

## Appendix A

### Towns Fund Further Guidance June 2020 – Briefing Note

**Purpose:** This briefing note provides a summary of the contents of the *Towns Fund Further Guidance* released in June 2020. The full document can be found [here](#).

| Guidance Section      | Summary of Key Messages  |
|-----------------------|--|
| 1. Introduction       | <p>This guidance document is intended to enable Towns to finalise their TIPs (Town Investment Plans). It sets out information about interventions in scope, roles of different stakeholders, and the implementation timeline.</p> <p>The Further Guidance Document contains specific information about:</p> <ul style="list-style-type: none"> <li>• The Purpose of the Towns Fund</li> <li>• What should be in a Town Deal</li> <li>• Preparing a Town Investment Plan</li> <li>• Decision Gateway One</li> <li>• Developing Detailed Projects and Business Cases</li> <li>• Decision Gateway Two</li> <li>• Support and Next Steps</li> </ul> <p>There is a message that Towns Fund is considered as one part of the Government's wider package to respond to Covid-19. Towns are expected to demonstrate an understanding of how Covid-19 is impacting the/their local economy and use this to shape the/their strategy and prioritisation.</p> <p>There will be support from the MHCLG Town Hub specifically around Covid-19</p> <p>The guidance confirms that the Towns Fund is in two Phases with a decision gateway at the end of each.</p> <p>There are 3 Cohorts (July, October and Jan '21)</p> <p>If the quality of the TIP is insufficient first time, there will be a second opportunity to submit.</p> |
| 2. Towns Fund purpose | <p>The guidance confirms the Prospectus information that the overarching aim of the Towns Fund is to <b>drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth</b>. This will be done through:</p> <ul style="list-style-type: none"> <li>• <b>Urban Regeneration</b></li> </ul> <p>Ensuring towns are thriving places for people to live and work, including by:</p> <ul style="list-style-type: none"> <li>○ Increasing density in town centres;</li> <li>○ Strengthening local economic assets including local cultural assets;</li> <li>○ Site acquisition, preparation, remediation, and/or development; and</li> <li>○ Making full use of planning tools to bring strategic direction and change.</li> </ul>   |

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|  | <ul style="list-style-type: none"> <li>• <b>Skills and Enterprise Infrastructure</b> <ul style="list-style-type: none"> <li>○ Driving private sector investment and small business development; and</li> <li>○ Ensuring towns have the space to support skills and small business development.</li> </ul> </li> <li>• <b>Connectivity</b> <ul style="list-style-type: none"> <li>○ Developing local transport schemes that complement regional and national networks; and</li> <li>○ Supporting the delivery of improved digital connectivity.</li> </ul> </li> </ul> <p>The guidance places more emphasis that Towns Fund investments are not intended to target social challenges directly, but suggests that this is incorporated through a focus on inclusive growth.</p> <p>The guidance states that TIPs should be guided by sustainability – economic, environmental, and social, and that Clean Growth is a core principle of the Towns Fund.</p>  |
| <p>3. What should be in a Town Deal?</p> | <p>The guidance confirms that the Town Deal is an agreement in principle between government, the Lead Council and the Town Deal Board which will be contained in a Heads of Terms document. It will be signed by Secretary of State for Housing, Communities and Local Government, Council Leader / Chief Exec, and Chair of the Town Deal Board.</p> <p>The guidance states that Town Deals will cover a period of 5 years</p> <p><b>Funding</b><br/>Investment is for up to £25m. In exceptional cases, more than £25m will be considered.</p> <p>The fund is 90% capital.</p> <p>Towns Fund is seen as a ‘wrapper’ for other investment. TIPs should indicate where Towns Fund monies will be aligned with other investment. A list of funding programmes is included in Annex B.<br/>The minimum expectation is that towns have fully explored investment opportunities and sought to initial discussions with potential investors.</p> <p><b>Future High Streets Fund</b><br/>Where a Town has been shortlisted for FSH, the proposals should be fully aligned building on a clear overall vision and strategy. They should not be used as a match for each other but can fund complementary projects</p> <p><b>Towns Fund Outcomes and Outputs</b></p> <p>Table 3.7 provides details of the specific outcomes that Towns should be targeting next to 6 intervention themes (local transport, digital connectivity, urban regeneration planning and land use, arts culture and heritage, skills infrastructure, enterprise infrastructure)</p> <p>3.17 outlines a list of cost effective interventions to guide the development of our interventions:</p> <p>1 The maximum available is £50 million</p> |

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|   | <p><i>In practice, cost effective interventions might include:</i></p> <ul style="list-style-type: none"> <li>• <i>Investment in clean public transport</i></li> <li>• <i>'Gateway' areas around train stations</i></li> <li>• <i>Other clean transport, including cycling infrastructure and electric vehicle charging points</i></li> <li>• <i>Low carbon buildings</i></li> <li>• <i>Infrastructure that reduces emissions from industrial areas</i></li> <li>• <i>Innovative energy efficiency measures, clean heat and power generation, and energy storage</i></li> <li>• <i>Regenerating and retrofitting existing buildings to be as low carbon as possible</i></li> <li>• <i>Carbon offsetting, e.g. planting trees</i></li> <li>• <i>Skills initiatives which support clean growth industries</i></li> <li>• <i>All development should be cognisant of flood risk and coastal erosion where relevant.</i></li> </ul> <p>Annex A contains a full intervention framework which sets out:</p> <ul style="list-style-type: none"> <li>• Spatial focus of interventions</li> <li>• Broad set of acceptable outputs</li> <li>• Policies and strategies that interventions should align with</li> <li>• List of outcomes we would expect interventions to target (incl. progress and success indicators)</li> </ul> <p>Interventions outside this framework may be acceptable but will be subject to additional scrutiny.</p> |
| <p>4. Phase 1:<br/>Preparing a<br/>Town<br/>Investment<br/>Plan</p> | <p><b>TIPs</b></p> <p>The guidance emphasises the long-term strategic nature of the TIP document that should set the direction for the economic turnaround of the town over a decade, including economic recovery from Covid-19.</p> <p>The guidance provides headings and requirements for each section of the TIP document. The Town Hub will provide TIP templates.</p> <p>The guidance outlines 3 Cohorts (July, October and January '21) and will ask Council's to indicate which cohort they want to submit for within 4 weeks of receiving the guidance.</p> <p><b>Town Deal Boards</b></p> <p>Specific requirements set out for Town Deal Boards include membership, publication of agendas and minutes and operating in a transparent way. Roles and responsibilities are outlined for the Board, the Chair and the Council with further detail provided in Appendix D.</p> <p>The Guidance outlines the Council as the Accountable Body for Towns Fund.</p> <p><b>Community Engagement</b></p> <p>The guidance emphasises that interventions should have the support of the community and 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.</p> <p>The guidance is not prescriptive around how engagement takes place.</p>  |

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|   | The guidance outlines that TIPs should include a stakeholder engagement plan.   |
| 5. Decision Gateway One                                     | <p>The first decision gateway will review the TIP in its entirety. The standards for the gateway review are outlined in table 5.4 and in Appendix C. All standards must be met to pass to Phase 2.</p> <p>Once progressed to Phase 2, the projects in the TIP will be assessed and an initial funding offer made.</p> <p>At Phase 1- full business cases are not required. Full business case development follows Heads of Terms (which will be in the format of a Memorandum of Understanding).</p> <p>Once a town has agreed to the Heads of Terms, the Town Deal will be announced.</p>  |
| 6. Phase 2: Developing Detailed projects and Business Cases | <p>Once Heads of Terms are signed, Towns will have 1 year to develop detailed business cases. These can be brought forward at any point (e.g. there won't be cohorts)</p> <p>A summary document will need to be submitted to MHCLG (details are included of the format)</p> <p>The guidance outlines that there are two routes for agreeing business cases: using MHCLG financial processes or the council's green book compliant assurance process</p>   |
| 7. Decision Gateway 2                                       | <p>Gateway 2 will be a high-level assessment of the summary document and assurance that Heads of Terms have been met.</p> <p>Year 1 funding will be released after gateway 2.</p> <p><b>Monitoring and Evaluation</b><br/>Comprehensive data will be required for each Town Deal project (at least every 6months). Returns will need to be signed off by S151 Officer.<br/>A list of possible KPIs is included in 7.9.</p> <p>A detailed monitoring and evaluation framework will be released.</p>  |
| 8. Support and Next Steps                                   | <p><b>Towns Hub</b><br/>Consists of central teams and the Towns Fund Delivery partnership led by Arup.</p> <p>The Towns hub will provide a range of support and advice.</p> <p>Additional support will be available from other bodies e.g. Arts Council</p> <p><b>Next Steps</b><br/>The guidance outlines that work should commence on developing projects for the Town Investment Plan and should include:</p> <ul style="list-style-type: none"> <li>- Engaging with local communities and businesses to ascertain needs</li> <li>- Identify additional sources of funding</li> <li>- Ensuring robust Town Deal Board governance arrangements</li> <li>- Effectively utilising capacity funding</li> </ul> |