

Report to Cabinet

18th May 2022

Subject:	Towns Fund – Procurement requirement for SMBC projects
Cabinet Member:	Councillor Kerrie Carmichael Leader of the Council
Director:	Tony McGovern Director of Regeneration and Growth
Key Decision:	Yes Above £250,000
Contact Officer:	Rina Rahim, Towns Fund Programme Manager Rina_Rahim@sandwell.gov.uk

1 Recommendations

- 1.1 To seek Delegated Authority for the Director of Regeneration and Growth, in consultation with the S151 Officer, Director of Law & Governance-Monitoring Officer and the Cabinet Member for Regeneration & Growth (Leader) to commence, where required, procurement exercises and award contracts and call off orders above £250,000 for all SMBC Towns Fund Projects until March 2026.
- 1.2 That the Director of Law and Governance & Monitoring Officer be authorised to enter and execute, under seal as may be required, any contracts or ancillary documentation in relation to the award of contracts referred to in recommendation 1.1 above.
- 1.3 That any necessary exemption be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred



referred to in 1.1 and 1.2 above to proceed.

1 Reasons for Recommendations

- 1.1 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.
- 1.2 The objective of the fund is to drive the economic regeneration in Towns to deliver long term economic and productive growth through:
 - Urban regeneration, planning and land use.
 - Skills and enterprise infrastructure.
 - Connectivity.
- 1.3 The Towns Fund presents an unparalleled opportunity to lever significant government opportunity into Sandwell, contributing towards the Councils ambitious plans for Vision 2030. 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.
- 1.4 In March 2021, the council (as the Accountable Body for the Towns fund) in partnership with the Towns Fund Board, signed Heads of Terms for West Bromwich, Smethwick and Rowley Regis following Cabinet recommendation. The Heads of Terms act as a Memorandum of Understanding between the Towns and Government and they contained an offer of £25m for West Bromwich, £23.5m for Smethwick and £19m for Rowley Regis subject to the completion and approval of Full Business Cases.
- 1.5 Sandwell Council, in partnership with the Town Deal Board and external consultants, have prepared 16 Full Business Cases that fit within the three Town Investment Plans. Out of the 16 proposed projects, 3 projects have been approved by Government to date, with 13 further projects approved by the Assurance Panel and submitted to Government on 24th March 2022 with announcement on these expected in summer 2022.



1.6 Out of the 16 projects submitted to Government, SMBC have 11 projects to deliver through the Towns Fund Programme. This report seeks the approval of delegated authority in relation to procurement requirements for SMBC Towns Fund projects enabling delivery of the projects within the timescales and budget.

3. How does this deliver objectives of the Corporate Plan? (select relevant category and incl. narrative how deliver)

	<p>Best start in life for children and young people There are no direct implications as a result of this decision however, 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 There are no direct implications as a result of this decision however 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 The Superboard and 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. 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 There are no direct implications as a result of this decision, however, 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 There are no direct implications as a result of this decision, however, 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>



4. Context and Key Issues

4.1 As the recognised Accountable Body for the Towns Fund Programme, Sandwell Council will continue to manage the overall programme as well as leading on the delivery of key projects. Out of the 16 projects submitted to government, Sandwell Council is the lead applicant for 11 projects with a responsibility to deliver £40,538,800 of Towns Funds which include:

Project Title	Towns Fund Grant	Match funding	Project Total
Urban Greening	1,220,000	-	1,220,000
Town Hall Quarter	6,930,000	628,000	7,558,000
Retail Diversification Programme	13,000,000	-	13,000,000
West Bromwich Connected	1,100,000	-	1,100,000
Ron Davis Centre Expansion	360,000		360,000
Grove Lane Regeneration	4,350,000		4,350,000
Rolfe Street Canalside Regeneration	2,000,000		2,000,000
Smethwick Connected	3,872,800		3,872,800
Rowley Regis Connected	1,500,000		1,500,000
Britannia Park Community Hub	2,460,000	28,000	2,488,000
Blackheath Bus Interchange	3,746,000	550,000	4,296,000
Total SMBC projects	40,538,800	1,206,000	41,744,800

4.2 Government response to the submitted Towns Fund projects is expected in summer 2022. It is critical for SMBC projects be enabled to proceed with necessary procurement activity, in order not to cause any delays to the project timeline and delivering projects within the original budgets.

4.3 SMBC Towns Fund projects will be required to undertake procurement of contractors which include new & existing frameworks, open tenders and call off orders, to enable the successful delivery of Town Fund projects by March 2026. The procurement resources to deliver this is currently being considered, with Project Leads working closely with internal colleagues in ensuring preliminary works are being undertaken.



- 4.4 As a public body using public resources, Sandwell Council must ensure that all procurement activity is transparent and proportionate, and that all bidders are treated equally and without discrimination throughout its processes.
- 4.5 The Councils Procurement and Contract Procedure Rules apply to all contracts with outside organisations or people, including agreements with or on behalf of other public sector organisations and partner agencies, where there is an agreement to supply materials, goods, services or works, in return for money or payments in kind, whether that agreement is formal or informal. This includes:
- a) purchasing of all materials, goods, services or works; and
 - b) instruction of outside experts or consultants under contracts for services.
- 4.6 The Councils Procurement and Contract Procedure Rules Section 3.3(c), requires Cabinet to award all contracts with total value above the key decision threshold of £250,000
- 4.7 Section 3.3(d) of the Procurement and Contract Procedure Rules requires Cabinet approval for exemptions from these rules for contracts with a total value above the key decision threshold.
- 4.8 It is proposed to seek exemption under this rule for Cabinet to approve Delegated authority as detailed in Section 1 Recommendations, to allow for the timely procurement of SMBC Towns Fund projects to ensure the successful delivery of the Towns Fund Programme within timescale and budget.
- 4.9 The corporate risk management strategy will be complied with to identify any risks associated with the recommendation to be sought. For any risks identified, measures will be in place to mitigate risks to acceptable levels.
- 4.10 All Towns Fund projects have been required to indicate how they contribute to the Social Value Policy. Any framework agreements or contracts entered into will adhere to the Councils social value policy by providing key opportunities to meet the Council's key criteria requirements by proving value for money in terms of generating benefits to society and



the economy e.g. employment and skill, health and wellbeing, whilst minimising the impact on the environment.

4.11 Assurance processes will be in place to ensure that all procurement activity is transparent and proportionate, and that all bidders are treated equally and without discrimination throughout its processes.

4.12 Full details on the procurement approach and values is attached as Appendices to this report.

5 Alternative Option

5.1 Alternative option is that projects approach Cabinet for approval for each procurement activity requiring key decision approval. This would delay project starts and could impact on the delivery of projects within the timescale and budget.

6 Implications

Resources:	<p>Consultation with procurement services and internal resources are currently being explored to capture timeline of procurement requirements and to ensure resources are effectively managed and where possible, procurement can be merged to serve best value and minimise impact on resources.</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:	<p>The Public Contract Regulations 2015 and the Council's Contract and Procurement Procedures will be adhered to. Procurement Services have been consulted and are supportive of the proposed recommendations</p>
Risk:	<p>Measures will be put in place to ensure that any risks identified during the procurement process are considered and mitigated to levels within the council's appetite for risk. Projects will await Government approval for funding prior</p>



	to entering into any contract. Advanced funding allocations which are S31 grant monies have been offered to projects to ensure that design works can proceed whilst awaiting Government approval. The Towns Fund represents an opportunity to attract £67.5m regeneration investment which has been conditionally offered by Government through 3 Town Deals.
Equality:	No implications
Health and Wellbeing:	There are no specific implications for health and wellbeing from this decision, however projects within the Towns Fund Programme will deliver health and wellbeing benefits and these were outlined as part of the Full Business Cases for each project.
Social Value	Social Value will be considered during the procurement process. The Towns Fund Programme involves an offer of £67.5m for Sandwell and social value requirements for each of the projects have been considered as part of the full business case development.

7 Appendices

Procurement approach and values

8 Background Papers

None

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