

## **Cabinet – 15 December 2021**

### **Walsall and Bloxwich Town Deal**

**Portfolio:** Councillor Adrian Andrew, Deputy Leader and Regeneration

**Related portfolios:** Councillor Mike Bird, Leader of the Council

**Service:** Regeneration and Economy

**Wards:**

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Aim**

- 1.1. To put into place the financial arrangements and the appropriate delegated authority to enable the Businesses Cases for the Town Deal projects to be drafted and documents submitted on time, as agreed with government. This, once completed, will secure the £42.6m offered, and together with the matching funding, will allow projects to begin.

#### **2. Summary**

- 2.1. The report sets out the next stage of the Town Deal process and the role of Walsall Council has played in achieving a successful result, the next steps and requests delegation of authority to officers to allow the appropriate forms to be submitted to government in line with agreed timeframes, and in accordance with our internal assurance processes.
- 2.2. The Towns Deal will contribute towards the following 2021-22 Corporate Plan Priorities;
  - a) ECONOMIC Growth for all people, communities and business
  - b) PEOPLE have increased independences, improved health and can positively contribute to their communities

#### **3. Recommendations**

- 3.1. That delegated authority be given to the Executive Director of Resources & Transformation, in consultation with the Deputy Leader of the Council and Cabinet Member for Regeneration, to approve project business cases and submit the

required information to the Department for Levelling Up, Homes and Communities to draw down grant funding

- 3.2. That cabinet notes the financial details for the Town Deal programme as set out within table 4.4.1, and approves the total sum of £48,079,600 (grant plus Council underwriting and match contributions) be incorporated into the capital programme for the Town Deal programme.
- 3.3. That the Council's underwriting of £4,229,600 be approved along with the Council's match contribution of £1,250,000 that was submitted as part of the bid towards the Town Centre Performing Arts Venue project in Walsall as set out in table 4.4.1. The required funding and source to be finalised for each project as part of the business case completion and the capital programme to be updated accordingly throughout 2022/23 to reflect this as projects are approved.

#### **4. Report detail – know**

- 4.1. On the 9<sup>th</sup> December 2020, Cabinet considered and approved the arrangements to facilitate the submission of the Town Deal Investment Plans (TIPs) for both Bloxwich and Walsall, which was concluded successfully.
- 4.2. The Town Investment Plans were submitted to Government in February 2021, each requesting £25m, a total of £50million for both towns. Subsequently government made £21.3m available for each town, a combined total of £42.6m. This was subject to agreeing and signing off the Head of Terms accompanying these offers, and the submission of Project Confirmation Tables for each project. These requirements were completed successfully, enabling both Bloxwich and Walsall programmes to move to the next stage, the completion of their individual Businesses Cases.
- 4.3. To live within the £42.6m offered a mixture of measures was agreed by both the Council and Town Deal Board, including; the withdrawal of one Walsall Project, proportionate allocation reductions, together with the council underwriting the balance of £4.229m. This being subject to projects considering cost reductions / value engineering, seeking out external funding and the completion and approval of their Business Cases to minimise the eventual underwriting required. These details are included within the Draft Revenue Budget and Draft Capital Programme 2022/23 – 2025/26 cabinet report (p22) approved on the 20 October 2021.
- 4.4. The following table 4.4.1 set out the financial details associated with both the Bloxwich and Walsall Town Deal programmes. Including the Towns Fund offers for each at £21.3m including the details of the council underwriting and matching funding, together with funding provided by project stakeholders, with the combined totals now exceeding £65million

#### 4.4.1 Bloxwich & Walsall Town Deal Finance Table

PROJECTS	Town Deal DLUHC grant award (£)	Council underwriting (£)	Town Deal + Council underwriting (£)	Council match funding (£)	Total budgets administered by Walsall Council	External match (£)	Total funding package (£)
Construction Skills Academy	£1,314,000	£0	£1,314,000	£0	£1,314,000	£2,559,000	£3,873,000
Advanced Electric Vehicle Technology Centre	£909,000	£0	£909,000	£0	£909,000	£2,063,000	£2,972,000
Town Centre Performing Arts Venue	£9,382,000	£318,160	£9,700,160	£1,250,000	£10,950,160	£0	£10,950,160
Active Travel and Connectivity	£968,000	£32,592	£1,000,592	£0	£1,000,592	£0	£1,000,592
Digital Skills Hub	£908,000	£0	£908,000	£0	£908,000	£13,032,200	£13,940,200
The Creative Industries Enterprise Centre	£1,783,000	£0	£1,783,000	£0	£1,783,000	£62,000	£1,845,000
Active Public Spaces	£4,493,000	£162,960	£4,655,960	£0	£4,655,960	£0	£4,655,960
Community Capital	£904,000	£0	£904,000	£0	£904,000	£0	£904,000
Programme Management	£639,000	£15,888	£654,888	£0	£654,888	£0	£654,888
<b>Walsall Totals</b>	<b>£21,300,000</b>	<b>£529,600</b>	<b>£21,829,600</b>	<b>£1,250,000</b>	<b>£23,079,600</b>	<b>£17,716,200</b>	<b>£40,795,800</b>
Active Travel & Connectivity	£3,620,000	£0	£3,620,000	£0	£3,620,000	£0	£3,620,000
Construction Skills Through Regeneration	£10,617,000	£0	£10,617,000	£0	£10,617,000	£0	£10,617,000
Community Capital	£2,498,000	£0	£2,498,000	£0	£2,498,000	£0	£2,498,000
Incubation Space & Digital Access Centre	£1,562,000	£1,435,600	£2,997,600	£0	£2,997,600	£0	£2,997,600
Green Bloxwich	£2,364,000	£2,153,400	£4,517,400	£0	£4,517,400	£0	£4,517,400
Programme Management	£639,000	£111,000	£750,000	£0	£750,000	£0	£750,000
<b>Bloxwich Totals</b>	<b>£21,300,000</b>	<b>£3,700,000</b>	<b>£25,000,000</b>	<b>£0</b>	<b>£25,000,000</b>	<b>£0</b>	<b>£25,000,000</b>
<b>TOWN FUND TOTALS</b>	<b>£42,600,000</b>	<b>£4,229,600</b>	<b>£46,829,600</b>	<b>£1,250,000</b>	<b>£48,079,600</b>	<b>£17,716,200</b>	<b>£65,795,800</b>

- 4.5. The next steps, as required by government include the development of the business cases for each scheme following the requirements of the HM Treasury Green Book 5-case model. The scheme leads for each project are now developing these, aided by specialist support where necessary. All business cases will undergo independent appraisal and as required by government, pass through the Councils Internal Assurance processes, together with approval from the Town Deal Board. The subsequent submission of the paperwork to government will trigger the release of the Town Deal funding. Recommendation 3.1 seeks the necessary delegations to the Executive Director of Resources & Transformation to agree, sign off and submit this paperwork in consultation with the Deputy Leader of the Council, once complete.

#### Council Corporate Plan priorities

- 4.6. ECONOMIC Growth for all people, communities and business

The programme focuses on economic growth, generating new opportunities for small businesses, improvements to personal economic growth via skills and training and will also contribute directly to the economy of the area by the development of a larger and more centrally located performing arts space.

- 4.7. PEOPLE have increased independences, improved health and can positively contribute to their communities

The projects in the Town Deal programme contribute variously to the growth of small business, together improvements in active travel and public realm more widely. Both town centres will also benefit from new community capital funds for which local community organisations will be encouraged to bid.

### **Risk management**

- 4.8. Projects within the programme will be managed in accordance with the Council's Risk Management Policy. Risk registers will be established for each project and escalated if required through to programme and corporate level.

### **Financial implications**

- 4.9. As stated above the total grant received from Department for Levelling Up, Homes and Communities (DLUHC) is £42,600,000m divided equally between Walsall and Bloxwich, against a total bid value of £50,00,000 (£25,000,000 each).
- 4.10. In order to bridge the gap, and in consultation with partners, one project was removed reducing the shortfall by £3,000,000 and a combination of increased partner contributions and increased council underwriting covered the remainder. The total Council underwriting of the programme now sits at £ 4,229,600, some of which may be recoverable if additional grant is received from other sources. Partner match funding now sits at £17,716,200m. This includes the Council's match contribution of £1,250,000 that was submitted as part of the bid towards the Town Centre Performing Arts Venue project in Walsall as set out in table 4.4.1. The required funding and source will be finalised for each project as part of the business case completion and the capital programme will be updated accordingly throughout 2022/23 to reflect this as projects are approved.
- 4.11. DLUHC has advised that 5% of the total grant, £2,130,000, is now being paid to the Council. These funds must be used to fund the Town Deal programmes activities and will feature as part of future claim submitted. This will allow us for example to cover all initial business case development costs. We anticipate this will be received within this 2021/22 financial year. The remainder will be released on successful completion of the project business cases and the submission of the summary documents to government, which are due for completion on or before June (Walsall) and July (Bloxwich) 2022.

### **Legal implications**

- 4.12. Heads of Terms have been entered into for both Walsall and Bloxwich (in June for Walsall and July for Bloxwich)
- 4.13. As business cases are developed and funding approved, the Resources & Transformation Directorate will act as the Accountable Body for the Town Deal programme. This will include setting into place the necessary grant agreements with all applicants, the administration of the payments and the monitoring, recording and reporting of progress to government.

### **Procurement Implications/Social Value**

- 4.14. For partner-led projects procurement/social value requirements will be established as part of the grant funding agreement
- 4.15. For Council-led projects prior to business case sign-off design and other consultancy services will be delivered under the Strategic Advisor agreement which is already in place. Following successful business case completion and subject to the relevant thresholds/delegations any further procurement processes will require a Cabinet decision to proceed.

#### **Property implications**

- 4.16. Some of the Council-led projects may require purchase agreements or other property related activity to proceed. The scope of any such activity will be established during the business case development phase and if required any further decisions will return to Cabinet.

#### **Health and wellbeing implications**

- 4.17. No health and wellbeing impacts are currently foreseen as part of the Town Deal programme. Project applicants and stakeholders will as part of the design of their projects be asked to work with Public Health colleagues to maximise, where possible, the Health & Wellbeing opportunities for local people.

#### **Staffing implications**

- 4.18. There are no staffing implications at the time of drafting this report. Staff supporting the implementation or management of the programme will as appropriate and where eligible have their costs capitalised to the appropriate projects.

#### **Reducing Inequalities**

- 4.19. There are no direct equalities impacts as a result of the decisions recommended in this report.
- 4.20. For individual projects EQIAs will be carried out once the exact scope and nature of the schemes is sufficiently clear and these will be reported back to Cabinet as the projects move out of business case development.

#### **Climate Change**

- 4.21. The climate change agenda and actions to contribute towards the Council's strategy/priorities will be considered as part of the development of individual project Business cases.

#### **Consultation**

- 4.22. All projects will report to the Town Deal Advisory and Town Deal boards throughout their development and for consideration and approval etc. Individual projects will establish project boards as required.
- 4.23. Any projects which will require planning permission will be subject to the Council's consultation procedures

## **5. Decide**

5.1 See recommendations above

## **6. Respond**

6.1 If the recommendations are accepted the Town Deal programme will continue with the development, drafting and submission of the required (by government) business case documents, so that the Towns Fund resources can be unlocked.

## **7. Review**

7.1 The programme will continue to be reviewed by council officers and reported to the Town Deal board and internally as required. An update will be submitted to Cabinet in Spring 2022 along with requests for any further approvals as required

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Simon Neilson  
Executive Director

6 December 2021



Councillor Andrew  
Portfolio holder

6 December 2021