

Towns Fund - Heads of Terms
Leader Cllr John Holdich
October 2020
Deadline date: October 2020

Cabinet portfolio holder:	Leader John Holdich
Responsible Director:	Steve Cox, Executive Director Place & Economy
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: YES Unique Key decision Reference from Forward Plan: KEY/26OCT20/02
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	Yes Verto number: Will be registered in MS Project

R E C O M M E N D A T I O N S

The Cabinet Member is recommended to:

1. Authorise the Chief Executive to approve and sign the Heads of Terms for Towns Fund projects in Peterborough following confirmation of support from the Ministry of Housing, Communities and Local Government for up to £22.9 million including approval of the:
 - List of projects to receive funding and recommended assurance route for business cases
 - Key conditions and requirements attaching to the offer of funding
2. Delegate to the Executive Director for Place & Economy and the Director of Law and Governance the authority to agree and finalise any related documents needed to execute the above recommendations and take forward the approach set out in this report.

1. PURPOSE OF THIS REPORT

- 1.1 This report is for the Leader to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (e)

2. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	
---	-----------	----------------------------------	--

3. BACKGROUND AND KEY ISSUES

3.1 Peterborough was identified by the Government as one of the Towns eligible to bid for investment through the Towns Fund which was launched in November 2019. The Towns Fund Prospectus acknowledges that some towns across England may not have all the building blocks needed for a strong local economy. The Towns Fund aims to help such towns deal with and overcome constraints to growth and productivity. The Towns Fund guidance explains that each town will have distinct assets that can be built upon and issues that need to be addressed.

The Towns Fund will provide public investment in financing individual 'Town Deals' which offer the potential to deliver economic regeneration and sustainable growth in productivity. Towns Fund investment will be focused on three broad areas:

- Urban regeneration, planning and land use;
- Skills and Enterprise infrastructure;
- Connectivity (transport networks and digital connectivity).

3.2 Governance Arrangements

In January 2020 a Town Deal Board was established with representatives from key sectors of business and the local community in Peterborough. The Board's initial role was to:

- Develop and agree an evidenced-based Investment Plan;
- Develop a clear programme of interventions; and,
- Co-ordinate resources and influence stakeholders.

3.3 Peterborough's Town Investment Plan, set out in Annex 1, was submitted to the MHCLG on 31st July 2020. The Plan sets out investment priorities for that driving economic growth with evidence linked directly to the Towns Fund objectives and aims to complement existing plans and strategies including the Local Industrial Strategy, the Local Plan and the Local Transport Plan, as well as wider regional economic initiatives such as the Oxford-Cambridge Arc.

3.4 A bid was made to the Government for £24,97m to deliver a range of projects aimed at stimulating local economic growth in Peterborough. Heads of Terms have been sent to the Council offering £22.9m for specified projects.

4. CONSULTATION

4.1 In accordance with the issued Towns Fund guidance consultation was carried out with a variety of stakeholders across the city prior to the preparation of the investment plan and the development of individual projects. The details of the engagement undertaken are shown in annex 1.

4.2 Subject to approval of Heads of Term recommendation in this report, further stakeholder engagement will take place throughout the development of business cases and detailed plans for the key projects.

5. ANTICIPATED OUTCOMES OR IMPACT

- 5.1 The agreement of Heads of Terms is an important step in providing access to funds to support the growth of the city and its economy and building investor confidence in Peterborough's prospects.

6. REASON FOR THE RECOMMENDATION

- 6.1 The approval of the Heads of Terms is sought to enable the Council to develop business cases and project plans for Towns Fund projects and to access up to £22.9m in Government funding support.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 The Towns Fund guidance explains that the Heads of Terms represent an agreement in principle for funding support and will take the form of a Memorandum of Understanding (MOU), to be signed by the Chair of the Town Deal Board, the Lead Council and by Government Ministers. The relevant MOU would be attached to any funding that is allocated. If the terms are not properly followed there is a risk that the Council would be unable to access the available funding.

8. IMPLICATIONS

Financial Implications

- 8.1 The conditions within the Heads of Terms state:

This funding will be subject to successfully completing Phase 2 of the Towns Fund process as set out in the Towns Fund Further Guidance, including detailed project development and business case assurance at local level. It is also dependent on final spending profiles, including the RDEL/CDEL (Revenue/Capital) split being provided, and the further project-specific conditions set out below being met.

These conditions include elements of match funding which will not exclusively come from the Council but also from partners within the Towns Fund project and other organisations.

- 8.2 By signing the 'Heads of Terms' the Council will be committing to invest officer time in the development of business cases for the projects set out in the Town Investment Plan if it wishes to proceed with their development.
- 8.3 Funding is dependent on the submission of the Town Deal summary document which is due to be submitted in January 2021 following the approval of a new CMDN detailing the project and development plans and business cases

Legal Implications

- 8.4 There are no legal implications as the heads of terms set out the conditions of the funding.

Equalities Implications

- 8.5 There are no direct equalities implications from agreeing the Heads of Terms. However, projects being taken forward with Towns Fund support will be subject to an equalities' appraisal in line with standard Council procedure.

Carbon Impact Assessment

- 8.6 Projects within the Towns Fund Investment Plan will be subject to a Carbon Impact assessment at the project level.

9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 9.1 There are none.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

- 10.1 Town Investment Plan

11. APPENDICES

- 11.1 Annex 1 – Peterborough Town Investment Plan