

Delivering the Towns Fund Programme – Agenda and Key Issues to Review

Agenda

- Scheme of delegation – Membership review, changes to roles and remit and confirmation of interim chair arrangements
- S & R Committee Report – Key issues to resolve is agreeing the strategy for managing budget uncertainty/ tender risk
- Programme Issue
- Project Funding Status
- Spend to Date
- AOB

Decision- 1) Agree changes to the scheme of delegation

2) Confirm Strategy for addressing budget pressures, tender risks and inflation – 1) Priorities 2) Timing of decisions 3) Impacts due to VAT & fees)

Inform- 1) MCA funding

2) Land Acquisition and displacement of Businesses

Changes to Scheme of Delegation for the Towns Fund Board

New guidance from Government has been issued for Towns Fund Board to follow. This is contained in the link below

[Towns Fund: supplementary guidance for Town Deal Boards - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/towns-fund-supplementary-guidance-for-town-deal-boards)

Proposed Changes:

1. Review Board members appropriateness, relevance and skill set
2. Agree proposed change to Stakeholder management approach
3. Agree proposed change meeting frequency
4. Agree the development of project “Sponsors”
5. Understand and agree increase need for transparency of documentation and agendas
6. Confirm the “Interim” co-chair as permanent

Project	Expected Costs	Budget	BCR	Issues	Mitigation
Community Hub	9,543,166	On track & contingency plus £1m MCA	1:1.86 (4)	1) Needs detailed design, planning and tender development 2) Regen Client needed	1) Client function/ resourcing ? 2) Progress with planning and tender development on achieving approval
Place Making (inc Shop fronts)	4,745,790	On track & contingency plus £2m MCA	1:1.51 (7)	1) As Comm Hub 2) Need PM 3) Significant engagement needed	1) As Comm Hub
Accessibility (car parks)	350,000	On track & contingency	1:1.79 (6)	1) As Comm Hub	1) As Comm Hub
Bus	739,000	On track & contingency	1:1.11 (10)	1) Need EOI to operators developing quickly 2) Client needed/ capacity?	1) Assign PM and develop funding process
Post 16	350,000	On track & contingency	1:4:89 (2)	1) Project not live until Comm Hub complete	NA
Hydrotherapy	1,147,330	Under threat – only 5% contingency	1:8.9 (1)	1) Budget under pressure and Inadequate contingency	1) Needs review of costing and operating costs
Sports Hub	2,300,000	Under threat – over budget/ needs match funding confirmation	1:2.1 (3)	1) Over budget/ Match funding not Delivery mech with cricket club to be agreed/ VAT 2) Confirm FA funding for 3G	1) Instruct officers to progress funding bid to FA 2) Engage with Cricket club 3) Grant Agreements needed
Oxley Park	682,990	On track & contingency	1:1.82 (5)	1) On track	NA
Trails	2,700,000	Current specification not deliverable – Estimated to be over 60% budget	1:1.32 (8)	1) Current scope of project significantly over budget so change to scope or additional funding required to deliver as-is option	1) Review with Board
Rivers	475,000	On track & contingency	1:1.3 (9)	1) Need to commission consultancy support to and develop tenders	1) Resourcing review is needed, and tenders need to be developed

Subject	Issue	Impact	Proposed Mitigation	Next steps
(Programme) Budget shortfall/ Costs/ Inflation	<ol style="list-style-type: none"> 1. Budgets were set in 2019 and projects costs not fixed until tendered. 2. High rates of inflation eroding affordability/ deliverability of scopes 3. VAT unrecoverable on 2 projects constrains their budgets further 	<ol style="list-style-type: none"> 1. Project scopes likely to not be affordable and reductions in scope likely. 2. Community and Stakeholder management will need consideration 	<ol style="list-style-type: none"> 1. Prioritise projects and progress in batches to ensure prices can be secured for those projects that are priorities 2. Undertake reviews of project with issues 	Agree tender/ funding sequencing with TF Board
(Project) Displaced Business	<ol style="list-style-type: none"> 1. St Lukes and the Bridge Charity Shop need new locations 2. Factory shop owner not engaged with vision for high street 	<ol style="list-style-type: none"> 1. Work to find new locations for the displaced businesses is ongoing but may not be found 2. Factory shop ambition may not be achieved (reviewing options inc, car parking) 	<ol style="list-style-type: none"> 1. Support is being provided to displaced businesses 2. Further engagement with Factory shop representative required 	Undertake engagement
(Project) Land Acquisition	<ol style="list-style-type: none"> 1. Likelihood of dissatisfaction 2. Decision required on timing 3. Impact of CPO on development site significant 4. Regen’s approach needs review 	<ol style="list-style-type: none"> 1. Confident once approvals are finalised that offers will be accepted however ransom tactic may delay, add cost and bring into view CPO. Could push out start on site by 12 - 18 months 2. Inflexible negotiations increasing stalemate 	<ol style="list-style-type: none"> 1. Engagement event with the impacted once funding source and timing of the transaction is confirmed 2. Map impact of CPO on delivery 3. Review with Regen officer 	Undertake engagement
(Programme) MCA timings	<ol style="list-style-type: none"> 1. MCA process challenging & funding not available until planning and contract prices are confirmed –July 23 2. Teem-and-ladle likely required between DLUP and MCA (SCC?) 	<ol style="list-style-type: none"> 1. Major uncertainty regarding funding headroom until MCA confirmed 2. SCC needs to manage clawback risk 3. If successful, then additional funding likely to secure total programme outputs/ specifications 	<ol style="list-style-type: none"> 1. Programming of high street activity to be refreshed and impact of the availability/ likelihood of MCA funding to be reviewed 	Assess sequencing of activity and funding
(Programme) Updates to Scheme of Delegation	<ol style="list-style-type: none"> 1. Need review of membership and groups and reflect new Towns Fund Guidance and new phase of work 2. Board should be representative 3. Develop Board project “Sponsors” 	<ol style="list-style-type: none"> 1. Some Board members are not representative, and some key gaps are evident 2. Change to Stakeholder Management approach. More focused on local community. Projects to engage with “Impacted” stakeholders 3. Board “Sponsors” to embed in projects 	<ol style="list-style-type: none"> 1. Ask some Board members to stand down to enable new local community representative to take up positions. 2. Review with Board members, relevance ,skills & Competences 	Agree proposed changes to scheme of delegations and operate
Project level resources incomplete	<ol style="list-style-type: none"> 1. Regen need greater ownership of high street projects 2. Gaps in client roles and PM roles 	<ol style="list-style-type: none"> 1. Delivery issues. 	<ol style="list-style-type: none"> 1. Need to review delivery arrangements 2. SCC needs to look at optimising officer and professional fees. 	Engage with impacted projects and review delivery plans

Funding Status

Batch 1 – the following projects have been signed off and DLUP's finance team are arranged payment dates. Formal confirmation will then follow

Oxley park

Trails

Post 16

Sports projects

Community Hub

Placemaking (inc. shop fronts)

Rivers

Post 16 hub

Batch 2 – the following project is under review e

Bus project

- The Strategic Business Case for MCA's funding has been completed and submitted. This is a bid for a £3m contribution to the High St projects although queries about impact of increase to gain-share allocation. Was originally £1.8m, some confusion from within MCA
- £80K public health funding for Oxley Park confirmed
- FA funding bid of £500k to be submitted to support 11-a-side 3G pitch.