

D2 JOINT COMMITTEE FOR ECONOMIC PROSPERITY

22 November 2019

TOWN DEALS OVERVIEW OF PROGRAMME

1.0 Purpose of Report

- 1.1 To provide an overview of the Government's recent Town Deals announcement and share initial thinking on how best to develop the programme of activity, including potential links to emerging priorities in the draft Local Industrial Strategy.

2.0 Discussion/Decision Required by the Meeting

- 2.1 **The Committee is asked to note the proposed Town Deals programme and consider strategic implications for the County, particularly regarding governance and investment strategies.**

3.0 Background

- 3.1 Members will be aware that on 6th September Government invited 100 places to develop proposals for a Town Deal, as part of the £3.6 billion Towns Fund and each nominated place has the opportunity to bid for funding of up to £25 million.
- 3.2 The funding can be used to redevelop vacant buildings and land, drive up private sector investment by supporting small businesses, ensuring young people have the skills they need to get good jobs, improving and promoting local cultural opportunities or considering how best to improve transport links and increase access to high-speed broadband.
- 3.3 On 1st November, Government launched its Town Deals Prospectus to support the nominated 100 places in the next stage of their bidding process; 30 places have been identified in the Midlands Engine region, three of which are in Derbyshire – Clay Cross, Staveley and Long Eaton. It is understood that, in due course, the Government will announce a competition for additional towns to develop plans for their own Town Deals.

Town Deals

- 3.4 The Prospectus advises that Town Deals will help equalise the opportunities of growth – primarily in those communities which have been ‘left behind’ – ensuring they benefit from resources to boost productivity and living standards. Essentially, the Prospectus sets out a two stage process for agreeing a Town Deal.

Stage 1: capacity building - providing 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 (further detail on this is awaited).

- 3.5 Whilst Government believes there is a considerable amount of public investment flowing into towns already (Future High Street Funds, LGF, HIF etc), it also believes the private sector has an integral role to play in making the Town Deals a success, ensuring alignment with the activity of business, education providers and investors (particularly in relation to transport, skills, site/ property availability and local business support which were identified as critical). Government itself has also indicated a readiness to work more closely with the relevant towns.
- 3.6 Having regard to the above, Government is requesting that delivery boards be set up for each Town Deal, led by a representative from the local business community. It is expected that district and borough councils for the towns selected will be identified as the ‘Lead Council’, supported by the County Council, and that a Town Deal Board will be implemented no later than the end of January 2020. (Stage 1 as outlined above.) *NB: where there are strong partnerships and proposals already in place Government expects to agree a Town Deal more quickly which in turn, will allow others to take advantage of the support being offered by Government. Lead councils will return a readiness checklist to help gauge how quickly a Deal can be prepared and agreed.*
- 3.7 Governance structures and decision making of the Boards are expected to be made public and membership is likely to be made up of the following: local authorities, parish and town councils, MPs, local businesses, investors, LEP, community representatives, other agencies such as Jobcentre Plus, colleges, universities, schools, cultural/sporting institutes as appropriate.
- 3.8 It is then expected that a Town Investment Plan will be prepared by no later than Summer 2020. Together, the Board and Investment Plan will inform the second stage of the Town Deal. Details on the preparation and approval processes are expected from Government in due course, including the amount of capital and revenue funding available, and the interventions that can be supported from the Towns Fund.
- 3.9 In summary though the Plans will set out investment priorities aimed at driving economic growth, supported by clear evidence and targeting investment to the

required infrastructure, as well as making full use of available powers, including planning powers. It is expected the Town Investment Plans will complement existing plans and strategies such as the Local Plan and Local Industrial Strategy, HS2 Growth Strategy etc. Alignment to Midlands Engine and the national clean growth agenda will be essential and they should also detail value for money interventions.

3.10 Plans will essentially cover:

- Context and evidence for suggested interventions
- Vision for the town
- High level description of priority areas for short, medium and long term investments – identifying where the money can come from (public/ private/ community etc)

The Towns Fund

3.11 The Towns Fund provides the core public investment for the Deals (although additional funding may come from other sources or parts of Government) and is focused on driving 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 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 small business development and the skills needed to drive growth.
- **Connectivity:** developing local transport schemes that complement regional and national networks, as well as supporting the delivery of improved digital connectivity.

3.12 It is advised that investment of up to £25m per place will be dependent on Government receiving high-quality proposals that meet the objective of the Fund (again, further guidance is awaited). *NB: the Prospectus advises that if Government is not content with the quality of proposals, then it is unlikely a Town Deal would be agreed.* Where towns are both preparing to agree a Town Deal and are already involved in the Future High Streets Fund, it is expected that plans will be aligned, whilst still meeting the separate objectives of the funds.

3.13 A s31 grant will be provided to lead councils to support development of the Board and the Investment Plan for each of the shortlisted towns. Funding is allocated according to population size, using Office of National Statistics categories for small, medium and large towns

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

- 3.14 It is anticipated the funding will be used for:
- Convening the Town Board
 - Running business and community engagement workshops (My Town campaign)
 - Developing Town Investment Plans
 - Providing technical expertise for business case development

4.0 Issues

- 4.1 Committee to consider the impact of the Town Deals programme and consider strategic implications for the County, particularly regarding governance and investment strategies.
- 4.2 To consider any initial thoughts from North East Derbyshire, Erewash and Chesterfield in terms of immediate steps.



