Ministry of Housing,
Communities &
Local Government

Towns Fund guidance

© Crown copyright, 2020

Copyright in the typographical arrangement rests with the Crown.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence visit http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/

This document/publication is also available on our website at www.gov.uk/mhclg

If you have any enquiries regarding this document/publication, complete the form at http://forms.communities.gov.uk/ or write to us at:

Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: https://twitter.com/mhclg

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

Contents

1. Introduction ... 5
Town Deals and Covid-19 impacts ... 5
Towns Fund Process ... 7
2. Towns Fund purpose ... 9
3. What should be in a Town Deal? ... 10
Interventions in scope ... 10
Alignment with other initiatives and funding ... 13
Co-funding and match funding ... 14
4. Phase 1: Preparing a Town Investment Plan ... 16
Running a Town Deal Board ... 16
Community Engagement ... 19
Content of the Town Investment Plan ... 20
Submitting the Town Investment Plan ... 21
5. Decision Gateway One: Reviewing Town Investment Plans ... 24
Our consideration of Town Investment Plans ... 24
Project assessment ... 26
Heads of Terms ... 27
6. Phase 2: Developing detailed projects and business cases ... 29
Business case assurance ... 29
Producing and submitting a Town Deal Summary Document ... 30
7. Decision Gateway Two: funding release and implementation ... 33
Assessing detailed project submissions ... 33
Implementation ... 33
Monitoring and Evaluation of the Towns Fund ... 33
8. Support and next steps ... 36
The Towns Hub ... 36
Capacity support ... 36
Next steps ... 38
Glossary ... 39
Annex A: Intervention framework ... 41
Annex B: Potential government department interventions to align with the Towns Fund ... 46
Annex C: Town Investment Plan Stage 1 Review Detailed Evidence ... 59
Annex D: Town Deal Board governance guidance ... 62
Annex E: Business Cases and Value for Money ... 65

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.

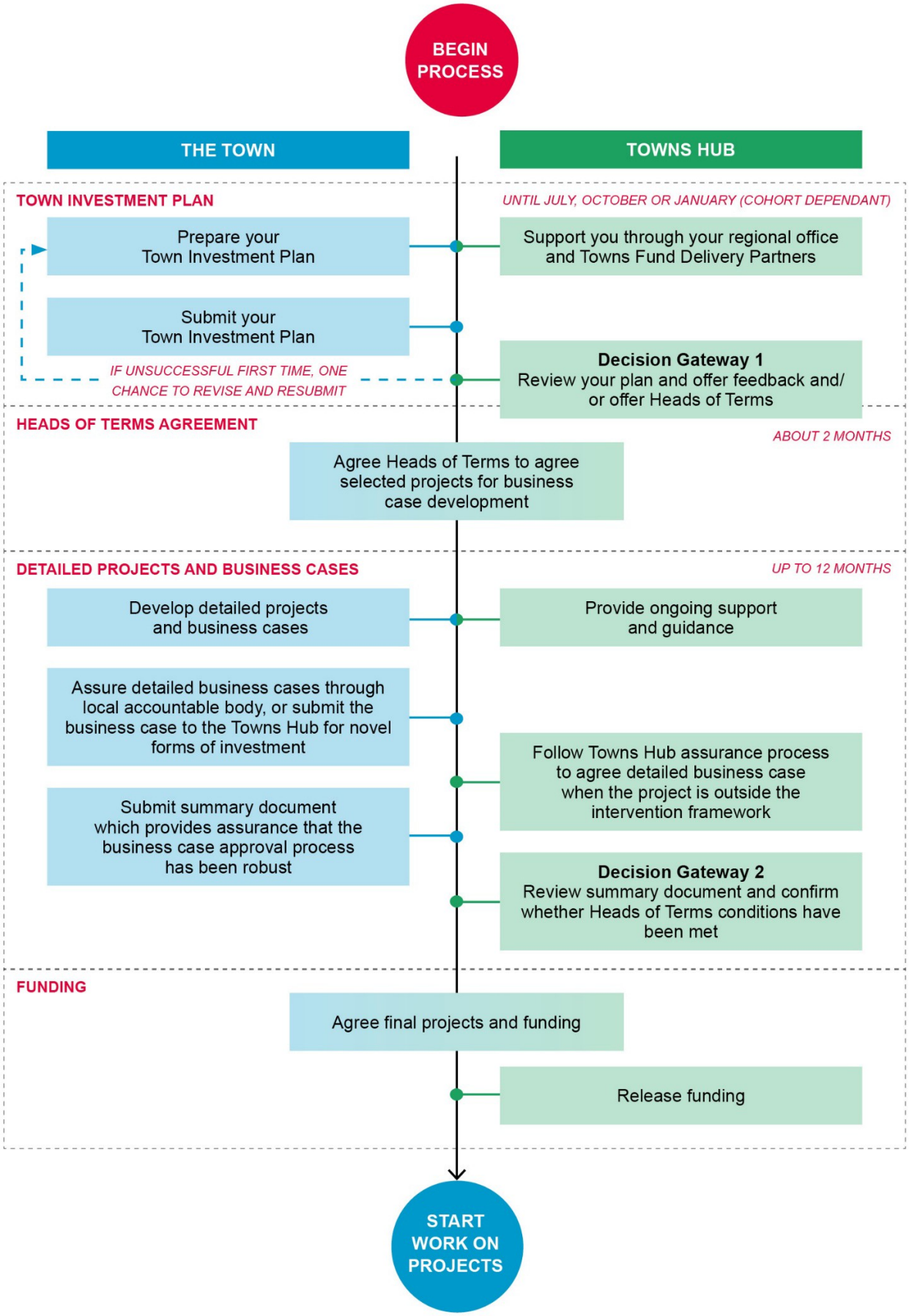
Towns Fund Process

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 to inform a Heads of Terms offer (given the submission is of 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 four cohorts, depending on when they will be ready: cohort 1, 2, 2a or 3.

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.


BEGIN PROCESS
THE TOWN
TOWNS HUB
TOWN INVESTMENT PLAN
UNTIL JULY, OCTOBER OR JANUARY (COHORT DEPENDANT)
Prepare your Town Investment Plan
Support you through your regional office and Towns Fund Delivery Partners
Submit your Town Investment Plan
IF UNSUCCESSFUL FIRST TIME, ONE CHANCE TO REVISE AND RESUBMIT
Decision Gateway 1
Review your plan and offer feedback and/ or offer Heads of Terms
HEADS OF TERMS AGREEMENT
ABOUT 2 MONTHS
Agree Heads of Terms to agree selected projects for business case development
DETAILED PROJECTS AND BUSINESS CASES
UP TO 12 MONTHS
Develop detailed projects and business cases
Provide ongoing support and guidance
Assure detailed business cases through local accountable body, or submit the business case to the Towns Hub for novel forms of investment
Follow Towns Hub assurance process to agree detailed business case when the project is outside the intervention framework
Submit summary document which provides assurance that the business case approval process has been robust
Decision Gateway 2
Review summary document and confirm whether Heads of Terms conditions have been met
FUNDING
Agree final projects and funding
Release funding
START WORK ON PROJECTS

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.

Intervention Theme	Outputs	Target Outcomes
Local transport	*Increase in the number of bus services; new or upgraded cycle and walking routes; new or upgraded road infrastructure; pedestrianised streets*	• Improved affordability, convenience, reliability, and sustainability of travel options to and from places of work • Improved affordability, convenience, reliability, and sustainability of travel options

		to and from places of interest (especially shops and amenities) • Reduced congestion within the town • Enhanced high street and town centre experience that prioritises the health, safety and mobility of pedestrians
Digital connectivity	*Provision of full fibre infrastructure with local authority as anchor tenant*	• Increased utilisation of digital channels, by businesses, to access and/or supply goods and services • Increased ability for individuals to work remotely/flexibly • Encouraging further investment from network operators
Urban regeneration, planning and land use	*Remediation and/or development of previously abandoned or dilapidated sites*	• Enhanced townscape that is more attractive and more accessible to residents, businesses and visitors
Arts, culture and heritage	*New or upgraded museums, theatres, community spaces, etc.*	• Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access
Skills infrastructure	*Increase in the capacity and accessibility to new or improved skills facilities*	• Increased share of young people and adults who have relevant skills for employment and entrepreneurship
Enterprise infrastructure	*Increase in the amount of high-quality and affordable commercial floorspace; increase in the number of shared workspaces or innovation facilities*	• Increased number of enterprises utilising high-quality, affordable and sustainable commercial spaces • Increased number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces

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 ofthe

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 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).

3.12 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.

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

3.14 In exceptional circumstances, an allocation of more that £25 million may be considered[1]. 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 .

3.15 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.

3.16 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.*

3.17 In practice, cost effective interventions might include:

- Investment in clean public transport
- 'Gateway' areas around train stations

[1] The maximum available is £50 million

- Other clean transport, including cycling infrastructure and electric vehicle charging points
- 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

3.18 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.

3.19 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 offunding and the range of projects which can be funded.

3.20 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.

3.21 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.

3.22 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

3.23 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.

3.24 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.

3.25 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

3.26 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.

3.27 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.

3.28 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 PublicSector 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**.

TIP Section 1	
Context analysis	• Map of agreed town boundary and other relevant context • The main challenges facing the town • Evidence of need, relevant to proposed projects • The town's assets and strengths

	• Key opportunities for the town
Strategy	• Town vision, and headline outcomes and/or targets for 2030 or beyond • 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. • Mapping of all strategies, partnerships, programmes and investments relevant to the vision and strategy, and how they will be aligned
Engagement and delivery	• 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 • Demonstration of commitments from private sector players, and ambitions for private-sector investment going forwards • High-level plan of business case development and appraisal for each project including the identification of the Accountable Body • High-level delivery plan with justification of deliverability
TIP Section 2	
Prioritised list of projects	Including the following for each project: • Project description, rationale and alignment with intervention framework • Theory of Change, projected outputs and outcomes • Estimates of project costs, timescales, spend profile, and estimated BCR • Funding secured from other sources, community and private sector involvement and major interdependencies

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 31st July 2020 for cohort 1, by 30th October 2020 for cohort 2, or by 29th January 2021 for cohort 3.**

4.27.1 On 12th October, we confirmed an additional cohort, cohort 2a, with a TIP submission deadline of 11th December 2020. We have asked places to confirm by 23rd October 2020 if they would like to come forward in this new cohort. The timings for the existing cohorts remain the same.

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)

Review of the Town Investment Plan		
Standard	**Criterion**	**Evidence**
Impact	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

Strategy	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.
Partnerships	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 towns 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 modal 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

© CJGriffiths Photography

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

7.5 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.

7.6 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

7.7 A condition of receiving Towns Fund funding will be providing regular feedback on progress, to allow for monitoring and evaluation of projects.

7.8 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.

7.9 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

7.10 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.

7.11 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

7.12 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.

7.13 Support will be provided by the Towns Hub for monitoring and evaluation, including:

- 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 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 withthe aim that every town is able to submit a high -quality proposal for funding of upto £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 ifnecessary.
- 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
• Visioning & strategy • Regeneration, place design and built environment • Project prioritisation and feasibility • Local community engagement, consulting and stakeholder management • Learning, public sector development and transformation • Financial strategy and investment • Planning, social impact and public sector equalities analysis • Environmental monitoring and impact analysis • Digital services	• Transport and connectivity • Climate change • Social Value • Sustainable energy • Water and flood management • Local infrastructure • Youth and child friendly places • Public realm • Health and wellbeing • Crime and security • Innovation and digital • Housing, homelessness and repurposing buildings • Heritage • Creative, arts, culture and tourism • Education and skills • Fire

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.

8.15.1 In July towns confirmed which cohort they would like to come forward in. Following the announcement of a new cohort 2a, we are asking places to confirm by 23 October if they would like to come forward in cohort 2a instead.

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 1st 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.

	Outputs	**Alignment**	**Outcomes**	**Outcome indicators**
Local transport	• New, revived, or upgraded train and tram lines and stations • New or upgraded road infrastructure • More frequent bus services or infrastructure upgrades e.g. digital bus shelters	• Beeching reversals and fund for rail improvements • Local Transport Plans • Transforming Cities Fund projects • Policies on low carbon and air quality • Local Industrial Strategy	• Improved affordability, convenience, reliability, and sustainability of travel options to and from places of work • Improved affordability, convenience, reliability, and sustainability of travel options to and	• Average time taken to travel to work by usual method of travel • Commuter flows • Number of trips by purpose and main mode • Vehicle flow

	Outputs	Alignment	Outcomes	Outcome indicators
	with Real Time information. • New or upgraded cycle or walking paths. • Wider cycling infrastructure such as cycle parking.	• Transforming Cities Fund projects • National transport plans and associated strategies e.g. HS2 growth plans • £250 million emergency active travel fund • Local Growth Fund	from places of interest (especially shops and amenities) • Reduced congestion within the town • Enhanced high street and town centre experience that prioritises the health, safety and mobility of pedestrians	
Digital connectivity	• Provision of specialist digital technologies to meet the needs of specific sectors • 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	• 5G testbeds and trials • Local Full Fibre Networks Programme • Industrial Strategy Challenge Fund	• Increased utilisation of digital channels, by businesses, to access and/or supply goods and services • Increased ability for individuals to work remotely/flexibly	• Internet access and usage by businesses • Perceptions of the place by businesses • 5G coverage • Number of people who work remotely at least some of the time • Broadband speeds
Urban regeneration, planning and land use	• Remediation and/or development of abandoned or dilapidated sites	• Future High Streets Fund projects or other relevant government regeneration schemes	• Enhanced townscape that is more attractive and more accessible to	• Perceptions of the place by residents/businesses/visitors • Land values

	Outputs	Alignment	Outcomes	Outcome indicators
	• Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites) • Delivery of new public spaces	• Local Industrial Strategy • High Streets Heritage Action Zones via Historic England, Transforming Places Through Heritage via the Architectural Heritage Fund • Youth Investment Fund • Local Growth Fund	residents, businesses and visitors	
Arts, culture and heritage	• 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 • New, upgraded or protected community hubs, spaces or assets, where this links to local inclusive growth	• Discover England Fund • High Streets Heritage Action Zones via Historic England, Transforming Places Through Heritage via the Architectural Heritage Fund • Cultural Development Fund • Arts Council National Lottery Project Grants • Arts Council Creative People and Places • Local Growth Fund • Coastal Community Fund • Coastal Revival Fund	• Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access	• Number of visitors to arts, cultural and heritage events and venues • Perceptions of the place by residents/visitors

	Outputs	Alignment	Outcomes	Outcome indicators
Skills infrastructure	• Increase in capacity and accessibility to new or improved skills facilities • Availability of new specialist equipment • Increased and closer collaboration with employers • Increase in the breadth of the local skills offer that responds to local skills needs • Increased benefit for the public education over the long term	• Local skills plans. • Skills Advisory Panels • Further Education Capital fund *(details to be confirmed)* • T Level Capital Fund • Local Growth Fund • The Adult Education Budget (devolved to MCAs/delegated to GLAs) • National Careers Service • Where appropriate, Opportunity Areas and Opportunity North East • Local Digital Skills Partnerships • JCP Network (including the flexible support fund) • ESF investment • Youth Investment Fund • Cultural Development Fund • Civic University Agreements • National DfE policies including T-levels,	• Increased share of young people and adults who have relevant skills for employment and entrepreneurship	• Number of new learners assisted • % of learners gaining relevant experience/being 'job ready' (as assessed by employers) • % of working-age population with qualifications

	Outputs	Alignment	Outcomes	Outcome indicators
		apprenticeships, and Institutes of Technology		
Enterprise infrastructure	• Increase in the amount (and diversity) of high-quality, affordable commercial floor space • Increase in the amount of shared workspace or innovation facilities • Other schemes to support enterprise and business productivity and growth • Programmes of grants to local SMEs or employers in key sectors	• Local Industrial Strategy • DIT international trade advisors and associated activity • DIT Capital Investment work • DIT Export Strategy • DIT Foreign Direct Investment support • Enterprise zones, business improvement districts etc	• Increased number of enterprises utilising high quality, affordable and sustainable commercial spaces • Increased number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces	• Business counts • Number of enterprises utilising high quality, affordable and sustainable commercial spaces • Number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces • Business births, deaths and survival rates

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**
Cabinet Office	One Public Estate https://www.local.gov.uk/topics/housing-and-planning/one-public-estate/about-one-public-estate	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.
Department for Digital, Culture, Media and Sport (DCMS)	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	**Arts Council National Lottery Project Grants** – 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.

		Creative People and Places - 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.	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. Eligible places - https://www.artscouncil.org.uk/creative-people-and-places/creative-people-and-places-2020-24 Existing beneficiaries - https://www.artscouncil.org.uk/creative-people-and-places/cpp-current-projects
	Historic England	**High Streets Heritage Action Zones** – 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: https://historicengland.org.uk/services-skills/heritage-action-zones/regenerating-historic-high-streets/	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. In other towns, each Conservation Area is likely to have a Council-approved appraisal document including priorities for enhancement.
	5G Testbeds and Trials https://www.gov.uk/government/collections/5g-testbeds-and-trials-programme	The Programme is working to deliver the following objectives: • Accelerate the deployment of 5G networks and ensure the UK can take early advantage of the applications those networks can enable. • Maximise the productivity and efficiency benefits to the UK from 5G.	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. 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.

		• 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.	
Department for Education	FE Capital	The fund was announced in the Budget on 11th March 2020. The government will provide £1.5 billion over five years (£1.8 billion inclusive of indicative Barnett consequentials), 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.	The fund is currently being developed. The first year of funding is 2021/2022.
	T Level Capital https://www.gov.uk/government/publications/t-levels-capital-fund	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. 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). The T Levels Capital Fund (TLCF) will continue to help those further education providers at the	Applicants for BFIG are expected to provide a minimum funding contribution equivalent to 50% of the project value from own or third party resources. 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.

		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) https://www.gov.uk/government/news/18m-extension-to-opportunity-area-programme	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. Interventions cover every life stage from pre-school to post-19. They include: • work in nurseries and pre-school settings to improve language, literacy and school readiness; • a wide range of school improvement programmes, including CPD for teachers, subject-specific programme like Maths Mastery, and training for senior leaders; • work to improve careers advice, information and guidance, with a focus on engaging local employers; • work to improve FE provision in the area, and to help more pupils from deprived backgrounds to go on to HE.	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.

	https://www.gov.uk/government/publications/opportunity-north-east-delivery-plan	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. 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. • Too few children continue to progress well into secondary school (Transitions) • To unlock the potential of key secondary schools in the North East (One Vision) • Some secondary schools struggle to recruit and retain good teachers (Teacher workforce) • Too few young people find a pathway to a great career (Careers) • Too few young people progress to higher education, and particularly the country's most selective institutions (Higher Education)	When developing Town Investment Plans if it involves schools, careers or higher education then please engage with the Opportunity North East team. Local businesses benefitting from Towns Fund investment can be encouraged to engage locally by providing careers advice for schools, work experience placements, and apprenticeships.

	Institutes of Technology (IoTS)	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. 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.	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. 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.
Department for Environment, Food and Rural Affairs (Defra)	25Year Environment Plan (25YEP) https://www.gov.uk/government/publications/25-year-	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,	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.

	environment-plan	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) https://www.gov.uk/guidance/partnership-funding	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.
Department for International Trade	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 https://www.local.gov.uk/lga-report-attracting-investment-local-infrastructure-guide-councils	
	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	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. DIT works in collaboration with local partners and central government to identify High Potential Opportunities, develop compelling commercial	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. Towns may wish to flag any overlap in their investment plans.

		propositions, and deploy DIT's global network to promote them to international investors.	
Department for Transport (DfT)	The Restoring Your Railway (Beeching) Fund	The Beeching Reversal Fund provides money to reinstate axed local rail services and restore closed stations. It has three components: • Ideas Fund: proposals to reinstate axed local services. • Accelerating Existing Proposals: the development of closed lines and stations which are already being considered for restoration. • Proposals for new and restored stations. https://www.gov.uk/government/publications/re-opening-beeching-era-lines-and-stations https://www.networkrail.co.uk/communities/passengers/station-improvements/new-stations-fund	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. 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. 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. 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: • Increasing connectivity to and from a new station, or a station served by a reopened line/new service; • Focussing economic regeneration efforts on the areas surrounding new stations.
	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

		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. 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. The applications for the fund closed in 2018, but there is remains scope for overlap and alignment with Towns Fund investment.	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. 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. 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.) Towns should indicate in their Investment Plans any overlap or planned alignment with the Transforming Cities fund.
	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.	The overall total is £100 million. Sustainable Travel Transition year (2016/17)- £20 million Access Fund (2017-20) - £60 million Access Fund Extension(2020-21) - £20 million

			You can find the latest information about the current status of cycling and walking funds in the recently published report to Parliament: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863723/cycling-and-walking-investment-strategy-report-to-parliament.pdf Towns should indicate any overlap in their Investment Plans.
	£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	
Department for Work and Pensions	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.	
Ministry of Housing, Communities and Local Government	Brownfield Housing Fund	MHCLG have launched a £400m fund to boost the supply of homes in local areas and bring under-utilised brownfield land in to use.	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.
	Free Ports https://www.gov.uk/government/consultations/freeports-consultation	Freeports have three objectives: establish hubs for global trade and investment, promote regeneration and job creation, and create hotbeds for innovation. Government launched a consultation on Freeports in February 2020. The deadline has been extended until 13 July 2020. Up to 10 Freeports will be designated. Specific locations will be chosen in due course according to a fair, transparent and robust allocation process.	If towns would like to be considered as part of a Freeport, we advise they flag this in their TIP and set out how they think the measures proposed in the consultation could support the wider economic strategy for the town.
	New Development Corporation Competition https://www.gov.uk/govern	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	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.

	ment/publications/new-development-corporation-competition-guidance/new-development-corporation-competition	contemporary context, such as development corporations. The application process is currently open.	
	Single Housing Infrastructure Fund (SHIF)	Government is committed to introducing a new Single Housing Infrastructure Fund (SHIF) to provide the infrastructure needed to support new homes. At Budget 2020, the government confirmed it will launch SHIF at the forthcoming Comprehensive Spending Review.	

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.	• Details of (un)employment, income levels, deprivation and wellbeing. • Low-level employment. • Details of town transport challenges (e.g. insufficient links to existing assets, congestion and air quality issues). • Town centre vacancy rate and footfall. • Business growth challenges. • Land and development challenges. • Skills shortage and low educational attainment. • Crime and anti-social behaviour.
	1.2. Scale of opportunities.	• Likely to benefit from capital funding towards: urban regeneration, planning and land use; skills and enterprise infrastructure; and connectivity. • Demonstration that project proposals address/ capitalise on the major challenges/opportunities in the town. • Details of local commercial/industrial demand. • Level of private-sector co-funding. • Evidence that the differential impacts of proposed interventions have been considered. • Potential impact e.g. jobs created, GVA increase.
2. Strategy	2.1. Strength of vision, strategy and realism of economic narrative.	• A compelling vision for the future that is built around the town's unique circumstances with alignment to the objectives of the fund. • A clear strategy, built on sound evidence and analysis, balancing realism and ambition, overcoming key challenges to address needs and harness opportunities • Clear use of local knowledge to produce an investment plan grounded in its context. • Clear indication that the vision is aligned with Covid-19 recovery and the clean growth principle.

		• 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. • Reference to wider strategic plans including (but not limited to) housing, transport, local growth and the Local Industrial Strategies. • 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.
	2.2. Coherence of TIP – strength of linkages and rationale between need/opportunity, vision, strengths and projects.	• A clear rationale for the vision in its context. • 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). • 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). • Wider strategy that is geared towards alleviating private-sector-investment bottlenecks and/or targeting the most disadvantaged groups.
	2.3. Capacity and alignment of proposed projects with existing and ongoing initiatives and match funding.	• Details of existing and planned work in the town and wider region and the links to the TIP strategy and proposals • Alignment with Covid recovery needs and plans • Demonstration of the additionality • Details of co-funding for intervention proposals. • Delivery capacity and accountability arrangements
3. Partnerships	3.1. Strength of past and planned collaboration with local communities and civil society.	• Level of past and ongoing engagement/consultation and evidence it has been acted upon • Evidence of buy-in, support and/or ownership of the top priorities in the TIP

		• Level of collaboration in the production of the TIP (e.g. joint projects). • Level of representation and institutional collaboration both in the production of the TIP and planned for the future.
	3.2 Strength of past and planned collaboration with the private sector.	• Level of past and ongoing engagement, consultation and collaboration with business in the town • Level of collaboration in the production of the TIP (e.g. joint projects) or otherwise demonstrable support for TIP priority areas • Level of representation and institutional collaboration both in the production of the TIP and planned for the future.

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 ofthe 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 ofthe 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 bythe 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-governent

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.