

**For publication**

**Staveley Town Deal Assurance Framework**

<b>Meeting:</b>	Cabinet
<b>Date:</b>	25 May 2021
<b>Cabinet portfolio:</b>	Economic Growth
<b>Directorate:</b>	Economic Growth

**1.0 Purpose of the report**

- 1.1 The report presents an Assurance Framework outlining the governance to be put in place for managing the Staveley Town Deal, including the role that Chesterfield Borough Council will play as the Accountable Body for the Towns Fund.

**2.0 Recommendations**

- 2.1 That the Assurance Framework be approved and the roles set out within it for members, officers and groups within the council be noted.
- 2.2 That Cabinet delegate authority to the Chair of the internal Town Deal Programme Board to make recommendations to the Staveley Town Deal Board on whether or not to approve full business cases for Town Deal projects.
- 2.3 That any recommendations for changes made by the Staveley Town Deal Board following its annual review of the Assurance Framework are brought back to Cabinet for approval.
- 2.4 That Cabinet note the Staveley Town Deal Programme Equalities Impact Assessment that has been undertaken to support delivery of the Town Deal in line with the council's commitment to equality and diversity.

### **3.0 Reasons for recommendations**

- 3.1 To ensure that sound governance is in place for the Staveley Town Deal and that the role for Chesterfield Borough Council as the Accountable Body is clearly set out.

### **4.0 Background**

- 4.1 Reports have recently come to Cabinet and to the Joint Cabinet Employment and General Committee regarding the Staveley Town Deal. These have respectively set out the Town Investment Plan for Staveley and presented proposals for resources to manage the Town Deal. As noted in both reports, the Town Deal process places greater emphasis on local decision making and management than many recent comparable funding streams. One of the consequences of this is that functions that might otherwise sit within a government department or Local Enterprise Partnership are to be carried out by Chesterfield Borough Council. In common with the arrangements for other towns in the programme, it will be the borough, district or unitary council for the area that fulfills the role of the Accountable Body for the fund.
- 4.2 Another feature of the localisation of responsibility is that 'local assurance mechanisms' are expected to be in place in order to guide decisions made. This includes decisions regarding whether or not to approve the projects that make up the Staveley Town Investment Plan based on the business cases submitted.
- 4.3 These local mechanisms are also the way in which clarity should be brought to the respective roles of the borough council, as the Accountable Body, and the Staveley Town Deal Board, which has been specifically set up in order to bring stakeholders together to lead the Town Deal process. On this, guidance issued by government in December 2020 (regarding the development of project business cases) states that:

*The accountable body (as identified in the Town Investment Plan) will be accountable for implementing the Town Deal. The Town Deal Board should have an ongoing role and have sight of decisions as projects are developed in more detail or possible changes are made. The nature and degree of the Board's oversight should be agreed locally.*

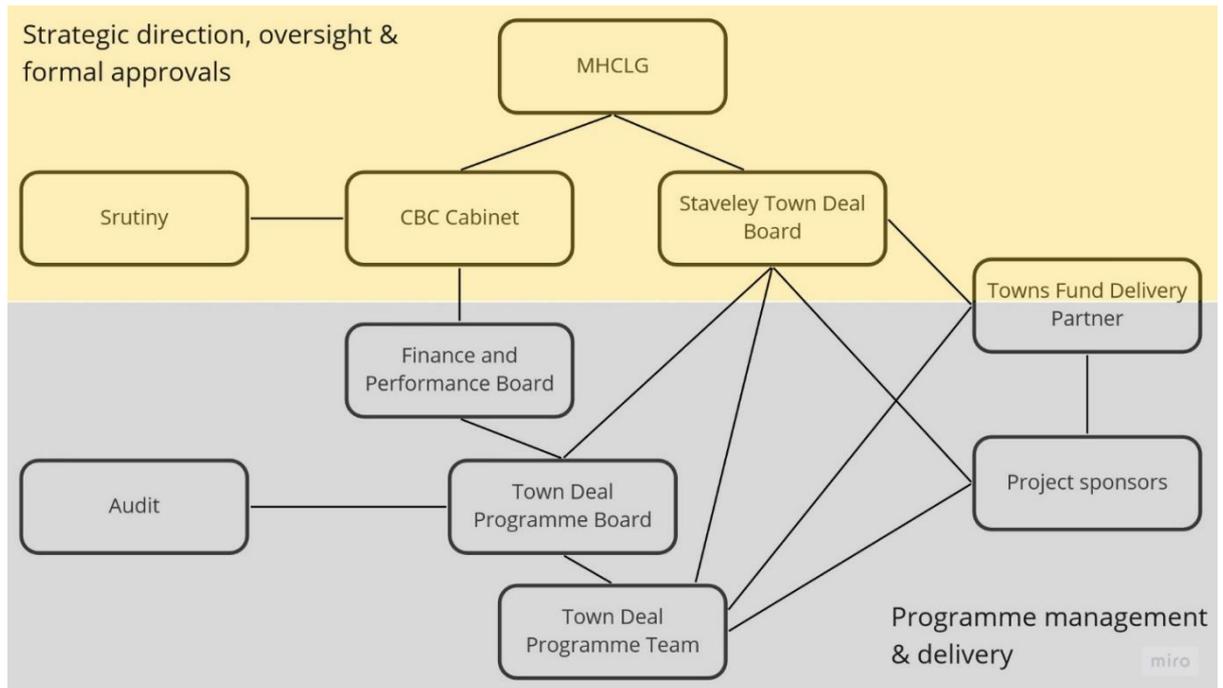
*Locally, ultimate decision-making responsibility will lie with the accountable body, but the Town Deal Board Chair will be a signatory to*

*the Summary Document and should make decisions in partnership and collaboration with the Town Deal Board.*

- 4.4 Given the above, an Assurance Framework has been developed in order to provide clarity regarding the respective roles of bodies involved in the governance of the Town Deal programme. An assurance framework is commonly used for this purpose by Local Enterprise Partnerships and other bodies that are accountable for managing public money.
- 4.5 The framework sets out the structure and roles that bodies will play, including specific groups and officers within organisations, and the processes and policies that will apply to the decision making and oversight that are required in managing the Town Deal programme. In adopting and adhering to the framework, the council and its partners can ensure:
- Accountable decision making
  - Responsible use of public money including achieving value for money
  - Effective monitoring and evaluation
- 4.6 The framework has been developed through the programme board now in place within the council. This board is referred to within the framework as the Town Deal Programme Board. The board currently reports into the Corporate Leadership Team ahead of being incorporated within the new arrangements for project and programme management due to come into place later in the year. Comments on the framework have also been received from the D2N2 Local Enterprise Partnership and representative of the government's Cities and Local Growth Unit.
- 4.7 Following development by the Town Deal Programme Board, the framework was noted at the Staveley Town Deal Board on 14<sup>th</sup> May. The framework will be jointly owned by the Staveley Town Deal Board and Chesterfield Borough Council. Once approved by both bodies, it will be subject to an annual review. This will be undertaken by the Town Deal Programme Board and recommendations for changes made to the Staveley Town Deal Board in the first instance. Any changes approved by the Staveley Town Deal Board would then come back to Cabinet for approval before the framework is revised.

## Key components of the Assurance Framework

4.8 The Framework outlines the roles that different bodies will play through the process of developing and delivering the Town Deal programme. In particular, it sets out officers and members within the council will be part of the governance structure and how these groups will relate to the Staveley Town Deal Board. The key groups are set out in the diagram below.



4.9 The roles of each group are then summarised in the table below.

Staveley Town Deal Board	Working in partnership with CBC as the Accountable Body, Staveley Town Deal Board will provide strategic direction to the development and implementation of the Staveley Town Deal. The Board has a critical role to play in ensuring a strong and diverse voice from Staveley communities and stakeholders is brought to the discussions and decisions on the Town Deal. The Board may agree to put in place sub-groups for particular purposes in line with its overall purpose. The Terms of Reference for the Board from January 2020 are included at Appendix one of the Assurance Framework (it is due to review
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	its Terms of Reference at a forthcoming Board meeting).
CBC Cabinet	As the Accountable Body for the Towns Fund, CBC will have a range of responsibilities as set out in the next section. The role of its Cabinet will be to ensure that resources and arrangements are in place to discharge those accountable body responsibilities. It will be the senior decision making body within the Council with regard to the Town Deal, though it may chose to delegate decisions for example to the Programme Board (through its Chair). Decisions taken by Cabinet will be subject to scrutiny through the existing CBC scrutiny process.
CBC Finance and Performance Board	CBC Finance and Performance Board includes senior officer representation (including s. 151 officer) together with the Leader and Deputy Leader. It provide a further line of assurance within the council with regard to the managing of public money as the Town Deal programme forms part of the council's wider Capital Programme. It will provide a route for escalation of programme management issues and risks within the council where these cannot be managed or mitigated by the Programme Board.
Town Deal Programme Board	The Town Deal Programme Board is a CBC officer group established to provide oversight of the programme delivery on behalf of the accountable body. It includes the CBC s. 151 officer who, together with the Chief Executive, will be required to provide formal assurance to government on behalf of the council as the accountable body. The Board is run in line with the wider project and programme methodologies in place within the council. It will report internally within CBC and will also provide regular updates and reports directly to the Staveley Town Deal Board. The Terms of Reference for the Programme Board are included at Appendix two of the Assurance Framework.

Town Deal Programme Team	The team has been established in order to provide the dedicated resources required to manage the programme and ensure the council can fulfil its role as the Accountable Body. It includes a programme manager with day to day responsibility for the delivery of the Deal. The team will also provide secretariat support to the Staveley Town Deal Board.
Project sponsor group	The project sponsor group is not a decision making body but a critical liaison group within the overall governance structure. It brings together the nominated lead officer from within each of the organisations responsible for sponsoring the individual projects that make up the Town Deal. It provides an opportunity for the programme team to give information, set out programme management requirements and consider support requirements.
MHCLG	MHCLG is the lead government department for the Towns Fund. A representative is invited to attend all meetings of the Staveley Town Deal Board. CBC as the accountable body will provide regular reports to MHCLG on implementation of the Town Deal.
Towns Fund Delivery Partner	The Towns Fund Delivery Partner has been appointed by government to support all towns in their work to develop and deliver Town Deals. A representative from the TFDP is invited to all meetings of the Staveley Town Deal Board. The TFDP will also provide advice and support directly to both the Programme Team and to Project sponsors – individually and collectively.

- 4.10 The Framework provides details on the processes that will apply as business cases for projects are developed and approved, as well as how the delivery of projects will be managed. In doing so it sets out how the council will fulfil its Accountable Body role.
- 4.11 A critical component of this will be the Town Deal Programme Board, which will be the lead group overseeing the Deal programme on behalf of the council as Accountable Body. This will include making recommendations to the Staveley Town Deal Board as to whether or not

to approve business cases for Town Deal projects, following an external assurance process. As set out in recommendation 2.2, Cabinet is asked to delegate authority to the Chair of that Board to play this role on behalf of the Accountable Body.

## **5.0 Alternative options**

- 5.1 A range of alternative options has been considered in developing the Assurance Framework. The option of managing the Town Deal without any framework has been discounted since it is clear from government guidance that having local assurance mechanisms in place is a requirement for the Towns Fund. These mechanisms therefore require documentation in some form as there is no existing guide that could be used for this purpose.
- 5.2 Another alternative has been to use an existing framework from another Town Deal area and/or Local Enterprise Partnership. These sources have been used in order to inform the drafting of the Staveley Assurance Framework. Discussion has taken place with North Lincolnshire council which has shared its Assurance Framework and assurance mapping. These have contributed to the Staveley Framework. Similar, D2N2 has supported the development of this framework and its Assurance Framework as well as the SCR framework have been reviewed and elements used to inform the Staveley document. Whilst it has not been possible to use another framework in its entirety, since none considered would suit the local needs, other frameworks have been valuable in informing the Staveley Framework.
- 5.3 Another alternative considered was to outsource the assurance work to another body. Whilst this is being done in order to obtain an expert and independent view of business case compliance with the Treasury Green Book, it is not possible to outsource the role of Accountable Body. In any case, another body would still require an Assurance Framework or similar in order to guide its approach.
- 5.4 Finally, alternatives have been considered in terms of the level of detail to provide within the framework. The approach for the document proposed here has been to provide sufficient detail where processes are not already established – for example the development and approval of full business cases – but to rely in other places where possible on existing policies rather than replicate those again within the framework. In doing so, it is hoped the right level of detail is available for those involved in the

governance and those who will be holding the various bodies working on the Town Deal to account.

## **6.0 Implications for consideration – Council Plan**

6.1 As set out in previous reports, the Staveley Town Investment Plan aligns well with the current council plan. In particular the Town Deal priorities align strongly with the following objectives:

- Chesterfield Borough – a great place to live, work and visit
- Vibrant town centres
- Build a stronger business base
- Develop an inclusive and environmentally sustainable approach to growth
- Improve our environment and enhance community safety for all our communities and future generations
- Help our communities to improve their health and wellbeing
- Reduce inequality and provide support to vulnerable people

6.2 The Staveley Town Deal is also well aligned to the council's Growth Strategy (2019-23) with its three themes:

- Supporting business growth and investment
- A great place to live, visit and do business
- An inclusive approach to growth

The Deal will also make a positive contribution to the council's Covid recovery planning and its response to the Climate Change Emergency.

## **7.0 Implications for consideration – Financial and Value for Money**

7.1 Resources for delivering the council's role as set out in the Assurance Framework have already been taken into account in the proposals for managing the Town Deal that were approved by the Joint Cabinet Employment and General Committee on 13<sup>th</sup> April 2021. The role played by the council in fulfilling its Accountable Body requirements in line with the Assurance Framework will be a significant one with implications for a number of teams. This is in line with the resource implications noted in the previous report and its appendix which analysed tasks and anticipated resource demands.

- 7.2 The Framework has been reviewed by the council's s. 151 officer as, together with the Chief Executive, she will play a key role within the Town Deal governance. For instance, returns made to government – including monitoring returns and confirmation of business case approvals – will need to be signed by the s. 151 officer. The s. 151 officer has confirmed that she is satisfied the Assurance Framework provides a sound basis for setting out the governance and processes required to manage the Town Deal programme in line with the Towns Fund requirements and wider considerations of managing public money.
- 7.3 In particular, in setting out responsibilities the Framework seeks to reduce the financial risks to the council to a minimum level. However, it should be noted that the projects included within the Town Deal are being sponsored by a wide range of organisations with varying financial capacity. For those organisations where financial capacity could present an issue in terms of delivering multi-million pound capital projects, there will be particular attention paid to managing that financial risk within the relevant sections of the business cases as these are developed and come forward for approval. The assurance process to be conducted for each business case is a key control with regard to managing financial risk for both the council and project sponsor organisations.
- 7.4 Where the Town Deal Programme Board has concerns regarding financial (or any other risk) as projects move into delivery phase, it has an escalation route as set out within the Assurance Framework to bring issues to the council's Finance and Performance Board. This will ensure that key Cabinet members are made aware of issues and able to provide direction on steps to mitigate risks.
- 7.5 As noted in the previous report on Town Deal resources, there is a need to consider further the audit (internal and external) requirements that will be appropriate for the Town Deal programme. Where these rely on internal audit activity, this will come at an indirect cost to the council since other planned audit work would need to be re-programmed to accommodate the required audit activity. Early discussion on this has taken place with the Internal Audit Consortium Manager who has also reviewed the Assurance Framework. If external audit work is deemed to be required, this would be an additional direct cost, potentially in the region of £10k. Further advice will be sought from government regarding audit requirements before any commitment to spend on external audit is made.

## **8.0 Implications for consideration – Legal**

- 8.1 Since the Assurance Framework is not a legal document, it has not been subject to external legal advice. However, it has been reviewed by the council's Monitoring Officer and Property Procurement and Contracts Law Manager who both deem it fit for purpose.
- 8.2 The Assurance Framework outlines the approach for contracting with the organisations that are set to deliver the Town Deal projects. Of the 11 projects proposed within the Town Deal, 8 are led by organisations other than the borough council, with a range of public, private and third sector partners. Contractual funding agreements will need to be agreed with each of these in order to release funding and ensure that conditions of funding are met. Whilst any future legal action would clearly be a last resort, the basis for this would be the individual contracts in place with each project sponsor organisation rather than the Assurance Framework.
- 8.3 The Framework includes reference to the need for the council to take advice where relevant regarding subsidy control (the post-Brexit consideration that is to be applied following the ending of the previous State Aid regime). This will be important in providing government and the public with assurance that Towns Fund money is being used in compliance with this requirement.

## **9.0 Implications for consideration – Human resources**

- 9.1 As noted above, the posts that are deemed to be necessary for delivering against the responsibilities set out within the Assurance Framework have been established following approval in April 2021 by the Joint Cabinet Employment and General Committee. Whilst the position will be kept under review, it is considered that adequate resources will be in place once those posts are filled.
- 9.2 However, it should also be noted that a number of officers across the council will be involved in supporting the Town Deal programme, in addition to the dedicated team that is being established. This includes the members of the Town Deal Programme Board, as set out in the Terms of Reference for that Board which are included as appendix two to the Assurance Framework. The roles that officers are being asked to play are not deemed to create any additional responsibilities outside of their existing job roles; however there will be an implication in terms of

capacity given the need to contribute to the programme throughout its 5 year life.

## 10.0 Implications for consideration – Risk Management

10.1 A key role for the Assurance Framework is ensuring that risk is mitigated as effectively as possible when considering the development and delivery of the Town Deal programme over the next 5 years. Through setting out the four ‘lines of defence’, the Framework will be used to provide assurance that risk is being effectively managed and mitigated at programme and project level. A risk register will be developed by the Town Deal Programme Board and reviewed as per section 5 of the Assurance Framework.

10.2 Specific risks relating to the Assurance Framework itself are set out in the table below.

<b>Description of the risk</b>	<b>Impact</b>	<b>Likelihood</b>	<b>Mitigating action</b>	<b>Impact</b>	<b>Likelihood</b>
The Assurance Framework is not fit for purpose in terms of ensuring good governance and use of public money	Medium	Medium	Reviews of the framework by MHCLG, Cabinet and Town Deal Board	Medium	Low
Assurance Framework places demands on council officers and teams that cannot be met	Medium	High	Resources approved in April 2021 to mitigate this; position to be kept under close review	Medium	Medium
Lack of compliance with the Framework once in place	Medium	Medium	Prompt escalation within CBC and to the Town Deal Board; funding	Medium	Low

			agreements used to drive compliance; new programme team in place to support partners to comply		
Town Deal Programme Board unable to fulfil its role as set out in the Framework	Medium	Low	Keep membership and role under review; ensure other parts of governance structure hold programme board to account; co-opt members as necessary if capacity or capability become issues	Low	Low
Wider policy shifts not reflected in the Framework	Low	Medium	Keep framework under review; ensure that relevant policy change brought to attention of Programme board and Town Deal Board; clear documentation maintained of variations from Framework required by new policy	Low	Low

## **11.0 Implications for consideration – Community wellbeing**

11.1 The Town Deal includes a number of projects that would contribute directly and positively to community wellbeing in the Staveley area. The Staveley Town Investment Plan submitted in December 2020 sets out the engagement that has taken place with the community to inform the priorities set. Health and wellbeing is one of the four thematic priorities around which the plan has been developed.

## **12.0 Implications for consideration – Economy and skills**

12.1 As set out in previous reports, a key rationale for the Towns Fund has been to drive growth in towns that may otherwise be left behind in terms of the economy and skills. The projects within the Staveley Town Investment Plan have been assessed in terms of the contribution they will make to the future economy of the area. The investment of c. £25m clearly has the potential to make a transformational impact in this regard and two of the four thematic priorities in the plan relate directly to economy and skills.

12.2 The Town Deal is also a key part of the economic recovery plan that the council has adopted. Officers and partners are already collaborating to ensure the benefits to the local economy from the investment made through the Towns Fund are maximised. This will include the use of local labour clauses where Town Deal projects require planning permission, meet the buyer events to facilitate local supply chain benefits and encouraging early engagement in skills programmes and initiatives to increase opportunities for local residents.

## **13.0 Implications for consideration – Climate change**

13.1 Each project within the Staveley Town Investment Plan has been considered from the perspective of the contribution it can make to low carbon growth as this is a key criteria set by government for Town Deals. The plan sets out how the projects will help to drive more sustainable growth in the Staveley area, in turn contributing to the council's response to the declared Climate Change Emergency.

13.2 Now that project sponsors are developing their full business cases, they will be required to use that process to demonstrate ways in which this theme can be addressed. Advice on delivering clean growth through the

Town Deal has been received from the national team advising participating towns. This support together with input from the council's climate change officer (who has already met with the project sponsors), will be used as business cases are developed in order to maximise the positive impacts that Town Deal projects can have with regard to climate change.

#### **14.0 Implications for consideration - Equality and diversity**

- 14.1 One of the conditions set out for the Town Deal within the Heads of Terms issued on 3<sup>rd</sup> March related to the Public Sector Equality Duty and a requirement that a programme-wide impact assessment is undertaken as well as relevant project-level assessments.
- 14.2 A draft Equalities Impact Assessment (EIA) for the Town Deal programme has now been developed and is included as appendix 2 to this report for Cabinet to note. The draft assessment is also due to go to the May meeting of the Staveley Town Deal Board. It forms part of the wider assurance that is described in the Assurance Framework.
- 14.3 Whilst the EIA will continue to evolve as the programme develops, the initial assessment shows ways in which projects within the Town Deal have the potential to make a positive equalities impact.
- 14.4 The Assurance Framework includes a Diversity Statement that sets out the commitment partners are making to diversity and equality in developing and delivering the Town Deal.

#### **Decision information**

<b>Key decision number</b>	1035
<b>Wards affected</b>	Lowgates & Woodthorpe, Middlecroft & Poolsbrook, Hollingwood & Inkersall, Barrow Hill & New Whittington

#### **Document information**

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**Background documents**

These are unpublished works which have been relied on to a material extent when the report was prepared.

N/A

**Appendices to the report**

Appendix 1

Staveley Town Deal Assurance Framework

Appendix 2

Staveley Town Deal Programme Equalities Impact Assessment