



**East Suffolk House, Riduna Park, Station  
Road, Melton, Woodbridge, IP12 1RT**

# Cabinet

## **Members:**

Councillor Steve Gallant (Leader)

Councillor Craig Rivett (Deputy Leader and  
Economic Development)

Councillor Norman Brooks (Transport)

Councillor Stephen Burroughes (Customer  
Services and Operational Partnerships)

Councillor Maurice Cook (Resources)

Councillor Richard Kerry (Housing)

Councillor James Mallinder (The Environment)

Councillor David Ritchie (Planning & Coastal  
Management)

Councillor Mary Rudd (Community Health)

Councillor Letitia Smith (Communities, Leisure  
and Tourism)

Members are invited to a **Meeting of the Cabinet**  
to be held on **Tuesday 1 September 2020 at 6:30pm**

This meeting will be conducted remotely, pursuant to the Local Authorities and  
Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police  
and Crime Panel Meetings) (England and Wales) Regulations 2020.

The meeting will be facilitated using the Zoom video conferencing system and  
broadcast via the East Suffolk Council YouTube channel at  
<https://youtu.be/UjeWReN-ga4>

An Agenda is set out below.

**Part One – Open to the Public**

**Pages**

<b>1</b>	<b>Apologies for Absence</b> To receive apologies for absence, if any.	
<b>2</b>	<b>Declarations of Interest</b> Members and Officers are invited to make any declarations of Disclosable Pecuniary or Local Non-Pecuniary Interests that they may have in relation to items on the Agenda and are also reminded to make any declarations at any stage during the Meeting if it becomes apparent that this may be required when a particular item or issue is considered.	
<b>3</b>	<b>Announcements</b> To receive any announcements.	
<b>4</b>	<b>Minutes</b> To confirm as a correct record the Minutes of the Meeting held on	
<b>4a</b>	<b>Minutes 7 July 2020</b>	<b>1 - 10</b>
<b>4b</b>	<b>Minutes 13 August 2020</b>	<b>11 - 12</b>
	<b>KEY DECISIONS</b>	
<b>5</b>	<b>Lowestoft Investment Plan ES/0469</b> Report of the Deputy Leader and Cabinet Member with responsibility for Economic Development	<b>13 - 87</b>
<b>6</b>	<b>First Light Festival ES/0471</b> Report of the Deputy Leader and Cabinet Member with responsibility for Economic Development	<b>88 - 93</b>
<b>7</b>	<b>Felixstowe Business Improvement District ES/0470</b> Report of the Deputy Leader and Cabinet Member with responsibility for Economic Development	<b>94 - 98</b>
	<b>NON-KEY DECISIONS</b>	
<b>8</b>	<b>East Suffolk Council Outturn Report 2019/20 ES/0473</b> Report of the Cabinet Member with responsibility for Finance	<b>99 - 118</b>
<b>9</b>	<b>Exempt/Confidential</b> It is recommended that under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the Meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.	

**10 Exempt Minutes**

To confirm as a correct record the Minutes of the Meetings held on

**10a Exempt Cabinet Minutes 7 July 2020**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

**10b Exempt Minutes 13 August 2020**

- Information relating to any individual.
- Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

**KEY DECISIONS****11 Community Led Housing Fund - Southwold Hospital Scheme**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

**12 Re-profiling of Current Rough Sleeping Funding and New Next Steps Accommodation Programme Funding Bid**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Close



Stephen Baker, Chief Executive

**Filming, Videoing, Photography and Audio Recording at Council Meetings**

The Council, members of the public and press may record / film / photograph or broadcast this meeting when the public and press are not lawfully excluded. Any member of the public who attends a meeting and objects to being filmed should advise the Committee Clerk (in advance), who will instruct that they are not included in any filming.

If you require this document in large print, audio or Braille or in a different language, please contact the Democratic Services Team on 01502 523521 or email:

[democraticservices@eastsoffolk.gov.uk](mailto:democraticservices@eastsoffolk.gov.uk)



**The national Charter and Charter Plus Awards for Elected Member Development**  
East Suffolk Council is committed to achieving excellence in elected member development  
[www.local.gov.uk/Community-Leadership](http://www.local.gov.uk/Community-Leadership)

Minutes of a Meeting of the **Cabinet** held via Zoom, on **Tuesday, 7 July 2020** at **6:30pm**

**Members of the Cabinet present:**

Councillor Norman Brooks, Councillor Stephen Burroughes, Councillor Maurice Cook, Councillor Steve Gallant, Councillor Richard Kerry, Councillor James Mallinder, Councillor David Ritchie, Councillor Craig Rivett, Councillor Mary Rudd, Councillor Letitia Smith

**Other Members present:**

Councillor Paul Ashdown, Councillor Jocelyn Bond, Councillor Peter Byatt, Councillor Alison Cackett, Councillor Tony Cooper, Councillor Linda Coulam, Councillor Graham Elliott, Councillor Louise Gooch, Councillor TJ Haworth-Culf, Councillor Ray Herring, Councillor Ed Thompson, Councillor Steve Wiles

**Officers present:**

Stephen Baker (Chief Executive), Liz Beighton (Planning Manager), Ann Carey (Head of ICT), Sarah Carter (Democratic Services Officer), Karen Cook (Democratic Services Manager), Cairistine Foster-Cannan (Head of Housing), Andrew Jarvis (Strategic Director), Nick Khan (Strategic Director), Bridget Law (Programme Manager), Matt Makin (Democratic Services Officer), Morag McInnes (Economic Development Officer), Sue Meeken (Political Group Support Officer (Labour)), Brian Mew (Interim Finance Manager), Lorraine Rogers (Deputy Chief Finance Officer), Hilary Slater (Head of Legal and Democratic Services), Simon Taylor (Chief Finance Officer & Section 151 Officer)

---

**1 Apologies for Absence**

Apologies for absence were received from Councillor Jepson.

**2 Declarations of Interest**

There were no declarations of interest.

**3 Announcements**

The Leader firstly announced that, an additional report, that was not included on the agenda, would be considered at the meeting. The report was in respect of the “Town Fund – Capital Projects 2020/21”. The Prime Minister had recently announced that Government was bringing forward £5bn of capital investment projects, supporting jobs and economic recovery. East Suffolk Council (ESC) was being offered, for Lowestoft, a grant of £750,000 to fund capital projects that could be delivered this financial year. Because this was a key decision for Cabinet and, due to timing it had not been included within the Forward Plan, the Chairman of the Scrutiny Committee had

authorised the report to come forward this evening. Cabinet would consider the report, which had been published earlier for all members to review, immediately after agenda item 5.

Moving to his second announcement, the Leader referred to the fact that the COVID-19 pandemic had had a devastating effect on communities; the people of East Suffolk had been more fortunate than some in other parts of the country, who had directly suffered with the virus. However, there was no doubt that the pain of the economic downturn caused by COVID-19 had been felt just as fiercely in East Suffolk as elsewhere, businesses were struggling and high streets were desperate to return to some kind of normality. The Leader stated that he was proud of the efforts of the dedicated East Suffolk team, both officers and councillors, who had worked around the clock to support local businesses. East Suffolk would, he stressed, provide a wide range of financial support to help them through this period. However, the Leader stated he knew there was more that could be done to inject life into East Suffolk high streets; one of the ways East Suffolk could do this was to make it much easier for market towns to set up community events, with stalls, fayres and markets traders, quickly and safely. Some towns within East Suffolk were subject to street trading regulations; however, ESC would be taking the view that those community events, such as those described in market towns, would not need a street trading consent and they would fall outside of the East Suffolk policy. ESC wanted to encourage those outdoor events during the summer months and wanted to be sure that they could be organised with a lighter touch approach. For an event to take place all that would be needed would be for the organiser to complete an application form for a single event street trading licence which could then be used for multiple days. Food safety information would need to be provided on what each stall would be selling and organisers would need to be in possession of public liability insurance for the event. ESC would not need to consult with third parties and there would be no fee applicable. The ESC Licensing Team was committed to processing such applications within 24 hours. This would be on top of the decisions already taken to support local businesses, including waiving the payment of licence fees of up to £100 per premises to put stalls, tables and chairs on the highway adjacent to their premises, and not require a minor variation of premises licence which would normally have an £89 fee. As a council, the last thing that the Leader wanted to do was make it harder for events to take place. Hopefully, the Leader stressed, this would now give the green light to a range of activities over the summer to help breath life back into East Suffolk's fantastic market towns.

The Cabinet Member with responsibility for Customer Services and Operational Partnerships announced that ESC was currently trialling digital devices, called grand pads, and the local ITV news was scheduled to cover this, this evening, interviewing the first recipient of a grand pad from ESC. The recipient, who lived in Lowestoft, was extremely pleased to receive it. The grand pad was similar to an ipad, but with larger keys, it already had 4G installed, and would be available to them 24 hours a day. Further grand pads would be distributed to ESC's more vulnerable residents.

#### **4 Minutes**

##### **RESOLVED**

That the Minutes of the Meeting held on 2 June 2020 be approved as a correct record and signed by the Chairman.

## 5 Smart Towns Project

Cabinet received report **ES/0411** by the Cabinet Member with responsibility for Customer Services and Operational Partnerships, who reported that the Smart Towns Project sat within the Council's Strategic Plan twofold, by supporting East Suffolk market towns and by delivering the Council's digital transformation ambitions and enabling digital technologies more widely across East Suffolk. The report explained the background and described how it supported the Strategic Plan; it was presented to Cabinet to provide a further direction of travel and to seek additional funding to accelerate the project more widely across East Suffolk.

The Cabinet Member with responsibility for Customer Services and Operational Partnerships explained that there were two key aims to the project, to strengthen the economic vitality and community cohesiveness of all East Suffolk market towns through the installation of new digital networks and compatible technology consisting of installation of footfall tracking, data capture technology as well as free to use town wi-fi networks. This would be delivered together with town digital platforms and a tailored support package. This was designed to encourage the best use of technology, eg to enable positive digital interventions such as digital marketing, and to monitor trends and visitor behaviour, including footfall traffic mapping. It was envisaged that this would help towns to understand their strengths, support community activities, help and aid small businesses and bring a fresh vibrancy to the high street. Also, it would deliver a digital business support programme, a digital spring board which would develop creative digital interventions, digitally upskilling and a responsive business support network made available across East Suffolk. Also added was a digital first paid package, a vital part of East Suffolk's COVID-19 response, to support business recovery. An initial first trial took place in Framlingham, with ESC initially investing £400k into the project, and securing £200k from the Local Enterprise Partnership.

Councillor Burroughes stated that he was now seeking approval for an additional £500k from the transformation reserve to support, expand and implement the project further. At this point, at the request of Councillor Burroughes, a presentation was given by officers which provided more detail in respect of all aspects of the project.

The Leader stated that he was hugely in favour of this project; the reality was, he said, that East Suffolk town centres had been hit by COVID-19 but, even before that, it was clear that nationally there was a general decline in town centres, the pandemic has exacerbated that situation. ESC now had, the Leader stressed, a real opportunity, through this project, to help to make East Suffolk market towns as attractive and accessible as it could.

Following a question by the Cabinet Member with responsibility for Housing, who enquired about approaches from other towns, it was confirmed that a number of approaches, both from small and large towns, had already been made to the Council. The towns had all expressed a wish to proceed next, and they all appeared to be in a state of readiness.

The Deputy Leader gave thanks for the report and expressed his delight at the project coming forward. He welcomed the scale of the digital opportunity for the high street and the data led decision making.

The Cabinet Member with responsibility for Planning and Coastal Management expressed his delight that this project would be delivered in the small population centres within East Suffolk; he wished it every success.

The Cabinet Member with responsibility for the Environment welcomed the project stating that, environmentally, it would have a really strong impact; it would, he said, help communities and businesses to focus their energies to be more efficient. By digitally transforming and being responsive to the environment, this would mean the right action would be taken in respect of the environment.

The Cabinet Member with responsibility for Communities, Leisure and Tourism expressed her support for the project and commented on how it would allow East Suffolk market towns to work together, to keep the communication, which had been so effective during the pandemic. It would, she said, enable them to work together and grow stronger. It would mean that the market towns could create their own identities and would be good for tourism, drawing in visitors to the area, and making people aware of the leisure facilities.

The Cabinet Member with responsibility for Community Health felt that this project would assist licensed premises in the future; she gave thanks for this.

Councillor Thompson asked what made a particular town a market town; he added that Martlesham was talking about becoming a town. It was explained that it was a town that had a formal centre and a physical boundary. The Leader stated that this would be phase one of the project and it may be that the project would be extended to other areas in the future. Officers added that whilst the town technology may not be immediately rolled out to every village and settlement in East Suffolk at this point, the business support service was available for all businesses in East Suffolk.

The Assistant Cabinet Member with responsibility for Economic Development very much welcomed the project, commenting that, post COVID-19, a lot of businesses were very concerned about their futures. It would, he said, give businesses and retailers confidence to come to the area, to open businesses and to make the area prosperous.

Councillor Elliott welcomed the proposal, he referred to the project being scheduled to start in summer 2020, and to be complete by summer 2022, he asked if one town would be undertaken at a time. He also asked if staff would need to be recruited for this significant project or whether existing staff would be used. It was explained that work on the ground, after any necessary procurement, would start in approximately three months time. In respect of working with the towns, predominantly this would be undertaken one town at a time, but there may be instances whereby perhaps three smaller towns might work together. Beccles, Bungay and Halesworth was given as an example. It was confirmed that dedicated project management would be required and one member of staff would need to be recruited accordingly.



The Leader, referring to the recruitment of an additional member of staff, commented that the Council had many greatly talented members of staff who could manage this project; however, he wanted them to be involved in many other projects that were on the horizon too. This project was part of a much bigger plan for the regeneration and modernisation of East Suffolk he said.

Councillor Gooch made two points, firstly, she liked the fact that the project was being introduced as a package and a product, but there was also the educational element too in terms of enabling people she said. The flip side of that was that people would need to receive training for things going wrong within the IT systems. Secondly, Councillor Gooch referred to the cross promotion between the 12 towns; they would, she said, need to work together to signpost people to move from one town to another. The Leader very much endorsed this approach.

Councillor Byatt very much welcomed the project; he referred to the two year contract and commented that it would be very nice to see local contractors used. Councillor Byatt also referred to paragraph 8.1 of the report and the reference to the East Suffolk Smart Town Project Team also working on a social care pilot with British Telecom; he felt that this was significant and very welcome.

## **RESOLVED**

1. That approval be given to fund up to £500k from the Transformation Reserve, depending on outcome of other external funding plans, and to commence work on the implementation of the East Suffolk Smart Towns Project.
2. That delegated authority be given to the Strategic Director, in consultation with the Cabinet Member with responsibility for Customer Services and Operational Partnerships, to award contracts, expend the budget to deliver the project and investigate additional external funding sources which could replace or supplement existing internal funding.

## **6 Towns Fund - Capital Projects 2020/21**

Cabinet received report **ES/0432** by the Deputy Leader and Cabinet Member with responsibility for Economic Development, who reported that on 1 July 2020, the Chief Executive was written to by the Ministry of Housing, Communities and Local Government to offer Lowestoft a grant of £750,000 to fund capital projects that could be delivered this financial year (by March 2021), as part of a post COVID-19 recovery plan. As Lowestoft was one of 101 towns selected as part of the Town's Fund Programme, Government had chosen to provide capital funding to fast track delivery of projects, recognising that it was those areas that were likely to suffer significantly from the impacts of COVID 19. The level of grant funding per town had been allocated according to population size from the 2011 Census, using the Office for National Statistics' categorisation of small, medium and large towns.

The funding was for capital projects which were "shovel ready", meaning they were at an advanced stage and ready to deliver. Projects selected by the town were required to align with the Towns Fund Intervention Framework.

A number of capital projects within the draft Lowestoft Town Investment Plan (Towns Fund) had been looked at to identify those that could be deliverable within the timeframes set by Government. Three were felt to be deliverable. The first was to deliver phase 1 of the redevelopment of the East Point Pavilion (£720,000), the other projects were to erect hoarding and art work to screen the perimeter of the proposed new car park area (the former Burger King site) adjacent to the old Town Hall until this site came forward for development in 2021 and to support the refurbishment of a pocket park adjacent to the old Town Hall. This was currently the subject of discussions with Lowestoft Town Council and others regarding the possible future management of the site by the local community (£30,000 combined).

The next step in releasing the grant was for ESC to write to Government to confirm how the grant would be spent. This would need to include confirmation from ESC's S151 Officer that the spending was in line with the Towns Fund Intervention Framework, would achieve good value for money and that the project could be delivered this financial year. The deadline for submission to Government was by no later than the 14 August 2020.

In conclusion, the Deputy Leader stated that an equality impact assessment had been completed, with no adverse impact identified.

The Leader very much welcomed this funding from Central Government which, he commented, would go a huge way to delivering the projects and would also kick start the local economy and bring with it more security in respect of employment and the supply chain that would follow.

The Cabinet Member with responsibility for Communities, Leisure and Tourism referred to East Point Pavilion being a flagship iconic location, seen upon entering the centre of Lowestoft, she felt that it would be fantastic if this funding could be used for this project and the other two projects identified within the report.

Councillor Byatt gave thanks for the report; he very much welcomed the enhancement work to the pavilion which would, together with the improvements to the chalets further south, really bring a great improvement to the area.

## **RESOLVED**

1. That the acceptance of the £750,000 grant from Government be approved.
2. That the use of the grant monies against the recommended priority projects detailed in the report be approved.
3. That the reallocation of the money committed previously to the refurbishment of the East Point Pavilion to a series of urgent regeneration works required by the Lowestoft Town Investment Plan be approved, subject to a report on these proposals being presented to Cabinet in September 2020.

## **7 Local Government Association (LGA) National Code of Conduct**

Cabinet received report **ES/0422** by the Leader of the Council, who reported that the Local Government Association (LGA) had published a draft Model Code of Conduct for

Members. Details of the Model Code were included within Appendix A of the report. The LGA was consulting on it between 8 June and 17 August 2020. The Model Code aimed to be concise, understandable to members, officers and the public, and written in plain English. It was designed to help members in all tiers of local government to model the behaviours and high standards that anyone would expect from a person holding public office. Equally, it set out behaviour which fell below the standards expected of council members. It was designed to set a framework for public and councillor interaction, emphasising the importance of civility, and that councillors should be protected from bullying, intimidation and abuse.

The LGA had included in the Model Code some of the recommendations from the Committee on Standards in Public Life's report, published in January 2019, on Local Government Ethical Standards. That Committee recommended the introduction of sanctions for breaches of the Code. This would require a change to the Localism Act 2011, as would some of the other proposals in the Model Code.

The LGA would like to hear from Members, and it would use the views received to help finalise the Model Code. The Leader commented that ESC could submit a written response, and councillors and officers could put their own, individual views forward, too. All responses would be treated confidentially.

The Leader reported that the Audit and Governance Committee considered the consultation and this report at its meeting on 29 June 2010. It had a lengthy, detailed discussion about the Suffolk Code, and how it compared to the Model Code. The key points considered by the Audit and Governance Committee were that the Model Code gave consistency and certainty in terms of standards of behaviour for all councillors; gave clarity on when it applied, for example, to all forms of communications used by Councillors, including social media; focused on the concept of showing "civility" where criticising ideas and opinions was acceptable but making personal or abusive comment would not be; had a threshold for declaring the receipt of gifts and hospitality of £25. And it specified that councillors should not accept "significant" gifts or hospitality which they were offered from those looking to do business with the Council, or those submitting applications for licences, consents or permissions.

It was thought that some guidance might be necessary for councillors, as to what they should, or should not, accept; proposed that Members would need to declare their Disclosable Pecuniary Interests (DPIs) and those of "family members and associates" rather than just their own DPIs and those of their spouse/partner; proposed a sanction of suspending a councillor from office for up to six months for breach of the Code. Certainly, the Committee felt that stronger sanctions were required than were available now, and that stronger sanctions were required for those who did not complete a Register of Interests or completed it incorrectly.

The Committee noted that the Model Code had no requirement in it for training to be made compulsory for Councillors.

Overall, the Leader commented that the Audit and Governance Committee had a wide-ranging debate and gave this careful consideration. The Committee welcomed the changes in the Model Code and saw them as an improvement on the current Code, especially in terms of having stronger sanctions.

Cabinet gave its thanks to the Audit and Governance Committee for its work and supported its views.

## **RESOLVED**

That the careful consideration given to the Model Code by the Audit and Governance Committee be noted and appreciated, and that the submission of the Audit and Governance Committee's findings to the Local Government Association be supported.

## **8 COVID-19 - Financial Implications**

Cabinet received report **ES/0412** by the Leader of the Council and the Cabinet Member with responsibility for Finance. Prior to presenting the report, the Cabinet Member with responsibility for Finance gave his thanks to officers for all of their hard work and the pace and flexibility they had demonstrated within the last seven days to produce the report. He referred to the fact that the situation with regard to the Council's finances had been changing extremely frequently and never had that been more true than in the last seven days, hence a supplementary paper to the report had been issued.

The Cabinet Member with responsibility for Finance stated that the report provided an overview of the current position regarding the financial implications for the Council of the COVID-19 pandemic, focusing primarily on the estimated direct financial impact on the Council. The report also briefly covered the various relief measures introduced by the Government to support businesses and households which were being administered by the Council.

To date, the Government had provided direct support to the Council in excess of £2.6m for the COVID-19 Emergency Response and the emerging financial pressures on local authorities. The Council and other authorities were submitting monthly reports to the Ministry of Housing, Communities and Local Government (MHCLG) regarding the impact of the pandemic on local authority finances. It was not known at this stage whether any further funding would be available other than some New Burdens funding, and whether any funding would be available in respect of impacts next year or the medium term.

The situation on local government and the impact of the COVID-19 pandemic was currently developing rapidly in the light of this monitoring and reporting. One change since the report was produced was that the consultation on New Homes Bonus this year was likely to be postponed and there may be another one-year only round of NHB. After taking Government funding into account, the net impacts on the Council's General Fund were currently estimated to be £8.6m this year, and £3.2m next year, with reduced and very uncertain impacts over the rest of the MTFS period. These impacts were dependent on the scale and duration of the economic recession, and the speed and nature of economic recovery, and needed to be considered in addition to the budget gaps currently forecast in the MTFS.

The Cabinet Member with responsibility for Finance reported that the financial impacts estimated in the current year primarily concerned the Council's own income sources,

especially car parking and planning, whereas next year's estimated impacts primarily concerned council tax as a key external income stream. There would inevitably be an impact on Council Tax income arising primarily from an increase in the number of Local Council Tax Reduction Scheme (LCTRS) claims related to increasing unemployment, but these forecasts were obviously very uncertain. These estimates did not take into account any impacts on business rates at this stage, other than potential loss of the pooling benefit from the Suffolk Business Rates Pool, and the deferral of changes to the business rates system until 2022/23. The position on Business Rates was very uncertain and would also be dependent on recession and recovery impacts, together with Government policy. Reforms to the local government finance system had been deferred until 2022/23 at the earliest and the planned national business rates revaluation exercise had also been postponed. The worst case scenario of the Council's business rates position reverting to a baseline position has now been shown from 2022/23 onwards.

The Council was in a position where its current level of reserves and balances, especially the availability of the business rates equalisation reserve, should enable it to largely absorb this shock to its income streams. However, a prolonged and sustained recession, combined with the need to close the already forecast budget gap, could put pressure on other earmarked reserves and council projects and services. There was a need for the Council to work up a savings plan to deliver a sustainable financial position and replenish reserves enabling key recovery projects to be undertaken.

The Council's Capital Programme has been affected to some extent and would need to be reviewed over the coming months. The Housing Revenue Account (HRA) was generally less exposed to the financial impacts of the pandemic than the General Fund, although rent income would be affected to a degree.

Early indications were that the Council could, through its reserves and balances position, withstand these impacts, but there was an extremely high level of uncertainty about the economic outlook, the local finance environment and ongoing Government policy. Ongoing review, monitoring, and forecasting for all aspects of the Council's financial position would be critical over the course of this year.

Before closing, the Cabinet Member with responsibility for Finance highlighted the significant changes that were included within the supplementary paper, he referred to the table in respect of the MTFs forecast, stating that, this year, there was now an estimated reduction of the deficit by some £4m. The figures for the following years remained the same but these may well be affected when it was known how much of the £500m announced last week, across the whole country, would be coming to ESC.

Secondly, in respect of business grants paid out, the figures were updated as follows, as of 3 July 2020, for the total of small businesses and retail hospitality grants, ESC had paid out to 5268 businesses a total of £60.36m and, in addition, in respect of discretionary business grants, it had paid out 123 claims totalling £1.63m. The final update, included within Appendix C, was a breakdown of the costs etc by service area.

Councillor Herring agreed that the financial situation would change over the next six to nine months, he also stated that this was a huge situation for everybody and he said,

whilst acknowledging the support from Central Government, that there would be a cost to local government. Councillor Herring referred to the Council's reserves, the unprecedented times, the unprecedented costs, and felt that now was the time to draw on the reserves. Councillor Herring referred to the local economy and the huge task ahead to get this back on track; it was, he said, not a time for stringent cuts to be made, but a time for investment, with a whole range of new ideas needed, putting the resources in the best places possible.

The Leader, in response to Councillor Herring's comments, agreed in respect of the use of reserves; he also stated the need to invest to promote growth and bring people into East Suffolk.

Councillor Byatt, and other members, referred to the current remote meetings that were taking place; it was suggested that perhaps some meetings could continue to take place remotely, in order to save time and money. It was stressed that the current situation should be used to review and re-engineer the service offer by ESC, in order to make improvements and efficiencies going forward.

#### **RESOLVED**

That the contents of the report be noted and that, having commented on the financial implications of the COVID-19 pandemic, East Suffolk Council continues forcibly to press Government for further funding.

### **9 Exempt/Confidential Items**

#### **RESOLVED**

That under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of the Act.

### **10 Exempt Minutes**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

### **11 Offer to Purchase Affordable Rented Homes - Melton**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The meeting concluded at 8:58 pm

.....  
Chairman

Minutes of a Meeting of the **Cabinet** held in the Remote meeting, on **Thursday 13 August 2020 at 6:30pm**

**Members of the Cabinet present:**

Councillor Norman Brooks, Councillor Stephen Burroughes, Councillor Maurice Cook, Councillor James Mallinder, Councillor David Ritchie, Councillor Craig Rivett, Councillor Mary Rudd, Councillor Letitia Smith

**Other Members present:**

Councillor Paul Ashdown, Councillor Peter Byatt, Councillor Alison Cackett, Councillor Judy Cloke, Councillor Tony Cooper, Councillor Linda Coulam, Councillor Graham Elliott, Councillor John Fisher, Councillor Louise Gooch, Councillor Mark Jepson, Councillor Rachel Smith-Lyte, Councillor Ed Thompson, Councillor Steve Wiles

**Officers present:**

Katherine Abbott (Democratic Services Officer), Stephen Baker (Chief Executive), Kerry Blair (Head of Operations), Sarah Davis (Democratic Services Officer), Kathryn Hurlock (Asset and Investment Manager), Andrew Jarvis (Strategic Director), Nick Khan (Strategic Director), Brian Mew (Interim Finance Manager), Tim Snook (Commercial Contracts Manager (Leisure)), Nicola Wotton (Deputy Democratic Services Manager),

---

**1 Apologies for Absence**

Apologies for absence were received from Councillor Gallant and Councillor Kerry.

**2 Declarations of Interest**

There were no Declarations of Interest received.

**3 Exempt/Confidential Items**

It was proposed by Councillor Rivett, seconded by Councillor Burroughes and by unanimous vote

**RESOLVED**

That, under Section 100A(4) of the Local Government Act 1972 (as amended), the public be excluded from the Meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 1, 3 and 5 of Schedule 12A of the Act.

6.38 pm: The Chairman asked that the live broadcast cease at this point in the meeting

#### **KEY DECISIONS**

This item is recorded as a separate and confidential Minute

#### **4 Claremont Pier - Surrender and Renewal of Head Lease**

- Information relating to any individual.
- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### **5 Waterlane and Bungay Leisure Centre Procurement - Interim Management Options and Repairs and Improvements Programme**

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).
- Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

The Meeting concluded at 7:16 pm

.....  
Chairman





## CABINET

Tuesday 1 September 2020

### LOWESTOFT INVESTMENT PLAN

#### EXECUTIVE SUMMARY

1. In September 2019, the Ministry of Housing, Communities & Local Government (MHCLG) invited ESC, on behalf of Lowestoft to develop proposals for a Towns Deal, forming part of a £3.6 billion Towns Fund. Lowestoft is able to BID for up to £25 million through a 5 year Town Deal which requires the development of a Town Investment Plan, which will make a case for investing in transformative capital regeneration projects in Lowestoft over the next 10 years.
2. A Towns Board is required to provide strategic direction and oversee the development the Investment Plan. The Lowestoft Place Board (Towns Board) was established in January 2020 to fulfil this role.
3. The next step is to submit the Town Investment Plan (TIP) to MCHLG by the 31st October 2020 as the basis for agreeing the Town Deal. This report is seeking delegated authority to conclude the plan, ahead of submission. Furthermore adequate capacity within the Regeneration Team is required in order to deliver the TIP and therefore due to the majority of posts in the team being temporary in nature the report is also seeking approval for the associated growth in the Council's core budget to extend these temporary contracts.

Is the report Open or Exempt?	Open
<b>Wards Affected:</b>	Gunton & St Margaret's, Oulton Broad, Harbour & Normanston, Kirkley & Pakefield, Carlton & Whitton
<b>Cabinet Member:</b>	Councillor Craig Rivett, Deputy Leader & Cabinet Member with responsibility for Economic Development

<b>Supporting Officer:</b>	Paul Wood Head of Economic Development and Regeneration 01394 444249 <a href="mailto:Paul.wood@eastsuffolk.gov.uk">Paul.wood@eastsuffolk.gov.uk</a>
----------------------------	--

## 1 INTRODUCTION

- 1.1 In November 2019, Lowestoft was selected as 1 of 100 towns across England to be part of the Government's Towns Fund programme. This initiative provides Lowestoft with the opportunity to bid for up to £25 million of capital funding through a 5-year Town Deal. In order to secure this funding, the development of a Town Investment Plan is required, which will make the case for investing in transformative capital regeneration projects in Lowestoft over the next 10 years.
- 1.2 The intervention area for the Lowestoft Towns Fund is defined by the map herewith:  
<https://www.eastsuffolk.gov.uk/assets/Business/Regeneration-projects/Lowestoft-Investment-Plan/Towns-Fund-boundary.pdf>

## 2 THE TOWNS FUND

- 2.1 The Towns Fund is central to the Government's 'levelling up' agenda which involves the promotion of inclusive economic growth to build stronger and more resilient local economies and communities in areas of the country which have not benefitted from economic growth in recent decades. In addition, the fund is seen as part of the economic and social recovery following the COVID-19 outbreak.
- 2.2 The overarching aim of the Towns Fund is to drive the sustainable economic regeneration of towns to deliver long term economic growth. This will be done through:

**Urban regeneration** - 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, preparation, remediation, and/or development; and
- Making full use of planning tools to bring strategic direction and change.

### **Skills and enterprise infrastructure**

- Driving private sector investment and small business development; and
- Ensuring towns have the space to support skills and small business development.

### **Connectivity**

- Developing local transport schemes that complement regional and national networks; and
- Supporting the delivery of improved digital connectivity.

- 2.3 The Towns Fund has a two-stage process, with a decision gateway at the end of each. The first stage is the development of a Town Investment Plan. The Investment Plan will consist of two sections, the first is a document, which scopes out the context analysis, strategy, engagement & delivery. This details all the projects for Lowestoft which can be delivered over a 10-year period (subject to securing further funding) and include those

projects such as the Lowestoft Flood Risk Management Project, which has recently secured funding.

- 2.4 The second section is a detailed description of those projects we wish to submit for Town Deal funding of up to £25m which will be delivered over 5 years from 2021. The Investment Plan has to be submitted to Government by the 31st October 2020. Should we fail to submit an Investment Plan of sufficient quality we will be given one further opportunity to do so before the 31st March 2021.
- 2.5 Once the Investment Plan is submitted it will be assessed by MHCLG to inform a Heads of Terms offer. It is anticipated the approval of the Heads of Terms offer will be agreed by December 2020.
- 2.6 The second stage will be the development of individual business cases for each of the projects agreed within the Heads of Terms. This work is expected to take up to 12 months to complete before the final agreement and the release of funds.
- 2.7 ESC will be the Accountable Body for the Towns Deal and will be responsible for receiving and accounting for the Towns Fund allocation. ESC will be responsible for project delivery and arrangement; developing agreed projects and undertaking necessary feasibility studies; creation of detailed business cases; liaising with potential private sector investors in identifying local project and schemes; signing the Heads of Terms Agreement with Government, monitoring and evaluating of projects and fulfilling reporting requirements to Government.
- 2.8 Whilst the legal and funding requirements are to be managed by the 'lead council' (East Suffolk Council), MHCLG have determined that a Town Deal Board will be the vehicle through which the vision and strategy for the town is defined and developed. It will inform the production of the Town Investment Plan (covering a 10-year period) and shape the Town Deal, including the amount of investment secured through the Towns Fund.

The role of the Town Deal Board is to:

- Develop and agree an evidenced based Town Investment Plan
  - Develop a clear programme of interventions
  - Coordinate resources and influence stakeholders
  - To serve as an advisory body to the lead Council (East Suffolk)
  - To oversee the delivery of the Lowestoft Investment Plan
- 2.9 The Lowestoft Towns Deal Board is being delivered through the Lowestoft Place Board and includes representatives from all tiers of local Government, the private sector, community sector and other key local organisations. The Place Board is chaired by Stephen Javes (Non-Executive Director, James Paget University Hospitals NHS Foundation Trust), who oversees the Board's decision-making process. Appendix B provides a full list of Lowestoft Place Board members. Agendas, minutes, member profiles, terms and conditions, members code of conduct and objectives of the group are held on East Suffolk Council's website (<https://www.eastsuffolk.gov.uk/business/regeneration-projects/lowestoft-investment-plan/lowestoft-place-board-meetings/>). The Economic Regeneration Team provides the secretariat of the Place Board with the responsibility for ensuring that decisions are made by the Board in accordance with the governance principles. A Lowestoft Ambassadors groups sits alongside the Place Board to promote

Lowestoft both internally and externally and engage further stakeholders in the work of the Town Investment Plan.

- 2.10 To Support the development of the Town Deal, East Suffolk Council was awarded a grant of £162,109. This fund was provided to cover costs associated with the Town Board (Place Board), feasibility studies and providing technical expertise for business case development. ESC has used this funding to commission Thinking Place Ltd consultants to develop a wider vision for the town; support the development of the placemaking work through the Place Board and Lowestoft Ambassador Programme and to undertake a peer review to inform the development of the Town Investment Plan. In addition, ESC has commissioned feasibility studies for the development of priority Towns Fund projects, which are linked to projects within the Town Centre Masterplan. These include the development of the Station Quarter; Cultural Quarter; feasibility studies for the Kirkley Waterfront Sustainable Urban Neighbourhood and a creative sector hub.
- 2.11 In July 2020, Cabinet (Cabinet report reference ES/0432) approved an advanced Accelerator Towns Fund grant of £750,000 from Central Government, as a precursor to the Towns Fund, to carry out “quick win/shovel ready” projects within the Investment Plan. Cabinet agreed to put forward the East Point Pavilion (EPP) redevelopment project.
- 2.12 For the first stage, approval of the Investment Plan is required from the Lowestoft Place Board and ESC, as lead Council and accountable body. ESC will then agree Head of Terms with MHCLG. In the second phase project business cases will be developed for final agreement with MHCLG. The final Towns Fund award will be brought to Cabinet and Full Council for approval.

### **3 THE LOWESTOFT INVESTMENT PLAN**

- 3.1 The Lowestoft Investment Plan sets out Lowestoft’s ambition and strategy to drive economic growth, including the vital response to the Covid-19 pandemic. This will build on the aspirations set within the recently published Town Centre Masterplan. The projects within the Investment Plan are aligned with New Anglia’s Local Economic Strategy and the Local industrial Strategy, the Local Plan for the Waveney Area, and the Government’s clean growth objectives.
- 3.2 All projects within the Plan strongly align with the inclusive economic growth agenda and focus on the 5 key themes of:
- Employment & Skills
  - Transport & Infrastructure
  - Housing
  - Retail & Leisure
  - Heritage & Culture
- 3.3 There is no guarantee that all projects included within the Towns Fund proposal will be approved and funded by Government as part of a Town Deal; each project can stand alone but the significant impact and potential that this offers to deliver major long-term regeneration and support strong economic recovery will only be achieved if we are able to proceed with all of the projects submitted.
- 3.4 The Investment Plan is a showcase for those projects which the Place Board have highlighted as a priority for delivery via the Towns fund. These include elements of the Town Centre Masterplan, supporting the growth of the Port of Lowestoft and ground works for Kirkley Waterfront to unlock future housing growth. In addition, the Towns

Fund will act as a wrapper for all investment opportunities within Lowestoft, whether from Government departments, external funders, or private investors.

- 3.5 To help formalise key priorities for the Investment Plan, the Regeneration Team undertook a detailed engagement strategy. This included a range of 1-2-1's with key stakeholders, presentations to business and community groups and a review of a wide range of community and economic assessments. From this the team created a SWOT analysis of the town. This was used by the Place Board to form a set of key priorities which projects for the Investment Plan would be scored against.
- 3.6 Projects have been submitted from stakeholders alongside those which already formed part of East Suffolk Council's Regeneration Programme for Lowestoft. The projects have been scored using a matrix developed by the Regeneration Team and approved by the Place Board. The scoring matrix assesses each project against Strategic Fit (Priorities, objectives, the Vision, Local Plan and Regional strategies), deliverability (project readiness, cost, funding, asset conflict), Economic outputs (jobs, private sector investment, business created, dwellings created, land regeneration), social values (Environmental Impact, skills, Inclusive growth).
- 3.7 Having undertaken the scoring matrix assessment, the Investment Plan's high level target outputs over a 10-year period will see the regeneration of 84ha of land, creation of 2,500 long term skilled jobs, the delivery of 1,500 homes and attracting £320m of private sector investment.

#### **4 RESOURCE REQUIREMENTS**

- 4.1 In order to deliver the Lowestoft Investment Plan 2020 -2030 and the Towns Fund projects from 2020 to 2026, longer-term officer resource needs to be secured. The Economic Regeneration Team currently consist of 3 permanent and 5 temporary officers. The team delivers regeneration programmes across East Suffolk with a focus on Lowestoft and Felixstowe. Apart from one role, all temporary posts are due to end in December 2021. In order to have the certainty of the capacity to deliver the Towns Fund programme and therefore maximise the impact of this huge investment these temporary roles need to be extended to December 2022 with a view to being made permanent once Towns Deal Funding is secured. This will then provide the basis for the longer-term programme planning and to enable sustainable economic regeneration within the district.
- 4.2 It is important that these post extensions are secured urgently to ensure that officers remain in post during the 12-month development phase of the Towns Fund bid during 2021. It is fundamental to ensure a successful bid to the Towns Fund and subsequent delivery of the plan.

The total net growth to the Council's core budget for these roles being extended is £65,238 up to the end of December 2022. The table below illustrates the budget growth per year:

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
Growth to Current Budget	£15,771	£74,100	£158,100	<b>£247,971</b>
EZ Pot A Funding	-£11,671	-£51,550	-£119,513	<b>-£182,734</b>
Growth to Core ESC Budget	£4,100	£22,550	£38,588	<b>£65,238</b>

The remaining funding comes for this growth in staffing costs will comes from Enterprise Zone income (Pot A).

- 4.3 If these extended roles are not agreed it could lead to the Council missing out on the opportunity to bid for the Towns Fund (up to £25m). This would have a significant detrimental impact on the town that is already identified as being an area that will suffer disproportionately post Covid-19. Furthermore, this is a nationally high-profile funding scheme and therefore aside from the lack of regeneration opportunity for the town there would also be significant reputational damage for the Council.

## **5 HOW DOES THIS RELATE TO THE EAST SUFFOLK BUSINESS PLAN?**

- 5.1 There is an urgent need to make improvements within the town to enable people to engage within their community and feel a sense of pride about the place within which they live. The projects within the Town Investment Plan are focusing on reshaping Lowestoft so that it has a new purpose, one that is based upon community needs, health and wellbeing; as well as providing a more sustainable economy and employment opportunities. There is an urgent need to show that Lowestoft is not “forgotten”. The projects deliver against the following aspects of the East Suffolk Strategic Plan (2020-2024):

- Growing Our Economy- The Investment Plan aims to build a strong sustainable economy for Lowestoft
- Remaining Financially Stable – making the best use of grant and funding opportunities and investing in our assets for the benefit of all
- Enabling Our Communities – projects within the plan providing the environment for everyone to lead healthy, active, safe and fulfilling lives and enabling community pride
- Delivering Digital Transformation - projects within the plan provide better and improved access to connectivity
- Caring for our Environment – projects within the plan are focused on investing in offshore renewable energy, ensuring resilience to climate change, greening of the town centre and improving sustainable transport

## **6 FINANCIAL AND GOVERNANCE IMPLICATIONS**

- 6.1 ESC is submitting a bid to the Towns Fund for investment of up to £25m. At this first stage of the bidding process there is no formal funding or legal commitment required from the ESC. The first stage ends with the conclusion of a Head of Terms Agreement between ESC and MHCLG. The detail around funding and contractual agreements associated with the allocated funding will be set out in the second stage when projects have been fully developed and a final offer is made.
- 6.2 The initially delivery of the Investment Plan will be through the projects that are put forward as part of the Towns Fund Deal, these projects will be profiled over the 5-year Towns Fund period of April 2021 to April 2026. Clarification of any match-funding requirements to be made by ESC will be made during the second phase of the funding process when the projects are fully developed. These projects will be brought to a future Cabinet for approval.
- 6.3 East Suffolk Council will be the Accountable Body for the funding agreed in stage 2 and therefore will own and manage the risks associated with the delivery of the project. A process of governance is established through the Lowestoft Place Board and the ESC

Economic Regeneration Team. The Economic Regeneration Team will deliver the Towns Fund projects over the 5 years and the wider Lowestoft Investment Plan over the 10 years, whilst looking to ensure future delivery post the 10-year period. They will also provide the Secretariat to the Place Board. As a result, there is a requirement to secure the extension of temporary contracts (detailed in 4.0 above) to ensure delivery.

## **7 OTHER KEY ISSUES**

- 7.1 This report has been prepared having considered the results of an Equality Impact Assessment. The assessment identified that the Lowestoft Investment Plan would have no adverse impacts on any of the identified groups, in fact the inclusive economic growth opportunities to be delivered via the plan will have a positive impact on these communities.

## **8 CONSULTATION**

- 8.1 The development of the Investment Plan has been completed with the collaboration of a range of stakeholders and in partnership with the Lowestoft Place Board which is made up of 24 local businesses and organisations.
- 8.2 As part of the engagement process, the Regeneration Team undertook an intensive stakeholder engagement process, which included workshops, engagement events and over 30 1-2-1 sessions with public, private and third sector organisations and presentations to business and community groups, providing a wide range of opportunities for participatory engagement into the Investment Plan. In addition, the community have been invited to put forward their ideas for future projects in Lowestoft using a website created by Government to engage local communities, “Mytowns” website.

## **9 OTHER OPTIONS CONSIDERED**

- 9.1 The other option considered is business as usual, which would mean turning down the opportunity of £25m and pursuing a much less ambitious regeneration programme. This would also then fail to capitalise on the other large infrastructure projects taking place in town e.g. Third Crossing, Flood Barrier scheme. Prior to Covid-19, regeneration was vital to move forward on plans to improve the area and deprivation levels that exist. Following Covid-19 the need for regeneration to prevent further decline becomes even more urgent, particularly in the town centre.

## **10 REASON FOR RECOMMENDATION**

- 10.1 The Lowestoft Investment Plan provides a strong framework upon which to deliver an ambitious regeneration programme for the town. The Towns Fund Deal sits within the Lowestoft Investment Plan and provides the opportunity to secure up to £25m investment into Lowestoft, which will unlock private sector Investment, create jobs, secure housing sites and regenerate areas of the town for the future.
- 10.2 The request for securing extended temporary officer capacity for the Regeneration Team is of critical importance to the bidding process for this fund as well successful delivery of the Lowestoft Investment Plan and future regeneration within Lowestoft.

## RECOMMENDATIONS

1. That Cabinet gives delegated authority to the Strategic Director, in consultation with the Cabinet Member with responsibility for Economic Development, to:
  - (a) agree the Lowestoft Investment Plan with the Lowestoft Place Board, in order to submit it by 31 October 2020, and
  - (b) agree Heads of Terms for the Town Deal with the Ministry of Housing Communities and Local Government to take the bid through to the second phase of full business case development for the projects within the Town Deal.
2. That Cabinet approves the growth of £65,238 in the core budget to extend the temporary positions within the Regeneration Team until December 2022 to ensure the completion of the development phase of projects within the Town Deal, and to report further to Cabinet, once Towns Funding is secured, requesting that these roles be made permanent to deliver the 5 year Towns Deal and the 10 year Lowestoft Town Investment Plan.

## APPENDICES

<b>Appendix A</b>	Town Investment Plan Guidance
<b>Appendix B</b>	Lowestoft Place Board members

**BACKGROUND PAPERS** (List below those documents for which the report author has materially relied upon to produce the report and which are available for the public to view. This is not necessary for confidential/exempt reports so, for these reports, this box can be deleted altogether).

For CABINET, CABINET MEMBER, CABINET SUB-COMMITTEES OR A JOINT COMMITTEE COMPRISED OF CABINET MEMBERS EXERCISING EXECUTIVE POWERS only – The following wording must be included. For any non-Cabinet reports, delete the wording (except where the report will progress onto the Cabinet).

Please note that copies of background papers have not been published on the Council's website [www.eastsuffolk.gov.uk](http://www.eastsuffolk.gov.uk) but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.

Date	Type	Available From
04/08/2020	Equality Impact Assessment	Democratic Services





Ministry of Housing,  
Communities &  
Local Government

## Towns Fund guidance



© Crown copyright, 2020

*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](http://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>

June 2020

## Ministerial Foreword

In the year since we launched our £3.6 billion Towns Fund, the country has faced a whole new set of challenges that we could not have predicted.

But we have seen towns and their communities, at the forefront of our national response to Covid-19, showing great adaptability and resilience. Our appreciation and pride in the places we call home is greater today than ever before.

I'm clear that towns should be at the heart of our nation's recovery and the Towns Fund has never felt more important. This investment into 100 towns across the country will galvanise local businesses and communities. It will show how government and places can come together to build more prosperous futures.

Our Towns Fund Prospectus, launched in September, set out our vision for the Fund and the first stages of the process. Today's publication of further guidance represents another significant step.

While the funds may take on a further purpose in helping us recover and rebound, the overarching objective of the Towns Funds remains the same: to drive the sustainable economic regeneration of our towns for long-term economic and productivity growth.

That is why I'm so pleased we haven't lost momentum. Since September, our towns have been working hard to establish Town Deal Boards and develop their Town Investment Plans. All towns should be incredibly proud of the progress they have made.

The Towns Fund is at the centre of our ambition to level up this country and make it a better place for everyone to live and work. I look forward to working with our towns and communities to make this a reality.

Simon Clarke MP  
Minister for Regional Growth and Local Government

## Contents

1.	Introduction.....	5
	Town Deals and Covid-19 impacts.....	5
	Towns Fund Process .....	7
2.	Towns Fund purpose.....	9
3.	What should be in a Town Deal? .....	10
	Interventions in scope .....	10
	Alignment with other initiatives and funding .....	13
	Co-funding and match funding.....	14
4.	Phase 1: Preparing a Town Investment Plan .....	16
	Running a Town Deal Board.....	16
	Community Engagement .....	19
	Content of the Town Investment Plan.....	20
	Submitting the Town Investment Plan .....	21
5.	Decision Gateway One: Reviewing Town Investment Plans .....	24
	Our consideration of Town Investment Plans.....	24
	Project assessment.....	26
	Heads of Terms.....	27
6.	Phase 2: Developing detailed projects and business cases.....	29
	Business case assurance .....	29
	Producing and submitting a Town Deal Summary Document .....	30
7.	Decision Gateway Two: funding release and implementation.....	33
	Assessing detailed project submissions.....	33
	Implementation.....	33
	Monitoring and Evaluation of the Towns Fund.....	33
8.	Support and next steps .....	36
	The Towns Hub.....	36
	Capacity support.....	36
	Next steps .....	38
	Glossary .....	39
	Annex A: Intervention framework.....	41
	Annex B: Potential government department interventions to align with the Towns Fund .....	46
	Annex C: Town Investment Plan Stage 1 Review Detailed Evidence .....	59
	Annex D: Town Deal Board governance guidance .....	62
	Annex E: Business Cases and Value for Money.....	65

## 1. Introduction

- 1.1 On 6 September 2019 the government invited 100 places in England to develop proposals for a Town Deal, forming part of the £3.6 billion Towns Fund announced by the Prime Minister in July 2019.
- 1.2 Towns are home to some of our key businesses and employers, they host some of our world-leading universities and are where the majority of the population live. 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.
- 1.3 Struggling towns, however, 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; fewer people going on to and returning from higher education; fewer economic opportunities in the surrounding region; fewer opportunities for training and retraining; and less foreign direct investment than in cities. Growth is held back where this is compounded with poor transport and digital connectivity.
- 1.4 We know that towns have been working hard since September to establish Town Deal Boards and develop Town Investment Plans (TIPs) – and while many have had to deprioritise this work in the current crisis, all towns are keen to understand the next steps and how they can agree their Town Deal.
- 1.5 This guidance is intended to enable towns to finalise their TIPs and work with MHCLG to agree their Town Deals. It sets out key information about interventions in scope, and the roles of different stakeholders throughout the process, and shows the path towards the implementation of Town Deals.

### Town Deals and Covid-19 impacts

- 1.6 At the time of writing, we are facing a set of challenges on an unprecedented scale. We cannot predict exactly what the coming months will bring, and we are concerned that deprived towns may be hit harder by this crisis than elsewhere.
- 1.7 We have not changed the focus of the Towns Fund, nor the types of interventions we expect to support. The effects of Covid-19 have been felt directly by all towns, and the impact has been particularly acute for those with the vulnerabilities and weaknesses that the Towns Fund was set up to address. So this investment in towns is more needed than ever. The government wants to meet the long-term needs of left behind communities, and remains committed to levelling up.
- 1.8 The Town Deal may for some towns take on additional purpose as a key part of the efforts to recover and rebound from this crisis. The Towns Fund will enable the agreement of strategic investments by the end of the financial year, tailored to each

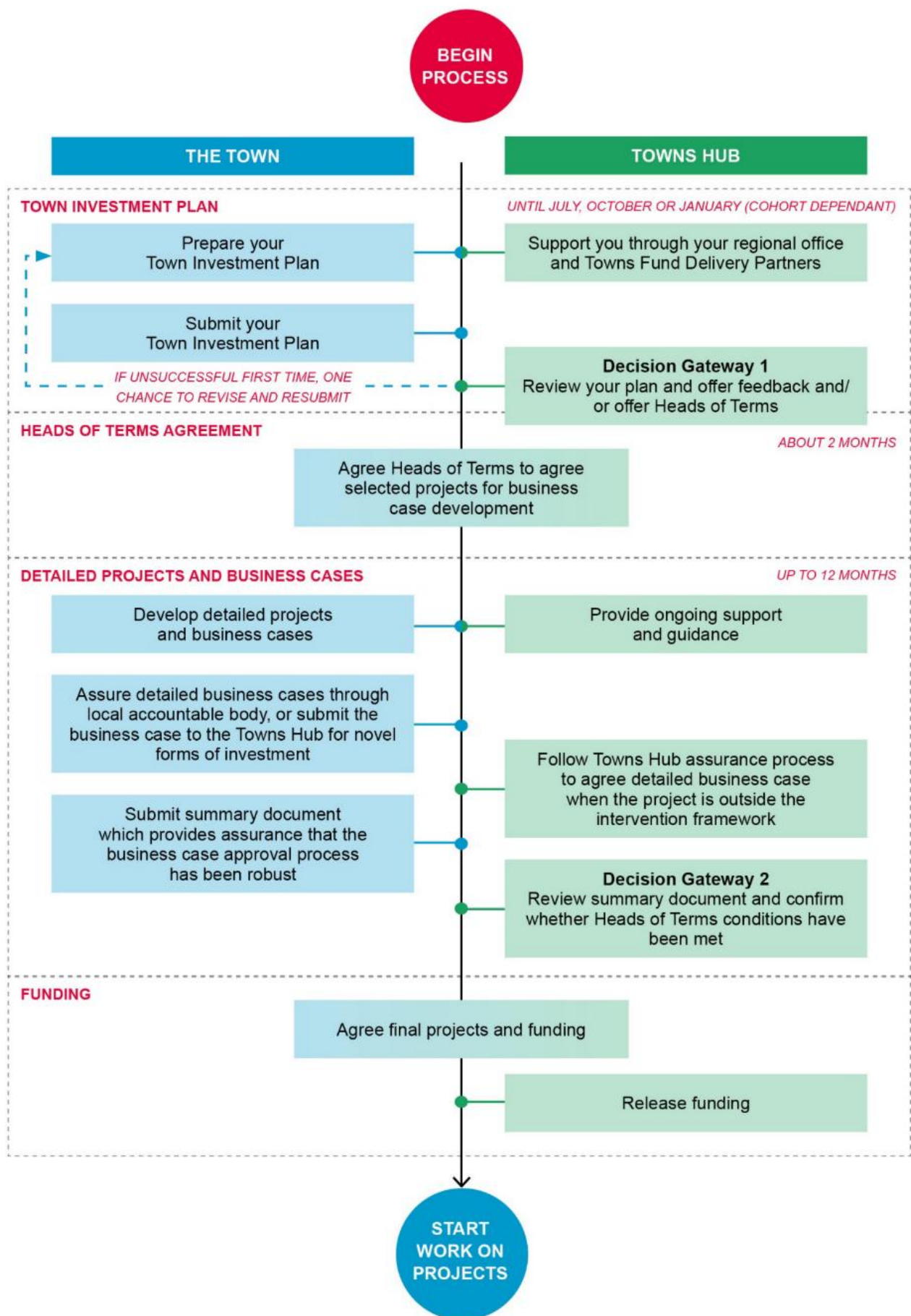
town's circumstances and the localised impacts of Covid-19. This is part of a wider package of support for places to respond to Covid-19, including measures to mitigate the immediate impact, such as the £12.3 billion funding to help small and rural businesses manage their cashflow through this period. Through supporting local economic plans and partnerships, the Towns Fund will help chart a course and lay the groundwork for levelling up over the longer term, as set out in the [UK government's Covid-19 Recovery Strategy](#).

- 1.9 We will be flexible and responsive. We have pushed back the deadlines for submitting Town Investment Plans to reflect the ongoing uncertainty and the pressures on all partners on Town Deal Boards. We will continue to monitor the situation and where needed will provide towns with additional support to complete TIPs.
- 1.10 We would like all towns to outline in their Town Investment Plan how Covid-19 is impacting their local economy, and how this is reflected in their strategy and prioritisation. It may be that some priorities have shifted, or it could be that the same things are still critical – whichever is the case, it is paramount that Covid-19 forms part of the evidence base and is factored into decision-making.
- 1.11 Towns should take advantage of the opportunities presented to chart a sustainable course for their long-term growth. While there may be a case for mitigating the impacts of the crisis on key sectors and parts of town, we will not support measures that are purely short-term. We would like towns to focus on making adaptations which increase resilience and prosperity.
- 1.12 Town centres may be hit hard by the impacts on retail, adding to longer-running trends and pressures. In particular, towns may want to consider how they can reconfigure town centres for mixed uses. There may be other opportunities to make decisive changes for the long term, such as investing in sustainable modes of transport to take advantage of behaviour changes caused by lockdown. TIPs must include a wider spatial strategy, setting out why targeted areas have been chosen, what is being done to support other key areas of their town, and how this will support the town centre.
- 1.13 Towns should flag if they want to use their Town Deal as a key part of their recovery plans and set out how their proposed projects fit with other recovery measures. Towns in this position should highlight projects they believe are 'shovel ready' and the potential to tie in multiple lines of support to one deal.
- 1.14 Given the uncertainties, towns may wish to set out scenarios and hypotheses to underpin plans and ensure plans are flexible to evolving contexts and guidance. We expect to see projects prioritised that will be valuable against a number of possible scenarios, rather than large, risky investments.

- 1.15 Through MHCLG's Towns Hub we will provide resources and advice to help towns understand how Covid-19 will impact them in the future, and lessons about suitable interventions, opportunities and risks. Towns hardest hit by the pandemic and those to whom the deal is an essential part of their recovery planning will receive additional support.

### Towns Fund Process

- 1.16 The diagram below summarises the process for agreeing Town Deals and starting implementation. It has been designed to help strengthen the quality of Town Deals, building partnerships and strategies that will help guide investment and development over time. At the same time, it ensures sufficient oversight and assurance of how money is spent at a local and national level.
- 1.17 There are two phases, with a decision gateway at the end of each. First, towns will develop TIPs, which will be assessed by MHCLG to inform a Heads of Terms offer (given the submission is of sufficient quality). Towns will then develop agreed projects and business cases in detail, and government will assess that information before releasing funding for implementation.
- 1.18 We understand from our readiness assessments carried out over the past six months that towns had very different starting points, and towns have had varying ability to continue their work during the recent crisis. Towns will therefore be able to submit their TIPs in three cohorts, depending on when they will be ready.
- 1.19 Should towns fail to submit a TIP of sufficient quality, they will be given one more opportunity to do so. If they fail a second time, they will no longer be eligible for a deal. Through the Towns Hub, we will provide Town Deal Boards with the support they need to successfully complete the process.





## 2. Towns Fund purpose

- 2.1 Through the Towns Fund we will work with more places to address growth constraints and to ensure we chart a course of recovery from the impact of Covid-19. The overarching aim of the Towns Fund is to **drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth**. This will be done through:

### Urban regeneration

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, preparation, remediation, and/or development; and
- Making full use of planning tools to bring strategic direction and change.

### Skills and enterprise infrastructure

- Driving private sector investment and small business development; and
- Ensuring towns have the space to support skills and small business development.

### Connectivity

- Developing local transport schemes that complement regional and national networks; and
- Supporting the delivery of improved digital connectivity.

- 2.2 We know town centres and high streets are facing particular challenges. We are leaving the flexibility for towns to prioritise investment across the town – for example, in gateway areas, key education or employment sites. We would like to understand your plan for the town centre, to be included as part of the spatial strategy in your TIP.

- 2.3 Many towns face serious social as well as economic challenges. We suggest that towns incorporate this through a focus on inclusive growth. The Towns Fund investments are not intended to target the social challenges directly; these will be covered by other government policy and departments – although you may wish to include actions and investments in these spheres as part of the wider Town Deal.

- 2.4 TIPs should be guided by sustainability – economic, environmental, and social. The government has committed to a legally binding target to achieve net zero greenhouse gas emissions by 2050; clean growth represents a huge opportunity for the UK economy, and is a core principle of the Towns Fund. The current situation creates an opportunity to speed up the process of restructuring our industry, commerce and communities towards a greener future.

- 2.5 Towns and local authorities are well placed to coordinate clean growth investment in their local area, which can deliver decarbonisation, improved air quality and health, and economic growth.

### 3. What should be in a Town Deal?

- 3.1 A Town Deal is an agreement in principle between government, the Lead Council and the Town Deal Board, confirmed in a Heads of Terms document. It will set out a vision and strategy for the town, and what each party agrees to do to achieve this vision.
- 3.2 This document will be signed by the Secretary of State for Housing, Communities and Local Government on behalf of government. We expect the other signatories to be the chief executive or leader of the local authority and the chair of the Town Deal Board. Town Deals will cover a period of up to five years.
- 3.3 Each town has been invited to put together proposals for up to £25 million from the Towns Fund – although we will consider more than £25 million in exceptional cases. This core funding component of a Town Deal will be money from the Towns Fund. Towns are not in competition with one another – the amount of funding they are able to access will be based on the quality of their proposals and not related to the proposals brought forwards by others.
- 3.4 The Town Deal should also be a ‘wrapper’ for other investments, whether from other government departments or private investors. We would like the Towns Fund money to provide additionality, and help to bring in other funding, so Town Deals become more than the sum of their parts.

#### Interventions in scope

- 3.5 The Towns Fund is primarily a capital fund. We want to support projects that are viable and sustainable in the long term, and which build on the town’s assets and strengths. Interventions supported through the Towns Fund should be developed with input from the community, who should feel a genuine sense of ownership. We also want to support towns that are targeting interventions that will play a role in their immediate economic recovery.
- 3.6 All interventions should be designed to help generate local economic growth whilst taking into account the principle of clean growth.
- 3.7 The table below includes the outcomes, by intervention theme, that towns should be targeting through their interventions. These target outcomes should be used as a guide when towns are designing their investment plans. Examples of the types of outputs that might produce such outcomes – and therefore ones that towns should be considering – are also included in the table.

Intervention Theme	Outputs	Target Outcomes
Local transport	<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</li></ul>

		<p>to and from places of interest (especially shops and amenities)</p> <ul style="list-style-type: none"> <li>• Reduced congestion within the town</li> <li>• Enhanced high street and town centre experience that prioritises the health, safety and mobility of pedestrians</li> </ul>
Digital connectivity	<i>Provision of full fibre infrastructure with local authority as anchor tenant</i>	<ul style="list-style-type: none"> <li>• Increased utilisation of digital channels, by businesses, to access and/or supply goods and services</li> <li>• Increased ability for individuals to work remotely/flexibly</li> <li>• Encouraging further investment from network operators</li> </ul>
Urban regeneration, planning and land use	<i>Remediation and/or development of previously abandoned or dilapidated sites</i>	<ul style="list-style-type: none"> <li>• Enhanced townscape that is more attractive and more accessible to residents, businesses and visitors</li> </ul>
Arts, culture and heritage	<i>New or upgraded museums, theatres, community spaces, etc.</i>	<ul style="list-style-type: none"> <li>• Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access</li> </ul>
Skills infrastructure	<i>Increase in the capacity and accessibility to new or improved skills facilities</i>	<ul style="list-style-type: none"> <li>• Increased share of young people and adults who have relevant skills for employment and entrepreneurship</li> </ul>
Enterprise infrastructure	<i>Increase in the amount of high-quality and affordable commercial floorspace; increase in the number of shared workspaces or innovation facilities</i>	<ul style="list-style-type: none"> <li>• Increased number of enterprises utilising high-quality, affordable and sustainable commercial spaces</li> <li>• Increased number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces</li> </ul>

3.8 The full intervention framework can be found in Annex A and sets out:

- The spatial focus of interventions;
- A broad set of acceptable outputs which should guide the design of specific interventions;
- Policies and strategies that interventions should align with; and
- The list of outcomes that we would expect interventions to target, along with a set of possible indicators that will be used to measure progress and success.

3.9 The intervention framework has been designed to allow flexibility for a broad range of interventions, so that towns can select those that are most suited to their unique circumstances. Towns should design their interventions so as to lead to the target outcomes. It should be noted that interventions outside of this framework are not automatically precluded, although they are likely to be subject to additional scrutiny in the business case phase.

3.10 For example, where towns face a flooding risk they may propose to address this in their investment plan. We might expect to fund new developments that were flood-proof, and flood defences as part of those developments. However, the focus of the

Towns Fund is on economic growth, and projects will have to be cognisant of this. (Details of specific flooding funding is set out in Annex B).

- 3.11 In all instances, towns will be required to demonstrate how their interventions will lead to the agreed outcomes using a convincing, well-evidenced Theory of Change. Further guidance on producing a Theory of Change can be found within [HM Treasury's Magenta Book](#) (page 24, section 2.2.1).
- 3.12 The fund is 90% capital. As a general rule, towns are asked to ensure that their funding bids concentrate on capital spend on tangible assets. In some towns, there may be a particular need for a small amount of revenue funding – perhaps to support implementation of a capital project. However, this will need to be fully evidenced and will be the exception.
- 3.13 The profile of the overall fund is from 2020 to 2021. We will agree specific funding profiles with each individual town based on their deal and projects.
- 3.14 In exceptional circumstances, an allocation of more than £25 million may be considered<sup>1</sup>. This will be limited to the most ambitious and credible investment plans, and towns will face a higher level of scrutiny of their plans:
- TIPs should credibly target not only transformational impacts for the town itself but for the wider region or at the national level.
  - TIPs must be top quality, with all of the Town Investment Plan (TIP) assessment criteria fully demonstrated
  - Towns will face a challenge session before a Heads of Terms is offered
  - For individual projects over £25 million business cases must be approved centrally through MHCLG rather than assured through a local Accountable Body .
- 3.15 Towns should not bid for the full £25 million or more unless there is an objective rationale to do so. It should be noted that the coherence of the Town Investment Plan (i.e. the complementarity of project proposals and their alignment with the town vision and strategic planning) plays a key role in the assessment of TIPs. Should a town bid for the full amount or more without a sound evidential backing, the town risks failing to secure a deal at the first attempt, meaning they have just one more chance to submit.
- 3.16 Towns will need to demonstrate that their proposed interventions have taken account of the following clean growth principle: *Investment from this fund should support clean growth where possible and, as a minimum, must not conflict with the achievement of the UK's legal commitment to cut greenhouse gas emissions to net zero by 2050.*
- 3.17 In practice, cost effective interventions might include:
- Investment in clean public transport
  - 'Gateway' areas around train stations

---

<sup>1</sup> The maximum available is £50 million

- Other clean transport, including cycling infrastructure and electric vehicle charging points
- Low carbon buildings
- Infrastructure that reduces emissions from industrial areas
- Innovative energy efficiency measures, clean heat and power generation, and energy storage
- Regenerating and retrofitting existing buildings to be as low carbon as possible
- Carbon offsetting, e.g. planting trees
- Skills initiatives which support clean growth industries
- All development should be cognisant of flood risk and coastal erosion where relevant.

### Alignment with other initiatives and funding

- 3.18 To maximise the impact of the Towns Fund, we want to help towns align their plans with other existing government funds and initiatives. Towns should consider how the Towns Fund money may help crowd in and leverage other sources of funding. We hope that this will enable synergies, win-wins and multiplier effects, thanks to more place-focused policy.
- 3.19 A Town Deal for some towns might therefore involve agreeing to align Towns Fund monies with those from another government programme, or other public or private sector funding sources. Ideally, a Town Deal will serve as a ‘wrapper’ for a wide range of government interventions, in order to maximise both the impact of funding and the range of projects which can be funded.
- 3.20 Towns should indicate in their TIP where there exists any overlap with other government interventions, or where they plan to align Towns Fund monies with other investment. This could include aligning investment in transport infrastructure with the Department for Transport’s Restoring Your Railway Fund, or wider economic regeneration plans with MHCLG’s Brownfield Housing Fund. There are a range of funds offered by the Department for Education on skills and skills infrastructure, and from the Department for Digital, Culture, Media and Sport for digital connectivity, heritage, culture, sports, and tourism.
- 3.21 A list of funding programmes that align with the objectives of the Towns Fund is at Annex B. There may be other local, regional and national funding opportunities available that are not listed or other opportunities such as estate regeneration schemes. Towns should explore all possible avenues in the development of their investment plans.
- 3.22 For some funding programmes (such as those in the list below), the application process is likely to happen in parallel to the Towns Fund process. If towns are intending to apply for these other funds, we ask that you flag this in your TIP, and set out linkages, synergies and interdependencies between the Towns Fund and those possible investments.

- MHCLG's Future High Streets Fund
  - DfT's Restoring Your Railway (Beeching) Fund
  - HMG's Freeports programme
  - Cabinet Office's One Public Estate programme
  - DfE's Further Education Capital Fund
  - MHCLG's Development Corporations programme
- 3.23 The relevant departments will make their own assessment as to whether the project meets their criteria and should be taken forward through their own processes, in parallel to MHCLG's. We will work to ensure government is joined up in how it assesses and awards these funds. Should this be agreed, alignment of the funds will be included as part of the Town Deal.
- 3.24 Some towns selected for a Town Deal have also been shortlisted for the Future High Streets Fund. As towns develop both proposals, they should ensure that they are fully aligned, building on a clear overall vision and strategy. The two funds cannot be used as match for each other but can fund complementary projects.
- 3.25 We also encourage collaboration and alignment with regional bodies and other levels of government. Where appropriate, towns should work with Local Enterprise Partnerships, Mayoral Combined Authorities and others to ensure coordination and shared learning. Some types of project may require sign-off by certain bodies, for example transport projects must have the full support of the lower and upper tier transport authorities and the local highways authority.

#### Co-funding and match funding

- 3.26 We would like to see co-funding and match funding where possible. Leveraging additional funding from other sources such as the private sector can be an effective means of widening the scope and ensuring the success of a project.
- 3.27 We know, however, that this may be difficult in some towns, especially in light of Covid-19 impacts. We have not set a minimum for match funding or private sector investment, and we will respect the different opportunities and constraints faced by different towns.
- 3.28 At a minimum we want to see evidence that towns have fully explored investment opportunities and sought to initiate discussions with potential investors as early as possible. Towns should demonstrate the level of buy-in already secured from a range of private sector players – whether this is recent or something built up over a number of years. Towns should set out how the level of co-funding secured is reasonable for their particular context, and make clear the level of commitment behind any match funding. We can provide support to towns on project finance and private sector investment.

### **Case Example – Stansted Airport College**



The Towns Fund prospectus highlighted the significant role colleges play in many local communities and that collaboration between education providers and businesses (large and small) is important to deliver a more highly skilled workforce. This can be achieved through investment in vital skills infrastructure.

Stansted Airport College is the first on-site aviation college at any UK major airport. It is a partnership between Harlow College and London Stansted Airport (part of the Manchester Airport Group). The College was specifically established to address skills shortages in the aviation industry. Construction began in October 2017 and the College opened to its first students in September 2018. Now in its second year of operation the College is at full capacity of 500 trainees.

The airport has between 300-400 live vacancies every week of the year, from entry level positions through to higher level technical positions. The strategic partnership provides a pipeline of talent for airport business partners, as well as providing 'a clear line of sight' to the workplace for young people. The College sits literally at the end of the runway – its location provides an inspiring and motivational environment for young people.

This is a significant and fundamental strategic partnership which included the 'gift' of £3.5 million land to build the new facility, as well as key links with the 220+ airport business partners. Employers were involved in the design of both the building and the curriculum. Their on-going commitment and support to work placements, visits, professional talks, volunteering and curriculum development is a vital part of the College's success. Impact is measured at multiple levels. Now at full capacity the £11 million centre delivers £2.3 million of benefit to the economy in terms of skilled trainees for the workforce.

## 4. Phase 1: Preparing a Town Investment Plan

- 4.1 Town Deal Boards are responsible for developing a Town Investment Plan that sets out a clear vision and strategy for the town. Plans should reflect local priorities and be co-designed with local businesses and communities. A Town Investment Plan will be used as the basis for agreeing the Town Deal, including the specific projects which will be funded and the agreement in principle/Heads of Terms (before entering into phase 2 where funding may be granted). For towns that are proposing a joint deal, a single Town Investment Plan must be developed with strategic fit for both towns.
- 4.2 TIPs should be long-term, strategic documents. They should provide the strategic case for Town Deals, with the evidential and analytical basis for the selection and design of the projects proposed in it. We would also like them to be broader than this: they should set out a vision for the town with broad ownership and a strategy that can set the direction for the economic turnaround of the town over a decade, including economic recovery from the current crisis.
- 4.3 TIPs should build on and recognise the good work that has already been undertaken in towns. We know many towns already have strong partnerships, and we are happy if these form a key foundation of the Town Deal Board. And in many places there are recent strategies and plans for the town which are highly relevant to Towns Fund objectives: we would hope TIPs align with and build on these.
- 4.4 To help contribute to broader ownership and longevity, the final Town Investment Plan should be published on the Lead Council's website (or a Town Deal specific website).

### Running a Town Deal Board

- 4.5 Town Deal Boards are responsible for producing Town Investment Plans, including putting forward suitable projects which align with the objectives of the Towns Fund, and for overseeing compliance with the Heads of Terms Agreement with government.
- 4.6 We hope that they can build on and strengthen existing partnerships in the town. It is also important to be clear how Town Deal Boards align with other place-based initiatives in towns. We would like to see evidence of a shared vision and commitment from a range of stakeholders, however this does not all have to come from Towns Fund-specific engagement.
- 4.7 A Town Deal Board should operate in a transparent and objective way for the benefit of the town it represents. We set out here and at Annex D governance requirements – this should fit within and complement existing arrangements for governance, assurance, audit etc. in the local authority and does not need to be wholly separate.



- 4.8 The Town Deal Board's membership should reflect the diversity of the town and surrounding area. The Towns Fund Prospectus stated that membership of Town Deal Boards should comprise:
- A private sector chair
  - All tiers of local government for the geography of the town
  - The MP(s) representing the town
  - The Local Enterprise Partnership
  - Local businesses and investors
  - Community/local voluntary community sector representatives
  - Other relevant local organisations, such as FE colleges or Clinical Commissioning Groups.
- 4.9 It will be important to ensure a balance of views are heard and to create opportunities for fresh perspectives and challenge, so membership could extend to those with other specific expertise, such as clean growth.
- 4.10 All Town Deals will need to have an Accountable Body which will be a council through which funding will flow. The Lead Council for the Town Deal (the Unitary Authority, Metropolitan Council, District Council or Borough Council for the town) will determine the appropriate Council to act as the Accountable Body (the Lead Council may take on this role or nominate an upper tier Authority where more suitable). Lead Councils have a seat on the board and take responsibility for ensuring that decisions are made by the Town Deal Board in accordance with good governance principles.

### **Roles and responsibilities**

**Town Deal Board** - The Town Deal Board will sign off each stage of a Town Investment Plan and Town Deal. The Board is responsible for:

- Upholding the Seven Principles of Public Life (the Nolan Principles)
- Developing and agreeing an evidence-based Town Investment Plan
- Establishing a clear programme of interventions
- Embedding arrangements in local plans (where appropriate) and undertaking Environmental Impact Assessments and fulfilling duties on public authorities under the Equalities Act, in particular, and the public sector equality duty.
- Coordinating resources and engaging stakeholders
- Ensuring communities' voices are involved in shaping design and decision making at each phase of development
- Ensuring diversity in its engagement with local communities and businesses
- Helping develop detailed business cases
- Overseeing each step of agreeing a Town Deal, and overseeing compliance with the Heads of Terms Agreement with government

### **Town Deal Board Chair:**

- Upholding the Seven Principles of Public Life (the Nolan Principles)
- Leading the Board in achieving its objectives, maintaining an overview of activity, and championing and supporting partnership working

- Ensuring that decisions are made by the Board in accordance with good governance principles
- Signing the Head of Terms Agreement with government

**Lead Council** (acting as or with the Accountable Body):

- Upholding the Seven Principles of Public Life (the Nolan Principles)
- Developing a delivery team, delivery arrangements and agreements
- Ensuring that decisions are made by the board in accordance with good governance principles
- Ensuring transparency requirements are met – through publication of information on their website or a Town Deal specific website (where further reference is made in this guidance to publication on a Lead Council’s website this includes Town Deal specific websites)
- Developing agreed projects in detail and undertaking any necessary feasibility studies
- Undertaking any required Environmental Impact Assessments or Public Sector Equalities Duties
- Helping develop detailed business cases
- Liaising with potential private investors in identified local projects and schemes
- Signing the Head of Terms Agreement with government
- Monitoring and evaluating the delivery of individual Towns Fund projects
- Submitting regular monitoring reports to Towns Hub
- Receiving and accounting for the Town’s funding allocation

- 4.11 The Town Deal Board should have suitable governance arrangements that allow members to provide robust challenge, hold delivery partners to account and ensure that the benefits of the Town Deal are achieved. The governance arrangements should cover:
- Roles and responsibilities of the Board
  - Transparency of decision making
  - Details of how the Board will engage with the relevant partners and the community
  - How decisions will be scrutinised
  - How the Board intends to follow the local authority best practice for Committee and Board Secretariat and Governance
- 4.12 The membership and governance arrangements (including minutes of meetings and decision logs) of the Town Deal Board should be published on the Lead Council’s website.
- 4.13 Annex D provides further detail on the governance expectations, this includes information on the requirements relating to management of conflicts of interest and the publication of information.
- 4.14 Ahead of agreeing a Town Deal, checks will be undertaken to ensure Town Deal Boards are meeting all the governance expectations set out here and in the Towns Fund Prospectus.

## Community Engagement

- 4.15 Interventions supported through the Towns Fund should have the support of the community, through early and ongoing engagement and genuine partnership arrangements. Plans made with the communities that they affect are most likely to be successful, lead to innovation and creativity, and result in less controversy.
- 4.16 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. If communities feel heard and are invested in the success of the project(s), this should ultimately help develop a sense of pride and connectivity to place and community. And for some towns, the existing sense of pride and identity in their town can be a valuable resource for change.
- 4.17 This is a key part of developing the Town Investment Plan and we want towns to demonstrate the buy-in they have secured with the community. We are not being prescriptive about how this looks, however – and it can and should build on existing partnerships, consultation and mobilisation in the local community. Towns may choose to use the capacity funding, provided December 2019, to support community engagement.
- 4.18 We recognise that engagement with local communities is made more challenging due to the Covid-19 pandemic. The response to Covid-19 has seen an increase in volunteering and community action, and we encourage towns to use this moment as an opportunity to harness this energy and embed community engagement.
- 4.19 We urge Town Deal Boards to be innovative in ensuring that a diverse range of stakeholders are consulted throughout the development of Town Investment Plans, making the most of what digital technology can offer to reach diverse communities and groups while also considering face-to-face engagement when it is possible. The Towns Hub can provide support and advice for community engagement in the Covid-19 context.
- 4.20 Asking the right questions, in the right way and at the right time, can draw out potential pitfalls and unexpected but effective solutions. For example, a new bus lane and bus route can either divide communities and further isolate or become the access route to both physical and social connectivity.
- 4.21 The level and quality of community engagement – what has been done so far and what is planned in the future – will be a key factor when assessing and agreeing the Towns Deals. Every TIP should also include a **stakeholder engagement plan** that demonstrates how the town will:

- Involve: Identify and involve the people/organisations who have an interest in the proposals and developments
- Support: Identify and show how you will overcome any barriers to involvement

- Evidence: Gather evidence of the needs and available resources and use this to agree the purpose, scope and timescale of the engagement and the actions to be taken
- Design: Agree and use methods of engagement that are fit for purpose, and demonstrate engagement throughout the project lifetime/Town Deal Fund
- Work together: Agree and use clear procedures that enable the participants to work with one another effectively and efficiently
- Share information: Ensure necessary information is communicated between the participants and everyone is looped into the information needed to make informed decisions
- Work with others: Work effectively with others who are already or could help with engagement for example the voluntary and community sector, social enterprises or relevant public sector bodies
- Improve: You may need to consider further developing the skills, knowledge and confidence of all participants
- Feedback: How will you feed back the results of engagement to the wider community and agencies affected, and show the impact this engagement has had
- Evaluate engagement: Monitor and evaluate whether the engagement achieves its purposes and adjust as necessary

## Content of the Town Investment Plan

- 4.22 As set out in the prospectus, the Town Investment Plans should:
- Set out investment priorities that could drive economic growth, supported by clear evidence, building on the strengths and assets of the town
  - Demonstrate how investment will be targeted into the economic infrastructure listed around the objective of the fund
  - Build on and add to existing partnerships and plans for the town, and complement pre-existing strategies such as Local Industrial Strategies, Skills Advisory Panel analysis, spatial strategies and local transport plans
  - Consider the wider strategic approach, including Northern Powerhouse, Midlands Engine, the Oxford-Cambridge Arc and other pan-regional strategies
  - Align with the government's clean growth objectives
- 4.23 The Town Investment Plan should be in two sections; section 1 setting out the context, strategy and process planning; and section 2 setting out the details of project proposals. The expected content is set out below, and the **templates for sections 1 and 2 of the Town Investment Plan will be provided directly from the Towns Hub.**

TIP Section 1	
<b>Context analysis</b>	<ul style="list-style-type: none"> <li>• Map of agreed town boundary and other relevant context</li> <li>• The main challenges facing the town</li> <li>• Evidence of need, relevant to proposed projects</li> <li>• The town's assets and strengths</li> </ul>

	<ul style="list-style-type: none"> <li>• Key opportunities for the town</li> </ul>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Town vision, and headline outcomes and/or targets for 2030 or beyond</li> <li>• Strategy, outlining strategic planning, objectives and targets, spatial strategy, underlying evidence, analysis and rationale, and a description of priority areas for the short, medium and long term.</li> <li>• Mapping of all strategies, partnerships, programmes and investments relevant to the vision and strategy, and how they will be aligned</li> </ul>
<b>Engagement and delivery</b>	<ul style="list-style-type: none"> <li>• Clear evidence of buy-in from local businesses and communities, description of have been engaged throughout the development of this plan, and how this engagement will continue</li> <li>• Demonstration of commitments from private sector players, and ambitions for private-sector investment going forwards</li> <li>• High-level plan of business case development and appraisal for each project including the identification of the Accountable Body</li> <li>• High-level delivery plan with justification of deliverability</li> </ul>
<b>TIP Section 2</b>	
<b>Prioritised list of projects</b>	<p>Including the following for each project:</p> <ul style="list-style-type: none"> <li>• Project description, rationale and alignment with intervention framework</li> <li>• Theory of Change, projected outputs and outcomes</li> <li>• Estimates of project costs, timescales, spend profile, and estimated BCR</li> <li>• Funding secured from other sources, community and private sector involvement and major interdependencies</li> </ul>

4.24 Towns should set out in their TIP their assessment of the local impacts of Covid-19, and how these have been taken into account in their strategy and project prioritisation. Towns should flag if they want to use the deal as key part of their recovery plans, and set out how their proposed projects fit with other recovery measures. Given the uncertainties you may wish to set out scenarios and hypotheses to underpin plans, and ensure plans are flexible to evolving contexts and guidance.

4.25 Towns should also indicate where projects proposed are already well-developed and could be taken forwards quickly – for example, where a business case already exists, planning permissions secured, or are otherwise ‘shovel ready’. In these instances we would support towns to complete the second stage of the process quickly for those projects, so that funding can be released as soon as possible.

### Submitting the Town Investment Plan

- 4.26 We know from our initial engagement that towns will need to work at different speeds in developing proposals. To support this, we have set three deadlines for submitting Town Investment Plans.
- 4.27 **We will ask towns to confirm, within four weeks of the publication of this guidance, which cohort they would like to come forwards in – submitting their TIP by 31<sup>st</sup> July 2020 for cohort 1, by the end of October 2020 for cohort 2, or by the end of January 2021 for cohort 3.**
- 4.28 All towns must have submitted Town Investment Plans by the end of January 2021. All towns will have a second chance to submit their TIP if they are not successful the first time, no matter which cohort they first come forward in. You should work with your named town lead to determine which is the most appropriate for your town.
- 4.29 **You should submit your Town Investment Plan by email to the Towns Hub by the deadline** you have agreed with your named Town Deal contact.
- 4.30 Whilst we are keen to do deals and start the process of getting much needed investment into towns, we do not want any town to come forward before it is ready. There is **no advantage in coming first**: each Town Investment Plan will be assessed on its own merits.
- 4.31 Should you fail to meet the agreed deadline or submit proposals or projects of insufficient quality which do not meet the criteria and conditions, you will have the opportunity to resubmit at a subsequent deadline. If you do not submit, or submit proposals of insufficient quality by March 2021, then your town is likely to be deemed ineligible for this round of funding from the Towns Fund. You may be eligible to apply for a future competitive round of the Towns Fund.

### **Case Example – The Lincoln Transport Hub**



High quality and well-designed infrastructure is critical to supporting local economies and sustainably improving living standards, with reliable transport connectivity one of the keys to spreading prosperity in towns.

In Lincoln the bus station was recognised as inadequate, with sub-standard facilities, condition and general amenities. Similarly, there was a general acknowledgement that the absence of a central shoppers'/visitors' car park was constraining both retail and visitor activity in the city. Railway station access, parking and services were also generally recognised as being 'out of step' with the expectations of a 21st Century city.

The £30 million Lincoln Transport Hub scheme, led by the City of Lincoln Council, was part-funded by an £11m investment from the Department for Transport and a further £2m Local Growth Fund investment from the Greater Lincolnshire Local Enterprise Partnership. The main purpose of the scheme was to provide an integrated and improved transport hub that enabled both the bus and railway stations to cope with increased passenger numbers and crucially open the possibility of more services in the future.

Completed in 2018 the Hub has transformed the city centre providing a new 14 bay state-of-the-art bus station and a new 1,001 space multi-storey car park. The road network around the Hub has been improved and includes traffic calming measures. New public realm has created better pedestrian connectivity and encourages healthier lifestyles by providing cycle paths and easy to navigate walkways from the railway station into the city centre. Additionally the railway station forecourt has been reconfigured to create a dedicated pedestrian area leading into the city centre.

The Hub has received feedback in local media indicating that it has made a positive impact on life in Lincoln and created an improved first impression and visitor experience to the city. The scheme has also helped unlock development of the wider retail areas of the city, offering further retail, office and residential accommodation including private investment in the Cornhill area adjacent to the station.

## 5. Decision Gateway One: Reviewing Town Investment Plans

### Our consideration of Town Investment Plans

- 5.1 As part of the first decision gateway, Town Investment Plans will be considered in two stages. The first stage will consist of a review of the TIP in its entirety (sections 1 and 2) using the criteria below. Where there is clear evidence of all the standards below being met, TIPs will progress to the second stage of the review where the Towns Hub will then review in more detail the individual project proposals in section 2 of the TIP. Where the standards haven't been met, clear feedback will be given and there will be one more opportunity to resubmit the TIP at a later date, as agreed with the Towns Hub.
- 5.2 This first decision gateway (the TIP review and detailed project assessment) will be coordinated by the Towns Hub, including officials from MHCLG and from other government departments (from both local and national levels), and including individuals covering policy, finance, and management as well as specific sectors or technical areas.
- 5.3 Town Investment Plans must demonstrate how Covid-19 is impacting their local economy, and how this is reflected in their strategy and prioritisation. It may be that some priorities have shifted, or it could be that the same things are still critical – whichever is the case, it is paramount that Covid-19 forms part of the evidence base factored into decision-making. Strategies and priorities should aim for long-term adaptation and transformation, rather than short-term mitigation of impacts.
- 5.4 TIPs must include a wider spatial strategy, setting out why targeted areas have been chosen, what is being done to support other key areas of their town, and how this will support the town centre. We recognise that towns may also serve as crucial parts of interconnected regional economies, and as rural hubs. Investment will only be available within the agreed town boundary. However, we welcome any benefits to the wider economy that the town deal can bring.

### TIP review (see Annex C for more details)

Review of the Town Investment Plan		
Standard	Criterion	Evidence
Impact	Level of need	Details of the major challenges and problems in the town which could be addressed through Towns Fund interventions.
	Scale of opportunities	Details of major opportunities and unmet demand which could be capitalised on to boost growth and improve wellbeing



<b>Strategy</b>	Strength of vision, strategy and economic narrative	An evidence-based vision and strategy, aligned to the objectives of the fund and grounded in its context, including a clear demonstration how the strategy responds to local Covid impacts, and with a and a robust prioritisation process has been followed.
	Coherence of TIP	A coherent set of proposals forming a broader strategy which clearly addresses the needs and opportunities. Theories of Change developed for each project setting out clearly the assumptions and external factors.
	Capacity and alignment of proposals with ongoing initiatives	Details of how proposals would complement existing and planned work while providing additionality, including how it aligns with Covid recovery. Details of co-funding, delivery capacity and accountability.
<b>Partnerships</b>	Strength of collaboration with communities and civil society	Level of representation and institutional collaboration both in the production of the TIP and planned for the future.
	Strength of collaboration with the private sector and local businesses	Level of representation and institutional collaboration both in the production of the TIP and planned for the future.

#### 5.5 The best TIPs will:

- Include long-term strategic planning, and be based on sound evidence and analysis, with an understanding of the town's context. It should also include a set of intervention proposals with a clear strategic fit, guided by evidence of 'what works' or by case studies of success from elsewhere.
- Clearly demonstrate how programme- and project-level planning responds to Covid-19 impacts in the short, medium and long term, and how it supports recovery and aligns with the clean growth principle
- Make clear the unique characteristics and assets of your town and set a path towards a realistic and sustainable future for the local economy, bearing in mind your assets, and the efforts and specialisms of other towns, avoiding replication or competition.
- Maximise the contributions from a variety of local stakeholders, demonstrating their buy-in, not just through their inputs to the TIP priorities, but also by setting ambitions for ongoing collaboration e.g. using collective impact or design thinking approaches.
- Take into account all the guidance in this document and the prospectus, including clean growth, community engagement, mitigating against Covid-19 related challenges, etc. You should set out how each aspect is relevant to your context rather than feel you have to take everything on board as a blueprint.
- Make a case for an appropriate amount of Towns Fund investment, rather than simply asking for the maximum £25 million regardless of the value of projects. We expect to see private investment and other sources of funding where this is possible and appropriate.

- A more detailed breakdown of the evidence that should be included in a TIP is included at Annex C.

## Project assessment

- 5.6 Where the TIP is of the required standard, government will assess the projects listed in the plan to decide on an initial funding offer. Final decisions will rest with ministers.
- 5.7 All towns will be able to put forward project proposals totalling up to £25 million (or more in exceptional circumstances). The exact amount offered, however, will depend on the total of all the projects that are assessed as viable.
- 5.8 At this stage, full business case development is not required. Towns will progress to developing business cases for agreed projects once Heads of Terms has been agreed. Towns are required, however, to set out the process of business case development and appraisal which they will undertake, including the identification of an appropriate Accountable Body with tried and tested local assurance mechanisms for government investment. We would also like towns to indicate the extent to which business cases have already been developed.
- 5.9 The Towns Hub will consider the in-principle case for and viability of each of the projects set out in the Town Investment Plan. The Towns Hub may:
- recommend in-principle agreement to projects, which can then be developed into a full business case
  - recommend in-principle agreement but with specific conditions attached which will need to be met before a full business case can be developed, such as progressing the business case through MHCLG
  - recommend that ministers do not agree to projects considered unviable.
- 5.10 The project approval process will take into account:
- the level of alignment with the intervention framework set out at Annex A
  - the use of evidence on what works and/or good practice
  - indicative benefit cost ratio (BCR) – grounded in sound judgements about additionality
  - technical quality
  - the scale of outputs and outcomes proposed and
  - whether the full potential for match funding has been leveraged
- 5.11 The extent of investigation and research by all selected towns into private sector investment or match funding will be assessed in order to be assured that the town has explored all viable options throughout the development of its Town Investment Plan. In some cases, a condition or action to work to leverage further funding may be set for the detailed project development phase.

- 5.12 Following the review of TIPs and assessment of projects, government will offer a Heads of Terms to be considered by the Town Deal Board. The final decision on Heads of Terms offers rests with Ministers.

### Heads of Terms

- 5.13 Where the TIP is of the required standard and contains viable projects, we will offer Heads of Terms. Heads of Terms are an agreement in principle for funding and will be in the form of a Memorandum of Understanding (MOU), signed by the Chair of the Town Deal Board, the Lead Council and by Ministers. The relevant MOU would also be attached to any funding that is allocated to each town.
- 5.14 The Heads of Terms will include:
- Allocated Towns Fund budget and financial profile
  - List of projects to receive funding and recommended assurance route for business cases
  - List of support agreed by other government departments [where applicable]
  - Key conditions and requirements
- 5.15 Examples of conditions which may be attached include target figures for match funding, minimum benefit cost ratios, meeting a spend profile, requirement to engage with government bodies, improved value for money or confirmation of planning approval.
- 5.16 **Once a town has agreed to the Heads of Terms, the Town Deal will be announced.**

### **Case Example – Cotgrave Town Regeneration (A46 Corridor Regeneration Phase 1 and 2)**



The Towns Fund Prospectus highlights that investments in social infrastructure – town centres, community spaces, and libraries – can create spaces for people to meet and build on a towns pride of place.

Since the closure of its pit in 1993 Cotgrave had been in need of regeneration. Facilities in the town centre were old and no longer fit for purpose. Rushcliffe Borough Council worked with partners, including Homes England, on a place-based strategy to ensure that both public services and business opportunities were provided to support the growth of the town.

The resulting £10.5m regeneration project, part funded with a £3.0m investment from D2N2's Local Growth Fund programme, has created 136 jobs to date, providing a significant boost to the local economy and provides a possible modal for a Towns Fund intervention.

The project included the construction of a new multi-service centre (the Cotgrave Hub) in the town centre, providing “one door” to public services: housing a GP surgery, police station, library, council contact point and community and voluntary services. The existing police station, library and health centre were demolished and replaced with new open space and landscaping, including a children's play area all to create a welcoming environment for shoppers. Shop units in the town square were improved to provide a fresh new look and improvements made to the appearance of the back of the shops. Flats above the shop units were converted into a new business centre, with nine office suites for local businesses. The works have increased the vibrancy and attractiveness of the area, both aesthetically and in terms of consumers having a greater variety of services and choice.

In addition, 15 new industrial units ranging from 750 to 2,000sq and 463 new homes were constructed on the former Cotgrave Colliery site, on the outskirts of the town centre.

A comprehensive regeneration of the town centre was therefore carried out. This provides a possible model for Towns Fund interventions seeking to create an enhanced townscape, one that is more attractive and more accessible to residents, businesses and visitors.

## 6. Phase 2: Developing detailed projects and business cases

- 6.1 Following the agreement of Heads of Terms, towns will have up to one year to develop agreed projects in detail, complete and assure comprehensive business cases, and submit a Summary Document to MHCLG to show that this has been completed in line with the agreed conditions and requirements in the Heads of Terms. Where we have agreed in Heads of Terms to fast track a project, this stage of the process can proceed considerably faster.
- 6.2 This phase will build on the strategy in the TIP, taking steps towards its realisation, and getting the agreed projects ready to implement.
- 6.3 This work will include the development and assurance of business cases, and could also include:
- Technical studies and assessments
  - Detailed project design
  - Planning actions, documents and processes
  - Community and stakeholder engagement
  - Discussions with potential private investors, work on funding agreements, etc.
  - Public Sector Equalities Duties and Environmental Impact Assessments
  - Negotiation and agreement with other bodies
  - Setting in place delivery arrangements and plans with clear roles and adequate local capacity
  - Developing monitoring and evaluation frameworks, KPIs etc.
- 6.4 During this phase, Towns will be in close contact with their named Towns Hub lead. They will also be receiving capacity support and guidance from the external supplier which MHCLG appointed in May 2020. The Towns Hub will ensure support is available to towns who need it most.
- 6.5 We will work with relevant partners nationally and regionally to ensure complementarity with other initiatives, and to create opportunities for towns to connect with each other where there are shared interests (e.g. if they are undergoing similar projects).

### Business case assurance

- 6.6 Towns with agreed Heads of Terms for a Town Deal will be required to produce a fully costed business case for each of the agreed projects, setting out the details of how each will be delivered. They should be sufficiently detailed and robust to pass through local assurance mechanisms (or that of MHCLG, should they be utilised).
- 6.7 There are two routes for agreeing business cases:
- Using MHCLG financial processes. This will normally be where the project is outside the scope of the intervention framework, it is a novel and unusual investment, or a project has scored amber in its project assessment

- Using the agreed Accountable Body's green book-compliant assurance processes. This will be for the majority of business cases
- 6.8 The most suitable route for a Town's business cases will be agreed at Heads of Terms. At that stage, we will also agree a forward plan with expected timescales for each business case.
- 6.9 Institutions with responsibility for public funds provided by government must observe HM Treasury guidance for assessing how to spend those resources. Lead Councils should refer to The Green Book and associated guidance as the main point of reference and advice on best practice. MHCLG has also produced best practice guidance for the development and appraisal of business cases and this is provided at Annex E.
- 6.10 Once the business case has been through assurance processes of the local Accountable Body, towns should present the Towns Hub with a summary which provides assurance that the business case approval process has been robust, along with details of the delivery arrangements, including financial commitments (more details on this are included in the next section).
- 6.11 Business cases for projects not fully aligned with the intervention framework will be assessed by the Towns Hub and will go through MHCLG assurance processes. The Towns Hub will assess business cases against a set of criteria, including:
- Level of evidenced need for investment
  - Whether the project delivers on the broader objectives of the Towns Fund and aligns with Covid-19 recovery and the clean growth principle
  - Ability to meet spending timetable set out in the heads of terms
  - Demonstration of additionality and ability to deliver on at least one of the expected outcome indicators set out in the intervention framework
  - Demonstration of local support for the project and confirmation of co-funding arrangements

At assessment, business cases must achieve a minimum standard to be approved.

### Producing and submitting a Town Deal Summary Document

- 6.12 Once detailed business cases have been developed for each project, towns must submit a Town Deal Summary Document to the Towns Hub. This should include:
- A list of agreed projects (including BCRs)
  - Details of business case assurance processes followed for each project
  - An update on actions taken in relation to the Heads of Terms key conditions and requirements
  - A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)

- A Monitoring and Evaluation Plan
- Confirmation of funding arrangements and financial profiles for each project
- Confirmation of approval of planning applications
- Letters of approval from the Town Deal Board and Lead Council

6.13 Guidance on producing a Delivery Plan and a Monitoring and Evaluation Plan will be provided in due course.

6.14 **Town Deal Summary Documents can be submitted to the Towns Hub as soon as local timelines permit** and will not be held to cohort deadlines. Towns will have a maximum of 12 months from the agreement of Heads of Terms to develop business cases and submit a Summary Document of sufficient quality to the Towns Hub.

### **Case Example: LightPool, Blackpool**



© CJGriffiths Photography

The Towns Fund Prospectus highlights that investments in a town's cultural assets, as part of an integrated regeneration strategy, can rejuvenate places, lead to positive economic outcomes at a local level and attract tourists who will bolster local businesses.

One example of doing this comes from the £2.5m Blackpool LightPool project, which provided a radical transformation of Blackpool's iconic Illuminations and acted as a catalyst towards a more sustainable business model. Funding of £1.9m was provided through the Coastal Communities Fund (CCF) which aims to encourage the economic development of UK coastal communities by awarding funding to create sustainable economic growth and jobs.

The project introduced a number of new elements into the existing illuminations offer providing greater levels of interaction for visitors, as well as further integration into the retail centre of the town, providing additional economic benefits for local businesses, beyond the existing Illuminations sites that are seafront-centric.

The headline attraction was digitally mapped projections onto the Blackpool Tower building, accompanied by bespoke audio. Amongst other innovative developments, the Grundy Art Gallery was given over to an artistic "sensory systems" light installation during the Illuminations period, opening the Illuminations to a new demographic group, and providing a daytime attraction

Independent evaluation estimated that the LightPool project generated an additional 487,888 visits to Blackpool in 2016, whilst visitor spend attributable to LightPool in 2016 is estimated to have indirectly created, supported or safeguarded 657 jobs in Blackpool. On average each visitor to Blackpool over the 2016 Illuminations period spent £159 in the town, with those who had experienced LightPool spending £209 in Blackpool.



## 7. Decision Gateway Two: funding release and implementation

### Assessing detailed project submissions

- 7.1 Once towns have developed detailed business cases for their agreed projects and submitted all the required documentation as part of the Summary Document, government will carry out a high-level assessment of the document before releasing funding, including a check of Town Investment Plan stage criteria, confirming whether Heads of Terms criteria have been met.
- 7.2 When business cases have been formally approved, and the Summary Document has been signed off, year 1 of the project funding will be approved by MHCLG and released to the Lead Council. This process will include confirmation of funding decisions from another government department which had previously offered conditional support for the project.
- 7.3 In instances where towns wish to adjust plans subsequent to the agreement of Heads of Terms, towns must be proactive in notifying the Towns Hub of the details of these adjustments, and where substantive adjustments have been made to projects, they will be reassessed using the project assessment criteria set out at decision gateway one.
- 7.4 Once the Town Deal is agreed, funding for the first financial year will be released to the Lead Council. The Heads of Terms and any other conditions will be attached as a MOU, to be signed by the Chair of the Town Deal Board, the Chief Executive of the Lead Council (and the upper-tier authority, if acting as the Accountable Body) and MHCLG Ministers.

### Implementation

- 7.5 When the first year of funding is released, implementation of the Town Deal will proceed, with each following year's funding delivered based on progress.
- 7.6 To ensure the successful delivery of their projects, towns – led by the Lead Council – will implement agreed projects and set up internal monitoring and evaluation arrangements. Lead Councils will also need to meet the external monitoring and evaluation conditions and ensure they submit regular reports to timetable.

### Monitoring and Evaluation of the Towns Fund

- 7.7 A condition of receiving Towns Fund funding will be providing regular feedback on progress, to allow for monitoring and evaluation of projects.
- 7.8 At least every six months (or more regularly, if agreed with the Towns Hub) Lead Councils will be required to provide government with a comprehensive set of data relating to each Town Deal project, including both total and forecast spend, and

output metrics. These returns will need to be scrutinised and signed off by the Accountable Body's Section 151 Officer or equivalent. However, it is recognised that for periods, Lead Councils may not have a lot to report.

7.9 The precise data requirements will be agreed with towns in due course; however, Key Performance Indicators might include:

- Lead council meeting key project delivery milestones
- Key expenditure milestones being met by the Lead Council
- Expenditure on the project total: forecast and actual
- Match funding, broken down by sector (public/ private/ third sector) – actual and forecast
- Contractual Commitments – actual and forecast
- Key outputs delivered by projects. These may include business start-ups, jobs and skills developed, investment and businesses attracted. Towns will be required to provide monitoring returns of outputs for three years post completion of projects
- Activities and implementation of ongoing community collaboration and partnership working

7.10 The Towns Hub will also conduct an annual review, assessing progress, understanding issues and agreeing any actions to be taken forward by each town. Continued funding is linked to the effective delivery of the deal.

7.11 The Towns Hub will also:

- Run a process for assessing year-end returns, managing annual budgets and recommending payments
- Manage monitoring and evaluation support and capacity support
- Develop any new guidance as appropriate
- Feed lessons from implementation into new policy

7.12 Towns will be required to be involved in the evaluation of both their specific projects and the overall Towns Fund programme. We will provide further details on monitoring and evaluation – including a detailed Monitoring and Evaluation Framework – in due course.

7.13 Support will be provided by the Towns Hub for monitoring and evaluation, including:

- Town- and national-level monitoring and evaluation
- Support for town learning and adaptation
- Support for town delivery capacity

### **Case Example: Ada Lovelace House, Kirby-in-Ashfield**



The Towns Fund Prospectus highlights that each town will have different assets, and a unique path to prosperity. It recognises that in many post-industrial towns office space is affordable but is not always well connected to workers or attractive to business.

A £289k redevelopment project part funded with a £143k investment from D2N2's Local Growth Fund Programme, the redevelopment of Ada Lovelace House has created 11 jobs to date.

Ada Lovelace House in Kirkby-in-Ashfield town centre was constructed in 1933 and is a well-known local landmark. It was originally a health centre and has subsequently been used by County Council Social Services and by Nottinghamshire Police. The project was designed to redevelop 2,000 square feet of commercial floor space within the building and during construction work placements were offered to 14 young people.

When construction was completed in 2017, the new Ada Lovelace house featured 1,623ft net new floorspace, providing high quality offices with shared communal space and open-plan meeting areas for up to 7 creative and digital starter businesses, linked to graduate retention. The project has delivered its outcomes ahead of schedule and the local authority is planning a second phase of delivery due to the success of this scheme.

A successful example of smaller-scale urban regeneration which also provides infrastructure for local enterprises, the Ada Lovelace House redevelopment shows what can be achieved by utilising local assets, even with a relatively small budget.

## 8. Support and next steps

### The Towns Hub

- 8.1 You should allow sufficient time to develop your Town Investment Plan and take advantage of all the support on offer. The Towns Hub will provide support with the aim that every town is able to submit a high -quality proposal for funding of up to £25 million.
- 8.2 This Towns Hub consists of the central towns team within the Cities and Local Growth Unit (CLGU) in MHCLG, towns-focused colleagues in CLGU's regional teams, and the Towns Fund Delivery Partnership led by Arup.
- 8.3 Each town has a named representative from the Hub in the CLGU regional team, and one in the Towns Fund Delivery Partnership. The named contacts will be towns' first points of contact for guidance and will continue to provide support throughout the development of your Town Investment Plan and beyond.
- 8.4 The Towns Hub will also evaluate the emerging Town Investment Plans, encourage innovation in addressing the needs of towns, share best practice, case studies of successful town regeneration and evidence of what works and build on the Towns Fund investments for potential future support to towns from across government.
- 8.5 The Towns Hub will also provide central coordination and develop shared resources. This includes developing a package of expert support with an external contractor. The support offered will vary according to the needs of the partners on your Town Deal Board, and the timescales you are working to.
- 8.6 The Towns Hub can provide support to towns on preparing Towns Fund plans. This might include advice on:
  - Town boundaries
  - Town Deal Boards
  - Town Investment Plans
  - Guidance on the scope of projects and how they might link with other funds, including their significance in relation to Covid-19 economic recovery if necessary.
  - Putting together business plans
  - Capacity support
  - Engagement with government departments
  - Towns Fund approval process

### Capacity support

- 8.7 Following the publication of the prospectus, Section 31 payments were provided to all towns, in order to ensure sufficient organisational capacity was available to engage with key stakeholders and develop proposals.

8.8 The capacity funding is intended to help fund:

- Feasibility studies
- Drafting plans
- Writing business cases
- Identifying of potential private investors
- Engaging and negotiating with investors
- Developing and implementing a stakeholder engagement plan

8.9 The Towns Fund Delivery Partnership will provide towns with consultancy support and advice through a contract with MHCLG. This tender was awarded in May 2020 to a consortium led by Arup that includes Nichols Group, Grant Thornton, FutureGov, Savills and Copper Consultancy.

8.10 Working as part of the Towns Hub, the Towns Fund Delivery Partners will be uniquely placed to work closely with towns in the development of their proposals providing advice across a range of core services and different subject topics:

Core Services	Topics
<ul style="list-style-type: none"><li>• Visioning &amp; strategy</li><li>• Regeneration, place design and built environment</li><li>• Project prioritisation and feasibility</li><li>• Local community engagement, consulting and stakeholder management</li><li>• Learning, public sector development and transformation</li><li>• Financial strategy and investment</li><li>• Planning, social impact and public sector equalities analysis</li><li>• Environmental monitoring and impact analysis</li><li>• Digital services</li></ul>	<ul style="list-style-type: none"><li>• Transport and connectivity</li><li>• Climate change</li><li>• Social Value</li><li>• Sustainable energy</li><li>• Water and flood management</li><li>• Local infrastructure</li><li>• Youth and child friendly places</li><li>• Public realm</li><li>• Health and wellbeing</li><li>• Crime and security</li><li>• Innovation and digital</li><li>• Housing, homelessness and repurposing buildings</li><li>• Heritage</li><li>• Creative, arts, culture and tourism</li><li>• Education and skills</li><li>• Fire</li></ul>

8.11 We are currently working with the Delivery Partners to review the approach to delivering this support in response to the impact of Covid-19 and the implications for towns and the Towns Fund.

8.12 Further details on this support offer and how to access it will be available shortly.

8.13 Additional support will be available from other bodies with an interest in specific types of project. These include the Arts Council, Historic England, Visit Britain, and the Impact Investing Institute. We are working to ensure this is coordinated with the Towns Fund Delivery Partners.

## Next steps

- 8.14 Discussions should take place as early as possible to begin developing projects for a Town Investment Plan. This should include:
- Engaging with local communities and local businesses to ascertain their needs
  - Identifying additional sources of funding
  - Ensuring robust Town Deal Board governance arrangements are place
  - Effectively utilising capacity funding
- 8.15 We will be in touch to ask which cohort you would like to come forwards in, and to ask what support you will need from the Towns Fund Delivery Partners.
- 8.16 For further information and support, Lead Councils and Town Deal Boards may contact their local named contact from the Towns Hub.

## Glossary

**Business Case** – Following the agreement of Heads of Terms, towns will have up to one year to develop fully costed business cases for agreed projects and to submit a Summary Document to MHCLG to show that this has been completed in line with the agreed conditions and requirements in the Heads of Terms. These business cases should set out specific details of how each project will be delivered.

**Clean Growth** – As per the Industrial Strategy, clean growth refers to increasing income while ensuring an affordable energy supply for businesses and consumers, and cutting greenhouse gas emissions. It will increase our productivity, create good jobs, boost earning power for people right across the country, and help protect the climate and environment upon which we and future generations depend.

**Heads of Terms (HoT)** – Each Town Deal is an agreement in principle between government, the lead council and the Town Deal Board, confirmed in a Heads of Terms document.

**Lead Council** – Lead Councils (the Unitary Authority, District Council or Borough Council for the town) should, by default, act as are the Accountable Body through which funding will flow. Lead councils have a seat on the board and take responsibility for ensuring that decisions are made by the board in accordance with good governance principles.

**Memorandum of Understanding (MOU)** – The Heads of Terms for a Town Deal will be in the form of a Memorandum of Understanding, signed by the Chair of the Town Deal Board, the Lead Council and by Ministers. The relevant MOU would also be attached to any subsequent funding that is allocated to each town.

**Prospectus** – The Towns Fund Prospectus was launched on the 1<sup>st</sup> of November 2019, and explains how towns could prepare for a Town Deal, and gave details regarding capacity funding allocations for each town.

**Stakeholder Engagement Plan** - Every Town Investment Plan should include a stakeholder engagement plan that demonstrates how the town will involve key stakeholders, and how they will support and collaborate with them. The level of engagement will be a key factor in agreeing each respective Town Deal.

**Town Deal** – An agreement of up to £25 million that towns will finalise through their respective Town Investment Plan, which they will work with MHCLG to finalise by signing the Heads of Terms document.

**Town Deal Board (TDB)** – Town Deal Boards are responsible for producing Town Investment Plans, including putting forward suitable projects which align with the objectives of the Towns Fund, and for overseeing the delivery and monitoring of those projects.

**Town Investment Plan (TIP)** – A Town Investment Plan will sets out a clear vision and strategy for a town. Plans should reflect local priorities and be co-designed with local businesses and communities. A Town Investment Plan will be used as the basis to which agree the Town Deal, the specific projects and the agreement in principle/Heads of Terms (before entering into phase 2 where funding may be granted).

**Towns Fund** – 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; skills and enterprise infrastructure; and, connectivity.

**Towns Fund Delivery Partner** – The centrally-tendered supplier consortium that will deliver consultancy support to towns for context assessment, strategy, and project prioritisation. The consortium are led by Arup, and are also made up of Nichols Group, Grant Thornton, FutureGov, Savills and Copper Consultancy.

**Towns Hub** – The collective group of stakeholders that will be the core support for towns in the development of Town Investment Plans, business cases, and further documentation. The Towns Hub consists of the central team within the Cities and Local Growth Unit in MHCLG, regional colleagues who will be towns' first points of contact for guidance, and the Towns Fund Delivery Partners consortium led by Arup.



## Annex A: Intervention framework

The table below outlines the interventions in scope for the Towns Fund. For proposed interventions, towns will need to align with:

- **Outputs:** This sets out the kinds of intervention outputs that will be considered acceptable.
- **Alignment:** We would expect interventions to align with each of the policies and programmes listed, where these apply to your town.
- **Outcomes:** This lists the acceptable outcomes that we would expect to flow from your chosen interventions. Towns will be required to clearly demonstrate, through a Theory of Change (with supporting evidence and assumptions clearly set out), how your proposed projects will deliver one or more of the outcomes in the table below.
- **Outcome indicators:** These are the indicators that will be used to set targets and measure progress and determine whether the outcomes have been delivered.

### Spatial targeting:

- Interventions must be physically located within the agreed boundary for each town, even if beneficiaries may be broader (e.g. people living in the travel to work area may benefit from improvements to a town centre or transport connectivity).
- There will be a strong preference for interventions focused in the town centre, gateway areas, or key employment sites. Projects focused on out-of-town sites may be rejected or subjected to increased assurance through MHCLG.
- Towns will be required to undertake and include spatial analysis, setting out why the target areas have been chosen, what is being done to support other key areas of their town, and how their strategy will support their town centre.

	Outputs	Alignment	Outcomes	Outcome indicators
Local transport	<ul style="list-style-type: none"> <li>• New, revived, or upgraded train and tram lines and stations</li> <li>• New or upgraded road infrastructure</li> <li>• More frequent bus services or infrastructure upgrades e.g. digital bus shelters</li> </ul>	<ul style="list-style-type: none"> <li>• Beeching reversals and fund for rail improvements</li> <li>• Local Transport Plans</li> <li>• Transforming Cities Fund projects</li> <li>• Policies on low carbon and air quality</li> <li>• Local Industrial Strategy</li> </ul>	<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</li> </ul>	<ul style="list-style-type: none"> <li>• Average time taken to travel to work by usual method of travel</li> <li>• Commuter flows</li> <li>• Number of trips by purpose and main mode</li> <li>• Vehicle flow</li> </ul>

	Outputs	Alignment	Outcomes	Outcome indicators
	<ul style="list-style-type: none"> <li>with Real Time information.</li> <li>New or upgraded cycle or walking paths.</li> <li>Wider cycling infrastructure such as cycle parking.</li> </ul>	<ul style="list-style-type: none"> <li>Transforming Cities Fund projects</li> <li>National transport plans and associated strategies e.g. HS2 growth plans</li> <li>£250 million emergency active travel fund</li> <li>Local Growth Fund</li> </ul>	<ul style="list-style-type: none"> <li>from places of interest (especially shops and amenities)</li> <li>Reduced congestion within the town</li> <li>Enhanced high street and town centre experience that prioritises the health, safety and mobility of pedestrians</li> </ul>	
<b>Digital connectivity</b>	<ul style="list-style-type: none"> <li>Provision of specialist digital technologies to meet the needs of specific sectors</li> <li>Infrastructure to support 5G or full fibre connectivity, where this is appropriate for the LA role, and with a clear outline of how proposals do not duplicate other national programmes and initiatives</li> </ul>	<ul style="list-style-type: none"> <li>5G testbeds and trials</li> <li>Local Full Fibre Networks Programme</li> <li>Industrial Strategy Challenge Fund</li> </ul>	<ul style="list-style-type: none"> <li>Increased utilisation of digital channels, by businesses, to access and/or supply goods and services</li> <li>Increased ability for individuals to work remotely/flexibly</li> </ul>	<ul style="list-style-type: none"> <li>Internet access and usage by businesses</li> <li>Perceptions of the place by businesses</li> <li>5G coverage</li> <li>Number of people who work remotely at least some of the time</li> <li>Broadband speeds</li> </ul>
<b>Urban regeneration, planning and land use</b>	<ul style="list-style-type: none"> <li>Remediation and/or development of abandoned or dilapidated sites</li> </ul>	<ul style="list-style-type: none"> <li>Future High Streets Fund projects or other relevant government regeneration schemes</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced townscape that is more attractive and more accessible to</li> </ul>	<ul style="list-style-type: none"> <li>Perceptions of the place by residents/businesses/visitors</li> <li>Land values</li> </ul>

	Outputs	Alignment	Outcomes	Outcome indicators
	<ul style="list-style-type: none"> <li>• Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites)</li> <li>• Delivery of new public spaces</li> </ul>	<ul style="list-style-type: none"> <li>• Local Industrial Strategy</li> <li>• High Streets Heritage Action Zones via Historic England, Transforming Places Through Heritage via the Architectural Heritage Fund</li> <li>• Youth Investment Fund</li> <li>• Local Growth Fund</li> </ul>	residents, businesses and visitors	
<b>Arts, culture and heritage</b>	<ul style="list-style-type: none"> <li>• New, upgraded or protected community centres, sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens</li> <li>• New, upgraded or protected community hubs, spaces or assets, where this links to local inclusive growth</li> </ul>	<ul style="list-style-type: none"> <li>• Discover England Fund</li> <li>• High Streets Heritage Action Zones via Historic England, Transforming Places Through Heritage via the Architectural Heritage Fund</li> <li>• Cultural Development Fund</li> <li>• Arts Council National Lottery Project Grants</li> <li>• Arts Council Creative People and Places</li> <li>• Local Growth Fund</li> <li>• Coastal Community Fund</li> <li>• Coastal Revival Fund</li> </ul>	<ul style="list-style-type: none"> <li>• Improved arts, cultural and heritage offer that is more visible and easier for residents/visitors to access</li> </ul>	<ul style="list-style-type: none"> <li>• Number of visitors to arts, cultural and heritage events and venues</li> <li>• Perceptions of the place by residents/visitors</li> </ul>

	Outputs	Alignment	Outcomes	Outcome indicators
Skills infrastructure	<ul style="list-style-type: none"> <li>• Increase in capacity and accessibility to new or improved skills facilities</li> <li>• Availability of new specialist equipment</li> <li>• Increased and closer collaboration with employers</li> <li>• Increase in the breadth of the local skills offer that responds to local skills needs</li> <li>• Increased benefit for the public education over the long term</li> </ul>	<ul style="list-style-type: none"> <li>• Local skills plans.</li> <li>• Skills Advisory Panels</li> <li>• Further Education Capital fund (<i>details to be confirmed</i>)</li> <li>• T Level Capital Fund</li> <li>• Local Growth Fund</li> <li>• The Adult Education Budget (devolved to MCAs/delegated to GLAs)</li> <li>• National Careers Service</li> <li>• Where appropriate, Opportunity Areas and Opportunity North East</li> <li>• Local Digital Skills Partnerships</li> <li>• JCP Network (including the flexible support fund)</li> <li>• ESF investment</li> <li>• Youth Investment Fund</li> <li>• Cultural Development Fund</li> <li>• Civic University Agreements</li> <li>• National DfE policies including T-levels,</li> </ul>	<ul style="list-style-type: none"> <li>• Increased share of young people and adults who have relevant skills for employment and entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>• Number of new learners assisted</li> <li>• % of learners gaining relevant experience/being 'job ready' (as assessed by employers)</li> <li>• % of working-age population with qualifications</li> </ul>

	Outputs	Alignment	Outcomes	Outcome indicators
		apprenticeships, and Institutes of Technology		
<b>Enterprise infrastructure</b>	<ul style="list-style-type: none"> <li>• Increase in the amount (and diversity) of high-quality, affordable commercial floor space</li> <li>• Increase in the amount of shared workspace or innovation facilities</li> <li>• Other schemes to support enterprise and business productivity and growth</li> <li>• Programmes of grants to local SMEs or employers in key sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Local Industrial Strategy</li> <li>• DIT international trade advisors and associated activity</li> <li>• DIT Capital Investment work</li> <li>• DIT Export Strategy</li> <li>• DIT Foreign Direct Investment support</li> <li>• Enterprise zones, business improvement districts etc</li> </ul>	<ul style="list-style-type: none"> <li>• Increased number of enterprises utilising high quality, affordable and sustainable commercial spaces</li> <li>• Increased number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces</li> </ul>	<ul style="list-style-type: none"> <li>• Business counts</li> <li>• Number of enterprises utilising high quality, affordable and sustainable commercial spaces</li> <li>• Number of start-ups and/or scale-ups utilising business incubation, acceleration and co-working spaces</li> <li>• Business births, deaths and survival rates</li> </ul>

## Annex B: Potential government department interventions to align with the Towns Fund

Interventions from other government departments			
Government department	Fund or scheme	Summary	Possibilities for alignment with the Towns Fund
<b>Cabinet Office</b>	One Public Estate  <a href="https://www.local.gov.uk/topics/housing-and-planning/one-public-estate/about-one-public-estate">https://www.local.gov.uk/topics/housing-and-planning/one-public-estate/about-one-public-estate</a>	The One Public Estate programme provides revenue funding to cross-public sector partnerships for projects which seek to make better use of the public estate. These include service collaboration projects and releasing land for new homes.	Towns can flag in their Investment Plan where releasing or better utilising public sector property could play an important role in revitalising their town centre.
<b>Department for Digital, Culture, Media and Sport (DCMS)</b>	Discover England Fund (DEF)	The Discover England Fund supports the development of bookable tourism itineraries and experiences that seek to encourage tourists to explore English regions and destinations, growing visitor spend locally	Where a town has been involved or featured in a Discover England Fund project, they may wish to reference this in their Town Investment Plan, especially if they were interested in developing the local tourism offer.
	Arts Council place-based funds	<b>Arts Council National Lottery Project Grants</b> – an open access programme for arts, museums and libraries projects. This funds thousands of individual artists, community and cultural organisations.	If a Towns Fund town seeks to provide cultural opportunities for local people to engage with museums, libraries and the arts, or to develop those sectors within the local area, then Arts Council National Lottery Project Grants are an opportunity to apply for funding to develop and deliver projects.

		<p><b>Creative People and Places</b> - a funding programme which focuses on parts of the country where involvement with arts and culture is significantly below the national average. CPP invests in local partnerships and encourage community involvement.</p>	<p>A number of places which will benefit from the Towns Fund are already receiving funding from the Creative People and Places programme, or are eligible to apply to do so. Where a town is benefitting from this programme, there is an opportunity to align this funding and activity with the aims and ambitions of local people and the town, and to embed cultural opportunities in the vision for change.</p> <p>Eligible places - <a href="https://www.artscouncil.org.uk/creative-people-and-places/creative-people-and-places-2020-24">https://www.artscouncil.org.uk/creative-people-and-places/creative-people-and-places-2020-24</a> Existing beneficiaries - <a href="https://www.artscouncil.org.uk/creative-people-and-places/cpp-current-projects">https://www.artscouncil.org.uk/creative-people-and-places/cpp-current-projects</a></p>
	Historic England	<p><b>High Streets Heritage Action Zones</b> – A multi-million pound fund for Historic England to work with partners to find new ways to champion and revive our historic high streets. Launched in May 2019, 69 high streets across England have been selected to receive a share of the £95 million fund: <a href="https://historicengland.org.uk/services-skills/heritage-action-zones/regenerating-historic-high-streets/">https://historicengland.org.uk/services-skills/heritage-action-zones/regenerating-historic-high-streets/</a></p>	<p>If a Towns Fund town has a High Streets Heritage Action Zone, there is an opportunity to align the goals and to enlarge on both the existing community development work and the regeneration goals of the HS HAZ.</p> <p>In other towns, each Conservation Area is likely to have a Council-approved appraisal document including priorities for enhancement.</p>
	5G Testbeds and Trials <a href="https://www.gov.uk/government/collect/5g-testbeds-and-trials-programme">https://www.gov.uk/government/collect/5g-testbeds-and-trials-programme</a>	<p>The Programme is working to deliver the following objectives:</p> <ul style="list-style-type: none"> <li>• Accelerate the deployment of 5G networks and ensure the UK can take early advantage of the applications those networks can enable.</li> <li>• Maximise the productivity and efficiency benefits to the UK from 5G.</li> </ul>	<p>If a Towns Fund town is featured in a 5GTT project, we might expect local councils to be involved in the bid to ease rollout and local stakeholder management. This may be something to bring in out in the Town Investment Plan, and to consider when planning further connectivity interventions.</p> <p>5GTT funding will continue for 2020-22: further grants will be available to projects via competitive bidding in the 5G create competition launched 20th Feb 2020.</p>

		<ul style="list-style-type: none"> <li>● Create new opportunities for UK businesses at home and abroad and encourage inward investment. There is clear alignment with Towns Fund aims to drive local growth and improve regional connectivity.</li> </ul>	
<b>Department for Education</b>	FE Capital	<p>The fund was announced in the Budget on 11<sup>th</sup> March 2020.</p> <p>The government will provide £1.5 billion over five years (£1.8 billion inclusive of indicative Barnett consequential), supported by funding from further education colleges themselves, to bring the facilities of colleges everywhere in England up to a good level, and to support improvements to colleges to raise the quality and efficiency of vocational education provision.</p>	The fund is currently being developed. The first year of funding is 2021/2022.
	T Level Capital  <a href="https://www.gov.uk/government/publications/t-levels-capital-fund">https://www.gov.uk/government/publications/t-levels-capital-fund</a>	<p>Department for Education is making available £95 million to ensure T Level providers and students have access to the latest high quality equipment and facilities during their studies.</p> <p>This is the second wave of the T Levels Capital Fund, comprised of two different elements – the Building and Facilities Improvement Grant (BFIG) and Specialist Equipment Allocation (SEA).</p> <p>The T Levels Capital Fund (TLCF) will continue to help those further education providers at the</p>	<p>Applicants for BFIG are expected to provide a minimum funding contribution equivalent to 50% of the project value from own or third party resources.</p> <p>When developing their Town Investment Plans we encourage towns to consider how they can support T Level providers to submit applications for quality, well developed projects which will help to train the skilled young people that local businesses need, and leverage external investment to meet match funding requirements.</p>



		forefront of delivering these important reforms to be ready to teach T Levels from September 2021.	
	Supporting the wider skills system	A skills system that can deliver local and national needs, now and in the future.	Towns should consider how they would engage with their Skills Advisory Panel, skills providers, strategic partners and DfE to develop the skills landscape. Towns may want to consider how they will contribute to analysis, planning and implementing change in order to ensure plans are fit for the future.
	Opportunity Areas (OAs)  <a href="https://www.gov.uk/government/news/18m-extension-to-opportunity-area-programme">https://www.gov.uk/government/news/18m-extension-to-opportunity-area-programme</a>	<p>The OA programme is working to improve educational outcomes and raise social mobility in 12 of the most deprived areas of the country. It is currently funded up to August 2021.</p> <p>Interventions cover every life stage from pre-school to post-19. They include:</p> <ul style="list-style-type: none"> <li>• work in nurseries and pre-school settings to improve language, literacy and school readiness;</li> <li>• a wide range of school improvement programmes, including CPD for teachers, subject-specific programme like Maths Mastery, and training for senior leaders;</li> <li>• work to improve careers advice, information and guidance, with a focus on engaging local employers;</li> <li>• work to improve FE provision in the area, and to help more pupils from deprived backgrounds to go on to HE.</li> </ul>	The 10 towns which are also OAs (or in OAs) should (a) engage with the local OA partnership board when developing their Town Investment Plans; (b) consider whether Towns Fund projects might support the OA objectives – particularly where those relate to FE, HE, skills or employability; and (c) consider how local businesses benefitting from Towns Fund investment can be encouraged to engage more fully in the local community by – for example – providing careers advice for schools, work experience placements, and apprenticeships.
	Opportunity North East	Through Opportunity North East (ONE) DfE is investing up to £24 million to improve	The towns from the North East include Bishop Auckland, Blyth, Darlington, Hartlepool, Middlesbrough, Redcar and Thornaby.

	<a href="https://www.gov.uk/government/publications/opportunity-north-east-delivery-plan">https://www.gov.uk/government/publications/opportunity-north-east-delivery-plan</a>	<p>educational and employment outcomes and boost the aspirations of young people in the North East. £12 million of the investment is targeted toward our five challenges, and up to £12 million of the investment will fund the advance roll out of reforms to the early career framework for teachers.</p> <p>Established in October 2018, the three-year programme (funded until 2022) will address 5 specific challenges for why the NE appears to perform worse than other regions across a range of education measures at KS4 and beyond.</p> <ul style="list-style-type: none"> <li>• Too few children continue to progress well into secondary school (Transitions)</li> <li>• To unlock the potential of key secondary schools in the North East (One Vision)</li> <li>• Some secondary schools struggle to recruit and retain good teachers (Teacher workforce)</li> <li>• Too few young people find a pathway to a great career (Careers)</li> <li>• Too few young people progress to higher education, and particularly the country's most selective institutions (Higher Education)</li> </ul>	<p>When developing Town Investment Plans if it involves schools, careers or higher education then please engage with the Opportunity North East team.</p> <p>Local businesses benefitting from Towns Fund investment can be encouraged to engage locally by providing careers advice for schools, work experience placements, and apprenticeships.</p>
--	---	--	--

	<p>Institutes of Technology (IoTS)</p>	<p>IoTs are collaborations between employers, further education colleges and universities connecting high-quality teaching in science, technology, engineering and maths to business and industry and delivering provision tailored to local skills needs. They are being set up to address shortages of key STEM skills at higher technical levels that constrain growth across England. Employers play a key role in an IoT's governance, leadership as well as the design and delivery of the curriculum.</p> <p>The first 12 IoTs were set up through an open competition and are now coming on stream. The government confirmed at budget that it will increase the number of IoTs from 12 to 20 to address these gaps through a second competition. The prospectus for the Wave Two Competition was published on 19 February, with the Competition to formally launch later in the year.</p>	<p>Town Fund bids should consider existing Institutes of Technology in their Local Enterprise Area and the role that the IoT could play in supporting the successful delivery of parts of their Towns Fund proposal through skills training for local business and people. They might also wish to consider how investment through the Towns Fund could support the successful roll-out of Wave 1 IoTs.</p> <p>Where no IoT exists in a Local Enterprise Area, Towns Investment Plans should consider how a Wave 2 IoT bid could support their objectives in the Town Fund. For example, IoTs could play an important role in providing local towns with the skills businesses need to grow and develop. This could help town economies improve their productivity and growth and thus provide higher wage, higher skilled employment to more local people.</p>
<p><b>Department for Environment , Food and Rural Affairs (Defra)</b></p>	<p>25Year Environment Plan (25YEP)</p> <p><a href="https://www.gov.uk/government/publications/25-year-">https://www.gov.uk/government/publications/25-year-</a></p>	<p>The government's 25 Year Environment Plan (25YEP), published in January 2018, makes major new commitments to connect people with the environment to improve health and wellbeing. The 25YEP sets out that spending time in the natural environment can improve mental health and feelings of wellbeing. It can reduce stress,</p>	<p>Towns should include any overlap with Environment Plan initiatives in their Town Investment Plan, and consider how best to align investment with wider plans to connect people with the environment.</p>

	<a href="#">environment-plan</a>	fatigue, anxiety and depression. It can help boost immune systems, encourage physical activity and may reduce the risk of chronic diseases. The Plan also commits to greening our towns and cities and making sure that there are high quality, accessible, natural spaces close to where people live and work, particularly in urban areas.	
	Flood and Coastal Erosion Risk Management (FCERM) Grant-in-Aid (GiA)  <a href="https://www.gov.uk/guidance/partnership-funding">https://www.gov.uk/guidance/partnership-funding</a>	<p>This approach to funding flood and coastal erosion risk management projects shares the costs between national and local sources of funding, enabling greater ownership and choice on how communities are protected.</p> <p>It also encourages more cost-effective solutions. Any project where the benefits are greater than the costs can qualify for a contribution from Flood and Coastal Erosion Risk Management (FCERM) Grant-in-Aid (GiA).</p>	Towns which also seek to improve flood resilience may wish to access Grant-in-Aid partnership funding. Towns should flag this in their investment plans. Towns may be able to align this funding with towns fund monies, provided the proposed plans contribute directly to economic growth. We welcome a conversation with any towns considering this.
<b>Department for International Trade</b>	International Trade Advisers (ITAs) and associated activity	DIT's network of International Trade Advisers provide dedicated advice and support to SMEs across England to help them begin their export journey or expand to new markets. They work closely with local partnerships and business support bodies such as Chambers of Commerce and Growth Hubs. They are able to refer businesses to other DIT support, such as the Tradeshow Access Programme (TAP) and UK Export Finance.	Towns should consider where best to access DIT's network of trade advisors and assistance.

	Capital Investment (CI) - Project Promotion & UK regional investment Portfolios	DIT's Capital Investment Team (CI) has a network of specialists across the UK who are experienced built environment advisors working with LA's and LEPs. Through this team working with DIT's Investor Relations Team, CI are able to advise on potential investment from international markets and particular sovereign wealth, pension and other institutional funding mechanisms. This is set out in this guide produced with the LGA in 2019 <a href="https://www.local.gov.uk/lga-report-attracting-investment-local-infrastructure-guide-councils">https://www.local.gov.uk/lga-report-attracting-investment-local-infrastructure-guide-councils</a>	
	Foreign Direct Investment-Service Overview	The Department for International Trade is responsible for ensuring the UK remains a leading destination for inward investment. It delivers a range of services to help investors understand specific opportunities in specific places across the UK as well as navigate the processes involved in starting or growing their business in the UK.	There are opportunities to ensure that DIT teams are aware of any internationally competitive proposition offered by towns, to ensure they can be effectively presented to investors where appropriate.
	Foreign Direct Investment-High Potential Opportunities	<p>The High Potential Opportunities scheme aims to drive foreign direct investment into specific opportunities across the UK which would benefit from targeted promotion, with a particular focus on opportunities and places which are disadvantaged by a lack of market information.</p> <p>DIT works in collaboration with local partners and central government to identify High Potential Opportunities, develop compelling commercial</p>	<p>LEPs and investment promotion agencies across England, Scotland, Wales and Northern Ireland were invited to submit nominations for the second round of the High Potential Opportunities scheme by 17 April 2020. Nominations must include a clearly defined specific commercial opportunity, capable of attracting sustained investment. DIT aims to select up to 25 HPOs by June 2020.</p> <p>Towns may wish to flag any overlap in their investment plans.</p>

		propositions, and deploy DIT's global network to promote them to international investors.	
<b>Department for Transport (DfT)</b>	The Restoring Your Railway (Beeching) Fund	<p>The Beeching Reversal Fund provides money to reinstate axed local rail services and restore closed stations. It has three components:</p> <ul style="list-style-type: none"> <li>• Ideas Fund: proposals to reinstate axed local services.</li> <li>• Accelerating Existing Proposals: the development of closed lines and stations which are already being considered for restoration.</li> <li>• Proposals for new and restored stations.</li> </ul> <p><a href="https://www.gov.uk/government/publications/re-opening-beeching-era-lines-and-stations">https://www.gov.uk/government/publications/re-opening-beeching-era-lines-and-stations</a></p> <p><a href="https://www.networkrail.co.uk/communities/passengers/station-improvements/new-stations-fund">https://www.networkrail.co.uk/communities/passengers/station-improvements/new-stations-fund</a></p>	<p>The Department for Transport has begun to consider bids from local areas interested in accessing funds for previously closed railways lines and stations as part of the Ideas Fund. These bids are being considered by the Beeching Assessment Panel; assessments are at an early stage. The third round of the New Stations Fund is also underway.</p> <p>Preliminary findings indicate that 29 towns selected for the Towns Fund have some overlap with proposals put forward for the Ideas Fund. This could be a new station in the town, or the reopening of a line that goes to, from, through, or indirectly serves the town.</p> <p>Towns should be aware where a Beeching Fund bid has been put forward, sponsored by the local MP. BEIS local teams can assist where this is not clear.</p> <p>As Beeching Fund bids are considered, there is scope for relevant towns to align their Town Investment Plans with the proposed Beeching plans. This could involve:</p> <ul style="list-style-type: none"> <li>• Increasing connectivity to and from a new station, or a station served by a reopened line/new service;</li> <li>• Focussing economic regeneration efforts on the areas surrounding new stations.</li> </ul>
	Transforming Cities Fund	The £2.5 billion Transforming Cities Fund aims to drive up productivity and spread prosperity	18 city regions are included within the TCF programme – 6 Mayoral Combined Authorities with devolved grants, and 12

		<p>through investment in public and sustainable transport in some of the largest English city regions. The Fund is focused on improving intra-urban (rather than inter-urban), making it quicker and easier for people to get around – and access better jobs. In this way, the Fund goes further than supporting just cities but helps their wider conurbation (suburbs, towns) gain improved access to the more productive employment in urban cores. The Fund also aims to address key priorities, including reducing carbon emissions, improving air quality, reducing congestion, unlocking housing, and encouraging innovation.</p> <p>As part of the National Productivity Investment Fund, the Transforming Cities Fund provide additional capital investment for productivity enhancing programmes. It also supports the Industrial Strategy, taking a place-centric approach to delivering investment in English city regions.</p> <p>The applications for the fund closed in 2018, but there is remains scope for overlap and alignment with Towns Fund investment.</p>	<p>shortlisted city regions which were selected in 2018 following a competitive process. Around half of the Fund (£1.08 billion) has been allocated to six Mayoral Combined Authorities (MCAs) on a per capita and devolved basis.</p> <p>For the other half of the Fund, £1.28bn of this has been allocated via a quasi-competitive process in two tranches. Tranche 1 saw an initial £60m announced at Spring Statement 2019 for 30 small local projects such as new bus service improvements, smart ticketing and new active travel routes to be delivered by the end of 2019-20.</p> <p>In Tranche 2, the remaining £1.22bn was allocated at Budget 2020 following a process of co-development in which DfT officials worked closely with the 12 cities to agree packages of investment instead of individual schemes, unlike a traditional bidding contest. (£117m of the £1.22bn has been held back to invest in Stoke-on-Trent, Norwich and Portsmouth subject to further business case approval.)</p> <p>Towns should indicate in their Investment Plans any overlap or planned alignment with the Transforming Cities fund.</p>
	Sustainable Travel Access Fund	<p>The Sustainable Travel Access Fund was launched to encourage councils to offer sustainable transport initiatives which can improve access to jobs, skills, training and education.</p>	<p>The overall total is £100 million.</p> <p>Sustainable Travel Transition year (2016/17)- £20 million Access Fund (2017-20) - £60 million Access Fund Extension(2020-21) - £20 million</p>

			<p>You can find the latest information about the current status of cycling and walking funds in the recently published report to Parliament:</p> <p><a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863723/cycling-and-walking-investment-strategy-report-to-parliament.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863723/cycling-and-walking-investment-strategy-report-to-parliament.pdf</a></p> <p>Towns should indicate any overlap in their Investment Plans.</p>
	£250 million Emergency active travel fund and £5 billion package for cycling and buses	£250 million emergency active travel fund will be released from a previously announced £5 billion package for cycling and buses to pay for 'pop-up bike lanes with protected space for cycling, wider pavements, safer junctions, and cycle and bus-only corridors. Funding received	
<b>Department for Work and Pensions</b>	ESF	The European Social Fund (ESF1420) programme in England is worth £3 billion over six years, and funds preparatory, additional and alternative employment and skills support to mainstream services for disadvantaged groups who face additional barriers and are furthest from the learning and labour market.	Towns may wish to flag any overlap in their investment plans.
	JobCentre Plus Network (including	Local presence with strong links to regional business, health care and training stakeholders.	Towns may should wish to consider utilising the JCP network in the development of their investment plans in order to avoid duplicating existing provision/plans.



	Contracted Employment	Key source of local labour market information.  Ideal link for design of joint services.	
<b>Ministry of Housing, Communities and Local Government</b>	Brownfield Housing Fund	MHCLG have launched a £400m fund to boost the supply of homes in local areas and bring under-utilised brownfield land in to use.	Final decisions about the design including scope, structure, and accountability will be made in the coming months. Once the fund is launched, and if your town is eligible, we would expect any plans to set out very clearly how the town investment plan and BHF aligns.
	Free Ports  <a href="https://www.gov.uk/government/consultations/freeports-consultation">https://www.gov.uk/government/consultations/freeports-consultation</a>	Freeports have three objectives: establish hubs for global trade and investment, promote regeneration and job creation, and create hotbeds for innovation.  Government launched a consultation on Freeports in February 2020. The deadline has been extended until 13 July 2020. Up to 10 Freeports will be designated.  Specific locations will be chosen in due course according to a fair, transparent and robust allocation process.	If towns would like to be considered as part of a Freeport, we advise they flag this in their TIP and set out how they think the measures proposed in the consultation could support the wider economic strategy for the town.
	New Development Corporation Competition  <a href="https://www.gov.uk/government">https://www.gov.uk/government</a>	MHCLG has £10 million available for up to 10 transformational housing and economic growth opportunities, focusing on regeneration, and are interested in speaking to areas that have innovative, bold and ambitious proposals. Funding will help them to explore delivery models that have been less commonly used in a	Development Corporations could serve as a useful delivery model for Towns Fund projects. Towns may wish to consider this as part of their investment plan.

	<a href="#">ment/publications/new-development-corporation-competition-guidance/new-development-corporation-competition</a>	<p>contemporary context, such as development corporations.</p> <p>The application process is currently open.</p>	
	<p>Single Housing Infrastructure Fund (SHIF)</p>	<p>Government is committed to introducing a new Single Housing Infrastructure Fund (SHIF) to provide the infrastructure needed to support new homes. At Budget 2020, the government confirmed it will launch SHIF at the forthcoming Comprehensive Spending Review.</p>	

## Annex C: Town Investment Plan Stage 1 Review Detailed Evidence

This table provides more detail on the kinds of evidence we will look for in TIP at stage 1 (across sections 1 and 2)

Town Investment Plan Evidence		
Section	Criteria	Examples of evidence
1. Impact	1.1. Level of need.	<ul style="list-style-type: none"> <li>• Details of (un)employment, income levels, deprivation and wellbeing.</li> <li>• Low-level employment.</li> <li>• Details of town transport challenges (e.g. insufficient links to existing assets, congestion and air quality issues).</li> <li>• Town centre vacancy rate and footfall.</li> <li>• Business growth challenges.</li> <li>• Land and development challenges.</li> <li>• Skills shortage and low educational attainment.</li> <li>• Crime and anti-social behaviour.</li> </ul>
	1.2. Scale of opportunities.	<ul style="list-style-type: none"> <li>• Likely to benefit from capital funding towards: urban regeneration, planning and land use; skills and enterprise infrastructure; and connectivity.</li> <li>• Demonstration that project proposals address/ capitalise on the major challenges/opportunities in the town.</li> <li>• Details of local commercial/industrial demand.</li> <li>• Level of private-sector co-funding.</li> <li>• Evidence that the differential impacts of proposed interventions have been considered.</li> <li>• Potential impact e.g. jobs created, GVA increase.</li> </ul>
2. Strategy	2.1. Strength of vision, strategy and realism of economic narrative.	<ul style="list-style-type: none"> <li>• A compelling vision for the future that is built around the town's unique circumstances with alignment to the objectives of the fund.</li> <li>• A clear strategy, built on sound evidence and analysis, balancing realism and ambition, overcoming key challenges to address needs and harness opportunities</li> <li>• Clear use of local knowledge to produce an investment plan grounded in its context.</li> <li>• Clear indication that the vision is aligned with Covid-19 recovery and the clean growth principle.</li> </ul>

		<ul style="list-style-type: none"> <li>• An indication that the process followed to prioritise interventions has included an element of spatial analysis, with a clear explanation of how the strategy will benefit the town centre.</li> <li>• Reference to wider strategic plans including (but not limited to) housing, transport, local growth and the Local Industrial Strategies.</li> <li>• Evidence of learning from best practice i.e. TIP is clearly informed by sound knowledge of local growth investment, formed through a process of clear and rigorous prioritisation and backed by sophisticated analysis.</li> </ul>
	2.2. Coherence of TIP – strength of linkages and rationale between need/opportunity, vision, strengths and projects.	<ul style="list-style-type: none"> <li>• A clear rationale for the vision in its context.</li> <li>• Coherent set of proposals forming a broader strategy which clearly addresses the challenges identified in section 1.1. (e.g. local housing shortage and high rate of empty retail units that could be addressed by mixed-use developments).</li> <li>• Theories of Change developed for each project proposal, including a comprehensive set of inputs/resources, outputs and outcomes/impacts, setting out clearly the assumptions and external factors (context).</li> <li>• Wider strategy that is geared towards alleviating private-sector-investment bottlenecks and/or targeting the most disadvantaged groups.</li> </ul>
	2.3. Capacity and alignment of proposed projects with existing and ongoing initiatives and match funding.	<ul style="list-style-type: none"> <li>• Details of existing and planned work in the town and wider region and the links to the TIP strategy and proposals</li> <li>• Alignment with Covid recovery needs and plans</li> <li>• Demonstration of the additionality</li> <li>• Details of co-funding for intervention proposals.</li> <li>• Delivery capacity and accountability arrangements</li> </ul>
3. Partnerships	3.1. Strength of past and planned collaboration with local communities and civil society.	<ul style="list-style-type: none"> <li>• Level of past and ongoing engagement/consultation and evidence it has been acted upon</li> <li>• Evidence of buy-in, support and/or ownership of the top priorities in the TIP</li> </ul>

		<ul style="list-style-type: none"> <li>• Level of collaboration in the production of the TIP (e.g. joint projects).</li> <li>• Level of representation and institutional collaboration both in the production of the TIP and planned for the future.</li> </ul>
	3.2 Strength of past and planned collaboration with the private sector.	<ul style="list-style-type: none"> <li>• Level of past and ongoing engagement, consultation and collaboration with business in the town</li> <li>• Level of collaboration in the production of the TIP (e.g. joint projects) or otherwise demonstrable support for TIP priority areas</li> <li>• Level of representation and institutional collaboration both in the production of the TIP and planned for the future.</li> </ul>

## Annex D: Town Deal Board governance guidance

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, complaints, and compliance with the General Data Protection Regulation (GDPR).

### **Roles and Responsibilities**

It is important that there are clear roles and responsibilities for oversight of the Town Deal.

The Town Deal Board should have a document, published on the Lead Council's website, which clearly sets out the roles and responsibilities and the governance and decision making processes for the Town Deal Board. This should include:

- Remit of the Board including terms of reference
- Board membership and roles
- Chair/vice-chair term and responsibilities
- Board structure including sub-committees and reporting arrangements
- Accountable Body arrangements

### **Code of Conduct & Conflicts of Interest**

All Town Deal Board members should sign up to a code of conduct based on the Seven Principles of Public Life (the Nolan Principles; see below). An example code of conduct can be provided to Town Deal Boards by the Town Hub named contact on request.

There should be clear processes in place for managing conflicts of interests (both commercial, actual, and potential) in decision making, and this must apply to all involved with the work of the Town Deal Board.

The Lead Council should provide guidance on the pecuniary and non-pecuniary interests individuals must declare, outline the process that Board members must follow for declaring interests and explain the process for requesting an exemption.

Town Deal Board members should then complete a declaration of interests which will then be held by the Lead Council. This can be in a format already used by the Lead Council or a template can be requested from the Towns Hub named contact.

All Board Members should take personal responsibility for declaring their interests before any decision is considered. The Lead Council must record action taken in response to any declared interest.

Additionally a register of gifts and/or hospitality provided to individual Town Deal Board members or the Town Deal Board as a whole should be maintained by the Lead Council.

## Transparency

In line with the principles of public life, it is important that there is transparency around the operation of the Town Deal Board. Transparent decision making is supported by the publication of information on the Lead Council's website and we expect the following standards to be applied:

- A documented decision-making process outlining the voting rights of the Board to be published
- Profiles of Board Members to be published
- All Board papers to be published on the Lead Council's website in advance of the meeting (within 5 clear working days)
- To promptly publish draft minutes of meetings on the Lead Council's website following the meeting (within 10 clear working days)
- To publish final minutes on the Lead Council's website, once approved by the Board (within 10 clear working days)
- Any conflicts of interest reported to be formally noted within the published minutes

It is important that the Town Deal Board abides by Lead Council governance and finance arrangements when considering private reports, with the default position being that all papers are open to the public

## Nolan Principles: The Seven Principles of Public Life

Through the Town Deal, the Town Deal Board will be responsible for oversight of a significant amount of public funding. As such, members of the Town Deal Board should fulfil their role as public-private partnerships whilst ensuring robust stewardship of public resources.

Members of the Town Deal Board and those supporting the activities of the Town Deal should adhere to the [Seven Principles of Public Life](#) (the Nolan Principles). The Lead Council will be responsible for ensuring that all Town Deal Board members understand these principles and how they apply:

- **Selflessness:** Holders of public office should act solely in terms of the public interest;
- **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships;

- **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias;
- **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this;
- **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing;
- **Honesty:** Holders of public office should be truthful; and
- **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.



## Annex E: Business Cases and Value for Money

This annex does not replace or supersede the official guidance, rather it is intended as an accessible summary. Full guidance from HM Treasury can be found here:

<https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

Towns must have a clear and transparent basis against which projects and programmes are initially identified, prioritised and appraised relative to a set of credible options, assessed for value for money, commissioned and then delivered. This should all be set out clearly in the Summary Document.

Any proportionate business case must cover all elements of HM Treasury's 5-case model:

1. **Strategic case** – must show the rationale, background, policy context and strategic fit of the public expenditure or public intervention;
2. **Economic case** – with evidence of why a privately provided solution would fall short of what is optimal (market failure) and a list of options to achieve a better outcome. “Do nothing” should always be an option. There is no one size fits all for how many options or what makes a good economic case: some need distributional analysis, others evidence of unmet demand for a service. The case must build on robust verifiable evidence, consider additionality, and displacement of activity, and include a sensitivity analysis and a correction for optimism bias if risk is a factor for success. Value for Money is ideally demonstrated in a credible Benefit Cost Ratio, but where some of the costs and/or benefits cannot be monetised at the present time, the economic case should proportionally capture these impacts and specify a partial Value for Money measure. Wider benefits/costs should be considered and specified where these are sizeable, compared with the direct impacts;
3. **Commercial case** – demonstrate commercial viability or contractual structure for the project, including procurement where applicable;
4. **Financial case** – standard appraisal of financial implications of the project, including where applicable budgets, cash flow, and contingencies;
5. **Management case** – of how the project is going to be delivered referring to the Green Book to verify if there are mandatory methodologies applicable to the investment.

In addition to the Green Book, other appraisal guidance should be followed for specific thematic interventions where available.

Towns must ensure that the commercial, financial and management arrangements are appropriate for effective delivery. Where applicable, appropriate resources should be consulted for situation specific project appraisals. To assist with this, Infrastructure UK (now part of the Infrastructure and Projects Authority) has produced a [Project Initiation Routemap Handbook](#) and associated modules which provide a framework to support public and private sector infrastructure providers improve the delivery of their projects and programmes. Towns may find this helpful when reviewing these aspects of business cases.

Towns must have robust processes in place that ensure all funding decisions are based on impartial advice, where possible. There must be clear distinction between those acting as scheme promoters and those appraising programmes and projects and advising decision makers, so that the town is acting on impartial advice on the merits of (potentially competing) business cases. Named individuals responsible for ensuring value for money as well as scrutiny and recommendations for business cases (not necessarily the same person) should ideally be independent of the promoting organisation or where this is impractical, should sit outside the management unit responsible for developing and promoting the business case.

# Lowestoft Place Board Members

Name	Organisation
Stephen Javes (Chair)	James Paget NHS trust
Amanda Ankin	Suffolk Chamber of Commerce
Cllr Ben Falat	Oulton Broad Parish
Colin Davies	M&S (Lowestoft)
Cllr Craig Rivett	East Suffolk Council
David Carlin	CEFAS
Danny Steel	Lowestoft Vision
Genevieve Christie / Emma Butler Smith	Lowestoft Cultural Strategy Group
Hayley Mace	New Anglia Local Enterprise Partnership
Julia Nix	Department of Work & Pensions
Karen Barclay	Anglia Water / Business in the Community
Cllr Keith Patience	Lowestoft Town Council
Keith Moore	Environment Agency
Cllr Nick Gowrley	Suffolk County Council
Paul Ager	Association of British Ports
Cllr Paul Ashdown	Greater Lowestoft Community Partnership
Peter Aldous	Waveney Member of Parliament
Phil Aves	Lowestoft Rising
Steve Hodger	Scottish Power Renewables
Stuart Rimmer	East Coast College



## CABINET

Tuesday 3 September 2020

## FIRST LIGHT FESTIVAL

### EXECUTIVE SUMMARY

1. In January 2019, cabinet approved the festival and ringfenced £120k to support the festival over three years. In September 2019, cabinet approved funding to a maximum of £200k for the First Light Festival 2020, to be taken from the 2019/20 Business Rate Retention Scheme.
2. This paper seeks approval for East Suffolk Council to support the delivery of the First Light Festival 2021.

Is the report Open or Exempt?	Open
-------------------------------	------

<b>Wards Affected:</b>	Kirkley
------------------------	---------

<b>Cabinet Member:</b>	Councillor Craig Rivett, Cabinet Member with responsibility for Economic Development
------------------------	--

<b>Supporting Officer:</b>	Kerry Blair Head of Operations 01502 523307 <a href="mailto:kerry.blair@eastssuffolk.gov.uk">kerry.blair@eastssuffolk.gov.uk</a>
----------------------------	---

## 1 INTRODUCTION

- 1.1 In January 2019 Cabinet gave approval to develop plans for a Festival in support of its strategic objectives.
- 1.2 The festival was organised and delivered by a Community Interest Company (CIC) with membership drawn from a number of arts organisations from Suffolk and Norfolk, with

Wayne Hemingway as the creative lead. The festival was held on council land and where possible to keep costs low, using council buildings and supported by council partners.

- 1.3 Following the success of the First Light Festival 2019, in September 2019 Cabinet approved supporting the First Light Festival 2020. Funding to a maximum of £200k was agreed to be taken from the 2019/20 Business Rate Retention Scheme.
- 1.4 Due to the coronavirus pandemic, the First Light Festival 2020 was unable to go ahead. Financial support for 2020 was therefore limited to £58,844.

## 2 FIRST LIGHT FESTIVAL 2020

- 2.1 To celebrate the summer solstice weekend and keep momentum going, the First Light Festival CIC planned a programme of events for 2020 to be live streamed through Facebook and Instagram.
- 2.2 Across the weekend the 15 events achieved the following engagement:
  - Videos were viewed 16,747 times
  - 49,456 people were reached
  - 184 Facebook page likes
  - 11,988 engagement on posts
  - 3,391 Facebook page views

Top fan

**Andy Greenacre** · 20:41 First Light Festival changed my life as an artist and I changed wait to back next year at this beautiful spot with lots of amazing creative people 😊 #seeyouonthebeach #firstlightfromhome

**Hollie Miller** · 7:35 Good morning! Watching live from Scotland, wish I could be there!

**Alison MPoly** · 1:54 So good to share this weekend... last year's festival was wonderful and here's to 2021!

**Lorraine McKay** · 22:29 Very pretty sunrise.

Like · Reply · Message · 4d

**First Light Lowestoft** · 21:53 Lorraine McKay isn't it just



Like · Reply · Commented on by Stephen Amer [?] · 4d

**Lorraine McKay** · 0:00 First Light Lowestoft fancy me seeing it in Australia. I hope my pen friend got up to see it. I just emailed her.

- 2.3 The online engagement around the sunrise has huge potential to grow into its own event alongside the actual sunrise celebration on the beach – and potentially reach enormous audiences.

## 3 RECAP OF IMPACTS FROM 2019

- 3.1 The festival delivered the following results. It should be noted that in most cases, actual results overperformed the expected outcome.

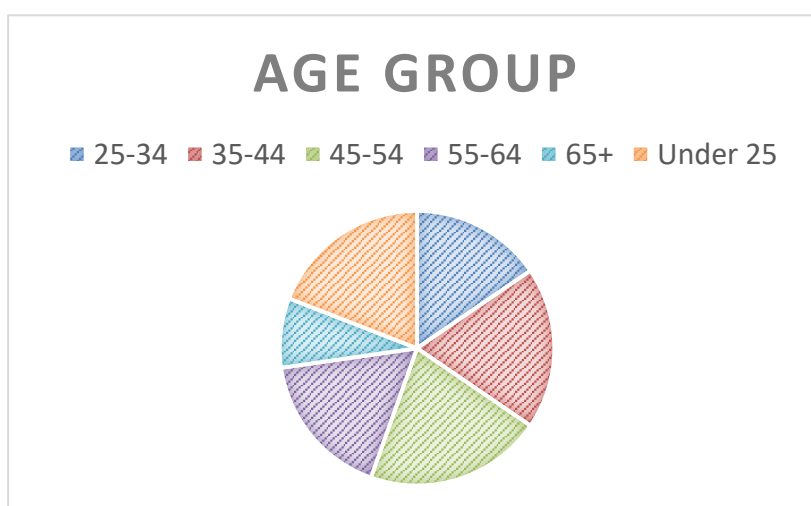
Benefits / Hard Outcomes	Number (Planned)	Number (Actual)
--------------------------	------------------	-----------------

Jobs Created	4	4
Jobs - contract	40	115
External Investment	£171,659	£172,400
Sponsorship and other income	£32,000	£26,301
Volunteering opportunities	200	200
Links with schools and colleges	7	9
Hours of outreach delivered	120	150
Other Arts organisations involved	5	16
Number of Arts Professionals involved	130	248

- 3.2 The festival enjoyed considerable media coverage, both regionally and nationally, and the event also received positively on social media, with near universal praise for the event.



- 3.3 From an East Suffolk perspective, our social media activity was among our most popular ever on any topic. Across the weekend, there were more than 1,000 separate, individual posts on Twitter, Facebook and Instagram using the hashtags #firstlightfestival and #firstlightlowestoft and over 2,300 using #lowestoft.
- 3.4 In the lead up to the Festival, we expected crowds of 10,000. After the event, the police estimated that this figure reached 30,000.



- 3.5 Other positive impacts of the festival are shown in the infographic below:



#### 4 EAST POINT PAVILION

- 4.1 In April 2020, Cabinet approved proposals for the refurbishment and repurposing of the East Point Pavilion (EPP) on Lowestoft Seafront. In July 2020, as part of the Towns Fund Programme released by the MHCLG, ESC was awarded a £750,000 grant for shovel ready capital projects. The EPP project was put forward to receive the funding, which was accepted.
- 4.2 This building has the common objective of using a structured, supervised programme of events in a well-designed setting, to help promote and revive interest in Lowestoft's South Beach area.
- 4.3 As part of the conditions for the MHCLG grant, the funding must be spent by March 2021, ensuring this project is complete by the Spring 2021. This key seafront building will therefore be up and running in time for First Light Festival 2021.
- 4.4 The building will be utilised for festival activities to engage local people and contribute to community cohesion and will also provide a venue during First Light Festival
- 4.5 First Light Festival CIC are based in the office space within the building and will hold lead-in workshops and activities for the festival and would have box office/information presence there in the run up to the festival.

#### 5 HOW DOES THIS RELATE TO THE EAST SUFFOLK BUSINESS PLAN?

- 5.1 By increasing the number of visitors to the town, the festival will support local businesses, and increase the contribution that tourism makes to the local economy.
- 5.2 Making people feel proud of where they live. The festival is a celebration of Lowestoft's position as first place to see the sun each day. The programme will include innovative and engaging work about the town's relationship to the sea, both past and future.
- 5.3 Delivering cultural activity as a way of increasing the number of visits to East Suffolk.

#### 6 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 6.1 In 2019, £90,000 invested by East Suffolk Council through retained business rates delivered approximately £900,000 of direct local financial benefit. This is a 10:1 Return on Investment.
- 6.2 The cost of delivering an expanded festival programme for 2021, which will include activity both before and after the main festival event, is £424,703.
- 6.3 Confirmed public funding to date totals £119k, made up by the Arts Council (£99k) and Suffolk County Council (£20k).
- 6.4 In addition, a total of £67k will come from other grants (including Sport England and Kirkley People's Forum) and fundraising.
- 6.5 First Light CIC, the organisers of the festival have prepared a budget schedule which anticipates £38,705 of earned income for the event.

- 6.6 There is a carryover from money committed for First Light Festival 2020 totalling £41,156 and the grant of £21,400 received from New Anglia LEP.
- 6.7 The total budget is therefore £287,261.
- 6.8 The proposal is that the Council supports the gap in funding – meaning the commitment for ESC would be a maximum of £137,442k.
- 6.9 A total of £139,262 remains available from the 2019/20 Business Rates Retention Scheme, therefore we are not asking members to commit any new money to this festival.
- 6.10 If the same level of return on investment (in terms of local economic benefit) was seen in 2021 as in 2019, then the Return on Investment to local traders would be in the region of £1.4m.
- 6.11 Clearly the Council needs to be sensitive to the way it supports Arts organisations that may be under pressure as a result of coronavirus. As noted above, this decision does not commit any new money however it will benefit local Art organisations as they will be commissioned to produce pieces of work for the festival.

## **7 OTHER KEY ISSUES**

- 7.1 This report has been prepared having taken into account the results of an Equality Impact Assessment (EIA).
- 7.2 Following informal feedback from the 2019 Festival and based on the results of the EIA, organisers will ensure improved wheelchair access to the beach for the 2021 Festival.
- 7.3 In addition, the content of the Festival will be reviewed to ensure that it reflects and engages with all community groups.

## **8 REASON FOR RECOMMENDATION**

- 8.1 It is proposed that Cabinet agrees to support the festival for 2021 on the basis that it will:
- Attract 40-50,000 visitors, with a focus on people from outside of Lowestoft's traditional visitor base.
  - Brand Lowestoft as a desirable and attractive tourist destination
  - Extend the area from which people travel to Lowestoft to include the growing populations of Norwich and Ipswich
  - Contribute directly to the local economy during the festival including increased hotel stays
  - Position Lowestoft as a venue for contemporary arts and events – with the potential for significant financial support from the Arts Council
  - Identify Lowestoft as – uniquely in the UK – the first place to see the sunrise, allowing the town to trade on its geographical position

### **RECOMMENDATIONS**

1. That Cabinet notes the impact of the First Light Festival to the local economy and the positive response to the online events for 2020.
2. That Cabinet agrees to support the festival to a maximum of £140k in 2021, which remains available from the 2019/20 Business Rates Retention scheme.



**BACKGROUND PAPERS** (List below those documents for which the report author has materially relied upon to produce the report and which are available for the public to view. This is not necessary for confidential/exempt reports so, for these reports, this box can be deleted altogether).

For CABINET, CABINET MEMBER, CABINET SUB-COMMITTEES OR A JOINT COMMITTEE COMPRISED OF CABINET MEMBERS EXERCISING EXECUTIVE POWERS only – The following wording must be included. For any non-Cabinet reports, delete the wording (except where the report will progress onto the Cabinet).

Please note that copies of background papers have not been published on the Council's website [www.eastsuffolk.gov.uk](http://www.eastsuffolk.gov.uk) but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.

Date	Type	Available From
19/08/2020	Equality Impact Assessment	Democratic Services



## CABINET

Tuesday 1 September 2020

### FELIXSTOWE BUSINESS IMPROVEMENT DISTRICT (BID)

#### EXECUTIVE SUMMARY

1. Felixstowe Forward has been supporting the work on establishing a Business Improvement District (BID) in Felixstowe over the last 2 years. This has involved close collaboration with businesses within the proposed BID area to determine the appetite, geography and ambitions of such an initiative. With the support of an experienced BID development consultant, a draft BID Business Plan has been created which sets out how the BID would operate. The BID Working Group will release the full draft business plan as part of the final engagement with businesses.
2. The business led working group, which has been leading on the development of the business plan, has indicated that it is ready to progress to the ballot stage of the BID. The intention is for the ballot to take place during October/ November this year, subject to a final consultation or “engagement” with all businesses in the proposed BID area.
3. This paper is seeking Cabinet’s support for the business plan, to instruct the Returning Officer to hold the ballot, for the Council to vote in favour of the BID, and to agree that the proposals meet the BID regulations.
4. The creation of a BID in Felixstowe will act as a key vehicle to enhance the trading environment within the town centre and resort area of the town. Furthermore, it will address the current challenges being experienced in the town centre which have been exacerbated by the Covid pandemic.

Is the report Open or Exempt?	Open
<b>Wards Affected:</b>	Eastern Felixstowe, Western Felixstowe
<b>Cabinet Member:</b>	Councillor Craig Rivett, Deputy Leader and Cabinet Member with responsibility for Economic Development

<b>Supporting Officer:</b>	<p>Paul Wood</p> <p>Head of Economic Development &amp; Regeneration</p> <p>07798 797275</p> <p><a href="mailto:Paul.wood@eastsuffolk.gov.uk">Paul.wood@eastsuffolk.gov.uk</a></p> <p>Helen Greengrass</p> <p>Felixstowe Forward Change Director</p> <p>01394 444577 / 07717 150993</p> <p><a href="mailto:Helen.greengrass@eastsuffolk.gov.uk">Helen.greengrass@eastsuffolk.gov.uk</a></p>
----------------------------	--

## 1 INTRODUCTION

- 1.1 The Felixstowe Business Improvement District (BID) proposal has been led by Felixstowe Forward on behalf of businesses in the town and supported by an experienced BID delivery company, Mosaic Partnership.
- 1.2 The BID has been developed over the past two years, drawing together a wide range of businesses and public bodies to develop a business plan for the BID area. The formal business plan will be launched in September 2020, following its final design, and outlines the proposed activity areas and financial allocations. As the final plan has had continued engagement with relevant members and officers over its development, it is recommended that East Suffolk Council (ESC) supports the formation of a BID for Felixstowe.

## 2 BACKGROUND

- 2.1 BIDs were first developed in Canada in the 1970s with enabling legislation to implement similar schemes being introduced in England and Wales in 2003 and 2004. The model has proved to be highly successful, with over 300 BIDs having been introduced in the UK since the first five areas were successfully created in London in 2006
- 2.2 A BID is a business-led arrangement (generally a not for profit company limited by guarantee) where businesses and public sector partners in a strictly defined area agree to pay an increased levy on their business rates. These funds are then available for the BID organisation to manage and deliver projects in the BID area to improve the trading environment for the benefit of businesses within the area.
- 2.3 BIDs are created when a majority of businesses (greater than 50%), who are liable to pay the levy, vote in favour of the BID in a ballot and where there is a majority in terms of the rateable values associated with the businesses voting in favour. All businesses in the BID area with a rateable value of more than £5,000 will be required to pay the BID levy. The BID then lasts for an initial period of five years, maximum.
- 2.4 The Mosaic Partnership was engaged to manage the development of the BID process in 2018. They have supported the creation of over 90 BIDs elsewhere across the country and are assisting the creation of 17 BIDs, nationally, at the moment. Mosaic are assisting and advising to develop the Felixstowe BID project through to the proposed ballot date, which will be from 13 October to 11 November 2020.
- 2.5 It is important to note that the ballot will only take place once a final engagement with all businesses in the BID area has taken place and the consultation shows that there will be

a strong vote in favour of establishing a BID. The BID has undertaken extensive consultations with the businesses in the proposed BID area, to date, to inform the development of the Business Plan. The Business Plan indicates that the following key areas are those which are most needed by the businesses, together with the following amounts of investment over the five-year plan shown below;

- Local and Visitor marketing 54%
- Access and Wayfinding 15%
- Business Support 6%

- 2.6 The Felixstowe BID Business Plan outlines an overall direct investment of £740,000 in the development, marketing, and improvement of Felixstowe's businesses over the next five years. This funding represents a significant investment in the Felixstowe BID area and one which provides an opportunity for the BID to lever in additional investment via the Local Enterprise Partnership and other funding bodies. BIDs on average generate 15% in additional income and the Business Plan assumes an additional income of £111k. ESC's contribution through the BID levy will be in the order of £19k over five years.
- 2.7 ESC have supported the ambitions of the Felixstowe BID through the provision of £20,000 of funding to conduct the feasibility study and engage Mosaic Partnership. ESC will also be responsible for the payment of business rates for 11 hereditaments that are located in the BID area, which have rateable values above the stated threshold of £5,000. Therefore, the ESC will receive 11 votes in the BID Ballot and will need to consider how it casts its votes. It is recommended that the ESC only casts one of their allotted votes to avoid the perception that they would be unduly influencing the outcome of the ballot.
- 2.8 The ESC's responsibilities in relation to the BID process include a right of veto on the BID proposals. Therefore, ESC should be satisfied that the BID proposals do not conflict with any existing local authority policy or propose a disproportionate burden on a particular business. The levy of 2% is consistent with the average across BIDs in England and is not considered disproportionate.
- 2.9 Since the Felixstowe BID does not conflict with the ESC's adopted, published policies, nor does it warrant the use of the veto for any other reason under regulation 12 of the BID Regulations 2004 (England), the recommendation is that the BID Proposal may be supported.

### **3 HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN?**

- 3.1 The Felixstowe BID supports the following key themes within the East Suffolk Strategic Plan 2020-2024:
- Growing our Economy - Town Centre Enhancement and Regeneration and Employment and Business growth in key sectors/ stimulating inward investment/ developing business partnerships and supporting the delivery of infrastructure
  - Enabling Our Communities - Community pride/ maximising the health and wellbeing of the District
  - In addition, the BID initiative strongly complements both the 'People & Places' town centre revitalisation and the Smart Towns programmes

### **4 FINANCIAL AND GOVERNANCE IMPLICATIONS**

- 4.1 The ESC has 11 hereditaments in the Felixstowe BID area which have rateable values above the stated threshold of £5,000. This means that the ESC will be liable for an annual

BID levy of £3,706 pa. Subject to a successful BID ballot, these additional commitments will be included in future years' budgets.

- 4.2 However, this financial commitment from ESC will contribute to the on-going levy payments, leveraging £148k pa for local business development.
- 4.3 In terms of governance arrangements, if the Felixstowe BID ballot is successful, an independent, not for profit company, limited by guarantee, will govern the BID. The board of the company will have up to 15 directors made up of representatives of levy paying businesses and including a nominated representative from ESC.
- 4.4 The ESC is also required to manage the collection and enforcement of the BID levy charges which, following any successful BID ballot, would be delivered through an Operating Agreement between the Felixstowe BID company and ESC. The Operating Agreement will cover the full cost recovery of the BID billing and enforcement.

## **5 OTHER KEY ISSUES**

- 5.1 This report has been prepared having taken into account the results of an Equality Impact Assessment. The Felixstowe BID initiative will have a positive impact on three of the identified groups in terms of local and visitor marketing and access and wayfinding as two priorities within the business plan and encouraging more events/activities in the Felixstowe BID area. There is no negative impact on any of the prescribed groups.

## **6 CONSULTATION**

- 6.1 Extensive consultation with local businesses has taken place as part of the development of the BID business plan. This has involved the establishment of a BID working group, including 10 local businesses, some of which are national multiples and others, local independents traders. In addition, a wide ranging consultation has taken place with the majority of businesses in the BID area during formation of the Business Plan. A final, comprehensive engagement with all businesses in the Felixstowe BID area about the business plan will take place during September 2020.
- 6.2 ESC will be part of this engagement process and will receive the draft Business Plan when it is finalised and ready for consultation.

## **7 OTHER OPTIONS CONSIDERED**

- 7.1 The other option is to not progress with the BID ballot. This would mean that a loose partnership of businesses could still continue to collaborate in an ad-hoc manner to improve the local trading environment, however, it would also represent a missed opportunity. In addition to the funding generated through the levy payments, the Felixstowe BID has the potential to draw down significant external funding e.g. via the High Streets Taskforce, which provides additional investment in the high street and resort areas. Without a BID in place, this opportunity will be lost.

## **8 REASON FOR RECOMMENDATION**

- 8.1 The Felixstowe BID is the result of positive, collaborative work over the past two years. It has drawn together a wide range of businesses and public bodies to develop a business plan for the BID area. The business plan provides an opportunity to address the current challenges, arising from the continuing decline in high streets, nationally, which has been exacerbated by the COVID 19 pandemic. The Felixstowe BID will provide businesses in

the area with the ability to raise significant funds to invest in agreed, positive priorities which will boost trade in their area, and generate wider economic and social wellbeing.

## RECOMMENDATIONS

That Cabinet:

1. supports the principles of the draft BID Business Plan, and gives delegated authority to the Strategic Director, acting in consultation with the Deputy Leader and Cabinet Member with responsibility for Economic Development, to agree the final version, once published;
2. agrees that the submitted BID proposals meet The Business Improvement Districts (England) Regulations 2004 (the Regulations);
3. instructs the Returning Officer to hold a ballot, running from 13 October to 11 November 2020, subject to the final engagement with businesses in the BID area, indicating the likelihood of a strong vote in favour of the BID;
4. authorises the Strategic Director to complete the Felixstowe BID ballot papers by voting in favour for the formation of a BID, using only one of the 11 votes issued to the Council so as not to be perceived as unduly impacting on the outcome of the ballot.

**BACKGROUND PAPERS** (List below those documents for which the report author has materially relied upon to produce the report and which are available for the public to view. This is not necessary for confidential/exempt reports so, for these reports, this box can be deleted altogether).

For CABINET, CABINET MEMBER, CABINET SUB-COMMITTEES OR A JOINT COMMITTEE COMPRISED OF CABINET MEMBERS EXERCISING EXECUTIVE POWERS only – The following wording must be included. For any non-Cabinet reports, delete the wording (except where the report will progress onto the Cabinet).

Please note that copies of background papers have not been published on the Council's website [www.eastsuffolk.gov.uk](http://www.eastsuffolk.gov.uk) but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.

Date	Type	Available From
13/08/20	Equality Impact Assessment	Helen Greengrass



## CABINET

Tuesday 1 September 2020

### EAST SUFFOLK COUNCIL OUTTURN REPORT 2019/20

#### EXECUTIVE SUMMARY

1. This report provides an overview of the Council's financial performance for 2019/20 in respect of the General Fund, Reserves, Housing Revenue Account (HRA), the Capital Programme and the Collection Fund.
2. The Council's accounts for the year ended 31 March 2019/20 have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 9//20 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). In England and Wales, the local authority Code constitutes "proper accounting practice" under the terms of Section 21(2) of the Local Government Act 2003.
3. Statutory amendments to the process for approval and publication of the Statement of Accounts for 2019/20 have been made in acknowledgement of the impact Covid-19 has had on Local Authorities. The date for signing and dating the draft 2019/20 Statement of Accounts is by 31 August 2020. Under normal circumstances this would have been by 31 May 2020. The publication date for final, audited accounts is by 30 November 2020 (31 July 2020 under normal circumstances).
4. The careful management of reserves is central to the Council's strategic financial planning process, to be able to manage expected and unforeseen events and circumstances and to ensure adequate balances are in place for East Suffolk Council.
5. As part of the original budget and the revised budget for 2019/20, use of the In-Year Savings Reserve was planned to balance the budget. However, for outturn, the required use of the reserve was less than expected by £0.391m. This therefore provides additional funding in the In-Year Savings Reserve to be available for future year budget pressures.
6. The total balance on the Council's General Fund earmarked reserves at 31 March 2020 is £46.93m. **Appendix A** provides a reserve summary of the Council's earmarked reserves.
7. The Council's General Fund balance is £6m as at 31 March 2020. This is in line with the Chief Finance Officer's (CFO) recommendation adopted by Full Council in February 2019. This balance is established as part of the Medium-Term Financial Strategy (MTFS) process and takes account of strategic, operational and financial risks.

8. The Housing Revenue Account (HRA) ended 2019/20 with a £0.37m net movement to the HRA working balance providing an HRA working balance of £5.23m as at 31 March 2020. This represents 25.3% of total income to the HRA (10% is considered best practice limit). Details of the HRA account for the year is provided in Sections 2.15 to 2.17 of the report.
9. The 2019/20 Capital Programme expenditure for the General Fund and the HRA was £10.85m and £3.13m respectively.
10. As set out in the Council's Finance Procedure Rules, requests to carry forward an individual underspent revenue budget at year end of up to £0.030m can be approved by the Chief Finance Officer. Revenue budget carry forward requests in excess of £0.030m require Cabinet approval. For 2019/20 there is one request (£69,500) for Cabinet to consider for approval. This is detailed in paragraph 2.4. Approved budget carry forwards are transferred to an earmarked reserve to enable closer monitoring of their use throughout the year. The total value of revenue budget carry forwards for 2019/20 is £0.202m.
11. The Statement of Accounts for 2019/20 is subject to audit and therefore the outturn position for the Council as presented in this report is a draft position. The external auditors are due to commence the audit in October/November 2020. Approval of the Statement of Accounts for 2019/20 will be recommended to the Audit and Governance Committee on completion of the audit.

Is the report Open or Exempt?	Open
-------------------------------	------

<b>Wards Affected:</b>	All wards in East Suffolk
------------------------	---------------------------

<b>Cabinet Member:</b>	Councillor Maurice Cook Cabinet Member with responsibility for Resources
------------------------	---

<b>Supporting Officers:</b>	<p>Simon Taylor Chief Finance Officer and Section 151 Officer 01394 444570 <a href="mailto:simon.taylor@eastsuffolk.gov.uk">simon.taylor@eastsuffolk.gov.uk</a></p> <p>Lorraine Rogers Finance Manager and Deputy Section 151 Officer 01502 523667 <a href="mailto:lorraine.rogers@eastsuffolk.gov.uk">lorraine.rogers@eastsuffolk.gov.uk</a></p> <p>Brian Mew Finance Consultant 01394 444571 <a href="mailto:Brian.Mew@eastsuffolk.gov.uk">Brian.Mew@eastsuffolk.gov.uk</a></p>
-----------------------------	---



## 1 INTRODUCTION

- 1.1 This report provides details on the 2019/20 outturn position for the Council, covering the General Fund, Reserves, the Housing Revenue Account (HRA), the Capital Programme and the Collection Fund. 2019/20 is the first financial reporting year for East Suffolk Council, as the predecessor Councils of Waveney District Council and Suffolk Coastal District Council were dissolved from 1<sup>st</sup> April 2019.
- 1.2 The Council's accounts for the year ended 31 March 2020 have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). In England and Wales, the local authority Code constitutes "proper accounting practice" under the terms of Section 21(2) of the Local Government Act 2003.
- 1.3 The style and format of the accounts complies with CIPFA standards and is similar to that of previous years. The information within the accounts is presented as simply and clearly as possible, but the accounts for an organisation such as the Council, are by their nature both technical and complex. The aim of the accounts to provide information so that members of the public, including electors and residents of the district, Council Members, partners, stakeholders and other interested parties can:
- understand the overarching financial position of the Council;
  - have confidence that the public money with which the Council has been entrusted and has used, has been accounted for in an appropriate manner; and
  - be assured that the financial position of the Council is sound and secure.
- 1.4 The Code requires that the accounts give a true and fair view of the financial position of the Council. In line with the Code, suitable accounting policies have been applied and where necessary prudent judgements and estimates have been made.
- 1.5 Due to the Coronavirus pandemic the Accounts and Audit Regulations 2015 (the Regulations) were amended in April 2020 to the process for approval and publication of the Statement of Accounts for 2019/20 in acknowledgement of the impact Covid-19 has had on Local Authorities. The key amendments to highlight are;
- The date for signing and dating the draft 2019/20 Statement of Accounts is by 31 August 2020. Under normal circumstances this would have been by 31 May 2020.
  - The publication date for final, audited accounts is by 30 November 2020 (31 July 2020 under normal circumstances), or as soon as reasonably practicable after the receipt of the auditor's final findings (if later), including on the Council's website.
  - To give local authorities more flexibility, the requirement for the public inspection period for the 2019/20 Statement of Accounts to include the first 10 working days of June has been removed. Instead local authorities must commence the public inspection period on or before the first working day of September 2020. The public inspection period must be for a period of 30 working days which is unchanged.
- 1.6 The Narrative Report which is a key accompanying document to the Council's Statement of Accounts provides an easier to follow communicating platform to engage with stakeholders. The Narrative Report assists management to demonstrate their collective performance over the year and how well the authority is equipped to deal with the challenges and opportunities ahead and to continue delivering services and supporting its local community. The Council's Narrative Report is published as an integral part of the Council's Statement of Accounts.

## 2 FINANCIAL OUTTURN (DRAFT) 2019/20

### General Fund Revenue

- 2.1 The General Fund is the main revenue fund from which the Council's services are met. The Council's net expenditure is financed from council tax and business rates income and Government Grants. The table below shows the outturn position for 2019/20. As part of the original budget and the revised budget, use of the In-Year Savings Reserve was planned to balance the budget. However, actual use of the reserve was less than expected which is shown as a note at the end of the table.

General Fund Outturn Summary 2019/20				
	Original Budget 2019/20	Revised Budget 2019/20	Actual Outturn 2019/20	Variance 2019/20
General Fund Service Area Summary	£	£	£	£
Customer Services, Communications & Marketing	2,006	1,900	1,845	(56)
Communities	1,938	2,477	1,919	(558)
Economic Development & Regeneration	1,385	2,938	1,104	(1,834)
Environmental Services & Port Health	734	337	(313)	(651)
Financial Services, Corporate Performance & Risk Management	863	816	736	(79)
Housing	1,583	1,429	1,155	(274)
ICT Services	2,421	2,560	2,493	(68)
Internal Audit	491	427	379	(47)
Legal & Democratic Service	2,467	2,419	2,247	(172)
Operations	7,523	10,685	11,568	883
Planning & Coastal Management	2,031	1,623	1,790	167
Revenue & Benefits	1,892	2,051	1,744	(307)
Senior & Corporate Management	2,930	3,332	3,064	(272)
<b>Net Cost of Service</b>	<b>28,264</b>	<b>32,994</b>	<b>29,731</b>	<b>(3,268)</b>
<b>Non-Cost of Service Expenditure Adjustments</b>				
Direct Revenue Financing (DRF)	6,418	5,162	2,761	(2,401)
Revenue provision for the repayment of debt (MRP)	830	816	815	(1)
Superannuation Backfunding	3,000	2,600	2,600	0
Recharges to the Housing Revenue Account (HRA)	(1,870)	(1,925)	(1,817)	108
Other Accounting Adjustments	35	35	21	(13)
<b>Other Operating Expenditure</b>				
Town & Parish Precepts	6,066	6,066	6,066	0
Levies	237	237	234	(2)
<b>Financing and Investment Income and Expenditure</b>				
Interest Payable	463	458	507	49
Other Financing Charges	517	469	469	0
Interest Receivable & Similar Income	(550)	(550)	(1,049)	(499)
HRA Share of Interest Payable & Receivable	(149)	(85)	(34)	51
Investment Property Income & Expenditure	(153)	(139)	(184)	(45)
Other Investment Income	0	(200)	(407)	(207)
<b>Non-Specific Grant Income</b>				
New Homes Bonus	(2,408)	(2,408)	(2,408)	0
S31 Grant	(4,558)	(4,838)	(4,704)	134
Capital Grants	(114)	(54)	0	54
Other Non-ringfenced Government Grants	0	0	(186)	(186)
<b>Net Budget Expenditure before Reserve Movements</b>	<b>36,028</b>	<b>38,637</b>	<b>32,409</b>	<b>(6,228)</b>
<b>Net Movements on Reserves</b>				
General Fund Balance	0	0	0	0
Revenue Earmarked Reserves *	(2,000)	(2,000)	(2,000)	0
Revenue Earmarked Reserves *	(6,778)	(6,468)	(2,446)	4,028
Capital Reserves	4,401	1,915	4,001	2,086
	0	0	0	0
<b>Net Budget Expenditure After Reserve Movements</b>	<b>31,651</b>	<b>32,084</b>	<b>31,971</b>	<b>(113)</b>
<b>Financed By:</b>				
Council Tax Income (District Council)	(14,429)	(14,429)	(14,429)	0
Council Tax Income (Town & Parish Precepts)	(6,066)	(6,066)	(6,066)	0
Council Tax Surplus	0	0	0	0
Business Rates Income	(10,585)	(10,857)	(10,744)	113
Business Rates Pilot Income	0	(161)	(161)	0
Revenue Support Grant	(323)	(323)	(322)	0
Rural Services Delivery Grant	(248)	(248)	(248)	0
<b>Total Financing</b>	<b>(31,651)</b>	<b>(32,084)</b>	<b>(31,971)</b>	<b>113</b>
* Includes use of In-Year Savings Reserve to balance the budget.	(3,019)	(1,077)	(686)	391

- 2.2 The table below sets out the key variances on the year end position for the General Fund.

General Fund Outturn 2019/20		
Summary of Key Variances (actual compared to revised budget)		
	£'000	£'000
<b><u>Operational Efficiencies/Savings/Underspends</u></b>		
Bank fees and charges	(61)	
Property/asset maintenance	(117)	
Establishment costs	(506)	
<b>Total</b>		<b>(684)</b>
<b><u>Additional Income</u></b>		
Interest receivable	(707)	
<b>Total</b>		<b>(707)</b>
<b><u>Reduced Income</u></b>		
Waste Management - recycling credits	628	
HRA share of General Fund costs and income	151	
Income loss due to Covid-19	363	
<b>Total</b>		<b>1,142</b>
<b><u>Operational Requirements</u></b>		
Capital costs recharged to revenue	109	
Waste management core fee	289	
Increase to the sundry debtor bad debt provision	474	
Other	63	
<b>Total</b>		<b>935</b>
<b>Requested Carry Forwards - individual underspent revenue budgets</b>		<b>(202)</b>
<b>Total variance on 2019/20 outturn to be funded from Reserves</b>		<b>484</b>
Transfer to Budget Carry Forwards Reserve		202
Transfer from In-Year Savings Reserve		(686)
		<b>(484)</b>

### Year End Revenue Budget Carry Forwards

- 2.3 As set out in the Council's Finance Procedure Rules, requests to carry forward an individual underspent revenue budget at the end of the year of up to £0.030m can be approved by the Chief Finance Officer. These totalled £0.133m in 2019/20.
- 2.4 Individual revenue budget carry forward requests in excess of £0.030m, require Cabinet approval as per the Finance Procedure Rules. For 2019/20 there is one individual revenue budget carry forward request of £69,500 for Cabinet to consider for approval. The detail is as follows:
- Following the February 2020 Cabinet meeting, a sum of money was committed to form the East Suffolk Towns Initiative (ESTI) which is seed funding to support the action planning phase and subsequent projects coming out of the People and Places town centre revitalisation project. The action planning phase had started in four towns and it was expected that applications to the ESTI were going to be developed and received from April onwards. However, all stakeholder engagement had been stopped due to the current situation with Covid-19. When it is feasible to restart the engagement, a review exercise of

the ESTI priorities will be required due to the impact of Covid-19 on our town centres and businesses and how their recovery can be supported.

- 2.5 Year-end budget carry forwards are transferred to the Budget Carry Forwards Reserve to enable closer monitoring of their use throughout the year and requests no longer required are released to the General Fund. The total value of carry forward requests for 2019/20 is £0.202m.

### **General Fund Reserves and Balances**

- 2.6 As at 31 March 2020, the Council's General Fund balance is held at £6m. During 2019/20 £2m was transferred from the General Fund balance to the Capital Reserve. This is in line with the Chief Finance Officer's (CFO) recommendation adopted by Full Council in February 2019. This balance is established as part of the Medium-Term Financial Strategy (MTFS) process and takes account of strategic, operational and financial risks.
- 2.7 The Council holds a number of earmarked revenue reserves which have been established to meet known or predicted liabilities and to hold balances of grants and external funding which is committed to future year spend. The Council reviews these reserves to ensure the levels continue to be appropriate and if no longer required, are returned to the General Fund.
- 2.8 As at the 31 March 2020 the total balance on earmarked reserves stood at £46.93m. Earmarked reserves to highlight include:
- **Business Rates Equalisation Reserve (Balance as at 31 March 2020, £6.30m)** – This is income from business rates which is set aside to equalise the fluctuations in recognising business rate income due to timing differences, in particular in relation to business rates appeals and for year-end surpluses/deficits needing to be estimated in advance. Maintaining a balance of £3m to £4m on this reserve is prudent to deal with unexpected fluctuations on Business Rates income. At the end of 2019/20 a transfer from this reserve of £4.65m has been made (£3.93m transferred to the Capital Reserve and £0.71m to address fluctuations in Business rates income for the year).
  - **In-Year Savings Reserve (Balance as at 31 March 2020, £4.92m)** – This is in-year savings set-aside to support future year budget pressures. The revised budget included use of this reserve of £1.07m. For outturn, use of the reserve was not as high as anticipated, at £0.686m. As presented in the East Suffolk Council Budget for 2020/21 (Full Council meeting on 26 February 2020), further use of this reserve is planned, £0.399m.
  - **Business Rate Pilot Reserve (Balance as at 31 March 2020, £2.67m)** – In 2018/19, Suffolk was successful with its bid to pilot 100% Business Rates Retention Scheme. The Council's share this income has been transferred to this reserve and is to be used to provide funding for agreed projects.
  - **Capital Reserve (Balance as at 31 March 2020, £7.95m)** – This reserve is to provide a source of finance for capital investment plans. £5.93m has been transferred to this reserve as planned to assist with providing addition funding for future funding requirements of the Capital Programme.
- 2.9 **Appendix A** to this report contains a summary of the General Fund earmarked reserves. This information will appear within Note 10 to the Statement of Accounts.

## Capital Programme 2019/20 – General Fund

- 2.10 Capital expenditure relates to the acquisition of fixed assets or expenditure that adds to (and not merely maintains) the value of an existing fixed asset. Costs of maintaining assets (repairs and maintenance) are funded through the General Fund revenue expenditure.
- 2.11 The General Fund Capital Programme outturn and financing for 2019/20 is summarised below. Grants were the main source of financing in 2019/20 at 73.4% of the total financing.

Service Area	General Fund Capital Programme Outturn			
	2019/20	2019/20		
	Original Budget £'000	Revised Budget £'000	2019/20 Outturn £'000	2019/20 Variance £'000
Economic Development & Regeneration	2,530	830	617	(213)
Environmental Services & Port Health	100	50	51	1
Financial Services	11,075	5,380	67	(5,313)
Housing Improvement	934	2,148	1,054	(1,094)
ICT Services	400	670	297	(373)
Operations	12,998	11,056	6,827	(4,229)
Planning & Coastal Management	12,257	6,302	1,938	(4,364)
<b>Total General Fund Capital Expenditure</b>	<b>40,294</b>	<b>26,436</b>	<b>10,851</b>	<b>(15,585)</b>
<b>Financed By:</b>				
<u>External:</u>				
Grants	2,341	9,150	7,968	(1,182)
Contributions	11,494	50	122	72
Borrowing	8,075	0	0	0
<u>Internal:</u>				
Capital Receipts	0	70	0	(70)
Borrowing	5,618	12,004	0	(12,004)
Reserves	12,766	5,162	2,761	(2,401)
<b>Total General Fund Capital Financing</b>	<b>40,294</b>	<b>26,436</b>	<b>10,851</b>	<b>(15,585)</b>

- 2.12 Capital budgets are approved for the life of the project which can span more than one financial year. Any capital budgets for a project that remain unspent at the end of the financial year are carried forward to the following year. Similarly, with projects that are ahead of the original profile, budgets can be brought forward. The key variances on the General Fund Capital Programme (actual compared to the revised budget) are set out in the table below.

General Fund Capital Programme 2019/20 Summary of Key Variances		£'000
<b><u>Economic Development &amp; Regeneration</u></b>		
Ness Point Regeneration Project - partial rephasing to 2020/21		(213)
		<b>(213)</b>
<b><u>Environmental Services</u></b>		
Port Health IT Replacement - minor additional cost		1
		<b>1</b>
<b><u>Financial Services, Corporate Performance and Risk Management</u></b>		
Commercial Investment- rephased to 2020/21		(2,500)
Land Acquisition - rephased to 2020/21		(2,800)
House Purchase - surplus budget		(13)
		<b>(5,313)</b>
<b><u>Housing Improvement</u></b>		
Disabled Facilities Grants (DFG's) Improvements - rephasing to 2020/21		(1,094)
		<b>(1,094)</b>
<b><u>ICT Services</u></b>		
Corporate IT - rephasing to 2020/21		(373)
		<b>(373)</b>
<b><u>Operations</u></b>		
Felixstowe South - seafront work and Martello Cafe - slippage to 2020/21		(1,600)
Felixstowe Regeneration - slippage to 2020/21		(771)
New Beach Hut Sites - slippage to 2020/21		(500)
Seafront Gardens Beach Huts - slippage to 2020/21		(489)
Cemeteries - budget rephased - slippage to 2020/21		(395)
Norse Vehicles - slippage to 2020/21		(194)
Public Conveniences - slippage to 2020/21		(151)
Estates Management - slippage to 2020/21		(107)
Other minor variations - slippage to 2020/21		(22)
		<b>(4,229)</b>
<b><u>Planning and Coastal Management</u></b>		
Lowestoft Flood Risk Management Project - programme slippage		(4,071)
Other various scheme slippage to 2020/21		(293)
		<b>(4,364)</b>
<b>Total Variance on the General Fund Capital Programme (underspend) / overspend</b>		<b>(15,585)</b>

## Capital Programme 2019/20 - HRA

- 2.13 A summary of the HRA Capital Programme for 2019/20 is provided in the table below. The largest area of variance against budget was in respect of the new build programme due to delays with the development of sites and the purchase of sites for development.

Housing Capital Programme Outturn				
	2019/20 Original Budget £'000	2019/20 In-Year Forecast £'000	2019/20 Outturn £'000	2019/20 Variance £'000
Housing Repairs	2,815	2,736	2,104	(632)
Housing Project Development	2,931	1,603	257	(1,346)
New Build Programme	6,535	2,252	769	(1,483)
<b>Total HRA Capital Expenditure</b>	<b>12,281</b>	<b>6,591</b>	<b>3,130</b>	<b>(3,461)</b>
<b>HRA Capital Financing</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Capital Receipt	3,220	1,255	53	(1,202)
Grants & Contributions	470	218	308	90
Revenue / Revenue Reserves	8,591	5,118	2,769	(2,349)
<b>Total HRA Capital Financing</b>	<b>12,281</b>	<b>6,591</b>	<b>3,130</b>	<b>(3,461)</b>

2.14 Key variances on the HRA Capital Programme are set out below.

HRA Capital Programme 2019/20 Summary of Key Variances		£'000
<b>Housing Repairs</b>		
Kitchen replacement variance		(172)
Purchase of vans delayed to 2020-21		(110)
Rephasing of demolition of old garage sites		(98)
Re-roofing variance		(57)
Rephasing of Open Reach re-wiring at St Peters Court		(51)
Cladding work at St Peters Court to start in 2020-21		(30)
Energy efficiency works variance		(28)
Rephasing of door replacement - all schemes		(20)
Bathrooms variance		(18)
Windows and Facia's variance		(15)
External doors variance		(15)
Heat metering project on hold		(10)
Disabled adaptations variance		(5)
Other small variances		(3)
* Total saving less rephasing contra against revenue repairs overspend.		<b>(632)</b>
<b>Housing Project Development</b>		
Unallocated housing projects budget unrequired		(662)
Purchase of various empty properties rephased		(506)
Reconversions variance		(178)
		<b>(1,346)</b>
<b>New Build Programme</b>		
Delay in purchase of various S106 properties		(904)
Unallocated development budget unrequired		(500)
Rephasing of a development site		(79)
		<b>(1,483)</b>
<b>Total Variance on the HRA Capital Programme (underspend) / overspend</b>		<b>(3,461)</b>

#### Housing Revenue Account (HRA) 2019/20

2.15 The HRA is the statutory account to which the revenue costs of providing, maintaining and managing the Council dwellings are charged. The HRA is financed by rents charged to tenants and charges for related services and facilities. The table below summarises the HRA outturn position for the year against the revised budget.

Housing Revenue Account Outturn Summary				
	2019/20 Original Budget £'000	2019/20 Revised Budget £'000	2019/20 Outturn £'000	2019/20 Variance £'000
<b>Income</b>				
Dwelling rent	(18,765)	(18,703)	(18,840)	(137)
Non-dwelling rents	(181)	(163)	(184)	(21)
Service charges and facilities	(1,208)	(1,217)	(1,218)	(1)
Leaseholders charges for services	(10)	(10)	(9)	1
Contributions towards expenditure	(33)	(69)	(73)	(4)
Reimbursement of costs	(270)	(279)	(327)	(48)
Interest income	(96)	(140)	(183)	(43)
<b>Total Income</b>	<b>(20,563)</b>	<b>(20,581)</b>	<b>(20,834)</b>	<b>(253)</b>
<b>Expenditure</b>				
Repairs & maintenance	4,161	3,964	4,735	771
Supervision and management	3,090	3,167	3,054	(113)
Special services	1,908	1,942	1,928	(14)
Rents, rates and other charges	86	110	123	13
Movement in bad debt provision	(26)	50	(161)	(211)
Contribution to CDC* and pension backfunding	650	552	566	14
Capital charges	3,736	3,339	3,352	13
Interest charges	2,275	2,270	2,258	(12)
Revenue contribution to capital	5,120	2,277	612	(1,665)
Transfers to earmarked reserves	0	2,494	3,994	1,500
<b>Total Expenditure</b>	<b>21,000</b>	<b>20,165</b>	<b>20,461</b>	<b>296</b>
<b>Net movement on the HRA for the year</b>	<b>437</b>	<b>(416)</b>	<b>(373)</b>	<b>43</b>
<i>* Corporate and Democratic Core (CDC)</i>				

- 2.16 The Housing Revenue Account has ended the year with a £0.373m net movement to the HRA working balance, £0.043m less than the revised budget. The key variances on the HRA are provided below.



Housing Revenue Account 2019/20 Summary of Key Variances		£'000
<b>Description</b>		
Rephasing on the housing development programme - Direct Revenue Financing (DRF)		(1,665)
Increase to the bad debt provision was not necessary		(211)
Additional income on dwelling rents (dwelling rent)		(69)
Reduced number of dwelling rent debts written off (dwelling rents)		(68)
Reduced consultancy costs relating to the development programme (supervision and management/special services)		(68)
Vacancies and other staff related savings (supervision and management/special services)		(46)
Increased return on investment income		(43)
Reimbursement of Right to buy discount (reimbursement of costs)		(34)
Additional income for other rents and wayleaves (Non dwelling rents)		(21)
Recovery of costs relating to increased repairs and maintenance (Reimbursement of costs)		(14)
Saving on interest payable and similar charges		(12)
Other minor variances (supervision and management/special services)		(8)
Reprofiling of IT consultancy fees (supervision and management/special services)		(5)
Additional income on Right-to-buy admin fee (contribution towards expenditure)		(4)
Transfer to new housing development reserve for rephased development programme		1,000
Material cost for repair and maintenance services * <sup>1</sup>		771
Transfer to the Debt Repayment Reserve		500
Increase on contribution to pension back funding and CDC		14
Increased rents, rates and other charges		13
Increased depreciation charge (capital charges)		13
<b>Total variance to in-year forecast</b>		<b>43</b>
<i>*<sup>1</sup> The £0.771m variance on repairs and maintenance is offset by the underspend on the capital maintenance programme.</i>		

- 2.17 **Appendix A** to this report details the HRA earmarked reserves. This information will appear in Note 10 to the Statement of Accounts for 2019/20.

### Collection Fund 2019/20

- 2.18 The Collection Fund records the income from business rates and council tax and its distribution, net of an allowance for cost of collection paid to the Billing Authority (East Suffolk Council).

### Council Tax

- 2.19 Council tax income finances the expenditure of Suffolk County Council, the Police and Crime Commissioner for Suffolk, East Suffolk Council and its Town and Parish Councils. During 2019/20, the in-year movement on the Council Tax Collection Account was a surplus of £0.500m. The balance on the Council Tax Collection Account as at 31 March 2020 was a surplus of £3.40m.

### Business Rates

- 2.20 The Council as the Billing Authority collects all non-domestic rates from local businesses and distributes these to Central Government (50%), Suffolk County Council (10%) and East Suffolk Council (40%).
- 2.21 Each year, the Council has to make a number of assumptions in January to produce the National Non Domestic Rate (NNDR1) return, which provides an estimate for the forthcoming year. Key assumptions in arriving at the estimated amounts include the value of outstanding appeals and forecasts of growth or reduction in the business rates base of the area.

- 2.22 During 2019/20 the in-year movement on the Business Rate Collection Account was a surplus of £2.80m, changing the brought forward surplus of £4.07m to a surplus of £6.87m as at 31 March 2020.
- 2.23 In order to reduce the amounts paid as levies to Government, all of the Suffolk councils have entered a pooling arrangement allowing them to retain a larger proportion of growth by reducing their individual rate of levy. For 2019/20, the benefit to the Council of participating in the Suffolk Business Rates Pool was £1.79m.

### **3 HOW DOES THIS RELATE TO THE EAST SUFFOLK BUSINESS PLAN?**

- 3.1 The Council has taken a very prudent and business-like approach to formulating and setting the budget, which has included allowing for sufficient contingencies, promoting invest to save initiatives, controlling costs and generating new and additional income as well as leading on developing a local growth strategy. This approach will enable East Suffolk to become financially self-sufficient.

### **4 FINANCIAL AND GOVERNANCE IMPLICATIONS**

- 4.1 The process for approval and publication of the Statement of Accounts is set out in the Accounts and Audit Regulations 2015 (the Regulations). However, due to the Coronavirus pandemic, an amendment was made to the Regulations for the 2019/20 Statement of Accounts - The Accounts and Audit (Coronavirus)(Amendment) Regulations 2020, which came into force on 30 April 2020. The following key amendments were made to take into consideration the impact on local authorities of Covid-19;
- The date for signing and dating the draft 2019/20 Statement of Accounts is by 31 August 2020. Under normal circumstances this would have been by 31 May 2020.
  - The publication date for final, audited accounts is by 30 November 2020 (31 July 2020 under normal circumstances), or as soon as reasonably practicable after the receipt of the auditor's final findings (if later), including on the Council's website.
  - To give local authorities more flexibility, the requirement for the public inspection period for the 2019/20 Statement of Accounts to include the first 10 working days of June has been removed. Instead local authorities must commence the public inspection period on or before the first working day of September 2020. The public inspection period must be for a period of 30 working days which is unchanged.
- 4.2 The external auditors are due to commence the audit of the Council's 2019/20 Statement of Accounts in October/November 2020.
- 4.3 To comply with the approval and publication process as set out in the Regulations, the order of events is as follow;
- The Responsible Financial Officer (RFO) must sign and date the unaudited Statement of Accounts and confirm that it presents a 'true and fair' view prior to the commencement of the period for the exercise of public rights.
  - The RFO must publish the unaudited Statement of Accounts which includes publication on the Council's website, together with the specified documents/declarations/statements. For the 2019/20 Statement of Accounts this must be completed by 31 August 2020.
  - The period for the exercise of public rights must be exercised within a single period of 30 working days. This is treated as commencing on the day following the day on which the point above has been fulfilled.

- Following the conclusion of the period for the exercise of public rights the RFO is required, on behalf of the authority, to re-confirm that they are satisfied that the Statement of Accounts presents a 'true and fair view'.
- The authority must then consider and approve the Statement of Accounts, either by way of a committee or by the members meeting as a whole and ensure that they are signed and dated by the person presiding at the committee or meeting at which the approval is given. This will be the East Suffolk Council Audit & Governance Committee.
- After approval of the audited Statement of Accounts, and for 2019/20 no later than 30 November 2020, the authority is required to publish the Statement of Accounts together with any certificate or opinion and accompanied by the approved Annual Governance Statement.
- Where an audit of accounts for 2019/20 has not been concluded before 30 November 2020, the authority must publish (including on the Council's website) as soon as reasonably practicable on or after that date a notice stating that it has not been able to publish the Statement of Accounts and its reasons for this. Subsequently, after approving the Statement of Accounts, the authority must publish the Statement of Accounts, including on the Council's website, as soon as reasonably practicable after the receipt of any report from the auditor which contains the auditor's final findings from the audit which is issued before the conclusion of the audit.
- As soon as reasonably practicable after the conclusion of an audit, the authority must publish a statement that the audit has been concluded and that the Statement of Accounts has been published.

## **5 OTHER KEY ISSUES**

- 5.1 The recommendations of this report do not directly affect or impact on the Council's policies, projects, initiatives or actions. Therefore, an Equality Impact Assessment is not required.
- 5.2 No other key issues to be considered.

## **6 CONSULTATION**

- 6.1 The Unaudited Statement of Accounts for 2019/20, and the accompanying Narrative Report will be placed on the Council's website by no later than 31 August 2020.
- 6.2 As required by the Regulations, a statement setting out the period for the exercise of public rights has been placed on the Council's website. This gives notification that the single period of 30 working days will commenced on the day following the publication of the draft Statement of Accounts on the Council's website. During this period any rights of objection, inspection and questioning of the local auditor must take place.
- 6.3 As soon as reasonably practicable after the conclusion of the audit, the authority must publish a statement that the audit has been concluded and that the Statement of Accounts have been published, along with the rights of inspection and the address at which those rights may be exercised.

## **7 OTHER OPTIONS CONSIDERED**

- 7.1 No other options to be considered.

## 8 REASON FOR RECOMMENDATION

- 8.1 To give Cabinet an update on the unaudited 2019/20 outturn for the Council's revenue and capital accounts, before the audited accounts are submitted for approval to the Audit and Governance Committee.
- 8.2 To provide members with financial information on the Council's reserves and balances to assist in formulating budget policies for 2021/22 and beyond.
- 8.3 In accordance with the Council's Finance Procedure Rules, underspent revenue budgets at year end in excess of £0.030m may be carried forward into the next financial year with Cabinet approval.

### RECOMMENDATIONS

1. To note the Council's draft outturn position for 2019/20 together with reserves and balances as at 31 March 2020 (**Appendix A**).
2. To note the Accounts and Audit (Coronavirus)(Amendment) Regulations 2020 as detailed in paragraph 4.1 of the report.
3. To approve the carry forward of the individual revenue budget of £69,500 in respect of the East Suffolk Towns Initiative, detailed in paragraph 2.4 of the report.

### APPENDICES

<b>Appendix A</b>	General Fund and Housing Revenue Account (HRA) Earmarked Reserve Summary 2019/20
-------------------	--

### BACKGROUND PAPERS

Please note that copies of background papers have not been published on the Council's website [www.eastsuffolk.gov.uk](http://www.eastsuffolk.gov.uk) but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.

Date	Type	Available From
July 2020	Final Accounts Working Papers for 2019/20	Financial Services Team

## GENERAL FUND AND HOUSING REVENUE ACCOUNT(HRA) EARMARKED RESERVE SUMMARY 2019/20

	Balance 31 March 2019 £'000	Transfers Out 2019/20 £'000	Transfers In 2019/20 £'000	Balance 31 March 2020 £'000	Purpose of the Earmarked Reserve
<b>General Fund Earmarked Reserves:</b>					
Actuarial Contributions	637	-	863	1,500	To provide a source of finance to meet budget pressures arising from lump sum pension costs associated with redundancies and retirements.
Additional Disabled Facilities Grant(DFG) funding (Non-Ringfenced)	8	-	21	29	To support additional Disabled Facilities Grant works above the standard Disabled Facilities Grants. Externally funded, with conditions attached.
Air Quality	97	(23)	12	86	To provide a source of finance for Air Quality Management Areas. Funding provided by DEFRA.
Homes & Communities Agency (HCA) - Area Action Plan (AAP) Land Contamination Grant	162	-	-	162	To fund site investigative works covering the Area Action Plan in Lowestoft. Externally funded with conditions attached.
Better Broadband	36	(24)	-	12	External funding received to support the delivery of Broadband to local residents and businesses.
Brexit	35	(35)	55	55	External funding received for expenditure incurred as a result of Brexit.
Budget Carry Forwards	212	(211)	202	203	Approved requests for unspent revenue budgets to be carried forward.
Building Control	519	(4)	-	515	A statutory fund to ensure Building Control expenditure works on a break even basis over a rolling annual period.
Business Incentive	97	(95)	-	2	External Funding to support economic development throughout the district.
Strategic Plan Delivery	234	-	16	250	To provide a source of finance to facilitate the delivery of the Council's Strategic Plan, including any emerging priorities.
Business Rates Equalisation	8,476	(4,651)	2,471	6,296	Business rates income set aside to provide a source of finance to equalise fluctuations in business rate income, e.g. timing issues arising from the accounting treatment.
Business Rates Pilot	3,011	(499)	161	2,673	Income received from the business rate retention pilot scheme (2018/19) which has been set aside to fund agreed projects across economic development, housing, leisure and communities.

## GENERAL FUND AND HOUSING REVENUE ACCOUNT(HRA) EARMARKED RESERVE SUMMARY 2019/20

	Balance 31 March 2019 £'000	Transfers Out 2019/20 £'000	Transfers In 2019/20 £'000	Balance 31 March 2020 £'000	Purpose of the Earmarked Reserve
<b>General Fund Earmarked Reserves:</b>					
Capital Reserve	3,761	(1,743)	5,932	7,950	To provide a source of finance for capital investment plans.
Climate Change (includes Suffolk Energy Link)	58	(20)	40	78	To provide an additional source of finance for initiatives to reduce climate change and to promote energy efficiency (includes external funding). £30k held as potential match funding for bids for Climate change/Environmental activities as no ongoing core budget to that level for match funding.
Coastal Management - Revenue Works	222	(56)	-	166	To provide a source of finance to fund revenue expenditure on coastal defences in the district.
Coastal Protection - Capital Works	176	-	-	176	To provide a source of finance to fund capital expenditure on coastal defences in the district.
Communities	899	(771)	54	182	External Funding to provide a source of finance to support anti-social behaviour and crime reduction initiatives.
Community Health	35	(35)	-	-	Funding provided to support the delivery of Community Health projects.
Community Housing Fund	2,191	(57)	-	2,134	To enable local community groups to deliver affordable housing units.
County Sports Partnership	761	(19)	123	865	Funding received to support the delivery of the County Sports Partnership.
COVID-19 Response	-	-	99	99	Government funding received in response to the COVID-19 pandemic.
Customer Services	156	-	-	156	To support projects requiring post implementation review which may incur consultancy fees and service review costs.
Deployment of Flood Barrier	88	-	-	88	To providing funding towards the cost of deployment of the flood barrier in Lowestoft.
District Elections	403	(323)	-	80	To support costs of future elections.
Domestic Violence Support Funding	53	-	93	146	Funding received to provide support to schemes supporting those affected by domestic violence.

## GENERAL FUND AND HOUSING REVENUE ACCOUNT(HRA) EARMARKED RESERVE SUMMARY 2019/20

	Balance 31 March 2019 £'000	Transfers Out 2019/20 £'000	Transfers In 2019/20 £'000	Balance 31 March 2020 £'000	Purpose of the Earmarked Reserve
<b>General Fund Earmarked Reserves:</b>					
East Suffolk Partnership	123	(123)	-	-	Funding received to support the delivery of projects and initiatives of the East Suffolk Partnership.
Economic Development	99	(16)	572	655	Funding provided to support the delivery of Economic Development projects.
Economic Regeneration	153	(56)	172	269	Funding to support business activities and the recovery of the Lowestoft Seafront following the December 2013 floods.
Empty Properties and Houses in Disrepair	190	(57)	-	133	To provide a source of finance for the Council to assist in bringing empty properties situated within the District back into use.
Enterprise Zone	684	(669)	625	640	Enterprise Zone income is generated through business rates from development which occurs within each zone. East Suffolk Council is the collecting authority and by default the administrators of the funds.
Felixstowe Forwards	33	(7)	7	33	External funding received to fund projects in Felixstowe.
Flood Prevention	12	(6)	-	6	Following the Tidal Surge of 2013, this reserve has been established and provides a source of finance for flood prevention assistance.
Great Places	13	(13)	-	-	To fund new ways of working, building capacity, research, consultations and developing partnerships within Lowestoft.
Growth Programme	184	(44)	-	140	External funding received to fund work on Suffolk Design Concepts.
Gypsy and Traveller	-	(2)	27	25	Fund for macerator at Kessingland site and external funding to find a new suitable site.
Heritage Action Zone North	-	-	30	30	Funding received to deliver the North Heritage Action Zone project.
Homes & Communities Agency (HCA) Development Grant	75	-	-	75	Funding received for the Adastral Park development.
Homelessness Prevention	313	(191)	316	438	Homelessness prevention revenue grants received in advance to be matched with its related expenditure in subsequent years.
Housing and Planning Delivery	182	(182)	-	-	To provide a source of finance to fund service improvements in these service areas.
Housing Benefit (HB) Subsidy	352	(52)	-	300	To provide a source of finance to meet budget pressures due to fluctuations with HB subsidy and implementation/changes due to Government legislation.
Housing Condition Survey & Improvements	97	(6)	-	91	To meet the cost of the periodic survey of Private Sector Housing within the district.

## GENERAL FUND AND HOUSING REVENUE ACCOUNT(HRA) EARMARKED RESERVE SUMMARY 2019/20

	Balance 31 March 2019 £'000	Transfers Out 2019/20 £'000	Transfers In 2019/20 £'000	Balance 31 March 2020 £'000	Purpose of the Earmarked Reserve
<b>General Fund Earmarked Reserves:</b>					
Individual Electoral Registration	266	-	112	378	To meet the additional cost for administration of Individual Electoral Registration.
Indoor Leisure	120	(120)	50	50	To provide a source of finance to support the closure cost of Deben Leisure Centre during the refurbishment period.
Insurance	166	-	-	166	To provide a source of finance for any uninsured losses.
In-Year Contingency	400	(400)	-	-	To provide in-year contingency provision.
In-Year Savings	5,606	(686)	-	4,920	In-Year savings set aside to support future year budget gaps.
Key Capital Programme	200	(18)	-	182	To provide a source of finance to support the revenue costs associated with the delivery of key capital projects.
Land Charges	372	(222)	-	150	To support the General Fund from losses in future Land Charges income.
Landguard	-	-	16	16	Funding for the Landguard Governance review.
Local Development Framework	477	(472)	-	5	To meet the costs arising from the periodic preparation and adoption of the Local Development Framework.
Lowestoft Rising	90	(24)	35	101	Funding received to deliver earmarked work under the Lowestoft Rising project.
New Homes Bonus	4,594	(1,560)	2,408	5,442	Supporting community initiatives across East Suffolk.
Planning	-	(65)	465	400	To provide a source of finance for planning appeals, local plans and planning challenges.
Planning Legal	-	-	200	200	To provide for legal costs in respect of planning appeals.
Planning & Building Control	51	(51)	-	-	To provide a source of finance for professional training and development needs of the service.
Planning Policy	255	(255)	-	-	To support development work and audit of the Local Plan.
Port Health	4,623	(101)	659	5,181	To provide a source of finance to support the future investment and development of the Authority's infrastructure at the Port of Felixstowe.
Private Sector Housing	41	-	13	54	Grants repaid to be set aside for empty property/home improvement initiatives.
Private Sector Housing Renovation Grants	872	(62)	-	810	Grants repaid set aside to fund future renovation works.



## GENERAL FUND AND HOUSING REVENUE ACCOUNT(HRA) EARMARKED RESERVE SUMMARY 2019/20

	Balance 31 March 2019 £'000	Transfers Out 2019/20 £'000	Transfers In 2019/20 £'000	Balance 31 March 2020 £'000	Purpose of the Earmarked Reserve
<b>General Fund Earmarked Reserves:</b>					
Rent Guarantee Scheme	15	-	-	15	To provide a source of finance for landlord claims.
Revenue & Benefits Administration	191	-	52	243	To provide a source of finance for budget pressures on the administration of Revenues & Benefits.
S106 Interest	-	-	30	30	Contingency related to Affordable Housing S106 should conditions not be met.
Short Life Assets	588	(784)	596	400	To fund the purchase of short life assets. In order to maintain the level of the reserve any capital funding will be repaid from revenue budgets.
Southwold Beach Huts	175	-	-	175	Receipt of monies from letting of new beach hut sites in Southwold in 2014/15 approved to be used within Southwold.
Stepping Homes	68	(53)	47	62	External funded received to support hospital patients to return home (Stepping Home project).
Transformation	1,322	(185)	-	1,137	To provide funding for efficiency (invest to save) initiatives and to support the delivery of the Strategic Plan.
Warmer Homes Healthy People	35	(15)	46	66	To provide a source of finance to fund grants towards heating of homes.
Youth Leisure	10	-	-	10	Project funding received to support Active Leisure for young people.
<b>Total General Fund Earmarked Reserves</b>	<b>45,374</b>	<b>(15,063)</b>	<b>16,620</b>	<b>46,931</b>	

## GENERAL FUND AND HOUSING REVENUE ACCOUNT(HRA) EARMARKED RESERVE SUMMARY 2019/20

	Balance 31 March 2019 £'000	Transfers Out 2019/20 £'000	Transfers In 2019/20 £'000	Balance 31 March 2020 £'000	Purpose of the Earmarked Reserve
<b>HRA Earmarked Reserves:</b>					
Hardship Reserve	500	-	-	500	Recognising the need to provide financial help to tenants who find themselves in financial hardship due to the welfare reforms.
Debt Repayment Reserve	10,000	-	1,000	11,000	To set aside funds to meet future liabilities for repaying the Self-Financing debt.
Impairment/Revaluation Reserve	256	-	-	256	To provide for potential impairment and revaluation losses to HRA assets due to current and future changes in Accounts and Audit Regulations.
Municipal Mutual Insurance Limited (MMI) Reserve	66	(6)	-	60	To provide for potential liabilities relating to Municipal Mutual Insurance Limited (MMI).
Acquisition & Development Reserve	1,500	-	3,000	4,500	To fund Housing development programme that has reprogrammed for later years
<b>Total Housing Revenue Account Earmarked Reserves</b>	<b>12,322</b>	<b>(6)</b>	<b>4,000</b>	<b>16,316</b>	