



Ministry of Housing,
Communities &
Local Government

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Luke Hall MP

*Minister for Regional Growth and Local
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**Ministry of Housing, Communities & Local
Government**

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3 March 2021

Dear Mr Javes and Mr Baker,

Lowestoft 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.

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

I am delighted to be offering you a Town Deal for Lowestoft to a value of up to £24.9 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 Lowestoft 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 Lowestoft, particularly as we meet the challenges presented by Covid-19. I look forward to working with you to make Lowestoft's plans a reality.

Yours sincerely,

LUKE HALL MP

Heads of Terms offer for Lowestoft

Introduction

Lowestoft is the UK's most easterly town and is a popular visitor destination for those drawn to the East Suffolk coastline. The town has a broad spectrum of opportunities, including some stemming from both public and private sector investment and support. There is potential for sustainable growth through maximising skill sets of the local population, especially within the energy sector. The town's Enterprise Zones also show promise in creating new opportunities, as does Lowestoft's potential housing growth, cultural and tourism developments. However, Lowestoft has suffered from several inhibitory factors, including attracting inward investment due to poor transport connectivity; the retention of young people within the town due to limited opportunities in terms of employment and wages compared to other areas of UK, and high development costs to remediate brownfield land.

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

The commitment

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

Government will provide up to **a total of £24.9 million from the Towns Fund**, which will be used to improve stock and sustainability of housing; enhance the natural environment; invest in infrastructure to attract private investment; transform the core of the town and seafront to increase investment; improve digital infrastructure, encourage active and sustainable transport; capitalise on the clean energy market; increase long-term employment opportunities; enhance facilities; secure a long-term, sustainable delivery of a cultural programme that capitalises on the town's assets and acts as catalyst for investment, and; provide an environment that keeps young people working and living there.

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

- The redevelopment of an existing town centre car park and retail units to provide a landmark building to deliver cultural / leisure activity in the Cultural Quarter
- The redevelopment of the Station Quarter key gateway, including the redevelopment of the old vacant railway building
- The development of the built environment around the Historic Quarter
- Improvements to the Port Gateway project that seeks to improve perceptions and stimulate inward investment
- Seafront Vision investment and improvement projects.

Lowestoft 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

Lowestoft should conduct project assurance in line with agreed routes for each individual project. 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, Lowestoft 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.

Lowestoft 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 **£24.9m** for those projects, provided that all of the 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 **£24.9 million** of MHCLG funding in total.

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

This funding will be subject to successfully completing Phase 2 of the Towns Fund process. 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)
Cultural Quarter The project will redevelop an existing town centre car park and retail units to provide a landmark building to deliver cultural / leisure activity, set within high-quality public realm with improved connectivity to the clean energy sector employment hub.	£14.7m	£1.9m	<ul style="list-style-type: none"> 1 upgraded theatre venue 1 new arts venue 9135sqm increase in the amount of high quality, affordable commercial floorspace 9678sqm public spaces delivered 1million visitors to arts, cultural and heritage events and venues 12 businesses 378 direct/indirect jobs 	<ul style="list-style-type: none"> Provide a more detailed delivery plan including risks and interdependencies, and more detail regarding the outputs and outcomes. Clarify total project value Complete consultation before plans are finalised. Ensure the connection to Power Park includes provision for cyclists as well as pedestrians. 	N
Station Quarter The project will redevelop this key gateway through a number of interventions including redevelopment of the old railway building that has been vacant for 50 years.	£2.9m	£5.2m	<ul style="list-style-type: none"> 1200sqm quality resident space delivered 2 upgraded heritage buildings 1500sqm public space delivered 2140sqm increase in the amount and diversity of high quality, affordable commercial floorspace 193 direct/indirect jobs 70% improvement in perceptions of the place by residents, businesses and visitors 5 businesses 	N/A	N

Historic Quarter The project will take a conservation-led approach to bring forward benefits beyond the scope of the current Heritage Action Zone, through improvements to the built environment to create a strong sense of place, improving community confidence, and adding to the visitor destination offer to increase economic growth.	£3.3m	£0.37m	<ul style="list-style-type: none"> • 11 scores of upgraded and prominent landmarks • 1 upgraded and protected historical building • 16,200sqm public space delivered • 70% improvement in perceptions of the place by residents, businesses and visitors • 240,000 visitors to arts, cultural and heritage events and venues • 10 businesses 	N/A	N
Improvements to the Port Gateway The project will create a high-quality gateway to the port, which will help improve perceptions and stimulate inward future investment, safeguard and create new high skilled jobs, and supporting growth opportunities from within the town.	£2.7m	£1.9m	<ul style="list-style-type: none"> • 8,093sqm of abandoned site remediated for delivery of commercial space in gateway areas • 1 other scheme to support enterprise and business productivity and growth • 28,137sqm public space developed • 40 enterprises utilising high quality, affordable and sustainable commercial spaces • 70% improvement in perceptions of the place by residents, businesses and visitors • 8% increase in land values 	N/A	N
Seafront Vision This is a programme of seafront	£1.3m	£4.45m	<ul style="list-style-type: none"> • 1 upgraded prominent landmark • 72 upgraded seafront facilities 	N/A	N

improvement projects, which has been in development since 2018. The next stage of the programme will build upon previous investments across a series of projects which will set the foundations for future growth.			<ul style="list-style-type: none"> • 300,000sqm public space developed • 912sqm increase in the amount and diversity of high quality, affordable commercial floorspace • 1,225,220 visitors to arts, cultural and heritage events and venues • 8 businesses • 32 direct/indirect jobs 	
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General conditions

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

- **Assurance:** The business cases for projects will be taken through East Suffolk District Council, in line with local assurance processes.
- **Public Sector Equalities Duty:** Lowestoft 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, Lowestoft 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.

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