

Report to Cabinet

22 June 2022

Subject:	Towns Fund- Inclusion in Capital Programme and Assurance Framework
Cabinet Member:	Councillor Peter Hughes Cabinet Member for Regeneration & Growth
Director:	Tony McGovern Director of Regeneration and Growth
Key Decision:	Yes
Contact Officer:	Rina Rahim, Towns Fund Programme Manager Rina_Rahim@sandwell.gov.uk







1. Recommendations.

- 1.1 That approval be given to the Towns Fund Programme of £63.6m to be included in the Capital Programme across 2022-2026 with £26.8m being included for 2022/23.
- 1.2 That details of the roles and responsibilities of the Section 151 Officer and Accountable Body in managing the Towns Fund Programme be received.
- 1.3 That approval be given to the Towns Fund Assurance Framework to enable the Accountable Body to deliver the programme successfully.
- 1.4 That in connection with 1.3 above, the Towns Fund Programme Manager, in consultation with the Director of Regeneration & Growth, Section 151 Officer and Cabinet Member for Regeneration and Growth, be authorised to make any amendments to the Framework subject to updated government guidance or council procedures.

2 Reasons for Recommendations

- 2.1 In March 2021, Sandwell Council (as the Accountable Body for the Towns Fund) in partnership with the Towns Fund Boards, 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.
- 2.2 Phase 2 of the Towns Fund Programme involved confirming the outline details of the projects to Government, developing full business cases for each project and conducting a capital appraisal on each of the Full Business Cases.
- 2.3 This process took 12 months from signing of Heads of Terms with all 16 projects successfully submitted to DLUHC by 24 March 2022. The projects submitted to DLUHC are detailed in Appendix 1.
- 2.4 During the Full Business Case Development phase, the Government released 5% of the proposed Towns Fund Capital allocation to SMBC, to support the FBC and preliminary works of projects. The amount of £3.300m was reported and approved by Cabinet on 23 Feb 2022 therefore included in the Capital Programme.
- 2.5 The Digital Den, Urban Greening and Sandwell MEC were submitted as part of Tranche 1 and 2 and these projects were approved by Government in February and March 2022 with funding received for 21/22 financial year. A further five Smethwick Towns Fund projects were approved on the 12th May 2022 with details of payments due shortly. Favourable decisions are expected from Government for the remaining eight projects.
- 2.6 Sandwell Council is the Accountable Body for the Towns Fund Programme and as such, is responsible for discharging its responsibilities in the management of the programme.
- 2.7 This report seeks the approval of the Towns Fund Programme to be included in the Council's Capital Programme and the implementation of an Assurance Framework to enable the Accountable Body to fulfil its responsibilities.

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

	<p>Best start in life for children and young people</p> <p>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</p> <p>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</p> <p>The 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>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</p> <p>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>
	<p>A connected and accessible Sandwell</p> <p>There are no direct implications as a result of this decision, however, 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:
- Urban regeneration, planning and land use.
 - Skills and enterprise infrastructure.
 - Connectivity.
- 4.3 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 Phase 1 of the Towns Fund Programme.
- 4.4 In March 2021, the council (as the Accountable Body for the Towns fund) in partnership with the Towns Fund Boards, signed Heads of Terms for West Bromwich, Smethwick and Rowley Regis following Cabinet approval.
- 4.5 Phase 2 of the Towns Fund Programme involved confirming the outline details of the projects to Government, developing full business cases for each project and conducting a capital appraisal on each of the Full Business Cases. This process took 12 months from signing of Heads of Terms with all 16 projects successfully submitted to DLUHC by 24th March 2022.
- 4.6 Three projects from the West Bromwich TIP were approved in February and March 2022, with all five projects included in the Smethwick TIP approved on 12 May 2022. Decisions on Rowley Regis and the remaining West Bromwich projects are expected imminently.
- 4.7 Subject to Government approvals on the remaining eight projects, the Accountable Body will be administering £67.5m of Towns Funds until at least March 2026 and therefore it is proposed that this funding scheme is included in the Council's Capital Programme.
- 4.9 MHCLG Guidance (Dec 2020 and April 2021) sets out the following Accountable Body responsibilities:

- Developing a delivery team, delivery arrangements and agreements
- Ensuring that decisions are made by the Local Boards are in accordance with good governance principles.
- Ensuring transparency through the publication of agendas and minutes of the Local Boards on Modern.gov
- Developing agreed projects in detail and undertaking any necessary feasibility studies
- Undertaking any required Environmental Impact Assessments or Public Sector Equality Duties
- Monitoring and evaluating the delivery of Towns Fund projects and impact
- Submitting monitoring reports, as required
- Receiving and Accounting for the Town's Funding allocation and capacity funds
- Engage with the Towns Fund Local Boards regarding project changes
- Proactively consult the Towns Fund Lead (DLUHC representative) on any potential changes to approved plans
- Ensure that all templates submitted to DLUHC are accurate and complete representations of current circumstances

- 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 Government require Annual Assurance Statements from S151 Officer confirming governance arrangement and assurance of management of funds. Funding is expected to be released annually following satisfactory Annual Performance Reviews which will be conducted by Government to ensure that the programme is on target to deliver as per the approved profiles.
- 4.12 To support this process and enable the council to fulfil its Accountably Body responsibilities, the Towns Fund Programme Management Office have drafted an Assurance Framework, to set out how the Accountable Body, Local Boards and project partners will monitor and manage the Towns Fund Programme effectively ensuring timely release of funds.
- 4.13 This also includes how and when reports will be presented including progress towards finance, outcomes, milestones as well as project

adjustment requests, risk management, audit requirements and any other programme related matters.

- 4.14 The Towns Fund Assurance Framework has been developed in consultation with the Director of Regeneration & Growth, S151 Officer, Chair of Local Boards, as well as being circulated to Project Leads for information.
- 4.15 This report is requesting Cabinet approve the Towns Fund Assurance Framework for implementation, with Annual reviews to be undertaken as a minimum to ensure the Framework is updated in accordance with latest government guidance or council procedures.

5. Alternative Option

- 5.1 Failure to have key processes and procedures for the Towns Fund Programme could impact on future funding allocations being released.

6 Implications

Resources:	<p>The resource implications associated with this decision lies within the Towns Fund Programme management Office, who are responsible for the updating of the Assurance Framework. Finance Team has already been engaged to provide support.</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:	No direct implications arising from the recommendations
Risk:	None – The recommendations help mitigate risks in the management of the funds
Equality:	N/a
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	There are no specific social value implications relating to this decision. 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.
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7. Appendices

Appendix 1	Assurance Framework and Appendices
Appendix 2	Financial Profiles of Towns Fund projects

8. Background Papers

MHCLG Towns Fund Guidance, December 2020, April 2021, December 2021