



Ministry of Housing,  
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3 March 2021

Dear Mr Edmunds and Mr Greene,

**Whitby Town Deal**

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

Whitby was included in this initial 101 places and we were pleased to receive Whitby'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 Whitby.

I am delighted to be offering you a Town Deal for Whitby to a value of up to £17.1 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 Whitby 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 as confirmation with signed Heads of Terms 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 Whitby, particularly as we meet the challenges presented by Covid-19. I look forward to working with you to make Whitby's plans a reality.

Yours sincerely,

LUKE HALL MP

## Heads of Terms offer for Whitby

### Introduction

Whitby is a popular seaside town for tourists across the UK and beyond, with a national park on its doorstep. The tourism sector drives Whitby's economy but also provides significant challenges in terms of traffic congestion, high house prices compared to incomes, lower value seasonal employment and in work poverty, and the associated challenge of retaining or attracting young people to reside in Whitby. The town also suffers from pockets of deprivation and is over-reliant on its tourism sector.

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

### The commitment

This document lays out the Heads of Terms offer to Whitby, 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 Whitby's Town Investment Plan and project proposals. It sets out joint expectations as Whitby enters the business case development phase.

Government will provide up to a **total of £17.1 million from the Towns Fund**, which will be used to establish a harbour which embodies traditional and 21st Century maritime culture, build 'Beacons of Excellence' across the town in skills, arts and wellbeing, host world class business and cutting edge learning activities, create a walkable town connecting all that is on offer in Whitby, enhance the town's links to the coast, balance better activity across the town, provide opportunities to live lighter in the nearby environment and have well established and convenient links to the rest of the world.

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

- A free Wi-fi zone and project providing a free access wi-fi zone.
- A new Maritime Skills Academy, providing training and certification for the maritime and offshore and renewable energy sectors.
- A Wild Eye project creating an alternative tourism to complement existing tourist attractions around nature and art.
- Seeking delivery of zero carbon homes within the first zero carbon, community custom build housing scheme in Yorkshire at Broomfields Farm (Phase 2).
- Revitalising the Old Town Hall and Market Place
- Providing additional facilities and floorspace at Pannett Art Gallery
- Developing a shared space for digital innovation for entrepreneurs and for providing education.
- Expanding the Eastside Community Centre to provide an improved wellbeing offer to meet the community's needs.
- Improving the public realm to reduce pressure on the existing Whitby Bridge/ 'Swing Bridge' which suffers from high pedestrian-vehicle conflict.

Whitby 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

Whitby should conduct project assurance in line with agreed routes for each individual project and provide a plan of how they will continue to engage with the private sector.

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, Whitby 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](mailto:towns.fund@communities.gov.uk), copied to the town lead.

Whitby 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 **£17.1 million** for those projects, provided that all conditions are met.

Signed:

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Chair of the Town Deal Board

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Chief Executive of lead Council

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MHCLG Secretary of State / Minister

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Date

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

Our Town Deal offer is a maximum of **£17.1 million** of MHCLG funding in total.

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

This funding will be subject to successfully completing Phase 2 of the Towns Fund process as set out in the Towns Fund Further Guidance, 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><b>Free Wi-fi zone and Wayfinding</b> This project seeks to provide a free access wi-fi zone service in Whitby's harbour area and the main route up to the Abbey from the town.</p>	£0.24m	£0.2m	<ul style="list-style-type: none"> <li>• 115,000 sq. m provision of specialist digital technologies to meet the needs of specific sectors - Area covered by free wi-fi</li> <li>• 34 new wayfinding points (Monoliths and fingerposts)</li> <li>• 5 new monoliths with digital screen</li> <li>• Perceptions of the place by residents/visitors</li> <li>• Number of visitors to arts, cultural and heritage events and venues</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Y
<p><b>Whitby Maritime Skills Academy</b> This project seeks to capitalise on the recent successful diversification of the fishery industry training school into providing training and certification for the maritime and offshore and renewable energy sectors.</p>	£10m	N/A	<ul style="list-style-type: none"> <li>• 2185 sq.m increase in capacity and accessibility to new or improved skills facilities</li> <li>• Increase in the breadth of the local skills offer through new courses provided through 50 new courses</li> <li>• Increased and closer collaboration with a number of local businesses – 70 businesses engaged.</li> <li>• Number of new learners assisted – 800 persons trained.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide analysis to show demand, including local skills needs and how/if the project will capitalise on economic impacts of nearby investments (e.g. offshore)</li> <li>• Provide further assurance on deliverability and the future sustainability of the academy, including education providers who will support this proposal and their funding</li> <li>• Ensure that suitable providers with the capacity to support</li> </ul>	N

			<ul style="list-style-type: none"> <li>• Learners gaining relevant experience/being 'job ready' (as assessed by employers)</li> <li>• Higher percentage of working-age population with qualifications</li> </ul>	<p>the development are engaged quickly. (e.g. TEC Partnership).</p> <ul style="list-style-type: none"> <li>• Work with the Institute of Technology to ensure that, where appropriate, skills aims are aligned.</li> <li>• Clarify match funding arrangements.</li> </ul>	
<p><b>Whitby Wild Eye</b> This project will create an alternative tourism to complement the towns existing tourist attractions which is centred around nature and art.</p>	£1.79m	£0.1m	<ul style="list-style-type: none"> <li>• 5 new artworks and viewing platforms</li> <li>• 4.5km nature trail with health and educational benefits.</li> <li>• Number of visitors to arts, cultural and heritage events and venues increased.</li> <li>• Perceptions of the place by residents/visitors improved.</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	N
<p><b>Broomfields Farm Carbon Neutral Village</b> This project that seeks to deliver c. 60 Zero Carbon Homes.</p>	£2.6m	£11.4m	<ul style="list-style-type: none"> <li>• 33 construction employees</li> <li>• Minimum of 1 resident(s) upskilled through construction apprenticeships</li> <li>• 60 carbon neutral homes delivered in Whitby</li> <li>• A community Hub/Shared workspace floorspace delivered (Arts Culture and Heritage and Enterprise Infrastructure)</li> <li>• Perceptions of the place by residents/businesses/visitors improved.</li> <li>• Land values increased.</li> <li>• 60 people who work remotely at least some of the time</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Y
<p><b>Old Town Hall and Market Place</b></p>	£1.0m	£0.27m	<ul style="list-style-type: none"> <li>• 140 sq.m of a heritage asset</li> </ul>	<ul style="list-style-type: none"> <li>• Identify end users and actively approach potential</li> </ul>	N

<p>A project that seeks to revitalise the Old Town Hall and Market Place of Whitby through renovation and renewal.</p>			<p>regenerated Town Hall</p> <ul style="list-style-type: none"> <li>• 272 sq.m of a redeveloped market square.</li> <li>• Perceptions of the place by residents/businesses/visitors improved.</li> <li>• Number of visitors to arts, cultural and heritage events and venues increased.</li> </ul>	<p>user groups (e.g. engage with nearby businesses).</p> <ul style="list-style-type: none"> <li>• Clarify costings and outputs and outcomes for each strand of the project (e.g. town hall building vs marketplace).</li> </ul>	
<p><b>Pannett Art Gallery and Extension</b> This project will provide additional facilities and floorspace at Pannett Art Gallery which is located at a site in Pannett Park which also accommodates the Whitby Town Museum.</p>	£4.83m	£0.17m	<ul style="list-style-type: none"> <li>• 305 sq.m expanded arts venue.</li> <li>• 1,105 sq.m new Government Indemnity Space.</li> <li>• 800m new art trail including public realm and artworks.</li> <li>• 12,000 visitors to arts, cultural and heritage events and venues.</li> <li>• Perceptions of the place by residents/visitors improved.</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	N
<p><b>Whitby Innovation Hub</b> This project seeks to develop a shared space for digital innovation in Whitby to act as a hub for entrepreneurs work and for learning to take place.</p>	£0.75m	N/A	<ul style="list-style-type: none"> <li>• 4600 occupied desks in working days per annum.</li> <li>• 150sq.m of new employment floorspace (managed workspace).</li> <li>• 150sq.m increase in the amount of shared workspace or innovation facilities.</li> <li>• 300 people who work remotely at least some of the time.</li> <li>• Number of new learners assisted increased.</li> <li>• Higher percentage of working-age population with qualifications.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide assurances on the financial sustainability of the project beyond the Towns Fund investment.</li> </ul>	N
<p><b>Eastside and Calla Beck</b></p>	£1.49m	£0.32m	<ul style="list-style-type: none"> <li>• 750sq.m of new, upgraded or protected</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	N

<p><b>Wellbeing Centre</b> This project is the expansion of the Eastside Community Centre to provide an improved wellbeing offer to meet the needs of the local community.</p>			<p>community centres, sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens.</p> <ul style="list-style-type: none"> <li>• 750sq.m increase in capacity and accessibility to new or improved skills facilities.</li> <li>• An Increase in the breadth of the local skills offer that responds to local skills needs</li> <li>• Perceptions of the place by residents/visitors improved.</li> <li>• Number of new learners assisted increased.</li> <li>• Percentage of learners gaining relevant experience/being 'job ready' increased.</li> </ul>		
<p><b>Harbourside Public Realm: Pedestrianisation of Whitby Bridge</b> A public realms project to reduce pressure on the existing Whitby Bridge also known as the 'Swing Bridge' which suffers from high pedestrian-vehicle conflict.</p>	£2.3m	£0.4m	<ul style="list-style-type: none"> <li>• 0.5km of road flexibly pedestrianised.</li> <li>• 13,000sq.m of improved public realm.</li> <li>• Number of trips by purpose and main mode increased.</li> <li>• Perceptions of the place by residents/businesses/visitors improve</li> <li>• Number of visitors to arts, cultural and heritage events and venues increased.</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	N

### General conditions

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

- **TIP improvements:** Provide detail on plan for engagement with the private sector.

- **Assurance:** The business cases for projects will be taken through Scarborough Borough Council in line with local assurance processes.
- **Public Sector Equalities Duty:** 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, Whitby should provide the following information to [towns.fund@communities.gov.uk](mailto: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.

Whitby 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 Whitby 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.