

Cabinet – 20 March 2024

Town Deal and Future High Street Fund Updates

Portfolio: Councillor Andrew – Deputy Leader & Regeneration

Related portfolios: Councillor Bird - Leader

Service: Regeneration, Housing & Economy

Wards: Birchills Leamore; Blakenall; Bloxwich East; Bloxwich West; Paddock; Palfrey; Pheasey Park Farm; Pleck; St Matthews.

Key decision: Yes

Forward plan: Yes

1. Aim

1.1 The council has been successful in securing £42.6million of government funding through the Town Deal allocations (£21.3million for both the Bloxwich and Walsall Town Deal areas), as well as securing £11.4million through the Future High Streets Fund (FHSF) specifically for the Walsall Connected Gateway project. The various projects in these funding programmes are in the design and implementation stages. This report seeks Cabinet approval for the necessary delegations of authority to continue to progress the delivery of these transformational schemes and enable expenditure of grant funding in line with government set deadlines. Collectively the Town Deal and FHSF projects seek to improve the built environment, enhance resident, visitor and business experiences, and provide life opportunities for the people of the Borough, such as education, skills and training.

2. Summary

2.1 This report sets out an overview of the approved governance and assurance framework for the external funded programmes - Bloxwich and Walsall Town Deals and the Connected Gateway FHSF project. This sets the structure within which the request for the delegation of authority to officers is sought in this report to ensure that the projects can continue to progress through their design and delivery stages efficiently. Successful implementation of the Town Deal and FHSF projects will have a positive impact and contribute towards the borough's ambitions set out in Our Council Plan (2022 – 2025), including priorities related to economic growth, health and wellbeing of our residents, and empowering our communities.

- 2.2 This is a key decision because the project costs (funded by external funds and match funding contributions as per previous Cabinet report approvals) exceed the threshold for “significant” expenditure of £500,000. The delivery of projects in the Bloxwich and Walsall Town Deal areas and FHSF will have a significant impact on two or more wards within the borough.

3. Recommendations

- 3.1 That Cabinet delegate authority to the Executive Director of Economy, Environment & Communities, in consultation with the Deputy Leader and Portfolio Holder for Regeneration, in relation to the Walsall Town Deal (excluding projects that cover both Town Deal areas- see **Appendix A**) and the Future High Streets Fund (Connected Gateway) projects to:

- (i) Approve, as necessary, any amendments or variations to the project business case(s) to ensure that the programme can continue to be delivered, subject to being within the approved programme, outcomes and/or project budget and no additional funding allocation being required.
- (ii) Approve works to action the implementation of projects in accordance with approved project business case(s), including designs, invitations and acceptance of tenders, quotations or estimates (subject to Financial and Contract Rules), and final designs.
- (iii) Authorise the Council entering into the contractual arrangements and other related documents for such goods, works and services and any variations thereof, should this be required throughout the duration of the term of any contracts and provided they are in line with the council’s Contract Rules and any relevant legislation, including the Public Contracts Regulations 2015.

- 3.2 That Cabinet delegate authority to the Executive Director of Resources & Transformation, in consultation with the Deputy Leader and Portfolio Holder for Regeneration, in relation to the Bloxwich Town Deal (including projects that cover both Town Deal areas - see **Appendix A**) to:

- (i) Approve, as necessary, any amendments or variations to the project business case(s) to ensure that the programme can continue to be delivered, subject to being within the approved programme, outcomes and/or project budget and no additional funding allocation being required.
- (ii) Approve works to action the implementation of projects in accordance with approved project business case(s), including designs, invitations and acceptance of tenders, quotations or estimates (subject to Financial and Contract Rules), and final scheme plans.
- (iii) Authorise the Council entering into the contractual arrangements and other related documents for such goods, works and services and any variations thereof should this be required throughout the duration of the

term of any contracts and provided they are in line with the council's Contract Rules and any relevant legislation, including the Public Contracts Regulations 2015.

4. Report detail – know

Context

Town Deal

- 4.1 Following the launch of the Town Deal Programme, Town Investment Plans (TIP) were prepared and submitted to government in February 2021 for both the Bloxwich and Walsall Town Deals. These bids successfully secured £21.6million of Town Deal funding for each area for various projects (see **Appendix A**). The council (through Cabinet) agreed to act as the Accountable Body for the Town Deal funds, to enter into the funding agreement and take legal responsibility for receipt and use of the grant funding. Following the signing of the Heads of Terms for the funding offers, the Bloxwich and Walsall Town Deal programmes moved to the next stage - the completion of business cases for the individual Town Deal projects as per the HM Treasury Green Book 5-case model. Project Lead Officers, assisted by appointed specialists, worked on the drafting of individual business cases for submission to government, for approval and to trigger the release of Town Deal funding for each project. As required by government, prior to submission all completed business cases underwent independent appraisal and were approved through the council's internal assurance process.
- 4.2 For council capital investment schemes, the council has an agreed governance structure and assurance framework to ensure strategic alignment and a co-ordinated cross-council approach to investment (see **Appendix B**). Within this framework, Strategic Investment Board (SIB) is responsible for making recommendations (to CMT and Cabinet) for the approval of investment decisions and business cases. The Accountable Body team (part of the Programme Management service area) supports the SIB governance process and leads the review of business case submissions to ensure robustness, quality and compliance prior to SIB. For external funding bids, project leads follow the processes and procedures for grant management set out in the council's Grants Manual. Business cases for significant external funding bids are presented to SIB for strategic overview and alignment. Once approved, the Accountable Body team is also responsible for receiving, administering, accounting for, and monitoring significant external funding programmes (including Town Deal and FHSF) in accordance with the funder's conditions and frameworks.
- 4.3 A government requirement of the Town Deal programme included the establishment of a Town Deal Board to oversee delivery and development and sign-off of business cases by the Section 151 officer prior to submission to government. The council's governance procedure for capital investment schemes (referenced in paragraph 4.2) was therefore adapted to include the Town Deal Board (representing both the Bloxwich and Walsall Town Deal

areas) and the Town Deal Advisory Boards (one for each Town Deal area) (see **Appendix C**). The Town Deal project business cases were signed by the Section 151 officer and submitted to government in September 2022 following the sequencing of approvals by Town Deal Board, SIB and delegated Cabinet authority in accordance with the governance and assurance framework. The subsequent business case approvals by government triggered the process to release the Town Deal funding and projects to progress to delivery.

- 4.4 A Green Book compliant business case includes the management case where applicants set out how the project will be delivered successfully by the organisation and its partners, as well as project governance, monitoring and compliance. The assurance framework (**Appendix C**) formed part of the Town Deal business cases and is the governance structure for the delivery of projects, as approved by government. The business cases also outlined that project boards and working groups would be established for individual projects (where appropriate) to manage implementation, including making recommendations on project/ business case changes and detailed project works for approval through the assurance framework decision-making process.
- 4.5 Since the launch and continued progression of the Town Deal programme there have been several reports to Cabinet (see Background papers) that have approved various programme and project recommendations, including delegations to enable submission and entry into necessary funding agreements. As the projects have progressed to the design and delivery stages, delegations have also been approved by Cabinet relating to individual project specific activities, such as entering into legal agreements or contracts and the purchase of property. It should be noted that this report does not propose or seek any adaptations or amendments to these existing delegations, which will be authorised when required as approved by Cabinet.
- 4.6 This report outlines the governance arrangements for decision-making and seeks additional delegations of authority to officers (as set out in section 3 above) to enable the continued efficient implementation of the Town Deal projects. The delegations (3.1(i) and 3.2(i)) will allow project amendments to be approved as recommended by the working groups/project boards through SIB, where such variations are within the funding allocations and aligned to the approved outcomes. Such variations will also require approval by the Section 151 officer, as part of the assurance framework, to ensure consistency with government requirements on the sign-off of business cases. The delegations (3.1(ii) and 3.2(ii)) will also enable approval of final detailed designs and scheme works (e.g. scheme development, designs, materials, layouts, technical plans, construction details) prior to the instruction of contracts.
- 4.7 Based on the current project lead roles and officer resourcing, the responsibilities for the proposed delegations of authority to the Executive Directors for EE&C and R&T are separated in terms of the Walsall and Bloxwich Town Deal areas respectively, with the latter including joint area projects (see **Appendix A**).

Future High Streets Fund

- 4.8 In April 2021 £11.4million grant funding was successfully secured from government through the Future High Streets Fund (FHSF) towards the Walsall Connected Gateway project. The business case approved by government, dated May 2020, preceded the council's capital investment schemes/funding bids governance arrangements that are now established and managed by SIB (as per paragraph 4.2). The FHSF business case set out the management case which comprised of a tiered governance structure and decision-making arrangements formed of a project team/working group and project board reporting to CMT and Cabinet to approve key decisions and delegated authority as appropriate. These arrangements in essence largely align with the council's current governance structure and the Town Deal assurance framework, aside from the role of SIB which was not operational at the time of submission but has since been incorporated as part of the FHSF governance process.
- 4.9 The FHSF Connected Gateway project is in the detailed design stage. As with the Town Deal projects, to enable the continued and efficient delivery of the project, the delegation of authority to officers is sought to enable the approval of business case amendments and detailed scheme works as recommended by the working group and project board through SIB.

Council Plan priorities

- 4.10 The Town Deal and FHSF projects will make positive contributions towards all the 2022 – 2025 Our Council Plan areas of focus, including supporting the following outcomes:
1. Economic:
 - a. Supporting a dynamic, resilient and diverse economy where businesses invest and everyone has the right jobs and the right housing in the right place.
 - b. Education, training and skills enable people to contribute to their community and our economy.
 2. People:
 - a. People can access support in their community to keep safe and well and remain independent at home.
 3. Children:
 - a. Children and young people thrive emotionally, physically, mentally and feel they are achieving their potential.
 - b. Children and young people grow up in connected communities and feel safe everywhere.
 4. Communities:
 - a. Our communities will be more resilient and supportive of each other.
 - b. The people of Walsall feel safe in a cleaner, greener Borough.
- 4.11 The We are Walsall 2040 Borough Plan provides a framework for future collaboration across all communities and partners with a shared vision, ambition, priorities, and outcomes to create a borough that works for everyone. The plan signals Walsall's ambition of place to encourage regional and national collaboration and to create a thriving borough of opportunity to attract investors

and developers. The Town Deal and FHSF projects will support the ambitions set out in the plan, namely by empowering communities, developing a strong economy for all, connecting the borough/ places, and creating vibrant towns.

Risk management

- 4.12 There are risks associated with each individual project within the Town Deal programme and the FHSF Connected Gateway project. The project risks were initially set out with mitigating actions in the individual project business cases. These risk registers continue to be regularly updated, monitored and assessed on a project-by-project basis by the project leads throughout the delivery stages. Project risks are reported, mitigated and escalated with decisions made in accordance with the approved governance arrangements. For Town Deal, at a programme level risk registers are overseen by the Accountable Body team and formally report to the Town Deal Board and the government Department for Levelling Up, Housing and Communities (DLUHC). For FHSF, the project risk register is overseen by the FHSF Project Board and the risk report formally reported to DLUHC by the Accountable Body.
- 4.13 The requests for the delegation of authority to officers, as set out in the recommendations of this report, will enable amendments and/or variations to project business cases and subsequent implementation of project works to be approved by officers as part of the programme/project governance structure. Such delegations will enable projects to continue to progress through the design and delivery stages with efficiency. This will reduce the potential risk of time delays and support projects in meeting programme milestones. It will also support the council in meeting targets and deadlines for grant and match funding spend and claims, and therefore reduce the risk of potential underspend or loss of funding.

Financial implications

- 4.14 The external grant and council match funding sums available to deliver the Town Deal and FHSF projects have been previously approved by Cabinet (see background reports). The delegated authority sought in this report will be applied by officers subject to the projects being within the already approved programme and/or project budget allocations and no additional funding being required. If changes to projects and their business cases result in an additional cost requirement, such implications will be reported and decisions sought through the governance structure and reported to Cabinet for approval as required.

Legal implications

- 4.15 Through individual project boards, recommendations and/or options are developed and proposed for the detailed scheme works (e.g. scheme development, designs, materials, layouts, technical plans, construction details).

The delegated authority sought in this report will enable such works to be approved and signed-off by officers prior to contracting. Authority to negotiate and enter into appropriate legal agreements and contracts to successfully deliver and complete the various projects have been subject to previous delegations approved by Cabinet.

Procurement implications/Social Value

- 4.16 Works and services contracts required to deliver projects will continue to be procured in compliance with the Council's Contract Rules, Social Value Policy and the Public Contracts Regulations 2015 using appropriate processes. Consideration will be given to ensuring local contractors can be involved in the supply chain.

Property implications

- 4.17 As previously set out within the approved business cases, for some of the Town Deal projects and the FHSF Connected Gateway scheme, there is a requirement to purchase third party land/ property and/or develop existing council-owned land/ buildings to successfully deliver the outcomes and outputs agreed with government. These property requirements and the delegated authority to acquire have been set out and approved through previous Cabinet reports and recommendations. The delegated authority sought in this report will enable the design and technical specification of projects to be approved and signed off in accordance with the approved business cases and funding allocation. This may include, for example, the detailed specification for the refurbishment of council owned buildings or environmental improvement works on council land.

Health and wellbeing implications

- 4.18 There are no direct health and well-being implications for this report. Dependent on the nature of the individual project, project leads will ensure that key stakeholders are involved in the detailed design of their projects prior to delegated approval. This may include working with Public Health and NHS colleagues to maximise, where possible, the health and wellbeing opportunities and benefits for local people.
- 4.19 Where projects require planning permission, as part of the planning process, detailed consultation with all statutory consultees will be undertaken. Any health and wellbeing implications will be considered as part of the planning process.

Reducing Inequalities

- 4.20 There are no direct equalities impacts as a result of the decisions recommended in this report. An EQIA has previously been prepared for the funds at programme level and EQIAs are prepared for individual projects where required. Equality

considerations and appropriate adjustments will be made during the detailed design and development of projects, where appropriate and in accordance with relevant policies (e.g. building regulations for accessibility).

Staffing implications

- 4.21 There are no staffing implications arising out of this report. Officers will continue to lead, support and resource the implementation and management of the Town Deal and FHSF projects to deliver outcomes and spend agreed with government.

Climate Impact

- 4.22 There are no direct climate impacts arising out of this report. Climate impacts relating to the projects will be considered as part of the detailed design and delivery of the individual schemes.

Consultation

- 4.23 As set out in this report, the Town Deal and FHSF funding programmes are being delivered in accordance with the approved governance structures, which provides for appropriate consultation and checks throughout the various implementation stages.
- 4.24 Any projects which require planning permission will be subject to the relevant consultation procedures led by the Local Planning Authority.

5. Decide

- 5.1 Two options have been considered as follows:
- 5.2 Do nothing- Projects continue to be delivered in accordance with the governance arrangements and assurance framework, requiring hierarchical approval and sign-off by CMT, the Leadership and Cabinet at the various stages. This approach does not enable sufficient flexibilities to progress schemes effectively and efficiently where approvals and signoffs are required for final project works that are in accordance with approved business cases.
- 5.3 Delegated authority to officers as per the recommendations set out in section 3. If approved, the delegations will provide time efficiencies in project delivery and clarity on roles and responsibilities for approvals and signoffs for business case amendments and project works within the governance structure and assurance framework arrangements.

6. Respond

- 6.1 If the recommendations are approved by Cabinet, the Town Deal and FHSF projects will continue to be developed and implemented with approvals and

signoffs sought at the appropriate stages and key milestones via the delegated authority that has been secured.

7. Review

- 7.1 Both funding programmes will continue to be reviewed by officers, as overseen by the Accountable Body and Programme Management team and reported to the relevant boards as required.
- 7.2 Monitoring and Evaluation Plans continue to be maintained, updated and submitted to government in line with the funding programme requirements. These plans feed into the review and change processes to ensure that projects are delivered effectively and achieve the maximum possible outcomes.

Appendices

Appendix A – Projects List

Appendix B – Capital Investment/ Bidding Governance Structure

Appendix C – Town Deal Local Assurance Framework

Background papers

Town Deal

- Approval for the Towns Fund Acceleration Programme and the formation of the Town Deal Board - Cabinet report: 9 September 2020
- Towns Fund Acceleration Programme Update and submission of Town Investment Plans to Government - Cabinet report: 9 December 2020
- Walsall and Bloxwich Town Deal - Cabinet report: 15 December 2021
- Bloxwich and Walsall Town Deal Update - Cabinet report: 18 October 2022
- Creative Industries Enterprise Project - Cabinet report: 14 December 2022
- Town Deal Walsall Adult Learning Campus project - Cabinet report: 22 March 2023

Future High Streets Fund

- Walsall Future High Street Fund scheme - Cabinet report: 21 April 2021
- Contractor Procurement Strategy for Connected Gateway Project - Cabinet report: 9 February 2022

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7 March 2024



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