



Ministry of Housing,
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3 March 2021

Dear Ms. Gadson and Mr. Hall,

Leyland 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.

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

I am delighted to be offering you a Town Deal for Leyland to a value of up to £25 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 Leyland 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 Leyland, particularly as we meet the challenges presented by Covid-19. I look forward to working with you to make Leyland's plans a reality.

Yours sincerely,

LUKE HALL MP

Heads of Terms offer for Leyland

Introduction

The vision for Leyland is a digitally connected, carbon neutral town where local enterprises thrive, skilled residents have good jobs, and communities feel connected to a newly revitalised town centre that has a distinct, retail, hospitality, leisure and cultural offer.

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

The commitment

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

Government will provide up to a **total of £25 million from the Towns Fund**, which will be used to:

- Establish a clear heart to the town supporting a more diverse and improved cultural, leisure and food and drink offer that attracts visitors and residents;
- Provide a strong supply of skilled labour;
- Drive jobs and productivity in our Leyland's key sectors (Automotive, Advanced Manufacturing, Digital and Energy); and
- Reduce greenhouse gas emissions through an increase in sustainable travel and through supporting Leyland's ambition to become carbon neutral by 2030.

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

- Create a new 'heart' of Leyland with a distinct Town Centre offer for residents, businesses, and visitors, creating a vibrant high street and market offering, including new bars and restaurants that support a bustling evening economy;
- Improve the physical quality of the public realm and built environment of the town centre, changing perceptions and improving the overall experience for visitors and residents;
- Deliver skills infrastructure, enterprise infrastructure and urban regeneration that will provide new public spaces, improve the local arts and culture offer and support businesses to start-up, up-skill and grow;
- Create improved sustainable connectivity to reduce carbon emissions, connecting the Town Centre to key locations to the north and south; and
- Support Leyland's economic recovery from Covid-19 and establish a resilient local economy.

Leyland 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

Leyland should conduct project assurance in line with agreed routes for each individual project, and should provide further details on risks and mitigations for the Town Deal. The project development process should ensure that also it retains a clear focus on delivering value for money.

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, Leyland 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.

Leyland 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 **£25m** 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 **£25 million** of MHCLG funding in total.

Within this maximum amount, Leyland 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)
Town Centre Transformation	£13.25m	£7.84m	Outputs <ul style="list-style-type: none">• New cycle and walking paths• Wider sustainable transport modes infrastructure• Delivery of new public outdoor community spaces• Increase in the amount and diversity of commercial and residential floorspace• Upgraded road infrastructure Outcomes <ul style="list-style-type: none">• Improvement of the perceptions of the place by residents/visitors• New Jobs• Increase in sustainable transport mode share	N/A	N
Market Regeneration	£5.2m	£0.2m	Outputs <ul style="list-style-type: none">• Increase in the amount of high quality, affordable commercial floorspace• Regeneration of a key commercial space and community hub Outcomes <ul style="list-style-type: none">• New businesses• New jobs• Improvement of the perceptions of the place by residents/visitors	N/A	N
Base 2 Business	£6.5m	£0.63	Outputs	N/A	N

Advice, Skills & Enterprise Hub			<ul style="list-style-type: none"> • Increased capacity and accessibility to new and improved skills facilities • Availability of new specialist equipment • Availability of new specialist equipment • Increase in the breadth of the local skills offer • Increase in the amount and diversity of high quality, affordable commercial floorspace • Increased and closer collaboration with employers <p>Outcomes</p> <ul style="list-style-type: none"> • Number of new learners assisted • Number of start-ups and/or scaleups utilising business incubation, acceleration and co-working spaces • New jobs 		
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General conditions

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

- **TIP improvements:** Please provide further details on risks and mitigations for the Town Deal. The project development process should ensure that also it retains a clear focus on delivering value for money.
- **Assurance:** The business cases for projects will be taken through South Ribble Council, in line with local assurance processes.
- **Public Sector Equalities Duty:** Leyland 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, Leyland 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.

Leyland 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 Leyland wishes to alter the projects being developed, change them for other projects, or otherwise depart from the conditions placed on the projects above, you 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.