

Scrutiny Board :	Economy, Skills, Transport and Environment Scrutiny Board
Report Title	Town Deal Update
Date of Meeting	Wednesday, 15 October 2025
Report Author	Towns Fund Programme Manager Rina Rahim
Lead Officer	Executive Director – Place Alan Lunt
Wards Affected	All
Identify exempt information and exemption category	N/A
Appendices (if any)	<ol style="list-style-type: none"> 1. Local Regeneration Fund notification 2. Programme Financial Profiles 3. Project output progress 4. Project RAG ratings

1. Executive Summary

- 1.1 The purpose of this report is to update the Board on the progress of the Towns Fund programme.

2. Recommendation

That the Board considers and comments upon the information presented and determines whether it wishes to make any recommendations to the Executive.

3. Background and Context

- 3.1 Following the Government's announcement identifying 101 towns to benefit from the Towns Fund, Heads of Terms were offered, allocating £25m to West

Bromwich, £23.5m to Smethwick and £19m to Rowley Regis. This provided Sandwell with a total Towns Fund allocation of £67.5m, which was confirmed in a Grant Offer received on 20 August 2021.

- 3.2 Business Cases for 16 projects were subsequently submitted and approved by Government, securing the full £67.5m for Sandwell. Each town committed to delivering outputs defined by Ministry of Housing, Communities and Local Government (MHCLG) alongside additional locally agreed measures with the respective Towns Fund Boards.
- 3.3 All 16 projects entered the delivery phase, with completion scheduled by March 2026. To ensure effective governance and compliance with the approved business cases, a Towns Fund Assurance Framework was established.
- 3.4 To enable regular monitoring of progress, expenditure and risks, the Programme Management Office requires project leads to submit quarterly Monitoring, Evaluation and Claim Returns, at a minimum.
- 3.5 Biannual progress, risk and output reports are also submitted to MHCLG. To date, all returns have been approved, enabling the release of grant funding across the three towns.
- 3.6 On 2 September 2025, MHCLG advised Sandwell Council that several funding streams would be consolidated into a single Local Regeneration Fund (see Appendix 1). For Sandwell, this affects the Levelling Up Fund, Levelling Up Partnership and Town Deal. Key changes include
 - 3.6.1 the consolidation of outputs for reporting purposes,
 - 3.6.2 an extension to March 2028 for project delivery and spend.
 - 3.6.3 Delegating authority to S151 to make decision on change requests.
 - 3.6.4 Underspend can be utilised on new projects subject to delivery taking place prior to March 2028.
 - 3.6.5 Funding can be moved between programmes – i.e. Levelling UP Fund to Towns Fund
- 3.7 As Government make these changes, the next Government reporting period is now not due until April 2026.
- 3.8 Sandwell Council will be issued with a new Memorandum of Understanding (MoU) to reflect these changes. A Cabinet report, scheduled for December 2025, will recommend acceptance of the MoU subject to S151 and Legal review.
- 3.9 At the last report to Scrutiny Board, it was reported that MHCLG had approved extensions for the Grove Lane Regeneration project and the Rolfe Street Canalside Regeneration project, both now due for completion by March

2027.

- 3.10 All other active Towns Fund projects are expected to meet the current delivery deadline of March 2026. However, in light of the new Government guidance, a review is underway to identify whether any other projects may benefit from an extended delivery period to March 2028. Any such requests will be assessed by the Towns Fund Board and S151 officer.
- 3.11 An update on the Towns Fund Programme will be presented to the Sandwell Council Leadership Team in October, ahead of the December Cabinet meeting, as part of the Regeneration Pipeline Performance Update.

Project Updates

- 3.12 The Towns Fund Programme continues to be governed by Sandwell Council as the Accountable Body and the three Town Deal Boards, who meet on a quarterly basis to review project progress and approve financial returns to Government. The Towns Fund Programme continues to be governed by Sandwell Council as the Accountable Body and the three Town Deal Boards, who meet on a quarterly basis to review project progress and approve financial returns to Government.
- 3.13 Since the last report to Scrutiny, the financial spend to date is as follows:

Town	Spend as of 30 June 2025
West Bromwich (£25m)	£24,043,244
Smethwick (£23.5m)	£17,009,806
Rowley Regis (£19m)	£10,611,344

- 3.14 The above forecast is in line with the previous return submitted to MHCLG in May 2025 with less than 10% slippage across the three towns. This is within the 40% threshold, where slippage exceeding 40% would trigger a MHCLG deep-dive review.
- 3.15 The MHCLG change request process delegates authority to the Town Deal Boards and Accountable Body to approve project changes, including the reduction of outputs and outcomes due to budget pressures, subject to the reduction being no more than 30%, and the project still offering value for money.

- 3.16 The project financial profiles are detailed in Appendix 2 with the outputs detailed in the Appendix 3.

Project Adjustments

- 3.17 Since the last report to Scrutiny, no Project Adjustment Requests (PAR) have been submitted to MHCLG.

- 3.18 Key project updates since the last Scrutiny Report include:

3.18.1 The New West Bromwich Indoor Market completed in July 2025 and opened officially to public on 27 August 2025.

3.18.2 The restoration works at West Bromwich Town Hall and Central Library are complete. Recognising the restored Grade II listed buildings, the Victorian Society's Birmingham & West Midlands Group has awarded its tenth annual Conservation Award to Sandwell Council.

3.18.3 The Midland Met Learning Campus construction is progressing well; a learner story event was held in May 2025, and the Campus is due to be featured on ITV news as part of the Midland Met Hospital anniversary milestone.

3.18.4 The Blackheath Bus Interchange and Public Realm project works commenced on-site by end of March 2025 and continue to progress. Works will complete in November 2025.

3.18.5 The Sons of Rest Community Centre, an element within the Rowley Regis Park Improvements project completed refurbishment and opened publicly on 20 September.

3.18.6 Works completed on-site to replace the deck of Wrights Bridge via the Canal Network Connectivity Project in May 2025.

3.18.7 The Rowley Regis Connected Project commenced Phase 3 – Cradley Heath and Phase 4 Wrights Lane on site in Summer 2025.

4. Consultation

- 4.1 Officers working on projects within the Towns Fund programme have continued to undertake community consultation where applicable. There have been no implications from consultations undertaken since the last report. At the end of the Towns Fund programme there will be project and programme evaluations undertaken as well as lesson learnt from programme delivery.

5. Financial Implications

- 5.1 With the amalgamation of the funding programmes, there is opportunity to extend the delivery timescale projects should there be delays. The Local Regeneration Fund provides greater flexibility of funding between

programmes and projects which will assist where there are project pressures. A review of financial spending will be conducted after March 2026 to assess any underspend following project delivery. Given the programme extension, a review on how to best utilise the underspend can be undertaken post March 2026.

6. Legal and Governance Implications

- 6.1 A new Memorandum of Understanding is expected to be issued by Government which will require Legal review prior to acceptance by Sandwell Council.
- 6.2 A deep dive external audit was undertaken by MHCLG which concluded in February 2026. The report stated that the evidence submitted demonstrates a well-structured and compliant approach to managing the governance of the Towns Deal programme. One action was for contract award notices in relation to past procurements associated with Towns Fund to be published as per Procurement regulations. This has now been completed.

7. Risks

- 7.1 The project risks previously assessed as red risks have now been mitigated with details provided in Appendix 4. Throughout the next quarter, project reviews will be undertaken to understand whether any delays are expected. The extension of the programme provides reassurance to deal with any unexpected delays.

8. Equality and Diversity Implications (including the public sector equality duty)

- 8.1 The revised Governance arrangements consist of three Town Deal Boards, with membership drawn from a range of organisations and sectors. The investment gained through the Towns Fund offers the opportunity for Towns to 'level up' and put in place building blocks for economic prosperity. Specific equality and diversity implications have been assessed for each project within the programme.

9. Other Relevant Implications

- 9.1 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.
- 9.2 Social Value is a priority within the Regeneration Programme and performance against Social Value outputs and outcomes will be monitored by the Towns Fund Boards.

10. Background Documents

Local Regeneration Fund notification is attached as Appendix 1

11. How does this deliver the Outcomes in the Council Plan?

11.1 Growing up in Sandwell

Projects within the Towns Fund areas will create new and improved facilities for young people including new education and learning spaces.

11.2 Living in Sandwell

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.

11.3 Healthy in Sandwell

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 which will have an impact and support a healthy Sandwell.

11.4. Thriving Economy in Sandwell

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, contributing to attracting and retaining businesses in Sandwell.

11.5 One Council One Team Approach

Working in partnership with the Towns Fund Boards and internal colleagues will support the delivery of the programme

