



# **Local Assurance Framework**

**Town Deal**

**Levelling up Fund**

**Future High Streets Fund**

**Wolverhampton City Investment Board**

**City of Wolverhampton Council**

12.01.2023 – v3

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## **Introduction**

This Local Assurance Framework (LAF) sets out how City of Wolverhampton Council (CWC) and City Investment Board (The Board) will effectively undertake their respective roles in relation to good governance and delivery of the projects being funded through the Department for Levelling Up Housing and Communities (DLUHC) for the following funds:

- Levelling Up Fund (LUF)
- Town Deals Fund (TD)
- Future High Streets Fund (FHSF)

The LAF is a requirement of the Town Deal and identifies the roles to be undertaken by The Board, by CWC as the Accountable Body and by the Business Leads of projects. This includes the process of ensuring value for money, appraisal, business case development and risk management.

The Board and CWC are fully committed to ensuring the highest standards of governance, accountability and transparency across all aspects of activities in relation to the LUF, TD & FHSF and will review the LAF annually and make any changes necessary to ensure consistency and full compliance.

The framework sets out the structure and roles that each organisation will undertake and the processes and policies that will apply to the decision making and oversight that are required in managing the funding programmes.

Adherence to the framework should ensure:

- Accountable decision making
- Responsible use of public money including achieving value for money
- Effective monitoring and evaluation

The framework is jointly owned by The Board and CWC. Version 1 was approved by both organisations in March 2022 for Town Deal only. Version 3 include the three funding programmes expecting approval in February 2023. The document is subject to an annual review.

## **The Town Deal**

Wolverhampton is one of the 101 towns in England selected to develop “Town Deals” with funding designed to increase economic growth with a focus on regeneration, transport, connectivity, skills and culture.

A Town Investment Plan (TIP) for Wolverhampton including Bilston and Wednesfield was submitted to government 31<sup>st</sup> July 2020 and included 11 projects to be funded and delivered. 3<sup>rd</sup> March 2021 DLUHC confirmed that Wolverhampton will receive up to £25m funding from the Towns Fund, which was a reduction from the TIP request of £48.3m.

CWC and Town Deal Board accepted the offer 1<sup>st</sup> June 2021 of £25m across 10 projects.

9 of the projects submitted their Green Book compliant business case locally assured to DLUHC by March 2022. To undertake this role CWC has set up a process which will follow this Local Assurance Framework and government guidance to assure the business cases.

Summary document of the business cases approved, and projects commence delivery. Delivery of individual projects and the wider Town Investment Plan will continue to be overseen by The Board.

### **Future High Streets Fund**

The Future High Streets Fund has been set up to support and fund the plans of cities and towns to make their high streets and town centres fit for the future. A bid was submitted in June 2020 requesting over £20 million. The plans focus on transforming 38 acres to the west of the city centre, focusing on Victoria Street, Bell Street, Fold Street, and public realm around the Civic Halls and the Westside development.

Wolverhampton was awarded £15.7 million on the 27th of December 2020 to help deliver the council's ambitious city centre vision via these three projects. The public realm projects anticipate completion March 2023 and Bell Street Q2 2024.

### **Levelling Up Fund**

The Government announced a £4.8 billion Levelling Up Fund (LUF) as part of the Spring Budget in March 2021. The fund will provide investment into infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport infrastructure, and investing in cultural and heritage assets.

Wolverhampton was awarded £20 million on the 10<sup>th</sup> of June 2022 to help deliver its ambitious City Learning Quarter vision.

Two further bids were submitted in July 2022 for Green Innovation Corridor and Bilston Health & Regeneration Programme. Expecting outcome January 2023.

### **Governance**

City Investment Board (The Board)

The Board has clear systems, rules and practices and processes in place to ensure that decisions are made on a transparent basis, by the members. Members of the Board work within the agreed governance structures and will always demonstrate the highest standards of conduct. Any third party involved with The Board or who is providing a service to The Board will be made aware they are expected to act within the governance system and that their conduct is expected to be consistent with the standards applicable to members of The Board.

The Nolan Principles of Public Life underpin the LAF and all board members are expected to adhere to them, these are:

- Selflessness: Holders of public office should act solely in the public interest.
- Integrity: Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.
- Objectivity: Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- Openness: Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for doing so.
- Honesty: Holders of public office should be truthful
- Leadership: Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

The Board will operate in line with its Terms of Reference.

The Accountable Body for the Funding programmes is City of Wolverhampton Council (CWC).

The Board is responsible for assurance of the Town Deal projects.

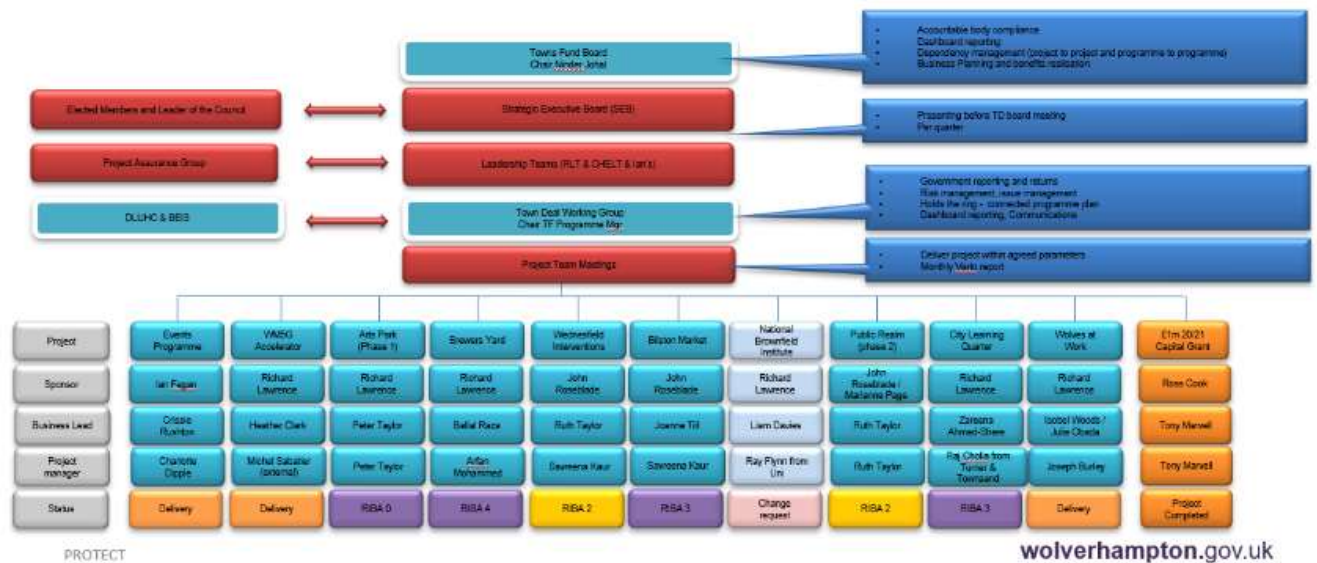
CWC as the Accountable Body is the ultimate decision-making body.

Structure of the Board: The Board will comprise a maximum of 30 members including a minimum of one member from the CWC to represent the public sector plus one member representing the community and voluntary sector. The Board composition will be reviewed once a year.

The Board is committed to diversity based on all protected characteristics and will encourage engagement and representation from across all communities.

Governance information such as Terms of Reference, Code of Conduct and Declarations of Interest and membership list is published, together with information on future board meeting dates and is available on the website.

The Town Deal governance structure is as follows:



The Board provides assurance and scrutiny of the Town Deal programme through discussions at The Board. Any financial decisions are decided by The Board and CWC.

### Scheme of Delegation

The scheme of delegation is for decisions to be made by The Board.

A decision which is made in contravention of the process will be invalid based on non-compliance unless The Board has given prior approval for variation in the decision-making process.

Any decision that needs to be made by The Board that does not fit within the timeframe of the scheduled meetings can be decided through written procedures. All members of the relevant board will be written to with the appropriate documentation that would be presented in the same manner as it would be to The Board. Each member will then be able to reply with any concerns and their approval/rejection to the chair, who will confirm the decision.

Any decision coming forward by written procedures will be done so at the discretion of the Chair of The Board.

### Policies and Procedures

#### Code of Conduct and Conflicts of Interest

The Board's Code of Conduct, which is published on the website, outlines the expectations of Board members when acting in capacity as a Board member of City Investment Board. The code includes Conflicts of Interest and outlines the process for Board members to declare and report interests, ensuring impartiality and the avoidance of perceptions of bias.

It includes guidance on pecuniary and non-pecuniary interests, individuals must declare, outlines the process that Board members follow for declaring interests and explains the process for requesting an exemption.

Individual registers of interests for Board members are updated on an annual basis.

### **Publication of reports and information**

The Board papers are published on the website. These are published in line with the Best Practice Guidance in accordance with the Local Government Act 1972, meeting agendas and papers are published five working days before the meeting takes place and draft minutes of the meeting are published within 5 working days of the meeting taking place.

Any declaration of interest made at the meeting will be included in the minutes.

The Board follows CWC's document classification policy in terms of how documents are classified as public, controlled, or restricted.

Information which is not to be placed in the public domain is treated as exempt. Exempt information is defined in the Local Government (Access to Information) (Variation) Order 2006 which amends Part 1 of Schedule 12A to the Local Government Act 1972. Following 7 exemptions can be used:

- (1) Information relating to any individual.
- (2) Information which is likely to reveal the identity of an individual.
- (3) Information relating to the financial or business affairs of any person (including the Authority holding that information).
- (4) Information relating to any consultations or negotiations, or contemplated consultation or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
- (5) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
- (6) Information which reveals that the authority proposes:
  - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
  - (b) to make an order or direction under any enactment.
- (7) Information relating to any action taken or to be taken in connection with the prevention, investigation, or prosecution of crime.

The Board has in place appropriate data protection arrangements in line with the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. The data provided by promoters is the responsibility of the promoters to make sure it complies with the appropriate legislation and that the data is accurate and correct. CWC is the data controller

for Board Members data and any other data they collect including data around projects and programmes.

### **Accountability and transparent decision making**

The Accountable Body, through the Council's Section 151 Officer, is accountable for the proper use and administration of the Funding programmes, all of which falls under the annual audit of CWC's accounts, and for ensuring that decisions are made in accordance with this LAF or any other framework which may instead apply.

The Council will have responsibility for managing and administering Town Deal funds on behalf of The Board, reporting on performance, and ensuring appropriate governance and assurance procedures are in place.

The Council's responsibilities include:

- Ensuring the decisions and activities of The Board related to the Town Deal conform with legal requirements with regard to equalities, social value, environment, Subsidy Control (formerly State Aid), procurement etc.
- ensuring that funds are used in accordance with the conditions placed on each project.
- ensuring (through the Section 151 Officer) that the funds are used appropriately.
- ensuring that this LAF (or any other which may instead apply) is implemented and adhered to.
- maintaining the official record of The Board proceedings and holding copies of all relevant documents relating to the Town Deal.
- ensuring The Board decisions at formal meeting are recorded by way of minutes, and the minutes of each meeting are reported to the subsequent meeting to ensure accuracy. Minutes, agendas, and reports are published on CWC's website
- Responsibility for the decisions of The Board in approving projects (for example if subjected to legal challenge).
- ensuring arrangements are in place for audit of Funding programme as per Local Authority spend. The annual audit recommendations are reported to The Board. In addition, The Board and the Accountable Body have agreed timescales and operating practices to support the effective implementation of decisions. This will also include a process for monitoring delivery and specification of what information is required from project owners.
- The use of Town Deal resources is subject to the usual local authority checks and balances – including the financial duties and rules which require councils to act prudently in spending; these are overseen and monitored by the Section 151 Officer.



- While it may put in place procedures and promote proper practice, and monitor and report on the effectiveness of these, the Accountable Body is not responsible for any deficiencies in the administration of public monies among funding recipients and partner bodies. In the event of any shortcomings coming to light it will seek to safeguard, and recover where appropriate, the relevant monies.

The Accountable Body would only refuse a decision of The Board if it were:

- Not procedurally valid, or
- Illegal, or
- would lead to the available budget being exceeded.

If a situation did occur whereby the Accountable Body had significant concerns about a decision The Board had taken, or proposed to take, then an urgent meeting within 5 working days would be convened by the Section 151 Officer of the Accountable Body with key stakeholders from both The Board and the Accountable Body.

There will be a clear separation between Business Leads (i.e. CWC led schemes) and those advising on decision-making (the Accountable Body role), to ensure The Board are acting on impartial advice.

Awards of funding delivered by external partners (not CWC) will be accompanied by a written funding agreement between the Accountable Body and the project delivery setting out the split of responsibilities and specifying provisions for the protection of public funds, such as arrangements to suspend or claw back funding in the event of non-delivery or mismanagement.

As a minimum, these agreements will include:

- Details of the project and outputs to be delivered in a specified timescale
- Arrangements for payment (up front or in arrears, quarterly or other)
- Arrangements to suspend or claw back funding in the event of non-delivery or mismanagement
- Monitoring requirements, including the metrics and frequency of reporting
- Publicity obligations and arrangements

The agreement will be signed by the Section 151 Officer (or equivalent) of the promoting organisation and by the Section 151 Officer of the Accountable Body who has the final sign off on funding decisions.

### **Section 151 officer**

The Accountable Body will ensure they address the five principles of the CIPFA guidance:

- Embed a corporate position for the Section 151 officer at the Council
- Create a formal/structured mandate for the Section 151 officer

- Embed good governance into decision making
- Ensure effective review of governance
- Ensure appropriate skills and resourcing

All Board documents which have a financial implication will be provided to the Section 151 officer/delegate, and where decisions are being made the Section 151/delegate will have the opportunity to comment.

The Section 151 officer will ensure their oversight of the proper administration of financial affairs within the Town Deal programme continues throughout the year programme (2020/21 – 2025/26). This will include attendance at The Board where possible, and at a minimum at least one meeting each financial year.

A regular programme overview is given at The Board meeting on minimum a bi-monthly basis to update on performance, any issues and risks and mitigations of each project.

## **Engagement with Stakeholders**

The Board is committed to effective engagement and collaboration with all its partners and stakeholders to effectively undertake its role and advocate for its area.

Examples of The Board's engagement activities include:

- Regular engagement with the local media on The Board's work.
- Board members regularly speak at local events, such as those organised by business membership organisations.
- Regular social media updates and website coverage of the Projects
- A Stakeholder and Engagement Plan has been produced for the Town Deal work and is regularly reviewed and update.

## Town Deal Project Approvals Process



CWC will liaise with the Business Lead throughout the process, ultimately taking a recommendation to The Board for approval. Following which a Summary Document of the business case or change document will be submitted to DLUHC for assessment.

The final business case is to be submitted by the Section 151 officer or equivalent (CEO, MD, FD) of the project. Projects will need to meet the following key milestones:

1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5-case model. 'The Checklist1' published by HM Treasury should be appended to the business case to confirm that all stages have been completed.  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/935527/Green\\_Book\\_guidance\\_checklist\\_for\\_assessing\\_business\\_cases.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/935527/Green_Book_guidance_checklist_for_assessing_business_cases.pdf)
2. A Benefit Cost Ratio must be provided
3. Details of any changes to the project from the initial Towns Fund submission with reasoning behind these changes.
4. Confirmation of the status of all co-funding with details of the sources of funding and the timeframe for when the co-funding will be confirmed.
5. A risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan.

The Board and the Accountable Body will progress assessment of the projects as follows:

1. The Accountable Body will carry out an assessment of the submitted draft business case in line with the requirement of the LAF and feedback to the projects on any further requirements.
2. Once the full business case (FBC) is submitted to the Accountable Body, a final recommendation whether to fund the project or not including any conditions which would be set will be prepared to The Board.
3. The Board will approve, reject, or request additional information.
4. The Chair of the Board and CWC S151 officer will sign off the FBC
5. Once ratified the summary of the business case will be submitted to DLUHC for sign off. Final deadline for submission 22 March 2022.
6. Once a Summary Document or business case is agreed by DLUHC the project can start delivery.
10. The Accountable Body and The Board will monitor and carry out an audit of processes on the delivery of the project and the outputs.

### **Changes to Town Deal projects**

In the event that a project has, in the opinion of The Board or CWC, significantly changed (by 10% or more) from what was originally proposed (i.e. spend profile, outputs and outcomes, or delivery). CWC will request a written response detailing how and why the project has changed against the agreed objectives with DLUHC from the Business Lead.

If it is agreed that the project can be amended the Business Lead will be required to complete a project adjustment form issued by DLUHC. Once completed and approved by The Board and CWC, the form will be submitted by CWC to DLUHC for consideration.

The Board and Accountable Body will be provided with quarterly performance reports by the Town Deal programme manager. If it is reported that a project is delayed (commencement/completion/outputs/outcomes) by 3 months or more then the project will be reported as a High-Risk project.

### **Risk management**

A risk register is maintained of all projects and this is updated on a regular basis. The risks of each project are rated using a scoring matrix based on likelihood and impact that each risk presents. A set of mitigations is also included.

Based on the risk register and as part of the programme overview report, high risk projects are highlighted to The Board.

## **Monitoring and Evaluation**

The Funding programmes provides a unique opportunity to better understand what policy interventions are most effective in driving economic growth and living standards at the town level. This improved understanding will rely on the frequent collection of high-quality data to enable the ongoing monitoring of progress and the evaluation of the Fund's impact.

Monitoring and Evaluation will ensure that Government has better evidence of what policy levers work best to improve connectivity, spatial organisation, skills, and local authority capability in towns.

CWC is committed to undertake monitoring and evaluation of the Funding programmes and to submit monitoring information to DLUHC twice a year or as requested.

Business Lead will be provided with a table of the indicators which must be reported on.

The principles of programme management will be for CWC to manage the key programme risks, through proactive engagement with Business Leads and developing a system of regular reporting.

All projects will be subject to a post-project completion report; this will ensure CWC follows best practice using recognised project and programme management techniques to ensure sound decisions have been made.

## **Communications**

Branding requirements will be set by DLUHC. Each Business Lead will be given the branding guidance which includes details for press and publicity and marketing and branding materials. Each project is contractually obliged to conform to the branding guidance as set out in the Memorandum of Understanding. Prior to issue all publicity must be sent to CWC's communications team for review.