



Ministry of Housing,
Communities &
Local Government

Towns Fund evaluation: interim findings 2

Emerging findings from the process and intervention-level
impact evaluations

July 2025





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List of acronyms and key terms

- **Difference-in-difference:** Is a quasi-experimental technique that compares the changes in outcomes for the treated group that received the intervention to the changes in outcomes for the control group that did not receive the intervention, after the introduction of the intervention.
- **FHSF:** Future High Streets Fund.
- **MHCLG:** Ministry of Housing, Communities and Local Government.
- **Propensity Score Matching:** A statistical matching technique which is used to construct an artificial control group by matching each treated unit with a non-treated unit based on similar observable (and relevant) characteristics.
- **Qualitative Comparative Analysis:** Allows the comparison of intervention factors and contexts to determine their individual or combined contribution to the hypothesised outcomes. It uses a systematic, process-driven approach to identify the combination of factors necessary or sufficient to produce a certain result.
- **Quasi-experimental methods:** Evaluation methodologies that use a counterfactual to assess impact but do not achieve the counterfactual through randomisation. This can involve the identification of similar groups or places to those affected by an intervention but which were not affected themselves, or exploiting differences in timing and other discontinuities.
- **Realist Evaluation:** Aims to understand ‘what works, for whom, and in what circumstances’ by gathering evidence on the hypothesised causal mechanisms detailed in the individual intervention’s Theory of Change.
- **TD:** Town Deal.
- **Theory of Change:** Captures how the intervention is expected to work, setting out the steps involved in achieving the desired outcomes, the assumptions made, and wider contextual factors.
- **Theory-based impact evaluations:** Test whether the causal links expected to bring about the change are supported by strong enough evidence to rule out alternative explanations, and are concerned with the extent of the change and why the changes occur.
- **Town Deal Board:** Each of the 101 places selected for a Town Deal was required to convene a Town Deal Board, which was responsible for working with the local authority to pull proposals together in the form of an investment plan for submission to MHCLG. Decision-making is overseen by the Town Deal Board, working in collaboration with a lead local authority acting as the accountable body. All decisions relating to funding are signed off by the Town Deal Board Chair and the Chief Financial Officer of the participating local authority. Town Deal Boards can

comprise representatives from the private sector, local government, local MPs, former local enterprise partnerships, local businesses or investors, community or voluntary sector representatives, other public sector bodies, education providers and other relevant local organisations.

Executive summary

Frontier Economics and BMG Research were commissioned by the Ministry of Housing, Communities and Local Government (MHCLG) to undertake an evaluation of the [Towns Fund](#). The Towns Fund is an MHCLG fund that aims to drive towns' economic regeneration and reshape towns and high streets, to ensure future economic sustainability and growth. It is made up of two parts: Town Deals (TD) and the Future High Streets Fund (FHSF). The evaluation is expected to conclude in March 2026 and consists of three parts:

- **process evaluation:** a qualitative exploration of how the design, delivery, monitoring and evaluation, and wider processes have worked to date
- **impact evaluation:** a quasi-experimental programme-level evaluation and a theory-based intervention-level evaluation consisting of 20 case studies of funded projects
- **value-for-money evaluation:** an assessment of whether the intervention represented an effective use of public resources

A [feasibility report for the Towns Fund evaluation](#) was published in January 2024, and an [early process evaluation insights report](#) was published in October 2024.

This report sets out emerging, indicative process and impact findings from the first seven case studies undertaken as part of the evaluation.

The intervention-level impact evaluation examines the individual projects funded by the Towns Fund in detail to understand how they create impact. The evaluation focuses on the key mechanisms behind the projects' outcomes, exploring how and why these impacts occur.

The intervention-level evaluation does not aim to provide a comprehensive or definitive measurement of the causal, quantitative impacts of the Towns Fund programme. Instead, it complements the programme-level evaluation by enabling a more detailed understanding of how local communities are experiencing interventions and how interventions deliver (or are expected to deliver) different outcomes and impacts. The programme-level evaluation assesses the overall impact of the Towns Fund using a quasi-experimental approach.

The indicative process findings relate to the design and planning, structure and delivery, and monitoring and evaluation of the Towns Fund. The impact findings relate to emerging findings from the intervention-level evaluation for the evaluation questions set out in [the feasibility report](#).

The case studies in this report were selected from completed projects and may not be representative of all projects funded by the Towns Fund. Selection criteria for the case studies are set out in [Section 5.2 of the feasibility report](#). All findings should be considered preliminary and are subject to change following further analysis and data collection from 2025 to 2026.

Emerging process evaluation findings

The key objectives for the process evaluation for this phase are to understand:

- how the Town Deal and Future High Streets Fund application and funding processes work
- what are the barriers and enablers to the design, delivery and monitoring of Town Deals and Future High Streets Fund projects
- how barriers were mitigated
- the lessons for future local growth funding programmes and other programmes, or funds

Emerging process evaluation findings on the structure of the fund, design and planning, delivery, and monitoring and evaluation are set out in this report. Except where otherwise specified, the findings apply to both the Town Deals and the Future High Streets Fund.

Local authorities reported that the funding approaches for Town Deals and the Future High Streets Fund enabled them to meet council objectives. However, the allocation-based approach was seen as better suited to target areas with the greatest need.

Local authorities felt that the allocation-based approach (used for Town Deals) ensures the funding targets areas with the greatest need, such as those experiencing high levels of deprivation. This finding should be interpreted with caution. Only local authorities that received funding were included in the evaluation, which may limit the generalisability of the results. Local authorities also reported that, in competitive approaches such as the Future High Streets Fund, bidding skill can sometimes outweigh actual need. This has led to a perception that consultants are often required to draft successful bids. Local authorities reported that both allocation-based and competitive approaches were helpful for meeting project objectives once the funding was granted and sufficient to cover project costs.

Overall, project teams (local authorities for both funding streams and Town Deal Boards for Town Deals) reported that design and planning worked well to align with the needs and priorities of local areas. This was facilitated by the involvement of a wide group of stakeholders in design and planning.

Local authorities reported that projects were aligned with the needs and priorities of the local area. This was achieved through the involvement of Town Deal Boards, council stakeholders, and consultations with the public and businesses. For Town Deal projects, the diverse composition of Town Deal Boards, which included key stakeholders from the private, public, and third sectors, helped ensure consensus was reached on the projects chosen for funding. Across both funds, economic development officers' and other senior council officers' participation in design workshops and discussions ensured projects aligned with the councils' priorities, such as tackling high unemployment. Moreover, both online and in-person consultations with the public and businesses gave local authorities an overview of sentiment towards project plans (across both funds).

Towns Fund capacity funding was vital during the design stage for Town Deal projects. It allowed places to appoint consultants who supported the development of investment plans, business cases, and project plans. Consultants addressed both resourcing and expertise gaps, particularly in business case development, within local authorities.

Similarly, stakeholders reported that delivery went smoothly overall. However, they noted some challenges at the delivery stage due to contextual factors and a lack of funding for future project operations.

Positive working relationships between local authorities and delivery partners were crucial to progress delivery. Factors contributing to these strong relationships include shared objectives, regular communication, site visits, mutual trust, existing partnerships, and contracts with well-defined responsibilities.

Contextual factors, particularly higher than expected inflation and trade disruptions from the COVID-19 pandemic and the Red Sea crisis, had a negative impact on delivery. While project teams built expected inflation into their project budgeting, costs increased beyond expectations. This cost increase required project leads to remove certain components of the project or absorb additional costs to remain within budgets. Towns Fund capacity funding was unavailable to offset inflation, as it had already been spent at the design and planning stage. [The Towns Fund guidance](#) states that capacity funding was meant for preparing proposals and not for covering contingency costs during project delivery. Similarly, trade disruptions delayed equipment and material deliveries, extending project timelines.

For Town Deals, futureproofing the projects proved challenging due to a lack of allocated Towns Fund funding for future operation and maintenance. By the time fieldwork was conducted, local authorities involved in Town Deal projects lacked plans for ensuring project delivery beyond the Towns Fund funding period. They also reported being unaware of any alternative MHCLG or public funding to support these needs. Futureproofing was less challenging for Future High Streets Fund projects due to councils' existing responsibilities for maintaining the public realm. Additionally, local authorities considered Future High Streets Fund projects to be low-maintenance in the long term. For instance, one local authority expected renovation materials used on the high street to remain in good condition for 20 years.

Local authorities had mixed views on the proportionality and value of MHCLG monitoring requirements.

Local authorities viewed MHCLG monitoring returns as too lengthy and not user-friendly, noting, for example, the lack of auto-fill for duplicate information. Local authorities also reported limited understanding of how MHCLG uses monitoring data after project completion, particularly regarding the achieved outcomes.

Local authorities' views on the overall value that they derived from MHCLG monitoring returns were mixed. Some found them useful for tracking the delivery of outputs and outcomes and checking timelines. However, other local authorities found that MHCLG's monitoring returns were duplicative of existing efforts, as they monitored project outcomes and finances more frequently through funding agreements with delivery partners. For Town Deal projects, Town Deal Boards were responsible for actively monitoring project

delivery, as well as overseeing MHCLG monitoring form returns and undertaking regular discussions on risks and the development of mitigation strategies.

Emerging impact evaluation findings

The projects included in the seven initial case studies have delivered their immediate expected outputs. These projects were diverse and include the redevelopment and reopening of a local sports centre in Kidsgrove, the redevelopment of a community hub in Loftus (Duncan Place, which includes a library and youth and family services), the regeneration of areas in and around the town centre in Northallerton and Yeovil, the deployment of electric buses in Hereford, and the construction of modern learning facilities at local colleges in Norwich and Redcar. More details on these projects are set out in Section 4 and Annex B.

The intervention-level impact evaluation is a theory-based evaluation using a Realist Evaluation approach. This approach attempts to understand ‘what works, for whom, and in what circumstances’ by gathering evidence on the mechanisms by which an intervention is expected to deliver its impacts. Unlike (quasi) experimental methods, Realist Evaluation does not attempt to objectively measure the specific causal impact of an intervention. Instead, it evaluates the strength of evidence for links between an intervention and observed outcomes. For a link to be claimed as causal, it requires a clear explanation of how the outcome was generated (the mechanisms) that is backed up by robust and plausible evidence, and that alternative hypotheses are rejected. Assessing causality is challenging when outcomes are subjective, time-sensitive and influenced by external factors (such as pride in place).

Evidence for this report has been drawn from a mix of project monitoring data, stakeholder workshops, project and footfall data, and a primary survey of local residents carried out by BMG Research and Frontier Economics.

All findings in this report should be considered preliminary due to the recent completion dates of the projects and the fact that they represent less than half of the planned case studies.

The facilities delivered by the pride in place and local wellbeing-related projects appear to drive changes in residents’ participation in the community and satisfaction with local amenities. Local stakeholders and residents interviewed as part of the case studies were also consistently positive about the overall output of the projects and the early effects that these projects were perceived to have in their communities.

The Kidsgrove Sports Centre exceeded its membership target within the first six months of reopening, with a fifth of local residents reporting having visited the sports centre in the 12 months to May 2024. Visitors to the sports centre reported a net increase in their participation in clubs, classes, or exercise at local sports facilities in the previous 12 months. Much of this usage appears to be additional, as opposed to displacing usage from other sports facilities, based on stakeholder input and footfall data from the closest comparable alternative sports centre. There is also evidence of strong participation in sports programmes for which there are no clear substitutes in the immediate area and from groups with disabilities. Stakeholders primarily attributed the high levels of participation at the sports centre to the centre representing a hub for the wider community

(including the provision of space for local banking and community services), as well as the emphasis on community consultation and accessibility in its design.

In Loftus, the library located in Duncan Place has seen an increase in usage since its completion. The Loftus Library saw the single largest increase in active borrowers across any of the 13 libraries in the Redcar and Cleveland area for which data is available in 2023/24. Stakeholders reported this usage was largely driven by an increase in overall library usage rather than displacement from other libraries. Local stakeholders cited significant improvement in the appearance and functionality of the space. They also reported that the new facilities offered new activities and reported benefits from having library services, youth services, and family services in one location. This is consistent with evidence from the resident survey, with more than 50% of visitors reporting that the library had improved since its relocation to Duncan Place. However, there appears to be an unintended negative effect on youth services attendance due to the refurbishment, with the redeveloped sports hall not entirely fit for purpose due to trade-offs made in the design of the building to support its environmental sustainability.

Users were positive about the changes to the Town Square in Northallerton and the High Street in Yeovil. Over 75% of local residents reported visiting the town centre in Northallerton at least once a week, with most visitors reporting that they were satisfied with the redeveloped Town Square and that the Town Square had improved. Stakeholders reported that the increased seating, additional trees, and overall appearance of the works in the Town Square were key enablers of its reception by the community. Similarly, stakeholders in Yeovil were positive about the changes to the High Street area in Yeovil, citing its improved appearance and greater pedestrian access. However, stakeholders and residents in Yeovil expressed more concerns about the ongoing disruption due to construction work in the area on other Towns Fund projects.

Early evidence suggests that the projects are well used and are driving early changes in local satisfaction and attitudes, although evidence on wider changes in overall pride in place is inconclusive at this stage.

Visitors to the Kidsgrove Sports Centre were more likely than non-visitors to report their local area had improved in the previous two years, while visitors to the Town Square in Northallerton reported higher satisfaction with the local area than non-visitors. This effect was stronger for residents who visited the projects more frequently.

This suggests that direct exposure and more frequent visits are associated with higher pride in place and satisfaction levels. However, due to the lack of baseline surveys and the early nature of these findings, it is not possible to robustly assess the impact on overall pride in place. More evidence on this will be available in the final report, as baseline survey data is available for the upcoming case studies.

The limited observed changes in overall pride in place may also be due to other regeneration projects ongoing in the town centres and high streets outside of the completed case study projects. In some cases, this leads to ongoing disruption in the town centres, while in others, projects intended to complement the case study projects have not been completed. There are also wider factors beyond the scope of the Towns Fund projects which may be affecting local pride in place. The primary reasons respondents gave for low pride in place in the post-project surveys were anti-social behaviour, lack of community cohesion, and the appearance of the local area.

There are early signs that direct exposure to facilities is linked to higher resident life satisfaction. However, as with pride in place, it is not possible to draw a causal link from the available evidence, and evidence on changes in other wellbeing metrics is inconclusive.

In Kidsgrove, the reported life satisfaction of those who had visited the sports centre was, on average, higher than those who had not. Approximately 76% of visitors reported their life satisfaction was high or very high, compared to 68% of non-visitors. This suggests that usage of the Kidsgrove Sports Centre is correlated with higher individual wellbeing, although the lack of baseline data means that it is not possible to draw a causal relationship. In particular, this higher reported wellbeing may be due to users with higher wellbeing being more likely to visit sports centres.

Visitors to Duncan Place in Loftus were likelier to report they were very satisfied with their lives, with 36% of the visitors reporting they were very satisfied compared to 26% of non-visitors. Similarly, visitors reported lower anxiety levels and higher happiness levels than non-visitors. This difference in anxiety and happiness levels is stronger for more frequent visitors to Duncan Place. However, as in Kidsgrove, a lack of baseline data makes it difficult to attribute causal impacts, and these results may instead indicate that users with higher levels of wellbeing are likelier to visit libraries and community hubs. This will be investigated in the future with case studies that include baseline survey data.

It is too soon to assess the wider changes in economic and employment outcomes as the projects have only recently been completed.

Initial data suggests that changes in high street footfall to date are limited. In Northallerton, quantitative data did not show a change in footfall to the period ending December 2023 when compared to other towns in the region. Similarly, there has been no clear change in overall footfall in the Yeovil town centre since the completion of the redevelopment of the High Street.

Based on qualitative input from stakeholder interviews, this may be due to lags in impacts and other ongoing regeneration work in the area. In particular, these projects are part of wider regeneration work in the affected areas (including, in some cases, other works funded by the Towns Fund), and the area itself is still under development. This was cited as a particular issue in Yeovil, where long-running construction work is ongoing near the High Street. Similarly, local residents and business stakeholders reported that they expected wider changes in footfall to result from changes in the retail offering on the high street as a result of the redevelopment work rather than directly from the redevelopments themselves. As a result, there may be a lag between the completion of projects and changes in town centre footfall.

The projects in Norwich and Redcar have led to hundreds of learners acquiring training and education at the newly built education facilities. In Redcar, learner and apprentice numbers at courses which use the new facilities increased from 79 in 2022/2023 (the year prior to the facilities opening) to 178 in 2023/24. In Norwich, a total of 886 learners and apprentices used the facilities from April to September 2024 and enrolled in a mix of pre-existing and new courses.

Businesses interviewed were positive about the quality of these facilities and the skills needs they were filling. They reported expected vacancies in the future, which the training

provided at the facilities could help to fill. Qualitative input suggests that the new facilities have led to an improved quality of education and an increase in overall learners attending the courses. However, the limited time since project completion and data limitations mean that it is not possible to observe wider business or employment effects from these projects.

Our case studies contain only one project where the primary expected outcome is improved physical connectivity – an electric bus project in Hereford. The electric bus service in Hereford appears well-used, with 15,000 journeys per month, on average. At least a portion of these journeys will likely displace car journeys. In particular, the bus operates a new route, which does not duplicate existing services. It is also free of charge and has its most popular boarding spots at the train station and a major supermarket car park. Stakeholders indicated that this has led to the supermarket car park being used as an unofficial park-and-ride, reducing car journeys into the city centre.

Next steps

The evaluation is currently underway and runs until March 2026. The final report is expected to be completed in Spring 2026. The final report will include process and impact evaluation findings from the full set of case studies, as well as findings from the programme-level econometric analysis and findings from the value-for-money assessment. This evaluation timeline is detailed in Table 1.

Table 1 **Evaluation timeline**

Evaluation milestone	Date
Evaluation feasibility report published	January 2024
Early process evaluation insights published	October 2024
Cut-off date for project completion, for projects to be included in the impact evaluation	April 2025
Emerging findings from the process and intervention-level impact evaluations	July 2025
Final evaluation report	Spring 2026

Source: Frontier Economics and BMG Research.

1. Introduction

Frontier Economics was commissioned by the Ministry for Housing, Communities and Local Government (MHCLG) to carry out an impact, a value-for-money (VfM), and a process evaluation of the Towns Fund. The Towns Fund includes two funds:

- **Town Deals (TD):** a £2.35 billion fund aimed at driving towns' economic regeneration to deliver long-term economic and productivity growth. In 2019, 101 towns in England were awarded Town Deals through a selection process.
- **Future High Streets Fund (FHSF):** a fund worth over £830 million aimed at renewing and reshaping town centres and high streets ('places') to drive growth, improve the experience, and ensure future economic sustainability. In 2020, 72 high streets were chosen for the Future High Streets Fund through a competitive bidding process.

This is the third evaluation report, which follows an [evaluation feasibility report](#) published in January 2024 and a [report on early process evaluation insights](#) published in October 2024.

For more information on the Towns Fund, see [Section 3 of the feasibility report](#).

1.1. Scope of this report

This report sets out emerging insights from the process evaluation and the intervention-level element of the impact evaluation. It includes findings from the first seven of a total of 20 case studies. Selection criteria for the case studies are set out in [Section 5.2 of the feasibility report](#). The report includes analysis and data collected from February 2024 up to the end of January 2025. It focuses on:

- **summarising emerging findings from the process evaluation**, based on the available evidence from the set of completed case studies
- **exploring the mechanisms by which the projects are delivering (or not delivering) their impacts**, focusing on intermediate outcomes and how and why the case study projects are generating impacts

The case studies included in this report include projects that were completed in 2022 and 2023. Given this early completion date and lack of project delays, they may not be representative of all Towns Fund projects. The seven projects are representative of the full list of 20, in terms of the variety of regions, funds and primary outcomes. However, their average total value is lower and includes relatively more 'middle deprivation' towns than the full list of towns that received Towns Fund funding.

This report does not include findings from the programme-level impact evaluation, which will use quasi-experimental methods. It is too early to assess these due to the recent completion dates of the funded projects, and is in line with the evaluation plan set out in the feasibility report. The findings from this part of the evaluation will be included in the final evaluation report in early 2026.

All findings in this report should be considered preliminary and are subject to change following further analysis and data collection between 2025 and 2026. The final report is expected to be published in Spring 2026.

1.2. Structure of report

The report is organised as follows:

- **Section 2:** Overview of the Towns Fund evaluation provides a summary of the overall methodology and timeline
- **Section 3:** Emerging insights from the process evaluation sets out key emerging findings for each theme of the process evaluation
- **Section 4:** Emerging insights from the intervention-level evaluation sets out the key emerging findings and mechanisms for each of the outcomes of interest for which evidence is available
- **Section 5:** Progress on the programme-level evaluation provides a brief summary of work to date on the programme-level evaluation
- **Section 6:** Next steps summarises the main next steps, in the lead up to the final evaluation report

2. Overview of the Towns Fund evaluation

The evaluation of the Towns Fund consists of three parts:

- **process evaluation:** a qualitative exploration of how the design, delivery, monitoring and evaluation, and wider processes have worked to date
- **impact evaluation:** a quasi-experimental programme-level evaluation and a theory-based intervention-level evaluation consisting of 20 case studies of funded projects
- **VfM evaluation:** an assessment of whether the intervention represented an effective use of public resources

More details on the impact and process evaluation methodologies are set out below. The VfM evaluation is not considered in this report and will only be assessed as part of the final evaluation report.

2.1. Process evaluation methodology

The process evaluation will deliver insights from case studies of 20 Town Deal and Future High Streets Fund projects of different types and locations. More information on the case study selection process is available in [Section 5 of the feasibility report](#).

The emerging process evaluation findings in this report are informed by the same seven case studies as the emerging impact findings. Data collection for the first three case studies took place from January to April 2024, and data collection for the subsequent four case studies took place from October 2024 to January 2025.

The process evaluation aims to understand the factors that help and hinder the effectiveness of Towns Fund design and delivery. Specifically, the key objectives for the process evaluation for this phase are to assess:

- how the Town Deals and Future High Streets Fund application and funding processes work
- the barriers and enablers to design, delivery and monitoring of Town Deal and Future High Streets Fund projects, including how barriers were mitigated
- the lessons for future local growth funding programmes and other programmes and funds

The Towns Fund evaluation framework distils the Towns Fund into the following themes:

- **structure of the Towns Fund:** focusing on the competition approach for the Future High Streets Fund and the allocation-based approach for Town Deals, with an emphasis on how each approach may help facilitate outcomes and impacts

- **design and planning of Towns Fund interventions:** focusing on the design and planning of funded projects, including developing investment plans/Expressions of Interest, business cases and project plans
- **delivery of Towns Fund interventions:** focusing on the implementation of Towns Fund activities and the factors that have helped or hindered implementation
- **monitoring and evaluation of delivery and outcomes:** focusing on how delivery and outcomes are monitored and evaluated
- **management and governance of the Towns Fund:** focusing on overall governance and programme management, including risk management and financial accountability

For each theme, relevant evaluation questions, success indicators, and data sources have been identified. The evidence to inform these questions is drawn from:

- **in-depth qualitative interviews** with local authorities and project delivery partners, following a semi-structured approach
- **focus groups** with delivery leads, Town Deal Boards, High Street Task Force members, the Towns Fund Delivery Partner consortium, and project beneficiaries
- **on-site observations** from site visits to the projects selected from the case studies
- **monitoring data** collected by MHCLG on the funded projects

Evidence from the in-depth interviews and focus groups is analysed with a case and theme-based approach (framework analysis). For more details on the process evaluation methodology, see [Section 7 of the feasibility report](#) and Annex D of this report.

2.2. Impact evaluation methodology

The impact evaluation seeks to understand if the Towns Fund had the intended or any unintended impacts. It also assesses the size of the impacts and how and why they occurred.

The impact evaluation is split into two parts:

- a programme-level evaluation
- an intervention-level evaluation

These two parts interact and support each other to explore the scale of any impacts and the reasons for which they have occurred (or have not occurred).

The programme-level evaluation aims to understand the Towns Fund's impact as a whole by assessing the impact on outcomes in recipient areas relative to a counterfactual set of areas. It uses a difference-in-difference analysis to assess changes in short- and medium-term outcomes between the treated group (which received Towns Fund funding) and the comparison group (which did not). Comparison groups are expected to be identified using

a Propensity Score Matching approach. This approach was tested and found to be feasible as part of the initial feasibility report.

The intervention-level evaluation complements the programme-level evaluation and has two key aims: (i) to understand the intervention-level impacts and validate the [Theory of Change](#), and (ii) to understand the relative importance of project factors and different mechanisms, and how they interact to create observed changes in outcomes. At this stage, it is not possible to evaluate the strengths of evidence for links between interventions and long-term outcomes for the assessed case studies. This is due to the short timeframe between project completion and reporting and a lack of baseline data. The findings in this interim report focus on short-term outcomes. These short-term outcomes are, in turn, expected to drive wider outcomes and impacts in the medium to long term. Causal findings will be explored in the long-term analysis for case studies with i) sufficient 'post' period, ii) baseline data, and iii) evidence on alternative hypotheses.

A Realist Evaluation framework is used to understand and test the hypothesised causal mechanisms for each intervention across 20 case studies. A Realist Evaluation aims to understand 'what works, for whom, and in what circumstances' by gathering evidence on the hypothesised causal mechanisms detailed in the Theory of Change for each intervention. Unlike (quasi) experimental methods, Realist Evaluation does not attempt to objectively measure the specific causal impact of an intervention. Instead, it evaluates the strength of evidence for links between an intervention and observed outcomes. For a link to be claimed as causal, it requires a clear explanation of how the outcome was generated (the mechanisms) that is backed up by robust and plausible evidence, and that alternative hypotheses are rejected. Assessing causality is challenging when outcomes are subjective, time-sensitive and influenced by external factors (such as pride in place).

A Qualitative Comparative Analysis framework will be used as part of the final report to explore the factors and contexts associated with outcomes across interventions. More details on this are provided in Annex A.

The outcomes of interest for the impact evaluation are:

- sustainable economic growth
- employment and skills
- pride in place and perception of place
- local wellbeing and social mobility
- physical and digital connectivity
- local authority capabilities

For more details on the impact evaluation methodology and the approach to selecting projects for case studies and defining interventions, see [Section 5 of the feasibility report](#).

2.3. Evaluation timeline

The current evaluation period will conclude by March 2026 and focus on projects that finish by April 2025. An extra year has been made available on a case-by-case basis where local authorities can properly evidence the need for additional time. This takes the end of the fund to March 2027 for some places. As a result, the evaluation will not assess the total impact of the Towns Fund and will instead include a subset of funded projects.

3. Emerging insights from the process evaluation

Summary of emerging insights from the process evaluation

The emerging process findings are based on evidence from seven case studies covering a mix of projects and geographies. All findings should be considered preliminary and subject to change as more evidence becomes available.

Local authorities reported that the structure of the fund for Town Deals and the Future High Street Fund enabled them to meet council objectives

Aspects that worked well

- allocation-based funding approaches were effective for targeting areas with the greatest need
- Town Deal Boards are felt to enhance inclusivity in local decision-making

Aspects that worked less well

- Towns Fund revenue allocation was perceived as insufficient to cover project management and service delivery costs

Design and planning worked well for aligning with the needs and priorities of local areas

Aspects that worked well

- collaboration on design processes ensured projects were aligned with local needs and priorities
- Town Fund capacity funding was crucial for bridging expertise and resourcing gaps within local authorities

Aspects that worked less well

- limited resources within local authorities for drafting investment plans/Expressions of Interest, project plans, and business cases
- the lack of expertise within local authorities to develop business cases and project plans made appointing consultants a necessity
- limited availability of delivery partners highlighted the need for alternative procurement approaches

Delivery went smoothly overall, although contextual factors and a lack of funding for future project operation posed challenges

Aspects that worked well

- strong local authority and delivery partner relationships were key to successful project delivery
- beneficiary engagement targets were exceeded, with positive feedback on project delivery and services
- project facilities were deemed fit for purpose when delivery partners were involved in the design

Aspects that worked less well

- rising inflation and trade disruptions negatively affected project delivery
- construction disruptions frustrated the public and businesses
- Project Adjustment Requests were seen as overly technical
- local authorities with Town Deal funding reported a lack of funding and capacity to sustain projects beyond the funding period

Local authorities had mixed views on the proportionality and value of monitoring requirements

Aspects that worked well

- Town Deal Boards actively monitored project delivery to keep projects on track
- monitoring reporting frequency was considered appropriate to avoid repetition
- cascading approach to completing monitoring Returns ensured accurate and timely data

Aspects that worked less well

- MHCLG monitoring returns are seen as too lengthy and not user-friendly
- local authorities had mixed views on the usefulness that they derived from MHCLG monitoring returns
- lack of understanding about the value of monitoring returns post project completion

3.1. Introduction and background

This interim report explores the emerging findings for the structure of the Towns Fund, design and planning, delivery, and monitoring and evaluation. The fifth theme in the process evaluation framework (management and governance of the Towns Fund) is not included, as the data required has yet to be collected and will be incorporated in the final report. This is in line with the timelines agreed at the process evaluation feasibility stage. The final report is expected to be completed in Spring 2026.

The interim process evaluation findings in this report are based on interviews and focus groups with local authorities, delivery partners, Town Deal Board members (for Town Deal projects), bid consultants and beneficiaries from seven case studies (three Future High Streets Funds and four Town Deals). Monitoring data has also been used to triangulate findings where relevant. It builds upon the [early process evaluation insights report](#) published in October 2024.

Except where otherwise specified, the findings apply to both the Town Deals and the Future High Streets Fund.

Where findings apply to both funds, it is because Town Deals and the Future High Streets Fund are part of the same MHCLG programme, the Towns Fund, and a range of processes are the same for both funds. For example, project plans and business cases are required for both funds at the design and planning stage. The six-monthly monitoring reporting frequency is also the same for both.

All findings in this report should be considered preliminary and are subject to change as more data is collected. In particular, this report covers the first seven of 20 case studies. The first seven case studies were selected from the set of completed projects and may not be representative of all projects that received Towns Fund funding.

The seven completed case studies do not include projects with significant delays or major changes to outputs, outcomes or funding. Future case studies will cover a broader range of experiences.

3.2. Structure of the Towns Fund

This section focuses on findings about the fund structure, including the competition approach for the Future High Streets Fund and the allocation-based approach for Town Deals. Findings also reflect on the specific features of each fund, such as Town Deal Boards for Town Deals.

Town Deal Boards are local partnerships established to oversee the development and delivery of investment plans. They bring together representatives from local authorities, businesses, community organisations, and other stakeholders to ensure projects align with local priorities and needs. Their responsibilities include shaping the vision for the town, engaging with the community, and making decisions on project funding and implementation.

3.2.1. Aspects that worked well

Allocation-based funding approaches were considered more effective than competition-based approaches at targeting areas with the greatest need

Local authorities stated that a key advantage of the allocation-based approach used for Town Deals is that it ensures funding targets areas with the greatest need, such as those experiencing high levels of deprivation. This finding should be interpreted with caution. Only local authorities that received funding were included in the evaluation, which may limit the generalisability of the results.

A disadvantage of the allocation-based approach is that disappointment can arise if the allocated amount is lower than expected. This was the case for Town Deal recipients when not all projects received approval from MHCLG.

Local authorities felt that the main disadvantage of competitive approaches, such as those used for the Future High Streets Fund, was that bidding skills can sometimes outweigh the actual need for funding. Because of this, there was a perception that consultants are often required to draft successful bids in competitive approaches. This was considered a drawback due to the expense of consultancy services.

Despite the association of consultants with competitive approaches, the local authority teams interviewed reported using consultants at the design and planning stage for both competitive and allocation-based approaches (Town Deal and Future High Streets Fund projects). In both cases, consultants were used to draft investment plans/Expressions of Interest, business cases, and project plans.

Another disadvantage of competitive approaches brought up by local authorities was that they introduce uncertainty about whether funding will be allocated. Local authorities reported that, if funding is not secured, it becomes challenging to finance projects and meet council objectives.

In contrast, local authorities stated that a key advantage of competitive approaches is that they sharpen focus, encouraging bidders to refine details (in relation to delivery and outcomes) to maximise success.

Local authorities considered that both allocation and competitive approaches were effective for meeting council objectives once funding was granted and sufficient to cover project costs.

Town Deal Boards were felt to enhance inclusivity in local decision-making

Local authorities and Town Deal Boards viewed Town Deal Boards as an innovative and beneficial feature for Town Deal projects, as they represented diverse local interests in decision-making. This approach involved a broad range of stakeholders, including community groups, businesses, and education providers, in decisions about allocating local growth funding.

Town Deal Boards were considered helpful for forming local partnerships, bringing together diverse stakeholders who had not previously collaborated. This created a

partnership model for future local growth initiatives. Due to their wide-ranging composition, Town Deal Boards were seen as effective in representing the diverse needs of local areas.

Local authorities and Town Deal Boards stated that the Town Deal Board approach contrasted with traditional funding programmes from central and local governments, where decision-making was limited to local authorities.

Local authorities and Town Deal Boards explained that the Town Deal Board set-up was a new working method. It involved including local stakeholders in decision-making about funding allocation and oversight of funded projects. They noted that this approach was unlike their previous experiences with government funding.

“We’ve created a community of people who are not ‘the normal’. They’re not the local authority. We’ve created a community of people that recognise the power of coming together to look at different projects and deliver betterment for the city and that’s the holy grail if you think about it.”
Town Deal Board member

Local authorities and Town Deal Boards found [the guidance on Town Deal Board](#) stakeholder inclusion helpful in selecting members for their boards. They felt their boards achieved a strong balance of diverse leadership (including private, public, voluntary, community and political leadership).

3.2.2. Aspects that worked less well

Towns Fund revenue allocation was perceived as insufficient to cover project management and service delivery costs

Some Town Deal project teams felt that the capital versus revenue split of the fund was not optimal. There was a preference for increasing the revenue proportion of the funding allocated. Project teams felt that a higher revenue allocation would allow them to better cover project management and running costs for service delivery associated with projects.

“I think, going forward, you need at least 25%, 30% revenue funding as part of the programmes. Often ... you get the capital funding, so you can build a building but then the revenue requirements are either coming back on the [delivery partner] or the council, and it’s how you actually fund that going forward.” Local authority

[The Towns Fund guidance](#) stated that the Town Deal was 90% capital, emphasising tangible assets. Both project teams felt that Town Deals reflected local government funding more widely, which was perceived as being skewed towards capital investment.

3.3. Design and planning

This section focuses on findings about the processes of designing and planning the funded projects, including developing investment plans/Expressions of Interest, business cases and project plans.

For Town Deals, the Towns Fund investment plan involved creating a locally-owned Town Investment Plan (TIP) that outlined priorities for economic growth, regeneration, and community development. Town Deal Boards were responsible for developing these plans,

ensuring they aligned with local needs and aspirations. The plans aimed to drive long-term economic and productivity growth while addressing challenges like outdated infrastructure and limited opportunities.

For the Future High Streets Fund, Expressions of Interest were required for local authorities to outline the challenges faced by their high streets and present a strategic approach to regeneration. The Expressions of Interest were part of a two-stage application process, where local authorities described their town centres' significance, provided evidence of challenges, and proposed innovative solutions to address them.

Following the investment plan/Expression of Interest stage, business cases and project plans were required for both funding streams. Business cases and project plans demonstrated the rationale, value for money (VfM), and deliverability of proposed projects. Local authorities and Town Deal Boards used the Five Case Model to structure business cases, covering strategic, economic, commercial, financial, and management aspects. These cases ensured alignment with government guidance and best practices.

A summary document containing details of business cases and project plans was submitted to MHCLG for approval before funding was released.

This section also explores the role of capacity funding (for Town Deal recipients) and the process of appointing delivery partners (for both funding streams).

The Towns Fund provided capacity funding to support Town Deal recipients in developing TIP and preparing for project delivery. Towns were typically allocated between £140,000 and £173,000. This funding aimed to build the necessary resources, skills, and expertise to create robust plans and ensure effective implementation. It was intended to enable local authorities to engage with stakeholders, conduct research, and develop business cases.

3.3.1. Aspects that worked well

Collaborative design process ensured projects were aligned with local needs and priorities

According to local authorities, funded projects were aligned with local areas' socio-economic needs and council priorities. This was achieved through a collaborative design process involving:

- **Town Deal Board involvement (for Town Deal projects):** the Town Deal Boards, comprising local stakeholders from the private, public, and third sectors, developed investment plans and voted on projects to be funded, ensuring broad consensus.
- **Council stakeholder engagement (for Town Deal and Future High Streets Fund projects):** economic development officers, strategy officers, and senior council officers participated in design workshops and informal discussions. Their involvement ensured projects aligned with councils' priorities, such as tackling high unemployment rates and town regeneration agendas.
- **Public and business consultations (for Town Deal and Future High Streets Fund projects):** the public and businesses were consulted in two ways:

- through online and in-person consultations with the public and businesses in the local area at large
- through existing resident and business stakeholder groups

These consultations ensured that business and public input were considered in the decision-making processes and project planning.

“That early community buy-in is the success of this project, really.” Local authority

Standard statutory consultation processes were followed by local authorities, with consultations open for a statutory period of at least 21 days. For more information on statutory consultations, see the [guidance on consultation and pre-decision matters](#).

Local authorities reported that due diligence was followed in cases where the public raised objections to project plans (for example, for accessibility reasons). The objections were considered and addressed before implementing project plans.

Towns Fund capacity funding was crucial for hiring consultants and bridging expertise and resourcing gaps within local authorities

Capacity funding enabled local authorities to hire consultants who supported the development of investment plans/Expressions of Interest, business cases, and project plans. Local authorities appointed bid consultants and project designers to support the design and planning phase.

Consultants addressed both resourcing and expertise gaps within local authorities. Local authorities described not being able to fill these roles internally or recently losing staff who had performed these roles. Bid consultants filled expertise gaps, particularly in developing economic analysis and cost-benefit ratios.

“This funding was actually essential ... Local authorities don’t tend to speculatively create business cases due to the risk of failure in bidding processes. So, we would have struggled to fund this, and this funding was specifically for bid development.” Local authority

Capacity funding was also used for project design consultancy, including principal designers, quantity surveyors, architects, and urban designers. Local authorities reported that project design consultants added value to the design and planning process in three ways:

- hosting public design workshops, ensuring community views were incorporated into the project design
- collaborating with other project stakeholders, such as National Highways, when deciding on material choices
- setting up procurement frameworks for appointing construction contractors

Local authorities felt that the consultants developed robust project plans and designs, which set a solid foundation for project delivery.

3.3.2. Aspects that worked less well

There were limited resources within local authorities for drafting investment plans/Expressions of Interest, project plans and business cases

Local authorities reported having limited internal resources to design and set up the projects. Factors contributing to this included council mergers, roles being cut, and having to design and oversee the delivery of several local growth projects simultaneously (eg UK Shared Prosperity Fund, Towns Fund, Levelling Up Fund and other local authority-funded projects).

Tight resourcing made it difficult for local authorities to find internal staff who could work on developing investment plans/Expressions of Interest, project plans and business cases. Local authorities reported that consultants were a key enabling factor for drafting these documents.

“There would have been no way internally we would have had the capacity and the resource to pull it together in terms of what we did.” Local authority

There was a lack of expertise within local authorities to develop business cases and project plans made appointing consultants a necessity rather than a choice

Local authorities stated that they often lacked the expertise to develop business cases and project plans. They felt they needed to appoint external consultants and subcontractors, such as architects and logistics firms, to fill these gaps.

“We had a number of subcontractors underneath us. We had a firm of architects, there was [our] transport consultants, and a firm ... who are leisure and tourism experts. So, we brought them in in response to the original tender.” Local authority

There was a tension between the need for expertise and the limited funds available within local authorities to secure it. This emphasises the vital role of capacity funding at the design and planning stage. Capacity funding was made available to Town Deal recipients only.

Cases in which there was limited availability of delivery partners highlighted the need for alternative procurement approaches

Some local authorities reported a limited availability of potential delivery partners for their projects within their local areas.

Competitive bidding rounds were conducted to meet public funding regulations for appointing delivery partners, but their effectiveness was sometimes questioned. In cases in which only two to four eligible partners were available to bid and deliver the project, the rounds were seen as inefficient. With a limited pool of suppliers, such bidding processes were not perceived to improve supplier costs or project quality. In these situations, there was a desire to consider alternative approaches to procurement, such as using existing partners from higher-tier local authorities. Local authorities acknowledged that it would be important to comply with public funding regulations and due diligence regardless of the procurement approach adopted.

Local authorities felt that they had to go through a tendering process to comply with public funding regulations. They felt unable to consider alternative approaches, such as appointing existing delivery partners from higher-tier local authorities.

“You have to ask whether going to tender was the most appropriate procurement [method], because there are only two companies that are ever likely to bid. So, a competitive conversation or even working more closely with the county council [and their] existing partners ... there might have been lower-risk ways of doing it, but that wasn’t knowable really at the time.” Local authority

3.4. Delivery

Findings in this section relate to project implementation and associated activities. This includes construction works and service delivery once construction is completed.

This section also examines collaboration between local authorities and delivery partners in project delivery, beneficiary engagement, and contextual factors influencing project implementation. Additionally, it discusses the [Project Adjustment Request process](#) intended to ensure projects effectively respond to evolving circumstances.

3.4.1. Aspects that worked well

Strong local authority and delivery partner relationships were key to successful project delivery

Positive working relationships between local authorities and delivery partners were crucial to keeping project delivery on track.

“We have a good working relationship with [delivery partner]. There’s a lot of trust in that relationship. We have monthly catch-ups on ops-type meetings, so anything gets flagged up and hopefully can be dealt with at an early stage.” Local authority

Factors contributing to these strong relationships include:

- **Shared objectives:** local authorities and delivery partners felt aligned in their project goals and the benefits to be achieved for the local community.
- **Regular communication:** local authorities and delivery partners stated that they communicated regularly with each other, typically monthly, once the project was up and running. Communications were more frequent during site works. This helped to keep projects on track and allowed for risks and mitigations to be discussed and deployed promptly.
- **Site visits:** for projects involving site development, local authorities and delivery partners explained that they regularly visited the site independently and as a group during construction to oversee progress.
- **Mutual trust:** local authorities and delivery partners often reported that they developed positive personal relationships. Sufficient project progress and each partner’s willingness to deliver led to feelings of mutual trust.

- **Existing partnerships:** in some instances, local authorities and delivery partners stated that they had previously worked together, although this was uncommon.
- **Contracts with well-defined responsibilities:** some local authorities and delivery partners felt that contracts clearly defined each role and expectations, laying the foundation for a positive working relationship.

Beneficiary engagement targets were exceeded, with positive feedback on project delivery and services

Beneficiary engagement targets set during the design and planning stages were met or exceeded at the delivery stage, as reported by local authorities and delivery partners.

Quantitative data from the intervention-level evaluation confirmed that project amenities and services were well-used. For example, the City Zipper service exceeded its usage target and student enrolment in the new education facilities in Redcar and Norwich was satisfactory and grew over time. This is explored in more detail in Section 4.

High levels of engagement were supported by online and physical events held by local authorities and delivery partners. Beneficiary engagement was also encouraged through local authority and delivery partner-led publicity promoting the new facilities and services through social media, project websites and direct postal mail-outs.

Delivery partners often stated that they had not set aside a budget for marketing to promote projects due to the limited revenue funding allocated to projects. However, in these cases, delivery partners felt that local authority-led publicity and word of mouth worked well. This allowed delivery partners to reach the beneficiary engagement targets set during the project design phase.

Beneficiaries described positive experiences with project delivery and the services provided.

"I have really enjoyed it so far. I haven't been here long, but I like coming into college. And especially now this is our first day of doing proper practical work. We got our PPE on Friday. So, it's been different. Better than just being in a classroom. Yes, it's really good." Beneficiary

Project facilities were deemed fit for purpose when delivery partners were involved in the design

For projects where delivery partners were involved in the design phase, the resulting facilities were deemed fit for purpose and user-friendly.

Delivery partners were involved in the design phase through consultations, conversations with the local authority, and site visits while construction works took place. Delivery partners were able to input into appropriate materials and facilities, thinking about their delivery needs and end users.

"We got to work closely with the council. And ... that's probably why this building is ultimately successful, in the sense of, what you actually got resembles something that we could operate." Delivery partner

However, when delivery partners were not adequately involved in design and planning, issues emerged regarding usability. By ‘not adequately involved’, delivery partners interviewed meant that consultations lacked details on the suitability of intended materials or specifics about site access, including out-of-hours arrangements.

“The people who do the architecture and design of the building are the experts. So, when you’re being told you’re going to get a like-for-like or similar, that’s what [was] expected ... When we had the sports hall [in the previous location], you were able to kick a ball ... without having the problems that the design of the building has at this moment in time ... We have the vents and the acoustic tiles, some of them are broken because of the impact of the ball.” Delivery partner

3.4.2. Aspects that worked less well

Rising inflation and trade disruptions were key contextual factors that negatively affected project delivery

Local authorities and delivery partners explained that rising inflation led to increased costs. While project teams built expected inflation into their project budgeting, costs increased beyond expectations. To remain within budgets, project leads used value engineering, removed certain components of the projects, or absorbed additional costs.

“[MHCLG]’s given that money in 2020. We’ve had COVID, we’ve had [a] war in Ukraine, construction costs have gone through the roof. We’ve had to do value engineering. We were going to put a lift in from the top of the steps into the [building]. We’ve had to take that out ... so we’ve delivered the core principles of the project, but we did have to take things out.” Local authority

Specifically for Future High Streets Fund projects, rising prices due to inflation made it challenging to fill vacant retail spaces in projects and achieve desired room hire rates in community buildings. This may be affecting the economic growth-related outcomes referred to in Section 4.

Although project teams managed to deploy projects and achieve core objectives despite inflationary pressures, accessibility and beneficiary reach were negatively impacted. For instance, value engineering led to the failure to fit a lift at one of the building entrances for a Future High Streets Fund project, which reduced accessibility. In another case, a new college building funded through Town Deals had one floor less than anticipated, limiting the number of students and the diversity of equipment.

Towns Fund capacity funding was unavailable to offset inflation, as it had already been spent on consultants for investment plans/Expressions of Interest, business cases, and project plans. This aligned with the [Towns Fund guidance](#), which stated that capacity funding was intended to support tasks in the design and planning stages, including developing project plans and writing business cases.

In addition to rising inflation, local authorities and delivery partners reported that trade disruptions caused by the COVID-19 pandemic and the Red Sea crisis delayed equipment and material deliveries up to five months, extending project timelines.

Monitoring data confirmed that inflation was a key factor affecting projects. However, there was limited evidence for the impacts of COVID-19 and the Red Sea crisis on monitoring returns. Annex D contains further information on contextual factors mentioned in monitoring returns over time.

Construction disruptions frustrated the public and businesses and were exacerbated by a lack of communication from project teams

Temporary disruptions during construction caused public and business dissatisfaction due to restricted access to sites or town centres. These issues were resolved upon completion of the works.

“Having the changes to where the buses were stopping caused quite a lot of anxiety for a lot of people who, perhaps, didn’t have access to online to get the updates [about] where stops were and things like that. And I think a lot of people just had this assumption that that part of town was closed and inaccessible.” Beneficiary

Consultations during the design and planning stages effectively ensured beneficiary engagement during construction periods. Maintaining regular updates during extended construction periods and sustained engagement, but a lack of updates caused interest to wane and a perception of not having been consulted.

Project Adjustment Requests were seen as overly technical, requiring consultant support

A Project Adjustment Request allows local authorities or Town Deal Boards to modify agreed funding, outputs, and outcomes. This flexibility ensures projects remain viable and deliver VfM, even when circumstances change. Project Adjustment Requests are required for adjustments affecting 30% or more of a project’s outputs, outcomes, or funding.

Reasons for submitting Project Adjustment Requests included converting unspent capital into revenue, relocating project sites, and increasing project outputs following funding relocation from another project.

The local authorities that submitted Project Adjustment Requests found the process overly technical, requiring consultants, especially for information on cost-benefit ratios. The cost of consultants placed additional pressure on project teams’ resources. This was due to limited revenue funding allocated to projects. Additionally, the expense of consultants for Project Adjustment Requests was not anticipated.

“When you’re doing the Project Adjustment Requests, they do ask for quite a bit of detailed economic advice, which we struggle with internally. So, we have to buy that in, and we have to get that advice ... It’s mainly the benefit-cost ratios and the economic advice and analysis that we need.” Local authority

Occasional delays in Project Adjustment Request approvals extended project timelines, creating additional pressure to complete construction work within a compressed timeframe.

Since August 2023, local authorities can adjust outputs, outcomes, and funding by up to 30% without Project Adjustment Requests if there is stakeholder consultation and MP support. Interviewed local authorities found this flexibility beneficial for adapting to changing circumstances.

Local authorities lacked plans to sustain Town Deal projects beyond the Towns Fund funding period

For Town Deals, futureproofing the projects proved challenging due to a lack of allocated Towns Fund funding for future operation and maintenance. While local authorities were not required to plan for future operational and maintenance costs, MHCLG encouraged them to do so, as Towns Fund funding covers only capital and initial expenses.

Local authorities reported that a key barrier to developing futureproofing plans was a general lack of resources within councils following budget cuts over the years. This meant councils did not have enough funding at their disposal to futureproof the projects.

By the time fieldwork was conducted, local authorities and delivery partners involved in Town Deal projects lacked plans for ensuring project delivery beyond the Towns Fund funding period. However, some said that they were going to work on post-Towns Fund delivery plans before the end of the Towns Fund funding period. Local authorities and delivery partners reported being unaware of any alternative MHCLG or public funding to support their needs.

“There’s lots of Year 1 pump prime money for certain things. But, actually, how do we fund the refresh in 5 years’ time when the [equipment] doesn’t work, or it looks out of date, and we need something more up to date?”

Delivery partner

Different views on futureproofing across Town Deals and the Future High Streets Fund stemmed from differing project types.

Town Deal projects often involved new equipment alongside construction works. It was felt that new equipment would need periodic updates to keep up with technological advances and wear and tear. Given the novelty of the equipment, a separate budget for maintenance was not in place by the time the interviews were conducted.

Futureproofing was generally less challenging for Future High Streets Fund projects. Local authorities considered Future High Streets Fund projects to be designed for low long-term maintenance. For instance, one local authority expected renovation materials to remain in good condition for 20 years.

Some Future High Streets Fund projects also involved equipment, but for existing services already provided by local authorities. Costs for maintenance and updates of these were already considered as part of existing budgets.

3.5. Monitoring and evaluation

This section focuses on monitoring processes, including the biannual monitoring returns submitted by local authorities to MHCLG for Town Deals and the Future High Streets Fund. It also explores views on the requirement for monitoring to continue for up to three years after the completion of the Towns Fund programme, as established in [the Towns Fund monitoring and evaluation strategy policy paper](#). Additionally, it examines the role of Town Deal Boards in monitoring activities, which applies exclusively to Town Deals.

Findings in this section are about monitoring specifically and not evaluation. The local authorities interviewed explained they had not commissioned local project evaluations. This was due to limited funding available and a perceived lack of benefit, as projects were reported to be meeting beneficiary engagement and delivery targets. However, some local authorities said they conducted surveys with residents to gauge sentiment towards projects throughout delivery.

3.5.1. Aspects that worked well

A cascading approach to completing monitoring returns ensured accurate and timely data

Local authorities used a cascading approach to collect monitoring data and conduct quality checks. Delivery partners were responsible for providing data to local authorities. Local authorities then input the data into MHCLG's monitoring return forms and conduct quality checks.

Local authorities' finance teams checked funding released against achieved outputs, liaising with delivery partners if questions arose. Section 151 officers within local authorities provided final sign-off to monitoring returns before submission to MHCLG.

For Town Deal projects, local authorities gave Town Deal Boards the chance to review monitoring returns before submission.

Town Deal Boards actively monitored project delivery to keep projects on track

For Town Deal projects, Town Deal Boards monitored project risks and discussed mitigation strategies at board meetings regularly. These discussions typically occurred every one to two months and were unrelated to the Town Deal Boards' oversight of MHCLG monitoring returns. This approach allowed for timely decision-making to keep projects on track.

"One of our roles as a board is to monitor high-level risks for the programme but also the overview of the risk profile for individual projects. And so, at a point at which a project seemed to be pushing on the seams ... of its risk profile, then it would come into the [board] for a more detailed discussion." Town Deal Board member

The six-monthly monitoring report frequency was considered appropriate to avoid repetition of delivery status and output achievement

Local authorities welcomed the six-monthly reporting frequency of MHCLG monitoring returns. They also reported that the six-monthly frequency of Towns Fund monitoring returns aligned with resourcing constraints within local authorities. Local authorities also said that the reporting frequency minimised repetition, allowing enough time for meaningful progress between reports.

The six-monthly monitoring reports for Towns Fund contrasted with other funds at the local level, which require more frequent reporting, according to local authorities.

“Sometimes we have to report monthly to the combined authority, or bi-monthly for different funding [streams] ... But I think 6 months is good. It allows enough to happen, enough to develop to actually report on, so you don’t feel like you’re just repeating yourself all the time.” Local authority

3.5.2. Aspects that worked less well

MHCLG monitoring returns were seen as too lengthy and not user-friendly

Local authorities reported that MHCLG monitoring returns lacked the auto-fill function for duplicate information. This made filling in returns take longer than expected.

“You had to re-populate the spreadsheet every single time and every single section ... So, that was a really painful part of the process.” Local authority

There were mixed views on the usefulness of monitoring returns

There were mixed views on the value local authorities derived from MHCLG monitoring returns. Some local authorities found them valuable for tracking project outputs, outcomes, and timelines.

“I found them useful in that it was like a bit of a sense-check that we were on the right track. Sometimes doing it I found prompted me to be like, ‘Right, we’ve said that we were going to deliver this last time and are we there? Are we not?’” Local authority

Other local authorities saw little direct value to themselves, as they monitored project outcomes and finances more frequently through funding agreements with delivery partners.

“There’s no benefit for us, no ... We’ve got a legal funding agreement between the council and the project and if they don’t deliver the outcomes we’re clawing back. So, we’re tracking that, but I’m not sure why we have to enter all of that into [MHCLG monitoring returns]. I can’t believe Government are tracking that.” Local authority

Local authorities stated they would continue monitoring finances and outcomes, even without MHCLG requirements. However, some indicated they would collect output and outcome data less frequently than every six months. This was due to the time-consuming

nature of collecting data, especially sentiment surveys or health metrics, needed to demonstrate progress against project outcomes.

Local authorities reported that there would be no changes to the frequency of monitoring finances without MHCLG requirements.

There was a lack of understanding about the value of monitoring returns post project completion

Local authorities and delivery partners believed there was a requirement for them to submit monitoring returns to MHCLG up to three years after the project ends. However, the requirement is to submit monitoring data up to three years after the Towns Fund programme's completion, indicating some confusion about this requirement. Despite this misunderstanding, local authorities and delivery partners reported limited understanding of how MHCLG uses monitoring data after project completion, particularly regarding achieved outputs and outcomes.

Local authorities and delivery partners would like MHCLG to clarify the reasons why outcome data is required after project completion.

"I don't know what monitoring [is for] once a project is up and running. To what end? I'm all for reporting, but I'd always want to know why we're reporting." Delivery partner

4. Emerging insights from the intervention-level evaluation

Summary of emerging intervention-level evaluation findings

The emerging impact findings are based on evidence from seven case studies covering a mix of projects and geographies.

These findings focus on short-term outcomes due to the recent completion dates of the projects. All findings should be considered preliminary and subject to change as more evidence becomes available.

Key source of evidence

- project and third-party data
- interviews with over 50 stakeholders, including local authorities, project delivery teams, local residents, and community groups
- resident surveys in five case study areas with an average of 310 responses per survey

Key messages

Pride in place and well-being

- the projects have produced facilities and amenities that are well-used and well-received by the local communities
- there is a quantitative correlation between increased usage of project facilities and higher pride in place and personal well-being
- however, wider effects on pride in place and well-being are inconclusive at present, largely due to a lack of baseline data

Economic growth

- evidence of changes in high street footfall is limited at present
- qualitative input suggests that the projects have helped to improve business confidence and investment, by signalling government confidence and investment in the towns

Employment

- a large and growing number of students have been educated through the new facilities

- more time is needed to observe wider employment impacts

Physical connectivity

- there is some evidence of increased public transportation usage, for the only case study expected to affect this outcome

Key enabling mechanisms

Outcomes have been enabled by:

- community consultation
- the overall quality of facilities
- the accessibility and flexibility of the facilities
- collocation of multiple services in one space
- business consultation, in particular for employment effects

Key barriers

Where outcomes have been limited, this appears to have been affected by perceptions of limited consultation and disruption from wider regeneration works.

4.1. Introduction and background

As set out in Section 2, the intervention-level impact evaluation focuses on the mechanisms through which the projects are expected to deliver their impacts and on how and why these impacts emerged.

A Realist Evaluation approach is used to explore hypothesised causal mechanisms within each case study. This is intended to complement the programme-level impact evaluation by providing evidence on key mechanisms across the different types of Towns Fund projects, as well as to provide additional insights into the diverse set of projects funded by the Towns Fund. As part of the final evaluation, insights will be consolidated and compared across case studies using a Qualitative Comparative Analysis approach to generate insights into the effectiveness and key enablers of different types of projects and interventions.

As set out in the [Theory of Change included in Section 3.3 of the Evaluation Feasibility Report](#), the Towns Fund is expected to drive outcomes across a wide range of categories, depending on the specific types of projects deployed in each area. These evidence themes can be broadly categorised into changes in sustainable economic growth, employment and skills, pride in and perception of place, local wellbeing and social mobility, physical and digital connectivity, and local authority capabilities. In the short term, the Towns Fund is expected to lead to changes for the local population that engages directly with the projects. Specific short-term outcomes within the overall categories set out above include (but are not limited to) changes in access to mixed-use, community, and leisure

spaces, changes in high street footfall, changes in journey mode and journey time in town centres, changes in individual wellbeing, and changes in pride in place.

These short-term outcomes are, in turn, expected to drive wider outcomes and impacts in the medium to long term. In the medium term, outcomes include changes in wider employment in the area, private and public investment, and net business creation. In the long term, this includes wider changes in household incomes, local investment, and social mobility.

This report focuses on short-term economic growth, employment opportunities, pride in place, local wellbeing and physical connectivity outcomes. The specific outcomes of interest vary across the case studies. For example, while some projects are expected to affect local economic growth by driving high street footfall, others are expected to lead to changes in local wellbeing but not to affect wider economic growth outcomes. Not enough evidence on social mobility, digital connectivity, and strategic management capability is available at this stage to inform emerging findings. These will be considered as part of future reporting.

The seven case study projects informing this aspect of the evaluation are described in Table 2. These were selected to reflect different funding streams (Town Deal and Future High Streets Fund), locations and expected outcomes. While the focus of the case studies is the core project, where appropriate, these core projects have been connected to other Towns Fund-funded projects that are expected to deliver similar outcomes in the same geography and over the same time. More details on the characteristics of these projects and places are set out in Annex A.

Table 2 Case studies included in this report

Core project	Funding	Region	Key outcomes	Description
Kidsgrove Sports Centre	Town Deal	West Midlands	Wellbeing, pride in place	Redevelopment of a local sports centre and community hub.
Advanced Construction and Engineering Centre	Town Deal	East of England	Employment, economic growth	New education facility focused on providing students with advanced technical skills. Connected to the Digi-Tech Factory, which focuses on providing students with digital skills.
Clean Energy Education Hub, Redcar	Town Deal	North East of England	Employment, economic growth	New education facility focused on providing students with advanced technical skills.
City Zipper, Hereford	Town Deal	West Midlands	Physical connectivity	Electric bus route in central Hereford.

Core project	Funding	Region	Key outcomes	Description
Northallerton Town Square	FHSF	Yorkshire and the Humber	Pride in place, economic growth	Local regeneration project to improve the town centre. Connected to Treadmills, the redevelopment of a former prison into a mixed-use commercial site off the high street.
Duncan Place, Loftus	FHSF	North East of England	Wellbeing, pride in place	Redeveloped community hub which includes a library, family services, and youth services. Connected to the adjacent redevelopment of Coronation Park.

Source: *Frontier Economics*

Each case study draws on a wide range of evidence and data sources, including:

- **Project monitoring data** on project milestones and outputs, collected directly by MHCLG as part of the Towns Fund monitoring process.
- **Primary surveys of local residents** collected by BMG Research and Frontier Economics, building on the approach of the Community Life Survey. Resident surveys were deployed in five case study areas, and received an average of 310 responses per area. All surveys received more than 250 responses. The surveys for these five case studies were carried out after the projects had been delivered.
- **Qualitative interviews** with key stakeholders in each project area, including members of the local authority and town council, project delivery teams, local businesses and resident groups, and other key beneficiaries. Over 50 stakeholders were interviewed across the seven case studies. A small number of interviews with local residents in some of the case study areas are still outstanding and will be carried out ahead of final reporting.
- **Bespoke project data** requested from project teams, including detailed student data, library usage data, and bus usage data.
- **Footfall data**, received either directly from the local authority or commissioned from Place Informatics. This data is used to help understand economic growth outcomes and project participation, depending on the case study.

As noted above, primary surveys for this first group of case studies were carried out after the projects had already been completed, and no baseline survey data is available for these areas. This, and the lack of wider comparison data, limits the ability to attribute causal impacts. Baseline survey data is available for the additional case studies to be included in the final report. The final report will also include an analysis of Secure Research Service data, which allows the comparison of some outcomes in case study areas to wider comparators which did not receive Towns Fund funding.

More information on the survey methodology and data sources is set out in Annex A.

4.2. Pride in place and wellbeing

The case studies included in this report are expected to affect local health and wellbeing, and also to affect pride in place in the longer term. The longer-term changes in pride in place and local wellbeing from these case study projects are derived from the same set of short-term outcomes and similar mechanisms and local contexts. As a result, the findings for pride in place and wellbeing effects have been presented in one section to avoid duplication.

Overall, the projects have delivered well-used amenities that appear to be driving early changes in community participation and resident satisfaction. Stakeholders reported that this has been enabled by community consultation, a focus on creating accessible facilities, and by collocating multiple community services in one space. However, evidence on wider effects on pride in place and wellbeing is inconclusive at this stage. This will be revisited as part of the final report when more evidence is available.

4.2.1. Context and overall mechanisms

‘Pride in place’ is the attachment and attitudes of people towards their local community. [Pride in place includes people’s satisfaction with their local area and engagement with their local community.](#)

Previous [research by the Local Government Association \(LGA, 2022\)](#) found that the key conditions for people to feel pride in place are that:

- core material needs are met (eg housing and jobs)
- there are good local amenities
- there are sufficient social connections
- people have an optimistic view of the place’s future overall

As a result, local pride in place is expected to be negatively affected by local contextual factors, including the poor appearance of the town centre, limited accessibility and connectedness of the public realm, and a lack of local community facilities.

In terms of the specific contextual factors for the case studies included in this report, local stakeholders in Yeovil and Northallerton highlighted that the areas affected by the projects were previously disconnected and suffered from outdated or rundown appearances. The high street areas were also affected by declining footfall and a limited retail offer, including a lack of nighttime economy.

In Kidsgrove and Loftus, stakeholders reported that the community facilities were no longer fit for purpose. In Kidsgrove, there has been a lack of community sports facilities since the closure of the original sports centre in 2017, which has contributed to low levels of physical activity in the area. In Loftus, stakeholders reported that the previous community spaces, notably the library, were rundown and no longer fit for purpose. They required updates to meet the needs of the local community.

As a result, the case study projects are expected to lead to changes in pride in place through two key mechanisms:

- **improving the appearance and accessibility of the town centre and high street:** this is particularly relevant for the Yeovil and Northallerton case studies
- **delivering community facilities well suited to the needs of local residents:** this is particularly relevant for the Kidsgrove and Loftus case studies

Changes in the appearance, quality, and connectedness of the local amenities are expected to improve people's perception of the space directly in the short run, as well as their attitudes towards the place's future. In the longer run, these are expected to further improve local amenities and social connections by changing the retail and activities offered in the town centre. This is the mechanism through which the Yeovil and Northallerton case studies are expected to affect pride in place.

Improving the appearance and quality of local community facilities, such as sports centres and libraries, is expected to improve local community participation and attitudes by providing activities and facilities that align with local needs and preferences. This mechanism is expected to lead to wider changes in usage of and satisfaction with local amenities in the shorter term, as well as improve the perception of the local area in the longer term.

Local health and wellbeing are closely tied to the availability of community facilities and services. [Health and wellbeing include factors like life satisfaction, happiness, and anxiety, as well as wider measures of physical and mental health.](#) They also include wider social capital outcomes like social mixing and how people from different backgrounds get along in a community, although these have not been considered as part of this report. Health and wellbeing are expected to be negatively affected by contextual factors such as a lack of local leisure and recreation facilities or health services, which can be amplified by local deprivation and inequality.

As a result, the case study projects in Kidsgrove and Loftus are also expected to affect local health and wellbeing. Increasing the availability and quality of local leisure and recreation facilities is expected to improve health and wellbeing by making sports and community activities more accessible and appealing. In the short term, this is expected to manifest as improved participation in local community and sports services. In the longer term, this increased availability is expected to help drive changes in participants' overall wellbeing and health, such as improved happiness and reduced health issues.

There are other factors outside the scope of the case study projects that affect the longer-term health and wellbeing outcomes. In addition, time lags delay the appearance of these longer-term outcomes. As a result, the case study analysis focuses on the shorter-term outcomes more directly related to the individual case study projects (and connected projects, where relevant), such as changes in participation in community and sports services and measures of self-reported wellbeing for participants.

Beyond these mechanisms, project and intervention-specific mechanisms may also affect the extent to which outcomes are observed. These are explored further in the following subsections.

4.2.2. Usage of and attitudes towards the projects

Key short-term outcomes for pride in place and health and wellbeing are the usage of (and attitudes towards) the funded projects.

Overall, the projects have delivered well-used amenities, which appear to drive changes in community participation and resident satisfaction.

Key enablers of this include:

- **Focusing on delivering accessible, welcoming, and high-quality facilities.** For the regeneration projects, this involved new seating, green spaces, and pedestrianisation in the town centre. For community facilities, the emphasis was on creating accessible facilities for users with physical disabilities and welcoming open spaces.
- **Collocating multiple community services in one accessible space.** For the community facilities in Kidsgrove and Loftus, stakeholders also reported that collocating multiple community services in one place was a key driver of the facilities' reception by the local community.
- **Consulting the local community** to ensure that the facilities were aligned with local needs and preferences and that communities felt they were included in the design. This is explored in more detail in Section 3.

Where outcomes were more mixed or limited, the key barriers appear to have been a lack of consultation (or perceived lack of consultation) with the local community, and the ongoing disruption created by wider construction works.

Additional details on the short-term outcomes related to the usage of and attitudes towards the projects expected to change pride in place and local health and wellbeing are set out below, alongside further details on local context and the mechanisms affecting the outcomes. More details on these case studies are available in Annex B.

NORTHALLERTON TOWN SQUARE

Stakeholders in Northallerton reported that limited retail offerings and the nighttime economy were influencing visitation to the town centre and the residents' perceptions of Northallerton. They reported that improving the accessibility and functionality of the town centre through enhancing the Town Square and improving the retail offering in the adjacent Treadmills centre is helping address this issue.

Overall, the changes to the town centre appear to be well received by local residents. Stakeholders in Northallerton attributed the increased satisfaction with the local area to:

- **the improved appearance of the space**, in particular, the increased seating, additional trees, and overall appearance of the updates made to the Town Square
- **the increased flexibility and accessibility of the space**, in particular, the changes to make the Town Square more fit for purpose for local events

- **the changes in the retail offering**, mainly due to the new Everyman cinema located at Treadmills, which would otherwise not have been available

Visitors to the Town Square in Northallerton reported that they were satisfied with the regeneration work. According to 23% of the respondents to the resident survey who had visited the town square, they noticed an improvement in the 12 months leading to May 2024 (only 7% said it had got worse, and the remainder reported it was unchanged). Since the works completed in the Town Square, both Treadmills and high street retail vacancy rates have continued to fall. This suggests that the perception of the area is improving over time. Similarly, stakeholders (including residents) engaged in the case study were positive about the quality of the facilities delivered through the regeneration work.

The town centre, where the Town Square and Treadmills are located, is also well visited; 75% of survey respondents reported that they visit the town centre at least once a week. Stakeholders reported that visitation levels had increased since the regeneration work, with residents more likely to spend time sitting in the Town Square and visiting the new Everyman cinema at Treadmills on the weekends and evenings.

However, this change in visitation is not visible in the local footfall data, as explored in more detail in Section 4.3. This may be due to the changes in footfall and dwell time being marginal and not discernible in the data due to other factors affecting high street footfall. Based on input from local stakeholders, this discrepancy may also be due to a need for a shift in the retail offerings in the town centre before wider changes in footfall materialise.

While changes in footfall appear limited, the average attendance at Town Square events has increased by 15% since the completion of the projects, based on data provided by local stakeholders. These events include the new 'Fridays on the Square' event, which offers live music throughout the summer, as well as special activities like the Medieval Market held in March 2024.

HIGH STREET AND BOROUGH IN YEOVIL

Evidence on the short-term outcomes from the regeneration work in Yeovil is more mixed. Local stakeholders and the original project business case emphasised that a disjointed public realm, a lack of accessibility, and poor local infrastructure quality contributed to Yeovil's negative perception. Providing a higher quality public space is intended to overcome this perception by improving people's experience in and ability to travel within the town centre.

Overall, local beneficiaries reported that the regeneration was a positive development for Yeovil and were positive about the appearance and attractiveness of the finished works. In particular, they reported that the completed works on High Street and Middle Street improved the look and feel of the area. However, their views on the short-term changes in the overall area were more negative. This was primarily due to a combination of two factors:

- **a perception of limited community consultation** in co-creating the portfolio of regeneration projects and a lack of progress updates
- **the length of the construction works in the town centre** lacked a clear timeline and purpose for local residents, community groups, and businesses

In particular, while the projects considered for the Yeovil case study have been completed, many other regeneration projects (including other projects funded by the Future High Streets Fund) have not. Stakeholders reported that the ongoing disruption created by the regeneration works had a negative effect on the town centre, affecting short-term outcomes related to town centre perception and usage.

These factors regarding the perceived lack of community consultation and the length of the construction works appear to be closely linked. Initial community consultations were held in 2019. By the time the evaluation fieldwork was carried out in November 2024, local residents seemed largely unaware of the community consultation due to the length of the regeneration works. More details on the successes and challenges of local consultation across the case studies are explored in Section 3.4.

The area in which the projects are located in Yeovil is well-visited. According to the survey, 38% of the respondents reported visiting the town centre at least once a week, and 78% reported visiting the town centre at least once a month. As no baseline survey data is available, this only reflects visitation post-project completion. However, based on the available footfall data, town centre visitation frequency appears to be on a continued downward trend. Stakeholders and local beneficiaries attributed this trend to the disruption created by the ongoing regeneration work in the town centre adjacent to the completed projects, noting that this was having a short-term negative effect on town centre usage. Footfall decline may also be a result of high-profile closures of major retailers on the high street during the COVID-19 pandemic.

KIDSGROVE SPORTS CENTRE

Stakeholders in Kidsgrove and the original project business case emphasised that the lack of local sports facilities in the area contributed to low levels of sports activity and perceptions of the local area. Providing a refurbished, accessible, and high-quality community sports facility was intended to address this issue. In the long term, the sports centre is expected to address local health and wellbeing challenges, especially for those living in the more deprived areas of Kidsgrove. As it is currently too early to assess the sports centre's role in these outcomes, these longer-term impacts will be assessed as part of the final evaluation report.

The improved sports centre is now used for a range of physical activities, including swimming, sports club meetings, spin classes, and general gym usage. While these facilities were largely available before the original sports centre closure in 2017, they have been enhanced and made more accessible for people with disabilities.

Overall, the Kidsgrove Sports Centre is well-used and well-received by the local community, with stakeholders reporting that it provides facilities that would not otherwise be available in the local area. Key enabling mechanisms highlighted by local stakeholders and beneficiaries are:

- **the accessibility of the facilities**, with significant efforts made to ensure the facilities are highly accessible to people with disabilities (in particular, the swimming pool and changing facilities)
- **the collocation of multiple services to enable its use as a wider community hub**, including a Barclays Bank branch and a space for local businesses

- **the existing community attachment to the sports centre**, which originally closed in 2017, has been refurbished and reopened through the Towns Fund funding

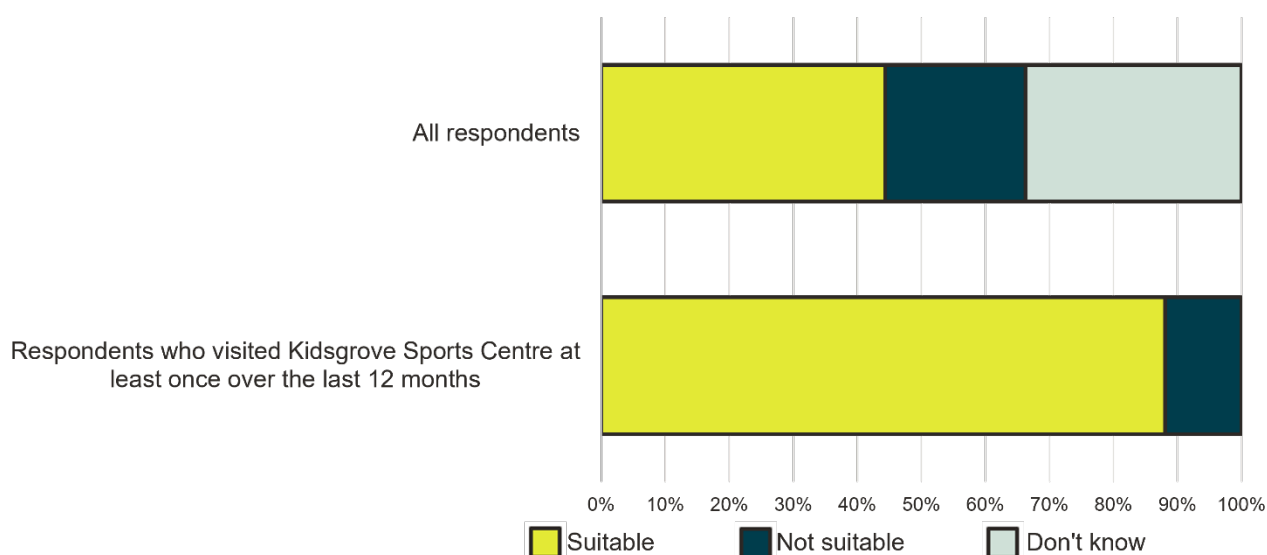
In addition, extensive community consultation was emphasised as another enabler.

These mechanisms appear to have contributed to the positive reception of the sports centre. The overall usage of the sports centre has exceeded the expectations of the Kidsgrove Sports Centre Community Group, which operates the sports centre. Membership data provided by the sports centre management shows that they achieved their target within the first six months of reopening.

In May 2024, a survey of local residents found that 19% of respondents visited the sports centre in the last 12 months. Since the survey was slightly biased towards older respondents, and younger respondents were more likely to report using the sports centre, the results may understate the true community usage. For more information on the survey representativeness, see Annex A.

Figure 3 show that of those who visited the sports centre, 64% reported doing so at least once a month. Users who had visited at least once over the previous 12 months were also very positive about the sports facilities available in Kidsgrove, with 88% reporting the facilities met their physical activity needs. Similarly, Kidsgrove Sports Centre satisfaction levels were reported to be high, with only 4% of the visitors reporting that they were dissatisfied with the facilities. While this survey alone does not provide evidence of a direct effect on wellbeing, it suggests that the sports centre is well suited to wider activities which support user health and wellbeing.

Figure 1 **Reported suitability of local sports facilities for physical activity**



Source: Frontier Economics, based on a resident survey in Kidsgrove.

Note: Question asked: "How suitable, if at all, are the sports facilities in your area for the activities that you want to take part in?" Sample size: All respondents (246), respondents who visited Kidsgrove Sports Centre at least once over the last 12 months (42).

Overall, evidence from stakeholder interviews and footfall data implies that many of the users of the sports centre are new users who were not previously exercising. Interviews with local stakeholders (including local residents) suggest that many of the facilities provided by the centre are otherwise not available in the local area, particularly for people

with disabilities. Stakeholders reported that the usage is largely additional rather than displaced from other areas due to the limited available alternatives.

This is consistent with evidence from a resident survey carried out for the original business case in 2021, which found that over 63% of respondents no longer undertook recreational sports due to a lack of accessible sports facilities in their area. Furthermore, football data covering the period from 2021 to 2024 does not show a drop in usage at a comparable sports centre nearby following the reopening of the Kidsgrove Sports Centre.

DUNCAN PLACE, LOFTUS

Duncan Place in Loftus involved the relocation of the local library to an expanded community hub, which previously included only family and youth services. The local Coronation Park, adjacent to Duncan Place, was also redeveloped using Towns Fund funding. Local stakeholders reported that the park redevelopment project is encouraging people to visit Duncan Place (and vice versa).

Prior to its relocation, stakeholders indicated that the community services in Loftus were disjointed and the facilities were no longer fit for purpose. In particular, the previous library was underutilised, and the building itself was inflexible, had a poor appearance, and had issues with asbestos. Redeveloping Duncan Place into a shared community hub was intended to provide a more flexible, welcoming space, and collocate multiple services into one location.

The Duncan Place redevelopment appears to have been well received by local residents. Stakeholders (including library, family, and youth services workers, and local residents) attributed this to a few key mechanisms:

- **the accessible and welcoming nature of the facilities**, including new entranceways, an updated, more open library space, and breakout spaces for children, families, and activities
- **the collocation of multiple services**, with easier coordination, visibility, and cross-promotion of activities across the family, youth, and library services
- **the ability to offer new activities**, which previously would not have been feasible in the old library, helps drive community participation and usage

Where limited issues or unexpected negative effects arose, this appears to relate to limited consultation with specific groups or regarding specific facilities (in particular, local youth and youth services).

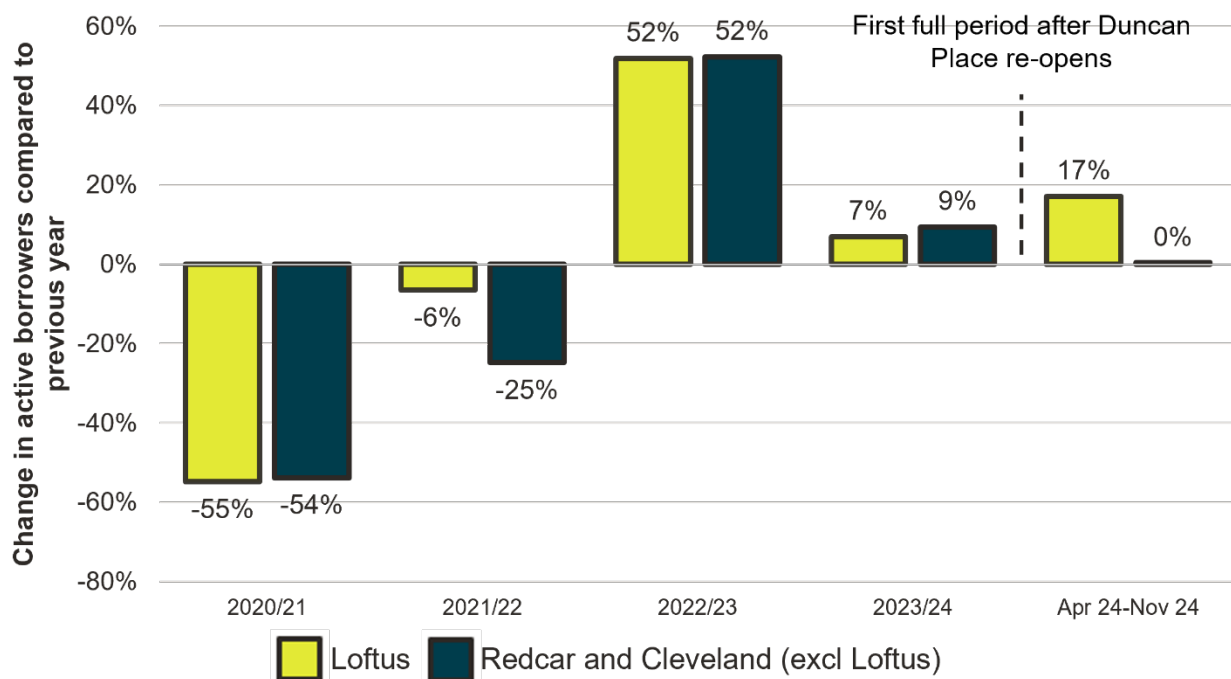
Figure 4 shows that the redevelopment and relocation of the library to Duncan Place appears to have increased library usage in Loftus, relative to trends in the wider Redcar and Cleveland local authority. Local stakeholders reported that prior to its relocation to Duncan Place, the Loftus Library was one of the least-used libraries in the Redcar and Cleveland area. They reported that the library had seen a notable uptick in usage since relocating to the improved, renovated facilities at Duncan Place.

This stakeholder input is consistent with library usage data, which shows an increase in use relative to other libraries in the region. The number of active borrowers in the partial

year from April to November 2024 was 17% higher than the total number of borrowers over the entire previous year. This represents the single largest increase in usage across any of the 13 libraries for which data is available in the Redcar and Cleveland area. Similarly, overall library visitation appears to have performed favourably compared to other libraries in Redcar and Cleveland. The change in library visitation over the partial year from April to November 2024 was the fourth highest of the 11 libraries for which data is available. Overall, there were 480 active borrowers and nearly 7,000 visitors to Loftus Library over the period from April to November 2024.

Stakeholders reported that this usage was largely additional, rather than users being displaced from other libraries. They also reported that new activities offered at the redeveloped library were helping to increase usage. These new activities include the Loftus Summer of Arts programme, as well as new photography and writing groups. The nearest alternative library is located approximately five miles from Loftus, which is consistent with stakeholders reporting that there are limited alternatives to the Loftus library for local users. Public transportation options for accessing these alternatives were similarly reported to be limited.

Figure 2 Change in active borrowers at libraries in Redcar and Cleveland



Source: Frontier Economics, based on data provided by Redcar and Cleveland libraries.

Note: The data for 'April to November 2024' compares this partial period to the total number of active borrowers over the period from 1 April 2023 to 31 March 2024. The data provided by Redcar and Cleveland libraries covered 13 libraries in the Redcar and Cleveland local authority.

Respondents to the survey also reported that they were satisfied with the redeveloped library facilities. While the resident survey was biased slightly towards older respondents, there were no systematic differences in visitation to Duncan Place across age groups amongst respondents. This suggests these findings should be representative.

Of those who visited Duncan Place in the 12 months to December 2024, 57% were satisfied with the centre, and only 5% were dissatisfied. Over half of the visitors reported that the library had improved since relocating to Duncan Place, with only 8% reporting it had got worse. Stakeholders reported that this small number of dissatisfied users likely

reflects visitors with particularly strong attachments to the previous library location, who did not want the library to relocate.

However, youth services (including youth clubs and activities such as sports and music) appear to have been negatively affected by the redevelopment of Duncan Place. A lack of consultation with local youth and trade-offs in the building design reportedly led to the construction of a new activities hall that is not fully fit for purpose. According to stakeholders, this was primarily driven by the trade-offs made to make the facility more environmentally friendly, which resulted in unintended negative effects. More details on the successes and challenges of the local consultation across the case studies are explored in Section 3.4 and in the Loftus section in Annex B.

4.2.3. Wider pride in place outcomes

Although the evidence supports the short-term outcomes related to changes in usage of and attitudes towards the projects, **evidence on wider changes in overall pride in place is inconclusive**. However, there is an observed correlation between increased visits to the facilities and higher pride in place. This will be tested further in the next year of evaluation work, as baseline survey data is available for upcoming case studies. In particular, it is not possible to determine from the available evidence whether this correlation reflects that people with higher existing pride in place are more likely to use the facilities, or whether there is, in fact, a causal impact of facilities usage on pride in place.

Table 3 shows that overall pride in place indicators were slightly higher for visitors to the Kidsgrove Sports Centre and Duncan Place in Loftus when compared to non-visitors over the same period. Results were stronger for Kidsgrove than for Loftus. These indicators relate to views about their local area. Overall, there was a statistically significant difference between the proportion of visitors and non-visitors who were proud to live in their local area in Kidsgrove and the proportion of visitors and non-visitors who were satisfied with their local amenities in Loftus. There was also a weak positive correlation between visiting the Kidsgrove Sports Centre and Duncan Place and the levels of pride in place, in the range of 0 to 0.2 across the different indicators.

Within individual pride in place indicators, the correlation and statistical significance of these differences are limited, largely due to the sample size of visitors. However, when considering all indicators, the consistent nature of the relationship between project visitation and pride in place indicators suggests a positive correlation between visits to the community facilities and higher pride in place. There was no observable difference in responses across residents who had recently heard (or not heard) of the facilities. Exposure to the facilities through visits seems to affect the difference in pride in place. Higher visitation frequency correlated with increased pride in place.

Pride in place in Northallerton was noticeably higher for respondents who had visited the Town Square between 2023 and 2024 (more than a year after project completion) compared to those who had not, with statistically significant differences across several pride in place indicators. While it is difficult to draw a causal link due to the lack of baseline data in Northallerton, this suggests that exposure to the regeneration work is positively correlated with higher pride in place.

Overall, pride in place in Yeovil is similar to national averages. However, it is not possible to compare town centre visitors and non-visitors due to the low sample size of non-visitor

respondents. Only 3% of respondents in Yeovil reported their area had got better to live in over the past two years to December 2024, compared to 11% nationally. Similarly, 37% of respondents said their area had got worse to live in over the past two years, compared to 29% nationally. This is consistent with frustrations with the disruption caused by wider town regeneration works expressed by stakeholders and local residents in qualitative interviews. This may also be linked to high-profile retail closures on the high street.

These findings may be affected to some degree by the representativeness of the survey, which obtained a higher response rate from older age groups when compared to the actual demographics of the local areas. In particular, it may overstate the pride in place levels in Yeovil and Northallerton, where younger cohorts were observed to have overall lower levels of pride in place. In the Kidsgrove and Loftus survey, no differences were observed across age groups, which suggests these findings are representative. For a more detailed discussion of representativeness, see Annex A.

Table 3 Key pride in places indicators, relevant project areas

Question	Kidsgrove *		Loftus **		Northallerton *		Yeovil *		England
	Visited project	Not visited project	Visited project	Not visited project	Visited project	Not visited project	Visited town centre	Not visited town centre	Not Applicable
Proportion of adults who were (were not) proud to live in their local area	71% ⁺⁺ (17%)	52% ⁺⁺ (21%)	67% (14%)	64% (13%)	75% ⁺⁺ (2%)	58% ⁺⁺ (8%)	49% (13%)	Not Applicable	59% (13%)
Proportion of adults who agreed (disagreed) that they would still like to be living in their local area in five years' time	67% (19%)	61% (19%)	75% (10%)	68% (18%)	80% (6%)	69% (9%)	59% (16%)	Not Applicable	61% (21%)
Proportion of adults who would (would not) recommend their local area to others as a good place to live	64% (10%)	53% (20%)	61% (18%)	62% (13%)	82% ⁺⁺ (4%)	66% ⁺⁺ (9%)	54% (19%)	Not Applicable	66% (13%)
Overall satisfaction (dissatisfaction) with local area as a place to live	62% (17%)	65% (23%)	71% (13%)	73% (14%)	91% ⁺⁺ (2%)	78% ⁺⁺ (6%)	74% (15%)	Not Applicable	74% (11%)

	Kidsgrove *		Loftus **		Northallerton *		Yeovil *		England
Question	Visited project	Not visited project	Visited project	Not visited project	Visited project	Not visited project	Visited town centre	Not visited town centre	Not Applicable
Area has got better in the last two years	12%	5%	18%	15%	11%	3%	3%	Not Applicable	11%
Area has got worse in the last two years	31%	43%	33%	25%	24%	31%	37%	Not Applicable	29%
Proportion of adults that were satisfied (dissatisfied) with local services and amenities in their local area	69% (14%)	64% (18%)	70% ⁺⁺⁺ (14%)	62% ⁺⁺⁺ (14%)	76% ⁺⁺ (8%)	58% ⁺⁺ (8%)	60% (13%)	Not Applicable	Not Applicable
Sample size ***	42	172-176	71-73	175-181	314-322	35-36	252-262	<10	Not Applicable

Source: Resident surveys carried out by Frontier Economics and BMG Research in case study areas, and Community Life Survey (for national figures).

Note: * Table reports results for those who have or have not visited the project in the last 12 months. For Northallerton, the table shows results for visitors to Northallerton Town Hall Square. For Yeovil, the results refer to visitors to the town centre.

** Table reports results for those who have or have not visited the project since reopening.

** Number of respondents may vary across questions due to variations in individuals who have not responded to a question or responded "Don't know", so a range is reported for the sample size. When the sample size is below 10 respondents, results are not reported. This range is only relevant for the sample across questions and not to the figures, as each question has a specific sample size (ie the range is only relevant for specifying sample size across questions within a town, not within questions).

+ indicates statistically significant difference at the 10% level between the two groups; ++ at the 5% level; +++ at the 1% level.

For respondents who reported not being proud to live in their local area, 49 respondents in Kidsgrove and 34 in Loftus, the primary reasons given were:

- **The local area was seen as run down.** In Kidsgrove and Loftus, 73% and 91% (respectively) of respondents who reported they were not proud to live in their local area in the post-project survey cited the fact that the area was run down as a reason.
- **A perceived lack of community.** In Kidsgrove, 46% of respondents who reported that they were not proud to live in their local area cited this as an issue and 56% in Loftus. This may be linked to the lack of cohesive community spaces prior to the Towns Fund projects highlighted by local stakeholders.
- **Concerns with safety and the local community.** In Kidsgrove, 63% of respondents who reported that they were not proud to live in their local area reported that some people in their area could be disrespectful or troublesome, and 71% in Loftus reported the same.

These responses may indicate wider issues with the perception of the local area in both places, which the projects included in this report have not resolved. However, as both

projects provide appealing community spaces, they are still potentially helping to overcome the remaining key barriers to pride in place. In particular, previous [research on community programmes in England suggests \(Jones et al., 2013\)](#) that participation in community centre activities has a statistically significant, positive effect on the overall sense of community belonging.

The main reasons for low pride in place in Northallerton were also a perceived lack of community and the fact that people can sometimes be disrespectful or troublesome. Only a third of respondents who were not proud to live in their local area reported that the area being rundown was a reason for this, while only a fifth cited a lack of local shops. This suggests that the major barriers to further pride in place increases are perceptions of the sense of local community and people, rather than the appearance of facilities in the town centre. As the Town Square is being used to offer new and improved events in the town centre, it may help to overcome these barriers in future. However, due to the limited existing third-party literature and evaluation evidence on the effect of community events on pride in place, this remains uncertain.

The primary reasons given for low pride in place in Yeovil by survey respondents were a lack of things to do and a lack of local shops and amenities. As the completed regeneration works are intended to help drive a change in the retail offer in the town centre, this suggests that they may help to overcome these barriers in future. As outlined in Section 4.3, there is some emerging evidence in Yeovil that the regeneration work is increasing business confidence and investment in the town centre. However, evidence of the potential effect of the projects on longer-term changes in the retail offer is limited at present.

4.2.4. Wider health and wellbeing outcomes

The redevelopment of the community hub in Duncan Place in Loftus and the redeveloped Kidsgrove Sports Centre are expected to increase wider measures of resident wellbeing in the longer term.

This is expected to be delivered primarily through:

- **Increased physical activity in Kidsgrove.** The sports centre provides additional accessible space for physical activity that was previously unavailable, and the local area was characterised by low levels of physical activity. Previous research shows that [physical activity has notable benefits for both physical wellbeing \(WHO, 2024\)](#) and [mental wellbeing and perceived quality of life \(Mahindru, Patil and Agrawal, 2023\)](#).
- **Increased library usage in Loftus.** The newly refurbished and relocated Loftus Library is more fit for purpose, and evidence suggests it is being used more since its relocation. Past [research commissioned by Arts Council England found a positive effect of public library usage on health and wellbeing \(Arts Council England, 2015\)](#).

Overall, while there is some emerging evidence that the projects are associated with higher health and wellbeing, the evidence of wider effects on these measures is limited. As was the case for pride in place findings, baseline survey data for the next set

of case studies will allow these effects to be explored in more detail as part of the final evaluation.

As noted in the previous sections, Duncan Place in Loftus and the Kidsgrove Sports Centre have been well-used by local residents since the facilities were completed in August 2023 and July 2022, respectively. Stakeholder interviews and resident survey data also suggest that the quality of services and facilities has improved as a result of the redevelopment work.

Stakeholder input in Kidsgrove reported that the accessibility improvements made to the sports centre were leading to higher participation from disadvantaged groups, with 25% of members having a registered physical disability or learning difficulty. This suggests that the redevelopment may be serving residents with greater challenges to their wellbeing. This was a specific objective of the redevelopment, with the project teams specifically carrying out consultations to ensure the sports centre's accessibility.

Table 4 shows that residents who had visited the projects in the past 12 months reported slightly higher average measures of wellbeing than those who had not, across all key measures of wellbeing. Visitors were more satisfied with their lives (7.5 versus 6.9 on a scale from 0 to 10 in Kidsgrove, 7.8 versus 7.4 in Loftus), with a statistically significant difference between visitors and non-visitors in Kidsgrove and Loftus. Visitors were more likely to feel that the things they did in life were worthwhile (7.7 versus 7.2 in Kidsgrove and 8.0 versus 7.7 in Loftus), were happier than non-visitors (7.5 versus 7.0 in Kidsgrove and 7.8 versus 7.5 in Loftus), and reported lower average levels of anxieties when compared to non-visitors. However, the differences in these indicators were not statistically significant, largely due to the sample size of visitors to the facilities.

There was also a weak positive correlation between visits to the Kidsgrove Sports Centre and Duncan Place and higher levels of personal wellbeing. The correlation coefficients between visiting the projects and higher levels of wellbeing were in the range of 0 to 0.2 across the indicators. While individually, these correlation coefficients are weak, taken as a whole across the range of indicators, they suggest a positive correlation between project visitation and individual wellbeing. One exception is an observed correlation between visiting Kidsgrove Sports Centre and anxiety, although this correlation is weak.

The effects may also be stronger for specific groups. In particular, individuals with a physical disability in Kidsgrove may be more affected due to the work to make the sports facilities more accessible. Similarly, families in Loftus may be more affected, with stakeholders reporting that there was a range of family-focused activities and a more accessible children's space post-refurbishment.

As noted above, this is a correlation rather than a causal relationship. For example, users who are happier and more satisfied with their lives may be more likely to participate in the community rather than becoming happier and more satisfied after engaging with the community. This potential endogeneity and the lack of baseline data mean that it is not possible to attribute a causal impact.

These findings may be affected to some degree by the representativeness of the survey, which obtained a higher response rate from older age groups when compared to the actual demographics of the local areas. In particular, younger age groups were more likely to report visiting the Kidsgrove Sports Centre, although there do not appear to be systematic

differences in wellbeing between this age group and the over-indexed 55 to 74-year-olds. In Loftus, there are no material differences in visitation to Duncan Place across age groups. Overall, this suggests that any biases introduced by an overrepresentation of older respondents should be minimal. For more details on the representativeness of the surveys, see Annex A.

Reported wellbeing may also be seasonal and vary across the year. The evidence in Table 4 is from surveys that were deployed in May 2024 (in Kidsgrove) and September 2024 (in Loftus). As a result, they may not be directly comparable with one another or with evidence from the National Community Life Survey. While it is possible to compare responses from visitors and non-visitors within a town, caution should be drawn when trying to compare aggregate levels of wellbeing across the different places in Table 4.

Table 4 Wellbeing indicators

Question	Loftus: Visited project since opening	Loftus: Not visited project since opening	Kidsgrove: Visited project in last 12 months	Kidsgrove: Not visited project in last 12 months
Overall, how satisfied are you with your life nowadays?	7.8+	7.4+	7.5++	6.9++
Overall, to what extent do you feel the things you do in your life are worthwhile?	8.0	7.7	7.7	7.2
Overall, how happy did you feel yesterday?	7.8	7.5	7.5	7.0
Overall, how anxious did you feel yesterday?	2.5	2.9	4.1	3.4
Number of respondents*	71–72	175–177	42	171–173
Overall, how satisfied are you with your life nowadays?	7.8+	7.4+	7.5++	6.9++

Source: Resident surveys in Loftus and Kidsgrove, carried out by BMG Research and Frontier Economics.
 Note: Wellbeing indicators are based on an 11-point scale, where 0 corresponds to “Not at all [satisfied, anxious, etc.]” and 10 is “Completely [satisfied, anxious, etc.]”. The table reports a weighted average of respondents’ answers.
 * The number of respondents may vary across categories due to variations in individuals who have not responded to a question or responded “Don’t know”, so a range is reported. This range is only relevant for the sample across questions and not to the figures, as each individual question has a specific sample size (ie the range is only relevant for specifying sample size across questions within a town, not within questions).
 + Indicates statistically significant difference at the 10% level between the two groups; ++ at the 5% level; +++ at the 1% level.

4.3. Economic growth

Economic growth outcomes in the context of this interim report relate to:

- changes in footfall on the high street, as a measure of economic growth
- stakeholder input on business confidence and vacancy rates

These are leading indicators of wider changes in business outcomes, such as net business creation and turnover, which affect economic growth metrics in the longer term. These will be considered as part of the final report. These initial findings are informed by the case studies of town centre and high street regeneration works in Northallerton and Yeovil.

Overall, evidence on changes in footfall is limited. This may be due to ongoing disruption from wider regeneration works in the areas. It may also relate to delays between the project completion and changes in footfall appearing, notably due to wider factors affecting the retail offer in town centres.

However, qualitative evidence from stakeholder interviews suggests that investment in projects helps to improve business confidence.

4.3.1. Context and overall mechanisms

Local business outcomes and high street footfall are negatively affected by local contextual factors. A low-quality and disconnected town centre is expected to reduce visitation and lead to a limited retail offer. Stakeholders in Northallerton and Yeovil reported local issues with the appearance, accessibility, and functionality of the town centre, which the projects aim to address.

The town centre regeneration projects in Northallerton and Yeovil are expected to affect footfall and wider business outcomes through the following mechanism. In the short term, making town centres a nicer place to visit and more fit for purpose for foot travel makes people more likely to visit and spend time in the town centre, potentially boosting footfall. This is consistent with [evidence from past research, which suggests that factors like connectivity and attractiveness can affect footfall in retail areas \(Philp and others, 2021\)](#). It also signals public confidence and investment in the area, which improves business confidence.

Over time, these outcomes are expected to lead to an improvement in the type of retail offerings in the town centre (and the nighttime economy) and lead to longer-term effects on business outcomes and retail revenues.

4.3.2. Evidence on short-term economic growth outcomes

Evidence of changes in high street footfall is limited. In Yeovil and Northallerton, while residents agreed that the completed regeneration works had improved the look and feel of the town centres (as explored in section 4.2), this does not appear to have translated into an observable effect on high street footfall.

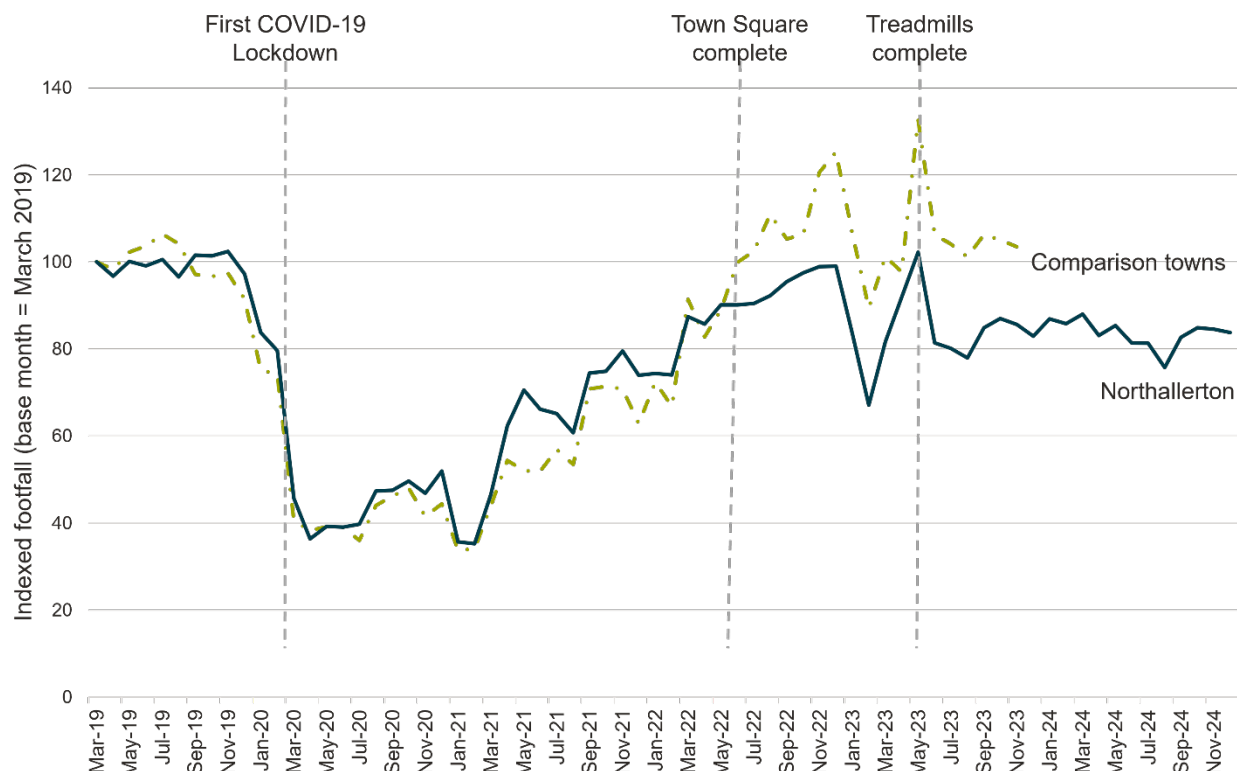
Figure 5 shows that footfall in Northallerton town centre has followed regional trends, with no clear effects from the completion of the Town Square or the Treadmills redevelopment. Similarly, footfall near Yeovil High Street has continued to decline over time. This is consistent with input received from local stakeholders in Yeovil that the ongoing construction of the wider regeneration projects was having a negative short-term effect on the town centre.

Based on stakeholder input, this lack of discernible footfall effect may be due to:

- **disruption from wider construction and regeneration work.** As noted above, ongoing works in Yeovil have affected footfall
- **limited changes on the overall retail offer in the town centre.** Stakeholders reported that there could be a lag between changes to the high street and changes in footfall, due to wider changes in footfall being dependent on the retail offering in the area (as opposed to its appearance)

In Northallerton, the limited change in footfall may be related to the limited changes in the retail offer in the town centre. While a new Everyman cinema is located at Treadmills and a few other changes in retail offerings, the overall change in the high street offering was reported to be minimal.

Figure 3 Footfall in Northallerton town centre



Source: Frontier Economics, based on Place Informatics data provided by North Yorkshire council.

Note: Drop in Footfall in January 2023 appears to be seasonal, as opposed to being driven by anything specific to Northallerton. The monthly footfall is indexed such that March 2019 = 100. The comparison town is an average of the footfall for four nearby towns' high streets footfall, including Thirsk, Bedale, Easingwold, and Stokesley. All of which are also located in North Yorkshire. They are smaller market towns when compared to Northallerton.

Stakeholders have reported that the projects have helped to signal increased investment in the towns, improving business confidence and investment.

However, despite the lack of a clear change in footfall, stakeholders reported that the projects in Northallerton and Yeovil are contributing to positive outcomes for businesses in the town centre. In Yeovil, business stakeholders reported that the wider regeneration work (including the projects considered for this report) has been a positive factor during leasing conversations with current and potential businesses in the town centre. This has increased business confidence and translated into high retention rates for tenants according to local property managers, which they attributed to the projects signally government investment and confidence in the area.

Local stakeholders reported that the regeneration work may have helped attract some new, high-quality businesses to Yeovil, such as the Barolo Lounge, which opened on the high street in April 2024. Business stakeholders also reported that the economic outlook of Yeovil town centre would have been more negative had the Future High Streets Fund not been received. This qualitative view will be explored in more detail in the programme-level evaluation by exploring changes in business outcomes in areas that received Future High Streets Fund when compared to comparison areas.

Similarly, stakeholders in Northallerton reported that Future High Streets Fund projects have coincided with improvements in the diversity and quality of businesses in the town centre, with some retail and leisure brands (such as the Everyman cinema at the Treadmills development) that have entered the area being seen as more 'upmarket', suggesting increasing investor confidence in the area.

However, vacant units remain in both Yeovil and Northallerton Town Centre. In Yeovil, there was an uptick in vacancy on the high street following the closure of major retailers during the COVID-19 pandemic. In Northallerton, vacant restaurant and retail units remain at Treadmills a year and a half after the May 2023 completion of the facilities. As explored in Section 3, part of this may be driven by inflationary pressure in the local areas. In Northallerton, stakeholders also reported that, in general, there were lags between the completion of commercial units and occupancy, where there is a desire for a high-quality, long-term tenant. However, they also indicated there had been Expressions of Interest in the space.

4.4. Employment

As with economic growth, due to the recent completion dates of the projects, it is not possible to assess the effects on wider employment. This is in line with expectations, as effects on overall skill levels and beneficiaries in employment take longer to materialise. This will be considered as part of the final report when more data is available.

The emerging outcomes explored in this report focus on student numbers and course types at affected educational facilities as a measure of leading employment effects. They are informed by the case studies in Redcar and Norwich.

Overall, the project data and qualitative input support the fact that a large and growing number of students have been educated through the new facilities. Stakeholders and beneficiaries were positive about the overall quality of the facilities and education provided.

Key enablers of this were reported to be:

- **close links and consultation with local businesses**, which have helped to ensure that the education offering is tailored to local skills needs
- **designing flexible facilities that can be updated in future** to meet evolving skills needs

4.4.1. Local context and overall mechanisms

Employment effects include changes in the level of local skills, levels of educational attainment of local residents, and changes in the number of people in higher-skilled and higher-paid employment.

Lower levels of relevant qualifications and educational attainment can affect wider economic prospects. The local areas included in the case studies have lower average skill levels, job densities, and incomes when compared to national averages. They are also affected by skills gaps, with previous assessments by the local authorities finding that local skills are not well suited to the current and future needs of local businesses.

For Towns Fund projects, an increase in the quality of (and participation in) courses that meet local business needs is expected to increase the level and quality of local skills in the short run. This is expected to occur by ensuring that youth and adults receive training in relevant skills to meet the ongoing needs of businesses. In the longer term, this is expected to lead to a change in the overall employment mix and increases in average incomes as beneficiaries transition into higher-skilled, higher-paid employment.

4.4.2. Evidence on short-term employment outcomes

While a large and growing number of students have been educated through the new facilities in Redcar and Norwich, more time is needed to observe changes in employment.

Stakeholders in Redcar and Norwich reported important local skills gaps, which the new education facilities funded by Town Deals are aiming to help overcome. These relate to current and expected vacancies in key local industries. In Redcar, the Clean Energy Education Hub is expected to help deliver local skills suited to the major clean energy projects that have been announced in the Redcar area, in particular, the carbon capture and storage project at Net Zero Teesside. In Norwich, the Advanced Construction and Engineering Centre and Digi-Tech Factory are expected to help close local skills gaps and shortages in manufacturing, engineering, construction, and the digital industry.

Local stakeholders, including local businesses, were positive about the quality of these facilities and the education they offer. The Clean Energy Education Hub, which includes a carbon capture rig and equipment for low-carbon technology maintenance and installation for college students and apprentices, was designed in direct partnership with local businesses. Business and college stakeholders reported that these direct business partnerships were a key part of the new courses' success.

Stakeholders interviewed for this report, including local businesses, reported that the hands-on approach to training and practical curriculum was key to the Clean Energy

Education Hub's success. College stakeholders also reported that the facilities had been deliberately designed to be easy to update in the future so that the training could continue to evolve to meet the changing needs and skills requirements of local businesses.

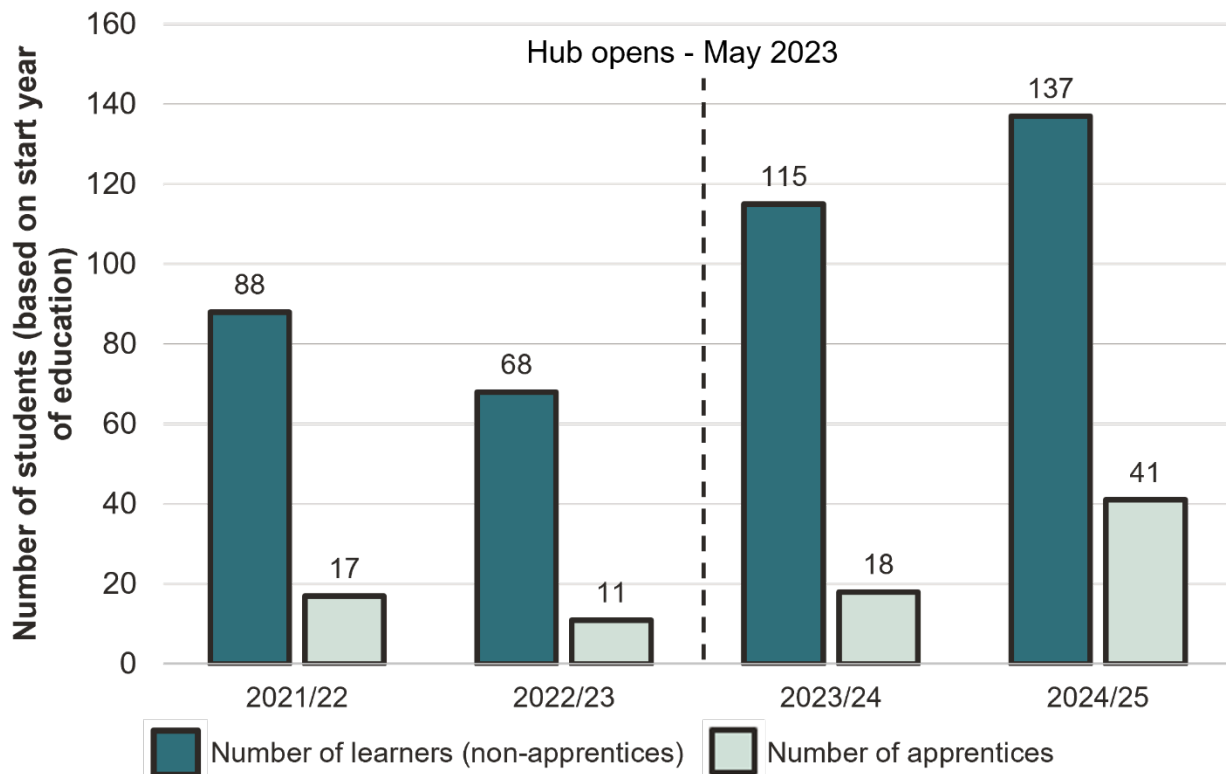
Similarly, stakeholders in Norwich were positive about the quality of the new education facilities. They reported that the facilities had allowed them to deliver new courses which were previously unavailable, including electric vehicle repair (at the Advanced Construction and Engineering Centre) and game design (at the Digi-Tech Factory). It has also led to collaborations with local businesses, including hackathons with T-Level students in partnership with Aviva. A local business stakeholder interviewed for this report suggested that the skills being taught should help to overcome digital skills shortages in Norwich. Other stakeholders reported that business feedback on the quality of training and skills provided at the Advanced Construction and Engineering Centre was positive, with the equipment often at the cutting edge of what is available in private companies.

Figure 6 shows that the overall enrolment in courses using the Clean Energy Education Hub facilities has increased noticeably since the Hub opened in May 2023. Total enrolment in the 2023/24 academic year was 133, up from 79 in 2022/23. Enrolment rose again in 2024/25, to 178. The majority of this increased enrolment appears to be driven by courses that were unavailable prior to the construction of the facilities – in particular, the BP Scholarship programme, the Clean Energy Technician course, and the L3 Fabrication and Welding course. This is consistent with qualitative input from the stakeholder interviews, which indicated that the new facilities have expanded the course offering.

Some new courses may overlap with previously provided courses which no longer exist in their original forms. However, given the nature and limited alternatives available for the training facilities (in particular, the BP-sponsored carbon capture rig), it suggests that the facilities are providing new learning opportunities in areas previously unavailable to local students.

Due to the recent completion of these facilities (May 2023), there is limited data available on post-education employment or further education outcomes for students. This will be revisited as part of the final report when more data is available. Even if students successfully move into employment, there may not be an overall increase in employment if students would have moved into other jobs in the absence of the facilities. As a result, it will be important to consider not just whether a student enters employment but also what employment they would have pursued in the absence of the Clean Energy Education Hub.

Figure 4 Enrolment in courses used by the Clean Energy Education Hub



Source: Frontier Economics, based on data provided by Redcar and Cleveland College.

The quantitative data available for Norwich at this time is limited. While a request for information on student numbers by type of course over time was submitted to the college, they have been unable to provide the data. However, the project monitoring data shows that 682 learners and 204 apprentices used the Digi-Tech factory between April and September 2024, an increase from 300 learners and 55 apprentices in the previous period (October 2023 to March 2024). These figures are also above the 477 learners and 100 apprentices targeted in the Norwich Investment Plan prior to starting the project.

As a result, while project monitoring data shows that hundreds of students are being trained at the facilities each year in Norwich, and qualitative input from stakeholders was positive, it has not been possible to assess the additionality of this project. This will be revisited in future when more data is available.

4.5. Physical connectivity

Only one case study in this sample is primarily related to physical connectivity outcomes. As a result, evidence is limited.

However, in Hereford, there is some evidence that the City Zipper project has improved connectivity to the town centre and key attractions and increased public transportation usage. This project involved the acquisition of three new, medium-sized electric buses and associated charging facilities alongside bus stops, signage, and real-time information displays. The buses operate a new route in the city centre. It is offered free of charge to all users.

4.5.1. Local context and overall mechanisms

Changes in physical connectivity are driven by outputs which change local transport infrastructure. Changes in the availability and quality of transport infrastructure are expected to lead to changes in the mode of transportation and journey time ([Local Government, 2021](#)). This is contingent on the infrastructure being suited to the needs of local users and the users being aware of the changes ([DfT, 2022](#)).

A number of local contextual factors can negatively affect physical connectivity, including a lack of public transportation options, congestion due to an overreliance on car transport in the town centre, and a disconnected and difficult-to-navigate town centre. The Towns Fund projects included in the full set of case studies are expected to address these local barriers by reorganising the town centre and providing additional transport options.

4.5.2. Evidence on short-term physical connectivity outcomes

The City Zipper electric buses in Hereford appear well used relative to local authority expectations, and evidence suggests they are increasing public transit usage and displacing car travel in the town centre.

Satisfaction with the City Zipper service amongst users is high. Of respondents to the local resident survey who had used the service within the previous 12 months, 70% reported they were satisfied with the service, compared to 17% who were dissatisfied. Satisfaction is even higher for more frequent users; all users who used the City Zipper at least once a month reported they were satisfied with the service.

Local stakeholders attributed this high degree of satisfaction to:

- **the quality of services offered on the bus**, including free onboard phone charging and WiFi
- **the bus being free at the point of use**, covering a previously unavailable bus route at no cost
- **the focus on accessibility**, including bright colour schemes to aid visually impaired users

The City Zipper service has exceeded the expected usage set out in the Hereford Town Investment Plan. The initial Town Investment Plan expected 150,000 annual trips on the City Zipper, equivalent to 12,000 trips per month on average. By comparison, there were approximately 15,000 passenger journeys per month on the City Zipper between March 2024 and January 2025. Overall, 19% of respondents to the Hereford residents survey reported using the City Zipper in the 12 months to October 2024, with 6% using it at least once a month.

The available evidence suggests that this usage is displacing existing car journeys and leading to additional journeys into the city centre that would not otherwise occur. In particular, bus usage data shows that the most popular boarding stops are the Asda car park and the Hereford Railway Station. Input from stakeholder interviews suggests that the Asda car park is being used as an unofficial park-and-ride, with the City Zipper used for the final journey into town, consistent with the bus data. This suggests that the project is

helping to improve connectivity in the city centre, which is in line with the business case objectives. More details on this are set out in Annex B.

As the City Zipper only has three buses operating in a busy centre, stakeholders reported that it did not have any noticeable effects on wider congestion. They reported that congestion in the town centre was also largely driven by traffic on major roads that pass through Hereford en route to other towns, as opposed to journeys that could be replaced by the City Zipper specifically.

Other projects appear to be having secondary effects on physical connectivity, although a lack of baseline data makes it difficult to attribute specific effects.

While Hereford is the only case study included in this report, which has changes in physical connectivity as its primary expected outcome, the projects in Yeovil and Northallerton also had increased ease of transportation in the town centre as secondary project objectives. Evidence from the resident surveys suggests that these projects may have had some limited effects on connectivity in the city centres. However, a lack of baseline data makes it difficult to draw definite conclusions. More information on this is set out in Annex B.

5. Progress on the programme-level evaluation

The planned approach for the programme-level evaluation is a difference-in-difference econometric regression, as set out in [the evaluation feasibility report \(Section 5.1\)](#).

Separate econometric regressions will be run for the Town Deals and Future High Streets Fund, owing to the different procurement and award mechanisms underlying each. As a result, the funds are not comparable and will need to be assessed separately.

Since the two funds supported projects with various intended economic outcomes, separate regressions will be run for each outcome. More details on the intended economic outcomes are available in [the evaluation feasibility report](#).

5.1. Workstreams to date

The work has involved preparation for the core econometric analysis, which will begin in April 2025. This preparatory work has included:

- categorising all projects into the key intended economic outcomes to ensure that the right projects are allocated to the relevant regressions
- identifying metrics and indicators that will form the econometric regression for each outcome at the appropriate geographic and temporal granularity
- defining the treatment units required for an econometric regression, which refers to the geographic areas in which local intervention impacts are anticipated
- defining a methodology for identifying possible displacement areas for each treatment unit, where appropriate
- defining the comparison groups required for econometric regression, a distinct methodology will be implemented for group identification for the Town Deals and Future High Streets Fund, owing to the different procurement and award mechanisms underlying each

The above workstreams are described in greater detail below.

5.2. Categorisation of projects

The 858 Town Deals and Future High Streets Fund projects have been categorised according to their intended outcomes using GPT-4, a generative artificial intelligence (AI) model.

Investigations of possible natural language processing models identified that the generative AI GPT-4 model provided the most robust and consistent results. Internal testing against a series of human benchmarks found that the GPT-4 model performs at

least as well as humans, if not better. This result was confirmed by extensive external validation of 15% of projects with local authorities (see Annex C for further details).

Utilising economists to categorise these many projects would be an onerous and resource-heavy task. Furthermore, automated categorisation enables quick and easy redeployment in the context of ongoing funded projects, which continue to change in nature over the evaluation period and, therefore, may require re-categorisation over time.

Given the strong performance of the AI GPT-4 model and in light of proportionality and consistency considerations, it was agreed that the GPT-4 model would be the preferred basis of project categorisation.

A full discussion of our investigation and the validation results is presented in Annex C.

5.3. Identification of metrics and indicators

Given the array of outcomes to be assessed as part of the impact evaluation, another key workstream has focused on identifying the best available metrics and indicators to perform the econometric regression. This has involved a comprehensive identification and assessment of several identified metrics for evaluating each outcome. These metrics must be of sufficient granularity and frequency for analysis.

Information on some impacts (eg pride in place) is limited for this type of analysis. Therefore, these impacts must be assessed as part of the intervention-level evaluation.

This exercise has included downloading publicly available data, gathering datasets held by MHCLG, applying for securely held datasets and procuring proprietary data held by private organisations.

The resulting output for this work is a large dataset of metrics which can be stratified into the ten relevant outcomes, with observations pre- and post-intervention. This dataset will be the basis of separate regression analyses for each outcome. Note that post-intervention observations are limited to a short period in light of this evaluation timeframe (at most three and a half years and as little as a couple of months).

5.4. Defining the treatment units for econometric regression

An initial methodology has been developed to define the intended impacts associated with the areas which received funding from the Towns Fund. This is undergoing internal validation with technical experts at Frontier Economics, as well as external validation with academic and policy experts and senior stakeholders.

A different approach will be applied for each of the Town Deal and Future High Streets Fund projects, given the differing nature of the funds and intended outcomes for these interventions.

Table 5 sets out the identification approach for treatment areas for the two funds.

Table 5 Identification of treatment areas

Towns Deal	Future High Streets Fund
Impact zones are defined for the Town Deal interventions using a concentric-circles approach. This is aligned with approaches taken in the literature and enables us to apply a systematic methodology to inform impact zones of different sizes for each project outcome (since we would expect these to vary significantly based on the type of outcome or project being assessed). For example, see the report by Stephen Gibbons and others (2021) .	Impact areas for the Future High Streets Fund are defined by the geographic boundary of the high street targeted by each Future High Streets Fund investment. 'High streets' are not well-defined in geographic datasets and, therefore, must be specified for Future High Streets Fund project analysis. Current activity has been focused on identifying the boundaries of the high streets targeted by this intervention.

5.5. Defining the displacement units for econometric regression

An initial methodology has been developed to define any expected areas of displacement associated with the areas which received funding from the Towns Fund. This is currently undergoing internal validation with technical experts at Frontier Economics and external validation with academic and policy experts and senior stakeholders.

In addition to identifying treatment units, any changes to the area surrounding an impact zone must be considered to identify any displacement or leakage taking place. This ensures that the additionality of the intervention is correctly assessed.

Depending on the outcome category being assessed, displacement may occur to varying extents. While the purpose of this analysis is not to conduct a comprehensive displacement analysis, it is important to account for some displacement dynamics in the assessment. A comprehensive displacement analysis would require a specific methodology to identify all possible areas of displacement and the size of the displacement affecting each area. As there are 10 outcomes across two separate funds (Town Deal and Future High Streets Fund), identifying all possible displacement patterns for each outcome would require separate methodologies and would, therefore, not be proportionate for this evaluation. As such, this evaluation focuses on identifying whether and where some displacement may occur in a manner that adheres to the concepts of proportionality as stated in [the Green Book](#). The exact methodology to do this is currently being developed.

Table 6 sets out the identification approach for displacement effects for the two funds.

Table 6 Identification of displacement areas

Towns Deal	Future High Streets Fund
<p>Displacement zones are defined as peripheral regions outside the impact areas identified in the previous step, where displacement activity may occur.</p> <p>This concentric-circle approach is aligned with approaches taken in the literature and, as for identifying impact zones, enables us to apply a systematic methodology to inform displacement zones of different sizes for each project outcome.</p>	<p>Displacement zones are defined as neighbouring high streets from which footfall is diverted due to the intervention.</p> <p>Possible displacement high streets are identified based on a number of factors which may impact substitution patterns. These include:</p> <ul style="list-style-type: none"> • the proximity to the impacted high street • the size of the impacted high street • the ratio of commercial and leisure addresses within the high street • the regional importance, proxied by defined high street categorisations where available

5.6. Defining the comparison units for econometric regression

A methodology has been identified to define possible comparison areas for assessment. These places resemble the treatment areas but did not receive funding from the Towns Fund.

The identification of comparison areas for each fund is distinct, owing to the different procurement and award mechanisms underlying each. However, once the comparison areas have been identified, propensity score matching is applied to assign each comparison area to a treatment area based on similar observable characteristics.

Table 7 sets out the identification approach for comparison areas for the two funds.

Table 7 Identification of comparison areas

Towns Deal	Future High Streets Fund
<p>For Town Deals, MHCLG has been provided with the names of approximately 500 towns that were not selected for funding, which can be used as comparisons.</p>	<p>For the Future High Streets Fund, 155 comparison areas have been identified based on Expressions of Interest provided by local authorities that were unsuccessful in securing the funding.</p>

The suitability of these areas as comparisons for treatment areas in the econometric analysis will then be assessed based on:

- similarities in key observable characteristics between each group of treatment and comparison areas
- cross-checks against other pots of funding that these towns may have received over the Towns Fund evaluation period

For further information, please see [Section 5.1 of the evaluation feasibility report](#).

6. Next steps

The evaluation is currently underway and runs until March 2026. The final report is expected to be completed in Spring 2026. The final report will include process and impact evaluation findings from the full set of case studies, as well as findings from the programme-level econometric analysis and findings from the VfM assessment.

For the intervention-level impact evaluation, the immediate next steps are to continue with the remaining 13 case studies. There is also a small amount of outstanding beneficiary engagement and data to be collected for the initial seven case studies, which was not provided in time for this report. As part of the final analysis period, ONS data, available via the Secure Research Service, will also be explored to fill data gaps on some outcomes, and quantitative data already collected from local authorities and project delivery teams will be updated and refreshed.

For the programme-level impact evaluation, the immediate next steps are to continue collecting and collating datasets and assessing impact and displacement zones. Tests on the econometric specification will also be carried out in the lead-up to the final analysis.

The next step in the process evaluation is to conduct mop-up fieldwork, where necessary, for the first seven case studies. Some limited changes to the process of case study selection are also being discussed and agreed upon with MHCLG to ensure adequate representation of projects with project adjustment requests and cancellations. Fieldwork will also be carried out for the remaining 13 case studies and with Towns Fund stakeholders to inform the management and governance theme of the process evaluation.

Table 8 **Evaluation timeline**

Evaluation milestone	Date
Evaluation feasibility report	January 2024
Early process evaluation insights	October 2024
Cut-off date for project completion for projects to be included in the impact evaluation	April 2025
Emerging findings from the process and intervention-level impact evaluations	July 2025
Final evaluation report	Spring 2026

Source: Frontier Economics and BMG Research.

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