Ministry of Housing, Communities & Local Government

Towns Fund

Prospectus

November 2019
Ministry of Housing, Communities and Local Government

© *Crown copyright, 2019*

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

November 2019

Contents

Ministerial Foreword **4**

1 Levelling up our towns **5**

Background 5

Creating a sustainable future for towns 7

Town Deals 8

2 Preparing for a Town Deal **17**

Capacity funding and support 18

Town Deal Boards 18

Town Investment Plans 21

Learning, networking, and collaboration 25

3 Annexes **26**

Timeline for Lead Councils 26

Capacity funding allocation per town 26

Ministerial Foreword

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

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

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

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

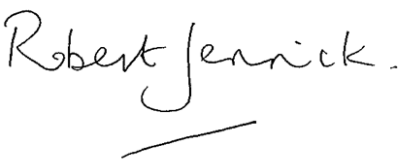
This funding will help to increase economic growth with a focus on regeneration, improved transport, better broadband connectivity, skills and culture.

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

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

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

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



Local Government Secretary Rt Hon Robert Jenrick MP

1 Levelling up our towns

Background

1.1 Towns are home to some of our key businesses and employers, they host our world leading universities and are where the majority of the population live[1]. They serve as important centres to their surrounding areas, with shopping and leisure facilities and other services drawing in people from villages and rural areas.

1.2 Successive Governments have often focused on cities as engines of economic growth. City Deals gave local leaders new powers and resources to address constraints on growth in their economies – an approach since emulated around the world. City regions were further strengthened through the creation of Metro Mayors, who have brought together local government and businesses to define a collective vision and attract global inward investment.

1.3 Struggling towns do not always have the fundamental building blocks of a strong local economy in place. The evidence shows they can face some significant challenges: an ageing population without the skills necessary to attract new firms[2]; fewer people going on to and returning from higher education, fewer economic opportunities in the surrounding region; and less direct foreign investment than in cities[3]. Growth is held back where this is compounded by poor transport and digital connectivity.

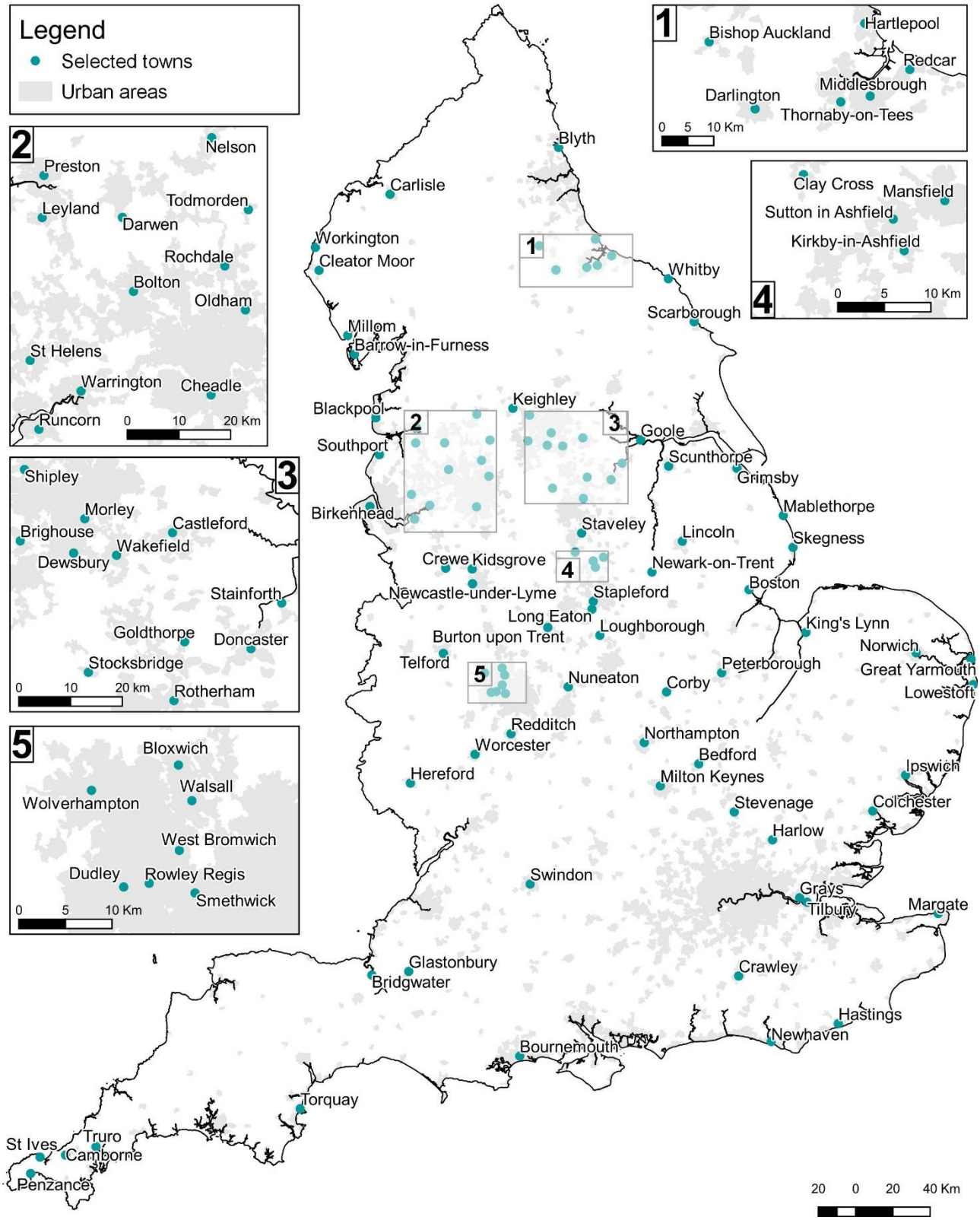
1.4 Through the Towns Fund we will work with more places to address growth constraints.

1.5 While some towns have prospered through their links to growing cities[4], generally residential towns – including commuter towns – have seen declining populations. For those still living in shrinking towns, social mobility often falters, even when compared to the most deprived communities in cities[5]. Where this is accompanied by declining quality of employment opportunities that can be accessed in towns, it can lead to feelings of being 'left-behind'. In addition, the decline in retail offer and business closures often leaves a very visible mark on town centres and the wider built environment.

1.6 Without a strong economy, leisure facilities, which bring people together and contribute to the quality of life, have been closing in recent times[6]. It is crucial to grow the economy of towns to bring back these facilities back, and drive improvements in living standards.

---

1 https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/understandingtownsinenglandandwales/anintroduction
2 https://commonslibrary.parliament.uk/insights/trends-and-inequalities-in-cities-towns-and-villages/
3 https://www.ey.com/uk/en/newsroom/news-releases/18-11-27-uks-largest-towns-and-cities-lure-international-investors-whilst-rest-of-the-country-gets-left-behind-brexit-calls-for-a-new-approach
4 https://www.centreforcities.org/reader/talk-of-the-town/direct-links-cities-towns/
5 https://www.gov.uk/government/publications/state-of-the-nation-2016
6 https://localtrust.org.uk/insights/research/left-behind-understanding-communities-on-the-edge/


Legend
Selected towns
Urban areas
1
Bishop Auckland
Hartlepool
Redcar
Middlesbrough
Darlington
Thornaby-on-Tees
0 5 10 Km
2
Nelson
Preston
Leyland
Todmorden
Darwen
Rochdale
Bolton
Oldham
St Helens
Warrington
Cheadle
Runcorn
0 10 20 Km
3
Shipley
Morley
Brighouse
Castleford
Wakefield
Dewsbury
Stainforth
Goldthorpe
Doncaster
Stocksbridge
Rotherham
0 10 20 km
4
Clay Cross
Mansfield
Sutton in Ashfield
Kirkby-in-Ashfield
0 5 10 Km
5
Bloxwich
Walsall
Wolverhampton
West Bromwich
Dudley
Rowley Regis
Smethwick
0 5 10 Km
Blyth
Carlisle
Workington
Cleator Moor
Whitby
Scarborough
Millom
Barrow-in-Furness
Blackpool
Keighley
Goole
Southport
Scunthorpe
Grimsby
Birkenhead
Mablethorpe
Staveley
Lincoln
Skegness
Crewe
Kidsgrove
Newark-on-Trent
Newcastle-under-Lyme
Stapleford
Boston
Long Eaton
Loughborough
King's Lynn
Burton upon Trent
Norwich
Telford
Peterborough
Great Yarmouth
Nuneaton
Corby
Lowestoft
Redditch
Worcester
Northampton
Bedford
Hereford
Milton Keynes
Ipswich
Stevenage
Colchester
Harlow
Swindon
Grays
Tilbury
Margate
Glastonbury
Bridgwater
Crawley
Hastings
Newhaven
Bournemouth
Torquay
St Ives
Truro
Camborne
Penzance
20 0 20 40 Km

Creating a sustainable future for towns

1.7 We know that each town will have different assets, and a unique path to prosperity. While there are many factors that determine the strength of the economy, growth ultimately depends on the success of businesses in the town and wider region. Through the Towns Fund we're giving 101 towns the tools to design and deliver a growth strategy for their area.

1.8 Some businesses make long-term investments in a place or depend on the location of towns for success in the wider economy. These firms might need access to the natural environment e.g. access to the coast for an offshore wind energy business; low cost floor space e.g. logistics and manufacturing; or are tied to a particular place through historic investment in infrastructure and capital assets e.g. ports, heavy manufacturing equipment.

1.9 Where these businesses are growing and significant in the town economy, local leaders should support them to grow further and invest into the workforce. By engaging with their supply chains, towns can diversify the economy and bring new opportunities to the area. For instance, car manufacturers depend on a supply chain of smaller manufacturers and professional services that can be supported to sell into new international markets. Transport connectivity to larger urban areas and regional economic assets (e.g. ports, manufacturers) can be strong in these towns and should be capitalised on by ensuring that there is good local connectivity (e.g. through improving access to a railway station) to deliver opportunities for all.

1.10 These interventions are equally appropriate for towns whose main function is to provide services, including from the public sector, to smaller towns and villages in the wider region. This is often the case in rural areas, where towns serve as hubs for the wider economy. A major hospital in a town like this could provide opportunities to boost the local supply chain, and then diversify those businesses into new markets.

1.11 In some towns, these businesses are declining or have closed. However, there are opportunities for the local workforce to re-train to access new jobs. Investments in social infrastructure – town centres, community spaces, schools, libraries – can create spaces for people to meet and deliver projects that build on a spirit of pride that is often strong in towns, and will give a strong foundation to develop skills and health. Local leaders should then work with the significant employers and education providers in the wider region to unlock new opportunities.

1.12 Businesses in other sectors (e.g. creative industries, professional services, tourism) are more mobile and can be drawn to the heritage and cultural offer in towns, as well as their connectivity to larger urban areas. Understanding what attracts these firms, and the wider link between amenity value and economic development will be key, such as the quality of town centres, the culture on offer[7] and access to quality green space which can improve health and wellbeing.

[7] Parker, C., N. Ntounis, S. Quinn and S. Millington (2017), Identifying factors that influence vitality and viability

1.13 Substainsial investment will be required to attract these types of business where they are not present, even if historically they have made a significant contribution to the local economy. In this context, local leaders should both build the skills of local people and make the place work for them, and take a strategic and long-term approach to attract new high value firms.

1.14 By harnessing a diverse range of perspectives – business, philanthropists, investors, universities, colleges, communities and civil society, as well as local authorities – towns can understand their assets, and, crucially, ensure they are all playing their part in growing the economy.

1.15 We know that coming together helps drive economic growth and capture imaginations and opportunities. This has been demonstrated through the success of the Northern Powerhouse, Midlands Engine and Ox-Cam Arc.

1.16 With the right support from government and strong local and community leadership, our country's towns can unlock their full potential; helping to raise living standards and productivity across the country.

Town Deals

1.17 Through the £3.6bn Towns Fund, we have announced 101 towns we will work with toward a Town Deal, building on the learning of the Greater Grimsby Town Deal.

1.18 We know that substantial public investment is already flowing into towns and the regions in which they are located. Aligning this investment alongside the activity of business, investors, education providers and civil society will further improve the ability of towns to realise their growth ambitions.

1.19 We will work with places to identify opportunities to align or rationalise public investment around key local priorities, as part of agreeing a Town Deal. Where possible, there may also be commitments by government or its agencies to work with the town more closely.

1.20 Bringing in private investment will be key to sustainably growing town economies. The Towns Fund will allow towns to address some of the key investment criteria identified by overseas investors as important when considering investing in regional locations, including transport, skills, real estate availability and local business support. Investors are also attracted to projects with strong local alignment, as well as the support of government as a whole.Town Deals will play an important role in giving investors the confidence to back projects, ensuring all communities can prosper.

1.21 This Prospectus sets out the first stage of agreeing a Town Deal. This will operate as a two-stage process. We will provide further guidance on the Stage 2 in due course.

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

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

The Towns Fund

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

- **Urban regeneration, planning and land use:** ensuring towns are thriving places for people to live and work, including by: increasing density in town centres; strengthening local economic assets including local cultural assets; site acquisition, remediation, preparation, regeneration; and making full use of planning tools to bring strategic direction and change.

- **Skills and enterprise infrastructure:** driving private sector investment and ensuring towns have the space to support skills and small business development.

- **Connectivity:** developing local transport schemes that complement regional and national networks, as well as supporting the delivery of improved digital connectivity

Urban regeneration, planning and land use

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

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

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

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

be cognisant of flood risk and coastal erosion where relevant.

1 Bolton Town Centre

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

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

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

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

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

Case example: modernising historic assets to drive local growth

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

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

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

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

2 Sunny Bank Mills, Farsley, Leeds

Skills and enterprise infrastructure

1.27 We have one of the most successful labour markets in the world with the employment rate at a near historical high. But we still face challenges in meeting business need for skills and these challenges can be especially acute in towns. Furthermore, in many post-industrial towns, office space and other employment land is affordable, but is not always well connected to workers or attractive to business.

1.28 Universities, colleges and other skills providers already often play a significant role in many local communities and collaborating with local businesses on skills and economic development, but we need to build on this. Collaboration between businesses (large and small) and education providers is important to deliver a more highly skilled workforce. This could be achieved, for example, through investment in buildings that provide both office space and also areas to deliver training. Improving business support facilities may also open up opportunities for local partners, government agencies and the private sector to collaborate more effectively in delivering business support, trade and investment advice.

1.29 Addressing the skills that local employers need is essential. Further education providers have the flexibility to deliver the skills provision most relevant to their local areas. In addition, government and local places (through Local Enterprise Partnerships and Mayoral Combined Authorities) have established Skills Advisory Panels and, in some areas, Local Digital Skills Partnerships, to bring together local employers, education providers and other key players to further build an understanding of local labour market and skills needs. Town Investment Plans should use this evidence to identify challenges that local people face and coordinate strategies for how people can be supported locally to meet labour market needs in a way that complements existing skills initiatives and funding streams.

1.30 We recognise it is important to ensure everyone has access to high quality education and skills provision in order to reach their potential. Government and places are working together to help create a world leading technical offer including through T-Levels, Apprenticeships and Institutes of Technology. For some towns, investment in education facilities can attract new people to develop their skills. Equally, getting local people qualified to level 3, and build skills around English, maths and digital will help people to access and progress in work.

1.31 Places should also consider how they might provide additional support to young people to help them access traineeships or apprenticeships so that they can access and progress in work, especially for those young people at risk of leaving schools and being NEET (not in education or employment or training).

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

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

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

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

Case example: supporting science intensive firms in Harlow

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

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

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

Source: http://harlowez.org.uk

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

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

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

Source: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/753695/DFE_-_Opportunity_Areas-One_Year_On_.PDF

Connectivity

1.32 High quality and well-designed infrastructure is critical to supporting local economies and sustainably improving living standards. Whether through improving the speed and reliability of transport connectivity or ensuring internet speeds are fit for the needs of businesses, infrastructure investment will be key to spreading prosperity in towns.

1.33 In many towns, there is a disconnection between where people live, and where jobs and leisure can be found[8]. For towns close to larger urban areas, strengthening transport within the town to regional transport links (e.g. through a bus network) will open up new opportunities for people in the area. All road-based investments should now include provision for bus priority and cycling, unless this can be shown to be inappropriate. Active travel schemes such as new cycle and walking paths, for example, those prioritised in Local Authority's Local Cycling and Walking Infrastructure Plans (LCWIPs), could have the added benefit of supporting the health of the population, as well as contributing to the net zero greenhouse gas emissions target.

1.34 While broadband access and speeds are increasing, we need to reduce the barriers to deployment of new gigbit-capable connectivity, including 5G and fibre connectivity to support our businesses to compete globally. For some firms (e.g. the creative industries or the area's start-up community) reliable digital infrastructure is a key determinant of their location of their jobs, and so digital infrastructure could underpin a new wave of entrepreneurialism to take root in our towns and cities. The deployment of digital, place-based infrastructure requires different local authority teams, for example highways, planning, estates, to buy into a single, cohesive vision for the area. Further support for local authorities can be found in the Digital Connectivity Portal[9].

[8] http://shura.shu.ac.uk/24128/1/tackling_transport-related_barriers_low-income_neighbourhoods.pdf
[9] https://www.gov.uk/guidance/digital-connectivity-portal

Case example: strengthening transport links between towns and cities

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

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

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

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

3 the Sheffield Rotherham tram-train trial Photo © Andrew Tryon (cc-by-sa/2.0)

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

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

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

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

Case example: opening access to retail in Telford

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

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

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

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

Source:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/648822/local-sustainable-transport-fund-impact-summary-report.pdf

2 Preparing for a Town Deal

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

2.2 We expect Unitary Authorities, District Councils, and Borough Councils in the areas for the towns selected (hereby referred to as 'the Lead Council') to develop a Town Deal Board no later than the end of January 2020, then produce a Town Investment Plan no later than Summer 2020. Further information on what we expect to see in both a Town Deal Board and a Town Investment Plan is below.

2.3 The Town Deal Board and Investment Plan will together inform the second stage of agreeing a Town Deal: which will include completing a business case based on the selected content of Town Investment Plans with government. We will publish further detail on how we will agree Town Deals in due course, including the amount of capital and revenue funding available, and the interventions that can be supported through the fund.

2.4 We know that in some towns, there are strong partnerships and proposals already in place. We expect to work with these places to agree a Town Deal more quickly. This, in turn, will allow others to take advantage of the support being offered by government to develop good proposals. Lead Councils will return a readiness checklist to government to gauge how quickly towns in their area will be able to prepare for a Town Deal.

2.5 Agreeing a Town Deal with investment from the Towns Fund of up to £25m per place will be dependent on government receiving high-quality proposals that meet the objective of the fund and follow the further guidance to be published. If government is not content with the quality of proposals, including their alignment with the objective of the Towns Fund by the end of Summer 2020, then it is unlikely a Town Deal would be agreed.

2.6 In due course we will announce details of a competition for further towns to develop a Town Deal Board, a Town Investment Plan and have the opportunity to agree a Town Deal. While we will be looking at aligning this with other funds, including the Future High Street Fund, the purpose of these funding streams is different with the Towns Fund focusing on a wider geography than just one high street. In many places Town Deal funding will not necessarily be directed toward the high street.

2.7 Where towns are both preparing to agree a Town Deal and are already involved in the Future High Streets Fund, we expect plans to be aligned, whilst still meeting the separate objectives of the funds. We are not changing our expectations or timelines

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

Capacity funding and support

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

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

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

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

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

The MyTown Campaign

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

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

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

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

Town Deal Boards

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

The role of the Board is to:

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

Which area should it represent?

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

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

Role of the Lead Council

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

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

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

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

Who should be represented?

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

2.21 Town Deal Boards must include:

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

[10] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/understandingtownsinenglandandwales/anintroduction

- **Town and parish councils:** Town and parish councils have an important role to play in convening stakeholders and providing localised perspective, as they are closely connected to the communities they serve.

- **Upper-tier authorities:** bring crucial understanding of the important role towns play within the wider regional economy – as well as strategic leadership and powers that will be of value to the partnership.

- **Mayoral Combined Authorities and Combined Authorities:** provide a strategic overview of an area and many hold powers that will be critical to delivering the Towns Fund e.g. transport.

- **Members of Parliament:** The MP (or MPs) representing the town should be invited to engage in the process of designing and agreeing the Town Investment Plan.

- **Local businesses and investors:** Driving economic growth and building productivity will require entrepreneurship and investment from business. It will therefore be essential to draw on their leadership and capability to help understand challenges and develop the key proposals. Existing investors currently active in the area also have an important role to play; their experience of driving development in specific regions should be drawn on to identify the best uses of public and private funds. **We expect to see representation on Town Deal Boards through large employers and SMEs**.

- **Local Enterprise Partnerships (LEPs):** LEPs bring a strong specialism in economic development strategy, business engagement, and the local skills system – through Skills Advisory Panels – ensuring Town Investment Plans are informed by local economic strategies e.g. Strategic Economic Plans and Local Industrial Strategies.

- **Communities:** Each town will decide how best to involve their local community, building on the MyTown campaign. Communities should have a meaningful role in decision-making for the future of their town, and Town Deal Boards should draw on the local knowledge and insight that communities can provide on the barriers to driving local growth and productivity. We expect this to be achieved by including community representatives from prominent local civic and faith organisations in the governance structure, such as representatives from local community forums, voluntary and community sector organisations, or Councils of the Voluntary Sector.

- Communities are more likely to work to implement solutions, and be able to take advantage of the economic opportunities resulting from government investment if they engaged early and throughout the process of designing and delivering the Town Investment Plan.

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

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

- **Jobcentre Plus:** provide information on working with people furthest from the labour market, and work closely with the voluntary and third sector to support people into work

- **Anchor institutions:** have strong convening power, as well as a significant role in the local economy. They may include:

    - The wider business community
    - Universities and Further Education colleges
    - Academies and Schools
    - Hospitals
    - Development corporations
    - Local sports teams
    - Cultural and creative institutions
    - Housing sector including housing developers and housing associations

- **Arms-length bodies and other non-departmental government agencies:** Such as Homes England, the Environment Agency, and the Historic England have expertise in delivering interventions, and existing place-based networks across the country, which can bring local expertise, as well as the ability to engage with issues at a regional level.

- **Other private investors and developers:** national or international private investors and developers should be engaged early to understand their requirements for investment and identify the best use of public and private funding.

How should it function?

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

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

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

Town Investment Plans

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

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

[11] https://www.gov.uk/government/publications/the-7-principles-of-public-life

What should it say?

2.28 The Town Investment Plan should set out investment priorities that could drive economic growth, supported by clear evidence and targeting investment into the economic infrastructure listed around the objective of the fund, as well as making full use of existing powers, particularly in planning.

2.29 Town Investment Plans should complement other pre-existing strategy documents that have been developed with local partners to avoid duplicating efforts, and where necessary build on these to meet the expectations set out in this prospectus. For instance, it will be important to align with Local Industrial Strategies, Skills Advisory Panel analysis, local environmental strategies, Local Plans and Spatial Development Strategies, and Local Transport Plans.

2.30 Plans should be cognisant of the wider strategic approach being taken through the Northern Powerhouse, Midlands Engine, Ox-Cam Arc and other pan regional strategies. The document should detail high Value for Money interventions that will drive economic growth.

2.31 Investment from this fund should be aligned with the government's clean growth objectives where possible, while ensuring that projects deliver good value for money, and as a minimum must not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.

2.32 It should capture existing government and local initiatives and suggest ways of better coordinating investments within a place, where this could lead to further economic growth.

2.33 We expect the strategic element of Town Investment Plans to include:

- Background, context and evidence of need for suggested interventions
- A vision for the town, complementing agreed or emerging local economic strategies
- A high-level description of priority areas for the short, medium and long term, including:
    - Activity that can be locally funded
    - Projects that could be supported by public investment (including through the Towns Fund), with high level cost estimates
    - Ambitions for private sector investment and community involvement

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

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

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

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

4 New Art Gallery Walsall

2.34 In due course, additional guidance will be published on the interventions in scope for the Towns Fund, the capital revenue split, and business case guidance. At this point, Town Investment Plans will be further developed to add detail to the priorities that could be funded through the fund (where consideration to the economic, commercial, management and financial aspects of proposals should be given.) However, as this is about driving long-term transformative change to local economies, we expect to see capital projects at the core of projects submitted for Town Deal funding.

2.35 Lead Councils and Town Deal Boards should seek to engage private investors and developers early. As part of this engagement, opportunities for private investment should be identified collaboratively.

2.36 We recognise that Town Deal Boards may want support and advice in developing their Town Investment Plans. A number of departments are considering the best way to provide that support; we anticipate that it will include guidance on assessing the evidence base, and intervention design to ensure Value for Money. For example, Department for Culture Media Sport (DCMS) has already set out its Connected Growth Manual[12], providing guidance to Local Authorities and LEPs on what they can do to support the sectors that DCMS represents.

Joint Town Investment Plans

2.37 There is provision for local places to produce a joint Town Investment Plan. This is dependent on towns selected in the list of 101 towns agreeing to work collaboratively and sharing both a Town Deal Board and Town Investment Plan. It is for the local area to decide whether a case can be put to government on the benefits of clustering towns together. This could be within a single local authority, LEP or Combined Authority area. Reasons for this could be:

- The towns in question are next to each other and/or are part of the same continued urban area
- The towns have significant overlap in terms of economic and social geography
- The Board representatives of each town would significantly overlap
- Having multiple smaller geography partnerships would dilute from a more strategic approach across multiple towns
- There are not suitable levels of stakeholder engagement for a particular town (because it lacks suitable scale etc.) and would benefit from a joint approach
- There are wider strategic benefits from bringing the towns together

2.38 Following this approach will not reduce the levels of capacity funding or the Towns Fund allocation. However, the Lead Council will need to agree this with government ahead of the Town Deal being agreed.

How is it agreed?

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

[12] https://www.gov.uk/government/publications/connected-growth

and published no later than January 2020.

2.40 The Town Investment Plan is a locally owned document and will not require sign off by government, however it will form the basis of deal negotiation and inform the amount of investment agreed through the Towns Fund. The Plan should explicitly set out how the Towns Fund is being used to crowd-in other local and private investment. It should also articulate how the interventions are driving economic regeneration and delivering value for money.

2.41 We encourage places to communicate with government departments (both through regular channels and through specific engagement that MHCLG will arrange) on the development of the Town Investment Plan and to discuss investment priorities.

2.42 Further guidance on the agreement of Town Deals will be issued in due course.

Learning, networking, and collaboration

2.43 We ask the Lead Council to be 'open by default' about their Town Deal Boards, Town Investment Plans and outline business cases, while acknowledging that commercially sensitive information will need to be protected (this should align with the Lead Council's on their process to handle information which is not to be published in the public domain). Town Deal Boards will make their governance structures, profiles on key stakeholders, meeting agendas and minutes (in accordance with the Local Government Act 1972), evidence and any supporting documents for Town Investment Plans publicly available. For instance, this could be published on the Lead Council's website.

2.44 We will actively facilitate learning between towns. For example, by running regional events, thematic learning events (e.g. around active travel interventions) and publishing products on 'what works' for local growth in towns. In partnership with the What Works Centre for Local Economic Growth and the What Works Centre for Wellbeing, MHCLG will publish materials and support events for those involved in delivering the Towns Fund, as well as those in other towns.

2.45 We will be appointing officials who will support collaboration – strengthening existing connections between towns and creating new ones. They will also support Town Deal Boards to connect with local partners. For example, in towns benefiting from the government's Opportunity Area programme are encouraged to connect with their local Opportunity Area partnerships, thereby ensuring that Town plans can build on local efforts already underway in improving education and skills. Contact details can be found in the relevant published Opportunity Area plans.

2.46 Alongside future guidance being published on the Town Deal process, we will set out our expectations for monitoring and evaluation, as well as guidance on when Town Investment Plans should be published online.

3 Annexes

Timeline for Lead Councils

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

Capacity funding allocation per town

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

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

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