



Ministry of Housing,
Communities &
Local Government

John Cove
Chair, Milton Keynes Town Deal Board
john.cove@mkdonsset.com

Michael Bracey
Chief Executive, Milton Keynes Council
michael.bracey@milton-keynes.gov.uk

Luke Hall MP

*Minister for Regional Growth and Local
Government*

**Ministry of Housing, Communities & Local
Government**

Fry Building
2 Marsham Street
London
SW1P 4DF

Tel: 0303 444 3440

Email: luke.hall@communities.gov.uk

www.gov.uk/mhclg

3 March 2021

Dear Mr Cove and Mr Bracey,

Milton Keynes 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.

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

I am delighted to be offering you a Town Deal for Milton Keynes to a value of up to £22.7 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 Milton Keynes to choose which projects to proceed with. The delivery of this deal should integrate with wider considerations including the government's significant investment in East West Rail to use this opportunity for regeneration and development in and around Bletchley station catalysed by the new connectivity opportunities.

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 Milton Keynes, particularly as we meet the challenges presented by Covid-19. I look forward to working with you to make Milton Keynes' plans a reality.

Yours sincerely,

LUKE HALL MP

Heads of Terms offer for Milton Keynes

Introduction

Although part of Milton Keynes, one of the fastest growing economies in the UK, Bletchley and Fenny Stratford has not shared the benefits of growth experienced by the wider area. Many residents experience serious issues in raising their quality of life including limited access to affordable housing and services, low availability of quality jobs and below average education and skills levels. Bletchley does, however, have a historic and culturally significant town, which is set to become the intersection of strategic east-west and north-south rail routes. It is also at the heart of the Oxford-Cambridge Arc.

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

The commitment

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

Government will provide up to **a total of £22.7 million from the Towns Fund**, which will be used to transform Bletchley and Fenny Stratford into a thriving, healthy, affordable and attractive place, where its diverse communities are celebrated and connected to opportunities to live, work and play. It will be a centre for innovation, benefitting from its excellent strategic rail connections to London, Oxford and Cambridge and taking forward the pioneering and enduring legacy of Bletchley Park to provide a bright future for all.

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

- The development of a residential-led mixed use development to include an Innovation Hub for emerging businesses
- The facilitation of acquisition and re-use of run-down and dilapidated sites for new and improved uses through the Revolving Development Fund
- The creation of a new Transport Hub
- The delivery of Public Realm Improvements
- The delivery of additional Redway Links (dedicated paths for walking, cycling and running)
- The development of Tech Park Bletchley
- The delivery of Transformation at Bletchley Park
- The delivery of Active Marketing of Bletchley and Fenny vacant sites
- The investment in Fibre Connectivity

Milton Keynes 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

Milton Keynes should conduct project assurance in line with agreed routes for each individual project, and should:

- Provide a quantified summary of the likely impact of the TIP as a whole and more evidence on how interventions proposed target particular groups of residents;
- Provide a future engagement plan for private sector stakeholders.

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.

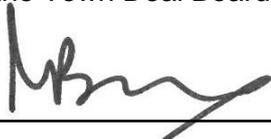
Within two months of accepting this offer, Milton Keynes should confirm in writing details of projects being taken forward and a plan for addressing key conditions relating to those projects and the overall Town Investment Plan. This should be sent to towns.fund@communities.gov.uk, copied to the town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

You 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 **£22.7m** 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

24 March 2021

Date

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

DEAL Our Town Deal offer is a maximum of **£22.7 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>Innovation Hub The scheme is expected to comprise a residential-led mixed use development to include an innovation hub for emerging businesses.</p>	£3.05m	N/A	<ul style="list-style-type: none"> • Remediation of dilapidated sites • 229 quality residential space in key locations (71 affordable homes) • 14,400sqm of quality commercial space in key locations • Increase in the number of shared workspaces or innovation facilities - TBC • 396 direct jobs created • Perceptions of the place by businesses - % TBC • Business counts - TBC • No. of enterprises utilising high quality, affordable and sustainable commercial spaces - TBC 	<ul style="list-style-type: none"> • Provide more detail on the scope of the Towns Fund project within the wider development. • Provide information on status of match funding. • Provide more detail on the delivery and operation plans for the centre. 	No
<p>Revolving Development Fund This will facilitate acquisition and re-use of run-down and dilapidated sites for new and improved uses (such as housing</p>	£10.16m	N/A	<ul style="list-style-type: none"> • Remediation and development of 2.5ha of dilapidated sites • Delivery of 22,505sqm of quality commercial space in key locations (town centre, gateway, employment sites): 	N/A	No

and commercial uses).			<ul style="list-style-type: none"> • Delivery of new public space - • TBC 618.9 direct jobs created • Perceptions of the place by residents/businesses/visitors - % TBC • Business counts - TBC • Number of enterprises utilising high quality, affordable and sustainable commercial spaces - TBC 		
<p>Transport Hub This project will create a new eastern station entrance, unifying the town centre by improving access between the high street and the station, as well as overcoming issues of severance.</p>	£3.91m	£7.65m	<ul style="list-style-type: none"> • New, revived and upgraded train station • New or upgraded road structure - TBC • Bus infrastructure upgrades • New cycling and walking paths - TBC • Increased footfall between station and town centre - TBC • Commuter flows - TBC • Perceptions of the place by residents/businesses/visitors - % TBC • Land values - TBC 	<ul style="list-style-type: none"> • N/A 	No
<p>Public Realm Improvements Public realm investment to the Queensway area and Fenny Stratford High Street to improve the appearance, attractiveness, safety and usability of those key areas.</p>	£3.05m	N/A	<ul style="list-style-type: none"> • Delivery of new public spaces - TBC • New or upgraded cycling and walking paths - TBC • New, upgraded community hubs and spaces and assets • Reduction in crime - TBC • Perceptions of the place by residents/businesses/visitors - % TBC • No. of visitors to arts, cultural and 	<ul style="list-style-type: none"> • Provide further detail on scope of project to ensure alignment with intervention framework. • Provide further detail on delivery plan with timescale, including completion dates and project milestones. • Quantified outputs and outcomes need to be specified. 	No

			heritage venues - TBC <ul style="list-style-type: none"> Land values - TBC 		
Redway Link Delivery of additional Redway links (dedicated paths for walking, cycling and running) between the Lakes Estate/Newton Leys and Bletchley town centre.	£0.76m	N/A	<ul style="list-style-type: none"> Wider cycling infrastructure New upgraded cycle and walking paths - TBC New or upgraded road infrastructure - TBC Perceptions of the place by residents/businesses/visitors - % TBC Number of trips by purpose and main mode: increased active travel - TBC Health and wellbeing outcomes - TBC 	N/A	Yes
Tech Park Bletchley This will be co-located with the proposed Institute of Technology (IoT), further strengthening the digital skills ecosystem and complementing the IoT as a self-contained business, innovation, research and community hub.	£1.02m	£0.22m	<ul style="list-style-type: none"> Delivery of 174sqm quality commercial space in key locations 175 sqm learning floorspace delivered 2 direct jobs created Increase in the breadth of the local skills offer that responds to local skills needs - TBC Increased benefit for the public education over the long term: 2,500 young people supported over 5 years; 1,000 adults supported over 5 years No. of new learners assisted: 500 young people/year for the 5-year duration (2,500 new individuals assisted) and 200 adults/year for the 5-year duration (1,000 new individuals assisted) % of learners gaining relevant 	N/A	No

			<p>experience/being 'job ready' (as assessed by employers) - TBC</p> <ul style="list-style-type: none"> • % of working-age population with qualifications - TBC 		
<p>Transformation at Bletchley Park New permanent and temporary exhibition spaces will open in Block A, revealing more of Bletchley Park's remarkable people stories.</p>	£2.24m	£6.54m	<ul style="list-style-type: none"> • 4,397 sqm floorspace of new and upgraded historical buildings, museums and prominent landmarks • Increased benefit for the public education over the long term: Over 50,000+ children reached • 10 volunteers and 3 FTE jobs created • Increase in capacity and accessibility to new or improved skills facilities for 2,500 people over 5 years • Additional 30,000 visitors each year • Perceptions of the place by residents/businesses/visitors - % TBC 	N/A	Yes
<p>Active Marketing of Bletchley and Fenny vacant sites Funding to develop the marketing of place in the Bletchley area. This will include actively marketing vacant sites, providing opportunities to attract new businesses, jobs and investment across the area.</p>	£0.71m	N/A	<ul style="list-style-type: none"> • Increased and closer collaboration with employers - TBC • Increase in the breadth of the skills offer that responds to local skills needs - TBC • Schemes to support enterprise and business productivity and growth - TBC % of learners gaining relevant experience/being 'job ready' (as assessed by employers) - TBC • Number of start-ups and/or scaleups 	<ul style="list-style-type: none"> • Provide detail on how this marketing programme will relate to wider promotion of Milton Keynes, SEMLEP and Ox-Cam Arc. • Quantified outcomes need to be specified for this project. 	Yes

			utilising business incubation, acceleration and co-working spaces - TBC <ul style="list-style-type: none"> • Business counts: Target 3 or 4 business relocations 		
Fibre Connectivity Additional investment to complete the remaining areas of Bletchley/Fenny Stratford currently without full fibre connectivity.	£0.1m	£0.3m	<ul style="list-style-type: none"> • Infrastructure to support full fibre connectivity • Broadband speeds - TBC • Perceptions of the place by businesses - % TBC • Number of people who work remotely at least some of the time - TBC 	<ul style="list-style-type: none"> • Explain how this investment will align to wider broadband investment in the local area, including planned digital spine to be delivered alongside EWR. • Quantified outputs need to be specified for this project. 	Yes

General conditions

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

- **TIP improvements:** Provide a quantified summary of the likely impact of the TIP as a whole and more evidence on how interventions proposed target particular groups of residents. Provide a future engagement plan for private sector stakeholders.
- **Assurance:** The business cases for projects will be taken through Milton Keynes Council, in line with local assurance processes. The business case for Revolving Development Fund will need to pass through MHCLG and you should liaise with your Towns Hub contact for this purpose.
- **Public Sector Equalities Duty:** Milton Keynes 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, Milton Keynes 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.

Milton Keynes 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.