Ministry of Housing, Communities & Local Government

Towns Fund evaluation: interim findings 2

Emerging findings from the process and intervention-level impact evaluations: Technical Annexes

July 2025

frontier economics

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July 2025
Ministry of Housing, Communities & Local Government

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Ministry of Housing, Communities & Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF
Telephone: 030 3444 0000

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Impact evaluation questions

The impact evaluation questions, as outlined in Section 5.3 of the original evaluation feasibility report, are set out below.

The evidence gathered as part of this interim report relates to questions 1 through 5 below. The other questions – on local authority capabilities and differences across different types of projects and places – will be assessed as part of the final evaluation, when more evidence is available.

1. **Sustainable economic growth:** to what extent has the Towns Fund led to long-term sustainable improvements in local economic growth (that is, continues to occur year after year)?

2. **Employment and skills:** to what extent has the Towns Fund led to improvements in local employment opportunities?

3. **Pride in and perception of place:** to what extent has the Towns Fund led to improvements in pride in place and perception of place?

4. **Local wellbeing and social mobility:** to what extent has the Towns Fund led to improvements in local wellbeing and social mobility?

5. **Physical and digital connectivity:** to what extent has the Towns Fund led to improvements in physical and digital connectivity?

6. **Local authority capabilities:** to what extent has the Towns Fund led to improvements in local strategic management capability?

7. **Differences in outcomes across different types of projects:** to what extent have the outcomes and impacts above differed across different types of projects?

8. **Differences in outcomes across different types of places:** to what extent have the outcomes and impacts above differed across different types of places?

Case study selection and profile

Table A 1 Additional metrics on deprivation and local economic growth – Town Deal

Metric	Norwich	Hereford	Redcar	Kidsgrove
Index of Multiple Deprivation (LA, 2019)[1]	High Deprivation	Middle Deprivation	Middle Deprivation	High Deprivation
% Population 65+ (BUA, 2019)[1]	18%	18%	24%	20%
% Population below 16 (BUA, 2019)[1]	17%	19%	16%	19%
GVA per head (LA, 2016)[2]	£26,136	£20,738	£16,291	£15,311
% of 16-64 with NVQ L3+ (LA, 2019)[3]	48%	55%	51%	49%
Median Gross Weekly Pay (LA, 2019)[4]	£399	£407	£395	£387
Female Health Expectancy at Birth (Region, 2019)[5]	62	67	64	60
Male Health Expectancy at Birth (Region, 2019)[5]	63	64	61	60

Source: *[1]ONS 2021 – Understanding towns in England and Wales; [2]ArcGIS Open Data 2023; [3]Nomis 2023; [4]ONS 2023 – ASHE earnings and working hours; [5]Census 2021.*
Note: *Built Up Area (BUA).*

Table A 2 Additional metrics on deprivation and local economic growth – FHSF

Metric	Northallerton	Loftus	Yeovil
Index of Multiple Deprivation (LA, 2019)[1]	Middle Deprivation	Middle Deprivation	High Deprivation
% Population 65+ (BUA, 2019)[1]	26%	18%*	19%
% Population below 16 (BUA, 2019)[1]	17%	23%*	19%
GVA per head (LA, 2016)[2]	£22,263	£15,311	£20,586
% of 16-64 with NVQ L3+ (LA, 2019)[3]	66%	49%	52%
Median Gross Weekly Pay (LA, 2019)[4]	£421	£387	£459
Female Health Expectancy at Birth (Region, 2019)[5]	65	60	64
Male Health Expectancy at Birth (Region, 2019)[5]	66	60	63

Source: [1]ONS 2021 – Understanding towns in England and Wales; [2]ArcGIS Open Data 2023; [3]Nomis 2023; [4]ONS 2023 – ASHE earnings and working hours; [5]Census 2021.

*Note: *Data for Loftus is taken from the 2021 Census.*

Figure A 1 sets out the locations of the first seven case study projects.

Figure A 1 Map of case study locations

Source: ONS Geoportal - https://geoportal.statistics.gov.uk/ combined with project towns from MHCLG monitoring returns.

General methodology

The intervention-level evaluation has two key aims:

- to understand intervention-level outcomes and validate the Theory of Change (ToC)
- to understand the relative importance of project factors and how they interact within local contexts to create observed changes in outcomes

To address the first aim, a Realist Evaluation framework is used to evaluate the outcomes of each intervention. The results will then be combined with a Qualitative Comparative Analysis to systematically compare the Realist Evaluation findings across interventions and explore the factors and contexts associated with successful (or unsuccessful) interventions.

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 individual intervention ToC. This is explored further in the Magenta book. A key advantage of a Realist Evaluation is that it is flexible to different data sources, and can be used when there is large variability in outcomes across projects.

There are four steps to the Realist Evaluation that are repeated for each selected intervention. The steps are:

1. write hypotheses for the expected outcomes and mechanisms
2. collect relevant primary and secondary data
3. run interviews and workshops to gather qualitative evidence
4. analyse the evidence against the written hypotheses

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. It allows evaluators to produce comparative statements across different interventions and identify how (and why) interventions of different types, or in different places, may have delivered different outcomes.

The Qualitative Comparative Analysis will be run after all interventions have gone through the Realist Evaluation process and produced a set of conclusions.

Data sources for case studies

The case studies explored in this report include an analysis using a range of different sources to build evidence on the Realist Evaluation hypotheses. The four main sources of information are:

- qualitative interviews
- primary resident surveys
- monitoring data collected by MHCLG
- project- or area-specific data provided by local stakeholders

Qualitative interviews

Qualitative interviews were conducted with a range of stakeholders for each location. Table A 3 describes the number of interviews and the broad stakeholder groups.

Table A 3 Number and type of qualitative interviews conducted by case study

Place	Number of interviews	Local authority / local area contact	Project team	Business stakeholder	Beneficiaries
Norwich	6	Yes	Yes	Yes	Not Applicable
Hereford	5	Yes	Not Applicable	Not Applicable	Not Applicable
Redcar	9	Yes	Yes	Yes	Yes
Kidsgrove	9	Yes	Yes	Not Applicable	Yes
Northallerton	5	Yes	Yes	Yes	Yes
Loftus	9	Yes	Yes	Not Applicable	Yes
Yeovil	16	Yes	Yes	Yes	Yes

Source: Frontier Economics.

Survey methodology

Survey rationale

Surveys are a useful tool as they provide localised primary data on individual preferences and experiences. The intervention-level evaluation analysis is focused on the town (or high street) level. The use of survey data enables the consideration of outcomes that would otherwise not be available in secondary sources at the desired level of granularity. For example, the main secondary source of pride in place information is the Community Life Survey, which samples 500 individuals per local authority, which would result in an insufficient number of responses at the town-level for a robust analysis. Additionally, bespoke surveys can capture awareness and usage information about the project of interest for a wide set of potential beneficiaries, providing a robust source of this information.

The intervention-level evaluation uses surveys primarily for projects that are expected to result in changes in pride in place or perception of place. Other outcomes, such as business outcomes and employment and skills, are less suitable for survey collection as they are already collected at granular levels by the UK Government, and because these types of projects tend to focus on a small subset of the population, meaning a survey may underestimate the effect for certain individuals. The evaluation plans to survey a total of 16 out of the 20 selected case study locations.

Where possible, surveys are deployed at baseline (before the completion of the project) and at a follow-up roughly a year after completion. By collecting information at two time points, the analysis can identify changes over time and build the attribution narrative. To

account for seasonality effects, survey deployment is designed so that the two surveys are deployed at the same time of year. In some cases, this is not possible due to project delays. As some projects had been completed by the start of the evaluation, baseline data will be collected on 10 out of 16 locations that are being surveyed.

Survey design

Surveys were designed by Frontier Economics and BMG Research with input from MHCLG and local authority representatives. Surveys include three sections:

1. demographical information
2. standardised questions about the local area, taken from the Community Life Survey to ensure consistency, including questions on pride in place, wellbeing, community engagement, etc.
3. project-specific questions varied for each survey but generally included questions to understand individual awareness and usage of, and satisfaction with, the project

The survey sample was chosen based on the primary outcomes of interest, the town size, the availability and closeness of alternatives to the selected project and other relevant geographical or contextual factors about the town. Generally, samples were selected as either a 5-mile or 3.5-mile radius around the selected project, within which households are randomly sampled to take part in the survey.

For example, the sample for Kidsgrove included households within a 3.5-mile radius of the Sports Centre because of the close proximity of alternative sports centres (three centres within five miles) and the community-focused aspect of the project.

To increase the chances of sampling households that are the intended beneficiaries of the project, 60% of all sampled households were selected to come from within the town's built-up area (BUA). In most samples, this constraint was not binding; however, where a town is located near other larger towns or cities, this requirement reduced the chances of randomly oversampling from the nearby town, whose residents were not the immediate focus of the project.

Sample plans were reviewed and signed off by MHCLG and relevant local authority contacts.

Survey deployment

Based on the agreed sample plans, 1,600 addresses were randomly sampled from a list of private addresses held by the Royal Mail.[1] This was deemed an appropriate number to reach the 250 responses target for each location. Table A 4 shows that all surveys met this target.

Sampled households then received an invitation letter in the post, inviting them to complete the survey online (through a URL or QR code). Up to four household members over the age of 18 were invited to respond to the survey. A reminder letter was sent

[1] Addresses were selected using a '1 in n' process via the Visual Basic for Applications (VBA) access software code script.

approximately two to three weeks after the initial one. The reminder letter included a paper version of the questionnaire that individuals were able to complete and return. Face-to-face survey collection was also used to boost response numbers.

Table A 4 Survey responses for selected case studies

Town	Survey launch date	Responses
Northallerton	May 2024	447
Kidsgrove	May 2024	259
Loftus	September 2024	266
Yeovil	October 2024	270
Hereford	October 2024	313

Source: *Frontier Economics.*
Note: *No surveys were deployed in Norwich and Redcar as both projects relate to a specific subset of the population (college students).*

Survey representativeness

Survey response representativeness was monitored by comparing basic demographic information (such as age and gender) from online responses against the area's population averages. This helped to assess how well the sample reflected the broader population. To improve representativeness, face-to-face survey fieldwork was targeted in areas with a higher concentration of demographic groups that were underrepresented in the initial online responses.

In most areas surveyed to date, online responses have been higher among older groups (i.e. those aged 55 and above). To mitigate this differences, face-to-face fieldwork focused on collecting responses from younger residents in those locations. However, the overall response rate from older groups remains higher than the actual proportion of older residents in the surveyed areas. At this stage, no weightings have been used in survey analysis, although this may be considered for the analysis of some variables for the final report.

This imbalance could influence the reliability of survey results (such as on pride in place measures) if the use of projects varies by age group and if baseline outcomes also vary by age group. For example, if older groups are more likely to visit the project, and they have higher baseline pride in place, then it would not be possible to distinguish whether higher pride in place among frequent visitors was correlated with the project or simply driven by the higher pride in place among older cohorts.

To assess the implications for our analysis, we have explored whether systematic differences exist in usage, pride in place, and wellbeing outcomes across different age groups. As no baseline data is available for the initial set of case study projects, this is based on differences observed across groups in the post-project survey, as a proxy measure of potential biases across groups. Table A 5 shows a summary of the responses.

Table A 5 Summary of survey response differences by age group

Town	Differences in project use	Differences in pride in place	Differences in wellbeing	Relevance for survey analysis
Kidsgrove	Younger age groups are more likely to use the sports centre	Older age groups tend to have higher pride in place on average	There are no clear differences in wellbeing by age group	Assessment will tend to underestimate the relationship between project use and pride in place; no influence on wellbeing assessment
Northallerton	Younger age groups are more likely to visit the Town Square regularly	Older age groups tend to have higher pride in place on average	Not relevant.	Assessment will tend to underestimate the relationship between project use and pride in place
Yeovil	Older age groups are more likely to visit Yeovil town centre regularly	There are no clear differences in pride in place by age group	Not relevant.	No influence on pride in place assessment
Loftus	No differences in regularity of visits to Loftus town centre or Duncan Place by age group	There are no clear differences in pride in place by age group	There are no clear difference in pride in place by age group	No influence on pride in place and wellbeing assessment

Source: *Frontier Economics.*
Note: *As baseline pride in place and wellbeing measures are not available for the areas, the analysis uses follow-up survey data.*

Annex B Intervention-level case studies

Case study: Kidsgrove

Project context

Kidsgrove is a town located just north of Stoke-on-Trent, in the Newcastle-under-Lyme local authority. As of 2021, the town had a population of approximately 16,000 people (ONS, 2023). Newcastle-under-Lyme is broadly in line with the average level of deprivation in England, with an average overall deprivation ranking of 150th (out of 317 local authorities in England, based on Indices of Multiple Deprivation data for 2019). Kidsgrove town includes several areas of significantly higher deprivation. More than a quarter of the town's population live in areas which are in the top 30% in terms of deprivation in England.

Levels of physical activity in Newcastle-under-Lyme are relatively low compared to the rest of the country: 33% of adults in the local authority were classed as inactive in 2021/22 (defined as doing less than 30 minutes of exercise activity per week), up from 31% in 2019/20 (Sport England, 2025). The adult inactivity rate across England overall is 26% and has been trending downwards over the last few years.

Newcastle-under-Lyme Borough Council was awarded £16.9 million in Town Deal funding for Kidsgrove in 2021. Table B 1 summarises the funding spread across five projects.

Table B 1 Kidsgrove Town Deal Projects

Project name	Project value	Town Deal funding	Project end date
Kidsgrove Sports Centre	£9.9 million	£2.3 million	July 2022
3G pitch at King's Academy*	£0.5 million	£0.2 million	September 2021
Chatterley Valley	£3.5 million	£3.5 million	March 2026
Kidsgrove Station	£3.5 million	£3.3 million	March 2026
Shared Services Hub	£6.2 million	£6.2 million	March 2026
Canal Enhancement	£0.4 million	£0.4 million	March 2026

Source: *Q4 2024 Monitoring Data.*
Note: ** Project received Town Deals Accelerated Funding.*

In this report, we focus on the Kidsgrove Sports Centre and the adjoining 3G pitch. The other projects funded by the Kidsgrove Town Deal are not expected to be completed until March 2026, and are, as a result, out of scope for this case study and the evaluation as a whole.

Kidsgrove Sports Centre is a newly refurbished sports centre located near the centre of the town that re-opened in July 2022 as a community enterprise. The original sports centre

opened in 1973 and closed in 2017. The sports centre is managed and operated by The Kidsgrove Sports Centre Community Group, a registered charity that was established in 2017 by local residents with the sole purpose of reopening the centre.

The new centre includes a range of facilities, equipment and classes available for use by members and visitors, including swimming classes provided in the 25-metre pool, a sports hall with equipment for playing football, badminton, basketball, cricket and many other sports, a gym, a dance and fitness class studio, an indoor cycling studio and additional space for business and community use.

Alongside the centre itself, advanced Towns Fund payments were also used to fund a new 3G pitch and multi-use games area (for netball and tennis) at the adjacent Kings CE Academy. The facilities opened in mid-2021 and, as well as being used by students during the day, a community use agreement means they are available for public hire in the evenings, weekends and holidays.

The rationale and goals for the Kidsgrove Sports Centre, as outlined in its original business case and Kidsgrove's Town Investment Plan, were primarily to:

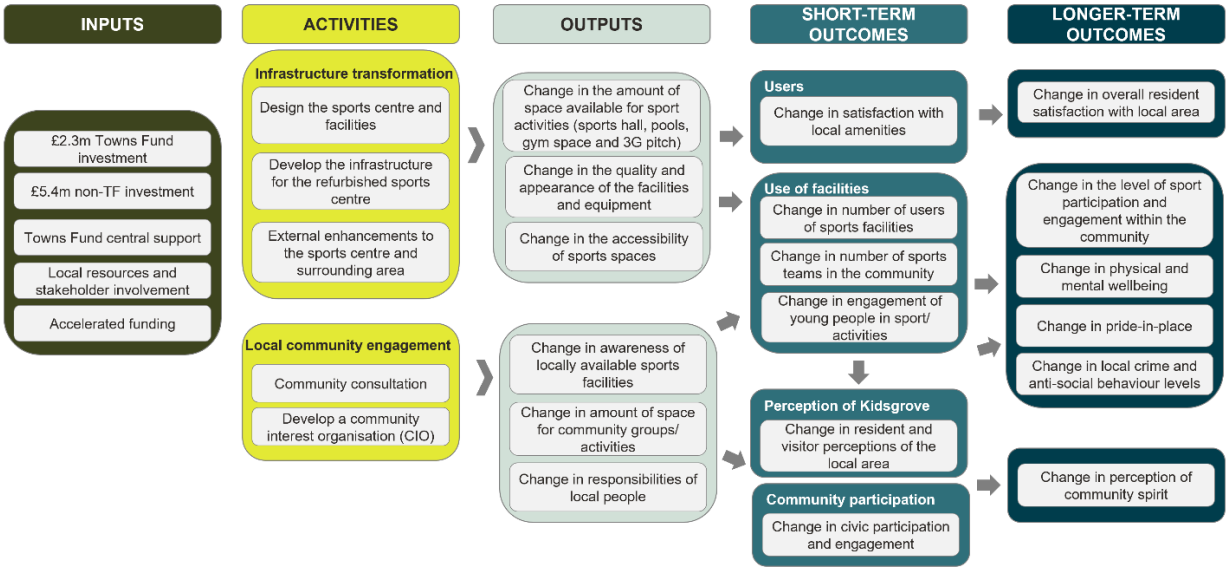
- **Meet the health and wellbeing needs of local residents**. The business case identified a gap in the provision of accessible and affordable leisure and recreation facilities in Kidsgrove. The goal of the centre is to help overcome poor health and wellbeing outcomes, especially for those living in the more deprived areas of the town, by increasing accessibility and participation in sports and recreation.

- **Renew a decaying local asset for the public benefit**. The site represented a large derelict building on council-owned land in the town centre. Redevelopment of the site was intended to restore a community heritage asset.

There are a few alternatives to Kidsgrove Sports Centre for prospective users in the local area. However, most do not provide the same breadth of facilities as the new centre or are located too far away from the town centre to be considered close substitutes. The closest substitutes are three nearby public leisure and recreation centres with wet and dry facilities (Dimensions Leisure Centre, New Horizons Sport and Leisure Centre, and Alsager Leisure Centre). All three have a similar offering to Kidsgrove Sports Centre, but all fall beyond a 10-minute drive time catchment.

Similarly, a survey conducted by the Trust at the time of the original business case in 2021 found that, since the closure of the original Sports Centre, over 63% of respondents no longer participated in recreational sports due to a lack of accessible sports facilities in their area. This supports that there are few accessible alternatives in the immediate Kidsgrove area.

Figure B 1 Kidsgrove Sports Centre logic model



Source: *Frontier Economics, with input from Newcastle-under-Lyme local authority.*
Note: *Barriers and enablers to these outcomes are explored in more detail in the sections below. For a summary of cross-cutting barriers and enablers across the Towns Fund, see Section 3 of the feasibility report.*

Based on the logic model presented in Figure B 1 and the specific context relating to Kidsgrove and the sports centre, the following hypotheses have been developed:

- **Hypothesis 1:** Kidsgrove Sports Centre is located in an area with high levels of deprivation, particularly in the vicinity of the sports centre, and a low baseline level of sport participation (context). The redevelopment is expected to increase the provision of local, accessible, affordable and high-quality sport and fitness facilities (output). Because of a lack of close alternative sports centre options (mechanism), this is expected to encourage local residents to increase their level of sports participation and engagement (mechanism and short-term outcome), leading to a change in measures of resident physical and mental wellbeing (outcome).

- **Hypothesis 2:** There has been a history of underinvestment in Kidsgrove, resulting in underutilisation of town assets (context). The redevelopment of Kidsgrove Sports Centre is expected to improve the quality of local amenities and community offerings (output), because residents value having sports facilities locally (mechanism), which is expected to improve residents' satisfaction with local amenities and increase pride-in and perception-of-place (outcome).

Emerging findings

EVIDENCE THAT THE KIDSGROVE SPORTS CENTRE HAS IMPROVED LOCAL WELLBEING (HYPOTHESIS 1)

There is good evidence to suggest that the development of Kidsgrove Sports Centre has provided high-quality and accessible facilities that meet the needs of the local population. Further evidence suggests that these facilities have helped increase the sports participation of local people, particularly those from more deprived backgrounds, and that the use of the centre is additional, not displacing users from nearby alternatives.

Qualitative input suggests that the fast increase in centre visits and memberships could have been driven by the combination of:

- **strong latent demand**, with limited comparable options in the area since the closure of the previous sports centre
- **strong community involvement and consultation**, which has helped people feel connected with the centre
- **the focus on accessibility**, in particular the efforts to make the facilities accessible to groups with physical disabilities
- **the range of services collocated at the Kidsgrove Sports Centre**, with the presence of a local bank, businesses, and provision of features like wifi, helping it to serve as a wider community hub

Various sources of wider research find a strong link between an increase in sports participation and a host of positive long-term impacts on physical and mental wellbeing in an area. For example, Sport England (2024) research suggests that for every £1 spent on sport-related economic activity, there is a return of £4.20 in the form of wellbeing improvements and cost savings to public health services. Given this and the evidence found to date, the Sports Centre is expected to have a positive effect on physical and mental wellbeing in the area. However, we are unable to identify effects on wider health and wellbeing in the data, due to a lack of baseline data and the fact that it may take time for wider outcomes to emerge.

The provision of accessible, high-quality facilities

The sports centre redevelopment created 6,400m^2 of new space for sporting activities, as detailed above. Whilst some of these facilities were available under the old sports centre, this centre closed to the public in 2017. Interviews with local stakeholders suggest that during the time the centre was closed, similar facilities were not available in Kidsgrove and would require travelling to other localities. The new site has improved and expanded this offering, providing for a range of needs, including specialist equipment for wheelchair users to access the building and swimming pool unassisted.

Qualitative evidence from stakeholder interviews suggests that the facilities provided are well appreciated by local residents. This is supported by the survey data, which shows that 79% of residents are aware of the centre, and 19% have visited it within the last 12 months. Of those who have visited the centre, 64% report doing so at least once a month. Users of the sports centre are very positive about the facilities available, with over 90% of people who have visited in the last 12 months reporting that the facilities meet their needs.

Interviews with local stakeholders suggest that this positive response from local residents reflects the strong community meaning that the centre represents, as the old centre, which closed in 2017, was an important part of the Kidsgrove community. They also reported that the design of the new centre underwent several rounds of community consultation to ensure it met their needs, and that this community consultation was a key factor in achieving local buy-in.

The centre also provides additional facilities for the community, including a Barclays Bank branch, a small space for local businesses (previously rented by a beautician), and the ability to book spaces for community groups. Stakeholders interviewed for this case study suggested that its use as a hub for the wider community, rather than just a centre exclusively for sports, had contributed to its positive reception.

Changes in the level of sports participation

Evidence for the second mechanism (level of sport participation) is less robust, but overall, it supports the notion that sports centre participation in the area has increased.

Membership data provided by Kidsgrove Sports Centre Community Group shows that the centre achieved its membership target (equivalent to the number of members in the old centre at the time of its closure) in the first six months of reopening and has continued to grow. The most common reasons members give for joining the centre are: the location and its accessibility, the centre belonging to the community, its charitable ethos, the range of activities and programmes on offer, and the lower cost and affordability of the centre. This provides evidence to support two mechanisms that are expected to drive sport uptake: there is latent demand for local sports facilities, and people feel connected to the centre due to its community feel.

Footfall data suggests that the centre received an average of around 5,000 visits per month between April 2023 and April 2024. Insight from local stakeholders suggests that 85% of these users come from the Kidsgrove ward and boundary.

The demographics of centre members vary considerably, providing a good cross-section of the public, including 60% female, 30% of users over the age of 60, 22% of users under the age of 18, and 25% of members have registered a physical disability or learning difficulty. While qualitative insights suggest that the centre manages to attract users from locally deprived areas, information collected as part of a locally conducted survey found that, among respondents who reported visiting Kidsgrove Sports Centre in the 12 months prior to May 2024, 42% came from neighbourhoods classified within the 50% most deprived. As most of Kidsgrove would be classed as within the 50% most deprived neighbourhoods, this suggests that the centre is also attracting users from less deprived areas, outside the immediate town boundary.

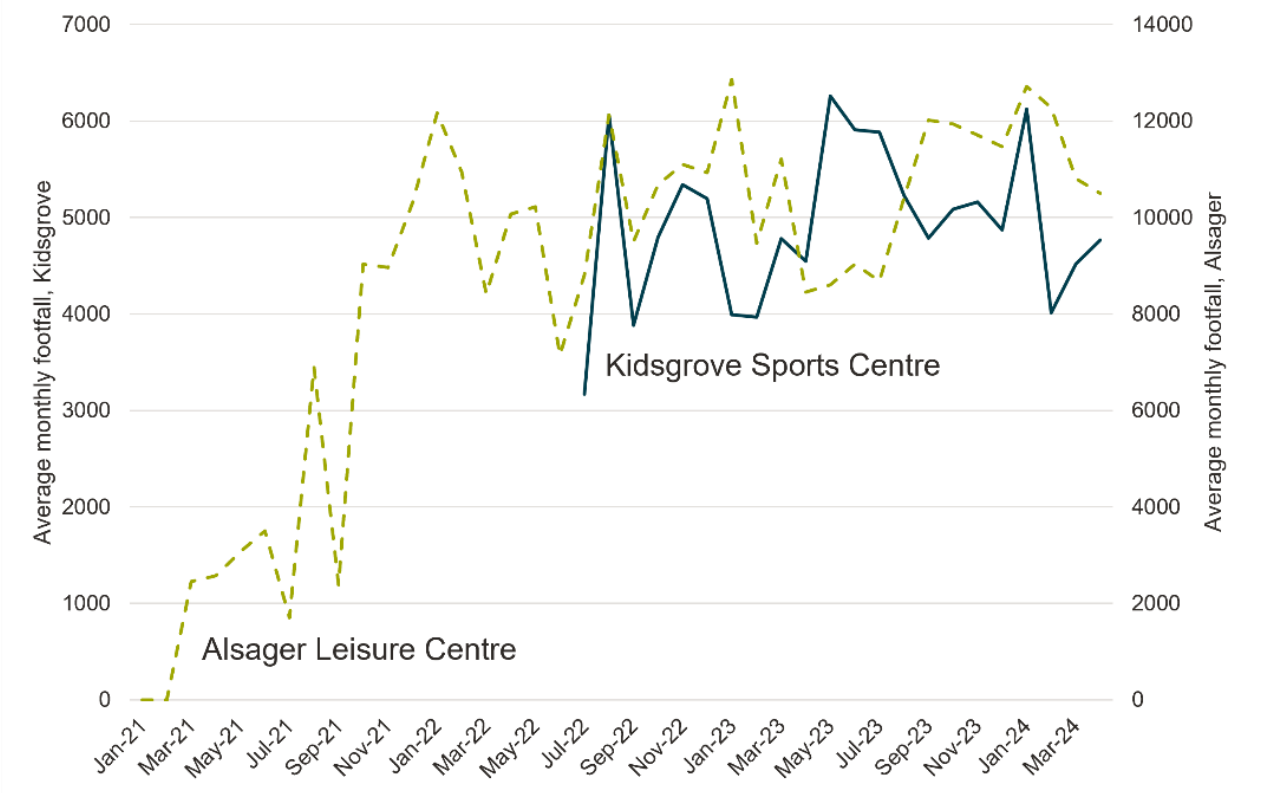
Qualitative input suggests that while the old centre was closed, many residents did not have access to sports facilities, particularly those without access to a car to drive to the nearest alternatives (often a 10 to 15-minute drive away). Stakeholders noted that when the centre was closed, levels of exercise in the area dropped significantly. This was because it was not feasible or convenient for people to travel further afield to access facilities:

> *“I would say [if not for the sports centre], the majority wouldn't go anywhere. When we did the survey at the beginning it was incredible how many people had stopped exercising completely.” Stakeholder*

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 sport due to a lack of accessible sports facilities in their area.

An alternative hypothesis could be that demand for the sports centre is driven by people choosing the centre over nearby alternatives, and therefore does not represent an increase in sports participation. Figure B 2 presents footfall data collected on Kidsgrove and a nearby centre in Alsager (the nearest alternative). This suggests that demand is not being displaced from the closest alternative. As footfall to Kidsgrove Sports Centre increased after opening, Alsager footfall remains consistent with seasonal trends and does not suggest that the new demand for the centre in Kidsgrove has diverted participation away from the Alsager Sports Centre.

Figure B 2 Footfall trends for Kidsgrove and Alsager Sports Centres



Source: Fronter Economics; data provided by Place Informatics.

Changes in physical and mental wellbeing

As shown in Table B 2, the reported life satisfaction of those who had visited the sports centre was, on average, higher than that of those who had not, with 76% of visitors reporting their life satisfaction was high or very high, compared to 68% of non-visitors, suggesting a correlation between usage and life satisfaction. This difference in life satisfaction between visitors and non-visitors was statistically significant at the 5% level. Differences in other self-reported measures of health and wellbeing were not statistically significant, primarily due to the limited sample size of visitors. However, given the long time it usually takes for effects on physical and mental wellbeing to be realised, it is not yet possible to determine the extent to which this could be a causal relationship. In particular, this relationship could reflect that people with higher levels of wellbeing are more likely to attend the Sports Centre, rather than visits to the Sports Centre causing higher levels of wellbeing.

Table B 2 Wellbeing indicators, Kidsgrove

Question	Visited the sports centre at least once a month	Visited sports centre at least once in the previous 12 months*	Not visited the sports centre in the previous 12 months
Overall, how satisfied are you with your life nowadays?	7.8	7.5	6.9
Overall, to what extent do you feel the things you do in your life are worthwhile?	7.8	7.7	7.2
Overall, how happy did you feel yesterday?	7.7	7.5	7.0
Overall, how anxious did you feel yesterday?	3.9	4.1	3.4
Number of respondents**	27	42	171-173

Source: *Frontier Economics.*
Note: *Wellbeing indicators are based on an 11-point scale, where 0 corresponds to 'Not at all [satisfied/anxious…]' and 10 is 'Completely [satisfied/anxious…]'. The table reports a weighted average of respondents' answers.*
** Respondents who reported visiting Kidsgrove Sports Centre at least once a month in the last 12 months are also included among those who have visited Kidsgrove Sports Centre at least once in the last 12 months.*
*** Number of respondents may slightly 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.*

Although robust evidence is not available yet, the direction of correlation suggested by the two mechanisms and evidence from the existing literature (LGA, 2023) provides a reasonable indication that future evaluations may expect positive effects on longer-term physical and mental wellbeing in Kidsgrove as a result of the sports centre project. While the correlation between visiting the sports centre and reported wellbeing was low for individual questions (generally below 0.2), the consistent direction of the correlation coefficients does suggest a positive relationship between visiting the Sports Centre and wellbeing. The one exception is for reported anxiety, where visitors to the Sports Centre were more likely to report higher levels of anxiety.

EVIDENCE THAT THE KIDSGROVE SPORTS CENTRE HAS INCREASED PRIDE IN PLACE AND PERCEPTION OF PLACE (HYPOTHESIS 2)

Consultations conducted by MHCLG to define pride in place highlighted the importance of well-designed local places and the availability of sports and activities in influencing how connected a person feels to a place. This is reflected in Kidsgrove, where the majority of residents believe that it is important to have sports facilities in their local area. The evaluation also found that, on average, residents report thinking that sports facilities in Kidsgrove have improved over the last two years. However, survey data suggest that this is not sufficient to reverse the overall downward trend in pride in place in the local area. In particular, there are large differences between pride in place of users and non-users of the

sports centre, suggesting that the redevelopment of Kidsgrove Sports Centre is unlikely to have influenced wider pride in place at this stage.

Changes in satisfaction with local facilities

For Kidsgrove Sports Centre to influence overall pride in place, there needs to be evidence that residents value having quality sports facilities. Overall, over 60% of residents surveyed agree that it is 'very' or 'fairly' important to have sports facilities in their local area. Among those who have visited the sports centre in the last 12 months, this rises to over 90% (with over 70% stating that it is 'very important').

On average, Kidsgrove residents agree that sports facilities in the area have 'got better' in the past two years, with 33% reporting that facilities have improved compared to only 11% that believe they have got worse. This difference increases by 10 percentage points when considering just those who have heard of the sports centre and by 30 percentage points when considering those who have visited the sports centre in the last 12 months, suggesting a correlation between beliefs about the quality of sports facilities and the completion of the centre. Finally, over 90% of people who have visited the sports centre agree that the facilities are 'very' or 'fairly' suitable for their desired activities.

As a whole, this evidence suggests that the majority of residents believe sports facilities are important and that many also believe these facilities have improved over the past two years.

Changes in pride in place

It is difficult, at this stage, to causally measure changes in the residents' pride in place in Kidsgrove. The survey evidence suggests that visitors to the centre were more likely to report that their local area had become a better place to live in over the past two years. However, due to the lack of baseline data and a clear counterfactual, this only suggests a correlation between visiting the sports centre and the belief that the local area has improved.

In particular, there was a statistically significant difference (at the 5% level) between the proportion of visitors and non-visitors who were proud to live in the local area. The other differences were not statistically significant, primarily due to the limited sample size of visitors. There was also a weak correlation (generally below 0.2) between visitation to the Sports Centre and reported pride in place for each indicator. While the correlation for individual pride in place indicators was weak, taken as a whole across the range of indicators, the consistent direction of this correlation suggests a link between visitation to the Sports Centre and higher pride in place.

Table B 3 shows that the correlation increased with more frequent visitation. Wider pride in place measures appear to have decreased for Kidsgrove over the past two years when compared to the national CLS results. While the sports centre may have helped increase the pride in place for regular users, it is less likely to have influenced that of others in the community.

Table B 3 Wider pride in place indicators

Question	Visited Kidsgrove Sports Centre at least once a month in the last 12 months	Visited the Kidsgrove Sports Centre at least once in the last 12 months*	Not visited the Kidsgrove Sports Centre in the last 12 months	England
Proportion of adults that were (were not) proud to live in their local area	70% (15%)	71% (17%)	52% (21%)	59% (13%)
Proportion of adults that agreed (disagreed) that they would still like to be living in their local area in five years' time	74% (19%)	67% (19%)	61% (19%)	61% (21%)
Proportion of adults that would (would not) recommend their local area to others as a good place to live	63% (7%)	64% (10%)	53% (20%)	66% (13%)
Overall satisfaction (dissatisfaction) with local area as a place to live	63% (15%)	62% (17%)	65% (23%)	74% (11%)
Area has got better in last two years	11%	12%	5%	11%
Area has got worse in last two years	37%	31%	43%	29%
Proportion of adults that were satisfied (dissatisfied) with local services and amenities in their local area	70% (15%)	69% (14%)	64% (18%)	Not Applicable
Sample size**	27	42	172-176	Not Applicable

Source: *Frontier Economics.*

Notes: ** Respondents who reported visiting Kidsgrove Sports Centre at least once a month in the last 12 months are also included among those who have visited Kidsgrove Sports Centre at least once in the last 12 months.*

*** Number of respondents may slightly 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.*

Case study: Loftus

Project context

Loftus is a market town located in North Yorkshire, within the Redcar and Cleveland local authority. As of 2021, the town had a population of approximately 4,000 people. The Lower layer Super Output Area (LSOA), which includes central Loftus and Duncan Place, is in the 20% most deprived LSOAs nationally (MHCLG Indices of Multiple Deprivation, 2019). It is in the top deciles of deprivation nationally for income, employment, and education and skills, and in the 20% most deprived LSOAs for health outcomes.

Redcar and Cleveland Borough Council was awarded £5.8 million in Future High Streets Fund (FHSF) funding for Loftus. Table B 4 shows how the funding is spread across six projects.

Table B 4 Loftus FHSF Projects

Project name	Project value	FHSF funding	Project end date
Transport connectivity scheme	£0.9 million	£0.4 million	April 2024
Temperance Square	£3 million	£1.8 million	March 2025
Duncan Place	£2.2 million	£1.7 million	August 2023
Coronation Park	£1.3 million	£1.1 million	May 2024
Library Site Car Parking	£0.4 million	£0.4 million	April 2024
Historic Market Place	£0.4 million	£0.4 million	November 2023

Source: MHCLG project monitoring returns.

This report focuses on the Duncan Place project. The role of the adjacent Coronation Park on the usage of facilities at Duncan Place has also been considered, due to the proximity of the park and the fact that it is intended to affect similar outcomes and the usage of Duncan Place itself. None of the other projects funded by the Loftus Future High Streets Fund were expected to deliver the same outcomes as Duncan Place over the same time period.

Duncan Place is a newly redeveloped community hub in Loftus. Prior to the extension and renovation of the space, Duncan Place was the site of a Family Hub, as well as wider youth and community services. The Family Hub provides integrated family services to local residents, including post-natal services, relationship support, early years support, and health advice. The youth services included sports elements, as well as arts and crafts activities for local youths and young adults with special needs.

As part of the renovation, the site has been updated and extended to include local library services. The library was relocated from its previous location nearby, and the old site was demolished to make way for a car park. This relocation has led to the construction of two extension areas to the existing building: a new entrance and library area (expanding on the

previous sports hall space) and a new activity and sports hall. The renovated facility was completed in August 2023.

Adjacent to Duncan Place is Coronation Park. As part of the regeneration work, enhancements were made to the park. This includes additional pedestrian pathways, updates to the park entranceways and green spaces, and a feature wall to more prominently display the entrance to the park and Duncan Place.

As set out in Duncan Place's original business case, the original aims of the project were primarily to:

- **Meet the health and wellbeing needs of local residents** by collocating family, youth and community, and library services in one upgraded building, creating a new community hub for Loftus and the surrounding area. This was expected to encourage enhanced library usage. The redevelopments to Coronation Park were expected to complement this by encouraging visitation to Duncan Place and providing additional outdoor space for reading and learning.

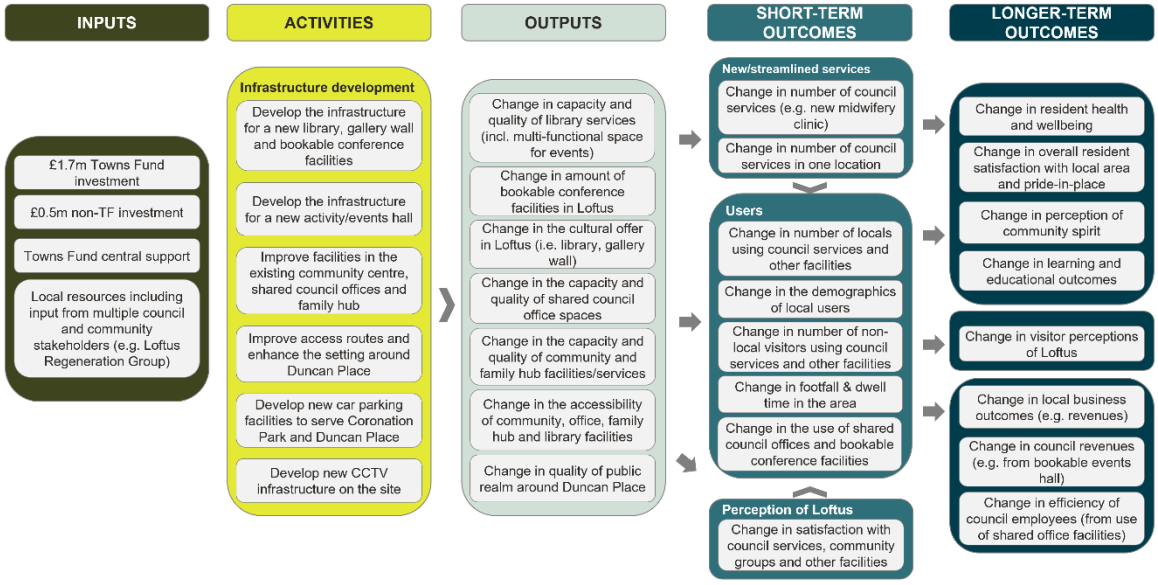
- **Drive improved perception and visitation of Loftus** by improving the quality of the local environment and providing an improved experience for the local community and visitors, alongside other Future High Streets Fund-funded projects. In the longer run, this was expected to improve footfall and economic activity in the high street area as part of the wider Future High Streets Fund portfolio.

In particular, creating an enhanced and more appealing space for library users was expected to allow for further uptake of library services. Benefits are also expected from locating various community spaces in one location and improving the appearance of the adjacent Coronation Park to help drive foot traffic to Duncan Place. Overall, this is intended to improve the visitor and cultural offer within Loftus, and (alongside other Future High Streets Fund projects in the area) improve local pride in place, providing visitors with increased reasons to visit Loftus.

There are a few alternatives to the Duncan Place offering in the area around Loftus. The nearest libraries are located in Skelton and Saltburn, both of which are approximately five miles away from Loftus. Similarly, the nearest comparable Family Hub and Youth and Community Centre is located in Skelton. These fall beyond a 10-minute drive time catchment.

Figure B 3 sets out a logic model that has been developed and validated in collaboration with the local authority.

Figure B 3 Duncan Place logic model



Source: *Frontier Economics.*
Note: *Barriers and enablers to these outcomes are explored in more detail in the sections below. For a summary of cross-cutting barriers and enablers across the Towns Fund, see Section 3 of the feasibility report.*

Based on the specific context relating to Loftus and Duncan Place, two main hypotheses were developed and explored as part of these case studies. Note that this does not cover all potential outcomes of Duncan Place (in particular, longer-term impacts on overall visitation to the High Street in Loftus), but rather focuses on the key hypotheses for Duncan Place's primary expected outcomes.

- **Hypothesis 1:** Loftus is located in an area with very high levels of deprivation. It struggles with an ageing population, difficulties retaining working-age people and many other socio-economic difficulties, including low literacy rates (context). The Duncan Place development is expected to improve the capacity, quality, and usage of library services, as well as to collocate council services in one location (output). By creating a nice-looking place that people want to visit and making it easier to refer across the services (mechanism), it is expected to increase the number of visits to Coronation Park and Duncan Place and increase the usage of the library and other services (short-run outcome), increasing measures of residents' physical and mental wellbeing (outcome).

- **Hypothesis 2:** Loftus is the most economically underperforming centre within Redcar and Cleveland and lacks 'identity and purpose' (Loftus Future High Streets Fund Business Case 2020) (context). By increasing the cultural offer and appearance of central Loftus in a way that appeals to a range of residents (mechanism), the Duncan Place development is expected to improve resident satisfaction with the amenities in the town centre and, eventually, improve pride in and perception of place (outcome).

These hypotheses and expected outcomes relate to the evaluation questions on local wellbeing and social mobility, as well as pride in and perception of place.

Emerging findings

EVIDENCE THAT DUNCAN PLACE HAS IMPROVED LOCAL WELLBEING (HYPOTHESIS 1)

There is good evidence to suggest that the redevelopment of Duncan Place and the adjacent Coronation Park has led to an improved visitor experience and improved the quality and appearance of library services in Loftus. Overall usage of library services in Loftus also appears to have increased since the completion of Duncan Place, although it remains below its pre-COVID-19 level. A lack of baseline data makes it difficult to assess changes in wider wellbeing metrics in Loftus, although there is an observed correlation between higher life satisfaction and visitation to Duncan Place among local residents.

Local stakeholders (including local residents) indicated that the positive effects on usage and satisfaction of Duncan Place were enabled by:

- **benefits from collocating multiple services**, which made it easier to access and organise activities in one place
- **the quality and accessibility of the space**, which appeal to local residents and made it feel more welcoming
- **the ability to offer new activities** in the newly updated space

Where unexpected negative effects occurred or stakeholders felt that outputs could have been better, they attributed this to a lack of consultation with specific groups.

Changes in the quality of the facilities

Over 226m^2 of space has been added to Duncan Place as a result of the improvements and extensions made to the library space, the construction of the new activities hall, and the addition of a clinic room and more space for health visitors at the Family Hub. Stakeholders also highlighted the new children's area in the library space.

Before the redevelopment of Duncan Place, local stakeholders reported a lack of coordination between spaces and services within Loftus. They reported that the old library was no longer fit for purpose, and that attracting people (especially families) to the space was a challenge due to a lack of an inviting space. The previous library also had issues with asbestos.

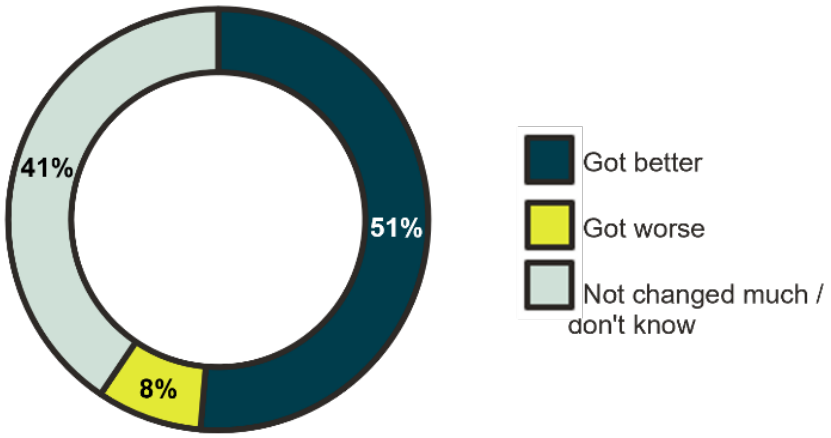
Since the renovation, stakeholders from Duncan Place, the local council, and the local community have reported that the new building has become more welcoming to visitors and that the overall quality of the library has improved. They attributed this to the more open look of the library itself, particularly the children's and family space, the benefits of the new entrance being more visible and adjoining the improved Coronation Park, and the quality of the new finishes. Local beneficiaries were particularly positive about the ease with which it was now possible to coordinate and carry out a range of activities in Duncan Place, such as arts and crafts, due to the new expanded facilities. They reported that some of these activities would not have been feasible in the previous library or Duncan Place before its renovation.

This finding is consistent with the retrospective survey conducted among residents in the Loftus area in September and November 2024. This survey found that, of those who had visited Duncan Place in the 12 months to September, 73% were satisfied with the centre, compared to only 3% who were dissatisfied. Figure B 4 shows that over half of all visitors reported that the library had improved since relocating to Duncan Place, with only 8% reporting that it had got worse.

Where respondents suggested that the library had got worse, beneficiaries interviewed for this report suggested that this was due to some local residents being very averse to any change, rather than an issue with the renovated facilities specifically.

While overall community feedback on the new library facilities was very positive, stakeholders indicated that in some instances, further consultation could have enhanced the facilities even more. In particular, they noted that the configuration of the space (in particular the meeting rooms) was not appropriate for some activities, in particular children who require more open spaces to move around.

Figure B 4 Visitor views on change in Loftus library, since relocating to Duncan Place



Source: *Frontier Economics, based on a resident survey in Loftus.*
Note: *Question asked: 'Do you think that since relocating to Duncan Place, the Loftus Library has…?'. Responses cover respondents who had visited Duncan Place in the previous 12 months (74 respondents).*

Feedback from local stakeholders on the change in the family and youth services facilities was more mixed. Outside of some additional space for a clinic and health visitors, stakeholders at the Family Hub reported that there was no material change in the facilities for family services.

Stakeholders also reported that the new sports facilities in the activities hall were not fit for purpose. This was a result of the environmentally friendly design of the new space, resulting in it not being possible to play certain sports (such as football) in the hall without damaging the facilities. Additionally, changes to the security alarm system restrict the hours at which youth services can operate. While there was strong consultation with the community in general on the redevelopment and design of Duncan Place, the lack of involvement of young people, who used the previous sports hall, in the design of the facility appears to have had some unexpected negative consequences for youth services specifically.

Changes in the usage of services at Duncan Place

Evidence on overall increases in library usage in Loftus is positive. According to local stakeholders, the issues with the old library mentioned above resulted in a library with one of the lowest usage rates in the wider region. Staff at the Loftus library indicated that, between reopening in August 2023 and July 2024, library usage had increased noticeably, although overall usage had not returned to pre-COVID-19 levels.

The survey of the local area carried out in September and October 2024 found that 29% of respondents had visited Duncan Place since it reopened in August 2023. Of these visitors, 62% had used the library. Overall, this suggests that approximately 18% of local residents visited the library since it reopened. Usage of the library includes book borrowing and reading, as well as participation in wider activities such as photography and arts and crafts.

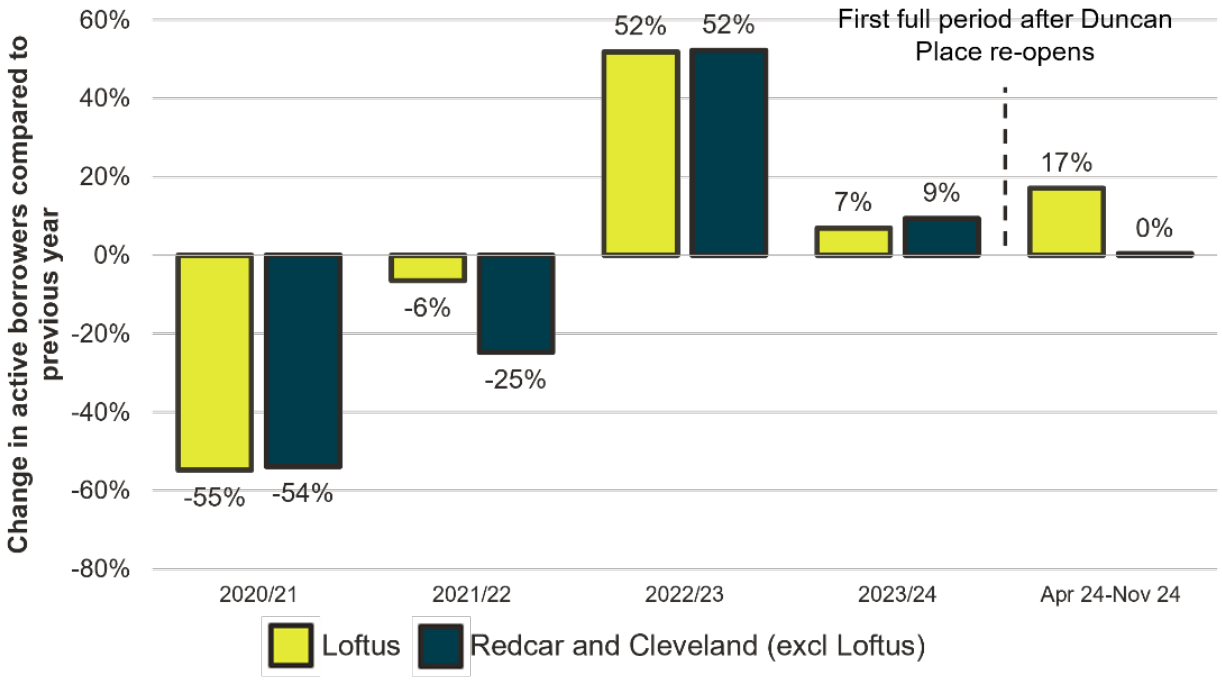
This level of library attendance is lower than the national averages of library attendance (DCMS, 2025), with 30% of adults visiting a library at least once a year as of 2023/24. However, given the low reported usage of the library prior to the relocation, this alone does not inform whether usage of the library has increased or decreased. Of respondents who used library services, 41% were between the ages of 18 and 55, and 59% were older than 55. This may also be affected by the fact that respondents to the survey were slightly older when compared to the actual population of the local area.

While the resident survey evidence is not conclusive, library usage data provided by Redcar and Cleveland libraries more strongly supports that the redevelopment of Duncan Place has resulted in a positive change in library usage in Loftus. In particular, while library usage remains slightly below pre-COVID-19 levels, the redevelopment of Duncan Place has led to an increase in library usage compared to other libraries in the region.

Overall, the number of active borrowers at Loftus library was still 31% lower over the period from 1 April 2023 to 31 March 2024, when compared to the same period in 2019/20 (compared to 42% lower in the rest of Redcar and Cleveland). Library stakeholders attributed this to a significant growth in e-book and audiobook borrowing post-COVID-19 (increasing by 350% between 2019/20 and 2023/24), as well as other general changes in habits as a result of the library closures during the pandemic.

However, Figure B 5 shows that the active borrowers have increased noticeably in the period since the completion of Duncan Place. There were 480 active borrowers during the period from 1 April to 30 November 2024, a 17% increase from the entire 2023/24 period. This was the largest increase for any library in the Redcar and Cleveland area, with the next highest changes observed in Marske and Saltburn (9% and 6% respectively). Similarly, Loftus had the fourth-highest change in overall visitors over the period from 1 April to 30 November 2024 relative to the previous year (out of 11 libraries for which data is available), lagging only slightly behind the leading libraries.

Figure B 5 Change in active borrowers at libraries in Redcar and Cleveland



Source: *Frontier Economics, based on data provided by Redcar and Cleveland libraries.*
Note: *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. Data provided by Redcar and Cleveland libraries covered 13 libraries in the Redcar and Cleveland local authority.*

It is possible that some of this increased usage is being driven by users shifting away from other libraries in the area. However, overall displacement effects are likely to be limited, based on the evidence gathered for this report. The nearest alternatives are located more than a 10-minute drive away, in other towns. Beneficiaries interviewed for this report indicated that while some people will travel between libraries in different areas, in general, the physical links between these libraries are limited, particularly for residents without access to personal vehicles, due to limited public transportation options.

Stakeholders attributed increased library usage to a few key factors:

- the redeveloped building is more attractive and welcoming, and overall improvements in the quality of the library
- new activities provided at the library, such as new photography and writing groups, and additional activities over the holidays (such as 'spider story time' during Halloween)
- the collocation of multiple services has improved visibility of the various services at Duncan Place and brought in users who might not otherwise have used the library (such as young people)

The 'Summer of Arts' event held at Duncan Place from May to September 2024 was specifically highlighted as a driver of increased participation and membership. This programme, which included arts and other community activities, involved participation from an estimated 420 attendees aged 3 to 70. The team at Loftus Library noted that library

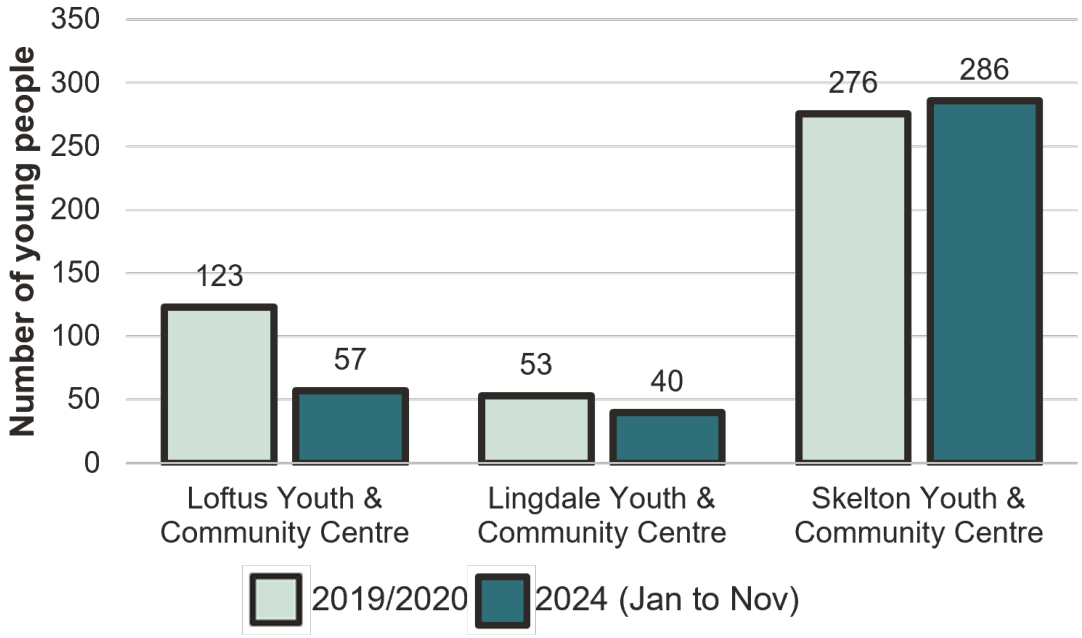
membership grew throughout the project, and that it would not have been possible to organise an equivalent event at the old library facilities.

Stakeholders reported that there had not been a material change in the usage of family services. While the redevelopment has resulted in additional clinic space and space for health visitors, the only additional service offered at the Family Hub following the redevelopment is a new midwifery clinic, whose usage was reported to be limited as of October 2024. However, family services stakeholders reported that there were synergies from having the library and family services in close proximity, by providing greater visibility of the activities in both the library and family hub and by enabling cross-promotion of activities (such as the baby group in the library). They also reported expected benefits for child and adult literacy for users of the family hub, as it is now easier to refer people to library services and coordinate with the library's team.

Youth services appear to have been negatively affected by the redevelopment of Duncan Place. Changes to the facilities resulted in the new activities hall being inappropriate for use in some sports, such as football, and limitations on its out-of-hours usage. Some youth services have also relocated to another venue in Loftus, as a result of the closure of Duncan Place during the refurbishment. Figure B 6 shows that these have contributed to a drop in attendance at youth services when compared to other comparable youth services facilities in the region. Stakeholders reported that the focus has been primarily on older users of youth services, with the younger cohort of users actually increasing.

A 2024 report commissioned by the Department for Culture, Media and Sport found a positive and clear association between participation in youth provision and short-term improvements in physical health and wellbeing. This suggests that a negative impact on the provision of youth services from the redevelopment of Duncan Place may negatively affect local young people's health and wellbeing.

Figure B 6 Youth services attendance, Loftus and comparators



Source: *Frontier Economics, based on data provided by the youth services team in the Redcar and Cleveland local authority.*

However, stakeholders referred to some positive benefits for youth services as a result of the collocation with library services. Notably, they highlighted that it is easier for staff to engage with young people who are being disruptive in the library and encourage them to participate in youth services. This was expected to have benefits in the longer term in terms of improving youth community engagement and reducing some instances of anti-social behaviour.

Overall changes in on wellbeing of local residents

While there is some evidence that the projects may be affecting health and wellbeing in Loftus, overall, evidence of impacts at this stage is limited.

Previous research has found that library services generate significant value for users. Research commissioned by Arts Council England in 2015 found that library users were willing to pay £19.51 per year to maintain current library services, with this amount increasing for users who utilised libraries for wider health services and community activities. The research also found that being a regular library user is associated with a 1.4% increase in the likelihood of reporting good general health. More recent research published by the New York Public Library in 2024 found that library usage increased the rate at which users reported good mental health, with stronger effects for users with lower incomes.

Visitors to Duncan Place were more likely to report being very satisfied with their lives, with 36% of Duncan Place visitors reporting they were very satisfied compared to 26% of non-visitors. Table B 5 shows that life satisfaction, happiness, and levels of anxiety were consistently better for visitors to Duncan Place when compared to non-visitors. Only the differences in overall life satisfaction were statistically significant, and the correlation between visitation and reported wellbeing was relatively weak (in general below 0.2) within individual indicators. However, taken as a whole across the range of indicators, the consistent nature of the relationship and direction of the correlation suggests a relationship between visitation to Duncan Place and higher levels of wellbeing.

Wellbeing indicators were also higher for more frequent visitors to Duncan Place when compared to less frequent visitors. However, this is a correlation, and non-visitors may differ from visitors and have systematically lower personal wellbeing for other unobserved reasons. For example, people with higher wellbeing may be more likely to visit Duncan Place, rather than the visits to Duncan Place causing higher individual wellbeing.

Table B 5 Wellbeing indicators, Loftus

Question	Visited Duncan Place at least once a month since opening	Visited Duncan Place at least once since opening*	Not visited Duncan Place since opening
Overall, how satisfied are you with your life nowadays?	8.2	7.8	7.4
Overall, to what extent do you feel the things you do in your life are worthwhile?	8.5	8.0	7.7
Overall, how happy did you feel yesterday?	8.3	7.8	7.5
Overall, how anxious did you feel yesterday?	2.3	2.5	2.9
Number of respondents**	23-24	71-72	175-177

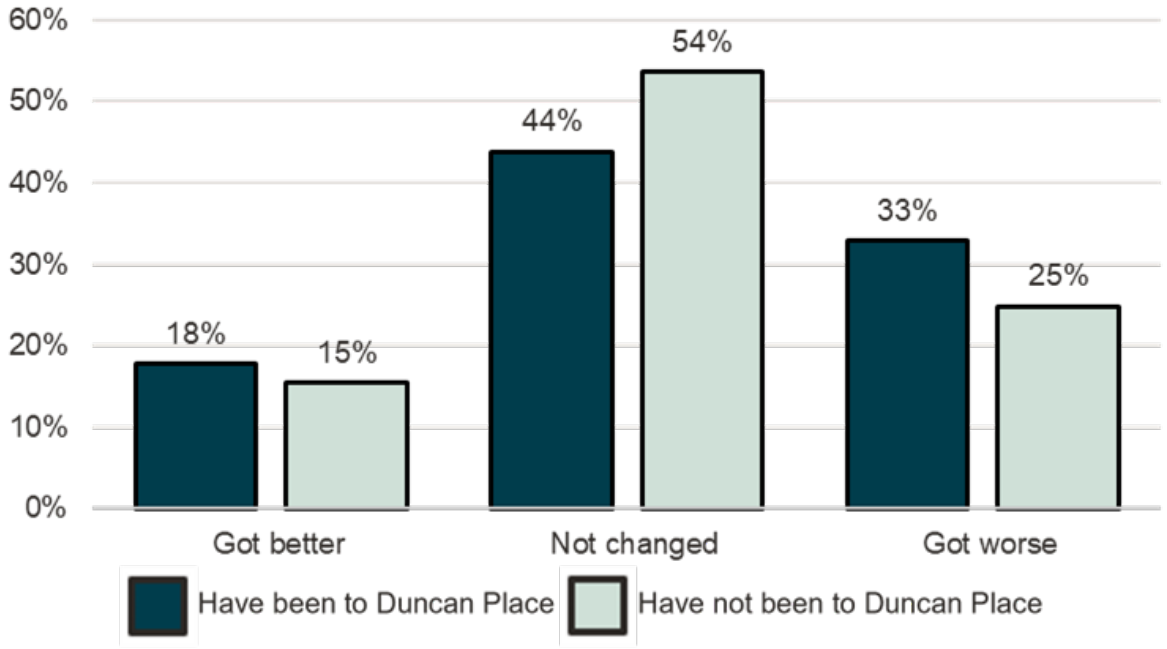
Source: *Frontier Economics, based on a resident survey in Loftus.*
Note: *Wellbeing indicators are based on an 11-point scale, where '0' corresponds to 'Not at all [satisfied/anxious…]' and 10 is 'Completely [satisfied/anxious…]'. The table reports a weighted average of respondents' answers.*
** Respondents who reported visiting Duncan Place at least once a month since opening in August 2023 are also included among those who have visited Duncan Place at least once since opening.*
*** Number of respondents may slightly 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.*

EVIDENCE THAT DUNCAN PLACE HAS IMPROVED OVERALL PRIDE IN AND PERCEPTION OF PLACE (HYPOTHESIS 2)

As noted above, there is good evidence that the overall facilities at Duncan Place have improved and that residents and users of the space are happy with the services being provided. However, evidence on overall impacts on pride in and perception of place is limited at this stage.

Overall satisfaction with the local area appears to have decreased in the two years to September 2024, broadly consistent with the change seen in England. Figure B 7 shows that 15% of respondents to the survey who had not visited Duncan Place reported that they thought their area had got better in the past two years, while 25% reported it had got worse. Visitors to Duncan Place expressed slightly stronger views overall, with 18% reporting that the area had got better and 33% reporting it had got worse. By comparison, in 2023/24, 11% of respondents to the Community Life Survey in England reported that their local area had got better over the past two years, while 29% said it had got worse.

Figure B 7 Reported change in the local area over the past two years



Source: *Frontier Economics, based on a resident survey in Loftus.*
Note: *Question asked: 'Do you think over the past two years your area has…?'. The sample covers 73 users who had been to Duncan Place, and 181 respondents who had not been to Duncan Place.*

It is difficult at this stage to causally measure changes in resident pride in place in Loftus, due to the influence of wider factors beyond Duncan Place. For example, broader changes in the local area can influence the appearance, employment opportunities, and cost of living. The lack of baseline data for Loftus also affects the ability to attribute causality.

However, across the main pride in place indicators in Table B 6, a greater proportion of visitors to Duncan Place reported higher pride in place when compared to non-visitors. Pride in place was also higher for more frequent visitors who had visited Duncan Place at least once a month since its reopening. While most of these differences were not statistically significant due to the limited sample size, the difference in satisfaction with local services and amenities was statistically significant at the 1% level. There was also a consistent weak correlation between visitation and measures of pride in place, generally below 0.2. While the differences and correlation within individual questions across visitors and non-visitors were not particularly significant, taken as a whole, the consistent nature of the relationship suggests a correlation between higher pride in place and the usage of services located at Duncan Place.

This is consistent with previous research on visitation. Previous research by the Local Government Association (LGA, 2022) found that two of the four factors driving local pride in place are:

- good local amenities
- sufficient social connections

Stakeholder input suggests that Duncan Place is affecting both of these factors.

Table B 6 Wider pride in place indicators, Loftus

Question	Visited Duncan Place at least once a month since opening	Visited Duncan Place at least once since opening*	Not visited Duncan Place since opening	England
Proportion of adults that were (were not) proud to live in their local area	79% (8%)	67% (14%)	64% (13%)	59% (13%)
Proportion of adults that agreed (disagreed) that they would still like to be living in their local area in five years' time	78% (4%)	75% (10%)	68% (18%)	61% (21%)
Proportion of adults that would (would not) recommend their local area to others as a good place to live	61% (9%)	61% (18%)	62% (13%)	66% (13%)
Overall satisfaction (dissatisfaction) with local area as a place to live	88% (4%)	71% (13%)	73% (14%)	74% (11%)
Area has got better in last two years	17%	18%	15%	11%
Area has got worse in last two years	33%	33%	25%	29%
Proportion of adults that were satisfied (dissatisfied) with local services and amenities in their local area	83% (8%)	70% (14%)	62% (14%)	Not Applicable
Sample size**	23-24	71-73	175-181	Not Applicable

Source: *Frontier Economics, based on a resident survey in Loftus.*
Note: ** Respondents who reported visiting Duncan Place at least once a month since opening in August 2023 are also included among those who have visited Duncan Place at least once.*
*** Number of respondents may slightly 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.*

OTHER EVIDENCE: ECONOMIC GROWTH AND BUSINESS DECARBONISATION

Outside of the primary outcomes considered above, evidence provided by Redcar and Cleveland Council through their monitoring data also supports that the Duncan Place project supported 15 temporary full-time equivalent (FTE) jobs through the renovation work, led to the creation of one additional FTE employee, and safeguarded the jobs of five additional FTE employees. An assessment carried out by an engineering firm commissioned by the local authority also found that the renovation work had led to an 8.3% annual reduction in emissions from the building, relative to the emissions per square meter in the previous building. This was achieved by incorporating LED lighting, new natural ventilation, photovoltaic panels, and a new heat pump.

While wider economic effects were not the focus of this case study, due to time lags and the focus of the project, wider changes in footfall and economic indicators from the projects in Loftus will be considered as part of the programme-level evaluation.

Case study: Yeovil

Project context

Yeovil is a town located in the Somerset local authority, in the South West of England. As of 2021, the town had a population of approximately 50,000 people (ONS, 2023). Yeovil is an area of mixed deprivation levels. It includes some areas of high deprivation, with three LSOAs in the top 10% most deprived nationally (Somerset Intelligence, 2019). Yeovil town centre was one of the 20% most deprived nationally. However, Yeovil also includes an LSOA in the 1% least deprived nationally, and overall, Somerset is less deprived than the national average.

Somerset Council was awarded nearly £10 million in Future High Streets Fund funding for Yeovil. Table B 7 outlines the funding spread across five projects.

Table B 7 Yeovil FHSF Projects

Project name	Project value	FHSF funding	Project end date
Glovers Walk	£2.7 million	£2.7 million	June 2025
Middle Street West	£1.9 million	£1.5 million	June 2024
Borough and High Street	£1.6 million	£1.3 million	December 2023
The Triangle	£3.3 million	£2 million	January 2024
66 and 96 Middle Street and Grimsby Corner	£2.2 million	£2.2 million	September 2027

Source: MHCLG project monitoring returns.

This report focuses on the Borough and High Street project. The role of the adjacent Middle Street West project has been included as part of the connected-project approach. This is due to both projects being located in close proximity to one another (directly

adjacent) and are expected to drive similar pride in and perception of place, as well as wider economic growth outcomes through the regeneration of the town centre.

The Borough and High Street Project delivered increased pedestrianisation of the High Street, including restricting traffic movements to buses and taxis. To support this pedestrianisation, footpaths were widened, additional bench seating and street lighting were installed, and additional trees were planted along the High Street. The setting of the clock tower, a prominent feature of the town centre, was also decluttered to improve its appearance. The Borough, an open space on the eastern end of the High Street, which centres on the war memorial, was enhanced with additional paving and pedestrian space, new and additional seating, and an improved and more accessible pedestrian crossing point to Middle Street. Works on the Borough and High Street were completed in December 2023.

The Middle Street West project borders the eastern end of Yeovil High Street. Middle Street West was a pedestrianised street prior to the regeneration work. The regeneration works focused on widening footpaths and paving spaces, adding additional street planters, trees, and bench seating. It also changed traffic flows to allow Blue Badge Holder parking and deliveries while restricting other traffic flows. Works on Middle Street West were completed in June 2024.

Both of these projects are part of the wider Yeovil Refresh project portfolio, a series of regeneration works in the Yeovil town centre. This includes other projects directly funded by the Towns Fund, such as The Triangle, Glovers Walk, and 66 and 96 Middle Street and Grimsby Corner, as well as non-Towns Fund projects, including the improvements made to Westminster Street, adjacent to the high street. These works began in 2019, and while some have completed much of the wider regeneration work is ongoing as of early 2025.

As set out in Yeovil's original Future High Streets Fund business case, the original aims of the Borough and High Street and Middle Street West project were to:

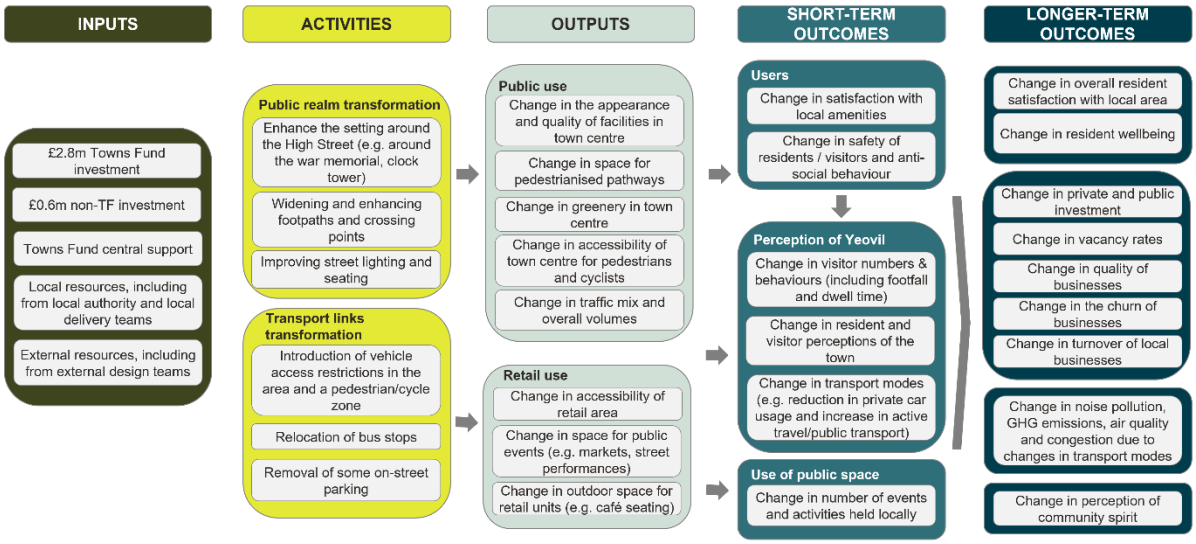
- **Make the town centre an important focus for public life and civic activity, transforming perceptions of Yeovil.** The disjointed public realm, poor-quality streetscaping, lack of greening, accessibility issues, lack of focus on pedestrians, and anti-social behaviour (particularly on Middle Street) were reported to contribute to a negative perception of Yeovil overall.

- **Improve footfall and the quality and performance of the retail offering on the high street.** The higher-quality environment delivered through the regeneration work was intended to stimulate additional footfall and dwell time, and support an investment-friendly environment. This, in turn, was expected to stimulate growth in both the day and night-time economies.

In terms of retail alternatives, there are retail parks on the western and eastern edges of Yeovil town centre, over a mile away in either direction. As a result, some displacement effects between these areas may occur as a result of changes made to the town centre.

Figure B 8 summarises the expected outcomes from the Borough and High Street and Middle Street West regeneration.

Figure B 8 Borough and High Street and Middle Street West logic model



Source: *Frontier Economics.*
Note: *Barriers and enablers to these outcomes are explored in more detail in the sections below. For a summary of cross-cutting barriers and enablers across the Towns Fund, see Section 3 of the feasibility report.*

Based on the specific context relating to Yeovil and the Borough and High Street and Middle Street West projects, two main hypotheses were developed and explored as part of these case studies. Note that this does not cover all potential outcomes of the projects in question, but rather focuses on the key hypotheses for the projects' primary expected outcomes.

- **Hypothesis 1:** Yeovil's civic and cultural spaces are in decline (Yeovil Future High Streets Fund Business Case 2020) (context). The redevelopment of the High Street, Borough, and Middle Street West will improve the appearance and accessibility of the town centre (output). By improving the appeal of central spaces and the satisfaction of residents with the town centre and local amenities (mechanism), the development is expected to increase residents' perception of Yeovil and pride in place (outcome).

- **Hypothesis 2:** Yeovil's town centre has lost many important shops in recent years, leading to high vacancy rates and low footfall (context). By improving local amenities and events (output), the redevelopment of the High Street, Borough and Middle Street is expected to improve community spirit and attract more residents and visitors to the town centre (mechanism and short-term outcome). This is expected to improve the outcomes of local businesses (outcome).

Emerging findings

EVIDENCE THAT THE PROJECTS HAVE IMPROVED PERCEPTION OF AND PRIDE IN PLACE (HYPOTHESIS 1)

Overall, while local community and business stakeholders agreed that the completed projects had improved the look and feel of the town centre, they noted a couple of key barriers which had led to negative overall perceptions of the local community:

- **the ongoing disruption** caused by the regeneration work in the wider area

- **a perceived lack of communication** around the changes being made and when they would be finished

These barriers have contributed to negative perceptions of the town centre and are likely to delay the realisation of some benefits until the wider regeneration work completes and the disruption to the town centre diminishes.

Overall pride in place appears to be relatively low in Yeovil, with no discernible difference between more and less frequent visitors to the town centre.

Change in the appearance and quality of the high street area

Stakeholders and local residents engaged through the workshops reported that the regeneration work was a positive for Yeovil overall and that the completed works on Yeovil High Street and Middle Street had improved the look and feel of the area. These improvements in appearance were mainly attributed to the improved pedestrianisation and to the new streetscaping and seating. However, they also consistently reported that they did not feel that the community was adequately involved in co-creating the projects and that communication had been a barrier to their reception by the local community.

Community stakeholders also highlighted the ongoing disruption created by the regeneration works, which is having a negative effect on the town centre. For example, local community groups reported that the ongoing construction work had restricted the number and type of events which they could hold in the town centre, such as the Eat Festival and the event celebrating and switching on the town's Christmas lights. The disruption caused by the works (including, but not limited to, the High Street, Borough and Middle Street West projects) and the length of time the area has been under construction have led to a large number of complaints from the public and local businesses. Local authority stakeholders suggest this disruption is a short-term concern, due to the project being part of a much larger and longer-ranging package of regeneration investment in the area. Overall, this ongoing disruption and perceived lack of communication are likely to result in a delay in the realisation of emerging outcomes, and in the short run, they have contributed to a negative sentiment regarding the town centre in Yeovil.

Part of the community engagement issues appear to be driven by the length of time it has taken to plan and complete the works. Initial community consultations were held in 2019, and by the time the fieldwork for this evaluation was carried out in November 2024, local residents and community groups appeared to be largely unaware that there had been community consultation. Local authority reflection also suggests that COVID-19 and the reorganisation of the council in 2023 affected the amount of public consultation and communication about the works.

This is consistent with the evidence from the resident survey. Of respondents who visited Yeovil Town Centre at least once a week, 13% reported Yeovil Town Centre had become more attractive over the past two years, while 71% reported it had become less attractive (with the remainder saying it had not changed much, or that they were unsure). Similarly, over half of respondents reported that they were dissatisfied with the services and amenities in their town centre, compared to less than a fifth of respondents who were satisfied. Satisfaction with shops and retailers was higher, with over half of respondents reporting that they were satisfied with the shops and retailers available in their local area.

Change in perception of and pride in place

Table B 8 shows that the overall pride in place in Yeovil appears low. Only around 3% of residents reported that they thought their local area had got better in the past two years, while 37% reported it had got worse. Fewer than half of residents reported that they were proud to live in their local area, while 13% reported that they were not proud to do so. There were no discernible differences across respondents who visited the town centre more or less frequently.

The main reasons for pride given by residents who were proud to live in their local area were that it is a safe area to live in, and because of the green and natural spaces nearby. The main reasons given for a lack of pride were a lack of shops or local facilities, and the fact that the area was run down. As the overall aim of the Towns Fund projects in Yeovil (and the Yeovil Refresh as a whole) is to improve the appearance of the area and the quality of shops and facilities, the projects may contribute to improving pride in place in the longer term. However, those effects do not appear to have been realised at present.

While safety was not a material concern overall, stakeholders highlighted some increases in anti-social behaviour due to the regeneration work. In particular, they noted that adding additional seating and making the town centre a more appealing place to stay had led to increased loitering and drinking in the town centre. Overall, 37% of respondents to the resident survey reported experiencing or witnessing anti-social behaviour in the past 12 months. However, only 20% of respondents to the resident survey viewed anti-social behaviour as a problem in their local area. This finding is broadly in line with the latest Crime Survey for England and Wales (CSEW) statistics, suggesting the overall effect of this anti-social behaviour seems marginal.

Table B 8 Wider pride in place indicators, Yeovil

Question	Visited town centre at least once a month in last 12 months	Visited town centre at least once in last 12 months*	Not visited town centre in last 12 months	England
Proportion of adults that were (were not) proud to live in their local area	47% (12%)	49% (13%)	Not Applicable	59% (13%)
Proportion of adults that agreed (disagreed) that they would still like to be living in their local area in five years' time	60% (17%)	59% (16%)	Not Applicable	61% (21%)
Proportion of adults that would (would not) recommend their local area to others as a good place to live	51% (18%)	54% (19%)	Not Applicable	66% (13%)
Overall satisfaction (dissatisfaction) with local area as a place to live	75% (15%)	74% (15%)	Not Applicable	74% (11%)
Area has got better in last two years	4%	3%	Not Applicable	11%
Area has got worse in last two years	37%	37%	Not Applicable	29%
Proportion of adults that were satisfied (dissatisfied) with local services and amenities in their local area	61% (12%)	60% (13%)	Not Applicable	Not Applicable
Sample size**	199-207	252-262	<10	Not Applicable

Source:

Note: ** Respondents who visited the town centre at least once a month in the last 12 months are also included among those who have visited the town centre at least once.*

*** Number of respondents may slightly 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. When the sample size is less than 10 respondents, the results are not reported.*

EVIDENCE THAT THE PROJECTS HAVE IMPROVED LOCAL BUSINESS OUTCOMES (HYPOTHESIS 2)

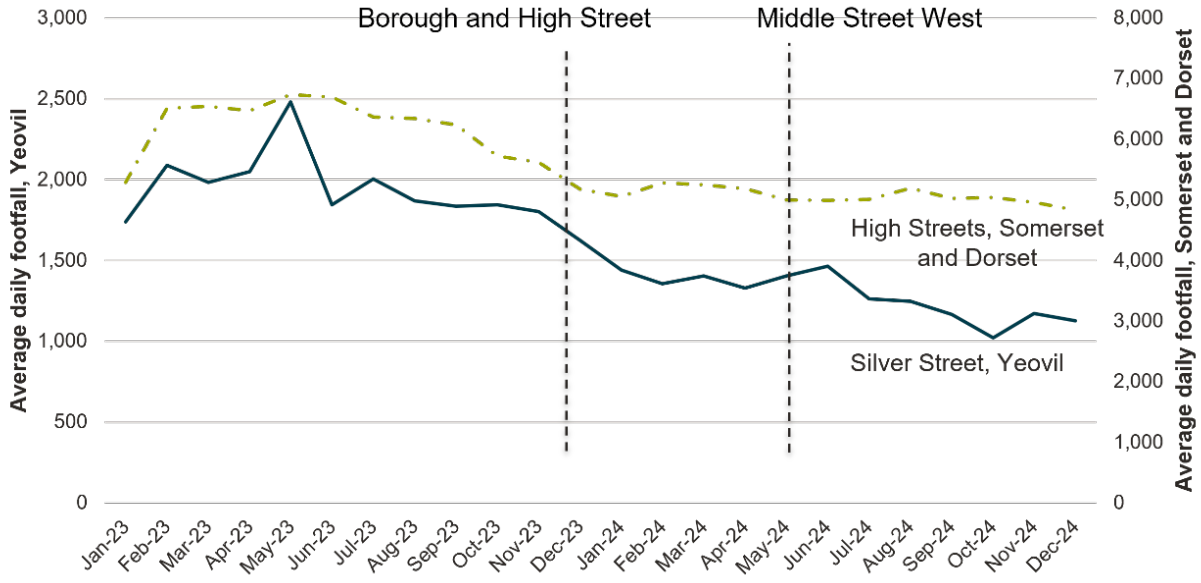
Overall, evidence that business outcomes have improved is mixed. While local residents agreed that the completed regeneration projects had improved the look and feel of the town centre, the ongoing construction work appears to have been a barrier to the usage of the town centre.

In particular, local stakeholders noted that the construction work had been ongoing for an extended period of time and had affected most areas of the town centre. This created barriers to accessing different streets and affected the look and feel of the area, and appears to be linked to a continued decline in footfall on the high street. They highlighted that this was amplified by a perceived lack of communication, with residents unsure of when the disruption would end.

However, business stakeholders were more positive about the effect of the projects on business confidence and investment in the town centre, and the long-term potential of these changes.

The available evidence does not show an increase in footfall in the High Street area following the completion of the works to the High Street, Borough, and Middle Street West. Data from the footfall counter on Silver Street, adjacent to the projects, has shown a continued downward trend over time. Figure B 9 shows that, while high street footfall has declined in the Dorset and Somerset region more generally, the rate of decline appears to be steeper in Yeovil, where year-over-year average footfall was approximately 33% lower in 2024, as opposed to 17% lower in the region more widely. This is consistent with the input received from local stakeholders in Yeovil that the ongoing construction due to the wider regeneration work was having a negative short-term effect on the town centre.

Figure B 9 High Street Footfall, Yeovil and Region



Source: Frontier Economics, based on Proximity Futures data provided by Somerset Council.

Input from business stakeholders has been mixed. As with local residents and community groups, they reported that the disruption from the construction works had a negative effect

on short-term outcomes and perception of the area. They also indicated that communication had been a barrier and had introduced a large degree of uncertainty as to when the works would be completed and the disruption would end. As a result, it is likely that the realisation of business outcomes and other benefits may be delayed until the wider regeneration work completes and the disruption to the town centre diminishes.

In terms of positive outcomes, business stakeholders highlighted a perceived role of the regeneration works on investment confidence and business retention. They also reported that the wider regeneration work had been a positive tool during leasing conversations, both with existing and potential tenants, as it points towards investment in the town centre. While vacancy rates on the High Street remain an issue, in particular due to the closure of major storefronts such as Beales and Wilko (which closed nationally in 2023), local stakeholders reported that overall vacancy rates had remained relatively stable over time, with smaller independents replacing the larger national stores.

Local stakeholders reported that the regeneration work has helped to attract some new, high-quality businesses to Yeovil (i.e. businesses which cater to a more upmarket customer base). They gave the example of the Barolo Lounge, which opened in April 2024 on the main part of the street affected by the Borough and High Street project. They also reported a perception that had Yeovil not received the Future High Streets Fund funding for the regeneration work, it would be in a much worse place, and that the guiding principle of centralising the retail and shopping area was a key positive aspect of the wider regeneration work. They indicated that the completion of the Triangle (a public square on Middle Street) and the regeneration of the Glovers Walk building would be the next major tests of the success of the wider regeneration work.

OTHER EVIDENCE (PHYSICAL CONNECTIVITY)

A related goal of the projects was to make the town centre more accessible to pedestrians and reduce the reliance on personal vehicles for travelling around the town centre. This was expected to support both the desired changes in pride in place and business outcomes, by making amenities in the town centre easier to access and improving footfall at local retail and hospitality businesses.

Evidence from the resident survey shows that motor vehicles were the main means of transportation for visitors to the town centre, with 73% of respondents reporting that they travelled to the town centre by motor vehicle on their most recent visit. The next most common method of transportation was walking (19%), followed by public bus (7%). Overall, 45% of respondents reported it was easy to travel around the town centre, while 32% said it was hard (and 23% expressed no strong opinion).

The main reasons given for it being easy to travel around the town centre were convenient parking (53%) and that it was safe to walk and cycle around (56%). By far the most significant reason given for it being hard to travel around the town centre was congestion and lots of traffic (89%).

Given the focus of the High Street and Borough and Middle Street West projects on improving pedestrian access to the town centre, relocating parking, and reducing vehicle congestion in the town centre, this suggests that the projects may have a positive effect on physical connectivity over time by addressing these congestion and traffic concerns. While stakeholders reported some mixed views on the pedestrianisation work (notably, thinking

that it did not go far enough in terms of restricting vehicle access), the overall views on pedestrian access to the town centre are positive. However, a lack of baseline data means that it is not possible to attribute a causal impact.

Case study: Northallerton

Project context

Northallerton is a market town with a population of approximately 13,000 as of 2021 (ONS, 2023), located in North Yorkshire, England. It is closely connected with neighbouring towns Romanby and Brompton, which, together with Northallerton, are considered a continuous town with an approximate total population of 20,000 residents. Hambleton District Council was the local authority until 1st April 2023, at which time it was subsumed into North Yorkshire Council, a new, unitary authority.

Overall, the former Hambleton district is relatively affluent when considering deprivation levels across England. Hambleton District Council was ranked as the 255th most deprived local authority out of the 317 local authorities in England based on the overall level of deprivation in 2019 (IMD, 2019). However, when considering just the town of Northallerton itself, rather than the wider local authority, there are pockets of more deprived areas. Over 12% of the town's population live in LSOAs that are in the top three deciles of deprivation in England.

Hambleton District Council was awarded £6 million in Future High Streets Fund funding for Northallerton. Table B 9 outlines the funding spread across three projects.

Table B 9 Northallerton Future High Streets Fund Projects

Project name	Project value	FHSF funding	Project end date
Treadmills	£12.4 million	£4.8 million	May 2023
Town Square	£3.5 million	£1.2 million	June 2022
Town Centre Living	£0.6 million	£0.1 million	February 2024

Source: Q4 2024 Monitoring Data.

This report focuses on two projects in the Northallerton Future High Streets Fund: the Town Square and Treadmills projects. These projects are considered together due to overlaps in the expected outcomes, principally pride in place and business outcomes, and the timeframe for the realisation of these outcomes. The two projects are also geographically close (about a 5-minute walk), connected by Zetland Street, which also underwent improvements as part of the Town Square funding to improve connectivity and visual continuity between the two projects.

The Town Square project included a range of public realm improvements around Northallerton Town Hall, completed in June 2022 and included:

- an improved permanent space for events and markets
- the addition of new seating in the square

- a narrowed carriageway on Zetland Street and widened pathways to prioritise pedestrians
- levelling of the service road and town square pavement to improve accessibility
- tree plantings
- resurfacing and improved signage

Treadmills is the redevelopment of a 3.5-acre, 78,000 square foot former prison (closed in 2014) into a mix of retail, food and drink, leisure and office space. Phase three of the project, which received funding from the Future High Street Fund, was fully completed in May 2023 after work initially began in October 2021.

The Towns Fund contributed to the construction of multiple retail units and a cinema unit, occupied by Everyman, which spans 1,026m^2 of combined retail and leisure space. The Treadmills also includes restaurants, additional retail outlets, a co-working office space for digital technology businesses, a learning centre, two supermarkets (Lidl and Iceland), and a carpark. These other aspects of the redevelopment were funded through sources other than the Towns Fund.

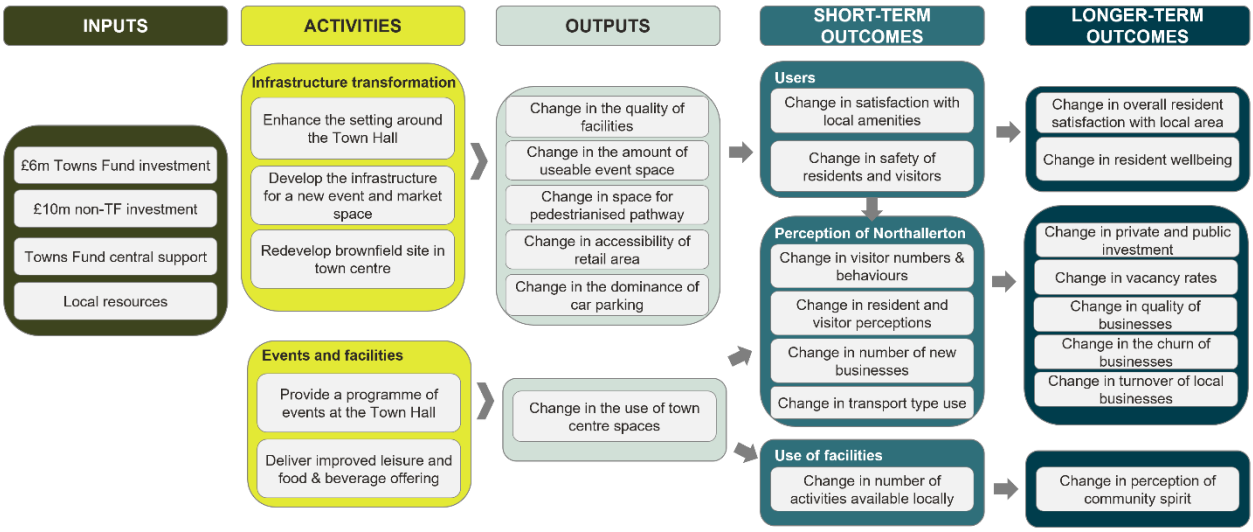
The rationale and goals for the Town Square and Treadmills, as outlined in the original business case, were primarily to:

- **enhance the setting around the town centre**, producing new spaces to deliver a diverse programme of events and drive additional footfall and improve pedestrian safety
- **enable growth and diversify the town centre's commercial offer** beyond just retail, with a particular focus on the leisure/evening economy and attract new businesses

Northallerton is relatively isolated by road. The nearest similarly sized town, Thirsk, is roughly a 15-minute drive away. Other larger towns, such as Darlington, that offer greater shopping and leisure alternatives, are at least a 30-minute drive or a 15-minute train journey from Northallerton. This suggests that Northallerton provides important access to shopping and leisure facilities for a wide catchment that extends beyond the immediate town boundary.

Figure B 10 sets out the Northallerton Town Hall and Treadmills logic model.

Figure B 10 Northallerton Town Hall Square and Treadmills logic model



Source: *Frontier Economics, with input from North Yorkshire Council.*
Note: *Barriers and enablers to these outcomes are explored in more detail in the sections below. For a summary of cross-cutting barriers and enablers across the Towns Fund, see Section 3 of the feasibility report.*

Based on the logic model in Figure B 10 and the specific context relating to Northallerton and the Town Square and Treadmills projects, the following hypotheses were developed:

- **Hypothesis 1:** Northallerton has a high proportion of adults over 65 years old, which shapes the existing town centre (context). The redevelopment of the Town Square and Treadmills is expected to improve the appearance of the town centre, the quality and variety of local amenities, and the availability of events (output). Because these developments are expected to appeal to a range of residents, especially younger adults, (mechanism) this is expected to improve resident satisfaction with the amenities in the town centre and, eventually, improve resident and visitor perception of Northallerton and pride in place (outcome).

- **Hypothesis 2:** Northallerton's high street offering is mainly retail-based and faces challenges from increasing vacancy rates (context). Because the redevelopment of the Town Square and Treadmills is expected to provide more attractive letting opportunities and to attract more residents and visitors to the town centre (mechanism), it is expected to improve the outcomes of local businesses (outcome).

Emerging findings

EVIDENCE THAT THE TOWN SQUARE AND TREADMILLS PROJECTS HAVE IMPROVED PRIDE IN PLACE AND PERCEPTION OF PLACE IN NORTHALLERTON (HYPOTHESIS 1)

High streets and regeneration have been identified as positive drivers of pride in place (Department for Levelling Up, Communities and Housing, 2024). There is good evidence to suggest that the Town Square and Treadmills projects have improved the appearance of the town centre, and some evidence to suggest improvements in the facilities available to local people and visitors. Evidence collected from stakeholder interviews suggests that the changes have been well received, with users reporting improvements in the types of

businesses in the town centre and greater flexibility in how spaces can be used. Although there is some survey evidence to suggest a correlation between these projects and satisfaction with local amenities, at this stage and without baseline information, we are unable to determine a causal relationship.

Changes in the appearance of the town centre and the quality of amenities and events

As noted in the monitoring data completed by North Yorkshire Council in Q4 2024, the Town Square project delivered 300m^2 of new public realm and 1600m^2 of improved public realm. In addition, three new trees were planted and 0.17km of improved pedestrian paths and resurfaced roads.

Members of a local community group and Northallerton's Business Improvement District Organisation (Northallerton BID) both noted that the improvements to the square have allowed more flexibility in how it can be used and that the public realm is more visually appealing than previously.

> *"It was all really welcome. The things we hoped people would enjoy, they did. Seeing trees on the high street, more seating … lots of anecdotal positive feedback." Stakeholder*

Stakeholders reported an increased flexibility in how the space can be used, noting a range of new events that had been offered recently, including live music and Christmas events. Stakeholders felt that these types of events would not have been possible previously, as the space was not big enough. However, using North Yorkshire Council data, the number of events in the Town Square has only slightly increased from 25 events in 2022 to 27 in 2023.

For Treadmills, monitoring data shows that the project delivered 400m^2 of new public realm and 1026m^2 of new retail, leisure or food/beverage space. Stakeholders from a local community group, the local authority and the project developer all suggest that Treadmills represents an improvement in the quality of facilities in the town, all citing the new Everyman cinema as the standout facility.

Northallerton town centre is already well used by residents, survey evidence found that over 75% reported visiting at least once a week. Overall satisfaction is also higher than the national average, with 88% of survey respondents indicating that they are satisfied with their local area. Over 75% of residents report finding the town centre either 'very' or 'somewhat' attractive, due to a lack of baseline data, we are unable to identify how this has changed since the projects were completed.

Change in resident satisfaction with local amenities

Survey evidence suggests that general satisfaction with Northallerton town centre is high. Satisfaction is particularly high among respondents who report having visited the Town Square and/or Treadmills in the last 12 months. These differences suggest a correlation between the use of the projects and individual satisfaction. However, due to a lack of baseline data, it is hard to tell how this correlation has changed since the completion of the Town Square and Treadmills projects.

The majority of residents (59%) report being satisfied with the redeveloped Town Square, and 23% of residents report that it has improved in the 12 months to May 2024 (with only 7% saying it had gotten worse). 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 local community.

Awareness of the Treadmills project is high among Northallerton residents, 88% report having heard of the site. Among this group, 16% report that it had improved in the 12 months to May 2024 (with only 2% saying it had gotten worse). Table B 10 shows this change in satisfaction compared to responses about the changes in people's local area. Northallerton residents generally perceive that their local area has become worse over the last 12 months. However, when asked specifically about the Town Square and Treadmills sites, residents perceive these areas to be getting better, on average. Suggesting that the new developments appeal to residents.

Table B 10 How has satisfaction with the local area / Town Square / Treadmills changed over the last 12 months?

	The local area (within a 15 to 20-minute walk)	**Town Square**	**Treadmills***
Got better	10%	23%	16%
Got worse	24%	7%	2%
Stayed the same	60%	58%	65%
Don't know / Have not lived here long enough to say	6%	11%	17%
Number of respondents	387	382	333

Source: *Frontier Economics.*
Note: ** Questions relating to individual satisfaction with Treadmills were only asked of those who reported having heard of the project.*

Qualitative stakeholder input suggests a positive relationship between the two projects and the diversity and quality of businesses locally. Multiple local stakeholders reported that the variety of restaurants and cafes on the high street, as well as the new amenities at the Treadmills site, particularly the Everyman cinema and new restaurant offerings, have increased in recent years. Stakeholders noted that recent entrants such as Everyman offered a more upmarket experience for residents, allowing Northallerton to better compete for trade with other towns in the vicinity.

> *"It stops people jumping into the car and going to Middlesbrough or York and having a very standard experience. They pay a bit more but they're paying less in petrol, they might know the bartender. It gives it a bit of a community feel and keeps the money in Northallerton." Stakeholder*

Changes in pride in place and perception of place

High street regeneration is considered a key metric in improving local pride in place. However, few robust sources of evidence explore this link. Qualitative evidence suggests that for regeneration to influence pride in place, it should align with the needs and wants of local people (Community Fund, 2022).

In the previous section, we demonstrated a correlation between awareness and use of the projects and improved satisfaction with the local area and local facilities. This relationship suggests that the developments appeal to the local people. However, due to the influence of wider factors and the lack of baseline data, it is hard at this stage to measure whether these projects have had a causal impact on pride in place and perception of place.

Table B 11 demonstrates how key pride in place indicators vary depending on the frequency of a person's visits to the Town Square in the last 12 months. Those who reported having visited the Town Square or Treadmills within the last 12 months reported higher pride in place when compared to non-visitors, suggesting a correlation between use of the square and pride in place. However, without baseline data, it is hard to determine the extent to which these differences have changed since the site was completed.

Table B 11 Wider pride in place indicators

Question	Visited at least once a month in the last 12 months	Visited Town Square at least once in the last 12 months*	Not visited Town Square in the last 12 month
Proportion of adults that were (were not) proud to live in their local area	74% (2%)	75% (2%)	58% (8%)
Proportion of adults that agreed (disagreed) that they would still like to be living in their local area in five years' time	80% (6%)	80% (6%)	69% (9%)
Proportion of adults that would (would not) recommend their local area to others as a good place to live	82% (5%)	82% (4%)	66% (9%)
Overall satisfaction (dissatisfaction) with local area as a place to live	91% (3%)	91% (2%)	78% (6%)
Area has got better in last two years	13%	11%	3%
Area has got worse in last two years	24%	24%	31%
Proportion of adults that were satisfied (dissatisfied) with local	78% (7%)	76% (8%)	58% (8%)

Question	Visited at least once a month in the last 12 months	Visited Town Square at least once in the last 12 months*	Not visited Town Square in the last 12 month
services and amenities in their local area			
Sample size**	262-269	314-322	35-36

Source: *Frontier Economics.*
Note: ** Respondents who visited Town Square at least once a month in the last 12 months are also included among those who have visited Town Square at least once in the last 12 months.*
*** Number of respondents may slightly 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.*

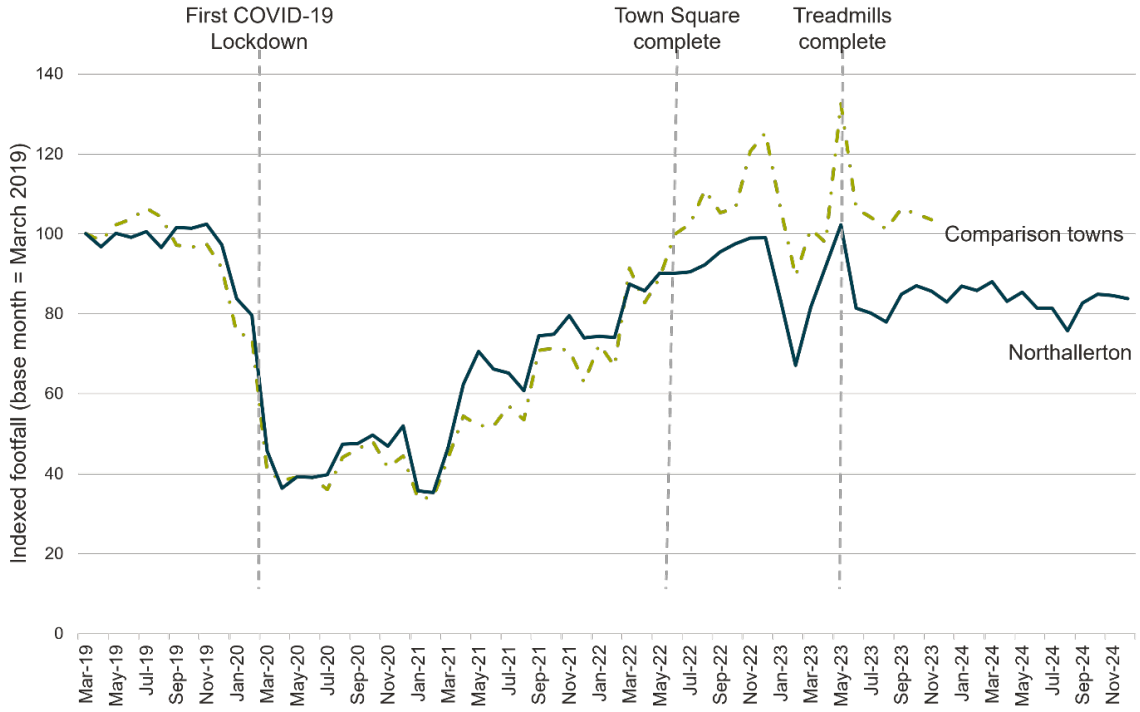
EVIDENCE THAT THE TOWN SQUARE AND TREADMILLS PROJECTS HAVE IMPROVED BUSINESS OUTCOMES

At this early stage, it has not been possible to determine whether the Town Square and Treadmills projects have affected business outcomes. Although stakeholder insight suggests that the number of residents and visitors visiting Northallerton town centre has increased, we do not find that this is backed up in the quantitative footfall data. Furthermore, vacancies in the Treadmills site have persisted, suggesting that the demand is not as high as expected. These outcomes will be revisited in future reporting to understand and explore the extent to which impacts from the project have been delayed.

Changes in the number of visits to Northallerton by residents and non-residents

Although some stakeholders in Northallerton have reported an increase in footfall in the town centre, the footfall data and the survey indicate that the project has not had a clear positive or negative influence on town centre footfall. This is unsurprising, given the expected time lag between making changes to a high street and an increase in footfall, which tends to be driven by a shift in the retailer offering, a process that also takes time (Local Government Association, 2021). Figure B 11 shows that the changes in town centre footfall in Northallerton follow a similar trend to the average trend in four close alternative towns (including Thirsk, the closest similarly-sized town, and three other nearby towns). Since Treadmills has opened, footfall in Northallerton has stabilised at around 350,000 monthly visits, roughly 50,000 fewer than the pre-COVID-19 steady state. The recovery in footfall post-COVID-19 has been similar in Northallerton and comparison towns, with the exception of Thirsk, where monthly footfall exceeded the pre-COVID-19 level in 2023.

Figure B 11 Changes in Northallerton footfall compared to the comparator towns



Source: *Footfall data collected by Place Informatics and shared by North Yorkshire Combined Authority.*
Note: *Drop in Footfall in January 2023 appears to be seasonal, as opposed to being driven by anything specific to Northallerton. Monthly footfall is indexed such that March 2019 = 100. The comparison town is an average of footfall for four nearby town high street 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.*

Data received from the local authority suggests that average dwell time has increased slightly since the opening of the Town Square and Treadmills projects. Visits that lasted at least an hour increased from 24% to 29% between March 2022 and September 2023, which could have been partially enabled by the opening of new restaurants and the Everyman cinema.

These results may signal shifting patterns in high street usage. It was also noted that the increased number of bars and restaurants on the high street, as well as the Everyman cinema at Treadmills, influenced the nighttime economy. However, stakeholders emphasised that this increase was more focused on weekends and somewhat contingent on strong cinema releases that people want to see.

Local authority data suggests there has been an increase in the number of visits from non-residents. In 2023, the town received 124 coaches (81 more coaches than in 2022), bringing 3,625 passengers and £62,000 worth of spending in the town.

Changes in business outcomes

There is currently limited evidence on the effect of the Town Square and Treadmills on business outcomes. This is partially due to lags in businesses' data, which will be collected and assessed for the next round of reporting.

Stakeholders noted that the Town Square development was seen as positive by market traders as they benefited from improved access to power through new plug-in options

(avoiding challenges with generators). It was observed that the market had been trading well and remained stable for a few years.

In addition to the Everyman cinema, the project produced three restaurant units. As of February 2025, two of these units were vacant, with the third unit having completed the fit-out of a Pan-Asian restaurant in January 2025. Community and business stakeholders explain that slow uptake is partially due to waiting for the 'right' tenant (the local council prefers to hold out for quality operators) and because of greater demand for the units on the High Street, which captures more footfall than Treadmills.

According to the local authority, the commercial vacancy rate in the town increased slightly to 11.8% in 2023 but has subsequently decreased to around 6% in 2024/25 (the UK average is 15%). Local stakeholders suggested that some of the initial increase was due to banks leaving the high street, but that the general composition of shops has been stable over time. Qualitative conversations with local stakeholders suggest that vacancy rates are likely to decrease further over time as suitable tenants are found for Treadmills.

Case study: Hereford

Project context

Hereford is a city in the Herefordshire local authority. As of 2021, the city had a population of approximately 60,000 people (ONS, 2023). Overall, just 26% of the LSOAs in Hereford are in the 30% most deprived LSOAs nationally, based on the Index of Multiple Deprivation data from 2019. However, there are pockets of significant deprivation, especially in the south of Hereford, where 80% of LSOAs are in the 30% most deprived LSOAs nationally.

Herefordshire's Local Transport Plan for 2016-2031 outlines a number of transport challenges that the town and surrounding area face, including significant congestion and high journey times in Hereford. The plan also highlights that, due to the rurality of Herefordshire and its sparse population, a large number of journeys to access Hereford and other market towns often involve long distances. A survey conducted among residents in the Hereford area in October and November 2024 also found that 32% of respondents reported that travelling around the town centre was difficult. The main reasons cited for this were congestion (89%), expensive parking (69%) and limited parking (44%).

Herefordshire Council was awarded more than £22 million in Town Deal funding for Hereford. Table B 12 outlines the funding spread across six projects.

Table B 12 Hereford Town Deal Projects

Project name	Project value	Town Deal funding	Project end date
Future Skills Foundry	£9.9 million	£7.8 million	March 2026
Access and Greening	£3 million	£2.9 million	September 2025
Cultural Assets	£8.6 million	£3.8 million	March 2026

Museum (Marches Experience)	£18 million	£5 million	March 2026
Electric Buses	£2.2 million	£1.7 million	December 2023
Holmer Extreme Sports Hub	£1.5 million	£1.2 million	March 2024

Source: MHCLG Monitoring Data.

In this report, we focus on the Electric Buses project. None of the other projects funded by the Hereford Town Deal were expected to deliver the same outcomes as the Electric Buses project over the same time period.

The Electric Buses project, led and implemented by Hereford City Council, involves the provision of a City Zipper bus service offering a free shuttle service to residents and visitors around Hereford city centre, including stops at the main public transport hubs and medical, leisure, and retail facilities. The project included:

- procuring and providing three medium-sized electric buses
- providing charge-point facilities and supporting electrical supply
- contracting an established bus operator to run the service
- developing supporting infrastructure for the service, including bus stops, signage and real-time information displays

As set out in the City Zipper's original business case, the original aims of the project were primarily to:

- **Improve the physical connectivity around the city centre for residents and visitors** by providing an accessible, free-to-use and environmentally friendly public transportation service. This was expected to increase bus patronage by linking both the north and south of Hereford with all key transport, health, community, retail, cultural and tourist facilities in the city centre.
- **Drive economic growth and improved business outcomes** by encouraging residents and visitors to take more trips into and around the city centre, and increase their use of local facilities. In the longer term, this was expected to improve economic activity in the city centre.

Benefits are also expected from modal shift, as some journeys currently made by car are displaced by the usage of a zero-emission public transport service. This could also lead to a positive effect on emissions, congestion and air quality in the city centre.

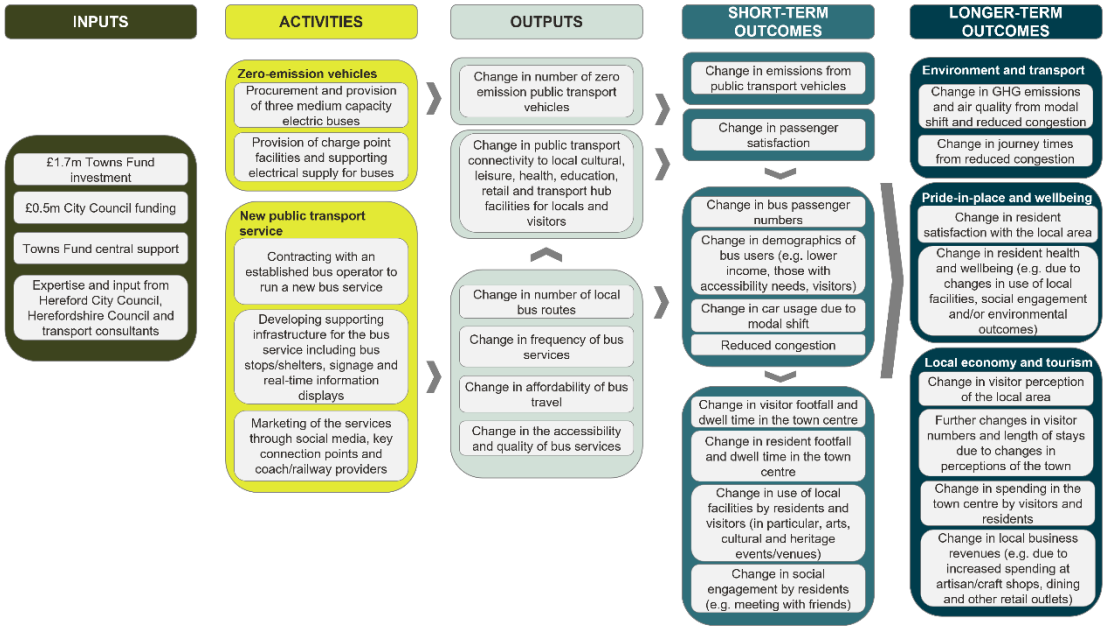
The project was also designed to complement other Town Deal projects in Hereford (e.g. Cultural Assets and Museum) by, for example, creating a circular movement of visitors around the major cultural and historic assets of the city and encouraging visitors to move from one attraction to another at no cost. Over time, this is expected to contribute to an improved perception of Hereford as a tourist destination and have a positive effect on the local economy. However, we note that these benefits will only be realised in the longer

term once all the relevant Town Deal projects are completed and could be explored in any future evaluation work.

There are no public transport alternatives to the City Zipper in Hereford. While there are paid commercial bus services with routes into the city centre, none operate a circular route around it. Local stakeholders report that prior to the City Zipper's introduction, the only ways of travelling around the city centre were by other modes (with cars, taxis and on foot being the most popular).

Figure B 12 sets out the logic model for the City Zipper.

Figure B 12 City Zipper Logic Model



Source: *Frontier Economics.*
Note: *Barriers and enablers to these outcomes are explored in more detail in the sections below. For a summary of cross-cutting barriers and enablers across the Towns Fund, see Section 3 of the feasibility report.*

Based on Hereford's transport challenges (e.g. congestion, limited parking and physical connectivity around the city centre) and the aims of the City Zipper (e.g. to improve physical connectivity and help drive economic growth), we have developed two main hypotheses to explore as part of this case study. Note that this does not cover all potential outcomes of the City Zipper, but rather focuses on the key hypotheses for the project's primary expected outcomes.

- **Hypothesis 1:** Hereford has difficulties with poor connectivity between the city's regions, and key roads suffer from high congestion (context). The City Zipper is expected to improve the affordability, quality, and number of bus services in Hereford (output). By improving accessible, community-designed and free public transport access to local facilities (mechanism), the project is expected to increase bus patronage in Hereford (outcome).

- **Hypothesis 2:** By increasing access to, and the number of trips into, the town centre (mechanism and short-term outcome), the City Zipper is expected to improve business outcomes in the town centre (outcome).

These hypotheses and expected outcomes relate to the evaluation questions on physical connectivity and economic growth, as set out in Section 5 of the feasibility report.

Emerging findings

EVIDENCE THAT THE CITY ZIPPER HAS INCREASED BUS PATRONAGE (HYPOTHESIS 1)

There is good evidence that the City Zipper has increased overall bus patronage in Hereford. The project has delivered a new bus route that was not previously served by a commercial operator.

Both quantitative and qualitative evidence show that the City Zipper is well used and has improved the physical connectivity of Hereford, particularly by linking the south and north of the city with key facilities. Overall patronage on the City Zipper is higher than predicted in the project's original plans.

At least a part of these journeys is likely to be displacing car journeys. This is because the bus operates on a new route, is operated at zero charge to users, and bus data and stakeholder input suggest that many users use the most popular boarding stop (a major supermarket car park) as an unofficial park-and-ride into the city centre.

Outside of serving a new route, local stakeholders attributed this positive outcome 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,** making it more affordable than existing commercial services in the area
- **the focus on accessibility,** including bright colour schemes to aid visually impaired users

Changes in the number, quality and affordability of bus services

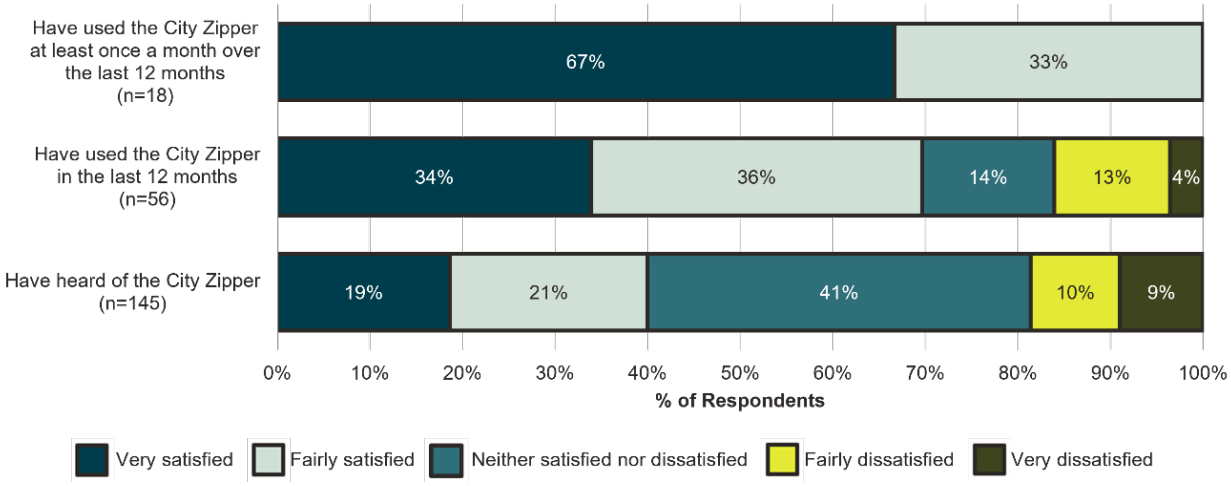
The City Zipper operates on a previously unserved route. While there are commercial bus services that stop in the city centre, the City Zipper operates on a unique circular route that connects several local facilities and venues.

Users of the City Zipper reported a high degree of satisfaction with the service. Figure B 13 shows that a survey deployed to residents in the Hereford area in October and November 2024 found that, of those who had heard of the City Zipper, 40% were either very or fairly satisfied with the service, compared to 19% who were either very or fairly dissatisfied. When limiting the sample to respondents who have used the City Zipper at least once in the last 12 months, 70% report being satisfied with the service compared to just 17% who were dissatisfied.

Stakeholder input suggests that this high degree of satisfaction is a result of the free, high-quality, and accessible nature of the service. The City Zipper is free to use and has free onboard phone charging facilities and wifi. The buses have also been designed with accessibility in mind, for example, incorporating bright colour schemes to assist visually impaired users. Town council and local authority stakeholders both reported that the City Zipper's offering compared favourably with existing commercial services in the area, which

were described as expensive, infrequent and of relatively poor quality. Town council stakeholders noted that, because not all Hereford residents live close to the City Zipper's route, some dissatisfaction may have been caused by the fact that not all residents benefit from the service to the same degree.

Figure B 13 How satisfied are you with the Hereford City Zipper electric bus service?



Source: Resident survey in Hereford, carried out by BMG Research and Frontier Economics.
Note: Excludes those who answered 'Don't Know'. Respondents only answered 'Yes' to whether they had heard of the City Zipper.

Changes in access to local facilities

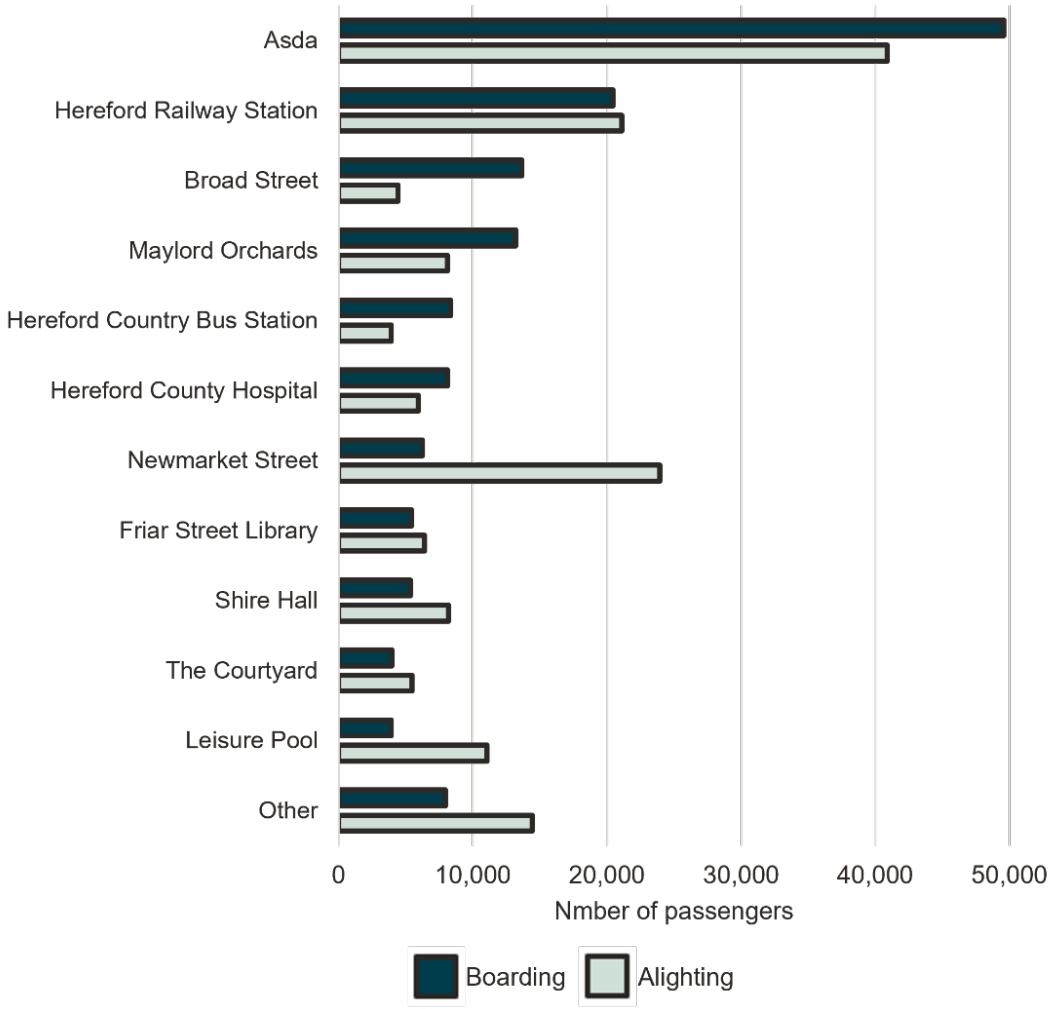
Bus usage data, evidence from the resident survey, and stakeholder input all suggest that the City Zipper is being used by residents primarily to access key facilities in the town centre. The City Zipper's route covers the north and south sides of Hereford City centre, including stops at supermarkets, medical facilities, the train station, retail areas, a technical college, and entertainment, leisure and community facilities. By virtue of operating a new route, this service has created public transport links between areas of the town that were previously less connected.

Local stakeholders report that the City Zipper has increased the choices and options available to people in terms of where they can go and which mode of transportation they can use. They describe the improved links between the south and north of the city centre as one of the most important outcomes of the scheme, such that it has given those on both sides of the city a convenient and affordable way to access the city centre. In particular, these stakeholders report that the Asda stop in the south of the city has been used as an unofficial park-and-ride location, where people park their cars and use the City Zipper to access the facilities and venues in the city centre. Stakeholders interviewed for this report suggested that this is because it allows visitors to avoid the need to find and pay for parking in the town centre, while allowing convenient use of the supermarket as part of their trips.

An example of the improved access that the Zipper provides to, and in-between, key services in the town is the Hereford County Hospital. Stakeholders noted that to access the Hereford County Hospital, users would previously have had to use the limited and expensive parking. However, it is now common for people to park at Asda and use the free City Zipper to attend to appointments.

Bus usage data supports that the City Zipper is being used to access a range of key local facilities and that the north-south connectivity element is a key driver of patronage. Figure B 14 shows the most popular City Zipper stops by boarding and alighting between March and December 2024. The most popular boarding stop is the Asda in the south of the city, followed by key transport interchanges (Hereford Railway Station and Hereford Bus Station), stops close to retail areas in the city centre (Broad Street, Maylord Orchards, Newmarket Street and Shire Hall), and locations of key medical and community facilities. A similar set of stops is the most popular by alighting, although there are a number of stops where passengers are alighting in greater numbers than boarding. These stops are more likely to be the popular destinations rather than the origins of passenger trips. These stops include the leisure centre, library, theatre and cinema (The Courtyard), medical facilities (Station Medical Centre) and stops close to retail areas (e.g. Newmarket Street and Shire Hall).

Figure B 14 Most popular boarding and alighting stops on the City Zipper



Source: Hereford City Council.

This is further supported by the results of the resident survey. Respondents who had used the City Zipper in the previous 12 months reported that they most commonly travelled on the service to access general shopping facilities and grocery stores (39% of users) and health centres or GP facilities (32% of users). A quarter of users also reported using the City Zipper to access additional public transport links, which also suggests it is having an

effect on local residents' connectivity to key facilities and the town centre. This is consistent with the boarding and alighting data, which shows that the second most popular boarding (and third most popular alighting) stop was the local railway station.

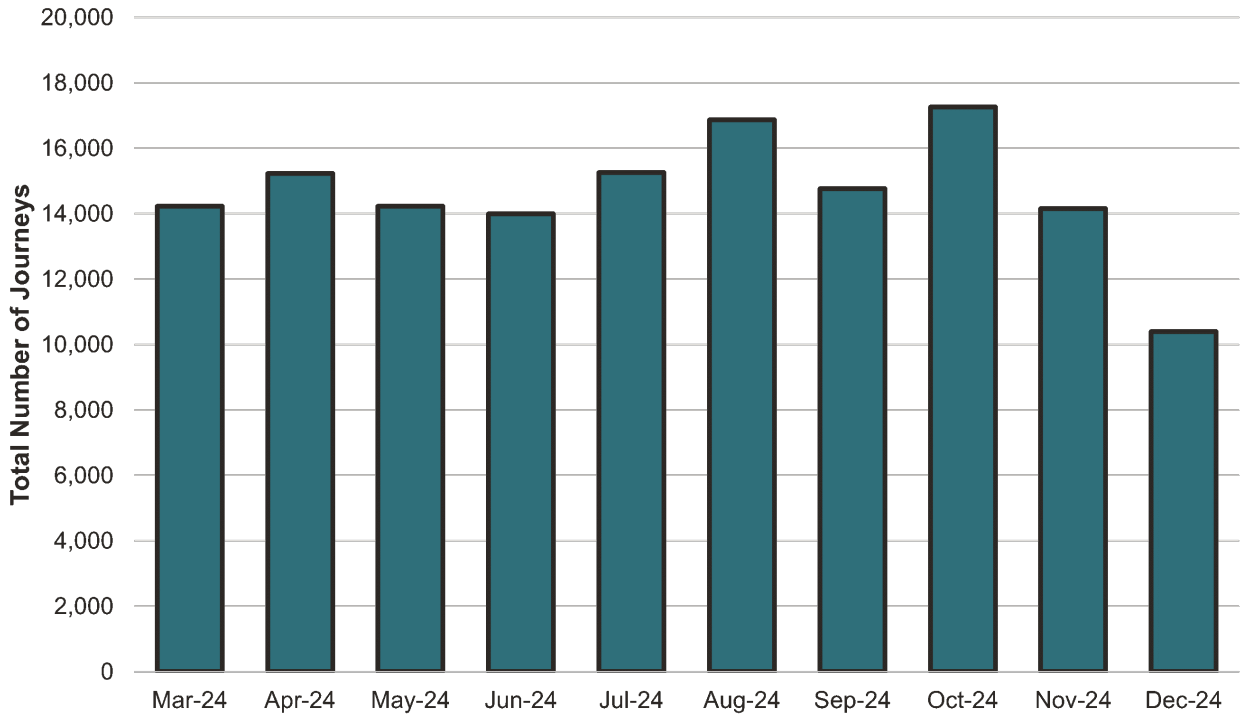
Overall effect on bus patronage in Hereford

While there is evidence of higher-than-expected usage of the City Zipper in Hereford, it is difficult to determine explicitly how much of this usage is additional or displacing car travel.

In a survey of Hereford residents, 19% reported using the City Zipper at least once in the past 12 months, with 6% reporting using the service at least once a month and up to once a week. In contrast, 69% of respondents had not used the Zipper in the past 12 months, with 12% having never heard of the service.

Figure B 15 shows that, according to Data received from Hereford City Council, between March 2024 and January 2025, there were approximately 15,000 passenger journeys on the City Zipper per month on average. This rate of usage is higher than the 150,000 annual trips estimated for the project as part of the Hereford Town Investment Plan published in 2021.

Figure B 15 Number of passenger journeys on the City Zipper by month



Source: Hereford City Council.

In terms of other potential policies enabling these effects, there are other local projects designed to increase walking and cycling in Hereford. However, these are based in a different area of the town and are not expected to directly affect usage of the City Zipper (or the potential car journeys displaced by the new buses).

There are two mechanisms through which the usage of the City Zipper might represent an increase in overall bus patronage in Hereford. The first mechanism is if any of the journeys

on the City Zipper are additional. A journey would be described as additional if, without the City Zipper, the journey would not have been made. Council stakeholders have pointed to some cases where journeys may be additional but report that this effect is hard to evidence and is likely to be limited.

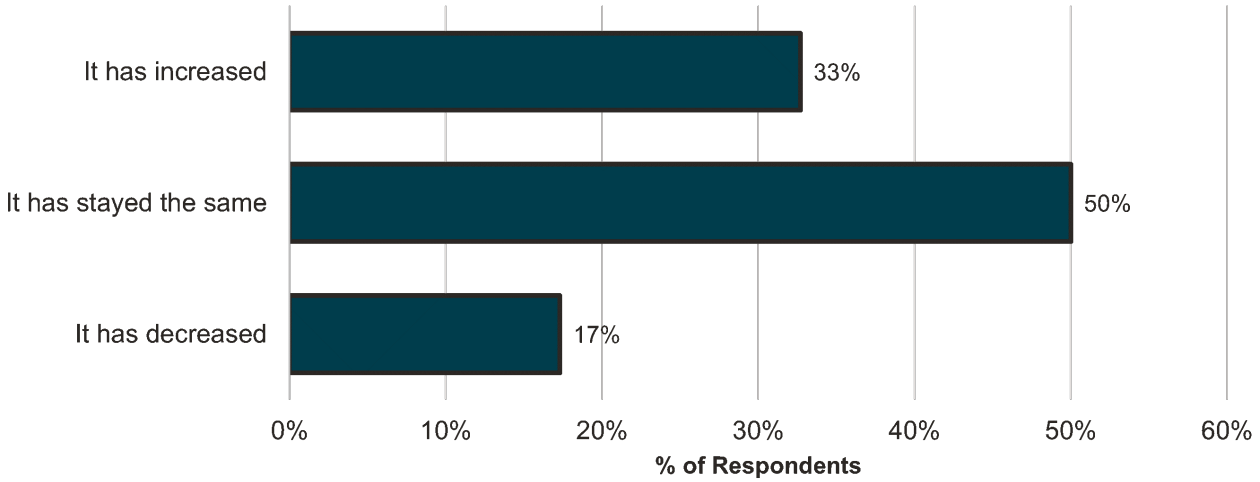
The second mechanism is if any of the journeys are displacing journeys that would have been made but with a different mode of transportation (for example, a car). The project's business case estimated that roughly 1,500 car journeys per year would be displaced by the City Zipper (amounting to approximately 125 per month). This represents less than 1% of journeys being made on the City Zipper each month.

Unlike the case of additional journeys, there is more evidence to suggest that some proportion of journeys on the City Zipper are displacing car journeys (even if the exact proportion cannot be evidenced at this time). Stakeholder input, supported by bus boarding data, suggests that many users use the Asda stop as an unofficial park-and-ride into the city centre which implies at least a partial displacement of car journeys, where the final portion of a trip into the city centre is taken on the City Zipper. However, the initial portion is still taken by car. The fact that the City Zipper also operates on a new route that does not duplicate existing services also indicates that part of the journeys on the City Zipper are more likely to be displacing car journeys as opposed to other forms of public transport.

Where journeys on the City Zipper are displacing (or partially displacing) car journeys, the use of the bus service may have follow-on effects, including reduced greenhouse gas emissions and congestion, as well as improved air quality. However, as with the modal shift itself, the actual extent to which these effects have been realised is difficult to evidence.

Finally, survey evidence also shows a correlation between the use of the City Zipper and an increase in the use of public transport in Hereford. Figure B 16 shows that 33% of City Zipper users increased their use of public transport in Hereford over the past 12 months, compared to 17% who reported a decrease in their public transport usage. This is further evidence that at least some of the journeys on the City Zipper are either additional or displacing other transport modes.

Figure B 16 How has your use of public transport in Hereford changed over the last 12 months?



Source: *Resident survey in Hereford, carried out by BMG Research and Frontier Economics.*
Note: *Excludes respondents who did not answer or answered 'Don't Know' to the questions 'Have you heard of the City Zipper electric bus service', 'How has your use of public transport changed over the last 12 months' and 'Over the last 12 months, how often have you used the Hereford City Zipper electric bus service'.*

EVIDENCE THAT THE CITY ZIPPER HAS IMPROVED BUSINESS OUTCOMES (HYPOTHESIS 2)

At this stage, there is limited evidence to suggest that the City Zipper has improved business outcomes in Hereford. While the City Zipper has improved accessibility to and around the city centre, stakeholders report that they do not have quantitative evidence for the service increasing footfall or dwell times. The wider changes in business outcomes have not been assessed in depth as part of this case study due to expected time lags and the scale of the City Zipper project. This will be considered as part of the programme-level evaluation.

Changes in the accessibility of and the number of trips into the city centre

As outlined in the 'Change in the access to local facilities' section, quantitative evidence shows the City Zipper is most commonly used to access shopping facilities, with the most popular boarding and alighting stops at an Asda supermarket.

However, there is less evidence that the overall number of trips to the city centre has changed. While local council stakeholders have suggested that some of the journeys on the City Zipper may be additional, they do not have the quantitative data to validate this claim.

Overall effect on business outcomes in the city centre

There is limited evidence to suggest the City Zipper has had an impact on outcomes, such as increased footfall and turnover for businesses in the city centre at this stage. Local council and business stakeholders reported that the economic climate was challenging for retail and hospitality businesses. In particular, footfall has yet to fully recover from the COVID-19 pandemic, limiting revenue for high street businesses. They noted that while the City Zipper may have played a role in increasing the number of trips into the city, its

role likely to be limited in the context of the wider challenges influencing business outcomes. Moreover, changes in business outcomes, including those resulting from increased tourism, are likely to involve time lags. They are also influenced by how the City Zipper interacts with the other Towns Fund projects outlined in the previous section.

Case study: Redcar

Project Context

Redcar is a town located in North Yorkshire, in the Redcar and Cleveland local authority. As of 2021, the town had a population of approximately 37,000 people (ONS, 2023). Redcar and Cleveland is an area of high deprivation and includes one of the ten most deprived wards in the country. The majority of wards in Redcar and Cleveland have at least 20% of their lower super output areas in the top decile of deprivation nationwide (Redcar and Cleveland, 2021).

An analysis carried out by the Redcar and Cleveland local authority as part of the Town Deal application found that Redcar and Cleveland lagged behind national averages in measures of economic activity and skills. In 2020, Redcar and Cleveland had a Job Density (number of jobs per resident) of 0.5, well behind the national average of 0.75. Similarly, average weekly earnings were noticeably lower than those of the broader North East region and Great Britain overall, at £501. By comparison, average weekly earnings were £531 in the North East and £588 in Great Britain over the same period. Similarly, 26% of residents in Redcar and Cleveland held a Level 4 qualification or higher, which is behind the North East average of 32% and the national average of 40%.

The Tees Valley skills improvement plan for 2023 found that there was a gap in general construction trade skills and specialist skills for the low-carbon industry, a key potential enabler of employment in the Redcar area. It highlighted the need to develop these skills locally through training and apprenticeships to meet the needs of the region going forward. This includes the significant Carbon Capture, Utilisation and Storage (CCUS) project at Teesworks: a £4 billion project led by BP and Equinor to establish the world's first industrial-scale CCUS site.

Redcar and Cleveland Borough Council was awarded £25 million in Town Deal funding for Redcar. Table B 13 outlines the funding spread across five projects.

Table B 13 Redcar Town Deal Projects

Project name	Project value	Town Deal funding	Project end date
Town Centre Transformation	£4.9 million	£4.0 million	September 2026
Culture and Leisure Anchor Attractions	£17.7 million	£17.7 million	December 2026
Station Road Redevelopment	£0.2 million	£0.2 million	April 2024

Clean Energy Education Hub	£3.2 million	£2.4 million	May 2023
Coatham Leisure Quarter	£0.9 million	£0.03 million	April 2024

Source: MHCLG project monitoring returns.

In this report, we focus on the Clean Energy Education Hub project. All other Town Deal projects in the area are focused on wider regeneration objectives and are not expected to directly affect local skills or employment.

The Clean Energy Education Hub is a newly built 333m^2 training facility at Redcar and Cleveland College, intended to accommodate a maximum of 80 learners concurrently. It is connected to the existing engineering wing at Redcar and Cleveland College. The Hub provides practical learning in construction, access, and maintenance. It has a particular focus on providing learners with the green energy and clean energy skills required in the Teesside area. It includes a carbon capture rig for students to train on, as well as equipment for training in electric vehicle charging, solar PV installation, heat pump installation, and wider mechanical and electrical training.

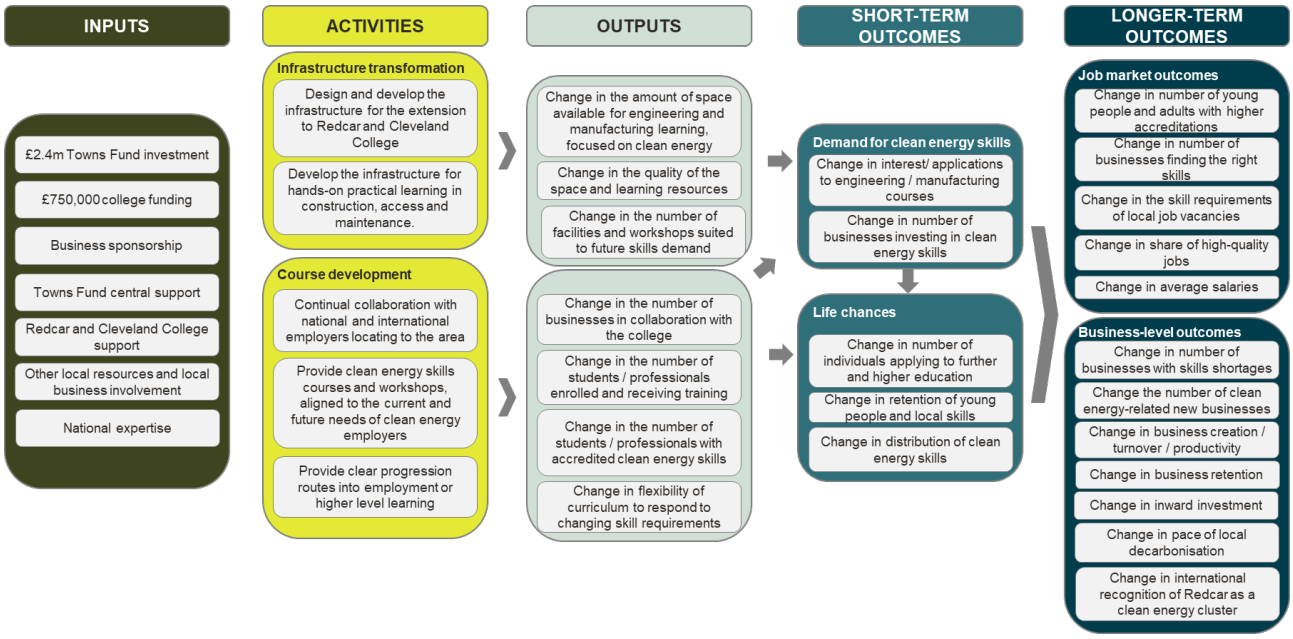
The Clean Energy Education Hub is used to provide training for Level 2 and Level 3 diplomas for 16 to 18-year-olds and for 19-year-olds and above, T levels, and apprenticeships offered at Redcar and Cleveland College. This includes welding, electrical installations, and engineering diplomas; T levels in construction and engineering and manufacturing; and apprenticeships for installation and maintenance electricians and domestic heating technicians.

As set out in the Clean Energy Education Hub's original business case, the original aim of the project was to enable local residents to develop the skills required by the new employment opportunities being created in the Tees Valley.

In particular, the project aimed to meet the needs of local employers in the clean energy industry. Stakeholders reported that there were limited alternative providers of these skills in the local area, in particular given the size of the skills shortages in the region.

Figure B 17 presents a logic model summarising the expected outcomes from the Clean Energy Education Hub.

Figure B 17 Clean Energy Education Hub logic model



Source: *Frontier Economics.*
Note: *Barriers and enablers to these outcomes are explored in more detail in the sections below. For a summary of cross-cutting barriers and enablers across the Towns Fund, see Section 3 of the feasibility report.*

Based on the specific context relating to Redcar and the Clean Energy Education Hub, a hypothesis has been developed and explored as part of these case studies. Note that this does not cover all potential effects of the Clean Energy Education Hub (such as longer-term changes in social mobility and life chances), but rather focuses on the primary expected outcomes, which can be assessed through the case study.

- **Hypothesis:** Unemployment in Redcar is high compared to the national average, and the market skills base is a key weakness compared to local growth figures (context). The Clean Energy Education Hub will provide additional, high-quality education, training and facilities in clean energy manufacturing and engineering (output). Because these skills are expected to be suited to the needs of local employers (mechanism), the Hub is expected to increase interest and enrolment in its courses, improving the level and quality of local skills (outcome).

In the longer term, the change in level and quality of local skills is expected to improve local economic growth and resident incomes (outcome) by ensuring local residents have the right skills to fill high-skill job vacancies (mechanism). Existing evidence (for example, research carried out by the Institute for Government, 2022) suggests that skills improvement should be expected to boost productivity and incomes. However, as this is not possible to assess at present due to the recent completion date of the project, it has not been explicitly considered as part of this interim case study.

These hypotheses and expected outcomes relate to the evaluation questions on employment and skills, as well as sustainable economic growth.

Emerging findings

EVIDENCE THAT THE CLEAN ENERGY EDUCATION HUB HAS IMPROVED LOCAL EMPLOYMENT AND SKILLS

The Clean Energy Education Hub appears to have led to an increase in the number of students and apprentices receiving advanced training in skills for green industries in Redcar. Overall enrolment in courses used by the Clean Energy Education Hub has increased by 125% since 2022/23, the year prior to its opening. Most of this increase is driven by enrolment in courses which were previously not offered at Redcar College. Stakeholders, including students and businesses, were very positive about the quality of the facilities and training offered at the Clean Energy Education Hub.

Stakeholders identified a few key enablers supporting the project's current and expected future outcomes:

- **engagement and consultation of local businesses in designing the facilities**, to help design the facilities and programmes to ensure that they are fit for purpose
- **recruitment of teachers with industry experience**, again to help ensure courses were well suited to actual business needs
- **the flexibility of the facilities developed**, to ensure that they can be updated in future as industry needs change

Changes in the quality of the training and facilities

College stakeholders, students and local businesses interviewed for the evaluation were uniformly positive about the quality of the facilities and training offered at the Clean Energy Education Hub.

Stakeholders emphasised that a key enabler of the success of the Hub was partnerships and continued collaboration with local businesses. These effective relationships with businesses have helped to ensure that students are able to develop high-quality, industry-ready skills.

According to local authority and college stakeholders, one of the key focuses when designing and delivering the Clean Energy Education Hub was to ensure that the education offering was tailored specifically to local industry needs. This involved direct consultation and partnership with key local employers. The workshops in the Hub have been designed so that they can be updated as industry needs change over time (for example, by setting them up as open workshops). This includes a clean energy employers' forum, which meets once a term, so that the college can continue to understand upcoming needs from employers. The courses have also been designed to simulate a real working environment as much as possible, for example by having students communicate with walkie-talkies and train on simulated rigs.

Taken together, this is expected to lead to an easier route into employment for graduates. Students interviewed for this report indicated that they expected that participation in the programme (and in particular the BP Scholarship) would help them get apprenticeships and further work in future, and that this specifically had drawn them to the college.

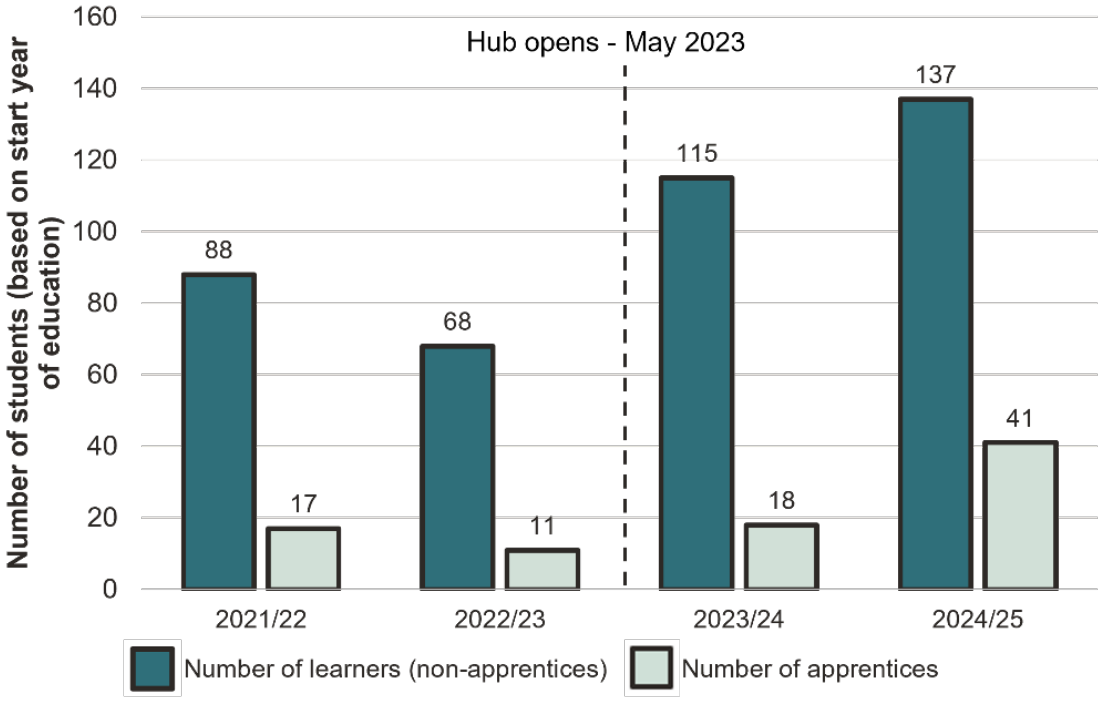
Much of the equipment in the Hub has been designed in cooperation with, or provided directly by, local industry partners. BP, Parker Hannifin, Sembcorp, and Northern Renewables are all sponsors of the workshops at the Clean Energy Education Hub. BP donated £60k in specialist equipment to the Hub, while Parker Hannifin and Northern Renewables each made £5k in-kind equipment contributions. College stakeholders also emphasised that teachers at the Hub are largely drawn from industry, to ensure they are able to provide training suited to local employers' needs. Local business stakeholders reported that this hands-on approach to training (such as on the carbon capture rig) and use of practical instructors are key parts of the Clean Energy Education Hub's value, and one of the key factors that sets it apart from other education offerings in the region.

> *"Projects like the Clean Energy Education Hub are absolutely crucial for buildings skills capacity within the region." – Local business stakeholder.*

Changes in student enrolment and local skills provision

Overall, enrolment in courses that now use the Clean Energy Education Hub facilities has increased noticeably since the Hub opened in May 2023. Figure B 18 shows that the total enrolment in the 2023/24 academic year was 133, up from 79 in 2022/23. Enrolment rose again in 2024/25, to 178. Stakeholders also highlighted an increase in applications received to study at Redcar and Cleveland College, with a particularly large increase in engineering.

Figure B 18 Enrolment in courses used by the Clean Energy Education Hub

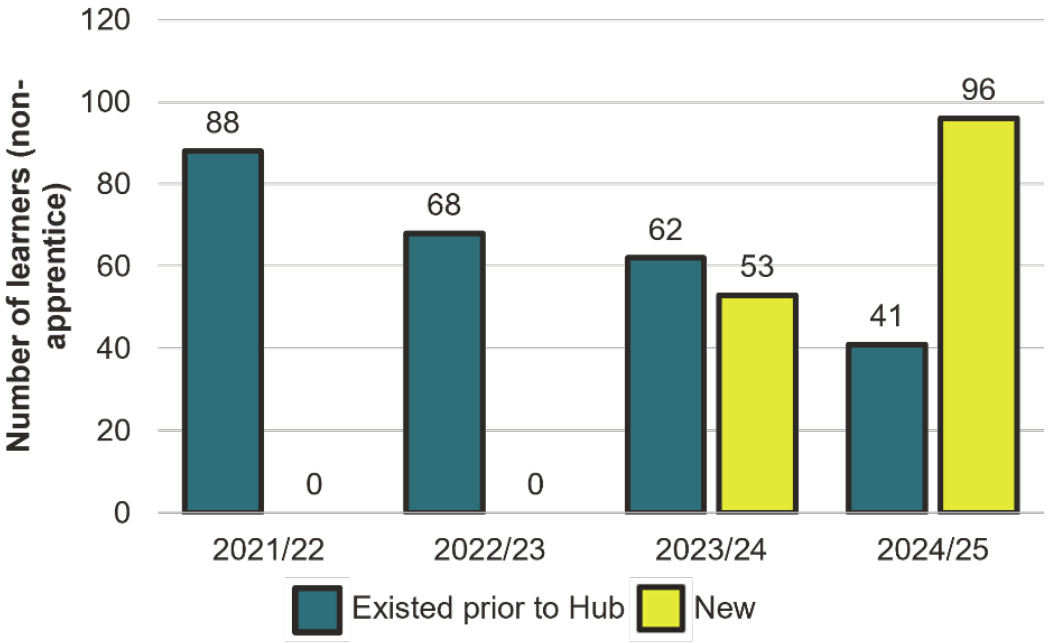


Source: Frontier Economics, based on data provided by Redcar and Cleveland College.
Note: Student numbers are based on the academic year they began their education.

The majority of this increased enrolment appears to be driven by courses that were unavailable at Redcar and Cleveland College prior to the construction of the Clean Energy Education Hub. Figure B 19 shows that in 2024/25, 96 students enrolled in the BP Scholarship programme, the Clean Energy Technician course, the Level 3 Fabrication and

Welding course, or T-Levels in gas engineering or maintenance, installation, and repair for engineering and manufacturing. While some of these may overlap with previously provided courses that no longer exist in their original forms, they were not offered prior to the Clean Energy Education Hub facilities being completed.

Figure B 19 Enrolment by whether the course existed prior to the construction of the Clean Energy Education Hub (non-apprentices only)



Source: *Frontier Economics, based on data provided by Redcar and Cleveland College.*
Note: *Includes only non-apprentice learners.*

The figures in Figure B 19 represent enrolment numbers and do not take into account retention and pass rates. Data provided by Redcar and Cleveland college shows that overall achievement rates (i.e. the proportion of students who completed the courses) are broadly in line with national averages. In 2023/24 (the most recent year for which data is available), 79% of 16 to 18-year-olds at the Clean Energy Education Hub completed their courses, compared to the national average of 82% for the same courses. This figure was even higher for the new courses offered, with a 100% achievement rate for the 25 BP scholars in 2023/24. Achievement rates for apprentices slightly exceeded the national average for apprentices (61% in 2023/24, compared to the national average of 55%). However, although there was a comparatively limited number of apprentices in the 2023/24 academic year.

College stakeholders and student beneficiaries highlighted the importance of the BP Scholarship programme, particularly for enrolling and retaining learners. Beyond the financial support from the scholarship, some beneficiaries reported that the potential future employment benefits were a key factor in their decision to enrol at the Clean Energy Education Hub.

> *"I applied to Redcar and Cleveland College obviously because of the BP scholarship. It opens doors and it has got a lot of publicity and it helps you get apprenticeships in the future." Student at Redcar and Cleveland College.*

College stakeholders also reported that the BP Scholarship was helping to drive increased enrolment from female students in the engineering and manufacturing courses, with half of the 2024/25 cohort of the BP scholarship identifying as female. The college noted that they had created a specific recruitment drive to encourage female students to enrol, highlighting the BP Scholarship as a part of this.

Case study: Norwich

Project context

Norwich is a city in the county of Norfolk, in the East of England. As of 2021, the city had a population of approximately 144,000 people (ONS, 2023). Norwich is a relatively deprived area compared to the rest of England. Norwich is the 61st most deprived local authority out of the 317 local authorities in England based on the overall level of deprivation, with 37% of Norwich's population living in the top decile of deprived LSOAs nationally (MHCLG IMD 2019). This level of deprivation extends to education, skills and training, with 36% of Norwich's population living in the top decile of LSOAs in England in terms of education-related deprivation.

Norwich City Council was awarded more than £25 million in Town Deal funding. Table B 14 outlines the funding spread across eight projects.

Table B 14 Norwich Town Deal Projects

Project name	Project value	Town Deal funding	Project end date
Digi-Tech Factory	£11.4 million	£1.5 million	August 2021
Make Space at the Halls	£6.4 million	£3.2 million	March 2025
Carrow House and East Norwich Masterplan	£5.5 million	£4.3 million	April 2023
Revolving Fund	£4.5 million	£4.5 million	March 2026
Digital Hub	£4.4 million	£3.8 million	March 2025
Public Realm	£3.8 million	£3.6 million	
Advanced Construction and Engineering Centre	£3.1 million	£3.1 million	October 2022
Branding	£0.2 million	£0.2 million	October 2022

Source: MHCLG Monitoring Data.

In this report, we focus on the Advanced Construction and Engineering (ACE) Centre and the Digi-Tech Factory projects. The projects were grouped together because they target similar outcomes. They are both located at City College Norwich and were completed around the same time. City College Norwich is the largest college of further and higher education in Norfolk. It provides education for 16 to 18-year-olds across both Norfolk and Suffolk, and also offers apprenticeships, Higher Education degrees (which are awarded

through a partnership with the University of East Anglia) and Non-Higher Education adult courses (City College Norwich annual report).

The Digi-Tech Factory is a new building at the college that opened in October 2021. It provides modern, industry-standard skills facilities to help deliver digital, tech, engineering and design courses. The 2,780sqm facility includes 12 Digital Studios for the teaching of digital-based learning and five ‘e-labs’ to support hands-on application of learning in robotics. The facility is the home of the college's digital T-level pathways and digital aspects of construction, engineering and manufacturing T-levels. The Digi-Tech Factory is also used to embed digital skills in other 16 to 18 programmes, offer a broader range of digital courses and enhance existing courses. The stated aims for Digi-Tech Factory were to:

- support the development of a highly skilled and inclusive workforce
- support the fast-growing digital and creative industry in Norwich
- improve productivity by enabling digitally skilled future employees

The Advanced Construction and Engineering (ACE) Centre project involved a refurbishment of an existing unit on City College Norwich's campus and was officially opened in February 2023. The centre delivers high-quality learning environments for digital and technology-driven, advanced engineering and manufacturing, sustainable transport, and advanced construction techniques. The enhanced facilities and equipment at the centre include:

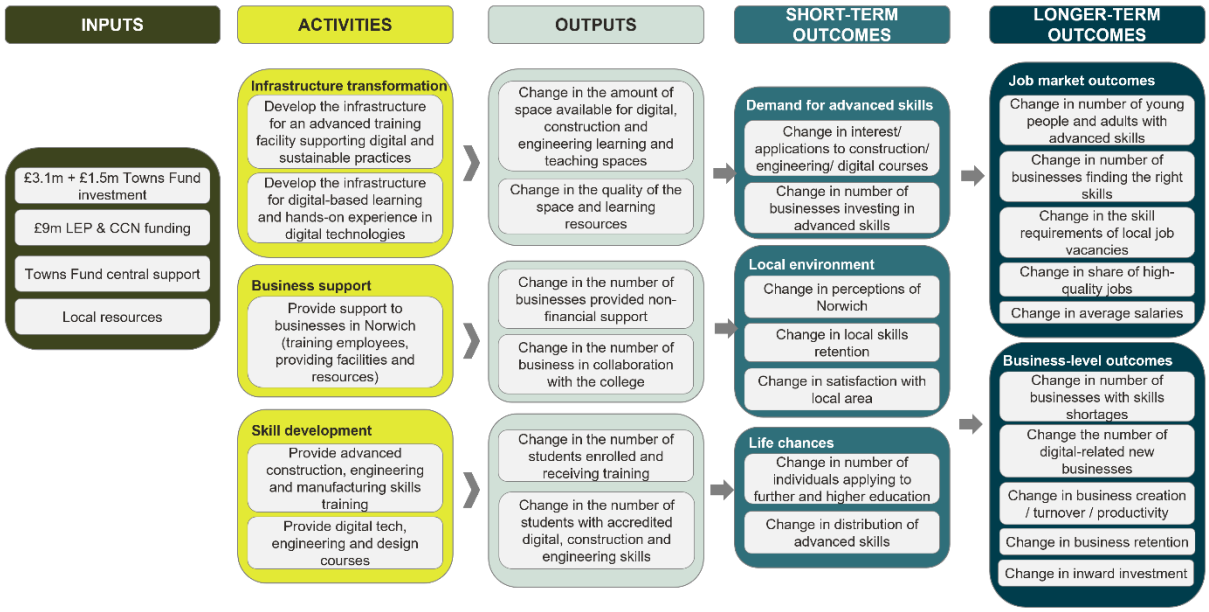
- a dedicated teaching lab for automated engineering and manufacturing practices
- the first motor vehicle training facility in the region, specifically designed to support hybrid and electric vehicles
- a new learning environment for advanced constructed training
- advanced technology classrooms

The rationale for the ACE Centre, as stated in the business case, was primarily to align skills facilities in the region with the needs of the local advanced engineering, manufacturing and construction sectors. These have been identified as key sectors for the Norfolk and Suffolk economy in the Norfolk and Suffolk Cross-Cutting Skills Report and the Norfolk and Suffolk Local Industrial Strategy. The goal for the centre was to help close skills gaps, support local businesses in growth sectors to scale up and increase productivity, while providing new long-term career opportunities for locals.

There are a few available alternatives to City College Norwich for prospective learners in the region. It is important to consider these alternatives during the evaluation, as if learners can already access the same facilities elsewhere, any outcomes from the interventions at City College Norwich may be due to displacement from these alternatives, as opposed to a purely additional effect. However, these alternative institutions are either located too far away to be practical geographic alternatives for students at City College Norwich, or otherwise offer a different selection of courses and programmes to City College Norwich.

Figure B 20 sets out the logic model for the ACE Centre and Digi-Tech Factory.

Figure B 20 Advanced Construction and Engineering Centre and Digi-Tech Factory logic model



Source: *Frontier Economics.*
Note: *Barriers and enablers to these outcomes are explored in more detail in the sections below. For a summary of cross-cutting barriers and enablers across the Towns Fund, see Section 3 of the feasibility report.*

Based on the context that the City College Norwich projects are aiming to address gaps in advanced skills and support businesses in Norwich, we have developed two main hypotheses to explore as part of this case study. Note that this does not cover all potential outcomes of the projects, but rather focuses on the key hypotheses for the project's primary expected outcomes.

- **Hypothesis 1:** The majority of businesses within Norwich report skills shortages, specifically in higher technical and management skills, requiring a new pipeline of experienced graduates (context). The ACE Centre and Digi-Tech Factory will provide additional, high-quality education, training and facilities, including new or expanded courses (output). By targeting skills that are best suited to the needs of local employers, such as those in the digital sector (mechanism). The new facilities are expected to increase the number of students being taught advanced skills and improve their academic level (short-term outcome), in turn increasing the overall level and quality of local advanced skills (outcome).

- **Hypothesis 2:** Norwich is uniquely positioned in the digital sector with many key businesses located within the city (context). The ACE Centre and Digi-Tech Factory will provide training to apprentices and employees and increase partnerships with local businesses (output). By targeting the right companies and skills, this is expected to increase the number of employees (or potential employees) with advanced skills, addressing skills gaps (mechanisms and short-term outcomes) and leading to in improvements local business outcomes, such as turnover, investment and productivity (outcome).

These hypotheses and expected outcomes relate to the evaluation questions on employment and skills, as well as sustainable economic growth. The impact evaluation questions can be found in Section 5 of the feasibility report. In addition to these main outcomes, the projects may also lead to improvements in wellbeing and social mobility in the longer term.

Emerging findings

EVIDENCE THAT THE ACE CENTRE AND DIGI-TECH FACTORY HAVE INCREASED THE LEVEL AND QUALITY OF LOCAL ADVANCED SKILLS (HYPOTHESIS 1)

There is some qualitative evidence that the ACE Centre and Digi-Tech Factor have increased the level and quality of local advanced skills. Both projects have improved the amount and quality of teaching and learning space for advanced skills education. Hundreds of learners and apprentices use the facilities each year, exceeding the targets set out in the initial Town Investment Plan.

College stakeholders reported that the projects have enabled new advanced skill courses to run, while enhancing existing courses. The fact that some users of the projects are enrolled on these new or improved courses suggests that there is some additionality in terms of the level and quality of advanced skills being developed in the local area. However, more data is required to quantitatively validate and quantify the extent of any additionality.

Changes in the amount and quality of teaching and learning space

The Digi-Tech Factory project created 2780m^2 of new space for digital learning and teaching, matching the amount targeted in the project's business plan. In terms of changes to the quality of the learning space and facilities, monitoring data shows that the project delivered a significant amount of specialist IT equipment, including high-performance workstations, interactive touch screens and robotics technology.

The ACE Centre involved refurbishing an existing building rather than creating a new space. It delivered 859m^2 of refurbished learning space, which is slightly more than the 733m^2 targeted in the original business plan. Improvements to the quality of the space and facilities include the addition of high specification CAD (Computer-aided design) PCs, computer-controlled lathes and mills and electric motor vehicles.

College stakeholders reported that both the ACE Centre and Digi-Tech Factory have had a substantial positive effect in increasing the amount of space and quality of the learning environment for students. In particular, they highlighted how improvements to the quality of facilities have had knock-on effects in a number of areas:

- **The ability to deliver new courses**. Without the additional space and high-quality facilities from these projects, the college would not have been able to run a number of courses. For example, the Data Analyst, Information Communication Technician and Game Design courses at the Digi-Tech Factory and the Electric Vehicle courses at the ACE Centre are wholly dependent on the new facilities.

- **The quality of existing courses**. In courses which existed prior to the projects' completion, students had to use lower specification equipment (e.g. PCs and

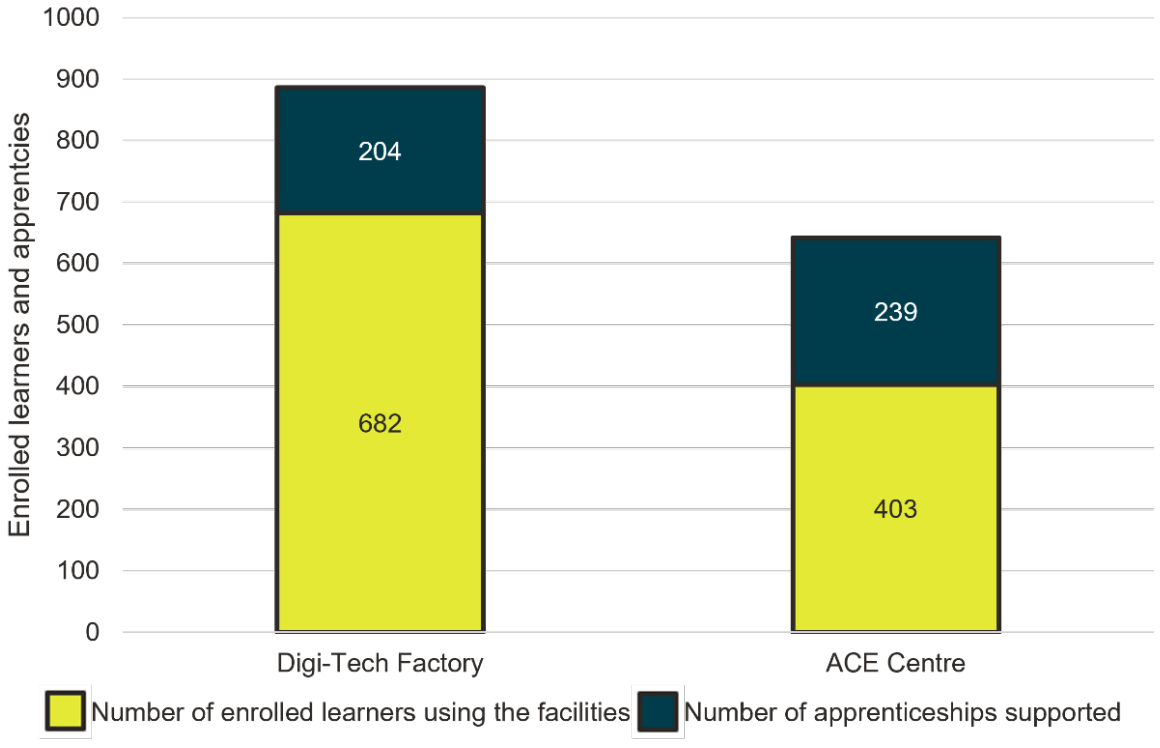
lathes) and often had to share facilities, which negatively affected the quality of the course and student learning.

- **Attracting prospective students and partner businesses**. Stakeholders noted that the high-quality facilities and equipment at the Digi-Tech Factory and ACE Centre make a significant difference to prospective placement employers, apprenticeship providers and students when they visit the site.

Changes in the number of students enrolled and receiving training

Figure B 21 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 both above the 477 learners and 100 apprentices targeted in the Norwich Investment Plan prior to starting the project.

Figure B 21 Enrolled learners and apprentices at the Digi-Tech Factory and ACE Centre (Apr–Sep 2024)



Source: MHCLG Monitoring Data.

At the ACE Centre, there were 402 learners and 239 apprentices between April and September 2024, compared to 450 learners and 60 apprentices in the previous period (October 2023 to March 2024). The ACE Centre business case does not target a specific number of learners or apprentices supported, but targets 140 additional learners and 30 additional apprentices above the current baseline.

Notably, these enrolment figures, taken from the monitoring data, do not allow us to assess additionality. Additional data from the college and the ONS Secure Research Service has been requested to help evidence additionality. To the extent it is made available by the college, it will be included in the final evaluation.

However, college stakeholders do report that the two projects have allowed them to run additional courses and take on additional students that would not have been enrolled if the Digi-Tech Factory and ACE Centre had not been built. The fact that the projects allow the college to run these courses (which could not have been offered otherwise) suggests that at least some portion of these learners and apprentices will be additional. This additionality may represent an overall increase in the number of young people and adults with advanced skills in the local area, although the extent of this additionality is uncertain at present.

EVIDENCE THAT THE ACE CENTRE AND DIGI-TECH FACTORY HAVE IMPROVED LOCAL BUSINESS OUTCOMES (OUTCOME) BY TRAINING APPRENTICES AND FUTURE EMPLOYEES AND INCREASING PARTNERSHIPS WITH LOCAL BUSINESSES (MECHANISM). (HYPOTHESIS 2)

There is some evidence that the ACE Centre and Digi-Tech Factory have increased the number of businesses receiving support and collaborating with the college. However, we do not currently have the evidence to assess additionality. Furthermore, the extent to which the projects improve actual business outcomes (e.g. productivity or revenues) or address skills shortages will take time to realise (and may not be realised within the timeframe of the evaluation). While stakeholder input suggests the projects will likely have a positive effect, this is not quantifiable at this stage.

Evidence for an increase in the number of businesses providing non-financial support and collaborating with the college

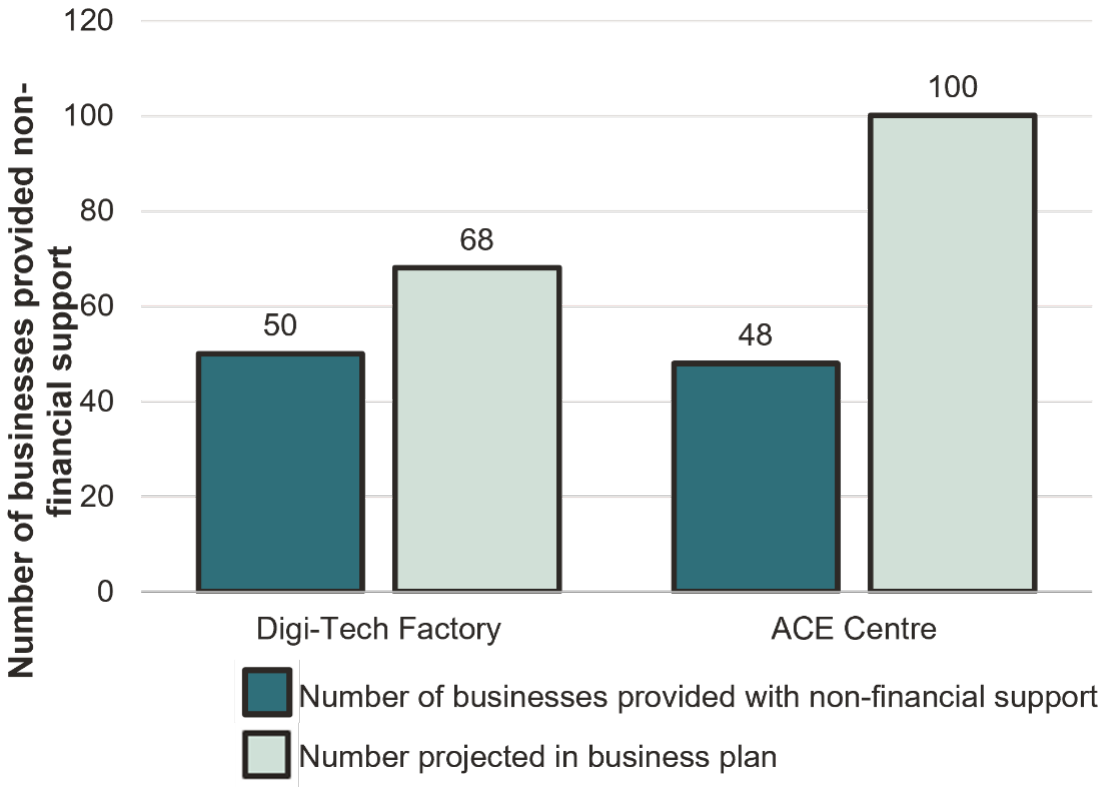
Figure B 22 shows the number of companies that provided non-financial support in the form of each of the projects in the period from April to September 2024 (e.g. through apprenticeships and placements). The Digi-Tech Factory provided non-financial support to 50 companies, slightly lower than the 68 targeted in the business case. In the same period, the ACE Centre provided non-financial support to 48 companies, which is less than the estimated amount of over 100 in the business case.

For both projects, based on college stakeholder interviews, some portion of this support is likely additional (i.e. it would not have been achieved without the project). This is because stakeholders reported that the projects have allowed the college to put on additional courses and take on additional apprentices. However, the exact number of additional companies that provided non-financial support cannot be determined based on the available data. College stakeholders suggested that, by providing additional apprenticeships where learners are able to use higher-quality facilities, there will likely be an increase in the overall number and skill level of apprentices who return to the workplace. This may have a positive effect on local business outcomes in the longer term, but this will take time to realise and is not quantifiable at this stage.

College stakeholders also provided examples of projects that increased the wider collaborations between local businesses. Aviva is a multinational insurance company with a significant presence in Norwich. After the Digi-Tech Factory was built, Aviva partnered with the college as part of its Foundry initiative, which was designed to help build Norwich's digital workforce. The initiative involved supporting T-Level students based at the Digi-Tech Factory with training sessions and work placements, as well as running a Hackathon at the facility itself. A stakeholder suggested that the facilities and training offered at the new building were influential in being able to host the Hackathon (by virtue of

the building having the space and technical facilities required) and provided a cohort of T-level students learning advanced skills who could engage with the Foundry initiative.

Figure B 22 Number of businesses provided non-financial support from the Digi-Tech Factory and ACE Centre (Apr-Sep 2024)



Source: MHCLG Monitoring Data.

Evidence for changes in the number of businesses investing in, and finding workers with, advanced skills

As the Digi-Tech Factory and ACE Centre projects have allowed the college to offer additional courses in advanced skills, it is possible that the number of apprentices (and students with work placements) on these courses indicates an increase in investment in advanced skills by local businesses.

Stakeholders from the college, local authority and local businesses all describe the increased demand for and shortages of advanced digital, construction and engineering skills in the local economy, consistent with the findings in Norwich's local skills strategy publications. However, we do not yet have the quantitative evidence to determine whether the Digi-Tech Factory and ACE Centre themselves have driven any additional investment in advanced skills by local businesses, and further input is required from the college and local businesses to assess this.

One local business stakeholder did note that the skills being taught at the Digi-Tech Factory should help address skill shortages in the digital space. A local authority stakeholder also stated that a number of businesses had provided positive anecdotal feedback on the quality and skills of those trained at the Digi-Tech Factory.

Annex C Programme-level evaluation - Project categorisation

The Towns Fund is composed of 858 projects, each with different intended outcomes.[2] The estimated impact of these projects will be assessed for each outcome in separate regressions. As such, all the projects must be categorised according to the main outcomes they are intended to affect.

Table C 1 presents the full list of intended outcomes and their descriptions. These outcomes were agreed upon with MHCLG as part of a workshop in August 2023.

Table C 1 Intended outcomes of the Towns Fund projects

Outcome	Description
Business outcomes	Relating to increased turnover, investment, business creation and productivity.
Property and land use	Relating to changes in land use, reductions in vacancy rates, and increases in property prices and rents.
Business decarbonisation	Relating to reducing the intensity of GHG emissions and more sustainable energy usage.
Job creation	Relating to the safeguarding of existing jobs and the creation of new jobs.
Employment mix	Relating to skills development and the creation of new employment types.
Local wellbeing	Relating to resident happiness or life satisfaction, and social improvements (e.g. crime reduction).
Social mobility	Relating to the average income of residents and reduction in any income or social disparities.
Pride in place	Relating to perceptions of the local area by residents or visitors.
Physical connectivity	Relating to improvements in physical infrastructure.
Digital connectivity	Relating to improvements in digital infrastructure.

Utilising economists to categorise this number of projects would be an onerous and resource-heavy task. This is particularly the case in the context of ongoing funded projects, which continue to change in nature over the evaluation period and therefore may require recategorisation over time.

[2] Based on Round 4 monitoring submissions, as of April 2024. Excludes Pathfinder projects.

A range of large natural language models (LLMs) were therefore trialled to automate this task.

The projects were categorised according to their intended outcomes using the following steps:

- **establishing the benchmark** against which any LLM approach can be assessed
- **testing** the categorisation results produced by a range of different LLMs
- **assessing** the LLM categorisations against the established benchmark to understand the relative strengths and weaknesses of each approach
- **selecting** the most appropriate LLM approach
- **validating** based on a series of human sense checks of the categorisations produced by the selected model, in order to ensure confidence in the final results

These steps are described in further detail below.

Step 1: Establishing the benchmark

This step involved defining a clear, measurable standard against which to evaluate the performance of the LLMs being tested.

Outcome categorisation is inherently a subjective task; any two individuals may associate the same project with a different intended outcome. As such, no 'perfect' allocation can be achieved. Instead, the models were assessed on the basis of relative and not absolute performance, and the 'success' criteria defined for this work were whether any LLM could perform as well as the human counterfactual.

Two human benchmarks were defined to ensure that the relative 'success' of each LLM could be more comprehensively assessed against a range of counterfactuals. These are as follows:

- **Individual human benchmark:** A single individual who is familiar with the Towns Fund work and its intended outcomes was asked to categorise outcomes for a sample of 20 projects. This benchmark reflects the realistic counterfactual which would be expected if an automated LLM approach were not used.
- **Collective human benchmark:** 15 economists outside of the core Frontier evaluation team (i.e. with no familiarity with the Towns Fund intervention) were asked to categorise the same sample of projects. The purpose of this benchmark was to define an 'expected' level of variation that might be observed among several humans who are asked to perform the same subjective task. This variation may then be compared with the variation observed by several independent LLMs asked to perform the same task.

Step 2: Testing a range of LLMs

Thirteen LLM categorisation approaches were tested. Each LLM was provided with the following inputs to form the basis of the categorisation:

- the ten potential outcomes and their definitions (see Table C 1)
- the full list of projects and their descriptions provided by local authorities

In the process of this work, vague or missing project descriptions were reviewed by local authorities to facilitate the categorisation of all Towns Fund projects.

Twelve classification models and a single generative model were tested.

- **Classification models** can assign relevance scores to a defined set of outcomes, taking the project descriptions as inputs. Outcomes with the highest relevance scores are retained. Twelve such classification models were tested.[3]
- **Generative models** can generate answers based on specific prompts and can accommodate contextual information (e.g. instructions on how to process project descriptions). These models are more sophisticated and offer greater potential for relevant outcomes assignment. However, the models rely heavily on well-crafted prompt design. Several prompts were tested to ensure precise and relevant results. A single generative model was tested, known as GPT-4.[4]

Each model was first tested without prior training ('zero-shot' categorisation). Following this, two steps were then taken separately to try to improve outcomes: (i) refinement using a training sample, and (ii) composing an ensemble.

- **Refinement:** The models were each provided with some training information (85 projects, equating to about 10% of total projects, which had been manually categorised by a single economist) for the purpose of fine-tuning the model to attempt to improve the accuracy of assigned outcomes. Across both model types, the results showed that the quantity of training information was not sufficiently large to significantly improve outcome classification for the models. Given the size and complexity of this LLM, the quantity of training data that would be required to produce minor improvements to these models is so vast that this step was considered to be infeasible within the parameters of this project.[5]
- **Ensemble composition:** This technique can enhance the accuracy and resilience of the predicted outcomes by merging predictions from multiple models. Errors or

[3] The twelve models tested were the top twelve downloaded zero-shot classification models as ranked by the AI model hub Hugging Face, as of May 2024: [1] facebook/bart-large-mnli; [2] cross-encoder/nli-deberta-base; [3] morit/xlm-t-full-xnli; [4] MoritzLaurer/mDEBERTa-v3-base-mnli-xnli; [5] nbailab/nb-bert-base-mnli; [6] svalabs/gbert-large-zeroshot-nli; [7] valhalla/distilbart-mnli-12-6; [8] valhalla/distilbart-mnli-12-1; [9] typeform/squeezebert-mnli; [10] narsil/deberta-large-mnli-zero-cls; [11] joeddav/bart-large-mnli-yahoo-answers; [12] cross-encoder/nli-roberta-base.
[4] This model was selected based on its high performance, ease of use, and level of security.
[5] Note that the quality of training information is also relevant, to ensure the model is trained on projects with clear descriptions and outcomes with clear definitions.

biases that may exist in individual models are mitigated by leveraging the collective intelligence of the ensemble. Two ensembles were tested:

- An aggregation of the five best-performing classification LLMs, based on the outcomes most frequently assigned across these models for each project. Results demonstrated that creating an ensemble in this way helped to reduce variation and improve outcomes assignment.

- An aggregation of several runs of the GPT-4 generative model, based on the outcomes most frequently assigned across these models for each project. Results showed very stable results between each repeated run of the GPT-4 model. This ensemble was therefore found to be less helpful.

Step 3: Assessment

The LLM categorisations were assessed using the recognised concepts of precision, recall and F1 scoring.[6]

- **precision:** This statistic summarises how many of the predicted outcomes are found to be relevant, using the benchmark as a comparator

- **recall:** This statistic summarises how many of the relevant outcomes were correctly identified by the algorithm, using the benchmark as a comparator

- **F1 score:** This statistic represents the harmonic mean of precision and recall. It gives an overall score to each LLM between 0 and 1

Precision, recall and F1: Implications for econometric analysis
In the context of the econometric analysis, a model with **low precision** would imply the inclusion of irrelevant projects within the selection of projects in the regression. This would result in a potential dilution of the final estimated impact. In other words, the estimated impact might be considered a conservative lower bound of the actual impact created by the intervention. By contrast, a model with **low recall** would imply that potentially relevant projects are discarded from the analysis. This would result in the exclusion of relevant projects from the assessment. For the purposes of selecting the best model to use for categorisation in this work, the recall statistic was, therefore, considered to be of greater importance than the precision statistic.

Table C 2 through to Table C 17 set out the performance of each model based on these statistics.

[6] See for instance Manning, C. D., Raghavan, P., & Schütze, H. (2008). Introduction to Information Retrieval. Cambridge University Press.

Table C 2 and Table C 3 set out the overall performance of each model against the individual human benchmark (single informed economist) and collective human benchmark (15 economists), respectively.

The results demonstrate an overall outperformance by the GPT-4 model over both ensembles of the classification models and the ensemble of 15 economists, as compared with an individual human benchmark.

The ensemble of the five best classification models is seen to produce a higher F1 score than the wider ensemble of 12 models, driven in particular by a stronger precision result. This suggests that the worse-performing models in general do not seem to add useful information to the categorisation process.

Table C 2 includes a comparison of the categorisation by the two 'human' approaches and sets out the performance of the ensemble of 15 economists against the benchmark of a single informed economist. The resulting precision, recall and F1 score are high but not 100%. A consistent 100% precision, recall or F1 score would imply that there is 100% agreement in categorisations by both 'human' approaches. Given that the process of outcome categorisation is inherently a subjective task, this seems an unrealistic expectation. Defining any lower bound performance threshold is similarly inappropriate, given that the exercise is context-based and fixed thresholds cannot be defined. For this reason, the relative performance of the models is considered to be more instructive in assessing 'success' rather than the absolute magnitude of the numbers.

Table C 2 Performance against individual human benchmark

	Collective human assignment: Ensemble using 15 economists	**Classification models: Ensemble using all LLMs**	**Classification models: Ensemble using five best LLMs**	**Generative model: GPT-4**
F1	79.6%	46.5%	51.7%	82.3%
Precision	82.1%	42.1%	56.9%	85.6%
Recall	83.0%	58.5%	60.4%	84.9%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Comparison against benchmark assignment of 53 outcomes for 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 3 Performance against collective human benchmark

	Individual human assignment: Single informed economist	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	Not Applicable	55.8%	63.9%	77.6%
Precision	Not Applicable	49.1%	63.5%	88.4%
Recall	Not Applicable	66.1%	69.4%	77.4%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Comparison against benchmark assignment of 62 outcomes for 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 4 to Table C 17 set out the performance of each model against each human benchmark for each outcome.

In general, the categorisation produced by the ensemble of 15 economists and the GPT-4 model produced higher F1, precision and recall scores across the outcomes.

In addition, these options performed more consistently across the outcomes, as compared with the classification models, which performed reasonably well on certain outcomes (such as Physical Connectivity) but struggled on assignment for others (such as Pride in Place). This is likely a result of the fact that classification LLMs are unable to take in additional contextual information beyond project descriptions, while GPT-4 may draw on additional information, such as the outcome definitions, to facilitate the grouping. Classifications LLMs therefore tend to perform better for outcomes defined in less ambiguous terms, such as ‘business decarbonisation’ or ‘digital connectivity’, which may be clearly associated with specific terms (such as net-zero, emissions, digital, or technology). By contrast, outcomes phrased more vaguely, such as ‘pride in place’, may not fit well into how classification LLMs currently associate relevant words. On the other hand, GPT-4 has the capacity to draw on a greater pool of information beyond simple word associations to inform the groupings.

Greater variance is seen in those cases where sample sizes are smaller (for instance, Local Wellbeing in Table C 12). As with all quantitative analysis, larger sample sizes reduce the likelihood of bias and improve LLM accuracy on average.

Note that outcomes of ‘digital connectivity’, ‘business decarbonisation’ and ‘social mobility’ are excluded in these tables. Given the small number of projects that fall under these categorisations, these outcomes lack a sufficient sample size for a viable quantitative assessment. These outcomes have previously been assessed to be better placed for qualitative analysis and will be assessed in greater detail as part of the intervention-level evaluation.

Table C 4 Business outcomes: Performance against individual human benchmark

	Collective human assignment: Ensemble using 15 economists	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	73.7%	57.1%	50.0%	87.0%
Precision	100%	66.7%	100%	90.9%
Recall	58.3%	50.0%	33.3%	83.3%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 12 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 5 Business outcomes: Performance against collective human benchmark

	Individual human assignment: Single informed economist	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	Not Applicable	62.5%	54.5%	77.8%
Precision	Not Applicable	55.6%	75.0%	63.6%
Recall	Not Applicable	71.4%	42.9%	100.0%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 7 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 6 Property and land use: Performance against individual human benchmark

	Collective human assignment: Ensemble using 15 economists	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	92.3%	58.8%	75.0%	80.0%
Precision	85.7%	45.5%	60.0%	100.0%
Recall	100%	83.3%	100%	66.7%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 6 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 7 Property and land use: Performance against collective human benchmark

	Individual human assignment: Single informed economist	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	Not Applicable	66.7%	82.4%	72.7%
Precision	Not Applicable	54.5%	70.0%	100.0%
Recall	Not Applicable	85.7%	100.0%	57.1%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 7 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 8 Job creation: Performance against individual human benchmark

	Collective human assignment: Ensemble using 15 economists	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	66.7%	46.2%	54.5%	58.8%
Precision	57.1%	37.5%	50.0%	41.7%
Recall	80.0%	60.0%	60.0%	100%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 5 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 9 Job creation: Performance against collective human benchmark

	Individual human assignment: Single informed economist	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	Not Applicable	66.7%	76.9%	73.7%
Precision	Not Applicable	62.5%	83.3%	58.3%
Recall	Not Applicable	71.4%	71.4%	100.0%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 7 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 10 Employment mix: Performance against individual human benchmark

	Collective human assignment: Ensemble using 15 economists	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	90.9%	66.7%	66.7%	100%
Precision	100.0%	55.6%	50.0%	100%
Recall	83.3%	83.3%	100%	100%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 6 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 11 Employment mix: Performance against collective human benchmark

	Individual human assignment: Single informed economist	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	Not Applicable	57.1%	58.8%	90.9%
Precision	Not Applicable	44.4%	41.7%	83.3%
Recall	Not Applicable	80.0%	100.0%	100.0%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 5 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 12 Local wellbeing: Performance against individual human benchmark

	Collective human assignment: Ensemble using 15 economists	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	42.9%	35.3%	33.3%	75.0%
Precision	27.3%	21.4%	20.0%	60.0%
Recall	100.0%	100.0%	100%	100%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 3 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 13 Local wellbeing: Performance against collective human benchmark

	Individual human assignment: Single informed economist	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	Not Applicable	80.0%	84.6%	62.5%
Precision	Not Applicable	71.4%	73.3%	100.0%
Recall	Not Applicable	90.9%	100.0%	45.5%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 11 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 14 Pride in place: Performance against individual human benchmark

	Collective human assignment: Ensemble using 15 economists	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	82.4%	12.5%	0.0%	77.8%
Precision	77.8%	12.5%	0.0%	70.0%
Recall	87.5%	12.5%	0.0%	87.5%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 8 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 15 Pride in place: Performance against collective human benchmark

	Individual human assignment: Single informed economist	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	Not Applicable	11.8%	15.4%	94.7%
Precision	Not Applicable	12.5%	25.0%	90.0%
Recall	Not Applicable	11.1%	11.1%	100.0%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 9 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 16 Physical connectivity: Performance against individual human benchmark

	Collective human assignment: Ensemble using 15 economists	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	82.4%	60.9%	82.4%	93.3%
Precision	77.8%	46.7%	77.8%	100.0%
Recall	87.5%	87.5%	87.5%	87.5%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 8 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Table C 17 Physical connectivity: Performance against collective human benchmark

	Individual human assignment: Single informed economist	Classification models: Ensemble using all LLMs	Classification models: Ensemble using five best LLMs	Generative model: GPT-4
F1	Not Applicable	66.7%	88.9%	87.5%
Precision	Not Applicable	53.3%	88.9%	100.0%
Recall	Not Applicable	88.9%	88.9%	77.8%

Source: *Frontier Economics, based on R4 monitoring submissions.*
Note: *Assigned by benchmark to 9 of 20 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.*

Step 4: Selection

The tables above demonstrate a clear outperformance of the GPT-4 model as compared with the classification models. This finding is consistent across both human benchmarks and across each outcome.

Furthermore, GPT-4 is found to perform as well as, or in some cases to outperform, the alternate human benchmark. This is particularly notable, as this implies that in these cases, there is greater alignment between the individual economist and the model, rather than the group of economists. This sheds light on the subjective nature of the task and demonstrates that different outcome assignments may be reached regardless of the counterfactual, whether human or artificial intelligence.

This provides reasonable confidence in support of GPT-4 as the preferred model for the categorisation of the Towns Fund projects into their intended outcomes.

Step 5: Validation

The resulting outcomes were tested with local authorities to obtain further insights about the performance of the GPT-4 model.

A comprehensive validation exercise was completed with local authorities from 38 towns (across both the Future High Streets Fund and Town Deals [TD] projects) for a total sample of 124 projects, representing 14.5% of the total number of Towns Fund projects.

In particular:

- 15 of the validated projects had also been used for internal benchmarking. These were used to test whether local authorities were more likely to agree with the human categorisations or the GPT-4 categorisation. Local authorities were provided with the results categorised by the individual economist and by the GPT-4 model. They were then asked to select which categorisation most closely aligned with their intention. This allowed the comparison of the relative 'success' of the GPT-4 model against a human counterfactual.

- 109 of the validated projects were used to test the performance of the GPT-4 model beyond the assessment sample. Local authorities were asked to confirm:

  - whether all the outcomes assigned were correct (precision)

  - whether there were any missing outcomes which should have been assigned (recall)

Table C 18 sets out the overall performance of the GPT-4 model as well as the two human categorisation approaches for each outcome, against the local authority benchmark. Table C 19 further sets out the GPT-4 model's performance against the local authority benchmark for each outcome.

Table C 18 Overall: Performance against local authority benchmark

	Individual human assignment: Single informed economist	**Collective human assignment: Ensemble using 15 economists**	**Generative model: GPT-4**
F1	73.9%	83.8%	83.5%
Precision	81.7%	84.3%	88.0%
Recall	72.1%	86.0%	83.7%

Source: Frontier Economics, based on R4 monitoring submissions and the December 2024 validation exercise.
Note: Comparison against benchmark assignment of 43 outcomes for 15 test projects. Ensembles have been formed based on the top three outcomes categorised by individual economists or LLMs.

Table C 19 Overall and by outcome: GPT-4 performance against local authority benchmark

	Number of projects assigned with this outcome	Precision	Recall	F1 score
Overall	357	86.9%	83.5%	83.7%
Pride in place	70	90.9%	85.7%	88.2%
Business outcomes	67	82.1%	95.5%	88.3%
Job creation	56	75.7%	94.6%	84.1%
Property and land use	48	94.4%	70.8%	81.0%
Local wellbeing	44	89.5%	77.3%	82.9%
Physical connectivity	29	95.8%	79.3%	86.8%
Employment mix	25	90.9%	80.0%	85.1%

Source: Frontier Economics, based on R4 monitoring submissions and the December 2024 validation exercise.
Note: Comparison against benchmark assignment of 357 outcomes for 124 test projects.

Overall, the results demonstrate that the GPT-4 model performs well across the range of tests conducted. As set out in Table C 18, GPT-4 produces results with significantly greater precision and recall than a single economist when comparing against the outcomes assigned by local authorities, and on par with the results produced by an ensemble of 15 economists. This performance is shown to be robust when tested on a larger sample in Table C 19, with F1 scores remaining stable and high across all intended outcomes.

These results provide confidence in the GPT-4 model's capability to categorise project outcomes as successfully as humans.

Step 6: Outcome

The use of the GPT-4 model has been agreed for the categorisation of Towns Fund projects on the basis of its strong and consistent performance across all outcomes. These categorisations will form the basis of future econometric assessments in this evaluation.

Annex D Process evaluation

Data collection

The data collection plan for the process evaluation includes 20 case studies (10 Town Deals and 10 Future High Streets Fund), plus interviews and focus groups with Towns Fund stakeholders, including the High Streets Task Force and the Towns Fund Delivery Partner Consortium.

By February 2025, we had collected data for seven of the 20 case studies (three Future High Streets Fund and four Town Deals). The remaining data will be collected before the final report, due in Spring 2026.

Each case study consists of:

- a project site visit
- qualitative interviews or focus groups with stakeholders involved in project design and delivery:
  - local authorities
  - bid consultants
  - delivery partners
  - Town Deal Board members (for Town Deal projects only)
  - beneficiaries

Table D 1 summarises the data collected up to February 2025 for the seven case studies. BMG Research are aiming to complete fieldwork for blank cells ahead of the final report.

Table D 1 Process evaluation interviewees by case study

Fund	Case study	Local authority members	Delivery partners	Bid consultants	Town Deal Board members	Beneficiaries
FHSF	Yeovil	3	4	1	Not Applicable	6
FHSF	Loftus	2	4	2	Not Applicable	Not Applicable
FHSF	Northallerton	2	5	3	Not Applicable	2
TD	Hereford	3	Not Applicable	1	3	Not Applicable

TD	Redcar	1	3	Not Applicable	Not Applicable	4
TD	Norwich	1	3	Not Applicable	Not Applicable	9
TD	Kidsgrove	4	2	2	4	Not Applicable

Source: BMG Research.

Sampling and recruitment

The case studies were selected to ensure a range of project types and geographic areas were included in the evaluation. More information on the case study selection process is available in Section 5 of the feasibility report.

The case study selection for the process evaluation is under review to include projects with Project Adjustment Requests and cancelled projects from Town Deals and the Future High Streets Fund. This will ensure the evaluation captures diverse experiences and generates learnings for future initiatives.

A cascading recruitment approach has been adopted, initially contacting the local authority for relevant project stakeholders' details. For beneficiaries' contact details, a two-pronged approach is used: contacts from the local authority or delivery partners, and survey opt-ins from intervention-level evaluation surveys.

Analysis

A case and theme-based approach ('framework' analysis) was used to analyse the in-depth interviews and focus group data. It involved the evaluators:

- familiarising themselves with the evidence through reviewing transcripts
- developing a framework to organise emerging themes (where columns represent themes and rows represent individual participants or focus groups)
- summarising the qualitative data according to the key themes and sub-themes
- working through the summarised data to explore the full range of processes, experiences and views, as well as to seek similarities and differences, and the reasons for them

Secondary data (such as monitoring returns) has been used to triangulate findings from the qualitative interviews and focus groups where relevant in this report.

Section 7 of the feasibility report provides more details on the Towns Fund process evaluation's methodology.

Evaluation framework

Process evaluation theme: Management and governance of the Towns Fund

This theme focuses on overall governance and programme management, including risk management and financial accountability.

Table D 2 describes the evaluation questions, success indicators and data sources for this theme.

This theme in the process evaluation framework (management and governance of the Towns Fund) is not included in the report as the data required has yet to be collected and will be incorporated in the final report in Spring 2026.

Table D 2 Process evaluation – Management and governance theme

Evaluation question	Success indicators	Data sources
To what extent is the Towns Fund building on previous investments and interventions?	Evidence that learning from past experience has been used in delivery planning.	Focus group with MHCLG delivery leads. MHCLG may also be able to provide additional internal data, including reports to HMT and PAC.
How effective was the Towns Fund governance structure in steering the programme?	Decisions regarding the Fund were made at the right level in a timely manner.	Focus group with MHCLG delivery leads MHCLG may also be able to provide additional internal data, including reports to HMT and PAC.
Did the Towns Fund meet budgetary expectations?	The Towns Fund met its business case as anticipated, without unforeseen issues or additional costs.	Focus group with MHCLG delivery leads Monitoring data MHCLG may also be able to provide additional internal data, including reports to HMT and PAC.
To what extent did the Towns Fund meet its target outputs efficiently and effectively?	Available resources were used effectively and efficiently.	Focus group with MHCLG delivery leads MHCLG may also be able to provide additional internal data, including reports to HMT and PAC.
How effectively has the programme identified and mitigated risks?	If risks materialise, no evidence that risk management processes could have identified or mitigated the risk.	Focus group with MHCLG delivery leads MHCLG may also be able to provide additional internal data, including reports to HMT and PAC.
Did the due diligence process effectively identify projects with unacceptable levels of project delivery risks (including risk of financial failure)?	If project failures occurred, no evidence that due diligence could have identified and/or mitigated the failure.	Focus group with MHCLG delivery leads MHCLG may also be able to provide additional internal data, including reports to HMT and PAC.
How effectively did TD and FHSF work together and make the programme as a whole	Evidence of iterative learning across the two funds.	Focus group with MHCLG delivery leads MHCLG may also be able to provide

Evaluation question	Success indicators	Data sources
more effective as opposed to delivering individual funds?		additional internal data, including reports to HMT and PAC.
What are the unique/innovative features of the programme's delivery?	Not Applicable	Focus group with MHCLG delivery leads MHCLG may also be able to provide additional internal data, including reports to HMT and PAC.

Source: BMG.

Process evaluation theme: Design and planning

This theme focuses on the design and planning of the Towns Fund and associated projects, including risk management, financial accountability and the design of the fund.

Table D 3 describes the evaluation questions, success indicators and data sources for this theme.

Table D 3 Process evaluation – Design and planning theme

Evaluation question	Success indicators	Data sources
To what extent and how did places engage stakeholders in project plans/business case/investment plan development?	Evidence that a wide range of stakeholders, including underrepresented groups, were engaged with and that their feedback influenced projects plans/business cases/investment plans.	In-depth interviews with local authorities
What was the balance of local leadership between the private sector, voluntary and community sector or from political leadership of the lead local authority? Was one group more dominant?	Evidence that a wide range of stakeholders from the public, private, voluntary and community sectors were involved in the planning and design stages.	In-depth interviews with local authorities
To what extent and how did capacity funding help places develop project plans/business cases/investment plans/applications for funding?	Evidence that capacity funding allowed places to produce better project plans/business cases/investment plans/applications for funding than they could have done without such funding.	In-depth interviews with local authorities
To what extent and how did the High Street Task Force support the development of project plans/business cases/investment plans/ applications for funding?	Evidence that the High Street Task Force provided support and guidance for shaping project plans/business cases/investment plans/ applications for funding (where relevant)	In-depth interviews with local authorities Focus group with High Street Task Force
To what extent and how did the Town Deal Boards support the development of project	Evidence that the Town Deal Boards provided support and guidance for shaping project plans/business cases/investment	In-depth interviews with local authorities

Evaluation question	Success indicators	Data sources
plans/business cases/investment plans/ applications for funding?	plans/ applications for funding (where relevant)	Focus groups with Town Deal Boards
To what extent and how did places engage with members of the Towns Fund Delivery Partner (TFDP) consortium to develop project plans/business cases/investment plans/applications for funding?	Evidence that places benefited from support from TFDP at the design and planning stages and that this engagement led to improvements in design and planning.	In-depth interviews with local authorities Focus groups with Towns Fund Delivery Partner consortium
To what extent and how did places use external consultants or other pro bono support (LEPS, combined authorities, universities) to develop project plans/business cases/investment plans/applications for funding?	Evidence that places were able to use consultants/pro bono support at the design and planning stages.	In-depth interviews with local authorities
To what extent did places perceive that external consultants, or other pro bono support, added value to business cases/investment plans/applications for funding?	Evidence that places acknowledge that consultants provided good quality services that lead to better outcomes at the planning and design stages.	In-depth interviews with local authorities In-depth interviews with consultants
Did places face any capacity challenges when developing project plans/business cases/investment plans/ applications for funding?	Evidence that places did not face capacity challenges (e.g. financial expertise gap, project management, and simple understaffing) or that timely support was available if challenges were faced.	In-depth interviews with local authorities
To what extent did the expectations set out and guidance available help places navigate the processes of developing project plans/business cases/investment plans/ applications for funding?	Evidence that expectations were clear according to places and that guidance was available or provided in a timely manner.	In-depth interviews with local authorities
What improvements can be made to the processes of developing project plans/business cases/investment plans/ applications for funding?	Not Applicable	In-depth interviews with local authorities Focus group with MHCLG delivery leads Focus groups with Town Deal Boards Focus groups with Towns Fund Delivery Partner consortium Focus group with High Street Task Force
How effective was the feedback provided by the Towns Hub to TD	Evidence that the feedback provided by Towns Hub helped	In-depth interviews with local authorities

Evaluation question	Success indicators	Data sources
Towns with (initially) unsuccessful investment plans?	places develop successful investment plans	Focus group with MHCLG delivery leads
Did experiences and outcomes of design and planning stages vary across places with different socio-economic profiles/capacity capabilities?	Evidence that design and planning experiences were consistent across places.	In-depth interviews with local authorities

Source: BMG.

Process evaluation theme: Structure and delivery of funds

This theme focuses on the structure and implementation of the Towns Fund activities, with an emphasis on how the approach of Town Deals and Future High Streets Fund may help facilitate outcomes and impacts.

Table D 4 describes the evaluation questions, success indicators and data sources for this theme.

Table D 4 Process evaluation – Structure and delivery theme

Evaluation question	Success indicators	Data sources
To what extent did the competition approach for FHSF enable the programme to meet its objectives? What were the advantages and disadvantages of this approach?	Participants perceive that the outcomes and impacts achieved by projects have been enabled by the competitions and the structure of the competitions: they view FHSF as a unique catalyst. They acknowledge the approach was valid.	In-depth interviews with local authorities Focus group with MHCLG delivery leads
To what extent did the deal-based, pre-selected town approach for TD enable the programme to meet its objectives? What were the advantages and disadvantages of this approach?	Participants perceive that the outcomes and impacts achieved by projects have been enabled by the pre-selected town approach of the TD: they view TD as a unique catalyst. They acknowledge the approach was valid.	In-depth interviews with local authorities Focus group with MHCLG delivery leads
How influential were the investment plans prepared by places (or consultants on their behalf)? Were investments plans adhered to during delivery?	Evidence that investment plans were used and led to strategic economic management.	In-depth interviews with local authorities
To what extent and in what way did contextual factors affect delivery of projects?	Not Applicable	In-depth interviews with local authorities In-depth interviews with delivery partners
How easy or difficult was it to implement project changes	Evidence that the process for Project Adjustment Requests was easy to navigate and that timely	In-depth interviews with local authorities

Evaluation question	Success indicators	Data sources
during delivery? Why were project changes requested?	request outcomes were provided (where outputs and outcomes changed more than 30% and local areas could not make their own decisions on this).	
To what extent and how did the High Street Task Force support project delivery?	Evidence that the High Street Task Force provided support and guidance for project delivery and that their advice led to improvements in delivery.	In-depth interviews with local authorities Focus group with High Street Task Force
To what extent and how did the Towns Fund Delivery Partner (TFDP) consortium support places with delivery of projects?	Evidence that places benefited from support from TFDP during delivery and that this led to improvements in delivery.	In-depth interviews with local authorities Focus groups with TFDP consortium
Did places face any capacity challenges when delivering projects?	Evidence that places did not face capacity challenges (e.g. financial, expertise gap, project management, and simple understaffing) or that timely support was available if challenges were faced.	In-depth interviews with local authorities
To what extent and how did capacity funding help places that faced capacity challenges?	Evidence that places benefited from capacity funding and that this led to improvements in delivery.	In-depth interviews with local authorities
To what extent did places put in place plans for continuation of project activities for after the Towns Fund funding period?	Evidence that places have put together plans for futureproofing projects and to ensure they continue to have impacts after the funding period.	In-depth interviews with local authorities In-depth interviews with delivery partners
How well were project beneficiaries identified and encouraged to participate?	Evidence that places publicised opportunities through a range of channels and in a timely manner. Evidence that a wide range of beneficiary groups were reached, including underrepresented groups.	Focus groups with beneficiaries Surveys of beneficiaries In-depth interviews with local authorities In-depth interviews with delivery partners
How well did beneficiaries engage with projects?	Evidence that intended beneficiaries engaged with and benefited from projects.	Focus groups with beneficiaries Surveys of beneficiaries In-depth interviews with local authorities In-depth interviews with delivery partners
What were beneficiaries' experiences of project delivery? What did they perceive the benefits of projects to be?	Evidence that intended beneficiaries had positive experiences of project delivery. Evidence that beneficiaries see	Surveys of beneficiaries Focus groups with beneficiaries

Evaluation question	Success indicators	Data sources
	project as unique catalysts for achieving benefits.	
Did experiences of delivery vary across places with different socio-economic profiles?	Evidence that design and delivery experiences were consistent across places.	In-depth interviews with local authorities
What improvements can be made to the structure and delivery of the fund?	Not Applicable	In-depth interviews with local authorities Focus group with MHCLG delivery leads Focus groups with Town Deal Boards Focus groups with Towns Fund Delivery Partner consortium Focus group with High Street Task Force

Source: BMG.

Process evaluation theme: Evaluation and monitoring

This theme focuses on how delivery and outcomes are monitored and evaluated.

Table D 5 describes the evaluation questions, success indicators and data sources for this theme.

Table D 5 Process evaluation questions – Evaluation and monitoring theme

Evaluation question	Success indicators	Data sources
How well did delivery monitoring enable MHCLG to respond to delivery or performance issues promptly and effectively?	Projects progress as anticipated or have been stopped or changed early with little or no wasted time or resources.	Focus group with MHCLG delivery leads
How well did outcome monitoring and evaluation enable MHCLG and places to understand if the programme is on track to deliver impacts?	Evidence that MHCLG was able to identify issues early and resolve them effectively. Evidence that monitoring tracks outcomes (such as journey times, access to broadband, and business growth).	In-depth interviews with local authorities Focus group with MHCLG delivery leads
To what extent did places conduct local evaluations and how well did these enable places to implement changes during delivery?	Evidence that local evaluations were being undertaken in a systematic way which enables improvements to be implemented during the funding period.	In-depth interviews with local authorities Focus groups with Town Deal Board
How and to what extent was delivery and outcome monitoring adapted to meet changing requirements?	Evidence that MHCLG modified monitoring if it was found to be insufficient.	Focus group with MHCLG delivery leads
To what extent and how do the Town Deal Boards contribute to	Evidence that Town Deal Boards helped with outcome and delivery monitoring	In-depth interviews with local authorities

Evaluation question	Success indicators	Data sources
delivery and outcome monitoring?	and that changes were implemented following their feedback.	Focus groups with Town Deal Board
Did places face any capacity challenges in relation to monitoring and evaluation?	Evidence that places did not face capacity challenges (e.g. financial expertise gap, project management, and simple understaffing) or that timely support was available if challenges were faced.	In-depth interviews with local authorities
What improvements can be made to evaluation and monitoring?	Not Applicable	In-depth interviews with Local authorities Focus group with MHCLG delivery leads Focus groups with Town Deal Boards
Are there any differences in perceptions of evaluation and monitoring in places with different socio-economic profiles?	Evidence that monitoring and evaluation experiences were consistent across places.	In-depth interviews with local authorities

Source: BMG.

Contextual factors mentioned in monitoring returns

Table D 6 shows the number of times contextual factors were mentioned in monitoring returns. 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 in monitoring returns.

Table D 6 Contextual factors mentioned in monitoring returns

Monitoring round	Returns submission dates	Reporting periods covered	Number of times 'inflation' was mentioned	Number of times 'COVID' was mentioned	Number of times 'Red Sea' or 'Suez' was mentioned
Round 1	June 2022	Up to March 2022	41	0	0
Round 2	December 2022	April 2022 to September 2022	27	2	0
Round 3	June 2023	November 2022 to March 2023	56	4	0
Round 4	December 2023	April 2023 to September 2023	33	2	0
Round 5	June 2024	November 2023 to March 2024	22	2	0
Round 6	December 2024	April 2024 to September 2024	8	1	0

Source: BMG Research, based on MHCLG monitoring returns.
Note: Round 6 monitoring data is incomplete at the time of reporting in February 2025. Returns are missing for two areas.

Annex E Evaluation risks and mitigations register

As set out in the feasibility report, there are a few risks to the process and impact evaluations:

- **case study projects are being completed after the evaluation timelines due to delays**. This affects the intervention-level impact evaluation and process evaluation
- **disengagement from local authorities and other stakeholders, limiting data availability and qualitative engagement**. This affects the intervention-level impact evaluation and process evaluation
- **wider delays to projects, limiting the sample for econometric analysis**. This affects the programme-level impact evaluation
- **limited primary and secondary data availability or data quality affecting the robustness of the evaluation**. This affects the programme-level and intervention-level impact evaluation
- **challenges identifying long-term impacts**. This affects the programme-level and intervention-level impact evaluation
- **challenges attributing impacts to the Towns Fund specifically**. This affects the programme-level and intervention-level impact evaluation

A full list of identified risks and planned mitigations at this stage is detailed in Table E 1.

Table E 1 Risks and mitigations

Risk	Description	Likelihood	Impact	Mitigation
Case study project delays	Several projects initially selected for inclusion in the set of case studies have been delayed and completed after the April 2025 cut-off for inclusion in the evaluation.	High	Medium	A reserve list of projects was selected as part of the feasibility stage, which provides alternatives in case of project delays. However, further delays may mean that not enough reserve projects are available to serve as substitutes. This would require either further case study projects to be identified, or to focus on drawing further insights from existing case studies. Using reserve projects may also bias the sample towards certain regions or types of projects. To the extent this occurs, these representativeness impacts will be highlighted as caveats to the analysis.

Risk	Description	Likelihood	Impact	Mitigation
Stakeholder disengagement	In general, local authorities have been highly engaged in the evaluation work. However, in some instances, project delivery partners have been unable or unwilling to provide the requested data.	Medium	Medium	While this is not a material risk to the overall evaluation, it may affect the robustness of some individual case studies if they continue to be unable to provide this data in the future. We are coordinating with MHCLG to chase this where necessary.
Wider project delays	Only projects completed by April 2025 can be evaluated. At this stage, sample sizes are too low for reliable quantitative estimation for 3 of the 10 defined outcomes (digital connectivity, business decarbonisation, and social mobility). Further project delays risk more outcomes falling out of the scope of the quantitative evaluation. This will reduce the chance of finding statistically significant results.	High	Medium	We are working closely with MHCLG and local authorities for awareness of project timelines and to clarify the risks of any further delay.
Data availability	Data gaps or a lack of data at the right geographic and temporal granularity will restrict the ability to evaluate outcomes. There are a few additional outcomes that are at risk of falling out of the scope of the evaluation for this reason (eg pride in place). The process of identifying, collating and testing several data sources for our analysis is ongoing.	Medium	Medium	Data gaps or a lack of data at the right geographic and temporal granularity will restrict the ability to evaluate outcomes. There are a few additional outcomes that are at risk of falling out of the scope of the evaluation for this reason (eg pride in place). The process of identifying, collating and testing several data sources for our analysis is ongoing.

Risk	Description	Likelihood	Impact	Mitigation
Identification of long-term impacts	Any impacts associated with the remaining projects within the sample, which may have longer-lived impacts, are less likely to be identified in our analysis. The current evaluation period does not allow enough time for long-term impacts to be realised (such as changes in productivity or local deprivation).	High	Medium	The quantitative analysis will aim to identify short- and medium-term impacts where possible. This will be combined with a theory-based approach to infer potential long-term impacts. Where possible, wider literature will also be used to unpack hypothetical mechanisms. Long-term impacts could be evaluated more robustly if a future evaluation were to take place two to three years after the conclusion of the overall Towns Fund to allow for larger projects to be completed and for longer-term impacts to be realised.
Attribution of impact	Towns Fund projects are sometimes co-funded by other governmental interventions and private investment. In addition, other projects with similar outcomes may be deployed in the Towns Fund areas. Consequently, the benefits attributable to the Towns Fund may be impossible to separate from those arising from the Towns Fund in combination with other initiatives.	Medium	High	Alignment with evaluation teams for the other funds should serve to identify areas of overlap that must be accounted for in our analysis. As part of the case studies, other potential impact enablers are being explored through stakeholder interviews. Where a project is co-funded by the Towns Fund and another source, the evaluation will focus on the impact of a given project rather than the Towns Fund-funded component. Where another fund overlaps with a Towns Fund treatment area, this will need to be comparison-led directly within the regression. Furthermore, care will be required to select comparison areas that did not receive any external funding in order to provide a realistic counterfactual.

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