

## **Towns Fund – Summary of Supplementary Guidance to the Prospectus**

### **1. Introduction**

In June 2020, government issued a 66 page supplementary guidance to the original Towns Fund prospectus. This summary provides details of significant additions or changes to the prospectus.

### **2. Town Deals and Covid-19 impacts**

The focus of the Towns Fund has not changed, nor has the type of interventions supported. However, all Town Investment Plans (TIPs) should now outline how Covid-19 is affecting their local economy and how this is reflected in their strategy and project prioritisation. It is considered a priority that the impact of Covid-19 forms part of the evidence base and subsequent decision making process. However, short terms measures to mitigate its impact will not be supported.

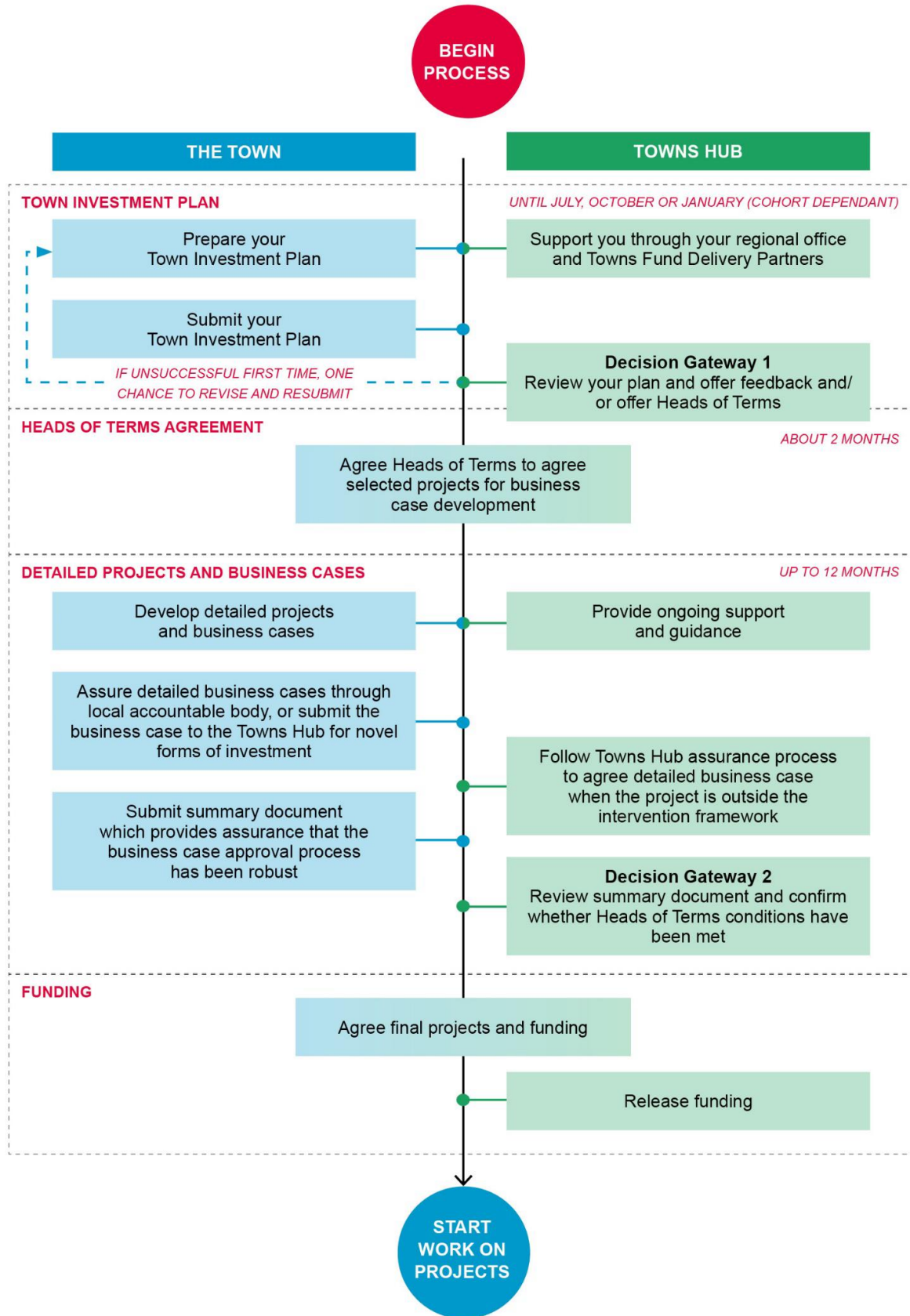
The TIP should also:

- Include a wider spatial strategy, setting out why targeted areas have been chosen
- Flag whether the Town Deal will form part of NEDDC's recovery plan
- What is being done to support other areas of the town and how this will support the town centre
- Government expect to see the TIP set out a number of scenarios and display flexibility to evolve to evolving contexts, rather than large and risky investments

### **3. Towns Hub**

The Towns Hub was established to provide additional support to locations when preparing their TIP. The Towns Hub is now more central to the decision making process, and as such it is important that NEDDC and the Board develop a relationship with their appointed contact. Officers have spoken with NEDDC's appointed contact, and have issued an invitation to future Board meetings, and have offered to arrange a walking tour of Clay Cross.

Once the Clay Cross Investment Plan is completed, it will be submitted to the Towns Hub for appraisal. The chart below sets this out.



Based on the current programme, the Clay Cross Investment Plan would be submitted as part of the second cohort, between the 31<sup>st</sup> July and 31<sup>st</sup> October.

#### 4. Investment Plan Structure & Content

The fundamental aim of the Towns Fund is to **‘drive the sustainable regeneration of towns to deliver long term economic and productivity growth’**

To address social challenges, it is suggested that the TIP focus on inclusive growth. All projects and priorities proposed should be guided by economic, environmental and social sustainability. Clean growth is a core principle of the Towns Fund.

#### 5. The Town Deal

The Town Deal is an agreement between government, NEDDC, and the Town Board and will cover a period of five years.

Each location has been invited to bid for up to £25m, although more than £25m (maximum £50m) will be considered for ‘exceptional cases’. It is not a competitive process, locations will be appraised on their own merit, and will not be pitched against each other.

The £3.6bn fund is 90% capital. The table below shows the outcomes by theme that towns should be targeting through interventions:

Intervention Theme	Outputs	Target Outcomes
<b>Local transport</b>	<i>Increase in the number of bus services; new or upgraded cycle and walking routes; new or upgraded road infrastructure; pedestrianised streets</i>	<ul style="list-style-type: none"> <li>• Improved affordability, convenience, reliability, and sustainability of travel options to and from places of work</li> <li>• Improved affordability, convenience, reliability, and sustainability of travel options to and from places of interest (especially shops and amenities)</li> </ul>
<b>Digital connectivity</b>	<i>Provision of full fibre infrastructure with local authority as anchor tenant</i>	<p>Increased utilisation of digital channels, by businesses, to access and/or supply goods and services</p> <ul style="list-style-type: none"> <li>• Increased ability for individuals to work remotely/flexibly</li> </ul>

		<ul style="list-style-type: none"> <li>• Encouraging further investment from network operators</li> </ul>
<b>Urban regeneration, planning and land use</b>	<i>Remediation and/or development of previously abandoned or dilapidated sites</i>	Enhanced townscape that is more attractive and more accessible to residents, businesses and visitors
<b>Arts, culture and heritage</b>	<i>New or upgraded museums, theatres, community spaces, etc.</i>	Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access
<b>Skills infrastructure</b>	<i>Increase in the capacity and accessibility to new or improved skills facilities</i>	Increased share of young people and adults who have relevant skills for employment and entrepreneurship
<b>Enterprise infrastructure</b>	<i>Increase in the amount of high-quality and affordable commercial floorspace; increase in the number of shared workspaces or innovation facilities</i>	<p>Increased number of enterprises utilising high-quality, affordable and sustainable commercial spaces</p> <ul style="list-style-type: none"> <li>• Increased number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces</li> </ul>

A full intervention framework is included with the guidance.

A well evidenced 'Theory of Change' will be required to demonstrate how interventions proposed will lead to agreed outcomes. Further guidance on 'Theory of Change' is provided, and will be consulted during the evolution of the TIP.

The focus on clean growth is reinforced with examples of type of projects that would be supported. A number of these examples are closely aligned to the themes emerging for the Clay Cross Investment Plan, for example:

- Investment in clean transport
- Low carbon buildings
- Clean heat and power generation
- Development of skills to support clean growth industries

## 6. Match Funding and Co-funding

It is expected that the TIP should set out where it plans to align Towns Fund money with other public and private sector investment. A list of government funding that aligns with the Towns Fund is included in the full guidance, and includes the One Public Estate programme, of which Clay Cross is part of.

No minimum level of match funding has been set.

The TIP needs to illustrate that investment opportunities have been fully explored and that towns have sought to initiate dialogue with potential investors as early as possible. The level of buy-in secured from a range of private sector players, either recently or in previous years, needs to be demonstrated.

## **7. Preparing the Investment Plan**

The TIP should be:

- Co-designed with local business and communities
- Evidence based, long-term, and strategic
- Set the direction for economic turnaround over ten years, incorporating Covid-19 recovery
- Be published on NEDDC's web-site

## **8. The Town Deal Board**

The guidance reinforces the roles and responsibilities of the Clay Cross Town Board:

- To produce the TIP and to oversee compliance with the Heads of Terms (HoTs) agreement
- To demonstrate a shared vision with other place based initiatives in their town
- To operate transparently and reflect the diversity of their town
- To embed the TIP in Local Plans
- Develop detailed business cases

NEDDC, in addition to adhering to the expected standards of transparency and governance, will:

- Develop a delivery team, delivery arrangements and agreements
- Develop agreed projects and undertake feasibility studies
- Liaise with private sector investors
- Sign the Heads of Terms
- Monitor and evaluate projects
- Submit regular monitoring reports to the Town Hub
- Receive and account for the town's funding

## **9. Community Engagement**

Early engagement with the local communities should take place to ensure that interventions proposed have their support. Where possible, communities will help shape ideas, rather than comment on those already formed. The TIP must demonstrate the level of support and community buy-in.

The Town Board is encouraged to be innovative when engaging with local communities, particularly given the difficulties presented by Covid-19.

The level and quality of current and ongoing engagement will be a key consideration when agreeing a Town Deal. As such, every TIP will include a **Stakeholder Engagement Plan** that will demonstrate how effective and comprehensive the consultation exercise has been.

## **10. Structure of the Town Investment Plan**

The Investment Plan will be in two parts:

- Section 1: Context, strategy, and process planning
- Section 2: Detailed project proposals

The templates for both sections will be provided directly from the Towns Hub. The TIP should identify 'shovel ready' projects to allow funding for these to be released earlier.

## **11. Reviewing TIPs: Decision Gateway 1**

TIPs will be reviewed in two stages. First stage will be a review against criteria under the themes of Impact, Strategy and Partnerships. If the review is satisfactory, the second stage will involve a more detailed examination of the individual projects in Section 2 of the TIP. If the review is unsatisfactory, feedback will be given, and there will be one more opportunity to submit the TIP.

## **12. Project Assessment**

Following the two stage review where the TIP is of the required standard, a decision will be taken on a funding offer: the final decision rests with ministers.

At this stage, full business case development is not required. However, towns will be expected to set out how the business cases will be developed and appraised. If business cases have been developed to some extent, this should be made clear.

The Towns Hub will consider individual projects in turn, and may:

- Recommend unconditional agreement to develop into a full business case
- Recommend in-principle agreement with conditions
- Recommend ministers not to agree to an unviable project

The appraisal of individual projects will need to consider:

- Alignment with the intervention framework in the guidance
- Presentation of evidence
- Benefit to cost ratio (BCR)
- Technical quality

- Outputs and outcomes
- Potential match leverage

### **13. Heads of Terms**

The HoTs will take the form of a Memorandum of Understanding, signed by the Chair of the Board, NEDDC, and the minister. It will include:

- Allocated budget and spend profile
- List of projects and assurance route for business cases
- Other government support agreed
- Key conditions and agreements

The Town Deal will be announced following the agreed Head of Terms

### **14. Developing Projects & Business Cases**

Following agreement of HoTs towns will have one year to develop projects in detail. Agreed 'shovel ready' projects may develop sooner. During project development, the towns will be expected to be in close contact with their Towns Hub lead,

It is expected that a fully costed business case will be produced for each project, including deliver route. Business cases will then be agreed using one of two routes:

- Government financial process where the project is 'novel or unusual' and is outside the scope of the intervention framework
- Using the agreed accountable body's (NEDDC) green-book compliant assurance process (expected to be for the majority)

### **15. Town Deal Summary Document**

On completion of detailed business cases, a Town Deal Summary Document must be submitted to the Towns Hub within 12 months of agreed HoTs. This summary should include:

- List of projects and BCRs
- Details of assurance processes
- Update of actions taken to satisfy and HoTs conditions
- Delivery, monitoring and evaluation plans
- Funding arrangements and financial profiles
- Confirmation of planning approvals
- Letters of approval from Town Board and NEDDC

### **16. Reviewing TIPs: Delivery Gateway 2**

Once the above Summary Document has been submitted, a high level assessment will be carried out before funding is released. If the business cases are fully approved, year 1 of the project funding will be released to NEDDC.

Subsequent years' funding will be released based on progress made. Monitoring returns will be submitted every six months as a minimum by NEDDC to the Towns Hub. The precise contents of monitoring returns will be agreed with NEDDC in due course, together with evaluation agreements.

#### **17. Capacity Support**

NEDDC received £140k funding to support the development of a Clay Cross Investment Plan and to secure a Town Deal. The guidance sets out other areas where this funding could be spent:

- Feasibility studies
- Drafting of plans
- Developing business cases
- Identifying private sector investors
- Developing and implementing a stakeholder plan

In addition to the technical support provided by the Towns Hub, other bodies are available for advice including Historic Britain and the Arts Council.