

Meeting Executive
Portfolio Area Environment and Regeneration
Date 16 December 2019



DEVELOPING A TOWN FUND DEAL

KEY DECISION

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1 PURPOSE

- 1.1 On the 1st November 2019, government issued the Towns Fund prospectus inviting 100 towns to develop proposals to benefit from up to £25m funding. The prospectus summarised the objectives of the Fund and the arrangements that are expected to be put in place to enable eligible towns to put forward Investment Plans to benefit from up to £25m funding from within the £3.6bn Fund. The prospectus states the objective of the Fund is to drive the economic regeneration of towns to deliver long term economic and productivity growth through: regeneration, planning and land use; skills and enterprise infrastructure; and connectivity.
- 1.2 Included within this prospectus was an allocation of funding for each town, to be released in November / December 2019, to support the development of a Town Deal Board and preparation of a Town Investment Plan to set out the vision, governance, opportunities and business case for the town to benefit from government investment. For Stevenage Borough Council this sum is £173,000.

- 1.3 The prospectus identified a number of short-term actions that would need to be taken in order to put forward a Town Investment Plan and proposals for up to £25m. This includes completion, by 19 December 2019, of a readiness assessment to identify in which phase a Town Deal could be negotiated with government. The prospectus also sets out a requirement for a Town Board to be established by the end of January 2020 and a Town Investment Prospectus to be developed and submitted in the first part of 2020.
- 1.4 Within the Towns Fund prospectus, the role of the District or Borough level Council is to act as the lead body for the creation of the Town Deal Board and the subsequent Town Investment Plan.
- 1.5 This report sets out further information on Towns Fund, the short-term actions that would need to be taken to put in place the governance, and the tasks required to prepare a Town Investment Proposal which would seek to secure further investment into Stevenage.
- 1.6 This report seeks approval of the draft Terms of Reference for a new Town Deal Board, the process to recruit an independent Chair and to create the Town Deal Board. Given the short timeframes that could be available, the report seeks delegation to Officers to work with Portfolio Holders and local partners to progress the establishment of the relevant governance.
- 1.7 Progressing with the next stage of work on this potential project will be dependent on the outcome of the general election on 12 December and the decisions of any incoming government. This report identifies the short-term steps that would need to be taken should any incoming government opt to proceed with this policy. The report seeks approval and delegation to a Strategic Director, following consultation with the Leader and Portfolio Holder for Environment and Regeneration, to put in place the required governance and actions to be in a position to potentially benefit from the Towns Fund.

2 RECOMMENDATIONS

- 2.1 That the Executive notes the release of the Towns Fund prospectus and the steps that would be needed to put in place a Town Deal Board by end of January 2020 and Town Investment Plan by mid-2020.
- 2.2 That the Executive delegates authority to the Strategic Director (TP), having consulted with the Leader and Portfolio Holder for Environment and Regeneration, to complete a readiness assessment for submission to government by 19 December 2019.
- 2.3 That the Executive approves the draft Terms of Reference for a new Town Deal Board at Appendix B to this report, delegating finalisation of the draft Terms of Reference to the Strategic Director (TP) having consulted with the Leader and Portfolio Holder for Environment and Regeneration.
- 2.4 That the Executive approves the commencement of an open advertising, recruitment and selection process for an Independent Chair of the Town Deal Board, having consulted other key local stakeholders. Finalisation of the recruitment and selection process to be delegated to the Strategic Director

(TP) having consulted with the Leader and Portfolio Holder for Environment and Regeneration.

- 2.5 That the Executive notes the importance of local consultation to inform the development of the vision for the Town Deal, and requests Officers to develop a comprehensive consultation and engagement plan, using existing consultation data and using a cooperative approach to engage with residents, partners, businesses and other stakeholders to help inform the options to be considered through a Town Investment Prospectus.

3 BACKGROUND

- 3.1 On the 27th July 2019, government announced a proposed funding package of up to £3.6bn called the Towns Fund, to support 100 places across England. On the 6th September 2019, further information was released by government regarding the Towns Fund including the location of the 100 towns which are being invited to participate in the Towns Fund. This list of 100 towns included Stevenage, the only eligible town within Hertfordshire. The Towns Fund prospectus identified that towns are host to key businesses, employers, education centres and where the majority of people live, and serve as important centres for leisure, shopping and other services. It also recognised that while each town has its own assets, there can be constraints to the growth and success of towns.
- 3.2 The Towns Fund prospectus was released on 1 November 2019, providing further information on the objectives of the Fund. The prospectus sets out how towns should prepare for a Town Deal, as part of a two stage process. The first phase is based upon the establishment of a Town Deal Board in each area, with the second phase of work based on developing investment priorities and project proposals within a locally-owned Town Investment Plan to encourage business investment and growth. The prospectus sets out that proposals should drive long term economic and productivity growth through investment in connectivity, land use, economic assets including cultural assets, skills and enterprise infrastructure. This could include:
- Urban regeneration, planning and land use: ensuring towns are thriving places for people to live and work, including by: increasing density in town centres; strengthening local economic assets including local cultural assets; site acquisition, remediation, preparation, regeneration; and making full use of planning tools to bring strategic direction and change.
 - Skills and enterprise infrastructure: driving private sector investment and ensuring towns have the space to support skills and small business development.
 - Connectivity: developing local transport schemes that complement regional and national networks, as well as supporting the delivery of improved digital connectivity.
- 3.3 The Towns Fund is intended to provide public investment in Town Deals, with the intention to leverage and attract further business growth and private investment into towns. The guidance also indicates that government will

seek to identify opportunities to align or rationalise public investment around key local priorities, as part of agreeing a Town Deal.

- 3.4 The prospectus sets out the first stage of agreeing a Town Deal. This will operate as a two-stage process:
- **Stage 1:** providing capacity support to places to put the structures and vision in place in order to move to the next stage of agreeing a deal.
 - **Stage 2:** places to use their locally-owned Town Investment Plan to put together a business case to apply for funding for interventions.
- 3.5 The prospectus provides a clear timeline for actions for the Lead Council to take in each area; noting however that the Readiness Checklist is now to be completed by 19th December.



- 3.6 District and Borough Councils in the areas for the towns selected are designated as the Lead Council to develop a Town Deal Board, with this to be in place no later than the end of January 2020. The Town Deal Board will then be the vehicle to develop the vision and strategy, and produce a Town Investment Plan to inform the Town Deal.
- 3.7 The role of the Board is to:
- Develop and agree an evidence based Town Investment Plan
 - Develop a clear programme of interventions
 - Coordinate resources and influence stakeholders.
- 3.8 The Town Deal Board should be convened by the Lead Council with an expectation that the governance structure and decision-making structures of the Town Deal Board should be made public and that the Town Deal Board should align with the governance standards and policies of the Lead Council including around whistle blowing, conflicts of interest, and complaints.
- 3.9 The prospectus states that Town Deal Boards are required to include:
- **Other tiers of Local Government**
 - **Members of Parliament:** The MP (or MPs) representing the town should be invited to engage in the process of designing and agreeing the Town Investment Plan.
 - **Local businesses and investors:** Driving economic growth and building productivity will require entrepreneurship and investment from business. Existing investors currently active in the area also have an

important role to play; their experience of driving development in specific regions should be drawn on to identify the best uses of public and private funds. This should include large employers and SMEs.

- **Local Enterprise Partnerships (LEPs):** LEPs bring a strong specialism in economic development strategy, business engagement, and the local skills system – through Skills Advisory Panels – ensuring Town Investment Plans are informed by local economic strategies.
- **Communities:** Each town will decide how best to involve their local community and communities should have a meaningful role in decision making for the future of their town, with an expectation of representation in the Board. This could include representatives from prominent civic or religious groups, or representatives of voluntary or community forums.
- **Other groups:** The Board could also include Job Centre Plus, anchor institutions such as FE or HE providers, hospitals, sports, culture or creative bodies or housing providers.
- **Other government agencies or arms-length organisation:** This could include agencies such as Homes England, culture, sport or other agencies
- **Other private investors and developers:** National or international private investors and developers should be engaged early to understand their requirements for investment.

- 3.10 The Lead Council should publish the Town Deal Board's governance structure and ways of working, such as a statement for how the board will engage stakeholders and agree decisions over time. The Board's governance structure should be published no later than January 2020.
- 3.11 The Town Deal Board serves an advisory function to the Lead Council. As part of the Board's governance arrangements, all Board members will be required to adhere to the Nolan Principles and agree to a Code of Conduct. The Board will have clear terms of reference setting out how it will operate.
- 3.12 The prospectus sets an expectation that Town Deal Boards should appoint a Chair, and where appropriate, to be from the private sector.
- 3.13 Once in place, it is the role of the Town Deal Board to work on a Town Investment Plan. This should set out investment priorities that could drive economic growth, supported by clear evidence and targeting investment into economic infrastructure, as well as making full use of existing powers, particularly in planning. The Investment Plan should complement other pre-existing strategy documents that have been developed with local partners, and where necessary build on these. This includes Local Industrial Strategies, Local Plans, Local Transport plans and other tools such as Skills Advisory Panel analysis.
- 3.14 Town Investment Plans are expected to include:

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

Stevenage Policy context

- 3.15 Stevenage is a place that has clear ambitions to transform the town. Aspiration shows through a range of projects, initiatives and policies that aim to improve residents' well-being, quality of life and the urban and rural environment to create a town of the 21st Century. One of the core enabling factors supporting this wealth of change is partnership working and collaboration.
- 3.16 Stevenage has worked closely with partners over the last few years to create a strong foundation to explore and secure future funding opportunities. Stevenage has already benefited from that partnership ethos by securing Growth Deal funding from the Hertfordshire Local Enterprise Partnership, supported by local key partners as part of Stevenage First board.
- 3.17 Stevenage, as the original new town, was designed to encourage sustainable growth. The Council's Local Plan, building on the aspirations of the original master plan, was adopted in May 2019 and seeks to build 7,600 new homes, 3 new neighbourhoods, 2,000 jobs and a revitalised town centre.
- 3.18 The associated Infrastructure Delivery Plan (IDP) details the key infrastructure the town needs to support this growth and make the town a success.
- 3.19 The Local Plan and the Future Town Future Transport Strategy put sustainable transport at the heart of a connected town that better links residents with the opportunities for employment and learning in the town.
- 3.20 The Local Plan seeks to enable and encourage development and growth that will enhance and re-vitalise the town, address housing pressures, provide local jobs and bring forward regeneration across the town. However, it also performs an equally important role in terms of protecting the town's most important features and assets, which include not only its open spaces and heritage assets, but also its employment areas that are key to the economic prosperity of the town.
- 3.21 Hertfordshire's emerging Local Industrial Strategy (LIS) provides Stevenage with a direction and support for how its world class businesses like GSK, Airbus and MBDA can grow and better connect with the town and region. The LIS focuses on:

- Accelerating development of the research and development cell and gene therapy cluster in and around Stevenage
- Developing an overarching skills strategy, and inclusion plan
- Prioritising infrastructure investments to increase productivity and provide inclusive growth
- Supporting key regeneration interventions such as the delivery of the vision for the Stevenage Central regeneration framework.

3.22 The Council has been working closely with other public sector partners to develop the Hertfordshire Growth Board, and a programme of work to consider how to best prepare for the future growth of the county. This work is starting to consider how partners can draw in funding for infrastructure and work to ensure that growth enhances the opportunities of all residents in the county and deliver priority projects in a range of areas.

3.23 The Council's current Cooperative Corporate Plan outlines the key outcomes and priorities for the town over a five year period and is being delivered through the Future Town, Future Council (FTFC) transformation programme. FTFC is envisaged to ensure Stevenage is a thriving place to live and work.

3.24 The FTFC transformation programme is complemented by a range of strategies and activities that focus particularly on improving Stevenage residents' well-being and quality of life, and on managing the Council's assets for the benefit of the community. This suite of strategies includes:

- Healthy Stevenage Strategy 2018 – 2022
- Community Safety Strategy 2018-2021
- Arts and Culture Strategy: Stevenage Reimagined
- Future Town Future Transport Strategy 2019
- Housing Revenue Account Business Plan (HRA BP)
- General Fund Asset Management Strategy (AMS) 2018-2023

Establishing a Town Deal Board

3.25 Subject to the decisions of any incoming government following the outcome of the general election, the prospectus sets out a requirement for a Town Deal Board to be established before the end of January 2020.

3.26 To enable this process, Stevenage Borough Council will commence a recruitment process to recruit an independent Chair. This will follow an advertising and selection process based on a role profile for the independent Chair, and the process will be informed by engagement with other local stakeholders.

3.27 It is anticipated that this independent Chair would not be a remunerated position, but would be entitled to payment of reasonable expenses. Subject to the decisions of the Executive and engagement with key local partners, the role will be advertised for a minimum of three weeks and using appropriate media channels to secure interest.

- 3.28 The Town Deal Board will be underpinned by clear Terms of Reference. Draft Terms of Reference are attached as Appendix B to this report, setting out the requirements of the new entity. The composition of the Board will be as set out in section 3.9 of this report, incorporating relevant and required stakeholders from the public sector, business representation, developers and investors, and community representation. It is anticipated that the Board will be asked to approve the Terms of Reference at its first meeting in January. Engagement will take place with local partners to review the current draft Terms of Reference ahead of that meeting.
- 3.29 Potential local partners will be approached to consider participating in the Town Deal Board ahead of its first meeting.

The Readiness Checklist

- 3.30 As part of the preparatory works for the establishment of the board, the Town Deal requires the submission of the readiness checklist and the template form is at Appendix A.
- 3.31 The purpose of this checklist is to provide Government with an understanding of how ready towns are to complete a Town Deal. This will enable Government to deploy its resources to support towns and progress Town Deals, and to meet the need to begin spend during the 2020-2021 financial year.
- 3.32 The Readiness checklist will cover and will be assessed on these particulars:
1. A town has existing partnerships that meet most of the criteria for a Town Deal Board (refer to prospectus in *Background documents*)
 2. There are strategies or plans in place aligned with what is required in a Town Investment Plan
 3. The town has the capacity and governance to deliver at pace. It is expected that most places will need time to develop their Board and plans to be ready to enter into a Town Deal.
- 3.33 The Readiness checklist also probes what types of interventions could be put forward and prioritised to develop quality, sustainable and transformation proposals for the town through a Town Deal at pace.

Developing project options

- 3.34 Stevenage Borough Council and local partners have worked closely in recent years to develop a clear regeneration framework. In addition, a number of private-sector led projects have secured government and private funding for critical research and development projects.
- 3.35 A successful Town Investment Plan will need to be informed by a clear vision, and strong evidence base. As set out in this report, there is a clear direction for regeneration and development activities to enhance Stevenage, supported by a range of policies that have been developed with partners and market evidence from a variety of current and planned projects. This evidence base will be supported by further consultation with residents,

businesses, community groups, developers and investors, to consider potential interventions that could be proposed as part of the Town Investment Plan. This does not provide a final position for the Council to submit as extensive work will take place through engagement with Members, the emerging Town Deal Board, work with partners and local consultation to inform a Town Investment Prospectus during 2020.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 This report recommends proceeding with the steps required to put in place a Town Deal Board and subsequent Town Investment Plan, subject to the outcome of the general election on 12 December, within the required timescale. This proposed approach intends to form the required Town Deal Board, commence a process to attract and recruit a Chair, and commence preparation works to secure funding that could benefit Stevenage and its residents. In forming this approach, Officers have engaged with central government Officials regarding the prospectus and the expected timescales and with key public sector partners.
- 4.2 The Council has a positive track record in forming and maintaining effective local partnerships, and the creation of a Town Deal Board would serve to support the implementation of projects and investments already set out in relevant strategic documents such as the Local Plan and associated strategies, as well as to incorporate new opportunities emerging from new plans such as the Local Industrial Strategy.
- 4.3 Alternatives include postponing work to form a Town Deal Board, or to not form such a Board. The former option is not recommended at this stage, as without agreed extension of timescales this could limit the Council's ability to bid for funding or generate sufficient momentum during 2020. The latter option is not recommended as it is anticipated not forming a Board would mean the Council could not negotiate a Town Deal and would lose the opportunity of benefitting from external funding.

5 IMPLICATIONS

Financial Implications

- 5.1 The Town Deal prospectus identifies £173,000 revenue funding to be provided in November / December 2019, for Stevenage Borough Council to establish a Town Deal Board, conduct consultation to inform the vision and priorities for the potential Town Deal, and prepare business cases and options in relation to different projects.
- 5.2 The Town Investment Plan would be expected to set out project options, largely based on capital investment that could generate a positive impact in Stevenage. The Council has made significant strategic investments to progress key priority schemes in recent years. Any future bids through the

Town Investment Plan would need to incorporate a robust review of the total cost and benefit of the potential projects, consideration of the capital contribution, and any required match funding, or revenue implications to ensure that projects are affordable and can be supported within the Council's Medium Term Financial Strategy.

- 5.3 In establishing this new Town Deal Board, there is potential scope for the Board to also oversee the delivery of Growth Deal 3 funded projects (£19m), subject to central government approval.

Legal Implications

- 5.4 There are no legal implications at this stage. The proposed Town Deal Board will not be a legal entity but an advisory body to Stevenage Borough Council as the Lead Council for Town Deal funding.

Risk Implications

- 5.5 Proceeding to create a new Town Deal Board and Town Investment Plan does incorporate a level of risk:
- Risk that anticipated central government funding is not available: This risk can be partially mitigated by the formation of a clear vision for the Town Deal – drawing on the extensive partnership working and policies already in place, enhancing these where appropriate and forming strong and effective business cases. The Council has a positive track record in securing external grant funding and attracting private investment. To support this programme of work officers anticipate securing additional capacity from Hertfordshire LEP given their expertise in strategy and grant funding, and using advice and support from commercial advisors as needed.
 - Risks in relation to the processes to establish the Town Deal Board and governance: The processes used to recruit an independent Chair will be developed by the Council's Human Resources team. The draft Terms of Reference for the Board have drawn on other external Terms of Reference from other similar entities to ensure they are fit for purpose.
 - Risks that a duplicate governance structure is required to oversee Growth Deal 3 spend projects: Growth Deal 3 funding was secured in 2016/17 and allocated in principle by Hertfordshire LEP to Stevenage focussed projects. To draw down this funding, there are particular conditions which require government approval including: a new Board to oversee regeneration, political representation to include the Local MP, business representation. The new Town Deal Board will be designed to be in a position to fulfil these requirements and provide an option to oversee this area of project expenditure and delivery.
 - Risks in relation to code of conduct, conflicts of interest and transparency: The new Board will be subject to clear policies in relation to conduct and management of any conflicts of interest. All members of the Board will be required to work within these policies.

Policy Implications

- 5.6 The vision formulated by the new Town Deal Board and Town Investment Plan would be informed by Stevenage Borough Council's existing corporate plan Future Town, Future Council and supporting strategies and policies as outlined in section 3.23. The proposal for an inclusive and transparent independently chaired Board is aligned with the Council's cooperative principles and the proposal for a comprehensive consultation and engagement plan is in line with the newly adopted Community Engagement Framework.

Planning Implications

- 5.7 The creation of a Town Deal Board, vision and subsequent Town Investment Plan would be reflective of the existing Local Plan adopted in 2019, and associated delivery plans and strategies.

Equalities and Diversity Implications

- 5.8 The Council has adopted a Local Plan, a Corporate Plan and associated range of policies and action plans which have been subject to Equality and Diversity Impact Assessment (EqIA). The creation of the new Town Deal Board will incorporate relevant standards to ensure open, transparent and fair approach to decision making. Where potential projects could be scoped to progress as part of a Town Investment Plan, appropriate EqIAs will be conducted and impacts reviewed.

BACKGROUND DOCUMENTS

- Stevenage Local Plan 2015 – 2031
- Ministry of Housing, Communities and Local Government: Town Fund Prospectus, 1 November 2019

APPENDICES

- A Ministry of Housing, Communities and Local Government: Readiness Checklist
- B Draft terms of reference for the Town Deal Board