



Ministry of Housing,
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Luke Hall MP

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3 March 2021

Dear Mr Kerfoot MBE and Mr Greene,

Scarborough Town Deal

In September 2019, the Government announced the initial 101 places invited to develop Scarborough's Town Deal proposals as part of the £3.6 billion Towns Fund.

Scarborough was included in this initial 101 places and we were pleased to receive Scarborough's Town Investment Plan in October. We are grateful for your hard work, and that of your team and Town Deal Board, in developing this set of project proposals to deliver long-term and sustainable economic growth in Scarborough.

I am delighted to be offering you a Town Deal for Scarborough to a value of up to £20.2 million. The draft Heads of Terms for this deal are attached to this letter. A list of the projects that we are content to support within this funding envelope is also attached, with conditions as appropriate; it is for Scarborough to choose which projects to proceed with.

I understand that you will need to secure the agreement of the Town Deal Board to take up this offer. I would therefore request that you do so and return to us the signed Heads of Terms as confirmation by 24 March 2021. My officials are of course on hand to answer any questions you may have.

This is an exciting opportunity to come together to drive long-term economic and productivity growth in Scarborough, particularly as we meet the challenges presented by Covid-19. I look forward to working with you to make Scarborough's plans a reality.

Yours sincerely,

LUKE HALL MP

Heads of Terms offer for Scarborough

Introduction

As a coastal town in Yorkshire, Scarborough has a rich heritage and culture derived from a proud maritime economic history and its national renown as a seaside resort. Today its economy is underpinned by its traditional tourism, hospitality and leisure offer. Clearly a town with high levels of deprivation (ranked 7th in the region), the town's vision is to build on recent economic investments and success and its high-quality natural environment, raising aspiration, opportunity and prosperity for all.

Government will work with Scarborough Borough Council and its Town Deal Board to support the delivery of a Town Deal, with the ultimate goal of ensuring all Scarborough residents have a share in the town's success.

The commitment

This document lays out the Heads of Terms offer to Scarborough, under the Towns Fund. This is not a contractually binding document and the offer is subject to various conditions being met. The Heads of Terms will act as a Memorandum of Understanding for the future development and delivery of Scarborough's Town Investment Plan and project proposals. It sets out joint expectations as Scarborough enters the business case development phase.

Government will provide up to **a total of £20.2 million from the Towns Fund**, which will be used to provide a cord of activity from station to shore, via a modern high street; increase the range and links of transport; realise the potential of the harbour; encourage deeper connections with natural assets; host a range of events and festivals; and pioneer community rooted businesses and organisations.

Scarborough has proposed a range of projects that will contribute towards achieving this vision. These include:

- The redevelopment of the area around Scarborough station
- 16km of new/upgraded cycling/ walking paths
- Regeneration of the Harbour and West Pier
- A new and innovative tourism product (Wild Eye on Scarborough)
- A new community technology lab in Scarborough Town Centre (FabLab+)
- Expansion of the existing Woodend Creative Industries (Woodend PLUS)
- A new, year-round programme of cultural regeneration activity (Scarborough Fayre)
- Improving Scarborough Cricket Club
- A new Green Construction Skills Village

Scarborough will need to prioritise these projects within the funding envelope being offered. Funding for individual projects will be subject to successfully completing Phase 2 of the Towns Fund process. This includes detailed project development and business case assurance at local level.

Process, governance and assurance

Local partners will work with government to demonstrate the feasibility, viability and value for money of their projects by developing and submitting the Town Deal Summary Document, including (as per the Further Guidance and Stage two guidance: business case development):

- A list of agreed projects

- Details of business case assurance processes followed for each project
- An update on actions taken in relation to the Heads of Terms key conditions and requirements
- A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
- A Monitoring and Evaluation Plan
- Confirmation of funding arrangements and financial profiles for each project
- Undertaking Public Sector Equalities Duty analysis
- Approval from the Town Deal Board and Lead Council

Scarborough should conduct project assurance in line with agreed routes for each individual project, and should clarify the overall funding model, as we noted contradictory statements regarding the need for match funding, and its sources, especially from the private sector. Scarborough should also provide a plan for further private sector engagement.

If the priority projects identified for funding do not progress, MHCLG cannot guarantee that funding can be assigned to alternative projects or that if it is those will be to the same value. This may result in an overall reduction in the amount of funding received.

Within two months of accepting this offer, Scarborough should confirm in writing details of projects being taken forward and a plan for addressing key conditions relating to those projects and the overall Town Investment Plan. This should be sent to towns.fund@communities.gov.uk, copied to the town lead.

Scarborough must then complete business cases for the projects being taken forward and submit the Summary Document within 12 months of the deal being agreed. MHCLG will then provide the agreed funding up to the maximum amount of **£20.2m** for those projects, provided that all conditions are met.

Signed:

Chair of the Town Deal Board

Chief Executive of lead Council

MHCLG Secretary of State / Minister

Date

ANNEX TO THE HEADS OF TERMS: PROJECTS WITHIN SCOPE OF THE TOWN DEAL

The Town Deal offer is a maximum of **£20.2 million** of MHCLG funding in total.

Within this maximum amount, Scarborough may take forward projects selected from those listed below.

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

Project	Funding offer limit	Match	Expected outputs and outcomes	Conditions	Fast track (Y/N)
<p>Station Gateway This project is the redevelopment of the area around Scarborough station, a key gateway to the town, with the creation of high-quality public realm including a new prominent Station Square.</p>	£6.68m	N/A	<ul style="list-style-type: none"> • 3690 sqm new revived train lines and stations • 8000 sqm of high quality affordable commercial space • 12,600 sqm new public spaces • 5000 sqm quality residential space • More frequent bus services - TBC • Improved commuter flows - TBC • Improved Perceptions of the place by residents/businesses/visitors - % TBC 	<ul style="list-style-type: none"> • Confirm match funding arrangements • Engage relevant partners and agencies including Network Rail and Historic England, in future planning and development of the project. • Quantified outcomes need to be specified for this project for it to be taken forward. 	N
<p>Cycling and Walking improvements 16km of new/upgraded cycling/ walking paths. Linking south Scarborough's growing business and residential areas with the Town Centre and onwards to the cinder track linking to Whitby, the Yorkshire Coast and the North York Moors National Park.</p>	£5.75m	£3.25m	<ul style="list-style-type: none"> • 16km of new/upgraded cycling/ walking paths. • Improved Wider cycling infrastructure such as cycle parking - TBC • Increase in number of trips by cycle/ walking - TBC • Improved commuter flows - TBC 	N/A	N

<p>Harbour Regeneration The project consists of the renewal and regeneration of the Harbour and West Pier to create a public space which links to Scarborough's marine heritage, provides retail and workshop space for catering, food and creative industries and preserves the pier as a working harbour with a thriving fishery.</p>	£5m	N/A	<ul style="list-style-type: none"> • 2370 sqm of commercial space • 2100 sqm new public spaces • Renovated Grade 2 listed building • Improved perceptions of the place by businesses / residents - % TBC • Increased number of visitors - TBC 	N/A	N
<p>Wild Eye on Scarborough Wild Eye on Scarborough will create an alternative tourism offering to complement what traditionally the UK public expects of the first British resort (a sandy beach, cafés and entertainment facilities) and produce an alternative 'nature view' or 'eye' of Scarborough.</p>	£1.88m	£0.11m	<ul style="list-style-type: none"> • 5 new artworks and viewing platforms • 4.5 km of nature trail • Increased number of visitors - TBC • Improved perceptions of the place by residents - % TBC 	<ul style="list-style-type: none"> • Engage relevant partners and agencies including Arts Council England, in future planning and development of the project. 	N
<p>FabLab+ FabLab+ is a proposed skills and training centre that will create new opportunities and provide new, modern and in demand skills such as robotics, 3D modelling and printing and audio</p>	£1.4m	£0.3m	<ul style="list-style-type: none"> • 750 sqm of shared workspace or innovation facilities • Increase in no. of businesses / schemes to support enterprise and business productivity and growth - TBC • Increased and closer collaboration with employers - TBC 	<ul style="list-style-type: none"> • Provide more evidence on the long-term financial sustainability of the project. • Engage relevant partners and agencies, including Creative England, in future planning and development of the project. 	N

lab and sound engineering for local people.			<ul style="list-style-type: none"> • Increase in the breadth of the local skills offer that responds to local skills needs - TBC • Increase in % of learners gaining relevant experience/being 'job ready' (as assessed by employers) - TBC • Increased no. of enterprises utilising high quality, affordable and sustainable commercial spaces - TBC • Improved perceptions of the place by businesses - % TBC 		
Woodend PLUS The Woodend PLUS project is the next phase of a media centre provision for businesses that have outgrown the existing Woodend Creative Industries Centre site on the Crescent in Scarborough.	£2m	N/A	<ul style="list-style-type: none"> • circa 400 sqm of high quality, affordable commercial floor space • circa 200 sqm community/cultural facility in the form of a museum. • circa 600 sqm remediation and/or development of abandoned or dilapidated site • Improved perceptions of the place by businesses - % TBC • Increased no. of start-ups and/or scaleups - TBC • Improved business births, deaths and survival rates - TBC 	<ul style="list-style-type: none"> • Clarify match funding requirements and status. • Engage relevant partners and agencies, including Historic England, in future planning and development of the project. 	N
Scarborough Fayre This project is a new year-round programme of cultural regeneration; a	£1.5m	N/A	<ul style="list-style-type: none"> • 52 events per year • Increased no. of visitors - TBC • 10 sites utilised for the delivery of Scarborough Fayre events 	<ul style="list-style-type: none"> • Quantify outcomes and overall impact, particularly in relation to the distinct capital and revenue strands: £0.5m (one third) 	N

series themed cultural and heritage events delivered at various locations in the town; restoration of a public building on the High Street to act as the centre of the festival.			<ul style="list-style-type: none"> Improved perceptions of the place by residents /businesses/ visitors - % TBC Increased no. of visitors to arts, cultural and heritage events and venues - TBC 	<p>revenue and £1m (two thirds) for building renovation.</p> <ul style="list-style-type: none"> Engage relevant partners and agencies, including Arts Council England and Historic England, in future planning and development of the project. 	
<p>Improving Scarborough Cricket Club</p> <p>This project is enhancement of the pitch, grounds infrastructure including improvements to the west stand; essential upgrades to security, accessibility and remedial works to improve health and safety.</p>	£0.25m	N/A	<ul style="list-style-type: none"> 1 upgraded community and sports centre Improved perceptions of the place by residents /businesses/ visitors - % TBC Increased no. of visitors to arts, cultural and heritage events and venues - TBC 	N/A	N
<p>Green Construction Skills Village</p> <p>The project is to expand the existing Scarborough Construction Skills Village offer, to increase the range and level of training courses available and intake of learners.</p>	£0.54m	£3m	<ul style="list-style-type: none"> 170 businesses supported (over 3 years) Increased no. of employees receiving skills support - TBC 680 new learners assisted Increased % of learners gaining relevant experience/being 'job ready' (as assessed by employers) - TBC Increased % of working-age population with qualifications - TBC 	<ul style="list-style-type: none"> Clarify that the project aligns with the local skills plan and engage with the local skills provider base. Provide assurance around the viability of the project if match funding is not secured, including match funding from devolution deal. 	N

General conditions

There are also the following requirements for the process and governance:

- **TIP improvements:** Clarify the overall funding model, as we noted contradictory statements regarding the need for match funding, and its sources, especially from the private sector. Provide a plan for further private sector engagement.
- **Assurance:** The business cases for projects will be taken through Scarborough Borough Council, in line with local assurance processes.
- **Public Sector Equalities Duty:** Scarborough will undertake programme-wide level impact assessment, relevant project-level impact assessment and relevant Environmental Impact Assessments.

If the priority projects identified for funding do not progress, MHCLG cannot guarantee that funding can be assigned to alternative projects or that if it is those will be to the same value. This may result in an overall reduction in the amount of funding received

Within two months of accepting this offer, Scarborough should provide the following information to towns.fund@communities.gov.uk, copied to the town lead (annex a in business case guidance):

- Details of the projects being taken forward (including for each project the capital/revenue split and the financial profile)
- Overall capital/revenue split and financial profile for the Town Deal
- A plan for addressing key conditions relating to those projects and the overall Town Investment Plan.

Scarborough must complete business cases for the projects being taken forward and submit the Town Deal Summary Document within 12 months of accepting this offer. Business cases should follow the Lead Council's usual assurance processes and be undertaken in partnership with the Town Deal Board.

If the town wishes to alter the projects being developed, change them for other projects, or otherwise depart from the conditions placed on the projects above, they will inform the Towns Hub as soon as possible setting out clear justifications and evidence. A form for requesting such changes is in the business case guidance.