

Cabinet

13 January 2021

**Bishop Auckland Town Fund :
Submission Approval**

Ordinary Decision



Report of Corporate Management Team

Amy Harhoff, Corporate Director of Regeneration, Economy and Growth

Councillor Carl Marshall, Cabinet Portfolio Holder for Economic Regeneration

Electoral division(s) affected:

Bishop Auckland

Purpose of the Report

- 1 To provide an overview to Cabinet of the process of submitting a Town Investment Plan to Government in order to secure capital resources from the Towns Fund.
- 2 The report identifies the timescale for the submission of the Bishop Auckland Town Fund application and request that the Council's approval is facilitated via a delegated authority arrangement.

Executive summary

- 3 In 2019 Government announced that Bishop Auckland had been selected as a town that could benefit from significant funds as part of the national Towns Fund.
- 4 The Towns Fund Prospectus published in November 2019 identifies that £3.6 billion has been made available to 'unleash' the full economic potential of 101 towns across the country. Towns will be able to bid for up to £25 million in each place, and in exceptional circumstances may bid up to £50 million.

- 5 The report provides details of
 - (a) the overarching aim of the Towns Fund;
 - (b) Governance Requirements and the Town Board;
 - (c) the bidding process and work undertaken to date;
 - (d) consultation proposals;
 - (e) bid and project assessment.
- 6 Durham County Council is Lead Council and as such appointed a Town Board in February 2020. The Board has been working since March to develop proposals for investment to include in a bid submission that must be made to Government by the end of January 2021.
- 7 Covid 19 has significantly impacted on the timescale for this national initiative and detailed guidance publication was delayed until June this year.
- 8 The Council is required to undertake the role of the accountable body to the Town Board and in relation to the use of any Towns Fund resources accessed by the Board.
- 9 The process requires that:
 - (a) the Town Investment Plan submission is approved by both the lead Council and the Town Board and submitted before the end of January;
 - (b) the Submission complies with the detailed requirements in the Town Fund Guidance of June 2020;
 - (c) the Town Board has robust and appropriate Governance arrangements in place;
 - (d) following approval by Government a Heads of Terms is agreed to be signed off by the Government, DCC and the Town Board Chair.
- 10 As we approach the submission date work has intensified to work up the detail of the submission and the Town Board, Council officers and consultants are working to produce a submission towards the end of January.
- 11 In order to agree the Town Investment Plan submission, the Town Board is meeting on the 22 January. The Council, via Cabinet also needs to consider the proposal for Bishop Auckland and the timing of

the submission has meant that it is not possible to provide the draft final submission for approval at this meeting.

- 12 With the February meeting being too late to agree the proposal, it is suggested that Cabinet agrees to delegate the decision to approve the bid to the Corporate Director of Regeneration , Economy and Growth and the Corporate Director of Resources following consultation with the Leader, Deputy Leader and Cllr Marshall.

Recommendation(s)

- 13 Cabinet is recommended to
 - (a) delegate authority to the Corporate Directors for Regeneration, Economy and Growth and Resources in consultation with the Leader, Deputy Leader and Portfolio Holder for Economic Regeneration to agree the final Bishop Auckland Town Fund submission.

Background

- 14 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 July 2019. The fund allows Towns to bid for up to £25 million capital with the ability to bid higher in exceptional cases. Bishop Auckland was included in the towns selected.
- 15 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.
- 16 In November 2019 a Towns Fund Prospectus was published with an indicative timetable for submission of town bids. This timetable was subsequently altered as a result of Covid 19 and detailed Town Fund Guidance was published in June 2020.

- 17 Each Town was provided with a fund to help support the submission process. For Bishop Auckland an allocation of £162k was received from Government.

Governance

- 18 As required by the prospectus, the Council established a Town Board in February 2020. The Town Board membership is included at Appendix 2. The specific roles of the Town Board (including the Chair) and Durham County Council (the Lead Council) are defined in the prospectus and guidance as follows :

Durham County Council – The ‘Lead Council’

- upholding the Seven Principles of Public Life (the Nolan Principles);
- act as Accountable Body for the Town Deal through which funding will flow;
- 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.

The Town Board

- provides an advisory function to the Lead Council;
- 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;
- including the role of the Board Chair:
 - i. upholding the Seven Principles of Public Life (the Nolan Principles);
 - ii. leading the Board in achieving its objectives, maintaining an overview of activity, and championing and supporting partnership working;

- iii. ensuring that decisions are made by the Board in accordance with good governance principles;
- iv. signing the Head of Terms Agreement with government.

The Process

- 19 The first phase of the process is for The Bishop Auckland Town Fund application to be submitted to Government by 31 January 2021. The submission is in the form of a Town Investment Plan (TIP) and prior to submission it will have been approved by the Town Board and the Council. The submission will be informed by a Community Engagement / Consultation process that will take place prior to final approval.
- 20 If the submission is successful it will proceed to the second phase which will require a Heads of Term agreement between Government, the Council and the Town Board. This will identify selected projects which will require detailed business cases.
- 21 Should the submission be unsuccessful the process allows one further submission to be made. If that also fails, then no further submissions under the Town Fund can be made.
- 22 Once the business cases have been completed the Council, as the accountable body, will be required to confirm that they meet the fund criteria and that the business case approval process has been robust. The Council will submit a summary documents to Government providing this assurance and Government will then agree the final projects and associated funding.
- 23 The Town Board and the Council as accountable body will then ensure that the projects are delivered under the terms of the Fund.

The Town Investment Plan

- 24 The Government expects the TIP to:
 - 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;
 - provide an assessment of the local impacts of Covid-19, and how these have been taken into account in the strategy and project prioritisation.
- 25 The TIP will be in two sections. The first will set out the context, strategy and process planning and section 2 will provide the details of project proposals.
- 26 For Bishop Auckland the deadline for submitting the TIP is 31 January 2021.

Work to Date

- 27 The Town Board has met regularly since March and has been supported by officers of the Council. The detailed work on the submission was informed by the Town Fund Guidance which was published in June 2020.
- 28 The following summarises the work to date
- (a) appointment of consultants to support the work required to make a successful submission;
 - (b) board establishing a number of themed task and finish groups to identify potential projects around the following themes:
 - (i) Regeneration and Land Use;
 - (ii) Skills and Enterprise;
 - (iii) Arts, Culture and Leisure;
 - (iv) Connectivity.
- 29 On 27 November the Town Board agreed a 'long list' of projects that formed the basis of the consultation carried out in December.
- 30 The total Town Fund ask of the long list of project intervention areas was £55 million. The nine project areas that make up this amount and are subject to the consultation exercise are shown in appendix 3.

- 31 Any bid for funds over the £25 million needs to demonstrate that there is an exceptional case. It is expected that this would be where ambitious and credible proposals have a wider regional and national impact. The guidance from Government advises that such proposals will be subject to a higher level of scrutiny and an objective rationale for the higher-level investment is required.
- 32 Bids for over £25 million that are submitted without clear justification for being exceptional will fail and the Town will be required to submit a second funding application.

Consultation

- 33 In November the Board agreed a framework for consultation and engagement. Meaningful consultation is a key element of the process for agreeing the TIP and Town Fund Submission. A Stakeholder Engagement Plan is required to be included in the TIP. The framework includes:
- (a) previous consultation undertaken as part of the BA Masterplan work;
 - (b) community engagement and input to the Heritage Action Zone in the town and priority interventions identified through the Council's Towns and Villages programme;
 - (c) suggestions received through the #mytown process established by government as part of the town deal programme;
 - (d) a Two week virtual / digital consultation via a bespoke website based on a 'long list' of projects agreed at Board on the 27th;
 - (e) communications plan to ensure inclusive process that meets the guidance requirements;
 - (f) all board members will receive links and details for the consultation to share on their social media.
- 34 The consultation period began on 11 December and concluded on 4 January. The results are being analysed and will be reported to the Town Board on the 22nd.

Assessing The Bid

- 35 TIPs 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 standards and criteria in the table below. Where there is clear evidence of all the standards are being met, TIPs will progress to the second stage of the

review where the Towns Hub (a MHCLG body that provides support to the overall process) will then review in more detail the individual project proposals in section 2 of the TIP.

36 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.

37 The following is extracted from the Guidance published in June 2020

'IMPACT' Standard

Criterion 1 – Level of Need, evidenced by

Details of the major challenges and problems in the town which could be addressed through Towns Fund interventions.

Criterion 2 – Scale of Opportunities, evidenced by

Details of major opportunities and unmet demand which could be capitalised on to boost growth and improve wellbeing

'Strategy' Standard

Criterion 1 - Strength of vision, strategy and economic narrative, evidenced by :

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.

Criterion 2 – Coherence of TIP, evidenced by :

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.

Criterion 3 - Capacity and alignment of proposals with ongoing initiatives, evidenced by :

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.

'Partnerships' Standard

Criterion 1 - Strength of collaboration with communities and civil society, evidenced by :

Level of representation and institutional collaboration both in the production of the TIP and planned for the future.

Criterion 2 - Strength of collaboration with the private sector and local businesses evidenced by :

Level of representation and institutional collaboration both in the production of the TIP and planned for the future.

Project Assessment

- 38 Subject to the TIP meeting the standards above Government will assess the projects listed in the plan to decide on an initial funding offer. Final decisions will rest with ministers.
- 39 At this stage, full business case development is not required for individual projects. 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.
- 40 Following the review of the TIP and the assessment of projects the Government will offer a 'Heads of Terms' to be considered by the Town Board. Ministers will sign off the final Heads of Terms which must be signed by Government, Durham County Council and the Town Board.
- 41 The Heads of Terms will include:
 - (a) Allocated Towns Fund budget and financial profile;
 - (b) List of projects to receive funding and recommended assurance route for business cases;
 - (c) List of support agreed by other government departments [where applicable];
 - (d) Key conditions and requirements eg:
 - (i) target figures for match funding,
 - (ii) minimum benefit cost ratios,
 - (iii) meeting a spend profile,
 - (iv) requirement to engage with government bodies,
 - (v) improved value for money;

(vi) confirmation of planning approval.

42 It is only after the Board has agreed the Heads of Terms that the Town Deal will be announced.

Phase 2 : Post Heads of Terms

43 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.

Durham County Council 'Sign Off'

44 The proposal needs to be supported by the Council in advance of the submission to Government by the end of January. The decision to agree a list of projects to consult on and the consultation process itself did not allow a full and comprehensive report on the TIP, proposed projects and consultation results to be presented to this Cabinet in order for a decision to be made.

45 It is therefore proposed that Cabinet grant delegated authority to the Corporate Directors of Regeneration, Economy and Growth and Corporate Resources, after consultations with Cllrs Napier and Marshall to agree the final submission of the Town Investment Plan to MHCLG by the end of January.

46 In exercising their delegated authority, the Directors shall have regard to

- (a) the Town Investment Plan meeting the general requirements of the Town Fund Guidance;
- (b) the list of projects in the TIP and their fit with delivering against the objectives set out in the strategic case;
- (c) the impact of the consultation exercise;
- (d) feedback from earlier tranches of Town Fund submissions and Government funding decisions.

Conclusion

47 There is an opportunity for Bishop Auckland Town to secure significant capital funds from the Governments Town Fund programme. The application needs to be submitted before the end of January.

48 The Bishop Auckland Town Board has developed a proposal to consult on and a consultation exercise concluded on 4 January. Work is being

carried out now analysing the outcome of the consultation and formulating a final proposal for submission.

- 49 The Board is meeting on 22 January to agree the submission and it also requires the approval of Durham County Council. In view of the timescale this Cabinet is being asked to put in place a delegated decision process to sign off the submission.

Background papers

- None.

Other useful documents

- Towns Fund Prospectus, MHCLG, Nov 2019
- Towns Fund Guidance, MHCLG, June 2020

Author(s)

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Appendix 1: Implications

Legal Implications

The Council has the role of 'Lead Council' within the Government's Guidance. The Lead Council is required to undertake the role of 'accountable body'.

The Council is a signatory to the Heads of Terms that will determine the detail of any successful deal.

Finance

Council match funding for specific projects included in the submission has already been agreed within approved budgets.

Consultation

The Town Fund proposals are subject to a digital consultation exercise that took place from 11 December 2020 until 4 January 2021.

Equality and Diversity / Public Sector Equality Duty

Not applicable.

Climate Change

The proposals within the Town Investment Plan must reflect on 'green' economic growth proposals.

Human Rights

Not applicable.

Crime and Disorder

Not applicable.

Staffing

Council staff are directly supporting the Towns Fund process.

Accommodation

Not applicable.

Risk

The Town Board has identified a risk log for the submission process.

Procurement

Subject to a successful bid the procurement for individual projects will be in accordance with the Council's procurement policies and will be overseen by the Council as the accountable body.

Appendix 2: Town Board Membership

- Durham County Council x 2
 - Cllr Brian Stephens
 - Amy Harhoff, Corporate Director of Regeneration, Economy and Growth
- Bishop Auckland Town Council x 1 – Town Mayor
- Bishop Auckland and Shildon Area Action Partnership Chair x 1
 - Cllr Shirley Quinn
- Dehenna Davison MP
- The Auckland Project x 2
 - Jonathan Ruffer
 - David Maddan
- Business and Investors x 3
 - Rob Yorke Chair South Durham Enterprise Agency
 - Mike Matthews
 - David Land (Chair)
- Bishop of Durham
- North East Local Enterprise Partnership x 1 - Helen Golightly
- Bishop Auckland FE College - Natalie Davison -Terranova, Principal
- Believe Housing Group - Nik Turner Director of Place and Community
- Jobcentre Plus x 1 – Paul Robson Partnership Manager Durham Tees Valley

Appendix 3: Project Themes for Consultation

1 Infrastructure Supporting Bishop Auckland as a World Heritage Destination (Estimated project costs £37 million Stronger Towns ask £18.2 million)

The principal project in this element seeks to deliver the Eastern Access Road, a new access into Auckland Park providing visitor car parking and onward connectivity to, the proposed Eco farm and Binchester attractions as well as improved access across the park, to the castle and market place and across the river to the Kynren site. Improved traffic flows and real-time visitor information will be supported by the second phase of the Variable Messaging Signage , which completed the investments made under the Stronger Towns advance funding programme

2 Enterprise and SME support (Estimated project cost £5.9 million, Stronger Towns ask £1.7 million)

A shortage of lettable flexible workspace serving the town will be addressed by an initial phase of new workspace units developed by Business Durham on a Council owned site at Dovecote Hill. New business space will be supported by an aligned business support programme delivered in conjunction with South Durham Enterprise Agency and Bishop Auckland College.

3 Skills and Training Hub – springboard into employment (Estimated project cost £1.9 million: Stronger Towns ask £1.8 million)

Recognising the increasing requirement for digital skills across most employment sectors and the importance of key sectors such as Health and Social care and the visitor economy it is proposed to develop a skills and training hub to focus on developing core employment skills and to link with the local network of employment support provision to improve residents opportunities in the South Durham labour market. Additional business focussed training looking to upskill workers will also be delivered as required.

4 Durham Dales Gateway (Estimated project cost £13.4 million: Stronger Towns ask £7.8 million)

Plans for the reactivation and further development of the Weardale railway provide further opportunities for the visitor economy and wider benefits of accessibility into the dales. Current access to the heritage railway

platform within the town is poor and new opportunities to develop heritage railway welcome building, ticketing and interpretation space will greatly improve the visibility and accessibility of the Weardale Railway.

5 Town Centre Diversification (Estimated project cost £16.8 million: Stronger Towns ask £11.8 million)

The Stronger towns programme retains a firm focus on town centre regeneration, alongside initiatives proposed through the Future High Streets Fund. Initiatives to improve the appearance and access to the Newgate Centre from the Bus Station, linking atrium between the Town Hall and Mining Art gallery, canopy to part Newgate St, support to secure redevelopment of the former Beales Store for hotel use and repurposing of property to provide an artists hub and gallery space are proposed to improve the functionality and diversity of the town centre offer.

6 Tindale Triangle Infrastructure improvements (Estimated project cost £38 million: Stronger Towns ask £5 million)

Subsequent phases of development combined with general traffic volumes along the A688 have created local pinch points of traffic movement hindering resident and worker access across the Tindale site and beyond. These constraints also impact on links to the Woodhouse Close area and provide a constraint to further residential development across a number of sites. Infrastructure improvements to the strategic network are proposed to improve pedestrian and vehicle permeability to Tindale Crescent retail area and accelerate multiple development opportunities.

7 Bishop Auckland Digital – 5G Enabled Town (Estimated project cost £ 5 million: Stronger Towns ask £5 million)

Initial aspects of a dark fibre network exist across the town and it is proposed to extend this network across the town and the employment sites to provide the basis of a superfast internet network to support existing and emerging digitally reliant businesses and also to serve and link the multiple public facilities who are increasingly digital reliant. The municipal network would provide opportunities for high speed residential and business broadband accessibility and provide opportunities for implementing 'digital town' solutions.

8 Heritage Walking and Cycling routes, signage, waymarking and interpretation (Estimated project cost £3 million: Stronger Towns ask £3 million)

A spatial analysis of the Stronger Towns area has highlighted some breaks in connectivity for residents particularly from outlying residential areas. To improve access to the town and across the town to visitor opportunities and new employment across Auckland Park, it is proposed to address some key breaks in sections of existing walking and cycle routes, providing signage and interpretation as part of the linked Heritage trains which enter the town.

9 Heritage Transport Museum (Estimated project cost £1.5 million: Stronger Towns ask £ 1.5 million)

The North East Vintage Bus Preservation Trust are seeking to relocate their collection of vintage vehicles and have identified the opportunity of locating in proximity of the Weardale Railway and Locomotion as a major draw in providing a cluster of vintage transport attractions. Seeking to utilise existing premises the Heritage Transport Museum would provide display space, volunteering and training opportunities and a complementary offer to other local attractions across the Stronger Town area..