



# Towns Fund Board

## National Guidance Summary and Local Delivery Approach – 03 July 2020

### 1.0 Background

- 1.1. National guidance for the Towns fund submission process has been considerably delayed. The final guidance was released by MHCLG on 15 June 2020.
- 1.2. The guidance sets out the requirements of the Town Investment Plan (“TIP”), the funding criteria, governance arrangements, approval stages leading to the approval of funding, and information relating to the national support offer.
- 1.3. A Link to the guidance is attached below:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/892781/Towns\\_Fund\\_further\\_guidance\\_16\\_June\\_FINAL.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/892781/Towns_Fund_further_guidance_16_June_FINAL.pdf)

### 2.0 Summary of guidance

The salient points from the guidance are summarised below:

- 2.1 Central government funding remains unchanged for the programme at £3.6 billion, therefore the local amount of funding also remains unchanged (up to £25 million for Wolverhampton, although in exceptional cases more funding is available). The funding remains predominantly a Capital funding opportunity, although 10% of the overall national fund may be allocated as revenue spend in exceptional cases. Funding must be drawn down between 2020-2026.
- 2.2 The national aims of the Towns Fund programme remain the same (to drive the sustainable economic regeneration of towns for long-term economic and productivity growth, and to deliver the “levelling up” agenda). In the guidance we are also asked to consider economic recovery post COVID.
- 2.3 The guidance confirms that there will be three submission opportunities or tranches to submit a Town Investment Plan (“TIP”)
  - Tranche 1 by 31 July 2020
  - Tranche 2 by the end of October 2020
  - Tranche 3 by the end of January 2021
- 2.4 Each area will be allowed two attempts to secure funding however should the second attempt be unsuccessful areas will be eliminated from the process completely.
- 2.5 The guidance now also includes arts culture and heritage as part of the criteria along with the original criteria (local transport, digital, urban regeneration, skills and enterprise). The

schemes in our Town Investment Plan (“TIP”) can be either “shovel-ready”, or longer-term strategic schemes. Schemes must contribute to repurposing town centres, mixed uses, density in town centres, sustainable transport links, and clean growth.

- 2.6 A national support offer is in place which provides a “Towns hub” support resource along with additional guidance and support. A “Town Coordinator” has been assigned to work with Wolverhampton (Julian Pye) who will support towns in accessing a range of technical support available from the Towns Fund, and will connect to core services and topic expertise, and act as a critical friend.
- 2.7 The guidance requires submissions to be clearly evidenced, with an understanding of existing assets and opportunities, a “vision” for the place, an outline of objectives, and the projects or priorities for which we are seeking funding. The guidance also confirms that the TIP will need to be presented as 2 sections:
- Section 1 to set out the context, strategy and process planning
  - Section 2 to set out the details of the proposed projects
- 2.8 At the time of this report the template for the (TIP) has yet to be issued by BEIS. In the absence of the template, and based on the guidance we understand that the TIP will need to be structured as follows:

SECTION 1		EXECUTIVE SUMMARY	
	<b>CONTEXT ANALYSIS</b>	<ul style="list-style-type: none"> <li>• Map of agreed Towns Fund boundary</li> <li>• Challenges facing the City</li> <li>• Evidence of need</li> <li>• Assets &amp; strengths</li> <li>• Key opportunities</li> </ul>	
	<b>STRATEGY</b>	<ul style="list-style-type: none"> <li>• Town vision</li> <li>• Headline outcomes/targets for 2030 and beyond</li> <li>• Overarching strategy (including evidence &amp; a clear spatial strategy with projects/priorities clearly mapped)</li> <li>• Alignment of other strategies &amp; programmes (National, Regional, Sub-regional &amp; local)</li> </ul>	
	<b>ENGAGEMENT &amp; DELIVERY</b>	<ul style="list-style-type: none"> <li>• Evidence of buy-in from residents &amp; businesses</li> <li>• Private sector/ investor commitments</li> <li>• Project assessment including:               <ul style="list-style-type: none"> <li>• High-level Business case development</li> <li>• High-level appraisal</li> <li>• Identification of accountable body</li> <li>• High-level delivery plan</li> </ul> </li> </ul>	
SECTION 2		PRIORITISED LIST OF PROJECTS	
	<b>PRIORITISED LIST OF PROJECTS</b>	<ul style="list-style-type: none"> <li>• Project description</li> <li>• Rationale</li> <li>• Alignment with 'Intervention'/ eligibility Framework</li> <li>• Theory of change – outputs &amp; outcomes</li> <li>• Estimated Project costs</li> <li>• Estimated Timescales</li> <li>• Spend profile</li> <li>• Estimated Benefit Cost Ratio</li> <li>• Match funding</li> </ul>	

### 3.0 Submission approach

- 3.1 On the assumption that the board ratify the decision for Wolverhampton to submit their TIP in Tranche 1 this will be required no later than 31 July 2020. There will then be a challenge session with BIES/MHCLG, and if successful we will move to the next stage “Heads of Terms” with BEIS to set out a broad agreement for the delivery phases of our projects. We will then need to produce detailed business cases to activate the funding.

3.2 Work has been underway for some time to construct the Wolverhampton TIP; the main outstanding work is to review and agree the final projects that will go forward for funding as part of the TIP. At the May meeting of the Towns Fund Board several candidate projects were identified across the agreed thematic areas:

- Employment and skills
- Changing perceptions
- Regeneration and renewal
- Enhancing connectivity
- Increasing vibrancy and footfall

3.3 The board agreed to participate in thematic focus groups (which are being scheduled w/c 6 July 2020) to assess candidate projects across each thematic area, supported by evidence and to discuss other ideas before moving to a short list of schemes that the board can review and approve. As part of the short-listing process we have designed an evaluation matrix that will be applied to projects to ensure that we are only taking projects forward for approval by the board (provisionally 24 July 2020) that will meet the funding criteria set by BEIS. This is detailed in Appendix 1.

3.4 As part of the guidance the board must confirm to BEIS the Tranche that Wolverhampton will participate in by 13 July 2020, ahead of this date we will be scheduling a “readiness review” with our Town Coordinator).

#### 4.0 Programme Timetable

The Towns Fund submission programme timetable is summarised below:

Date	03-Jul	06-Jul	07-Jul	08-Jul	09-Jul	10-Jul	10-Jul	13-Jul	17-Jul	24-Jul	31-Jul	
	Wolverhampton TIP Production											
Programme Deadlines	Towns Fund Board (03 July)	Focus Groups - 5 themes				Readiness review with town Co-ordinator	Tranche Notification Dead line: BEIS	Papers out to board members	Towns Fund Board (24 July) Board sign off TIP		Delivery of Wolverhampton TIP to BEIS	

#### 5.0 Key Decisions required:

The board are asked to reach a decision on the following:

- 1 To approve and agree the evaluation matrix from the guidance that can be applied to candidate projects to ensure that we are able to submit a fully compliant bid.
- 2 That board members agree to commit to the Focus Groups as an active decision-making forum.
- 3 That the board ratify the decision to proceed with a Wolverhampton submission for Tranche 1 on 31 July 2020.

## Evaluation criteria to be applied to candidate projects

### 1. Overview

This project evaluation matrix has been prepared to act as the basis to evaluate potential candidate projects for inclusion into Wolverhampton's Town Investment Plan (TIP). The guidance which was issued by Government on 15<sup>th</sup> June 2020 confirms the following:

- The need to provide an evidenced-based strategy which outlines that a clear and rigorous prioritisation process has been undertaken and is backed by sophisticated analysis and is supported by clear evidence
- The prioritisation process needs to include an element of spatial analysis with a clear explanation as to how the strategy will benefit Wolverhampton.
- Consideration needs to be given as to the impact of Covid-19 and how this is reflected in the prioritisation exercise – noting that some priorities may well have shifted due to its impact. Priorities should however aim for long-term adaptation and transformation as opposed to short-term mitigation of the impact.
- Local priorities need to be reflected which are co-designed with businesses and communities
- Priorities should look to drive economic growth
- Priorities should build on the strengths and assets of Wolverhampton

The project evaluation matrix set out below reflects this.

### 2. Project Evaluation Matrix

Following the focus group sessions CBRE will apply the evaluation matrix to objectively and robustly evaluate the potential candidate projects. It is proposed that each project is first evaluated against the following pass/fail criteria, on the basis that if projects fail this assessment, they are unlikely to be eligible for towns funding.

#### Pass/Fail Criteria

##### Strategic fit/ Alignment with Towns Fund

Does the project align with the strategic priorities of the Towns Fund?

Does the project help to drive the sustainable economic regeneration of Wolverhampton to deliver long-term economic & productivity growth?

Does the project support clean growth/ not conflict with the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050?

Is the project linked back to *at least one* of the following key themes?

- o Urban regeneration - increasing density, strengthen local economic assets, site acquisition, preparation, remediation, development, use of planning tools to bring strategic direction & change
- o Skills - ensuring towns have the space to support skills, increase the breadth of the local skills offer

- Enterprise Infrastructure - driving private sector investment and small business development, ensuring towns have the space to support small business development, other scheme to support enterprise, business productivity & growth
- Local Transport Connectivity - developing local transport schemes that complement regional & national networks
- Digital Connectivity – supporting delivery of improved digital connectivity
- Arts, culture & heritage – delivering an improved cultural/leisure offer

### **Quantity of funding being sought**

Is the funding ask no greater than £25m or £50m (in exceptional circumstances)<sup>1</sup>?

### **Type of funding being sought**

Is the funding ‘ask’ focused mainly on capital as opposed to revenue funding?<sup>2</sup>

### **Funding Profile**

Will the project expend 100% of the funding ‘ask’ by March 2026?

If projects ‘pass’ the initial evaluation round detailed above, the projects will be assessed and scored (1-5) against the following criteria:

#### **1. Deliverability**

- Is the project deliverable over the lifetime of the Towns Fund? (e.g. land ownership considerations, planning, are there the resources in place to deliver it, is the project well-defined?)
- If planning is required, what are the timescales for achieving this?
- Is the accountable body identified?
- Has a feasibility assessment already been undertaken to establish the costs and potential benefits (outputs/outcomes?)
- Is there an existing Delivery Plan in place?

#### **2. Viability**

- Is the project viable with the addition of Towns Funding?

#### **3. Value for Money**

- Does the project provide value for money/ public purse (demonstrated through BCR<sup>3</sup>/ existing Business Case appraisal work, where possible)?
- Is there match-funding in place (LA, other public sector, private funding, third sector)?
- Is there evidence that investment opportunities have been fully explored?
- Is there an alignment with other funding streams (e.g. LEP/ CA/ Homes England)?

#### **4. Strategic Rationale**

- Does the project clearly lead to outcomes/ outputs and have a well-evidenced Theory of Change?
- Is there a robust evidence-base in place to justify the investment?
- Does the project align with the Towns Fund vision/ aims/ objectives?
- Does the project build on the strengths, assets and opportunities for Wolverhampton?
- Does the project align with Wolverhampton’s post-Covid-19 Recovery Plan?

<sup>1</sup> Exceptional circumstances will have to be demonstrated through achievement of additionality and delivering ‘beyond local’ transformational impacts

<sup>2</sup> NB: guidance clearly states that funding is 90% capital. If revenue projects are put forward the focus should be on how these support/ complement capital projects and rationale needs to be fully evidenced.

<sup>3</sup> Benefit Cost Ratio/ the ratio of benefits costs for the project and should be adjusted to reflect optimum bias.

- Is there a clear alignment with other strategies/ projects at a local (e.g. alignment with spatial strategy), sub-regional, regional and national level?
- Does the project help to deliver inclusive growth?

#### **5. Stakeholder support**

- Is there clear evidence of support from the local community?
- Is there clear evidence of support from the private sector?
- Can stakeholder support be easily evidenced (e.g. existing surveys undertaken, planning application engagement outcomes, etc?)
- If stakeholder support has not already been obtained, is there a clear strategy in place as to how to secure this?

#### **6. Sustainability**

- Does the project adhere to sustainability principles (e.g. sustainable development, ensuring inclusive growth)?

#### **7. Technical quality**

- Have any technical assessments been undertaken to justify the costs/ outputs?

Following this robust evaluation, the potential shortlist will be appraised and considered against the following key measures:

1. Do we have a balanced proposition which considers short, medium and longer-term projects?
2. Do we have the right balance across the thematic priorities identified by the Town Board (i.e. Employment & skills, changing perceptions, vibrancy & footfall, connectivity, regeneration & renewal)?
3. Is there a clear and coherent rationale for the proposed projects? Do they complement and support one another?