

Report of the Director of City Development

Report to: Executive Board

Date: 18 March 2020

Subject: Morley Town Deal

Are specific electoral wards affected? If yes, name(s) of ward(s): Morley North, Morley South	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- Morley has been selected by government as one of 101 places across England eligible to bid for up to £25m from the Towns Fund, which aims to support regeneration and economic growth
- Leeds City Council is the lead accountable body responsible for the development of a compelling and evidence based Town Investment Plan which will articulate a vision for the future of Morley and will act as a bidding document for Towns Fund investment.
- It is required that a local governance structure is established to provide a vehicle through which the vision and strategy for the town can be defined. The role and required membership of the Town Deal Board is, in part, set out in the Towns Fund prospectus and includes steering the development and agreement of an evidence based Town Investment Plan.
- This report provides a proposed approach to the formation of the Morley Town Deal Board, including constituent membership and seeks a delegation from the Council's Executive Board to formalise this body. In line with the Council's constitution the Council's Executive Board will be consulted for formal approval of the Town Investment Plan for Morley.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- The Towns Fund is a funding and delivery vehicle for the government's policy ambition to 'level up' places across the UK. The prospectus for the Towns Fund highlights opportunities to raise skills and employment levels, address challenges relating to ageing populations, improve productivity, develop connectivity and infrastructure and enhance social and economic resilience.
- There is a clear alignment between these broad objectives and the policy implications of the Best Council Plan, including our city's ambitions for inclusive growth, health and wellbeing, sustainable infrastructure, developing a child-friendly and age-friendly city, promoting culture, improving the quality and availability of housing, and creating safe and strong communities.
- The Leeds Inclusive Growth Strategy sets out the importance of the federal economy in Leeds, and the role that economic hubs across the whole district play in providing jobs and amenities to local communities, and enabling growth across the city.
- The collaborative process of developing a Town Investment Plan through a partnership board will enable a vision and key themes and priorities in Morley to be developed in line with these strategic objectives. While the detail of this Plan is still to be developed there are clear opportunities to address the Inclusive Growth Strategy's 12 Big Ideas.
- A Town Investment Plan for Morley could draw down significant government funding and leverage other public and private investment to support the town in responding to economic change and to enhance its role as part of the federal economy of Leeds, creating and sustaining jobs close to the community. There may also be opportunities to maximise the economic benefits of culture and further develop infrastructure in the town.

3. Resource Implications

- The need to respond quickly to the Town Deal opportunity and to develop an Investment Plan for Morley will create unforeseen pressure on existing staff resources, which is beyond the business as usual resource and work programme planning of relevant services.
- Leeds City Council has been allocated £162,019 through the Morley Town Fund as capacity funding. This funding can be used in part to cover resource requirements including officer time and external support for the development of a Morley Investment Plan.

Recommendations

Executive Board is asked to

- a) support the Council's role as accountable body in developing a Morley Town Investment Plan
- b) agree the principles of governance and membership set out at paras 3.5 – 3.17 and delegate authority to the Director of City Development, in consultation with Executive Member for Climate Change, Transport and

Sustainable Development, to establish and support the operation of a Morley Town Deal Board

- c) agree the boundary shown at Appendix 1 as the defined area for the Morley Town Deal
- d) request that a further report is made to the Board to validate and approve the Morley Town Investment Plan prior to its submission to government.

1. Purpose of this report

- 1.1 This report provides details of the government's Towns Fund and the opportunity that has been presented to develop an investment plan for Morley that could enable access to up to £25m of this funding.

2. Background information

- 2.1 The Towns Fund is part of an increasing national government emphasis on the importance to the national economy of towns and smaller communities and builds upon previous funding announcements focused on supporting these places under the 'levelling up' policy agenda.
- 2.2 This has been evident through a series of funding programme announcements. In the 2018 Budget the Ministry for Housing and Local Government (MHCLG) launched the Future High Streets Fund (FHSF), a £675 million programme to drive growth and enhance the sustainability of high streets and town centres across England. The Council bid for funding through Round 1 of the FHSF - in responding to the prospectus all 60 of the city's designated local centres were assessed against key factors including retail vacancy rates, relationship to disadvantaged areas and the size and role of the local centre. The resulting submission for Armley was unsuccessful in national competition though there may be an opportunity to bid into a second round of this fund.
- 2.3 Following this in March 2019 the government announced a new £1.6bn Stronger Towns Fund for England, which built upon the City Deals which had been previously agreed with 28 major conurbations across England. £1bn of this programme was allocated on a regional basis (£197m to Yorkshire and the Humber) with the remainder set aside for competitive bidding. No towns in the Leeds district were allocated funding from this and none appeared to meet the bidding criteria.
- 2.4 Alongside these MHCLG administered funding schemes, Historic England also launched the High Streets Heritage Action Zone, a multi-million pound fund designed to support physical improvements, community engagement and cultural activities which will regenerate historic high streets. Leeds City Council was successful in bidding for funding through this scheme for the Grand Quarter Conservation Area and it is anticipated this programme will commence in the next financial year.
- 2.5 In September 2019 MHCLG announced the £3.6bn Towns Fund and that Morley was selected among 100 towns across England as eligible to bid for a 'Town Deal' through this programme. This Towns Fund builds upon a pilot deal that was agreed between government and Greater Grimsby in July 2018, which allocated £67m in funding to a Town Deal which would deliver over 8,800 new jobs and nearly 10,000

new homes in the Town. Each town identified by government has been given the opportunity to bid for up to £25m through its own Town Deal.

- 2.6 Further details of the eligibility criteria, bidding process, and possible interventions that this will enable were published in the form of a Towns Fund prospectus in November. This provides broad guidance on the objectives and focus of the programme and the bidding process to secure funding. It sets out an objective to drive economic regeneration to achieve long term economic and productivity growth through: urban regeneration, planning and land use; skills and enterprise infrastructure; and connectivity investment. In order to bid for funding, places are encouraged to develop local, private sector led, governance bodies to provide oversight and steer to develop local investment plans.
- 2.7 Leeds City Council has been identified as the accountable body in leading the development of a Morley Town Deal.

2.8 The full prospectus is available online at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/843843/20191031_Towns_Fund_prospectus.pdf

3. Main issues

- 3.1 Whilst the funding allocation is welcomed as an opportunity to deliver regeneration and growth in Morley, this did not arise from a bidding process through which the Council, partners and stakeholders could develop clear propositions for investment. There is therefore a need to rapidly establish the appropriate partnership and governance arrangements to drive the development of the Town Deal, develop and properly test proposals and to compile a robust and compelling business case that is underpinned by a strong evidence base.
- 3.2 The process set out by government is in two stages and the deadlines for developing and submitting a bid are extremely constrained:.
- Stage 1: Capacity support provided to accountable bodies to put the structures and vision in place to enable places to move to the next stage of agreeing a deal. As the accountable body for the Morley Town Deal the Council has already been issued with a s31 grant of £162,019 to facilitate this.
 - Stage 2: Places to develop a locally-owned Town Investment Plan as a business case to apply for Town Deal funding towards their proposed interventions.
- 3.3 The timescales for developing a Town Investment Plan and bidding for Towns Fund monies are extremely tight and will demand a high intensity of work between the Council and partners over the next six months. This will need to draw on a number of Council services including Regeneration, Planning, Culture, Policy and Intelligence, Employment and Skills, Communities, and Economic Development. There is a constrained period in which to develop a robust and evidence-led bid,

which will need to be presented back to Executive Board in late summer prior to submission.

- 3.4 Whilst more detailed government guidance is awaited it is currently understood that there could potentially be three opportunities to submit a Town Investment Plan for government assessment over the course of this year, with the latest bidding deadline in autumn. The round at which a plan is entered is unlikely to infer any advantage or disadvantage. Government recognises that some towns within the identified list of 100 are likely to have more mature partnerships and plans than others, and that there is a need for these to work at a timescale and pace that responds to the need to develop proposals from different starting points, As such it is likely that a Town Investment Plan for Morley would be best served by targeting the latest available submission date to ensure as much time as possible to develop a sound plan.

The Morley Town Deal Board

- 3.5 A Shadow Town Deal Board has been established to provide a sufficient level of oversight and steer in advance of a formal board being constituted. This Shadow Board met on 31 January 2020 with representation from Ward Members, the constituency MP's office, the Chamber of Commerce, the Town Council and Council officers present.
- 3.6 The Towns Fund prospectus requires that the full Town Deal Board membership should consist of representatives from the business sector, all levels of local and regional governance, community groups, faith groups, cultural organisations, the MP's office, and local anchor institutions including educational establishments.
- 3.7 There are a series of principles, set out below, on which membership and governance arrangements for the Town Deal Board need to be established.
- 3.8 It is envisaged that the Board would comprise around 15 members, offering the best balance of a broad and representative interest base and practicality of running meetings and gaining consensus.
- 3.9 Members of the Morley Town Deal Board should have clear links to Morley and a desire to support the Town's continued growth and transformation; be informed and able to contribute insight in relation to the Town's needs, challenges, opportunities and priorities; and have a strong understanding of the context for growth at a local, regional and national level.
- 3.10 Members should also have a strong reputation and be able to represent their respective community of interest with the ability to bring together and influence relevant stakeholders; be willing to contribute time, resource and their personal energies to support the development of a transformational Town Investment Plan for Morley; and be willing to act in line with a Code of Conduct reflecting public governance standards.
- 3.11 Members should be able to demonstrate or develop an understanding of the bidding process for public sector investment and what constitutes a strong bid, and be capable of adding value to the development of the Town Investment Plan document.

- 3.12 The Towns Fund prospectus requires that Town Deal Boards will be chaired by a private sector lead.
- 3.13 The Morley Town Deal Board will act as a partnership body with local accountability to drive the development of a Morley Town Investment Plan that forms the basis of a bid for significant government funding and leverage of further public and private sector investment.
- 3.14 The Board will have an advisory role to Leeds City Council's Executive Board with the ability to make change and spend recommendations from the Board to enable implementation of the annual plans.
- 3.15 The formal establishment and operation of the full Town Deal Board will be managed by Leeds City Council.
- 3.16 The recruitment process for members will follow a similar process to that undertaken to recruit the Culture 2023 Trust members. This would entail a public and open recruitment process to the Board, including the role of Chair. Given limited timescales this process will need to be undertaken quickly and with relatively short deadlines. The final appointments will be confirmed by a selection panel, which will include the Executive Member for Climate Change, Transport and Sustainable Development, a representative from the Chamber of Commerce and the Director for City Development.
- 3.17 Representation on the Board by Elected Members of the Council will be considered in line with the Council's constitution – for these purposes it is anticipated the board will be considered a Strategic Partnership and membership to be confirmed through Member Management Committee.

The Morley Town Investment Plan

- 3.18 The Town Investment Plan will be developed with input and oversight from the Morley Town Deal Board and will be informed by a strong evidence base. Projects and interventions in Morley will be proposed and appraised in a consistent manner in line with an agreed appraisal framework.
- 3.19 Subsequent to local agreement through the Morley Town Deal Board the Town Investment Plan will be recommended for approval to Leeds City Council's Executive Board. Leeds City Council will be the accountable body for Town Deal funds, with responsibility for agreeing the Investment Plan for submission to government. Although further detail is awaited it is likely that government will use its Treasury 'Green Book' appraisal framework to assess value for money and investability of the projects brought forward.
- 3.20 Subject to negotiation with Government, Heads of Terms will be formed to determine the quantum of funding and selected projects to be funded through a Town Deal. These Terms will be presented to the Morley Town Deal Board for a recommendation to be made to the Council's Executive Board which will have responsibility for approval. Detailed project plans will then be developed by officers through dialogue with the Morley Town Deal Board.

Geography and Boundary

- 3.21 Accompanying the invitation to bid for up to £25m from the Towns Fund for a programme of investment and regeneration in Morley, a suggested geography on which this would be focused was provided by central Government. This proposed a boundary around the settlement of Morley, based on the 'built up area' as defined by Office for National Statistics data. However the principle of the Town Deal process is that the geographic area should be defined locally.
- 3.22 Consultation has taken place with Ward Members, the constituency MP's office and with the Executive Member for Climate Change, Transport and Sustainable Development on the potential to revise the government-defined boundary in order to accurately capture the spatial and economic relationships of Morley and the surrounding area. There is a consensus for a boundary which encompasses the major settlement of Morley as defined in planning policy and the key economic hubs that lie contiguous to the north (White Rose) and east (Capitol Park). This revised geography better captures the patterns of economic behaviour including commuting, shopping, living and leisure activity in Morley.
- 3.23 In policy terms these centres are strongly defined and are identified in the Inclusive Growth Strategy in particular as main growth locations outside of the city centre. The opportunity to build a federal economy and create jobs close to communities will be driven in part through strengthening transport links, and supporting growth and investment in these main economic hubs. While the focus of the Town Investment Plan will necessarily and primarily be on the major settlement of Morley, it will be critical to acknowledge the well-established economic relationships with the White Rose and Capitol Park developments.
- 3.24 This revised boundary has been agreed with MHCLG and with the Shadow Town Deal Board. Executive Board is asked to agree the boundary for the Town Deal, subject to this being the adopted position of the full Town Deal Board once this is in place. Appendix 1 sets out the revised boundary.
- 3.25 Morley is defined in the Local Plan as a major settlement, and has a historic and enduring role within the local economy, not only as a residential community but also as a centre of services and amenities to residents of the town and wider area. The town has a clear and diverse retail and leisure offer, a number of heritage assets and a growing cultural offer including the Morley Arts Festival. Morley also has a strong sense of local identity and community, and is a distinct town within the wider Leeds district.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Morley Town Investment Plan will be developed through consistent and robust local consultation and engagement. The Morley Town Deal Board will provide a key role in supporting local engagement – this has yet to be established but a 'shadow' board has met comprising the Executive Member for Climate Change, Transport and Sustainable Development Ward Members, the constituency MP's office, Town Council, and Chamber of Commerce.

4.1.2 The consultation and engagement plan is yet to be developed and is likely to include elements of digital engagement, and direct consultation with stakeholder and representative groups. This engagement will play an important role in defining the Town Investment Plan vision and key interventions in the town. In keeping with the timescales in which the Investment Plan needs to be delivered, there are likely to be short but intense periods of local consultation and engagement.

4.2 **Equality and diversity / cohesion and integration**

4.2.1 An EDCI screening has been undertaken and is attached as Appendix 2. At this stage there are no significant EDCI matters, other than to note that in the formation of the Morley Town Deal Board and establishment of its governance arrangements, EDCI considerations will need to play a central role in programme management processes and project appraisal to ensure the Town Investment Plan reflects the full range of diversity matters, individuals and communities in Morley.

4.2.2 At the appropriate point in the development of the Town Investment Plan a full assessment will be undertaken to appraise the equality, diversity, cohesion and integration impacts and opportunities.

4.3 **Council policies and the Best Council Plan**

4.3.1 The Towns Fund is a funding and delivery vehicle for the government's policy ambition to 'level up' places across the UK, addressing constraints to the growth of towns.

4.3.2 The Towns Fund prospectus sets out how towns can secure a sustainable future through urban regeneration, planning and land use, skills and enterprise infrastructure and improved connectivity. The prospectus outlines opportunities to strengthen local economic assets, leverage private sector investment and develop transport and digital infrastructure.

4.3.3 There is a clear alignment between these broad objectives and the policy implications of the Best Council Plan, including our city's ambitions for inclusive growth and sustainable infrastructure.

4.3.4 There are also complementary opportunities to develop a Town Investment Plan that promotes health and wellbeing and cultivates a child-friendly and age-friendly place. Through strengthening local economic assets there may be opportunities to promote the city's culture.

4.3.5 Through the process of evolving a Town Investment Plan a vision and key themes and priorities in Morley will be developed in line with the strategic objectives of the Best Council Plan and Inclusive Growth Strategy. While the detail of this Plan is still to be developed there are clear opportunities to address the Inclusive Growth Strategy's 12 Big Ideas.

4.3.6 The Town Investment Plan for Morley will, in particular, support Morley to respond to economic change through the articulation of a sustainable and transformative development plan. It will also support the federal economy of Leeds, creating and

sustaining jobs close to the community. There may also be key opportunities to maximise the economic benefits of culture and further develop infrastructure in the town.

- 4.3.7 The two economic hubs of White Rose and Capitol Park, which lie at the northern and eastern edges of Morley, are identified areas for growth in the Leeds Inclusive Growth Strategy.

Climate Emergency

- 4.3.8 Through the articulation of a sustainable development plan for Morley the Town Investment Plan has the potential to address the Climate Emergency through physical, social and economic interventions that may be delivered in the town to provide a more sustainable future.
- 4.3.9 In addition to identifying interventions that can directly address the Climate Emergency and Leeds target to be carbon neutral by 2030, all project plans will be appraised to assess potential climate and biodiversity impacts.

4.4 Resources, procurement and value for money

- 4.4.1 The Morley Town Fund will create additional demand on existing officer resource to respond reactively and within a short timescale to this opportunity. This resource requirement lies beyond the business as usual resource and work programme planning of relevant services.
- 4.4.2 Leeds City Council has been allocated £162,019 through the Morley Town Fund as capacity funding. This funding can be used in part to cover resource requirements including officer time as well as external support for the development of a Town Investment Plan.
- 4.4.3 This capacity funding will be used to procure expert support and to mitigate the resource impacts generated by this funding opportunity.

4.5 Legal implications, access to information, and call-in

- 4.5.1 There are no legal implications arising from the Towns Fund opportunity at this stage.

4.6 Risk management

- 4.6.1 The Towns Fund is a competitive bidding process and as such there is a risk that Leeds City Council's bid for funding through this scheme may be unsuccessful. It is also possible that a funding settlement may be secured at a lower value than the maximum potential funding of £25m. This may mean that a developed Town Investment Plan is only partially actionable.
- 4.6.2 A robust and evidence based bid will provide a strong basis for funding from government. As projects are developed risk mitigation will be put in place to ensure the deliverability of these interventions.
- 4.6.3 The establishment of a Town Deal Board is a critical requirement of the government's process for bidding for Towns Fund monies. It will be vital that this

Board has the necessary engagement and sufficient insight and local networks to support the development of a strong Town Investment Plan. It will also be essential that Board members are able to dedicate sufficient time to meet with regularity and to provide wider support to this process.

5. Conclusions

- 5.1 The Towns Fund presents a key opportunity to secure up to £25m of regeneration funding for Morley, to deliver a Town Investment Plan.
- 5.2 Timescales for developing a bid for this funding are short and it is critical that a Morley Town Deal Board is established quickly to provide oversight and support to the development of this bid.
- 5.3 The Board will play an important role in convening local stakeholders, establishing local consensus and developing a transformational vision for the Town. It is therefore vital that Board members have strong local networks and have relevant experience and local knowledge.
- 5.4 The Board will play an advisory role to the Council's Executive Board and will recommend the Town Investment Plan to the Council's Executive Board for approval prior to submission of this document to MHCLG.

6. Recommendations

Executive Board is asked to

- a) support the Council's role as accountable body in developing a Morley Town Investment Plan
- b) agree the principles of governance and membership set out at paras 3.5 – 3.17 and delegate authority to the Director of City Development, in consultation with Executive Member for Climate Change, Transport and Sustainable Development, to establish and support the operation of a Morley Town Deal Board
- c) agree the boundary shown at Appendix 1 as the defined area for the Morley Town Deal
- d) request that a further report is made to the Board to validate and approve the Morley Town Investment Plan prior to its submission to government.

7. Background documents¹

- 7.1 None.

8. Appendices

Appendix 1: Boundary Maps

Appendix 2: EDCI Screening

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.