



Ministry of Housing,
Communities &
Local Government

**Ministry of Housing, Communities & Local
Government**
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Lauren Rogers
Chair, Hereford Town Deal Board

www.gov.uk/mhclg

8 June 2021

Paul Walker
Chief Executive, County of Herefordshire District
Council

Dear Ms Rogers and Mr Walker,

Hereford 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.

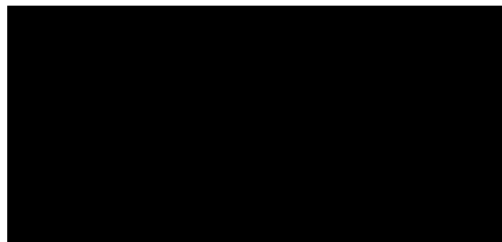
Hereford was included in this initial 101 places and we were pleased to receive Hereford's Town Investment Plan in January. We are grateful for your hard work, and that of your team and Town Deal Board, in developing this set of project proposals to deliver long-term and sustainable economic growth in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

I am delighted to be offering you a Town Deal for Hereford to a value of up to £22.4 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 Hereford 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 29 June 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 Hereford, particularly as we meet the challenges presented by Covid-19. I look forward to working with you to make Hereford's plans a reality.

Yours sincerely,



THE RT HON ROBERT JENRICK MP

Heads of Terms offer for Hereford

Introduction

At the geographic heart of Herefordshire, Hereford is the sub-regional driver for over 192,000 people. With a unique heritage, and a striking rural identity, alongside a thriving artisan food and drink culture, Hereford is an attractive town both to visit and in which to live.

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

The commitment

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

Government will provide up to **a total of £22.4 million from the Towns Fund**, which will be used to enable Hereford to be one of the greenest and fairest cities in the country, with fantastic opportunities and quality of life for people of all ages. Hereford will blossom into a richly creative, digital, connected and highly skilled place.

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

- Creating the Hereford Skills Foundry Composite
- Delivering the Access Greening Composite
- Developing the Cultural Assets Composite
- Delivering Electric Buses
- Developing the Holmer Extreme Sports Hub
- Implementing the Marches Experience

Hereford 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

Hereford should conduct project assurance in line with agreed routes for each individual project and should provide further details of planned 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, Hereford 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.

Hereford 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 **£22.4m** 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 **£22.4 million** of MHCLG funding in total.

Within this maximum amount, Hereford 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>Hereford Skills Foundry Composite</p> <p>The Hereford Skills Foundry will see the creation of four distinct hubs across the city; 1. Southside - providing a vibrant, inspiring and inclusive sports, food and skills community hub; 2. the School of Creative Digital Futures on College Road - a flagship, industry-standard, teaching base; 3. a Digital Culture Hub in the Maylord Centre, 4. NMITE's Future of Work Skills Hub in High Town</p>	£7.82m	£1.899 m	<ul style="list-style-type: none"> Increased benefit for the public education over the long term. 500 learners supported over the project period across 20 new courses Increase in the breadth of the local skills offer that responds to local skills needs. We would expect to launch 60 new courses around the following themes: Core skills; Up skilling / Re skilling; Entrepreneurship Number of new learners assisted: 7,050 	<ul style="list-style-type: none"> N/A 	N
<p>Access Greening Composite</p> <p>Access Greening is a cluster of four projects designed to improve the lived experience</p>	£4.65m	£0.182 m	<ul style="list-style-type: none"> Number of visitors to arts, culture and heritage sites: 300,000 pa Digital connectivity - specialist technologies used with signage: 6+ 	<ul style="list-style-type: none"> N/A 	N

of Hereford by residents and visitors, responding directly to extensive feedback from our stakeholder engagement programme			<ul style="list-style-type: none"> Local transport - Upgraded Cycle Paths & enabling of increased river activity: 4+ 		
<p>Cultural Assets Composite</p> <p>The Cultural Package involves: Powerhouse, Encore Music Hub and Maylord Shopping Centre which is a strategically significant site located at the heart of Hereford city centre</p>	£3.5m	£4.6m	<ul style="list-style-type: none"> New Public Space: up to 60,000 sqft Delivery of quality commercial space in key locations - Redevelopment of city centre site: 145,000 sqft Local skills development in response to local need: 600 Number of enterprises utilising high quality, affordable and sustainable commercial spaces: 5 	<ul style="list-style-type: none"> Provide confirmation of match funding arrangements. Provide clarification on the number of learners assisted through the intervention. 	N
<p>Electric Buses</p> <p>Hereford City Zipper is an electric bus service connecting Hereford's transport hubs with its cultural, retail and hospitality quarters as well as the city's principal health facilities.</p>	£1.8m	£0.3m	<ul style="list-style-type: none"> 12 bespoke bus stops and shelters in close proximity to attractions and shops Decrease in number of cars per weekday entering central zone of 6% 44 circular emission free bus journeys every day 	<ul style="list-style-type: none"> N/A 	Y
<p>Holmer Extreme Sports Hub</p> <p>The project will include a new traffic free cycle track and expand the existing skate park facility which</p>	£1.18m	£0.775 m	<ul style="list-style-type: none"> Number of visitors to arts, cultural and heritage events and venues: 56,000 pa New, upgraded or protected community centres, sports or athletics facilities, museums, 	<ul style="list-style-type: none"> Provide a more detailed delivery plan that covers risks, interdependencies and mitigation measures; detailed delivery milestones and timelines; clear 	N

will create a both an active area for local residents but also a destination facility for wider visitors as a destination venue			arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens – facilities: 2	costings for each element and sources of finance. <ul style="list-style-type: none"> • Provide confirmation of match funding arrangements. • Provide further detail on the impact of this project through inclusion of a broader range of outcomes. 	
Marches Experience The project will establish a new, modern visitor attraction at the heart of the city centre. It will build on Herefordshire's significant cultural heritage, supporting the growth of the cultural sector and also boosting the visitor economy in the city	£5m	£10m	<ul style="list-style-type: none"> • Skills infrastructure, increase in the capacity and accessibility of improved skills facilities: 5000 learners • Skills infrastructure, increased benefit for public education over the long term: 100 schools • Number of visitors to arts, cultural and heritage events and venues: 200,000 pa 	<ul style="list-style-type: none"> • N/A 	N

General conditions

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

- **TIP Improvements:** Provide further details of planned private sector engagement.
- **Assurance:** The business cases for each project will be taken through County of Herefordshire District Council, in line with local assurance processes.

Public Sector Equalities Duty (PSED) and other assessments: County of Herefordshire District Council will undertake programme-wide level impact assessment, relevant project-level impact assessment to meet their Public Sector Equalities Duty as well as carry out 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, Hereford 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.

Hereford 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.