneration and Town Centres, to agree business cases and once agreed submit the required information to MHCLG to access the funding required for individual projects;
4. as set out in paragraph’s 2.10 and 2.23 to 2.25 to authorise the Strategic Director for Growth and Regeneration and the Council Section 151 Officer to utilise identified project funds, both Council match funds and grant received from MHCLG as part of the Town Deal, to assist in the development of business cases or help facilitate early project delivery;
5. authorise the Strategic Director for Growth and Regeneration to approve grants of up to £100,000 per recipient to progress TIP project delivery;
6. authorise the Service Director Legal Governance and Commissioning to finalise and enter into all appropriate contracts, deeds and documents in relation to the receipt of grant from MHCLG; and,

7. note the engagement of consultants to assist with the development of business cases and the Project Governance arrangements set out in paragraph 2.26 are noted and agreed for the development and delivery of projects alongside the assurance process set out in this report.

Reasons: To enable the effective production of business cases and project delivery by the Council as accountable body in accordance with the Town Fund Guidance to enable release of funding by the MHCLG.

7 Cabinet portfolio holder's recommendations

Cllr Peter McBride, Cllr Paul Davies and Cllr Eric Firth were briefed on 14th September 2021 and agreed the recommendations.

8 Contact Officers

Simon Taylor – Head of Town Centre Programmes
Paul Davis - Strategic Partnership Lead - PMO - Skills & Regeneration

Background Papers and History of Decisions

Cabinet – 19th January 2021 – Dewsbury Town Deal – Dewsbury Investment Plan

<https://democracy.kirklees.gov.uk/documents/s39513/2021-01-08%20Cabinet%20Report%20-%20Dewsbury%20Town%20investment%20Plan%20-%20V6%20Final.pdf>

Interim report for Dewsbury Town Fund consultation by Social Communications

[Interim Report by Social Communications](#)

Strategic Director responsible

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