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Date: Tuesday, 14 July 2020

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Dear Member

## **CABINET - TUESDAY, 14 JULY 2020**

I am now able to enclose, for consideration at the Tuesday, 14 July 2020 meeting of the Cabinet, the following reports that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>	<b>Page</b>
8.	<b>Torquay Town Deal</b>	(Pages 202 - 323)

Yours sincerely

Lisa Antrobus  
Clerk

**Meeting:** Cabinet

**Date:** 14 July 2020

**Wards Affected:** Torquay wards

**Report Title:** Torquay Town Deal

**Is the decision a key decision?** No

**When does the decision need to be implemented?** Immediately

**Cabinet Member Contact Details:** Councillor Swithin Long, Cabinet Member for Housing, Regeneration & Tourism

**Supporting Officer Contact Details:** Alan Denby, Director of Economic Strategy, [alan.denby@tda.uk.net](mailto:alan.denby@tda.uk.net) 01803 208671

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### 1. Purpose of Report

- 1.1 This report sets out progress in the development of a Town Investment Plan for Torquay, the timescale that applies prior to submission of the Investment Plan and seeks the support of Cabinet for the submission.
- 1.2 Members will be aware that aligned to Paignton's Future High Street Fund the Town Deal opportunity presents a unique prospect to bring about transformational change in two of our towns.
- 1.3 Torquay was selected by Government in November of last year to be one of 101 English towns invited to submit a Town Investment Plan. The purpose of this town deal is to secure a Town Deal, setting out a partnership with Government, and up to £25 million of Town Fund investment. Members are asked to note that the Town Investment Plan is intended to set out a strategic programme of investment designed to capture, for national government, the ambitions of a place and the projects intended to realize that ambition. Government guidance, which is attached, provides the detail on how the Town Investment Plan should be developed.
- 1.4 Torquay is a cohort one town and as such will submit the Town Investment Plan on or before 31<sup>st</sup> July. This time scale presents some challenges in terms of process but is achievable.
- 1.5 The Town Investment Plan sets out the challenges in Torbay generally and Paignton specifically. It will set out the assets, opportunities and vision for the town and will be submitted by the Council based on the advice of the Town Board. Detail about the Town Board is provided in the supporting information.
- 1.6 The Town Investment Plan will when finalised set out the justification for the requested Town Fund investment of circa £25 million, the projects that the Towns

Fund will support and indicative levels of investment from other public and private sector sources.

- 1.7 Assuming that the Town Investment Plan leads to an agreed Town Deal then future decisions about Council investment into any of the schemes will be subject to business cases and decisions at the appropriate times. In accordance with Council procedures, business cases for borrowing to deliver any project would need to be fully considered by Cabinet before that project can proceed.

## **2. Reason for Proposal**

- 2.1 The Cabinet is asked to support submission of the Town Investment Plan to MHCLG by the deadline of end July.
- 

## **3. Recommendation(s) / Proposed Decision**

- 3.1 It is recommended that Cabinet supports
  - I. The submission of a Town Investment Plan and to delegate the decision, on exact content of the submission, to the Head of Finance, in consultation with the Leader of the Council.

## **Appendices**

Appendix 1: Town Fund Prospectus & Further Guidance

Appendix 2: Town Board Terms of Reference

Appendix 3: Community Board briefing

## **Background Documents**

Economic Strategy Appendix – Transformation Strategy for Torbay’s Town Centres:  
<https://www.torbay.gov.uk/media/10450/transformation-project-town-centre-regeneration.pdf>

Torbay’s Local Plan: <https://www.torbay.gov.uk/media/6836/lp-2012to2030.pdf>

Torquay Neighbourhood Plan: <https://www.torbay.gov.uk/council/policies/planning-policies/neighbourhood-plans/torquay-np/>

Torquay Town Centre Masterplan:  
<https://www.torbay.gov.uk/media/6894/ttcmasterplan.pdf>

## Supporting Information:

### 1. Background:

- 1.1 The Towns Fund was established by Government in the autumn of 2019 and is being managed by the Ministry of Housing Communities and Local Government (MHCLG).
- 1.2 Torbay Council was invited in late 2019 to develop a Town Deal proposal for Torquay with Government. The Town Deal is the name of the partnership agreement that places will enter into with Government following submission and agreement of a Town Investment Plan (TIP). The TIP is a prospectus for the place and must correspond to the requirements laid out in the guidance for the fund. While the TIP is expected to reference a programme of investment and projects designed to accelerate the economic growth of a place Towns Fund investment will be made against specific projects which are in line with the Government's intervention framework. The Towns Fund will provide the core public investment in Town Deals - additional funding may come from other sources or parts of Government. The objective of the Fund is to drive the economic regeneration of towns to deliver long term economic and productivity growth through;
  - **Urban regeneration, planning and land use:** ensuring towns are thriving places for people to live and work, including by: increasing density in town centres; strengthening local economic assets including local cultural assets; site acquisition, remediation, preparation, regeneration; and making full use of planning tools to bring strategic direction and change.
  - **Skills & Enterprise Infrastructure;** driving private sector investment and ensuring towns have the space to support skills and small business development.
  - **Connectivity:** developing local transport schemes that complement regional and national networks, as well as supporting the delivery of improved digital connectivity.
- 1.3 The Council will be the applicant for the Towns Fund and the accountable body however development of the TIP is the responsibility of the Town Board, details of the Town Board are set out further down this report.
- 1.4 Government officials have indicated to Torbay that they consider Torquay is among the most prepared places and would welcome submission of the Town Investment Plan on or before 31st of July as part of the first cohort of places. While this is a tight timescale following the resource commitments to covid response work Town Deal is an unparalleled opportunity for Torbay to set out directly to Government asks for one of our towns.
- 1.5 The governance process for Town Deal has been prescribed by Government and requires us to put in place a Town Deal Board. The role of the Board is to develop

and agree an evidence based Investment Plan, develop a clear programme of interventions and coordinate resources.

- 1.6 The Town Board is chaired by Vince Flower, vice-chair is Kevin Foster MP and the Council is represented by Cllr Long and Kevin Mowat. The board has met on five occasions and has clearly indicated firstly a desire to focus on Torquay town centre and secondly a very real urgency for the submission. The full list of Town Board members is;

Vince Flower (Chair)  
Kevin Foster MP (Vice Chair)  
Cllr Swithin Long  
Kevin Mowat  
Jason Garside (TLH)  
Mike Watson (Stagecoach)  
Carolyn Custerson (ERTBID)  
Jim Parker (Torbay Together)

Leon Butler/Julie Brandon  
(Community Board representatives supported by Torbay Community Development Trust)  
Heidi Coombe (HotSW LEP)  
Susie Colley (Torquay Chamber)  
Laurence Frewin (SD College)

- 1.7 Work completed has identified a long list of projects which are aligned to the Town centre and Torquay Gateway Masterplans, the Town Centre Transformation Strategy and Torquay Neighbourhood Plan. While there is work to complete a draft of the Investment Plan has been shared with Government's consultancy partners and we are on track for submission.
- 1.8 While the Investment Plan will focus on the town centre as it is at the heart of the town complementary projects which will support the wider objectives for Torquay's economic repositioning will be included such as the Edginswell Station project. It is expected that the town centre schemes will include enhancements of the public realm at key locations which will include Torquay Harbourside, land assembly to support changing the mix of uses in the town centre and working with private sector partners to bring forward transformation at key sites.
- 1.9 Should Council funding be required for the projects or decisions required around land assembly opportunities then they will be brought forward for separate decisions to allow for normal decision making processes to apply.
- 1.10 Town Fund is intended to be principally a capital fund and revenue funding for activity will be made available only by exception. The types of investment that Town Deal funding can support is set out in the attached guidance but the headline areas for interventions are summarised below;
- Local transport
  - Digital connectivity
  - Urban regeneration, planning & land use
  - Arts, culture & heritage
- 1.11 The Town Investment Plan will be framed around project interventions that respond to this but which might also attract wider Government funding including for instance

Department for Transport, DCMS culture and visitor economy programmes, Arts Council England, UK Shared Prosperity Fund and Coastal Communities Fund.

- 1.12 The impact of the pandemic on normal business has meant that there has been no comparable expression of interest stage and initial business cases as is the case with Future High Streets Fund. However each place is assigned an MHCLG representative and is supported by the Arup led consultancy group appointed by Government.
- 1.13 A draft of the Investment Plan has been shared with that group for comment and challenge and feedback from that process is expected 17<sup>th</sup> July. That feedback will be presented to the Town Board on 20<sup>th</sup> July with the intention of submitting to the Town Board a final TIP for decision on 27<sup>th</sup> July. Assuming sign off the Council will be asked to agree and submit the TIP by 31<sup>st</sup> July.
- 1.14 Members will be aware that the Future High Streets Fund application is being appraised by the Government under its Green Book process. For Town Deal the process is slightly different at this stage with the detailed business cases to be submitted once a Town Deal has been entered into. At this stage therefore the TIP is setting out the justification for investment which highlights the following key points:
- Demonstrate the significant challenges for Torquay referencing deprivation, employment & skills, employment land and town centre
  - Specifically identifying the Covid 19 impact on the place and the economy
  - The assets and opportunities of the town
  - Demonstrate that the programme (and individual projects) is deliverable, not least by showing investor / developer interest, market need / demand, viability and key partner support. Deliverability – incl. investor interest; pace
- 1.15 The TIP will reflect the considerable engagement with the Torquay community over recent years to develop the Torquay Neighbourhood Plan and the Town Centre Masterplan. While certain assumptions set out in the Masterplan, for instance around retail provision, is now unlikely to be required these two plans inform the focus of the town centre requirements and sit at the heart of this Town Investment Plan.
- 1.16 We know from that engagement and the view of the Town Board, feedback from Members, partners in the town and across the wider area over the last 18 months there is consensus about the urgent need for the town to capitalise on its strengths and its emerging arts and cultural offer to provide new infrastructure, create new jobs and encourage new businesses to the area. Through the TIP we expect that Torquay will achieve its economic potential and play a distinctive role within the regional and national economy.
- Accelerated projects
- 1.17 Each of the 100 towns selected to work towards a Town Deal has also been allocated funding of either £500,000, £750,000 or £1m depending on their population size to

accelerate projects in line with their TIP. Torquay's allocation is £750,000. Projects which are aligned to the TIP and are able to be delivered in this financial year are intended to be supported through this allocation and the accelerated funding for Town Deal towns will primarily support:

- Improvements to or new parks, green spaces and sustainable transport links
- Improvements to high streets and town centres, including repurposing empty properties
- Demolition or site remediation that improves the overall look and feel of a town.



## **2. Alternative Options and Priorities:**

- 2.1 The Council has high ambitions for each of Torbay's towns. It is clear that the local community want change in the towns to improve the offer of the town centre, to create opportunities and to make sure that the experience of living, working and visiting Torbay is better.
- 2.2 A 'do nothing' option has been considered. This option would see accelerated decline of the town and the wider area. There would likely be further decline in the economic and social performance of the area as measured by measures such as the Index of Deprivation and investment would be unlikely to follow. It is not considered to be a viable option and is dismissed.
- 2.3 It follows that submission of the Town Investment Plan is the 'preferred option'.

## **3. Contribution to delivery of Council's priorities:**

- 3.1 This Council's ambition is:

We want Torbay and its residents to thrive.

We want Torbay to be a place where we have turned the tide on poverty and tackled inequalities; where our children and older people will have high aspirations and where there are quality jobs, good pay and affordable housing for our residents.

We want Torbay to be the premier resort in the UK, with a vibrant arts and cultural offer for our residents and visitors to enjoy; where our built and natural environment is celebrated and where we play our part in addressing the climate change emergency.

- 3.2 The proposals in this report will support:

- thriving people, by providing homes and jobs, cultural opportunities and improved health;
- thriving economy, by diversifying the town centre, improving land values, attracting further investment, improving the offer to visitors, creating job opportunities and commercial space;
- Council fit for the future, by increasing revenue in form of business rates and Council tax, by increasing income from the development of Council owned assets.
- the Council's responsibilities as corporate parents, by ensuring the provision of good quality accommodation for young families, by improving safety and reducing crime, by increasing amenity space and its quality, by encouraging active travel
- tackling poverty, deprivation and vulnerability, through provision of new job opportunities, improved health, affordable housing and construction contracts that provide opportunities for long term unemployed, people living in disadvantage and apprenticeships.

## **4. Financial Implications:**

- 4.1 Submission of the TIP does not have any immediate financial implications for the Council. Any schemes which subsequently require co funding from the Council will be brought back for decisions using the normal processes for those decisions.
- 4.2 The Council has indicated that it is willing to invest in town centre and in other projects in support of its objectives and the TIP assumes that will continue to be the case based on the business cases that are brought forward. Members are asked to note that co funding, whether from public or private sources of support are likely to be required and will improve the acceptability of the submitted TIP. The submitted TIP though will not commit the Council to any specific funding.
- 4.3 The Council could chose a development partnership or Joint Venture route to delivery of larger projects, which could also reduce the need to use prudential borrowing.

**5. Legal Implications:**

- 5.1 There are no legal implications as a result of submitting the business case for FHSF.

**6. Consultation:**

- 6.1 Members will be aware of the significant amount of community and business involvement and engagement in the Local Plan, Neighbourhood Plan, Torquay town centre masterplan and Torquay gateway masterplan. These strategies and plans form the basis of the TIP.
- 6.2 Members will also be aware of the Transformation Strategy for Torbay's Town Centres, which captures the key elements of the strategies and plans (as above) and sets out a delivery strategy for town centre regeneration. It too provides context for the TIP.
- 6.3 Officers are also aware, as Members will be, of the requirement from residents, businesses and their representative organisations to get on with delivery. The business case, if successful, will allow the Council to deliver at greater pace.
- 6.4 There is ongoing dialogue with community and business representatives through the Town Board, Community Board and through other meetings and routes including Torbay Together, Torbay Business Forum, liaison meeting with Chambers of Commerce, meetings with community leaders and from social media. That has resulted in a very strong and diverse level of support for delivery at pace:

**7. Risks:**

- 7.1 There principal risk at this time is that the TIP is unsuccessful and that the projects set out therein are delayed or aborted. This would result in a slower economic recovery and delayed economic repositioning. It would result in the prevailing economic fortunes of the town stagnating.
- 7.2 Officers do not consider there are any risks associated with Cabinet's support for submission of the business case.

**8. Public Services Value (Social Value) Act 2012**

8.1 The Council will follow all necessary procurement processes and rules in securing development partners and construction contractors, and in the administration of grant funding, necessary to deliver the programme of investment.

## Equality Impacts

15.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	Yes provision of enhanced town centre with improved experience and job opportunities		
	People with caring Responsibilities	Yes, as above		
	People with a disability	Yes, as above		
	Women or men	Yes, as above		
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			
	Religion or belief (including lack of belief)			
	People who are lesbian, gay or bisexual			
	People who are transgendered			
	People who are in a marriage or civil partnership			

	Women who are pregnant / on maternity leave			
	Socio-economic impacts (Including impact on child poverty issues and deprivation)	Forecast job creation numbers will follow from individual business cases but there is expected to be a significant gain with job and training opportunities opening up. Community Wealth Building will be used to support the creation of training, employment and supply chain opportunities for local businesses.		
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	The programme encourages active travel, provided more amenity / green space, provides more shade, shelter and seating space, provides a modern nursing home for people with specific health needs, and will provide mental health benefits by providing additional homes and job opportunities.		
16.	<b>Cumulative Impacts – Council wide</b> (proposed changes elsewhere which might worsen the impacts identified above)	The programme of investment envisaged here will use community wealth building principles to secure as much benefit from the projects and activity as possible to help to ensure Torbay is a better place to invest, live, work, and visit.		
17.	<b>Cumulative Impacts – Other public services</b> (proposed changes elsewhere which might worsen the impacts identified above)			



Ministry of Housing,  
Communities &  
Local Government

# Towns Fund

Prospectus





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November 2019

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# Ministerial Foreword

Our country is home to some of the world's most innovative businesses, greatest universities, scientists and entrepreneurs and one of the most dynamic, business-friendly economies in Europe.

Unemployment stands at a 44-year low and, as we prepare to seize all of the economic opportunities that come with our departure from the European Union, we know that a bright and prosperous future lies ahead for the whole of the United Kingdom. However, for too long, the benefits of this unprecedented growth in many of our world-renowned cities has not been felt as strongly by communities in our towns and rural areas.

That's why the Prime Minister and I launched the £3.6bn Towns Fund to unleash the full economic potential of over 100 places and level up communities throughout the country.

We are working with local people to agree proposals for a significant investment of up to £25 million in each place.

This funding will help to increase economic growth with a focus on regeneration, improved transport, better broadband connectivity, skills and culture.

The private sector has an integral role to play in making these Town Deals a success – driving investment and value for money and ensuring that funding delivers the jobs, businesses and homes our towns need to thrive for generations to come. That's why we are asking that a Board be established for each Town Deal and for that Board be led by a representative of the local business community.

We want to help towns come forward with plans that support our strategies to help rebalance the national economy and level up our regions through the Northern Powerhouse, Midlands Engine and Oxford-Cambridge Arc.

This prospectus provides practical guidance and advice to help communities, businesses and local leaders develop their own ambitious proposals for growth while drawing on successful examples from towns who have spurred long-term investment and regeneration in their areas.

I'm excited to see what entrepreneurial and creative plans communities bring forward over the coming months as we realise a new era of growth and prosperity for every part of our country.



Local Government Secretary Rt Hon Robert Jenrick MP

# 1 Levelling up our towns

## Background

- 1.1 Towns are home to some of our key businesses and employers, they host our world leading universities and are where the majority of the population live<sup>1</sup>. They serve as important centres to their surrounding areas, with shopping and leisure facilities and other services drawing in people from villages and rural areas.
- 1.2 Successive Governments have often focused on cities as engines of economic growth. City Deals gave local leaders new powers and resources to address constraints on growth in their economies – an approach since emulated around the world. City regions were further strengthened through the creation of Metro Mayors, who have brought together local government and businesses to define a collective vision and attract global inward investment.
- 1.3 Struggling towns do not always have the fundamental building blocks of a strong local economy in place. The evidence shows they can face some significant challenges: an ageing population without the skills necessary to attract new firms<sup>2</sup>; fewer people going on to and returning from higher education, fewer economic opportunities in the surrounding region; and less direct foreign investment than in cities<sup>3</sup>. Growth is held back where this is compounded by poor transport and digital connectivity.
- 1.4 Through the Towns Fund we will work with more places to address growth constraints.
- 1.5 While some towns have prospered through their links to growing cities<sup>4</sup>, generally residential towns – including commuter towns – have seen declining populations. For those still living in shrinking towns, social mobility often falters, even when compared to the most deprived communities in cities<sup>5</sup>. Where this is accompanied by declining quality of employment opportunities that can be accessed in towns, it can lead to feelings of being ‘left-behind’. In addition, the decline in retail offer and business closures often leaves a very visible mark on town centres and the wider built environment.
- 1.6 Without a strong economy, leisure facilities, which bring people together and contribute to the quality of life, have been closing in recent times<sup>6</sup>. It is crucial to grow the economy of towns to bring back these facilities back, and drive improvements in living standards.

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<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/understandingtownsinenglandandwales/anintroduction>

<sup>2</sup> <https://commonslibrary.parliament.uk/insights/trends-and-inequalities-in-cities-towns-and-villages/>

<sup>3</sup> <https://www.ey.com/uk/en/newsroom/news-releases/18-11-27-uks-largest-towns-and-cities-lure-international-investors-whilest-rest-of-the-country-gets-left-behind-brexits-calls-for-a-new-approach>

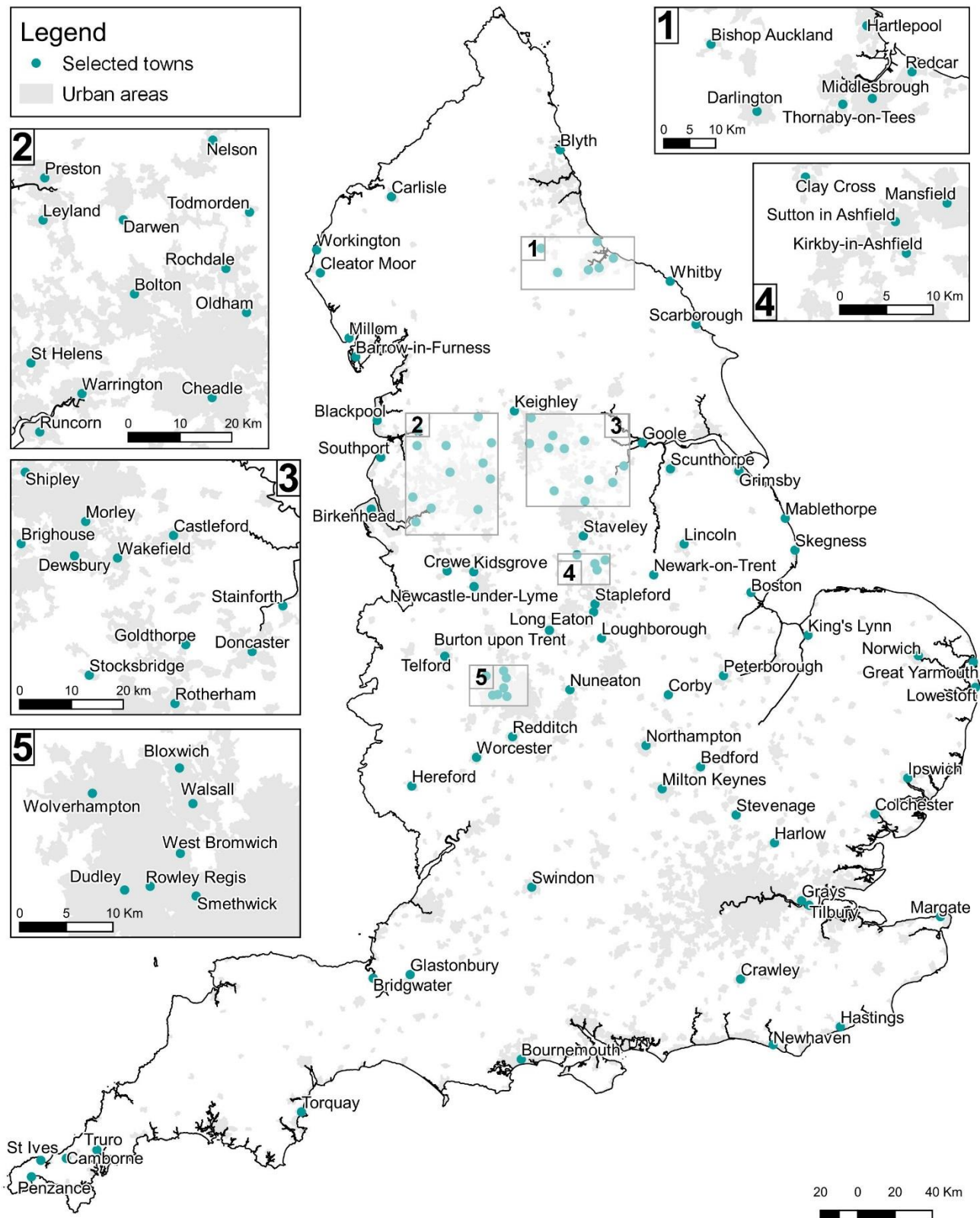
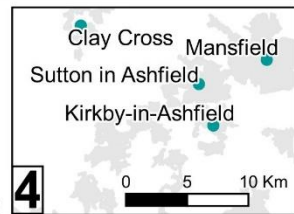
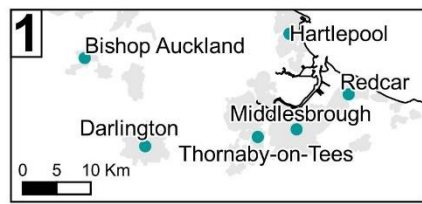
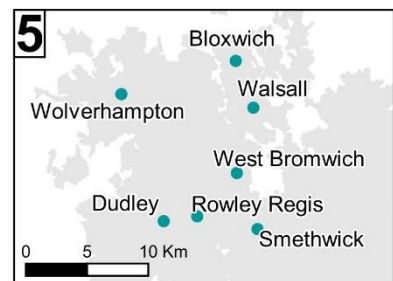
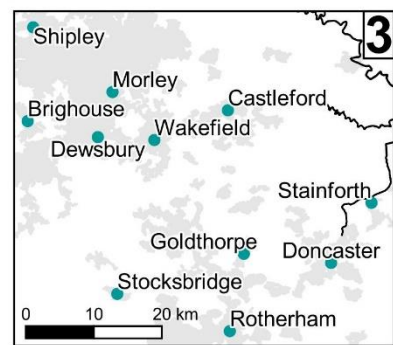
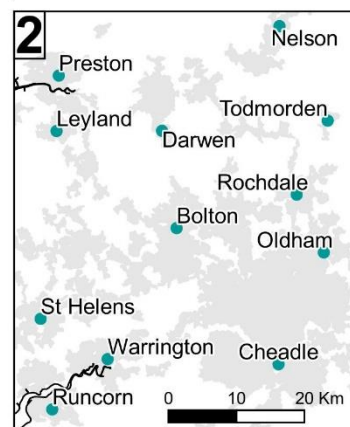
<sup>4</sup> <https://www.centreforcities.org/reader/talk-of-the-town/direct-links-cities-towns/>

<sup>5</sup> <https://www.gov.uk/government/publications/state-of-the-nation-2016>

<sup>6</sup> <https://localtrust.org.uk/insights/research/left-behind-understanding-communities-on-the-edge/>

**Legend**

- Selected towns
- Urban areas



## Creating a sustainable future for towns

- 1.7 We know that each town will have different assets, and a unique path to prosperity. While there are many factors that determine the strength of the economy, growth ultimately depends on the success of businesses in the town and wider region. Through the Towns Fund we're giving 101 towns the tools to design and deliver a growth strategy for their area.
- 1.8 Some businesses make long-term investments in a place or depend on the location of towns for success in the wider economy. These firms might need access to the natural environment e.g. access to the coast for an offshore wind energy business; low cost floor space e.g. logistics and manufacturing; or are tied to a particular place through historic investment in infrastructure and capital assets e.g. ports, heavy manufacturing equipment.
- 1.9 Where these businesses are growing and significant in the town economy, local leaders should support them to grow further and invest into the workforce. By engaging with their supply chains, towns can diversify the economy and bring new opportunities to the area. For instance, car manufacturers depend on a supply chain of smaller manufacturers and professional services that can be supported to sell into new international markets. Transport connectivity to larger urban areas and regional economic assets (e.g. ports, manufacturers) can be strong in these towns and should be capitalised on by ensuring that there is good local connectivity (e.g. through improving access to a railway station) to deliver opportunities for all.
- 1.10 These interventions are equally appropriate for towns whose main function is to provide services, including from the public sector, to smaller towns and villages in the wider region. This is often the case in rural areas, where towns serve as hubs for the wider economy. A major hospital in a town like this could provide opportunities to boost the local supply chain, and then diversify those businesses into new markets.
- 1.11 In some towns, these businesses are declining or have closed. However, there are opportunities for the local workforce to re-train to access new jobs. Investments in social infrastructure – town centres, community spaces, schools, libraries – can create spaces for people to meet and deliver projects that build on a spirit of pride that is often strong in towns, and will give a strong foundation to develop skills and health. Local leaders should then work with the significant employers and education providers in the wider region to unlock new opportunities.
- 1.12 Businesses in other sectors (e.g. creative industries, professional services, tourism) are more mobile and can be drawn to the heritage and cultural offer in towns, as well as their connectivity to larger urban areas. Understanding what attracts these firms, and the wider link between amenity value and economic development will be key, such as the quality of town centres, the culture on offer<sup>7</sup> and access to quality green space which can improve health and wellbeing.

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<sup>7</sup> Parker, C., N. Ntounis, S. Quinn and S. Millington (2017), Identifying factors that influence vitality and viability

- 1.13 Substantial investment will be required to attract these types of business where they are not present, even if historically they have made a significant contribution to the local economy. In this context, local leaders should both build the skills of local people and make the place work for them, and take a strategic and long-term approach to attract new high value firms.
- 1.14 By harnessing a diverse range of perspectives – business, philanthropists, investors, universities, colleges, communities and civil society, as well as local authorities – towns can understand their assets, and, crucially, ensure they are all playing their part in growing the economy.
- 1.15 We know that coming together helps drive economic growth and capture imaginations and opportunities. This has been demonstrated through the success of the Northern Powerhouse, Midlands Engine and Ox-Cam Arc.
- 1.16 With the right support from government and strong local and community leadership, our country's towns can unlock their full potential; helping to raise living standards and productivity across the country.

## **Town Deals**

- 1.17 Through the £3.6bn Towns Fund, we have announced 101 towns we will work with toward a Town Deal, building on the learning of the Greater Grimsby Town Deal.
- 1.18 We know that substantial public investment is already flowing into towns and the regions in which they are located. Aligning this investment alongside the activity of business, investors, education providers and civil society will further improve the ability of towns to realise their growth ambitions.
- 1.19 We will work with places to identify opportunities to align or rationalise public investment around key local priorities, as part of agreeing a Town Deal. Where possible, there may also be commitments by government or its agencies to work with the town more closely.
- 1.20 Bringing in private investment will be key to sustainably growing town economies. The Towns Fund will allow towns to address some of the key investment criteria identified by overseas investors as important when considering investing in regional locations, including transport, skills, real estate availability and local business support. Investors are also attracted to projects with strong local alignment, as well as the support of government as a whole. Town Deals will play an important role in giving investors the confidence to back projects, ensuring all communities can prosper.
- 1.21 This Prospectus sets out the first stage of agreeing a Town Deal. This will operate as a two-stage process. We will provide further guidance on the Stage 2 in due course.

**Stage 1:** providing capacity support to places to put the structures and vision in place in order to move to the next stage of agreeing a deal

**Stage 2:** places to use their locally-owned Town Investment Plan to put together a business case to apply for funding for interventions

## The Towns Fund

1.22 The Towns Fund will provide the core public investment in Town Deals – additional funding may come from other sources or parts of government. The objective of the Fund is to drive the economic regeneration of towns to deliver long term economic and productivity growth through:

- **Urban regeneration, planning and land use:** ensuring towns are thriving places for people to live and work, including by: increasing density in town centres; strengthening local economic assets including local cultural assets; site acquisition, remediation, preparation, regeneration; and making full use of planning tools to bring strategic direction and change.
- **Skills and enterprise infrastructure:** driving private sector investment and ensuring towns have the space to support skills and small business development.
- **Connectivity:** developing local transport schemes that complement regional and national networks, as well as supporting the delivery of improved digital connectivity

## Urban regeneration, planning and land use

1.23 Perception of place is an important ‘pull’ factor in business location decisions and can affect a place’s capacity to attract and retain workers. Many towns already have a strong heritage and sense of place, and benefit from their cultural and civic assets which may make places more attractive to live, work, visit and invest in.

1.24 Investing in these cultural assets as part of an integrated regeneration strategy can rejuvenate places, leading to positive economic outcomes at a local level through helping to retain a highly skilled workforce, and attracting tourists who will bolster local businesses.

1.25 In post-industrial towns, there will likely also be opportunities to redevelop vacant sites for new business and leisure uses. By aligning this with other complementary investment, including transport, local leaders can ensure these developments support the economy into the future, and create wider strategic benefits. For example, agglomeration effects can occur when urban areas are dense and provide space for a mixture of uses, including housing.

1.26 Towns should explore strategies for bringing forward town centre regeneration, including making best use of brownfield sites or surplus land owned by central or local government. Having such a strategy in place will allow places to acquire strategic sites when opportunities arise and make use of them as part of long-term regeneration plans. Towns should work with public land owners and other land owners to identify and unlock land across the town and its periphery, creating a future land supply that will sustain the town’s development. All development should

be cognisant of flood risk and coastal erosion where relevant.



1 Bolton Town Centre

### **Case example: attracting private investment to the development of Bolton Town Centre**

Private investment can unlock growth plans that are beyond the scope of public investment. Bolton town centre's regeneration masterplan is an ambitious vision that has identified key areas for investment in the town centre, building on the town's successes in retail, tourism, office space and housing, and identifying areas for intervention that will expand and develop the town's assets.

Through Invest in Bolton, which was developed in collaboration with the Department for International Trade and the Greater Manchester Growth Company, the local authority has actively sought private investment of up to £1 billion, building on the £100 million committed by Bolton Council to kickstart the regeneration.

Though a 15-year plan, the quality of vision laid out in the masterplan, and the commitment the Council has made to regeneration means that investment has already begun to flow into the town centre, and a number of key sites for development are in discussion to be brought forward. The investment will ensure the town centre is fit for the future and can provide the right environment for shops and offices to prosper.

Source: <http://www.investinbolton.com/why-invest/>

### **Case example: modernising historic assets to drive local growth**

Historic England's cross Pennine project focused on the economic potential of vacant historic textiles mills. 20 target mills were identified and options explored to make them viable investments and ensure that wider regeneration benefits are captured. The project concluded that across West Yorkshire and the North West there is 3m sqm of untapped space which could provide 35,000 homes, 200,000 jobs, £9 billion GVA and £23 million per annum in business rates.

Sunny Bank Mills, Farsley, Leeds was a major employer for more than a century, it closed in 2008 and the owners, took an incremental approach to regeneration, establishing an employment centre and creating quality commercial space.

The individual character of the buildings and the site's history make it unique and appealing. It is now home to over 70 businesses including designers, textile artists and a children's play gym, providing 300 jobs overall. It also accommodates a café, art gallery and shop, and hosts an annual community festival, drawing thousands of visitors every year.

Source:

<https://assets.publishing.service.gov.uk/government/uploads/system/uploads/att>



2 Sunny Bank Mills, Farsley, Leeds



## Skills and enterprise infrastructure

- 1.27 We have one of the most successful labour markets in the world with the employment rate at a near historical high. But we still face challenges in meeting business need for skills and these challenges can be especially acute in towns. Furthermore, in many post-industrial towns, office space and other employment land is affordable, but is not always well connected to workers or attractive to business.
- 1.28 Universities, colleges and other skills providers already often play a significant role in many local communities and collaborating with local businesses on skills and economic development, but we need to build on this. Collaboration between businesses (large and small) and education providers is important to deliver a more highly skilled workforce. This could be achieved, for example, through investment in buildings that provide both office space and also areas to deliver training. Improving business support facilities may also open up opportunities for local partners, government agencies and the private sector to collaborate more effectively in delivering business support, trade and investment advice.
- 1.29 Addressing the skills that local employers need is essential. Further education providers have the flexibility to deliver the skills provision most relevant to their local areas. In addition, government and local places (through Local Enterprise Partnerships and Mayoral Combined Authorities) have established Skills Advisory Panels and, in some areas, Local Digital Skills Partnerships, to bring together local employers, education providers and other key players to further build an understanding of local labour market and skills needs. Town Investment Plans should use this evidence to identify challenges that local people face and coordinate strategies for how people can be supported locally to meet labour market needs in a way that complements existing skills initiatives and funding streams.
- 1.30 We recognise it is important to ensure everyone has access to high quality education and skills provision in order to reach their potential. Government and places are working together to help create a world leading technical offer including through T-Levels, Apprenticeships and Institutes of Technology. For some towns, investment in education facilities can attract new people to develop their skills. Equally, getting local people qualified to level 3, and build skills around English, maths and digital will help people to access and progress in work.
- 1.31 Places should also consider how they might provide additional support to young people to help them access traineeships or apprenticeships so that they can access and progress in work, especially for those young people at risk of leaving schools and being NEET (not in education or employment or training).

### **Case example: connecting employers with education providers in the Black Country**

The Black Country Skills Factory is an employer-led education and training collaboration which aims to address the shortfall of skills in the Black Country and increase the pipeline of suitably skilled staff to respond to growth. It has been a highly successful project in addressing skills shortages in the advanced manufacturing sector.

The aspiration is to fundamentally shift the relationship between employers and education providers to develop a networked approach to skills delivery: one that is needs-driven by industry demand for skills while also meeting general best practice standards.

Training and education courses are co-developed and co-delivered using shared facilities and industry trainers. This results in the provision of bite-sized skills training courses which fit the current and future needs of highly technical industries. The initial funding for training courses has now come to an end, with new funding being explored. Early findings show that the courses had a significant impact on Black Country businesses and their workforces.



### **Case example: supporting science intensive firms in Harlow**

In 2015, Harlow Council acquired 10 hectares in Harlow to create a collaborative, progressive sci-tech community. The community will provide spaces for start-ups to grow alongside larger, more established firms.

The development is located within the UK Innovation Corridor, an area which already has a global reputation for excellence in scientific research. Harlow Council is working in partnership with Vinci Developments, one of the UK's largest construction companies, and Anglia Ruskin University to create a public health science campus, bringing together research, innovation and manufacturing.

A second development phase was announced in June 2019 for a range of mid-tech units combining office, research and manufacturing and assembly space, with funding of £7.2 million approved for the development. The facility will support small businesses in the area and bring new employment to the local population.

Source: <http://harlowez.org.uk>

### **Case example: bringing education and skills providers together to boost essential life skills**

The Opportunity Area programme established a partnership of education and skills providers in Doncaster, which found that there was a gap in provision for children dealing with multiple disadvantage and vulnerability.

Combining local funding pots with £1m of additional investment from the Department for Education, an Essential Life Skills programme was put in place to develop non-cognitive skills in children, such as confidence, resilience and punctuality.

Source:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/753695/DFE\\_-\\_Opportunity\\_Areas-One\\_Year\\_On\\_.PDF](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/753695/DFE_-_Opportunity_Areas-One_Year_On_.PDF)

## **Connectivity**

- 1.32 High quality and well-designed infrastructure is critical to supporting local economies and sustainably improving living standards. Whether through improving the speed and reliability of transport connectivity or ensuring internet speeds are fit for the needs of businesses, infrastructure investment will be key to spreading prosperity in towns.
- 1.33 In many towns, there is a disconnection between where people live, and where jobs and leisure can be found<sup>8</sup>. For towns close to larger urban areas, strengthening transport within the town to regional transport links (e.g. through a bus network) will open up new opportunities for people in the area. All road-based investments should now include provision for bus priority and cycling, unless this can be shown to be inappropriate. Active travel schemes such as new cycle and walking paths, for example, those prioritised in Local Authority's Local Cycling and Walking Infrastructure Plans (LCWIPs), could have the added benefit of supporting the health of the population, as well as contributing to the net zero greenhouse gas emissions target.
- 1.34 While broadband access and speeds are increasing, we need to reduce the barriers to deployment of new gigabit-capable connectivity, including 5G and fibre connectivity to support our businesses to compete globally. For some firms (e.g. the creative industries or the area's start-up community) reliable digital infrastructure is a key determinant of their location of their jobs, and so digital infrastructure could underpin a new wave of entrepreneurialism to take root in our towns and cities. The deployment of digital, place-based infrastructure requires different local authority teams, for example highways, planning, estates, to buy into a single, cohesive vision for the area. Further support for local authorities can be found in the Digital Connectivity Portal<sup>9</sup>.

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<sup>8</sup> [http://shura.shu.ac.uk/24128/1/tackling\\_transport-related\\_barriers\\_low-income\\_neighbourhoods.pdf](http://shura.shu.ac.uk/24128/1/tackling_transport-related_barriers_low-income_neighbourhoods.pdf)

<sup>9</sup> <https://www.gov.uk/guidance/digital-connectivity-portal>

### **Case example: strengthening transport links between towns and cities**

Some towns suffer from disconnection to larger urban areas. Where there are transport links in place, towns should make the most of them by improving access from within the town.

For example, a project to improve cycling and walking access at Dewsbury and Huddersfield rail stations through information displays, safety measures and other enhancements was awarded £1.9 million through the Transforming Cities Fund, allowing more passengers to benefit from regional rail connections.

Towns can also help to strengthen transport networks in city regions, including through developing connections to other towns.

Sheffield City Region was awarded £4.2 million in March 2019, to take forward a suite of active travel measures that will better connect towns and villages across South Yorkshire. This includes plans for improved cycle and pedestrian routes connecting Doncaster's town centre, railway station, smaller towns such as Conisbrough and Thorne, and the new growth opportunities at Doncaster iPort; plus a new cycle route from Rotherham town centre that will help establish a sustainable transport link for around 2,400 new homes at the Bassingthorpe Farm site, beyond the town.



3 the Sheffield Rotherham tram-train trial

Photo © Andrew Tryon (cc-by-sa/2.0)

### **Case example: using transport infrastructure to give businesses a digital boost in Cambridgeshire**

Towns have levers available to them to bring forward the digital revolution. In Cambridgeshire, a new 'Dig Once' policy has been put in place whereby all new major infrastructure projects (roads, cycleways, busways) must now include ducting to enable the fast and efficient installation of fibre.

Wider use of the assets is enabled by virtue of a new joint venture company between Cambridgeshire County Council and the University of Cambridge, Light Blue Fibre Ltd, which is licenced to make all new and existing duct and dark fibre assets commercially available on a wholesale basis ([www.lightbluefibre.co.uk](http://www.lightbluefibre.co.uk)).

Alongside investment in digital connectivity for public sector buildings from which nearby firms can benefit, the scheme is bringing fast digital connectivity to businesses in the area, unlocking new growth opportunities.



### **Case example: opening access to retail in Telford**

Retail and leisure businesses are often held back by poor access to the wider area. Addressing this can be complex when working with dense, built up areas, but we know that these schemes create a better, and more sustainable, foundation for local firms than out of town alternatives.

In Telford, a transport scheme reconfigured the Box Road: a high-speed, three-lane, one-way circulatory system surrounding and constraining the pedestrianised retail area and limiting growth of businesses in the area (pictured above).

The new design encouraged lower speeds, which allowed twelve pedestrian crossings to be installed, and new cycle-ways built.

Under the scheme, the shopping area was connected to a major public/private sector development, now completed at Southwater, including a cinema, hotel, bars and restaurants and other leisure attractions. The scheme was complex to design and deliver but puts Telford on a firm footing to grow into the future.

Source:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/648822/local-sustainable-transport-fund-impact-summary-report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/648822/local-sustainable-transport-fund-impact-summary-report.pdf)

## 2 Preparing for a Town Deal

- 2.1 This prospectus sets out the first stage of agreeing Town Deal, with the following steps:



- 2.2 We expect Unitary Authorities, District Councils, and Borough Councils in the areas for the towns selected (hereby referred to as ‘the Lead Council’) to develop a Town Deal Board no later than the end of January 2020, then produce a Town Investment Plan no later than Summer 2020. Further information on what we expect to see in both a Town Deal Board and a Town Investment Plan is below.
- 2.3 The Town Deal Board and Investment Plan will together inform the second stage of agreeing a Town Deal: which will include completing a business case based on the selected content of Town Investment Plans with government. We will publish further detail on how we will agree Town Deals in due course, including the amount of capital and revenue funding available, and the interventions that can be supported through the fund.
- 2.4 We know that in some towns, there are strong partnerships and proposals already in place. We expect to work with these places to agree a Town Deal more quickly. This, in turn, will allow others to take advantage of the support being offered by government to develop good proposals. Lead Councils will return a readiness checklist to government to gauge how quickly towns in their area will be able to prepare for a Town Deal.
- 2.5 Agreeing a Town Deal with investment from the Towns Fund of up to £25m per place will be dependent on government receiving high-quality proposals that meet the objective of the fund and follow the further guidance to be published. If government is not content with the quality of proposals, including their alignment with the objective of the Towns Fund by the end of Summer 2020, then it is unlikely a Town Deal would be agreed.
- 2.6 In due course we will announce details of a competition for further towns to develop a Town Deal Board, a Town Investment Plan and have the opportunity to agree a Town Deal. While we will be looking at aligning this with other funds, including the Future High Street Fund, the purpose of these funding streams is different with the Towns Fund focusing on a wider geography than just one high street. In many places Town Deal funding will not necessarily be directed toward the high street.
- 2.7 Where towns are both preparing to agree a Town Deal and are already involved in the Future High Streets Fund, we expect plans to be aligned, whilst still meeting the separate objectives of the funds. We are not changing our expectations or timelines

for those places currently progressing through the Future High Streets Fund.

## Capacity funding and support

2.8 Lead Councils will shortly receive capacity funding from government via a s31 grant to support the development of a Town Deal Board and Investment Plan for each of the shortlisted towns in their area. Funding is being allocated according to population size, using the Office for National Statistics' categorisation of small, medium and large towns. The full details are published in the annex of this prospectus.

Town Size	Population (Census 2011)	Capacity funding (£)
Small	5,000 – 20,000	140,000
Medium	20,000 – 75,000	162,019
Large	75,000 – 225,000	173,029

2.9 We would anticipate that this funding will be used for:

- Convening Town Deal Board
- Running business and wider community engagement events
- Developing Town Investment Plans
- Providing technical expertise for business case development

2.10 Places will also receive some support from within the MHCLG, from relevant departments across government, and from further sources to be announced.

### The MyTown Campaign

2.11 It is vital that towns engage with communities to find out directly from the public what they love about their place and how they want to see it grow. To do this we are developing a communications and community engagement toolkit for Town Deal Boards. This will be complemented by a media campaign which will:

- Inform people in the 101 towns of the opportunities of the Towns Fund
- Encourage local people to get involved and to generate ideas

2.12 This campaign will support the community engagement and capacity building activity, detailed below.

2.13 To support the campaign, Lead Councils should nominate a point of contact to work alongside government, as part of completing the readiness checklist.

## Town Deal Boards

The Town Deal Board will be the vehicle through which the vision and strategy for the town is defined. It will produce a Town Investment Plan and inform the Town Deal, including the amount of investment secured through the Towns Fund.

The role of the Board is to:

- Develop and agree an evidenced based Town Investment Plan
- Develop a clear programme of interventions
- Coordinate resources and influence stakeholders

### Which area should it represent?

2.14 The Lead Council should define the area the Town Deal Board will represent on a map. As a default, this should use the boundaries defined by the Office for National Statistics in their recent article<sup>10</sup>. This is important so that local communities and other bodies understand where the area of benefit will be. We expect that the geographical area should be continuous.

2.15 Any changes to the ONS boundaries will need to be discussed with government to ensure it includes, as part of the area, the town that was originally selected.

### Role of the Lead Council

2.16 The Town Deal Board should be convened by the Lead Council. The governance structure and decision-making structures of the Town Deal Board should be made public by the Lead Council.

2.17 Where more than one town is coming together to develop a Town Deal (more detail on the Joint Town Investment Plans is below), both Lead Councils should have an equal role in the partnership.

2.18 Town Deal Boards can build on pre-existing governance structures and relationships at a local level, if they meet the guidance set out in this prospectus.

2.19 We expect the Town Deal Board to align with the governance standards and policies of the Lead Council including around whistle blowing, conflicts of interest, and complaints.

### Who should be represented?

2.20 We recognise that no two towns are the same, but that successful partnerships share some characteristics. We have therefore set out the following requirements and guidelines.

2.21 Town Deal Boards must include:

- **Other tiers of Local Government:** We expect all tiers of local government to be a part of the Town Deal Board:

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<sup>10</sup>

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/understandingtownsinenglandandwales/anintroduction>



- **Town and parish councils:** Town and parish councils have an important role to play in convening stakeholders and providing localised perspective, as they are closely connected to the communities they serve.
- **Upper-tier authorities:** bring crucial understanding of the important role towns play within the wider regional economy – as well as strategic leadership and powers that will be of value to the partnership.
- **Mayoral Combined Authorities and Combined Authorities:** provide a strategic overview of an area and many hold powers that will be critical to delivering the Towns Fund e.g. transport.
- **Members of Parliament:** The MP (or MPs) representing the town should be invited to engage in the process of designing and agreeing the Town Investment Plan.
- **Local businesses and investors:** Driving economic growth and building productivity will require entrepreneurship and investment from business. It will therefore be essential to draw on their leadership and capability to help understand challenges and develop the key proposals. Existing investors currently active in the area also have an important role to play; their experience of driving development in specific regions should be drawn on to identify the best uses of public and private funds. **We expect to see representation on Town Deal Boards through large employers and SMEs.**
- **Local Enterprise Partnerships (LEPs):** LEPs bring a strong specialism in economic development strategy, business engagement, and the local skills system – through Skills Advisory Panels – ensuring Town Investment Plans are informed by local economic strategies e.g. Strategic Economic Plans and Local Industrial Strategies.
- **Communities:** Each town will decide how best to involve their local community, building on the MyTown campaign. Communities should have a meaningful role in decision-making for the future of their town, and Town Deal Boards should draw on the local knowledge and insight that communities can provide on the barriers to driving local growth and productivity. We expect this to be achieved by including community representatives from prominent local civic and faith organisations in the governance structure, such as representatives from local community forums, voluntary and community sector organisations, or Councils of the Voluntary Sector.
- Communities are more likely to work to implement solutions, and be able to take advantage of the economic opportunities resulting from government investment if they engaged early and throughout the process of designing and delivering the Town Investment Plan.

2.22 Town Deal Boards may also include (either in their governance structure or in their engagement activity):

- **Business Improvement Districts (BIDs):** where they exist, BIDs work to improve commercial areas through additional services. They have close relationships with their business members and play a strategic role in place shaping

- **Jobcentre Plus:** provide information on working with people furthest from the labour market, and work closely with the voluntary and third sector to support people into work
- **Anchor institutions:** have strong convening power, as well as a significant role in the local economy. They may include:
  - The wider business community
  - Universities and Further Education colleges
  - Academies and Schools
  - Hospitals
  - Development corporations
  - Local sports teams
  - Cultural and creative institutions
  - Housing sector including housing developers and housing associations
- **Arms-length bodies and other non-departmental government agencies:** Such as Homes England, the Environment Agency, and the Historic England have expertise in delivering interventions, and existing place-based networks across the country, which can bring local expertise, as well as the ability to engage with issues at a regional level.
- **Other private investors and developers:** national or international private investors and developers should be engaged early to understand their requirements for investment and identify the best use of public and private funding.

### How should it function?

2.23 The Lead Council should publish the Town Deal Board’s governance structure and ways of working, such as a statement for how the board will engage stakeholders and agree decisions over time. Lead Councils should set out how capacity funding will be spent, and how that will support the process of developing a good Town Investment Plan.

2.24 Whilst the Town Deal Board serves an advisory function to the Lead Council, we expect all members to adhere to the Nolan Principles<sup>11</sup>, set out clear Terms of Reference, and agree to a Code of Conduct.

2.25 While we recognise that each place is different, Town Deal Boards should appoint a Chair. Where appropriate we expect this Chair to be from the private sector.

### **Town Investment Plans**

2.26 Towns must develop a well-evidenced Town Investment Plan, which sets out a clear understanding of the area, focusing on its assets, opportunities and challenges.

2.27 The amount of investment from the Towns Fund will be determined based on the strength of the Towns Investment Plan amongst other relevant factors.

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<sup>11</sup> <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

## What should it say?

- 2.28 The Town Investment Plan should set out investment priorities that could drive economic growth, supported by clear evidence and targeting investment into the economic infrastructure listed around the objective of the fund, as well as making full use of existing powers, particularly in planning.
- 2.29 Town Investment Plans should complement other pre-existing strategy documents that have been developed with local partners to avoid duplicating efforts, and where necessary build on these to meet the expectations set out in this prospectus. For instance, it will be important to align with Local Industrial Strategies, Skills Advisory Panel analysis, local environmental strategies, Local Plans and Spatial Development Strategies, and Local Transport Plans.
- 2.30 Plans should be cognisant of the wider strategic approach being taken through the Northern Powerhouse, Midlands Engine, Ox-Cam Arc and other pan regional strategies. The document should detail high Value for Money interventions that will drive economic growth.
- 2.31 Investment from this fund should be aligned with the government's clean growth objectives where possible, while ensuring that projects deliver good value for money, and as a minimum must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.
- 2.32 It should capture existing government and local initiatives and suggest ways of better coordinating investments within a place, where this could lead to further economic growth.
- 2.33 We expect the strategic element of Town Investment Plans to include:
- Background, context and evidence of need for suggested interventions
  - A vision for the town, complementing agreed or emerging local economic strategies
  - A high-level description of priority areas for the short, medium and long term, including:
    - Activity that can be locally funded
    - Projects that could be supported by public investment (including through the Towns Fund), with high level cost estimates
    - Ambitions for private sector investment and community involvement

### **Case example: aligning Walsall's regeneration with the wider region**

Aligning the growth plans of towns with the wider area will mean every opportunity is being acted on. Walsall's regeneration has been developed to ensure it closely aligns to wider plans for the Borough and wider West Midlands Combined Authority. The regeneration of Walsall began in 2017 with the purchase of the Saddlers Shopping Centre – located in a key position on top of Walsall Railway Station. Its location and regional connectivity across the Black Country has resulted in Transport for West Midlands further investing in public transport provision in Walsall.

New Art Gallery Walsall is one of the most prominent buildings in the town centre, and has an international reputation. Walsall Council have therefore put the Gallery at the heart of their Town Centre masterplan. This plan leverages the Art Gallery, and other cultural assets to draw people into the reinvigorated public spaces in the town centre, and encourage footfall for the surrounding retail offer, whilst also attracting workers to the offices located there.

Walsall will play a key role in realising the West Midlands' ambitious housing plans, as part of the West Midlands' Local Industrial Strategy. From the development of homes, to the Walsall to Wolverhampton housing growth corridor, Walsall has an opportunity to attract private sector housing investment to improve attract high-skilled workers to the area and grow the economy.



4 New Art Gallery Walsall

- 2.34 In due course, additional guidance will be published on the interventions in scope for the Towns Fund, the capital revenue split, and business case guidance. At this point, Town Investment Plans will be further developed to add detail to the priorities that could be funded through the fund (where consideration to the economic, commercial, management and financial aspects of proposals should be given.) However, as this is about driving long-term transformative change to local economies, we expect to see capital projects at the core of projects submitted for Town Deal funding.
- 2.35 Lead Councils and Town Deal Boards should seek to engage private investors and developers early. As part of this engagement, opportunities for private investment should be identified collaboratively.
- 2.36 We recognise that Town Deal Boards may want support and advice in developing their Town Investment Plans. A number of departments are considering the best way to provide that support; we anticipate that it will include guidance on assessing the evidence base, and intervention design to ensure Value for Money. For example, Department for Culture Media Sport (DCMS) has already set out its Connected Growth Manual<sup>12</sup>, providing guidance to Local Authorities and LEPs on what they can do to support the sectors that DCMS represents.

### Joint Town Investment Plans

- 2.37 There is provision for local places to produce a joint Town Investment Plan. This is dependent on towns selected in the list of 101 towns agreeing to work collaboratively and sharing both a Town Deal Board and Town Investment Plan. It is for the local area to decide whether a case can be put to government on the benefits of clustering towns together. This could be within a single local authority, LEP or Combined Authority area. Reasons for this could be:
- The towns in question are next to each other and/or are part of the same continued urban area
  - The towns have significant overlap in terms of economic and social geography
  - The Board representatives of each town would significantly overlap
  - Having multiple smaller geography partnerships would dilute from a more strategic approach across multiple towns
  - There are not suitable levels of stakeholder engagement for a particular town (because it lacks suitable scale etc.) and would benefit from a joint approach
  - There are wider strategic benefits from bringing the towns together
- 2.38 Following this approach will not reduce the levels of capacity funding or the Towns Fund allocation. However, the Lead Council will need to agree this with government ahead of the Town Deal being agreed.

### How is it agreed?

- 2.39 The Town Investment Plan must be agreed by the Town Deal Board in line with the Board's locally-agreed governance structure, which we would expect to be agreed

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<sup>12</sup> <https://www.gov.uk/government/publications/connected-growth>

and published no later than January 2020.

- 2.40 The Town Investment Plan is a locally owned document and will not require sign off by government, however it will form the basis of deal negotiation and inform the amount of investment agreed through the Towns Fund. The Plan should explicitly set out how the Towns Fund is being used to crowd-in other local and private investment. It should also articulate how the interventions are driving economic regeneration and delivering value for money.
- 2.41 We encourage places to communicate with government departments (both through regular channels and through specific engagement that MHCLG will arrange) on the development of the Town Investment Plan and to discuss investment priorities.
- 2.42 Further guidance on the agreement of Town Deals will be issued in due course.

### **Learning, networking, and collaboration**

- 2.43 We ask the Lead Council to be 'open by default' about their Town Deal Boards, Town Investment Plans and outline business cases, while acknowledging that commercially sensitive information will need to be protected (this should align with the Lead Council's on their process to handle information which is not to be published in the public domain). Town Deal Boards will make their governance structures, profiles on key stakeholders, meeting agendas and minutes (in accordance with the Local Government Act 1972), evidence and any supporting documents for Town Investment Plans publicly available. For instance, this could be published on the Lead Council's website.
- 2.44 We will actively facilitate learning between towns. For example, by running regional events, thematic learning events (e.g. around active travel interventions) and publishing products on 'what works' for local growth in towns. In partnership with the What Works Centre for Local Economic Growth and the What Works Centre for Wellbeing, MHCLG will publish materials and support events for those involved in delivering the Towns Fund, as well as those in other towns.
- 2.45 We will be appointing officials who will support collaboration – strengthening existing connections between towns and creating new ones. They will also support Town Deal Boards to connect with local partners. For example, in towns benefiting from the government's Opportunity Area programme are encouraged to connect with their local Opportunity Area partnerships, thereby ensuring that Town plans can build on local efforts already underway in improving education and skills. Contact details can be found in the relevant published Opportunity Area plans.
- 2.46 Alongside future guidance being published on the Town Deal process, we will set out our expectations for monitoring and evaluation, as well as guidance on when Town Investment Plans should be published online.

## 3 Annexes

### Timeline for Lead Councils

Capacity funding distributed to Lead Councils	November 2019
Readiness checklist returned	19 <sup>th</sup> November 2019
All Town Deal Boards convened (including publication of town boundary)	End of January 2020
Further guidance published	Early 2020
All Town Investment Plans produced	Summer 2020
Town Deals agreed	2020-21
A competition for further Town Deals	2020

### Capacity funding allocation per town

Local Authority	Town(s)	Town Capacity Funding Allocation (£)	Local Authority Total (£)
Allerdale Borough Council	Workington	162,019	162,019
Ashfield Council	Kirkby-in-Ashfield	162,019	324,038
	Sutton in Ashfield	162,019	
Barnsley Council	Goldthorpe	140,000	140,000
Barrow Borough Council	Barrow-in-Furness	162,019	162,019
Bedford Borough Council	Bedford	173,029	173,029
Blackburn with Darwen Borough Council	Darwen	162,019	162,019
Blackpool Council	Blackpool	173,029	173,029
Bolton Council	Bolton	173,029	173,029
Boston Borough Council	Boston	162,019	162,019
Bournemouth, Christchurch and Poole Unitary	Bournemouth	173,029	173,029
Bradford Metropolitan District Council	Keighley	162,019	324,038
	Shipley	162,019	
Broxtowe Borough Council	Stapleford	140,000	140,000
Calderdale Council	Todmorden	140,000	302,019
	Brighouse	162,019	
Carlisle City Council	Carlisle	173,029	173,029
Charnwood Borough Council	Loughborough	162,019	162,019
Cheshire East Council	Crewe	162,019	162,019
Chesterfield Borough Council	Staveley	140,000	140,000
Colchester Borough Council	Colchester	173,029	173,029

Copeland Borough Council	Cleator Moor	140,000	280,000
	Millom	140,000	
Corby Borough Council	Corby	162,019	162,019
Cornwall Council	Penzance	140,000	604,038
	St Ives	140,000	
	Camborne	162,019	
	Truro	162,019	
Durham County Council	Bishop Auckland	162,019	162,019
Crawley Borough Council	Crawley	173,029	173,029
Darlington Borough Council	Darlington	173,029	173,029
Doncaster Borough Council	Stainforth	140,000	313,029
	Doncaster	173,029	
Dudley Borough Council	Dudley (Dudley)	173,029	173,029
East Lindsey District Council	Mablethorpe	140,000	302,019
	Skegness	162,019	
East Riding of Yorkshire Council	Goole	162,019	162,019
East Staffordshire Borough Council	Burton upon Trent	162,019	162,019
East Suffolk District Council	Lowestoft	162,019	162,019
Erewash Borough Council	Long Eaton	162,019	162,019
Great Yarmouth Borough Council	Great Yarmouth	162,019	162,019
Halton Borough Council	Runcorn	162,019	162,019
Harlow District Council	Harlow	173,029	173,029
Hartlepool Borough Council	Hartlepool	173,029	173,029
Hastings Borough Council	Hastings	173,029	173,029
Herefordshire Council	Hereford	162,019	162,019
Ipswich Borough Council	Ipswich	173,029	173,029
Borough Council of King's Lynn and West Norfolk	King's Lynn	162,019	162,019
Kirklees Council	Dewsbury	162,019	162,019
Leeds City Council	Morley	162,019	162,019
Lewes District Council	Newhaven	140,000	140,000
Lincoln City Council	Lincoln	173,029	173,029
Mansfield District Council	Mansfield	173,029	173,029
Mendip District Council	Glastonbury	140,000	140,000
Middlesbrough Borough Council	Middlesbrough	173,029	173,029
Milton Keynes Council	Milton Keynes	173,029	173,029
Newark and Sherwood District Council	Newark-on-Trent	162,019	162,019
Newcastle-under-Lyme Borough Council	Kidsgrove	162,019	335,048
	Newcastle-under-Lyme	173,029	
North East Derbyshire District Council	Clay Cross	140,000	140,000
North East Lincolnshire Council	Grimsby	173,029	173,029



North Lincolnshire Council	Scunthorpe	173,029	173,029
Northampton Borough Council	Northampton	173,029	173,029
Northumberland County Council	Blyth	162,019	162,019
Norwich City Council	Norwich	173,029	173,029
Nuneaton and Bedworth Borough Council	Nuneaton	173,029	173,029
Oldham Borough Council	Oldham	173,029	173,029
Pendle Borough Council	Nelson	162,019	162,019
Peterborough City Council	Peterborough	173,029	173,029
Preston City Council	Preston	173,029	173,029
Redcar and Cleveland Borough Council	Redcar	162,019	162,019
Redditch Borough Council	Redditch	173,029	173,029
Rochdale Borough Council	Rochdale	173,029	173,029
Rotherham Borough Council	Rotherham	173,029	173,029
Sandwell Metropolitan Borough Council	Rowley Regis	162,019	486,058
	Smethwick	162,019	
	West Bromwich	162,019	
Scarborough Borough Council	Whitby	140,000	302,019
	Scarborough	162,019	
Sedgemoor District Council	Bridgwater	162,019	162,019
Sefton Council	Southport	173,029	173,029
Sheffield City Council	Stocksbridge	140,000	140,000
South Ribble Borough Council	Leyland	162,019	162,019
St. Helens Council	St Helens	173,029	173,029
Stevenage Borough Council	Stevenage	173,029	173,029
Stockport Metropolitan Borough Council	Cheadle	140,000	140,000
Stockton on Tees Borough Council	Thornaby-on-Tees	162,019	162,019
Swindon Borough Council	Swindon	173,029	173,029
Telford & Wrekin Council	Telford	173,029	173,029
Thanet District Council	Margate	162,019	162,019
Thurrock Council	Tilbury	140,000	302,019
	Grays	162,019	
Torbay Council	Torquay	162,019	162,019
Wakefield Council	Castleford	162,019	335,048
	Wakefield	173,029	
Walsall Borough Council	Bloxwich	162,019	324,038
	Walsall	162,019	
Warrington Borough Council	Warrington	173,029	173,029
Wirral Metropolitan Borough Council	Birkenhead	173,029	173,029
City of Wolverhampton Council	Wolverhampton	173,029	173,029
Worcester City Council	Worcester	173,029	173,029



Ministry of Housing,  
Communities &  
Local Government

## Towns Fund guidance



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June 2020

## Ministerial Foreword

In the year since we launched our £3.6 billion Towns Fund, the country has faced a whole new set of challenges that we could not have predicted.

But we have seen towns and their communities, at the forefront of our national response to Covid-19, showing great adaptability and resilience. Our appreciation and pride in the places we call home is greater today than ever before.

I'm clear that towns should be at the heart of our nation's recovery and the Towns Fund has never felt more important. This investment into 100 towns across the country will galvanise local businesses and communities. It will show how government and places can come together to build more prosperous futures.

Our Towns Fund Prospectus, launched in September, set out our vision for the Fund and the first stages of the process. Today's publication of further guidance represents another significant step.

While the funds may take on a further purpose in helping us recover and rebound, the overarching objective of the Towns Funds remains the same: to drive the sustainable economic regeneration of our towns for long-term economic and productivity growth.

That is why I'm so pleased we haven't lost momentum. Since September, our towns have been working hard to establish Town Deal Boards and develop their Town Investment Plans. All towns should be incredibly proud of the progress they have made.

The Towns Fund is at the centre of our ambition to level up this country and make it a better place for everyone to live and work. I look forward to working with our towns and communities to make this a reality.

Simon Clarke MP  
Minister for Regional Growth and Local Government

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## 1. Introduction

- 1.1 On 6 September 2019 the government invited 100 places in England to develop proposals for a Town Deal, forming part of the £3.6 billion Towns Fund announced by the Prime Minister in July 2019.
- 1.2 Towns are home to some of our key businesses and employers, they host some of our world-leading universities and are where the majority of the population live. They serve as important centres to their surrounding areas, with shopping and leisure facilities and other services drawing in people from villages and rural areas.
- 1.3 Struggling towns, however, do not always have the fundamental building blocks of a strong local economy in place. The evidence shows they can face some significant challenges: an ageing population without the skills necessary to attract new firms; fewer people going on to and returning from higher education; fewer economic opportunities in the surrounding region; fewer opportunities for training and retraining; and less foreign direct investment than in cities. Growth is held back where this is compounded with poor transport and digital connectivity.
- 1.4 We know that towns have been working hard since September to establish Town Deal Boards and develop Town Investment Plans (TIPs) – and while many have had to deprioritise this work in the current crisis, all towns are keen to understand the next steps and how they can agree their Town Deal.
- 1.5 This guidance is intended to enable towns to finalise their TIPs and work with MHCLG to agree their Town Deals. It sets out key information about interventions in scope, and the roles of different stakeholders throughout the process, and shows the path towards the implementation of Town Deals.

### Town Deals and Covid-19 impacts

- 1.6 At the time of writing, we are facing a set of challenges on an unprecedented scale. We cannot predict exactly what the coming months will bring, and we are concerned that deprived towns may be hit harder by this crisis than elsewhere.
- 1.7 We have not changed the focus of the Towns Fund, nor the types of interventions we expect to support. The effects of Covid-19 have been felt directly by all towns, and the impact has been particularly acute for those with the vulnerabilities and weaknesses that the Towns Fund was set up to address. So this investment in towns is more needed than ever. The government wants to meet the long-term needs of left behind communities, and remains committed to levelling up.
- 1.8 The Town Deal may for some towns take on additional purpose as a key part of the efforts to recover and rebound from this crisis. The Towns Fund will enable the agreement of strategic investments by the end of the financial year, tailored to each

town's circumstances and the localised impacts of Covid-19. This is part of a wider package of support for places to respond to Covid-19, including measures to mitigate the immediate impact, such as the £12.3 billion funding to help small and rural businesses manage their cashflow through this period. Through supporting local economic plans and partnerships, the Towns Fund will help chart a course and lay the groundwork for levelling up over the longer term, as set out in the [UK government's Covid-19 Recovery Strategy](#).

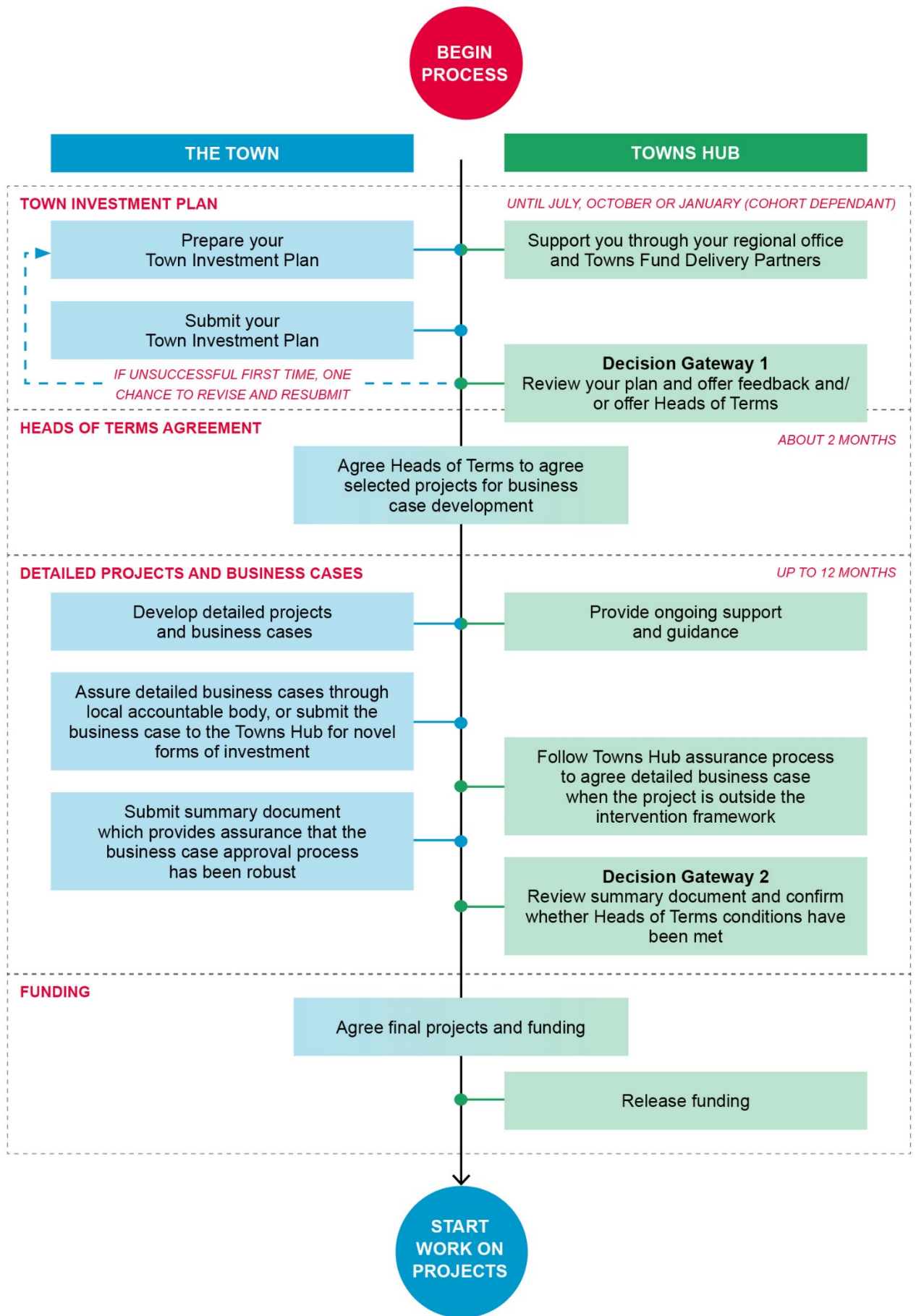
- 1.9 We will be flexible and responsive. We have pushed back the deadlines for submitting Town Investment Plans to reflect the ongoing uncertainty and the pressures on all partners on Town Deal Boards. We will continue to monitor the situation and where needed will provide towns with additional support to complete TIPs.
- 1.10 We would like all towns to outline in their Town Investment Plan how Covid-19 is impacting their local economy, and how this is reflected in their strategy and prioritisation. It may be that some priorities have shifted, or it could be that the same things are still critical – whichever is the case, it is paramount that Covid-19 forms part of the evidence base and is factored into decision-making.
- 1.11 Towns should take advantage of the opportunities presented to chart a sustainable course for their long-term growth. While there may be a case for mitigating the impacts of the crisis on key sectors and parts of town, we will not support measures that are purely short-term. We would like towns to focus on making adaptations which increase resilience and prosperity.
- 1.12 Town centres may be hit hard by the impacts on retail, adding to longer-running trends and pressures. In particular, towns may want to consider how they can reconfigure town centres for mixed uses. There may be other opportunities to make decisive changes for the long term, such as investing in sustainable modes of transport to take advantage of behaviour changes caused by lockdown. TIPs must include a wider spatial strategy, setting out why targeted areas have been chosen, what is being done to support other key areas of their town, and how this will support the town centre.
- 1.13 Towns should flag if they want to use their Town Deal as a key part of their recovery plans and set out how their proposed projects fit with other recovery measures. Towns in this position should highlight projects they believe are 'shovel ready' and the potential to tie in multiple lines of support to one deal.
- 1.14 Given the uncertainties, towns may wish to set out scenarios and hypotheses to underpin plans and ensure plans are flexible to evolving contexts and guidance. We expect to see projects prioritised that will be valuable against a number of possible scenarios, rather than large, risky investments.

- 1.15 Through MHCLG's Towns Hub we will provide resources and advice to help towns understand how Covid-19 will impact them in the future, and lessons about suitable interventions, opportunities and risks. Towns hardest hit by the pandemic and those to whom the deal is an essential part of their recovery planning will receive additional support.

### Towns Fund Process

- 1.16 The diagram below summarises the process for agreeing Town Deals and starting implementation. It has been designed to help strengthen the quality of Town Deals, building partnerships and strategies that will help guide investment and development over time. At the same time, it ensures sufficient oversight and assurance of how money is spent at a local and national level.
- 1.17 There are two phases, with a decision gateway at the end of each. First, towns will develop TIPs, which will be assessed by MHCLG and Heads of Terms offered to towns with submissions of a sufficient quality. Towns will then develop agreed projects and business cases in detail, and government will assess that information before releasing funding for implementation.
- 1.18 We understand from our readiness assessments carried out over the past six months that towns had very different starting points, and towns have had varying ability to continue their work during the recent crisis. Towns will therefore be able to submit their TIPs in three cohorts, depending on when they will be ready.
- 1.19 Should towns fail to submit a TIP of sufficient quality, they will be given one more opportunity to do so. If they fail a second time, they will no longer be eligible for a deal. Through the Towns Hub, we will provide Town Deal Boards with the support they need to successfully complete the process.





## 2. Towns Fund purpose

- 2.1 Through the Towns Fund we will work with more places to address growth constraints and to ensure we chart a course of recovery from the impact of Covid-19. The overarching aim of the Towns Fund is to **drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth**. This will be done through:

### **Urban regeneration**

Ensuring towns are thriving places for people to live and work, including by:

- Increasing density in town centres;
- Strengthening local economic assets including local cultural assets;
- Site acquisition, preparation, remediation, and/or development; and
- Making full use of planning tools to bring strategic direction and change.

### **Skills and enterprise infrastructure**

- Driving private sector investment and small business development; and
- Ensuring towns have the space to support skills and small business development.

### **Connectivity**

- Developing local transport schemes that complement regional and national networks; and
- Supporting the delivery of improved digital connectivity.

- 2.2 We know town centres and high streets are facing particular challenges. We are leaving the flexibility for towns to prioritise investment across the town – for example, in gateway areas, key education or employment sites. We would like to understand your plan for the town centre, to be included as part of the spatial strategy in your TIP.

- 2.3 Many towns face serious social as well as economic challenges. We suggest that towns incorporate this through a focus on inclusive growth. The Towns Fund investments are not intended to target the social challenges directly; these will be covered by other government policy and departments – although you may wish to include actions and investments in these spheres as part of the wider Town Deal.

- 2.4 TIPs should be guided by sustainability – economic, environmental, and social. The government has committed to a legally binding target to achieve net zero greenhouse gas emissions by 2050; clean growth represents a huge opportunity for the UK economy, and is a core principle of the Towns Fund. The current situation creates an opportunity to speed up the process of restructuring our industry, commerce and communities towards a greener future.

- 2.5 Towns and local authorities are well-placed to coordinate clean growth investment in their local area, which can deliver decarbonisation, improved air quality and health, and economic growth.

### 3. What should be in a Town Deal?

- 3.1 A Town Deal is an agreement in principle between government, the Lead Council and the Town Deal Board, confirmed in a Heads of Terms document. It will set out a vision and strategy for the town, and what each party agrees to do to achieve this vision.
- 3.2 This document will be signed by the Secretary of State for Housing, Communities and Local Government on behalf of government. We expect the other signatories to be the chief executive or leader of the local authority and the chair of the Town Deal Board. Town Deals will cover a period of up to five years.
- 3.3 Each town has been invited to put together proposals for up to £25 million from the Towns Fund – although we will consider more than £25 million in exceptional cases. This core funding component of a Town Deal will be money from the Towns Fund. Towns are not in competition with one another – the amount of funding they are able to access will be based on the quality of their proposals and not related to the proposals brought forwards by others.
- 3.4 The Town Deal should also be a ‘wrapper’ for other investments, whether from other government departments or private investors. We would like the Towns Fund money to provide additionality, and help to bring in other funding, so Town Deals become more than the sum of their parts.

#### Interventions in scope

- 3.5 The Towns Fund is primarily a capital fund. We want to support projects that are viable and sustainable in the long term, and which build on the town’s assets and strengths. Interventions supported through the Towns Fund should be developed with input from the community, who should feel a genuine sense of ownership. We also want to support towns that are targeting interventions that will play a role in their immediate economic recovery.
- 3.6 All interventions should be designed to help generate local economic growth whilst taking into account the principle of clean growth.
- 3.7 The table below includes the outcomes, by intervention theme, that towns should be targeting through their interventions. These target outcomes should be used as a guide when towns are designing their investment plans. Examples of the types of outputs that might produce such outcomes – and therefore ones that towns should be considering – are also included in the table.

<b>Intervention Theme</b>	<b>Outputs</b>	<b>Target Outcomes</b>
Local transport	<i>Increase in the number of bus services; new or upgraded cycle and walking routes; new or upgraded road infrastructure; pedestrianised streets</i>	<ul style="list-style-type: none"><li>• Improved affordability, convenience, reliability, and sustainability of travel options to and from places of work</li><li>• Improved affordability, convenience, reliability, and sustainability of travel options to and from places of interest (especially shops and amenities)</li></ul>

		<ul style="list-style-type: none"> <li>• Reduced congestion within the town</li> <li>• Enhanced high street and town centre experience that prioritises the health, safety and mobility of pedestrians</li> </ul>
Digital connectivity	<i>Provision of full fibre infrastructure with local authority as anchor tenant</i>	<ul style="list-style-type: none"> <li>• Increased utilisation of digital channels, by businesses, to access and/or supply goods and services</li> <li>• Increased ability for individuals to work remotely/flexibly</li> <li>• Encouraging further investment from network operators</li> </ul>
Urban regeneration, planning and land use	<i>Remediation and/or development of previously abandoned or dilapidated sites</i>	<ul style="list-style-type: none"> <li>• Enhanced townscape that is more attractive and more accessible to residents, businesses and visitors</li> </ul>
Arts, culture and heritage	<i>New or upgraded museums, theatres, community spaces, etc.</i>	<ul style="list-style-type: none"> <li>• Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access</li> </ul>
Skills infrastructure	<i>Increase in the capacity and accessibility to new or improved skills facilities</i>	<ul style="list-style-type: none"> <li>• Increased share of young people and adults who have relevant skills for employment and entrepreneurship</li> </ul>
Enterprise infrastructure	<i>Increase in the amount of high-quality and affordable commercial floorspace; increase in the number of shared workspaces or innovation facilities</i>	<ul style="list-style-type: none"> <li>• Increased number of enterprises utilising high-quality, affordable and sustainable commercial spaces</li> <li>• Increased number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces</li> </ul>

3.8 The full intervention framework can be found in Annex A and sets out:

- The spatial focus of interventions;
- A broad set of acceptable outputs which should guide the design of specific interventions;
- Policies and strategies that interventions should align with; and
- The list of outcomes that we would expect interventions to target, along with a set of possible indicators that will be used to measure progress and success.

3.9 The intervention framework has been designed to allow flexibility for a broad range of interventions, so that towns can select those that are most suited to their unique circumstances. Towns should design their interventions so as to lead to the target outcomes. It should be noted that interventions outside of this framework are not automatically precluded, although they are likely to be subject to additional scrutiny in the business case phase.

3.10 For example, where towns face a flooding risk they may propose to address this in their investment plan. We might expect to fund new developments that were flood-proof, and flood defences as part of those developments. However, the focus of the towns fund is on economic growth, and projects will have to be cognisant of this. (Details of specific flooding funding is set out in Annex B).

### 3.11

3.12 In all instances, towns will be required to demonstrate how their interventions will lead to the agreed outcomes using a convincing, well-evidenced Theory of Change. Further guidance on producing a Theory of Change can be found within [HM Treasury's Magenta Book](#) (page 24, section 2.2.1).

3.13 The fund is 90% capital. As a general rule, towns are asked to ensure that their funding bids concentrate on capital spend on tangible assets. In some towns, there may be a particular need for a small amount of revenue funding – perhaps to support implementation of a capital project. However, this will need to be fully evidenced and will be the exception.

3.14 The profile of the overall fund is for six years from 2020 to 2021. We will agree specific funding profiles with each individual town based on their deal and projects.

3.15 In exceptional circumstances, an allocation of more than £25 million may be considered<sup>1</sup>. This will be limited to the most ambitious and credible investment plans, and towns will face a higher level of scrutiny of their plans:

- TIPs should credibly target not only transformational impacts for the town itself but for the wider region or at the national level.
- TIPs must be top quality, with all of the Town Investment Plan (TIP) assessment criteria fully demonstrated
- Towns will face a challenge session before a Heads of Terms is offered
- For individual projects over £25 million business cases must be approved centrally through MHCLG rather than assured through a local accountable body.

3.16 Towns should not bid for the full £25 million or more unless there is an objective rationale to do so. It should be noted that the coherence of the Town Investment Plan (i.e. the complementarity of project proposals and their alignment with the town vision and strategic planning) plays a key role in the assessment of TIPs. Should a town bid for the full amount or more without a sound evidential backing, the town risks failing to secure a deal at the first attempt, meaning they have just one more chance to submit.

3.17 Towns will need to demonstrate that their proposed interventions have taken account of the following clean growth principle: *Investment from this fund should support clean growth where possible and, as a minimum, must not conflict with the achievement of the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.*

3.18 In practice, cost effective interventions might include:

- Investment in clean public transport
- 'Gateway' areas around train stations
- Other clean transport, including cycling infrastructure and electric vehicle charging points

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<sup>1</sup> The maximum available is £50 million

- Low carbon buildings
- Infrastructure that reduces emissions from industrial areas
- Innovative energy efficiency measures, clean heat and power generation, and energy storage
- Regenerating and retrofitting existing buildings to be as low carbon as possible
- Carbon offsetting, e.g. planting trees
- Skills initiatives which support clean growth industries
- All development should be cognisant of flood risk and coastal erosion where relevant.

### Alignment with other initiatives and funding

- 3.19 To maximise the impact of the Towns Fund, we want to help towns align their plans with other existing government funds and initiatives. Towns should consider how the Towns Fund money may help crowd in and leverage other sources of funding. We hope that this will enable synergies, win-wins and multiplier effects, thanks to more place-focused policy.
- 3.20 A Town Deal for some towns might therefore involve agreeing to align Towns Fund monies with those from another government programme, or other public or private sector funding sources. Ideally, a Town Deal will serve as a ‘wrapper’ for a wide range of government interventions, in order to maximise both the impact of funding and the range of projects which can be funded.
- 3.21 Towns should indicate in their TIP where there exists any overlap with other government interventions, or where they plan to align Towns Fund monies with other investment. This could include aligning investment in transport infrastructure with the Department for Transport’s Restoring Your Railway Fund, or wider economic regeneration plans with MHCLG’s Brownfield Housing Fund. There are a range of funds offered by the Department for Education on skills and skills infrastructure, and from the Department for Digital, Culture, Media and Sport for digital connectivity, heritage, culture, sports, and tourism.
- 3.22 A list of funding programmes that align with the objectives of the Towns Fund is at Annex B. There may be other local, regional and national funding opportunities available that are not listed or other opportunities such as estate regeneration schemes. Towns should explore all possible avenues in the development of their investment plans.
- 3.23 For some funding programmes (such as those in the list below), the application process is likely to happen in parallel to the Towns Fund process. If towns are intending to apply for these other funds, we ask that you flag this in your TIP, and set out linkages, synergies and interdependencies between the Towns Fund and those possible investments.
- MHCLG’s Future High Streets Fund
  - DfT’s Restoring Your Railway (Beeching) Fund

- HMG's Freeports programme
- Cabinet Office's One Public Estate programme
- DfE's Further Education Capital Fund
- MHCLG's Development Corporations programme

3.24 The relevant departments will make their own assessment as to whether the project meets their criteria and should be taken forward through their own processes, in parallel to MHCLG's. We will work to ensure government is joined up in how it assesses and awards these funds. Should this be agreed, alignment of the funds will be included as part of the Town Deal.

3.25 Some towns selected for a Town Deal have also been shortlisted for the Future High Streets Fund. As towns develop both proposals, they should ensure that they are fully aligned, building on a clear overall vision and strategy. The two funds cannot be used as match for each other but can fund complementary projects.

3.26 We also encourage collaboration and alignment with regional bodies and other levels of government. Where appropriate, towns should work with Local Enterprise Partnerships, Mayoral Combined Authorities and others to ensure coordination and shared learning. Some types of project may require sign-off by certain bodies, for example transport projects must have the full support of the lower and upper tier transport authorities and the local highways authority.

#### Co-funding and match funding

3.27 We would like to see co-funding and match funding where possible. Leveraging additional funding from other sources such as the private sector can be an effective means of widening the scope and ensuring the success of a project.

3.28 We know, however, that this may be difficult in some towns, especially in light of Covid-19 impacts. We have not set a minimum for match funding or private sector investment, and we will respect the different opportunities and constraints faced by different towns.

3.29 At a minimum we want to see evidence that towns have fully explored investment opportunities and sought to initiate discussions with potential investors as early as possible. Towns should demonstrate the level of buy-in already secured from a range of private sector players – whether this is recent or something built up over a number of years. Towns should set out how the level of co-funding secured is reasonable for their particular context, and make clear the level of commitment behind any match funding. We can provide support to towns on project finance and private sector investment.

### Case Example – Stansted Airport College



The Towns Fund prospectus highlighted the significant role colleges play in many local communities and that collaboration between education providers and businesses (large and small) is important to deliver a more highly skilled workforce. This can be achieved through investment in vital skills infrastructure.

Stansted Airport College is the first on-site aviation college at any UK major airport. It is a partnership between Harlow College and London Stansted Airport (part of the Manchester Airport Group). The College was specifically established to address skills shortages in the aviation industry. Construction began in October 2017 and the College opened to its first students in September 2018. Now in its second year of operation the College is at full capacity of 500 trainees.

The airport has between 300-400 live vacancies every week of the year, from entry level positions through to higher level technical positions. The strategic partnership provides a pipeline of talent for airport business partners, as well as providing ‘a clear line of sight’ to the workplace for young people. The College sits literally at the end of the runway – its location provides an inspiring and motivational environment for young people.

This is a significant and fundamental strategic partnership which included the ‘gift’ of £3.5 million land to build the new facility, as well as key links with the 220+ airport business partners. Employers were involved in the design of both the building and the curriculum. Their on-going commitment and support to work placements, visits, professional talks, volunteering and curriculum development is a vital part of the College’s success. Impact is measured at multiple levels. Now at full capacity the £11 million centre delivers £2.3 million of benefit to the economy in terms of skilled trainees for the workforce.



## 4. Phase 1: Preparing a Town Investment Plan

4.1 Town Deal Boards are responsible for developing a Town Investment Plan that sets out a clear vision and strategy for the town. Plans should reflect local priorities and be co-designed with local businesses and communities. A Town Investment Plan will be used as the basis for agreeing the Town Deal, including the specific projects which will be funded and the agreement in principle/Heads of Terms (before entering into phase 2 where funding may be granted). For towns that are proposing a joint deal, a single Town Investment Plan must be developed with strategic fit for both towns.

4.2 TIPs should be long-term, strategic documents. They should provide the strategic case for Town Deals, with the evidential and analytical basis for the selection and design of the projects proposed in it. We would also like them to be broader than this: they should set out a vision for the town with broad ownership and a strategy that can set the direction for the economic turnaround of the town over a decade, including economic recovery from the current crisis.

4.3 TIPs should build on and recognise the good work that has already been undertaken in towns. We know many towns already have strong partnerships, and we are happy if these form a key foundation of the Town Deal Board. And in many places there are recent strategies and plans for the town which are highly relevant to Towns Fund objectives: we would hope TIPs align with and build on these.

4.4 To help contribute to broader ownership and longevity, the final Town Investment Plan should be published on the Lead Council's website (or a Town Deal specific website).

### Running a Town Deal Board

4.5 Town Deal Boards are responsible for producing Town Investment Plans, including putting forward suitable projects which align with the objectives of the Towns Fund, and for overseeing compliance with the Heads of Terms Agreement with government.

4.6 We hope that they can build on and strengthen existing partnerships in the town. It is also important to be clear how Town Deal Boards align with other place-based initiatives in towns. We would like to see evidence of a shared vision and commitment from a range of stakeholders, however this does not all have to come from Towns Fund-specific engagement.

4.7 A Town Deal Board should operate in a transparent and objective way for the benefit of the town it represents. We set out here and at Annex D governance requirements – this should fit within and complement existing arrangements for governance, assurance, audit etc. in the local authority and does not need to be wholly separate.

4.8 The Town Deal Board's membership should reflect the diversity of the town and surrounding area. The Towns Fund Prospectus stated that membership of Town Deal Boards should comprise:

- A private sector chair
- All tiers of local government for the geography of the town
- The MP(s) representing the town
- The Local Enterprise Partnership
- Local businesses and investors
- Community/local voluntary community sector representatives
- Other relevant local organisations, such as FE colleges or Clinical Commissioning Groups.

4.9 It will be important to ensure a balance of views are heard and to create opportunities for fresh perspectives and challenge, so membership could extend to those with other specific expertise, such as clean growth.

4.10 All Town Deals will need to have an Accountable Body which will be a council through which funding will flow. The Lead Council for the Town Deal (the Unitary Authority, Metropolitan Council, District Council or Borough Council for the town) will determine the appropriate Council to act as the Accountable Body (the Lead Council may take on this role or nominate an upper tier Authority where more suitable). Lead Councils have a seat on the board and take responsibility for ensuring that decisions are made by the Town Deal Board in accordance with good governance principles.

### **Roles and responsibilities**

**Town Deal Board:** The Town Deal Board will sign off each stage of a Town Investment Plan and Town Deal. The Board is responsible for:

- Upholding the Seven Principles of Public Life (the Nolan Principles)
- Developing and agreeing an evidence-based Town Investment Plan
- Establishing a clear programme of interventions
- Embedding arrangements in local plans (where appropriate) and undertaking Environmental Impact Assessments and fulfilling duties on public authorities under the Equalities Act, in particular, and the public sector equality duty.
- Coordinating resources and engaging stakeholders
- Ensuring communities' voices are involved in shaping design and decision making at each phase of development
- Ensuring diversity in its engagement with local communities and businesses
- Helping develop detailed business cases
- Overseeing each step of agreeing a Town Deal, and overseeing compliance with the Heads of Terms Agreement with government

### **Town Deal Board Chair:**

- Upholding the Seven Principles of Public Life (the Nolan Principles)
- Leading the Board in achieving its objectives, maintaining an overview of activity, and championing and supporting partnership working
- Ensuring that decisions are made by the Board in accordance with good governance principles

- Signing the Head of Terms Agreement with government

**Lead Council** (acting as or with the Accountable Body)

- Upholding the Seven Principles of Public Life (the Nolan Principles)
- Developing a delivery team, delivery arrangements and agreements
- Ensuring that decisions are made by the board in accordance with good governance principles
- Ensuring transparency requirements are met – through publication of information on their website or a Town Deal specific website (*where further reference is made in this guidance to publication on a Lead Council’s website this includes Town Deal specific websites*)
- Developing agreed projects in detail and undertaking any necessary feasibility studies
- Undertaking any required Environmental Impact Assessments or Public Sector Equalities Duties
- Helping develop detailed business cases
- Liaising with potential private investors in identified local projects and schemes
- Signing the Head of Terms Agreement with government
- Monitoring and evaluating the delivery of individual Towns Fund projects
- Submitting regular monitoring reports to Towns Hub
- Receiving and accounting for the Town’s funding allocation

4.11 The Town Deal Board should have suitable governance arrangements that allow members to provide robust challenge, hold delivery partners to account and ensure that the benefits of the Town Deal are achieved. The governance arrangements should cover:

- Roles and responsibilities of the Board
- Transparency of decision making
- Details of how the Board will engage with the relevant partners and the community
- How decisions will be scrutinised
- How the Board intends to follow the local authority best practice for Committee and Board Secretariat and Governance

4.12 The membership and governance arrangements (including minutes of meetings and decision logs) of the Town Deal Board should be published on the Lead Council’s website.

4.13 Annex D provides further detail on the governance expectations, this includes information on the requirements relating to management of conflicts of interest and the publication of information.

4.14 Ahead of agreeing a Town Deal, checks will be undertaken to ensure Town Deal Boards are meeting all the governance expectations set out here and in the Towns Fund Prospectus.

## Community Engagement

- 4.15 Interventions supported through the Towns Fund should have the support of the community, through early and ongoing engagement and genuine partnership arrangements. Plans made with the communities that they affect are most likely to be successful, lead to innovation and creativity, and result in less controversy.
- 4.16 Where possible, communities should be part of originating ideas, setting objectives and visions rather than just giving feedback on proposals that are already some way along. If communities feel heard and are invested in the success of the project(s), this should ultimately help develop a sense of pride and connectivity to place and community. And for some towns, the existing sense of pride and identity in their town can be a valuable resource for change.
- 4.17 This is a key part of developing the Town Investment Plan and we want towns to demonstrate the buy-in they have secured with the community. We are not being prescriptive about how this looks, however – and it can and should build on existing partnerships, consultation and mobilisation in the local community. Towns may choose to use the capacity funding, provided December 2019, to support community engagement.
- 4.18 We recognise that engagement with local communities is made more challenging due to the Covid-19 pandemic. The response to Covid-19 has seen an increase in volunteering and community action, and we encourage towns to use this moment as an opportunity to harness this energy and embed community engagement.
- 4.19 We urge Town Deal Boards to be innovative in ensuring that a diverse range of stakeholders are consulted throughout the development of Town Investment Plans, making the most of what digital technology can offer to reach diverse communities and groups while also considering face-to-face engagement when it is possible. The Towns Hub can provide support and advice for community engagement in the Covid-19 context.
- 4.20 Asking the right questions, in the right way and at the right time, can draw out potential pitfalls and unexpected but effective solutions. For example, a new bus lane and bus route can either divide communities and further isolate or become the access route to both physical and social connectivity.
- 4.21 The level and quality of community engagement – what has been done so far and what is planned in the future – will be a key factor when assessing and agreeing the Towns Deals. Every TIP should also include a **stakeholder engagement plan** that demonstrates how the town will:

- Involve: Identify and involve the people/organisations who have an interest in the proposals and developments
- Support: Identify and show how you will overcome any barriers to involvement
- Evidence: Gather evidence of the needs and available resources and use this to agree the purpose, scope and timescale of the engagement and the actions to be taken

- Design: Agree and use methods of engagement that are fit for purpose, and demonstrate engagement throughout the project lifetime/Town Deal Fund
- Work together: Agree and use clear procedures that enable the participants to work with one another effectively and efficiently
- Share information: Ensure necessary information is communicated between the participants and everyone is looped into the information needed to make informed decisions
- Work with others: Work effectively with others who are already or could help with engagement for example the voluntary and community sector, social enterprises or relevant public sector bodies
- Improve: You may need to consider further developing the skills, knowledge and confidence of all participants
- Feedback: How will you feed back the results of engagement to the wider community and agencies affected, and show the impact this engagement has had
- Evaluate engagement: Monitor and evaluate whether the engagement achieves its purposes and adjust as necessary

## Content of the Town Investment Plan

4.22 As set out in the prospectus, the Town Investment Plans should:

- Set out investment priorities that could drive economic growth, supported by clear evidence, building on the strengths and assets of the town
- Demonstrate how investment will be targeted into the economic infrastructure listed around the objective of the fund
- Build on and add to existing partnerships and plans for the town, and complement pre-existing strategies such as Local Industrial Strategies, Skills Advisory Panel analysis, spatial strategies and local transport plans
- Consider the wider strategic approach, including Northern Powerhouse, Midlands Engine, the Oxford-Cambridge Arc and other pan regional strategies
- Align with the government’s clean growth objectives

4.23 The Town Investment Plan should be in two sections; section 1 setting out the context, strategy and process planning; and section 2 setting out the details of project proposals. The expected content is set out below, and the **templates for sections 1 and 2 of the Town Investment Plan will be provided directly from the Towns Hub.**

<b>TIP Section 1</b>	
<b>Context analysis</b>	<ul style="list-style-type: none"> <li>● Map of agreed town boundary and other relevant context</li> <li>● The main challenges facing the town</li> <li>● Evidence of need, relevant to proposed projects</li> <li>● The town’s assets and strengths</li> <li>● Key opportunities for the town</li> </ul>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>● Town vision, and headline outcomes and/or targets for 2030 or beyond</li> </ul>

	<ul style="list-style-type: none"> <li>• Strategy, outlining strategic planning, objectives and targets, spatial strategy, underlying evidence, analysis and rationale, and a description of priority areas for the short, medium and long term.</li> <li>• Mapping of all strategies, partnerships, programmes and investments relevant to the vision and strategy, and how they will be aligned</li> </ul>
<b>Engagement and delivery</b>	<ul style="list-style-type: none"> <li>• Clear evidence of buy-in from local businesses and communities, description of have been engaged throughout the development of this plan, and how this engagement will continue</li> <li>• Demonstration of commitments from private sector players, and ambitions for private-sector investment going forwards</li> <li>• High-level plan of business case development and appraisal for each project including the identification of the accountable body</li> <li>• High-level delivery plan with justification of deliverability</li> </ul>
<b>TIP Section 2</b>	
<b>Prioritised list of projects</b>	<p>Including the following for each project:</p> <ul style="list-style-type: none"> <li>• Project description, rationale and alignment with intervention framework</li> <li>• Theory of Change, projected outputs and outcomes</li> <li>• Estimates of project costs, timescales, spend profile, and estimated BCR</li> <li>• Funding secured from other sources, community and private sector involvement and major interdependencies</li> </ul>

4.24 Towns should set out in their TIP their assessment of the local impacts of Covid-19, and how these have been taken into account in their strategy and project prioritisation. Towns should flag if they want to use the deal as key part of their recovery plans, and set out how their proposed projects fit with other recovery measures. Given the uncertainties you may wish to set out scenarios and hypotheses to underpin plans, and ensure plans are flexible to evolving contexts and guidance.

4.25 Towns should also indicate where projects proposed are already well-developed and could be taken forwards quickly – for example, where a business case already exists, planning permissions secured, or are otherwise ‘shovel ready’. In these instances we would support towns to complete the second stage of the process quickly for those projects, so that funding can be released as soon as possible.

#### Submitting the Town Investment Plan

4.26 We know from our initial engagement that towns will need to work at different speeds in developing proposals. To support this, we have set three deadlines for submitting Town Investment Plans.

- 4.27 **We will ask towns to confirm, within four weeks of the publication of this guidance, which cohort they would like to come forwards in – submitting their TIP by 31<sup>st</sup> July 2020 for cohort 1, by the end of October 2020 for cohort 2, or by the end of January 2021 for cohort 3.**
- 4.28 All towns must have submitted Town Investment Plans by the end of January 2021. All towns will have a second chance to submit their TIP if they are not successful the first time, no matter which cohort they first come forward in. You should work with your named town lead to determine which is the most appropriate for your town.
- 4.29 **You should submit your Town Investment Plan by email to the Towns Hub by the deadline** you have agreed with your named Town Deal contact.
- 4.30 Whilst we are keen to do deals and start the process of getting much needed investment into towns, we do not want any town to come forward before it is ready. There is **no advantage in coming first**: each Town Investment Plan will be assessed on its own merits.
- 4.31 Should you fail to meet the agreed deadline or submit proposals or projects of insufficient quality which do not meet the criteria and conditions, you will have the opportunity to resubmit at a subsequent deadline. If you do not submit, or submit proposals of insufficient quality by March 2021, then your town is likely to be deemed ineligible for this round of funding from the Towns Fund. You may be eligible to apply for a future competitive round of the Towns Fund.

### Case Example – The Lincoln Transport Hub



High quality and well-designed infrastructure is critical to supporting local economies and sustainably improving living standards, with reliable transport connectivity one of the keys to spreading prosperity in towns.

In Lincoln the bus station was recognised as inadequate, with sub-standard facilities, condition and general amenities. Similarly, there was a general acknowledgement that the absence of a central shoppers/visitors' car park was constraining both retail and visitor activity in the city. Railway station access, parking and services were also generally recognised as being 'out of step' with the expectations of a 21st Century city.

The £30 million Lincoln Transport Hub scheme, led by the City of Lincoln Council, was part-funded by an £11m investment from the Department for Transport and a further £2m Local Growth Fund investment from the Greater Lincolnshire Local Enterprise Partnership. The main purpose of the scheme was to provide an integrated and improved transport hub that enabled both the bus and railway stations to cope with increased passenger numbers and crucially open the possibility of more services in the future.

Completed in 2018 the Hub has transformed the city centre providing a new 14 bay state-of-the-art bus station and a new 1,001 space multi-storey car park. The road network around the Hub has been improved and includes traffic calming measures. New public realm has created better pedestrian connectivity and encourages healthier lifestyles by providing cycle paths and easy to navigate walkways from the railway station into the city centre. Additionally the railway station forecourt has been reconfigured to create a dedicated pedestrian area leading into the city centre.

The Hub has received feedback in local media indicating that it has made a positive impact on life in Lincoln and created an improved first impression and visitor experience to the city. The scheme has also helped unlock development of the wider retail areas of the city, offering further retail, office and residential accommodation including private investment in the Cornhill area adjacent to the station.



## 5. Decision Gateway One: Reviewing Town Investment Plans

### Our consideration of Town Investment Plans

5.1 As part of the first decision gateway, Town Investment Plans will be considered in two stages. The first stage will consist of a review of the TIP in its entirety (sections 1 and 2) using the criteria below. Where there is clear evidence of all the standards below being met, TIPs will progress to the second stage of the review where the Towns Hub will then review in more detail the individual project proposals in section 2 of the TIP. Where the standards haven't been met, clear feedback will be given and there will be one more opportunity to resubmit the TIP at a later date, as agreed with the Towns Hub.

5.2 This first decision gateway (the TIP review and detailed project assessment) will be coordinated by the Towns Hub, including officials from MHCLG and from other government departments (from both local and national levels), and including individuals covering policy, finance, and management as well as specific sectors or technical areas.

5.3 Town Investment Plans must demonstrate how Covid-19 is impacting their local economy, and how this is reflected in their strategy and prioritisation. It may be that some priorities have shifted, or it could be that the same things are still critical – whichever is the case, it is paramount that Covid-19 forms part of the evidence base factored into decision-making. Strategies and priorities should aim for long-term adaptation and transformation, rather than short-term mitigation of impacts.

5.4 TIPs must include a wider spatial strategy, setting out why targeted areas have been chosen, what is being done to support other key areas of their town, and how this will support the town centre. We recognise that towns may also serve as crucial parts of interconnected regional economies, and as rural hubs. Investment will only be available within the agreed town boundary. However, we welcome any benefits to the wider economy that the town deal can bring.

### **TIP review (see Annex C for more details)**

<b>Review of the Town Investment Plan</b>		
<b>Standard</b>	<b>Criterion</b>	<b>Evidence</b>
<b>Impact</b>	Level of need	Details of the major challenges and problems in the town which could be addressed through Towns Fund interventions.
	Scale of opportunities	Details of major opportunities and unmet demand which could be capitalised on to boost growth and improve wellbeing
<b>Strategy</b>	Strength of vision, strategy and economic narrative	An evidence-based vision and strategy, aligned to the objectives of the fund and grounded in its context, including a clear demonstration how the strategy responds

		to local Covid impacts, and with a and a robust prioritisation process has been followed.
	Coherence of TIP	A coherent set of proposals forming a broader strategy which clearly addresses the needs and opportunities. Theories of Change developed for each project setting out clearly the assumptions and external factors.
	Capacity and alignment of proposals with ongoing initiatives	Details of how proposals would complement existing and planned work while providing additionality, including how it aligns with Covid recovery. Details of co-funding, delivery capacity and accountability.
<b>Partnerships</b>	Strength of collaboration with communities and civil society	Level of representation and institutional collaboration both in the production of the TIP and planned for the future.
	Strength of collaboration with the private sector and local businesses	Level of representation and institutional collaboration both in the production of the TIP and planned for the future.

#### 5.5 The best TIPs will:

- Include long-term strategic planning, and be based on sound evidence and analysis, with an understanding of the town’s context. It should also include a set of intervention proposals with a clear strategic fit, guided by evidence of ‘what works’ or by case studies of success from elsewhere.
- Clearly demonstrate how programme- and project-level planning responds to Covid-19 impacts in the short, medium and long term, and how it supports recovery and aligns with the clean growth principle
- Make clear the unique characteristics and assets of your town and set a path towards a realistic and sustainable future for the local economy, bearing in mind your assets, and the efforts and specialisms of other towns, avoiding replication or competition.
- Maximise the contributions from a variety of local stakeholders, demonstrating their buy-in, not just through their inputs to the TIP priorities, but also by setting ambitions for ongoing collaboration e.g. using collective impact or design thinking approaches.
- Take into account all the guidance in this document and the prospectus, including clean growth, community engagement, mitigating against Covid-19 related challenges, etc. You should set out how each aspect is relevant to your context rather than feel you have to take everything on board as a blueprint.
- Make a case for an appropriate amount of Towns Fund investment, rather than simply asking for the maximum £25 million regardless of the value of projects. We expect to see private investment and other sources of funding where this is possible and appropriate.
- A more detailed breakdown of the evidence that should be included in a TIP is included at Annex C.

## Project assessment

- 5.6 Where the TIP is of the required standard, government will assess the projects listed in the plan to decide on an initial funding offer. Final decisions will rest with ministers.
- 5.7 All towns will be able to put forward project proposals totalling up to £25 million (or more in exceptional circumstances). The exact amount offered, however, will depend on the total of all the projects that are assessed as viable.
- 5.8 At this stage, full business case development is not required. Towns will progress to developing business cases for agreed projects once Heads of Terms has been agreed. Towns are required, however, to set out the process of business case development and appraisal which they will undertake, including the identification of an appropriate accountable body with tried and tested local assurance mechanisms for government investment. We would also like towns to indicate the extent to which business cases have already been developed.
- 5.9 The Towns Hub will consider the in-principle case for and viability of each of the projects set out in the Town Investment Plan. The Towns Hub may:
- recommend in-principle agreement to projects, which can then be developed into a full business case
  - recommend in-principle agreement but with specific conditions attached which will need to be met before a full business case can be developed, such as progressing the business case through MHCLG
  - recommend that ministers do not agree to projects considered unviable.
- 5.10 The project approval process will take into account:
- the level of alignment with the intervention framework set out at Annex A
  - the use of evidence on what works and/or good practice
  - indicative benefit cost ratio (BCR) – grounded in sound judgements about additionality
  - technical quality
  - the scale of outputs and outcomes proposed and
  - whether the full potential for match funding has been leveraged
- 5.11 The extent of investigation and research by all selected towns into private sector investment or match funding will be assessed in order to be assured that the town has explored all viable options throughout the development of its Town Investment Plan. In some cases, a condition or action to work to leverage further funding may be set for the detailed project development phase.
- 5.12 Following the review of TIPs and assessment of projects, government will offer a Heads of Terms to be considered by the Town Deal Board. The final decision on Heads of Terms offers rests with Ministers.

## Heads of Terms

5.13 Where the TIP is of the required standard and contains viable projects, we will offer Heads of Terms. Heads of Terms are an agreement in principle for funding and will be in the form of a Memorandum of Understanding (MOU), signed by the Chair of the Town Deal Board, the Lead Council and by Ministers. The relevant MOU would also be attached to any funding that is allocated to each town.

5.14 The Heads of Terms will include:

- Allocated Towns Fund budget and financial profile
- List of projects to receive funding and recommended assurance route for business cases
- List of support agreed by other government departments [where applicable]
- Key conditions and requirements

5.15 Examples of conditions which may be attached include target figures for match funding, minimum benefit cost ratios, meeting a spend profile, requirement to engage with government bodies, improved value for money or confirmation of planning approval.

**5.16 Once a town has agreed to the Heads of Terms, the Town Deal will be announced.**

## Case Example – Cotgrave Town Regeneration (A46 Corridor Regeneration Phase 1 and 2)



The Towns Fund Prospectus highlights that investments in social infrastructure – town centres, community spaces, and libraries – can create spaces for people to meet and build on a town's pride of place.

Since the closure of its pit in 1993 Cotgrave had been in need of regeneration. Facilities in the town centre were old and no longer fit for purpose. Rushcliffe Borough Council worked with partners, including Homes England, on a place-based strategy to ensure that both public services and business opportunities were provided to support the growth of the town.

The resulting £10.5m regeneration project, part funded with a £3.0m investment from D2N2's Local Growth Fund programme, has created 136 jobs to date, providing a significant boost to the local economy and provides a possible model for a Towns Fund intervention.

The project included the construction of a new multi-service centre (the Cotgrave Hub) in the town centre, providing "one door" to public services: housing a GP surgery, police station, library, council contact point and community and voluntary services. The existing police station, library and health centre were demolished and replaced with new open space and landscaping, including a children's play area all to create a welcoming environment for shoppers. Shop units in the town square were improved to provide a fresh new look and improvements made to the appearance of the back of the shops. Flats above the shop units were converted into a new business centre, with nine office suites for local businesses. The works have increased the vibrancy and attractiveness of the area, both aesthetically and in terms of consumers having a greater variety of services and choice.

In addition, 15 new industrial units ranging from 750 to 2,000sq and 463 new homes were constructed on the former Cotgrave Colliery site, on the outskirts of the town centre.

A comprehensive regeneration of the town centre was therefore carried out. This provides a possible model for Towns Fund interventions seeking to create an enhanced townscape, one that is more attractive and more accessible to residents, businesses and visitors.

## 6. Phase 2: Developing detailed projects and business cases

- 6.1 Following the agreement of Heads of Terms, towns will have up to one year to develop agreed projects in detail, complete and assure comprehensive business cases, and submit a Summary Document to MHCLG to show that this has been completed in line with the agreed conditions and requirements in the Heads of Terms. Where we have agreed in Heads of Terms to fast track a project, this stage of the process can proceed considerably faster.
- 6.2 This phase will build on the strategy in the TIP, taking steps towards its realisation, and getting the agreed projects ready to implement.
- 6.3 This work will include the development and assurance of business cases, and could also include:
- Technical studies and assessments
  - Detailed project design
  - Planning actions, documents and processes
  - Community and stakeholder engagement
  - Discussions with potential private investors, work on funding agreements, etc.
  - Public Sector Equalities Duties and Environmental Impact Assessments
  - Negotiation and agreement with other bodies
  - Setting in place delivery arrangements and plans with clear roles and adequate local capacity
  - Developing monitoring and evaluation frameworks, KPIs etc.
- 6.4 During this phase, Towns will be in close contact with their named Towns Hub lead. They will also be receiving capacity support and guidance from the external supplier which MHCLG appointed in May 2020. The Towns Hub will ensure support is available to towns who need it most.
- 6.5 We will work with relevant partners nationally and regionally to ensure complementarity with other initiatives, and to create opportunities for towns to connect with each other where there are shared interests (e.g. if they are undergoing similar projects).

### Business case assurance

- 6.6 Towns with agreed Heads of Terms for a Town Deal will be required to produce a fully costed business case for each of the agreed projects, setting out the details of how each will be delivered. They should be sufficiently detailed and robust to pass through local assurance mechanisms (or that of MHCLG, should they be utilised).
- 6.7 There are two routes for agreeing business cases:
- Using MHCLG financial processes. This will normally be where the project is outside the scope of the intervention framework, it is a novel and unusual investment, or a project has scored amber in its project assessment

- Using the agreed accountable body’s green book-compliant assurance processes. This will be for the majority of business cases

6.8 The most suitable route for a Town’s business cases will be agreed at Heads of Terms. At that stage, we will also agree a forward plan with expected timescales for each business case.

6.9 Institutions with responsibility for public funds provided by government must observe HM Treasury guidance for assessing how to spend those resources. Lead Councils should refer to The Green Book and associated guidance as the main point of reference and advice on best practice. MHCLG has also produced best practice guidance for the development and appraisal of business cases and this is provided at Annex E.

6.10 Once the business case has been through assurance processes of the local accountable body, towns should present the Towns Hub with a summary which provides assurance that the business case approval process has been robust, along with details of the delivery arrangements, including financial commitments (more details on this are included in the next section).

6.11 Business cases for projects not fully aligned with the intervention framework will be assessed by the Towns Hub and will go through MHCLG assurance processes. The Towns Hub will assess business cases against a set of criteria, including:

- Level of evidenced need for investment
- Whether the project delivers on the broader objectives of the Towns Fund and aligns with Covid-19 recovery and the clean growth principle
- Ability to meet spending timetable set out in the heads of terms
- Demonstration of additionality and ability to deliver on at least one of the expected outcome indicators set out in the intervention framework
- Demonstration of local support for the project and confirmation of co-funding arrangements

At assessment, business cases must achieve a minimum standard to be approved.

### Producing and submitting a Town Deal Summary Document

6.12 Once detailed business cases have been developed for each project, towns must submit a Town Deal Summary Document to the Towns Hub. This should include:

- A list of agreed projects (including BCRs)
- Details of business case assurance processes followed for each project
- An update on actions taken in relation to the Heads of Terms key conditions and requirements
- A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
- A Monitoring and Evaluation Plan

- Confirmation of funding arrangements and financial profiles for each project
- Confirmation of approval of planning applications
- Letters of approval from the Town Deal Board and Lead Council

6.13 Guidance on producing a Delivery Plan and a Monitoring and Evaluation Plan will be provided in due course.

6.14 **Town Deal Summary Documents can be submitted to the Towns Hub as soon as local timelines permit** and will not be held to cohort deadlines. Towns will have a maximum of 12 months from the agreement of Heads of Terms to develop business cases and submit a Summary Document of sufficient quality to the Towns Hub.



### Case Example: LightPool, Blackpool



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The Towns Fund Prospectus highlights that investments in a town's cultural assets, as part of an integrated regeneration strategy, can rejuvenate places, lead to positive economic outcomes at a local level and attract tourists who will bolster local businesses.

One example of doing this comes from the £2.5m Blackpool LightPool project, which provided a radical transformation of Blackpool's iconic Illuminations and acted as a catalyst towards a more sustainable business model. Funding of £1.9m was provided through the Coastal Communities Fund (CCF) which aims to encourage the economic development of UK coastal communities by awarding funding to create sustainable economic growth and jobs.

The project introduced a number of new elements into the existing illuminations offer providing greater levels of interaction for visitors, as well as further integration into the retail centre of the town, providing additional economic benefits for local businesses, beyond the existing illuminations sites that are seafront-centric.

The headline attraction was digitally mapped projections onto the Blackpool Tower building, accompanied by bespoke audio. Amongst other innovative developments, the Grundy Art Gallery was given over to an artistic "sensory systems" light installation during the illuminations period, opening the illuminations to a new demographic group, and providing a daytime attraction

Independent evaluation estimated that the LightPool project generated an additional 487,888 visits to Blackpool in 2016, whilst visitor spend attributable to LightPool in 2016 is estimated to have indirectly created, supported or safeguarded 657 jobs in Blackpool. On average each visitor to Blackpool over the 2016 illuminations period spent £159 in the town, with those who had experienced LightPool spending £209 in Blackpool.

## 7. Decision Gateway Two: funding release and implementation

### Assessing detailed project submissions

- 7.1 Once towns have developed detailed business cases for their agreed projects and submitted all the required documentation as part of the Summary Document, government will carry out a high-level assessment of the document before releasing funding, including a check of Town Investment Plan stage criteria, confirming whether Heads of Terms criteria have been met
- 7.2 When business cases have been formally approved, and the Summary Document has been signed off, year 1 of the project funding will be approved by MHCLG and released to the Lead Council. This process will include confirmation of funding decisions from another government department which had previously offered conditional support for the project.
- 7.3 In instances where towns wish to adjust plans subsequent to the agreement of Heads of Terms, towns must be proactive in notifying the Towns Hub of the details of these adjustments, and where substantive adjustments have been made to projects, they will be reassessed using the project assessment criteria set out at decision gateway one.
- 7.4 Once the Town Deal is agreed, funding for the first financial year will be released to the Lead Council. The Heads of Terms and any other conditions will be attached as a MOU, to be signed by the Chair of the Town Deal Board, the Chief Executive of the Lead Council (and the upper-tier authority, if acting as the accountable body) and MHCLG Ministers.

### Implementation

- 7.8 When the first year of funding is released, implementation of the Town Deal will proceed, with each following year's funding delivered based on progress.
- 7.9 To ensure the successful delivery of their projects, towns – led by the Lead Council – will implement agreed projects and set up internal monitoring and evaluation arrangements. Lead Councils will also need to meet the external monitoring and evaluation conditions and ensure they submit regular reports to timetable.

### Monitoring and Evaluation of the Towns Fund

- 7.10 A condition of receiving Towns Fund funding will be providing regular feedback on progress, to allow for monitoring and evaluation of projects.
- 7.11 At least every six months (or more regularly, if agreed with the Towns Hub) Lead Councils will be required to provide government with a comprehensive set of data relating to each Town Deal project, including both total and forecast spend, and output metrics. These returns will need to be scrutinised and signed off by the Accountable

Body's Section 151 Officer or equivalent. However, it is recognised that for periods, Lead Councils may not have a lot to report.

7.12 The precise data requirements will be agreed with towns in due course; however, Key Performance Indicators might include:

- Lead council meeting key project delivery milestones
- Key expenditure milestones being met by the Lead Council
- Expenditure on the project total: forecast and actual
- Match funding, broken down by sector (public/ private/ third sector) – actual and forecast
- Contractual Commitments – actual and forecast
- Key outputs delivered by projects. These may include business start-ups, jobs and skills developed, investment and businesses attracted. Towns will be required to provide monitoring returns of outputs for three years post completion of projects
- Activities and implementation of ongoing community collaboration and partnership working

7.13 The Towns Hub will also conduct an annual review, assessing progress, understanding issues and agreeing any actions to be taken forward by each town. Continued funding is linked to the effective delivery of the deal.

7.14 The Towns Hub will also:

- Run a process for assessing year-end returns, managing annual budgets and recommending payments
- Manage monitoring and evaluation support and capacity support
- Develop any new guidance as appropriate
- Feed lessons from implementation into new policy

7.15 Towns will be required to be involved in the evaluation of both their specific projects and the overall Towns Fund programme. We will provide further details on monitoring and evaluation – including a detailed Monitoring and Evaluation Framework – in due course.

7.16 Support will be provided by the Towns Hub for monitoring and evaluation.

- Town- and national-level monitoring and evaluation
- Support for town learning and adaptation
- Support for town delivery capacity

### **Case Example: Ada Lovelace House, Kirby-in-Ashfield**



The Towns Fund Prospectus highlights that each town will have different assets, and a unique path to prosperity. It recognises that in many post-industrial towns office space is affordable but is not always well connected to workers or attractive to business.

A £289k redevelopment project part funded with a £143k investment from D2N2's Local Growth Fund Programme, the redevelopment of Ada Lovelace House has created 11 jobs to date.

Ada Lovelace House in Kirkby-in-Ashfield town centre was constructed in 1933 and is a well-known local landmark. It was originally a health centre and has subsequently been used by County Council Social Services and by Nottinghamshire Police. The project was designed to redevelop 2,000 square feet of commercial floor space within the building and during construction work placements were offered to 14 young people.

When construction was completed in 2017, the new Ada Lovelace house featured 1,623ft net new floorspace, providing high quality offices with shared communal space and open-plan meeting areas for up to 7 creative and digital starter businesses, linked to graduate retention. The project has delivered its outcomes ahead of schedule and the local authority is planning a second phase of delivery due to the success of this scheme.

A successful example of smaller-scale urban regeneration which also provides infrastructure for local enterprises, the Ada Lovelace House redevelopment represents a successful example of smaller-scale urban regeneration which also provides infrastructure for local enterprises, and shows what can be achieved by utilising local assets, even with a relatively small budget.

## 8. Support and next steps

### The Towns Hub

- 8.1 You should allow sufficient time to develop your Town Investment Plan and take advantage of all the support on offer. The Towns Hub will provide support with the aim that every town is able to submit a high quality proposal for funding of up to £25 million.
- 8.2 This Towns Hub consists of the central towns team within the Cities and Local Growth Unit (CLGU) in MHCLG, towns-focused colleagues in CLGU's regional teams, and the Towns Fund Delivery Partnership led by Arup.
- 8.3 Each town has a named representative from the Hub in the CLGU regional team, and one in the Towns Fund Delivery Partnership. The named contacts will be towns' first points of contact for guidance and will continue to provide support throughout the development of your Town Investment Plan and beyond.
- 8.4 The Towns Hub will also evaluate the emerging Town Investment Plans, encourage innovation in addressing the needs of towns, share best practice, case studies of successful town regeneration and evidence of what works and build on the Towns Fund investments for potential future support to towns from across government.
- 8.5 The Towns Hub will also provide central coordination and develop shared resources. This includes developing a package of expert support with an external contractor. The support offered will vary according to the needs of the partners on your Town Deal Board, and the timescales you are working to.
- 8.6 The Towns Hub can provide support to towns on preparing Towns Fund plans. This might include advice on:
- Town boundaries
  - Town Deal Boards
  - Town Investment Plans
  - Guidance on the scope of projects and how they might link with other funds, including their significance in relation to Covid-19 economic recovery if necessary.
  - Putting together business plans
  - Capacity support
  - Engagement with government departments
  - Towns Fund approval process

### Capacity support

- 8.7 Following the publication of the prospectus, Section 31 payments were provided to all towns, in order to ensure sufficient organisational capacity was available to engage with key stakeholders and develop proposals.

8.8 The capacity funding is intended to help fund:

- Feasibility studies
- Drafting plans
- Writing business cases
- Identifying of potential private investors
- Engaging and negotiating with investors
- Developing and implementing a stakeholder engagement plan

8.9 The Towns Fund Delivery Partnership will provide towns with consultancy support and advice through a contract with MHCLG. This tender was awarded in May 2020 to a consortium led by Arup that includes Nichols Group, Grant Thornton, FutureGov, Savills and Copper Consultancy.

8.10 Working as part of the Towns Hub, the Towns Fund Delivery Partners will be uniquely placed to work closely with towns in the development of their proposals providing advice across a range of core services and different subject topics:

Core Services	Topics
<ul style="list-style-type: none"> <li>• Visioning &amp; strategy</li> <li>• Regeneration, place design and built environment</li> <li>• Project prioritisation and feasibility</li> <li>• Local community engagement, consulting and stakeholder management</li> <li>• Learning, public sector development and transformation</li> <li>• Financial strategy and investment</li> <li>• Planning, social impact and public sector equalities analysis</li> <li>• Environmental monitoring and impact analysis</li> <li>• Digital services</li> </ul>	<ul style="list-style-type: none"> <li>• Transport and connectivity</li> <li>• Climate change</li> <li>• Social Value</li> <li>• Sustainable energy</li> <li>• Water and flood management</li> <li>• Local infrastructure</li> <li>• Youth and child friendly places</li> <li>• Public realm</li> <li>• Health and wellbeing</li> <li>• Crime and security</li> <li>• Innovation and digital</li> <li>• Housing, homelessness and repurposing buildings</li> <li>• Heritage</li> <li>• Creative, arts, culture and tourism</li> <li>• Education and skills</li> <li>• Fire</li> </ul>

8.11 We are currently working with the Delivery Partners to review the approach to delivering this support in response to the impact of Covid-19 and the implications for towns and the Towns Fund.

8.12 Further details on this support offer and how to access it will be available shortly.

8.13 Additional support will be available from other bodies with an interest in specific types of project. These include the Arts Council, Historic England, Visit Britain, and the Impact Investing Institute. We are working to ensure this is coordinated with the Towns Fund Delivery Partners.

## Next steps

- 8.14 Discussions should take place as early as possible to begin developing projects for a Town Investment Plan. This should include:
- Engaging with local communities and local businesses to ascertain their needs
  - Identifying additional sources of funding
  - Ensuring robust Town Deal Board governance arrangements are place
  - Effectively utilising capacity funding
- 8.15 We will be in touch to ask which cohort you would like to come forwards in, and to ask what support you will need from the Towns Fund Delivery Partners.
- 8.16 For further information and support, Lead Councils and Town Deal Boards may contact their local named contact from the Towns Hub.

## Glossary

**Business Case** – Following the agreement of Heads of Terms, towns will have up to one year to develop fully costed business cases for agreed projects and to submit a Summary Document to MHCLG to show that this has been completed in line with the agreed conditions and requirements in the Heads of Terms. These business cases should set out specific details of how each project will be delivered.

**Clean Growth** – As per the Industrial Strategy, clean growth refers to increasing income while ensuring an affordable energy supply for businesses and consumers, and cutting greenhouse gas emissions. It will increase our productivity, create good jobs, boost earning power for people right across the country, and help protect the climate and environment upon which we and future generations depend.

**Heads of Terms (HoT)** – Each Town Deal is an agreement in principle between government, the lead council and the Town Deal Board, confirmed in a Heads of Terms document.

**Lead Council** – Lead Councils (the Unitary Authority, District Council or Borough Council for the town) should, by default, act as are the accountable body through which funding will flow. Lead councils have a seat on the board and take responsibility for ensuring that decisions are made by the board in accordance with good governance principles.

**Memorandum of Understanding (MOU)** – The Heads of Terms for a Town Deal will be in the form of a Memorandum of Understanding, signed by the Chair of the Town Deal Board, the Lead Council and by Ministers. The relevant MOU would also be attached to any subsequent funding that is allocated to each town.

**Prospectus** – The Towns Fund Prospectus was launched on the 1<sup>st</sup> of November 2019, and explains how towns could prepare for a Town Deal, and gave details regarding capacity funding allocations for each town.

**Stakeholder Engagement Plan** - Every Town Investment Plan should include a stakeholder engagement plan that demonstrates how the town will involve key stakeholders, and how they will support and collaborate with them. The level of engagement will be a key factor in agreeing each respective Town Deal.

**Town Deal** – An agreement of up to £25 million that towns will finalise through their respective Town Investment Plan, which they will work with MHCLG to finalise by signing the Heads of Terms document.

**Town Deal Board (TDB)** – Town Deal Boards are responsible for producing Town Investment Plans, including putting forward suitable projects which align with the objectives of the Towns Fund, and for overseeing the delivery and monitoring of those projects.

**Town Investment Plan (TIP)** – A Town Investment Plan will sets out a clear vision and strategy for a town. Plans should reflect local priorities and be co-designed with local businesses and communities. A Town Investment Plan will be used as the basis to which agree the Town Deal, the specific projects and the agreement in principle/Heads of Terms (before entering into phase 2 where funding may be granted).

**Towns Fund** – The Towns Fund will provide the core public investment in Town Deals – additional funding may come from other sources or parts of government. The objective of the Fund is to drive



the economic regeneration of towns to deliver long term economic and productivity growth through urban regeneration, planning and land use; skills and enterprise infrastructure; and, connectivity.

**Towns Fund Delivery Partner** – The centrally-tendered supplier consortium that will deliver consultancy support to towns for context assessment, strategy, and project prioritisation. The consortium are led by Arup, and are also made up of Nichols Group, Grant Thornton, FutureGov, Savills and Copper Consultancy.

**Towns Hub** – The collective group of stakeholders that will be the core support for towns in the development of Town Investment Plans, business cases, and further documentation. The Towns Hub consists of the central team within the Cities and Local Growth Unit in MHCLG, regional colleagues who will be towns' first points of contact for guidance, and the Towns Fund Delivery Partners consortium led by Arup.

## Annex A: Intervention framework

The table below outlines the interventions in scope for the Towns Fund. For proposed interventions, towns will need to align with:

- **Outputs:** This sets out the kinds of intervention outputs that will be considered acceptable.
- **Alignment:** We would expect interventions to align with each of the policies and programmes listed, where these apply to your town.
- **Outcomes:** This lists the acceptable outcomes that we would expect to flow from your chosen interventions. Towns will be required to clearly demonstrate, through a Theory of Change (with supporting evidence and assumptions clearly set out), how your proposed projects will deliver one or more of the outcomes in the table below.
- **Outcome indicators:** These are the indicators that will be used to set targets and measure progress and determine whether the outcomes have been delivered.

### Spatial targeting:

- Interventions must be physically located within the agreed boundary for each town, even if beneficiaries may be broader (e.g. people living in the travel to work area may benefit from improvements to a town centre or transport connectivity).
- There will be a strong preference for interventions focused in the town centre, gateway areas, or key employment sites. Projects focused on out-of-town sites may be rejected or subjected to increased assurance through MHCLG.
- Towns will be required to undertake and include spatial analysis, setting out why the target areas have been chosen, what is being done to support other key areas of their town, and how their strategy will support their town centre.

	<b>Outputs</b>	<b>Alignment</b>	<b>Outcomes</b>	<b>Outcome indicators</b>
<b>Local transport</b>	<ul style="list-style-type: none"> <li>• New, revived, or upgraded train and tram lines and stations</li> <li>• New or upgraded road infrastructure</li> <li>• More frequent bus services or infrastructure upgrades e.g. digital bus shelters</li> </ul>	<ul style="list-style-type: none"> <li>• Beeching reversals and fund for rail improvements</li> <li>• Local Transport Plans</li> <li>• Transforming Cities Fund projects</li> <li>• Policies on low carbon and air quality</li> <li>• Local Industrial Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Improved affordability, convenience, reliability, and sustainability of travel options to and from places of work</li> <li>• Improved affordability, convenience, reliability, and sustainability of travel options to and</li> </ul>	<ul style="list-style-type: none"> <li>• Average time taken to travel to work by usual method of travel</li> <li>• Commuter flows</li> <li>• Number of trips by purpose and main mode</li> <li>• Vehicle flow</li> </ul>

	<b>Outputs</b>	<b>Alignment</b>	<b>Outcomes</b>	<b>Outcome indicators</b>
	<ul style="list-style-type: none"> <li>with Real Time information.</li> <li>New or upgraded cycle or walking paths.</li> <li>Wider cycling infrastructure such as cycle parking.</li> </ul>	<ul style="list-style-type: none"> <li>Transforming Cities Fund projects</li> <li>National transport plans and associated strategies e.g. HS2 growth plans</li> <li>£250 million emergency active travel fund</li> <li>Local Growth Fund</li> </ul>	<ul style="list-style-type: none"> <li>from places of interest (especially shops and amenities)</li> <li>Reduced congestion within the town</li> <li>Enhanced high street and town centre experience that prioritises the health, safety and mobility of pedestrians</li> </ul>	
<b>Digital connectivity</b>	<ul style="list-style-type: none"> <li>Provision of specialist digital technologies to meet the needs of specific sectors</li> <li>Infrastructure to support 5G or full fibre connectivity, where this is appropriate for the LA role, and with a clear outline of how proposals do not duplicate other national programmes and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>5G testbeds and trials</li> <li>Local Full Fibre Networks Programme</li> <li>Industrial Strategy Challenge Fund</li> </ul>	<ul style="list-style-type: none"> <li>Increased utilisation of digital channels, by businesses, to access and/or supply goods and services</li> <li>Increased ability for individuals to work remotely/flexibly</li> </ul>	<ul style="list-style-type: none"> <li>Internet access and usage by businesses</li> <li>Perceptions of the place by businesses</li> <li>5G coverage</li> <li>Number of people who work remotely at least some of the time</li> <li>Broadband speeds</li> </ul>
<b>Urban regeneration, planning and land use</b>	<ul style="list-style-type: none"> <li>Remediation and/or development of abandoned or dilapidated sites</li> </ul>	<ul style="list-style-type: none"> <li>Future High Streets Fund projects or other relevant government regeneration schemes</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced townscape that is more attractive and more accessible to</li> </ul>	<ul style="list-style-type: none"> <li>Perceptions of the place by residents/businesses/visitors</li> <li>Land values</li> </ul>

	<b>Outputs</b>	<b>Alignment</b>	<b>Outcomes</b>	<b>Outcome indicators</b>
	<ul style="list-style-type: none"> <li>• Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites)</li> <li>• Delivery of new public spaces</li> </ul>	<ul style="list-style-type: none"> <li>• Local Industrial Strategy</li> <li>• High Streets Heritage Action Zones via Historic England, Transforming Places Through Heritage via the Architectural Heritage Fund</li> <li>• Youth Investment Fund</li> <li>• Local Growth Fund</li> </ul>	residents, businesses and visitors	
<b>Arts, culture and heritage</b>	<ul style="list-style-type: none"> <li>• New, upgraded or protected community centres, sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens</li> <li>• New, upgraded or protected community hubs, spaces or assets, where this links to local inclusive growth</li> </ul>	<ul style="list-style-type: none"> <li>• Discover England Fund</li> <li>• High Streets Heritage Action Zones via Historic England, Transforming Places Through Heritage via the Architectural Heritage Fund</li> <li>• Cultural Development Fund</li> <li>• Arts Council National Lottery Project Grants</li> <li>• Arts Council Creative People and Places</li> <li>• Local Growth Fund</li> <li>• Coastal Community Fund</li> <li>• Coastal Revival Fund</li> </ul>	<ul style="list-style-type: none"> <li>• Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access</li> </ul>	<ul style="list-style-type: none"> <li>• Number of visitors to arts, cultural and heritage events and venues</li> <li>• Perceptions of the place by residents/visitors</li> </ul>

	<b>Outputs</b>	<b>Alignment</b>	<b>Outcomes</b>	<b>Outcome indicators</b>
<b>Skills infrastructure</b>	<ul style="list-style-type: none"> <li>• Increase in capacity and accessibility to new or improved skills facilities</li> <li>• Availability of new specialist equipment</li> <li>• Increased and closer collaboration with employers</li> <li>• Increase in the breadth of the local skills offer that responds to local skills needs</li> <li>• Increased benefit for the public education over the long term</li> </ul>	<ul style="list-style-type: none"> <li>• Local skills plans.</li> <li>• Skills Advisory Panels</li> <li>• Further Education Capital fund (<i>details to be confirmed</i>)</li> <li>• T Level Capital Fund</li> <li>• Local Growth Fund</li> <li>• The Adult Education Budget (devolved to MCAs/delegated to GLAs)</li> <li>• National Careers Service</li> <li>• Where appropriate, Opportunity Areas and Opportunity North East</li> <li>• Local Digital Skills Partnerships</li> <li>• JCP Network (including the flexible support fund)</li> <li>• ESF investment</li> <li>• Youth Investment Fund</li> <li>• Cultural Development Fund</li> <li>• Civic University Agreements</li> <li>• National DfE policies including T-levels,</li> </ul>	<ul style="list-style-type: none"> <li>• Increased share of young people and adults who have relevant skills for employment and entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>• Number of new learners assisted</li> <li>• % of learners gaining relevant experience/being 'job ready' (as assessed by employers)</li> <li>• % of working-age population with qualifications</li> </ul>

	<b>Outputs</b>	<b>Alignment</b>	<b>Outcomes</b>	<b>Outcome indicators</b>
		apprenticeships, and Institutes of Technology		
<b>Enterprise infrastructure</b>	<ul style="list-style-type: none"> <li>• Increase in the amount (and diversity) of high-quality, affordable commercial floor space</li> <li>• Increase in the amount of shared workspace or innovation facilities</li> <li>• Other schemes to support enterprise and business productivity and growth</li> <li>• Programmes of grants to local SMEs or employers in key sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Local Industrial Strategy</li> <li>• DIT international trade advisors and associated activity</li> <li>• DIT Capital Investment work</li> <li>• DIT Export Strategy</li> <li>• DIT Foreign Direct Investment support</li> <li>• Enterprise zones, business improvement districts etc</li> </ul>	<ul style="list-style-type: none"> <li>• Increased number of enterprises utilising high quality, affordable and sustainable commercial spaces</li> <li>• Increased number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces</li> </ul>	<ul style="list-style-type: none"> <li>• Business counts</li> <li>• Number of enterprises utilising high quality, affordable and sustainable commercial spaces</li> <li>• Number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces</li> <li>• Business births, deaths and survival rates</li> </ul>

## Annex B: Potential government department interventions to align with the Towns Fund

Interventions from other government departments			
Government department	Fund or scheme	Summary	Possibilities for alignment with the Towns Fund
<b>Cabinet Office</b>	One Public Estate  <a href="https://www.local.gov.uk/topics/housing-and-planning/one-public-estate/about-one-public-estate">https://www.local.gov.uk/topics/housing-and-planning/one-public-estate/about-one-public-estate</a>	The One Public Estate programme provides revenue funding to cross-public sector partnerships for projects which seek to make better use of the public estate. These include service collaboration projects and releasing land for new homes.	Towns can flag in their Investment Plan where releasing or better utilising public sector property could play an important role in revitalising their town centre.
<b>Department for Digital, Culture, Media and Sport (DCMS)</b>	Discover England Fund (DEF)	The Discover England Fund supports the development of bookable tourism itineraries and experiences that seek to encourage tourists to explore English regions and destinations, growing visitor spend locally	Where a town has been involved or featured in a Discover England Fund project, they may wish to reference this in their Town Investment Plan, especially if they were interested in developing the local tourism offer.
	Arts Council place-based funds	<b>Arts Council National Lottery Project Grants</b> – an open access programme for arts, museums and libraries projects. This funds thousands of individual artists, community and cultural organisations.	If a Towns Fund town seeks to provide cultural opportunities for local people to engage with museums, libraries and the arts, or to develop those sectors within the local area, then Arts Council National Lottery Project Grants are an opportunity to apply for funding to develop and deliver projects.

		<p><b>Creative People and Places</b> - a funding programme which focuses on parts of the country where involvement with arts and culture is significantly below the national average. CPP invests in local partnerships and encourage community involvement.</p>	<p>A number of places which will benefit from the Towns Fund are already receiving funding from the Creative People and Places programme, or are eligible to apply to do so. Where a town is benefitting from this programme, there is an opportunity to align this funding and activity with the aims and ambitions of local people and the town, and to embed cultural opportunities in the vision for change.</p> <p>Eligible places - <a href="https://www.artscouncil.org.uk/creative-people-and-places/creative-people-and-places-2020-24">https://www.artscouncil.org.uk/creative-people-and-places/creative-people-and-places-2020-24</a> Existing beneficiaries - <a href="https://www.artscouncil.org.uk/creative-people-and-places/cpp-current-projects">https://www.artscouncil.org.uk/creative-people-and-places/cpp-current-projects</a></p>
	Historic England	<p><b>High Streets Heritage Action Zones</b> – A multi-million pound fund for Historic England to work with partners to find new ways to champion and revive our historic high streets. Launched in May 2019, 69 high streets across England have been selected to receive a share of the £95 million fund: <a href="https://historicengland.org.uk/services-skills/heritage-action-zones/regenerating-historic-high-streets/">https://historicengland.org.uk/services-skills/heritage-action-zones/regenerating-historic-high-streets/</a></p>	<p>If a Towns Fund town has a High Streets Heritage Action Zone, there is an opportunity to align the goals and to enlarge on both the existing community development work and the regeneration goals of the HS HAZ.</p> <p>In other towns, each Conservation Area is likely to have a Council-approved appraisal document including priorities for enhancement.</p>
	5G Testbeds and Trials <a href="https://www.gov.uk/government/collective-5g-testbeds-and-trials-programme">https://www.gov.uk/government/collective-5g-testbeds-and-trials-programme</a>	<p>The Programme is working to deliver the following objectives:</p> <ul style="list-style-type: none"> <li>● Accelerate the deployment of 5G networks and ensure the UK can take early advantage of the applications those networks can enable.</li> <li>● Maximise the productivity and efficiency benefits to the UK from 5G.</li> </ul>	<p>If a Towns Fund town is featured in a 5GTT project, we might expect local councils to be involved in the bid to ease rollout and local stakeholder management. This may be something to bring in out in the Town Investment Plan, and to consider when planning further connectivity interventions.</p> <p>5GTT funding will continue for 2020-22: further grants will be available to projects via competitive bidding in the 5G create competition launched 20th Feb 2020.</p>



		<ul style="list-style-type: none"> <li>● Create new opportunities for UK businesses at home and abroad and encourage inward investment. There is clear alignment with Towns Fund aims to drive local growth and improve regional connectivity.</li> </ul>	
<b>Department for Education</b>	FE Capital	<p>The fund was announced in the Budget on 11<sup>th</sup> March 2020.</p> <p>The government will provide £1.5 billion over five years (£1.8 billion inclusive of indicative Barnett consequential), supported by funding from further education colleges themselves, to bring the facilities of colleges everywhere in England up to a good level, and to support improvements to colleges to raise the quality and efficiency of vocational education provision.</p>	The fund is currently being developed. The first year of funding is 2021/2022.
	<p>T Level Capital</p> <p><a href="https://www.gov.uk/government/publications/t-levels-capital-fund">https://www.gov.uk/government/publications/t-levels-capital-fund</a></p>	<p>Department for Education is making available £95 million to ensure T Level providers and students have access to the latest high quality equipment and facilities during their studies.</p> <p>This is the second wave of the T Levels Capital Fund, comprised of two different elements – the Building and Facilities Improvement Grant (BFIG) and Specialist Equipment Allocation (SEA).</p> <p>The T Levels Capital Fund (TLCF) will continue to help those further education providers at the</p>	<p>Applicants for BFIG are expected to provide a minimum funding contribution equivalent to 50% of the project value from own or third party resources.</p> <p>When developing their Town Investment Plans we encourage towns to consider how they can support T Level providers to submit applications for quality, well developed projects which will help to train the skilled young people that local businesses need, and leverage external investment to meet match funding requirements.</p>

		forefront of delivering these important reforms to be ready to teach T Levels from September 2021.	
	Supporting the wider skills system	A skills system that can deliver local and national needs, now and in the future.	Towns should consider how they would engage with their Skills Advisory Panel, skills providers, strategic partners and DfE to develop the skills landscape. Towns may want to consider how they will contribute to analysis, planning and implementing change in order to ensure plans are fit for the future.
	Opportunity Areas (OAs)  <a href="https://www.gov.uk/government/news/18m-extension-to-opportunity-area-programme">https://www.gov.uk/government/news/18m-extension-to-opportunity-area-programme</a>	<p>The OA programme is working to improve educational outcomes and raise social mobility in 12 of the most deprived areas of the country. It is currently funded up to August 2021.</p> <p>Interventions cover every life stage from pre-school to post-19. They include:</p> <ul style="list-style-type: none"> <li>• work in nurseries and pre-school settings to improve language, literacy and school readiness;</li> <li>• a wide range of school improvement programmes, including CPD for teachers, subject-specific programme like Maths Mastery, and training for senior leaders;</li> <li>• work to improve careers advice, information and guidance, with a focus on engaging local employers;</li> <li>• work to improve FE provision in the area, and to help more pupils from deprived backgrounds to go on to HE.</li> </ul>	The 10 towns which are also OAs (or in OAs) should (a) engage with the local OA partnership board when developing their Town Investment Plans; (b) consider whether Towns Fund projects might support the OA objectives – particularly where those relate to FE, HE, skills or employability; and (c) consider how local businesses benefitting from Towns Fund investment can be encouraged to engage more fully in the local community by – for example – providing careers advice for schools, work experience placements, and apprenticeships.
	Opportunity North East	Through Opportunity North East (ONE) DfE is investing up to £24 million to improve	The towns from the North East include Bishop Auckland, Blyth, Darlington, Hartlepool, Middlesbrough, Redcar and Thornaby.

	<p><a href="https://www.gov.uk/government/publications/opportunity-north-east-delivery-plan">https://www.gov.uk/government/publications/opportunity-north-east-delivery-plan</a></p>	<p>educational and employment outcomes and boost the aspirations of young people in the North East. £12 million of the investment is targeted toward our five challenges, and up to £12 million of the investment will fund the advance roll out of reforms to the early career framework for teachers.</p> <p>Established in October 2018, the three-year programme (funded until 2022) will address 5 specific challenges for why the NE appears to perform worse than other regions across a range of education measures at KS4 and beyond.</p> <ul style="list-style-type: none"> <li>• Too few children continue to progress well into secondary school (Transitions)</li> <li>• To unlock the potential of key secondary schools in the North East (One Vision)</li> <li>• Some secondary schools struggle to recruit and retain good teachers (Teacher workforce)</li> <li>• Too few young people find a pathway to a great career (Careers)</li> <li>• Too few young people progress to higher education, and particularly the country's most selective institutions (Higher Education)</li> </ul>	<p>When developing Town Investment Plans if it involves schools, careers or higher education then please engage with the Opportunity North East team.</p> <p>Local businesses benefitting from Towns Fund investment can be encouraged to engage locally by providing careers advice for schools, work experience placements, and apprenticeships.</p>
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	<p>Institutes of Technology (IoTS)</p>	<p>IoTs are collaborations between employers, further education colleges and universities connecting high-quality teaching in science, technology, engineering and maths to business and industry and delivering provision tailored to local skills needs. They are being set up to address shortages of key STEM skills at higher technical levels that constrain growth across England. Employers play a key role in an IoT's governance, leadership as well as the design and delivery of the curriculum.</p> <p>The first 12 IoTs were set up through an open competition and are now coming on stream. The government confirmed at budget that it will increase the number of IoTs from 12 to 20 to address these gaps through a second competition. The prospectus for the Wave Two Competition was published on 19 February, with the Competition to formally launch later in the year.</p>	<p>Town Fund bids should consider existing Institutes of Technology in their Local Enterprise Area and the role that the IoT could play in supporting the successful delivery of parts of their Towns Fund proposal through skills training for local business and people. They might also wish to consider how investment through the Towns Fund could support the successful roll-out of Wave 1 IoTs.</p> <p>Where no IoT exists in a Local Enterprise Area, Towns Investment Plans should consider how a Wave 2 IoT bid could support their objectives in the Town Fund. For example, IoTs could play an important role in providing local towns with the skills businesses need to grow and develop. This could help town economies improve their productivity and growth and thus provide higher wage, higher skilled employment to more local people.</p>
<p><b>Department for Environment , Food and Rural Affairs (Defra)</b></p>	<p>25Year Environment Plan (25YEP) <a href="https://www.gov.uk/government/publications/25-year-">https://www.gov.uk/government/publications/25-year-</a></p>	<p>The government's 25 Year Environment Plan (25YEP), published in January 2018, makes major new commitments to connect people with the environment to improve health and wellbeing. The 25YEP sets out that spending time in the natural environment can improve mental health and feelings of wellbeing. It can reduce stress,</p>	<p>Towns should include any overlap with Environment Plan initiatives in their Town Investment Plan, and consider how best to align investment with wider plans to connect people with the environment.</p>

	<a href="#">environment-plan</a>	fatigue, anxiety and depression. It can help boost immune systems, encourage physical activity and may reduce the risk of chronic diseases. The Plan also commits to greening our towns and cities and making sure that there are high quality, accessible, natural spaces close to where people live and work, particularly in urban areas.	
	Flood and Coastal Erosion Risk Management (FCERM) Grant-in-Aid (GiA)  <a href="https://www.gov.uk/guidance/partnership-funding">https://www.gov.uk/guidance/partnership-funding</a>	This approach to funding flood and coastal erosion risk management projects shares the costs between national and local sources of funding, enabling greater ownership and choice on how communities are protected.  It also encourages more cost-effective solutions. Any project where the benefits are greater than the costs can qualify for a contribution from Flood and Coastal Erosion Risk Management (FCERM) Grant-in-Aid (GiA).	Towns which also seek to improve flood resilience may wish to access Grant-in-Aid partnership funding. Towns should flag this in their investment plans. Towns may be able to align this funding with towns fund monies, provided the proposed plans contribute directly to economic growth. We welcome a conversation with any towns considering this.
<b>Department for International Trade</b>	International Trade Advisers (ITAs) and associated activity	DIT's network of International Trade Advisers provide dedicated advice and support to SMEs across England to help them begin their export journey or expand to new markets. They work closely with local partnerships and business support bodies such as Chambers of Commerce and Growth Hubs. They are able to refer businesses to other DIT support, such as the Tradeshow Access Programme (TAP) and UK Export Finance.	Towns should consider where best to access DIT's network of trade advisors and assistance.

	Capital Investment (CI) - Project Promotion & UK regional investment Portfolios	DIT's Capital Investment Team (CI) has a network of specialists across the UK who are experienced built environment advisors working with LA's and LEPs. Through this team working with DIT's Investor Relations Team, CI are able to advise on potential investment from international markets and particular sovereign wealth, pension and other institutional funding mechanisms. This is set out in this guide produced with the LGA in 2019 <a href="https://www.local.gov.uk/lga-report-attracting-investment-local-infrastructure-guide-councils">https://www.local.gov.uk/lga-report-attracting-investment-local-infrastructure-guide-councils</a>	
	Foreign Direct Investment-Service Overview	The Department for International Trade is responsible for ensuring the UK remains a leading destination for inward investment. It delivers a range of services to help investors understand specific opportunities in specific places across the UK as well as navigate the processes involved in starting or growing their business in the UK.	There are opportunities to ensure that DIT teams are aware of any internationally competitive proposition offered by towns, to ensure they can be effectively presented to investors where appropriate.
	Foreign Direct Investment-High Potential Opportunities	<p>The High Potential Opportunities scheme aims to drive foreign direct investment into specific opportunities across the UK which would benefit from targeted promotion, with a particular focus on opportunities and places which are disadvantaged by a lack of market information.</p> <p>DIT works in collaboration with local partners and central government to identify High Potential Opportunities, develop compelling commercial</p>	<p>LEPs and investment promotion agencies across England, Scotland, Wales and Northern Ireland were invited to submit nominations for the second round of the High Potential Opportunities scheme by 17 April 2020. Nominations must include a clearly defined specific commercial opportunity, capable of attracting sustained investment. DIT aims to select up to 25 HPOs by June 2020.</p> <p>Towns may wish to flag any overlap in their investment plans.</p>

		propositions, and deploy DIT’s global network to promote them to international investors.	
<b>Department for Transport (DfT)</b>	The Restoring Your Railway (Beeching) Fund	<p>The Beeching Reversal Fund provides money to reinstate axed local rail services and restore closed stations. It has three components:</p> <ul style="list-style-type: none"> <li>• Ideas Fund: proposals to reinstate axed local services.</li> <li>• Accelerating Existing Proposals: the development of closed lines and stations which are already being considered for restoration.</li> <li>• Proposals for new and restored stations.</li> </ul> <p><a href="https://www.gov.uk/government/publications/re-opening-beeching-era-lines-and-stations">https://www.gov.uk/government/publications/re-opening-beeching-era-lines-and-stations</a></p> <p><a href="https://www.networkrail.co.uk/communities/passengers/station-improvements/new-stations-fund">https://www.networkrail.co.uk/communities/passengers/station-improvements/new-stations-fund</a></p>	<p>The Department for Transport has begun to consider bids from local areas interested in accessing funds for previously closed railways lines and stations as part of the Ideas Fund. These bids are being considered by the Beeching Assessment Panel; assessments are at an early stage. The third round of the New Stations Fund is also underway.</p> <p>Preliminary findings indicate that 29 towns selected for the Towns Fund have some overlap with proposals put forward for the Ideas Fund. This could be a new station in the town, or the reopening of a line that goes to, from, through, or indirectly serves the town.</p> <p>Towns should be aware where a Beeching Fund bid has been put forward, sponsored by the local MP. BEIS local teams can assist where this is not clear.</p> <p>As Beeching Fund bids are considered, there is scope for relevant towns to align their Town Investment Plans with the proposed Beeching plans. This could involve:</p> <ul style="list-style-type: none"> <li>• Increasing connectivity to and from a new station, or a station served by a reopened line/new service;</li> <li>• Focussing economic regeneration efforts on the areas surrounding new stations.</li> </ul>
	Transforming Cities Fund	The £2.5 billion Transforming Cities Fund aims to drive up productivity and spread prosperity	18 city regions are included within the TCF programme – 6 Mayoral Combined Authorities with devolved grants, and 12

		<p>through investment in public and sustainable transport in some of the largest English city regions. The Fund is focused on improving intra-urban (rather than inter-urban), making it quicker and easier for people to get around – and access better jobs. In this way, the Fund goes further than supporting just cities but helps their wider conurbation (suburbs, towns) gain improved access to the more productive employment in urban cores. The Fund also aims to address key priorities, including reducing carbon emissions, improving air quality, reducing congestion, unlocking housing, and encouraging innovation.</p> <p>As part of the National Productivity Investment Fund, the Transforming Cities Fund provide additional capital investment for productivity enhancing programmes. It also supports the Industrial Strategy, taking a place-centric approach to delivering investment in English city regions.</p> <p>The applications for the fund closed in 2018, but there is remains scope for overlap and alignment with Towns Fund investment.</p>	<p>shortlisted city regions which were selected in 2018 following a competitive process. Around half of the Fund (£1.08 billion) has been allocated to six Mayoral Combined Authorities (MCAs) on a per capita and devolved basis.</p> <p>For the other half of the Fund, £1.28bn of this has been allocated via a quasi-competitive process in two tranches. Tranche 1 saw an initial £60m announced at Spring Statement 2019 for 30 small local projects such as new bus service improvements, smart ticketing and new active travel routes to be delivered by the end of 2019-20.</p> <p>In Tranche 2, the remaining £1.22bn was allocated at Budget 2020 following a process of co-development in which DfT officials worked closely with the 12 cities to agree packages of investment instead of individual schemes, unlike a traditional bidding contest. (£117m of the £1.22bn has been held back to invest in Stoke-on-Trent, Norwich and Portsmouth subject to further business case approval.)</p> <p>Towns should indicate in their Investment Plans any overlap or planned alignment with the Transforming Cities fund.</p>
	Sustainable Travel Access Fund	The Sustainable Travel Access Fund was launched to encourage councils to offer sustainable transport initiatives which can improve access to jobs, skills, training and education.	<p>The overall total is £100 million.</p> <p>Sustainable Travel Transition year (2016/17)- £20 million  Access Fund (2017-20) - £60 million  Access Fund Extension(2020-21) - £20 million</p>



			<p>You can find the latest information about the current status of cycling and walking funds in the recently published report to Parliament:</p> <p><a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863723/cycling-and-walking-investment-strategy-report-to-parliament.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863723/cycling-and-walking-investment-strategy-report-to-parliament.pdf</a></p> <p>Towns should indicate any overlap in their Investment Plans.</p>
	£250 million Emergency active travel fund and £5 billion package for cycling and buses	£250 million emergency active travel fund will be released from a previously announced £5 billion package for cycling and buses to pay for 'pop-up bike lanes with protected space for cycling, wider pavements, safer junctions, and cycle and bus-only corridors. Funding received	
<b>Department for Work and Pensions</b>	ESF	The European Social Fund (ESF1420) programme in England is worth £3 billion over six years, and funds preparatory, additional and alternative employment and skills support to mainstream services for disadvantaged groups who face additional barriers and are furthest from the learning and labour market.	Towns may wish to flag any overlap in their investment plans.
	JobCentre Plus Network (including	Local presence with strong links to regional business, health care and training stakeholders.	Towns may should wish to consider utilising the JCP network in the development of their investment plans in order to avoid duplicating existing provision/plans.

	Contracted Employment	Key source of local labour market information.  Ideal link for design of joint services.	
<b>Ministry of Housing, Communities and Local Government</b>	Brownfield Housing Fund	<a href="#">MHCLG have launched a £400m fund to boost the supply of homes in local areas and bring under-utilised brownfield land in to use.</a>	<a href="#">Final decisions about the design including scope, structure, and accountability will be made in the coming months. Once the fund is launched, and if your town is eligible, we would expect any plans to set out very clearly how the town investment plan and BHF aligns.</a>
	Free Ports  <a href="https://www.gov.uk/government/consultations/freeports-consultation">https://www.gov.uk/government/consultations/freeports-consultation</a>	Free Ports have fewer customs restrictions than the rest of the UK, with the aim of promoting trade and investment.  HMG launched a consultation phase on free ports in February 2020. The deadline has been extended until 13 July 2020. Up to 10 Free Ports will be designated.  Decisions on the forward process for free ports will be made in the coming months.	To become a Free Port, a town must be a seaside or inland port, or have an airport. If they meet this criteria, towns will be free to apply to be a Free Port. If towns plan to apply for free port status, we advise they flag this in their TIP and set out how the freeport would form part of the wider economic strategy for the town.  This would likely only be a signalling exercise given timelines for free ports. Towns would have to demonstrate how being a free port would link to wider economic regeneration as part of the Towns Fund and ensure the two were aligned.
	New Development Corporation Competition  <a href="https://www.gov.uk/government/publications/new-development-corporation-">https://www.gov.uk/government/publications/new-development-corporation-</a>	MHCLG has £10 million available for up to 10 transformational housing and economic growth opportunities, focusing on regeneration, and are interested in speaking to areas that have innovative, bold and ambitious proposals. Funding will help them to explore delivery models that have been less commonly used in a contemporary context, such as development corporations.	Development Corporations could serve as a useful delivery model for Towns Fund projects. Towns may wish to consider this as part of their investment plan.

	<a href="#"><u>competition-guidance/new-development-corporation-competition</u></a>	The application process is currently open.	
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## Annex C: Town Investment Plan Stage 1 Review Detailed Evidence

This table provides more detail on the kinds of evidence we will look for in TIP at stage 1 (across sections 1 and 2)

Town Investment Plan Evidence		
Section	Criteria	Examples of evidence
1. Impact	1.1. Level of need.	<ul style="list-style-type: none"> <li>• Details of (un)employment, income levels, deprivation and wellbeing.</li> <li>• Low-level employment.</li> <li>• Details of town transport challenges (e.g. insufficient links to existing assets, congestion and air quality issues).</li> <li>• Town centre vacancy rate and footfall.</li> <li>• Business growth challenges.</li> <li>• Land and development challenges.</li> <li>• Skills shortage and low educational attainment.</li> <li>• Crime and anti-social behaviour.</li> </ul>
	1.2. Scale of opportunities.	<ul style="list-style-type: none"> <li>• Likely to benefit from capital funding towards: urban regeneration, planning and land use; skills and enterprise infrastructure; and connectivity.</li> <li>• Demonstration that project proposals address/ capitalise on the major challenges/opportunities in the town.</li> <li>• Details of local commercial/industrial demand.</li> <li>• Level of private-sector co-funding.</li> <li>• Evidence that the differential impacts of proposed interventions have been considered.</li> <li>• Potential impact e.g. jobs created, GVA increase.</li> </ul>
2. Strategy	2.1. Strength of vision, strategy and realism of economic narrative.	<ul style="list-style-type: none"> <li>• A compelling vision for the future that is built around the town's unique circumstances with alignment to the objectives of the fund.</li> <li>• A clear strategy, built on sound evidence and analysis, balancing realism and ambition, overcoming key challenges to address needs and harness opportunities</li> <li>• Clear use of local knowledge to produce an investment plan grounded in its context.</li> <li>• Clear indication that the vision is aligned with Covid-19 recovery and the clean growth principle.</li> </ul>

		<ul style="list-style-type: none"> <li>• An indication that the process followed to prioritise interventions has included an element of spatial analysis, with a clear explanation of how the strategy will benefit the town centre.</li> <li>• Reference to wider strategic plans including (but not limited to) housing, transport, local growth and the Local Industrial Strategies.</li> <li>• Evidence of learning from best practice i.e. TIP is clearly informed by sound knowledge of local growth investment, formed through a process of clear and rigorous prioritisation and backed by sophisticated analysis.</li> </ul>
	2.2. Coherence of TIP – strength of linkages and rationale between need/opportunity, vision, strengths and projects.	<ul style="list-style-type: none"> <li>• A clear rationale for the vision in its context.</li> <li>• Coherent set of proposals forming a broader strategy which clearly addresses the challenges identified in section 1.1. (e.g. local housing shortage and high rate of empty retail units that could be addressed by mixed-use developments).</li> <li>• Theories of Change developed for each project proposal, including a comprehensive set of inputs/resources, outputs and outcomes/impacts, setting out clearly the assumptions and external factors (context).</li> <li>• Wider strategy that is geared towards alleviating private-sector-investment bottlenecks and/or targeting the most disadvantaged groups.</li> </ul>
	2.3. Capacity and alignment of proposed projects with existing and ongoing initiatives and match funding.	<ul style="list-style-type: none"> <li>• Details of existing and planned work in the town and wider region and the links to the TIP strategy and proposals</li> <li>• Alignment with Covid recovery needs and plans</li> <li>• Demonstration of the additionality</li> <li>• Details of co-funding for intervention proposals.</li> <li>• Delivery capacity and accountability arrangements</li> </ul>
3. Partnerships	3.1. Strength of past and planned collaboration with local communities and civil society.	<ul style="list-style-type: none"> <li>• Level of past and ongoing engagement/consultation and evidence it has been acted upon</li> <li>• Evidence of buy-in, support and/or ownership of the top priorities in the TIP</li> </ul>

		<ul style="list-style-type: none"> <li>• Level of collaboration in the production of the TIP (e.g. joint projects).</li> <li>• Level of representation and institutional collaboration both in the production of the TIP and planned for the future.</li> </ul>
	<p>3.2 Strength of past and planned collaboration with the private sector.</p>	<ul style="list-style-type: none"> <li>• Level of past and ongoing engagement, consultation and collaboration with business in the town</li> <li>• Level of collaboration in the production of the TIP (e.g. joint projects) or otherwise demonstrable support for TIP priority areas</li> <li>• Level of representation and institutional collaboration both in the production of the TIP and planned for the future.</li> </ul>

## Annex D: Town Deal Board governance guidance

We expect the Town Deal Board to align with the governance standards and policies of the Lead Council including around whistle blowing, conflicts of interest, complaints, and compliance with the General Data Protection Regulation (GDPR).

### **Roles and Responsibilities**

It is important that there are clear roles and responsibilities for oversight of the Town Deal.

The Town Deal Board should have a document, published on the Lead Council's website, which clearly sets out the roles and responsibilities and the governance and decision making processes for the Town Deal Board. This should include:

- Remit of the Board including terms of reference
- Board membership and roles
- Chair/vice-chair term and responsibilities
- Board structure including sub-committees and reporting arrangements
- Accountable body arrangements

### **Code of Conduct & Conflicts of Interest**

All Town Deal Board members should sign up to a code of conduct based on the Seven Principles of Public Life (the Nolan Principles; see below). An example code of conduct can be provided to Town Deal Boards by the Town Hub named contact on request.

There should be clear processes in place for managing conflicts of interests (both commercial, actual, and potential) in decision making, and this must apply to all involved with the work of the Town Deal Board.

The Lead Council should provide guidance on the pecuniary and non-pecuniary interests individuals must declare, outline the process that Board members must follow for declaring interests and explain the process for requesting an exemption.

Town Deal Board members should then complete a declaration of interests which will then be held by the Lead Council. This can be in a format already used by the Lead Council or a template can be requested from the Towns Hub named contact.

All Board Members should take personal responsibility for declaring their interests before any decision is considered. The Lead Council must record action taken in response to any declared interest.

Additionally a register of gifts and/or hospitality provided to individual Town Deal Board members or the Town Deal Board as a whole should be maintained by the Lead Council.

## Transparency

In line with the principles of public life, it is important that there is transparency around the operation of the Town Deal Board. Transparent decision making is supported by the publication of information on the Lead Council's website and we expect the following standards to be applied:

- A documented decision-making process outlining the voting rights of the Board to be published
- Profiles of Board Members to be published
- All Board papers to be published on the Lead Council's website in advance of the meeting (within 5 clear working days)
- To promptly publish draft minutes of meetings on the Lead Council's website following the meeting (within 10 clear working days)
- To publish final minutes on the Lead Council's website, once approved by the Board (within 10 clear working days)
- Any conflicts of interest reported to be formally noted within the published minutes

It is important that the Town Deal Board abides by Lead Council governance and finance arrangements when considering private reports, with the default position being that all papers are open to the public

## Nolan Principles: The Seven Principles of Public Life

Through the Town Deal, the Town Deal Board will be responsible for oversight of a significant amount of public funding. As such, members of the Town Deal Board should fulfil their role as public-private partnerships whilst ensuring robust stewardship of public resources.

Members of the Town Deal Board and those supporting the activities of the Town Deal should adhere to the [Seven Principles of Public Life](#) (the Nolan Principles). The Lead Council will be responsible for ensuring that all Town Deal Board members understand these principles and how they apply:

- **Selflessness:** Holders of public office should act solely in terms of 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 in order 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;
- **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this;
- **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 so doing;
- **Honesty:** Holders of public office should be truthful; and
- **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.

## Annex E: Business Cases and Value for Money

This annex does not replace or supersede the official guidance, rather it is intended as an accessible summary. Full guidance from HM Treasury can be found here:

<https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

Towns must have a clear and transparent basis against which projects and programmes are initially identified, prioritised and appraised relative to a set of credible options, assessed for value for money, commissioned and then delivered. This should all be set out clearly in the Summary Document.

Any proportionate business case must cover all elements of HM Treasury's 5-case model:

1. **Strategic case** – must show the rationale, background, policy context and strategic fit of the public expenditure or public intervention;
2. **Economic case** – with evidence of why a privately provided solution would fall short of what is optimal (market failure) and a list of options to achieve a better outcome. “Do nothing” should always be an option. There is no one size fits all for how many options or what makes a good economic case: some need distributional analysis, others evidence of unmet demand for a service. The case must build on robust verifiable evidence, consider additionality, and displacement of activity, and include a sensitivity analysis and a correction for optimism bias if risk is a factor for success. Value for Money is ideally demonstrated in a credible Benefit Cost Ratio, but where some of the costs and/or benefits cannot be monetised at the present time, the economic case should proportionally capture these impacts and specify a partial Value for Money measure. Wider benefits/costs should be considered and specified where these are sizeable, compared with the direct impacts;
3. **Commercial case** – demonstrate commercial viability or contractual structure for the project, including procurement where applicable;
4. **Financial case** – standard appraisal of financial implications of the project, including where applicable budgets, cash flow, and contingencies;
5. **Management case** – of how the project is going to be delivered referring to the Green Book to verify if there are mandatory methodologies applicable to the investment.

In addition to the Green Book, other appraisal guidance should be followed for specific thematic interventions where available.

Towns must ensure that the commercial, financial and management arrangements are appropriate for effective delivery. Where applicable, appropriate resources should be consulted for situation specific project appraisals. To assist with this, Infrastructure UK (now part of the Infrastructure and Projects Authority) has produced a [Project Initiation Routemap Handbook](#) and associated modules which provide a framework to support public and private sector infrastructure providers improve the delivery of their projects and programmes. Towns may find this helpful when reviewing these aspects of business cases.

Towns must have robust processes in place that ensure all funding decisions are based on impartial advice, where possible. There must be clear distinction between those acting as scheme promoters and those appraising programmes and projects and advising decision makers, so that the town is acting on impartial advice on the merits of (potentially competing) business cases. Named individuals responsible for ensuring value for money as well as scrutiny and recommendations for business cases (not necessarily the same person) should ideally be independent of the promoting organisation or where this is impractical, should sit outside the management unit responsible for developing and promoting the business case.

## Torquay Town Board meeting

March 2020

**Report title:** Board Terms of Reference

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**Report theme:** Governance

**Author:** Alan Denby

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### Purpose of the report

The Town Board is responsible for overseeing the development of a town investment plan for Torquay following Government's invitation to bid for up to £25M of investment from the Towns Fund. This paper summarises for Board Members the intended decision making process that will shape how the Investment Plan is developed.

### Recommendations

Board members confirms the arrangements set out in this paper

### Background

The role of the Board and the detail of the opportunity was set out to Board members at the initial meeting of the Board in January 2020 and the prospectus that Government has asked places to work to can be seen here <https://www.gov.uk/government/publications/towns-fund-prospectus> the prospectus sets out the broad parameters of the unique opportunity that Torquay has and provides some context for the way in which Town Board's are expected to function.

The principle role of the Board is to be the vehicle through which the vision and strategy for the town is defined. It will produce a Town Investment Plan, which will be submitted to Government by Torbay Council, and inform the Town Deal, including the amount of investment secured through the Towns Fund.

- Develop and agree an evidenced based Town Investment Plan
- Develop a clear programme of interventions
- Coordinate resources and influence stakeholders

The prospectus sets out that although the Town Deal Board serves an advisory function to the Lead Council, all members are expected to adhere to the Nolan Principles, set out clear Terms of Reference, and agree to a Code of Conduct.

The Board is made up of voting members drawn from the local community in line with the requirements of the prospectus and non-voting members of the TDA programme team. While the expectation is that the Board will reach decisions by consensus where votes are required each voting member will have one vote with the Chairman having the casting vote in the event of a tie.

As guidance is developed the precise role of the Board will become better defined but its broad responsibility may include

- *Recommending* to the Council a prioritised Investment Plan of projects in support of the Board's defined objectives.
- *Recommend* to the Board a budget for investment programme administration costs.
- Approval of business cases for projects.
- Direct and advise the TDA programme team in their programme management role

### Terms of Reference

The main purpose of the Town Deal Board is to:

- Lead the development of the Town Investment Plan in line
- Make decisions on the investment plan and the prioritisation of projects in support of the Board's objectives
- Working with the Council to ensure that good governance standards are met
- Directing the LEP Management Team and Programme Management Office (PMO) who are the executive for programme management
- Receiving reports on financial progress, programme and outputs and preparing monitoring reports for government
- Commissioning research to create an evidence base to support project selection and prioritisation. Commissioning evaluation reports to measure programme and project effectiveness which will inform revisions to the SEP and Business Plan
- Keeping the Assurance Framework under review and adapting it to meet the requirements of new funding programmes

### Membership

Vince Flower (Chair, TDA),

Kevin Foster (Vice chair, MP),

Cllr Swithin Long (Torbay Council),

Kevin Mowat (Torbay Council, Director of Place),

Susie Colley (Torquay Chamber),

Jason Garside (Torbay Leisure Hotels),

Community Board representative

Laurence Frewin (South Devon College),

Mike Watson (Stagecoach)

Jim Parker (Torbay Together),

Carolyn Custerson (English Riviera Tourism BID),

Dr Andrew Robertson (Torbay Hi Tech Cluster)

Heidi Coombe (Heart of SW LEP).

A quorum is 6 voting members including the Chair or Vice Chair and a representative of the Council as lead authority. Each voting member has 1 vote and in the event of a tied vote Chair will have a casting vote.

#### Conflicts of interest

The Board will conduct itself in accordance with Nolan Principles of public life as set out <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>. Board members will also maintain an up to date register of interests.

#### Support and administration

The secretariat for the Board will be provided by TDA officers who will attend meetings but will not have a vote.



# Our Torbay

– now is the time



## Town Deal - Briefing

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Agenda Item 8  
Appendix 5



# Torquay Town Deal

- Torquay is the only place in Devon able to bid for Town Deal investment of up to £25M
- Linked to “levelling up” agenda nationally
- Covid challenges accelerating change
- Torbay Council is willing to use its powers and assets to support the transformation of Torquay including CPO, planning performance agreements & borrowing

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# Town Deal process



# Town Board - Role

- Key role is to agree evidence based town investment plan
- Board recommends investment plan to Council
- Ensure engagement of partners
- Private sector led

# Town Board - who

- Vince Flower – Chair
- Kevin Foster MP - vice chair
- Cllr Swithin Long – Torbay Council
- Laurence Frewin – SD College
- Jason Garside – Torbay Leisure Hotels
- Mike Watson - Stagecoach
- Andrew Robertson – Effect Photonics & Hi Tech Cluster
- Susie Colley – Torquay Chamber of Commerce
- Heidi Coombe – HoSW
- Jim Parker -Torbay Together
- Carolyn Custerson – ERTBID
- Kevin Mowat – Torbay Council
- Tracey Cabache – Torbay Community Development Trust

# “Shadow” Community Board

- Representatives from community partnerships
- Neighbourhood Forum
- Faith Groups
- Will nominate representative to join Town Board

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# Towns Fund

- Government objective – to drive economic regeneration & deliver long term productivity growth
  - Urban regeneration & land use; town centres, site acquisition, premises, cultural assets, remediation
  - Skills & Enterprise Infrastructure; space to support skills and business growth
    - Connectivity; transport & digital
- Capital focused, 10% revenue but eligible activity not clear

# Context

- Town Centre Masterplan
- Local Plan
- Neighbourhood Plan
- Broad alignment for town centre
  - retail relocating
  - encouraging more homes & commercial space
  - Leading to more residents and workers in the town centre
    - improved townscape, pedestrian flow and access;
    - Improve experience
- Covid.....
  - Economic impact forecast to be worse than 08/09 recession

# Town Fund - Opportunities

- Torquay Gateway (Edginswell)
  - Rail station
  - Employment space
- Torquay Town Centre
  - Likely focus for investment
  - Land assembly opportunities
  - Remediation & development leading to quality residential or commercial space
  - Public realm i.e. Strand
  - Smarter/digitally connected town centre
- Transport schemes tbc
- Employment space (Browns Bridge/Lymington Road)

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# Town centre sites



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Inner Harbour & Marina

Abbey Road

Market Street

Waterfront Only A Short Distance

Union Street & Temperance Street  
• Mixed use redevelopment

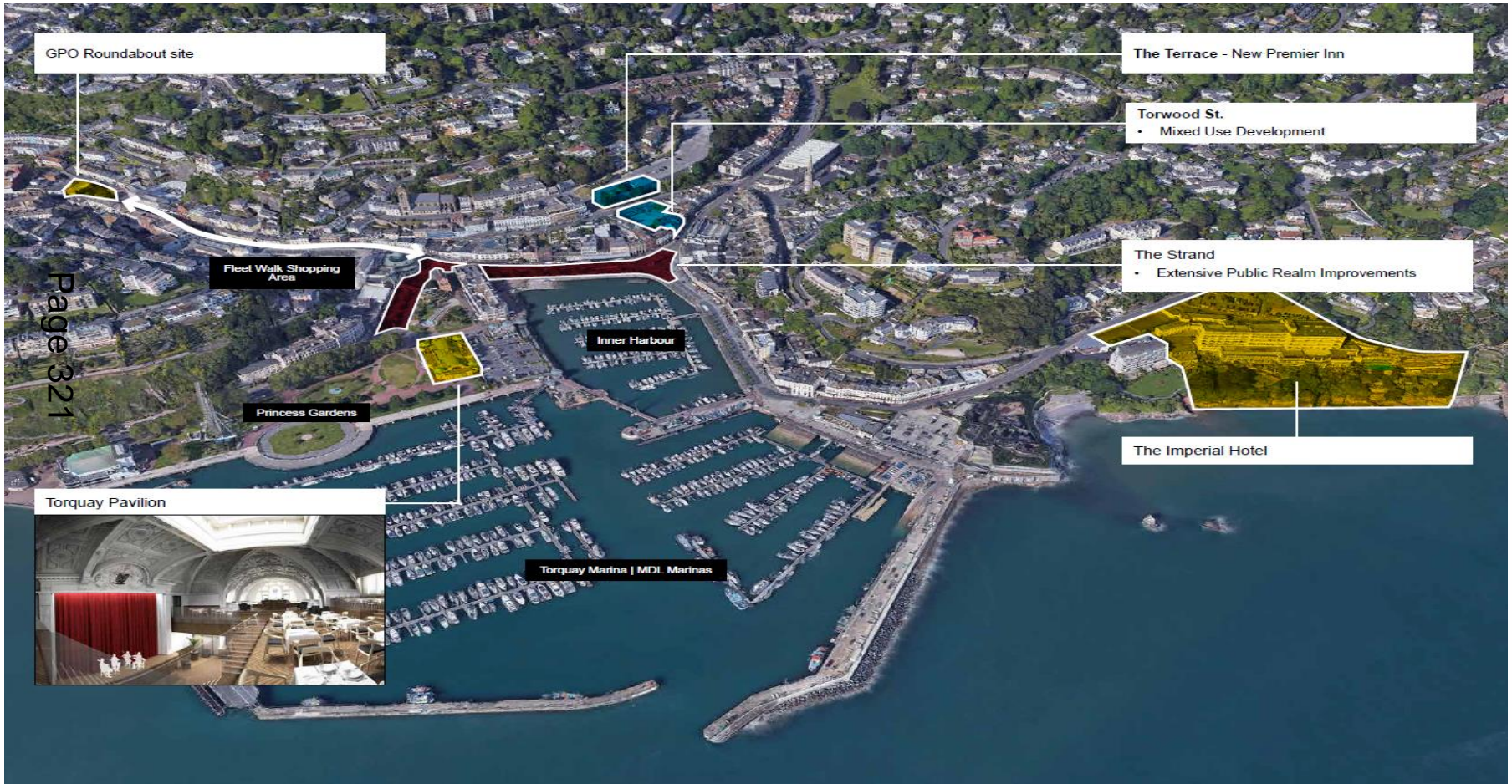
Market Street  
• Adjacent Indoor Market Forum

Torquay Townhall

Torquay Library



# Town centre sites



# Town Deal - more than just towns fund

- Investment plan is a “wrapper” so intend to make wider ask
  - Arts Council (Creative People & Places)
  - Visit England (Discover England Fund)
  - Dept Culture Media Sport (Cultural Destinations)
  - Dept Education (Opportunity Areas)
  - Cabinet Office (One Public Estate & government relocations)

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# Process

- 10<sup>th</sup> July draft investment plan to Town Board
- 14<sup>th</sup> July/16<sup>th</sup> July draft investment plan to Cabinet/Council
- 27<sup>th</sup> July final investment plan to Town Board
- TBC Council to agree and submit

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