



Ministry of Housing,  
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3 March 2021

Dear Mr Gray and Mr Hamilton,

**Kidsgrove 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.

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

I am delighted to be offering you a Town Deal for Kidsgrove to a value of up to £16.9 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 Kidsgrove 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 Kidsgrove, particularly as we meet the challenges presented by Covid-19. I look forward to working with you to make Kidsgrove's plans a reality.

Yours sincerely,

LUKE HALL MP

## Heads of Terms offer for Kidsgrove

### Introduction

Kidsgrove is a growing, well-connected town with a strong community, proud heritage, strategic employment sites and rich natural environment. Kidsgrove and its satellite villages offer residents an attractive, affordable location to live with excellent road and rail links to major nearby cities. The town suffers from low levels of productivity and a weak employment base which is being exacerbated by COVID19. Kidsgrove lacks a defined town centre which is characterised by a poor sense of arrival and outdated buildings; residents experience poor health outcomes and have low levels of physical activity; and Kidsgrove's key heritage assets - the canal and its parks - are underexploited and suffer from a historic lack of investment.

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

### The commitment

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

Government will provide up to **a total of £16.9 million from the Towns Fund**, which will be used to help transform Kidsgrove into a dynamic and well-connected town via its rail station and access to and from the M6, which is strategically located on the border of the Northern Powerhouse and Midlands Engine. Kidsgrove will capitalise on its location; strategic employment sites and heritage and leisure assets, including the canal network, to forge a reputation as an attractive, welcoming and successful town which is a desirable place to live and invest.

The vision for Kidsgrove is underpinned by a set of three strategic objectives: to drive growth and opportunity through enhanced enterprise infrastructure in Kidsgrove; to create a connected, accessible town centre which links key assets, retains the heritage and uniqueness of Kidsgrove, promotes active travel and diversifies and drives new demand and footfall; and to maximise the leisure and recreation opportunities available in Kidsgrove, providing facilities that are supported by communities and opportunities for residents to improve their health and wellbeing.

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

- The delivery of the Shared Services Hub
- The delivery of Canal Enhancements
- The redevelopment of Kidsgrove Station
- The development of Chatterley Valley
- The refurbishment of Kidsgrove Sports Centre

- The development of West Avenue Light Industrial Units
- The delivery of Park Improvements

Kidsgrove 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

Kidsgrove should conduct project assurance in line with agreed routes for each individual project and should provide further evidence of the lead authority's capacity to manage the delivery of the Town Deal. This should include its approach to risk management and the governance arrangements that will be put in place and further information on plans to engage the private sector specifically.

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, Kidsgrove 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.

Kidsgrove 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 **£16.9m** 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

The Town Deal offer is a maximum of **£16.9 million** of MHCLG funding in total.

Within this maximum amount Kids Grove 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)
<b>Shared Service Hub</b> A package of investment to redefine the town centre through land assembly and delivery of town centre housing linked with a public sector Shared Service Hub.	£8.29m	£20.96m	<ul style="list-style-type: none"> <li>Remediation and/or development of 6300sqm of abandoned or dilapidated sites</li> <li>Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites).</li> <li>1 new, upgraded or protected community hubs, spaces or assets, where this links to local inclusive growth</li> <li>75 new housing units delivered</li> <li>5 service providers delivering from the high-quality shared service hub</li> </ul>	N/A	N
<b>Canal Enhancement</b> Upgrades to the towpath and canal corridor including ramps, lighting, upgrades to access points, public realm improvements.	£2.2m	N/A	<ul style="list-style-type: none"> <li>587.1m new or upgraded cycle or walking paths</li> <li>Delivery of 1778sqm new public spaces</li> <li>1 new, upgraded or protected community centres, sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities,</li> </ul>	N/A	N

			<p>prominent landmarks or historical buildings, parks or gardens</p> <ul style="list-style-type: none"> <li>• Improved accessibility of the canal network in Kidsgrove - TBC</li> <li>• Improved active travel links between key town centre locations in Kidsgrove - TBC</li> </ul>		
<p><b>Kidsgrove Station</b></p> <p>This project proposes the redevelopment of Kidsgrove Station to improve accessibility and the overall passenger experience, connectivity to the town centre and a greater sense of arrival to Kidsgrove for visitors and residents</p>	£5.17m	£9.47m	<ul style="list-style-type: none"> <li>• 1 new, revived, or upgraded train and tram lines and stations</li> <li>• 1 new, upgraded or protected community hubs, spaces or assets, where this links to inclusive growth</li> <li>• Relocated and expanded car park of 200 spaces</li> <li>• 6300 sqm area of land redeveloped</li> <li>• 9% year-on-year increased station usage and sustainable transport modes over 5 years</li> <li>• Modal shift in passengers accessing Kidsgrove station - TBC</li> </ul>	<ul style="list-style-type: none"> <li>• Provide delivery plan, setting out which body is responsible for each aspect of the project, clear costings for each element, and sources of finance.</li> </ul>	N
<p><b>Chatterley Valley</b></p> <p>This project will deliver site access and associated water main diversions, as part of the project's Section 278 agreement, to de-risk the site and allow it to be brought forward.</p>	£3.68m	N/A	<ul style="list-style-type: none"> <li>• 126000sqm increase in the amount (and diversity) of high quality, affordable commercial floor space</li> <li>• Remediation and/or development of 38 ha of abandoned or dilapidated sites</li> <li>• 700m new or upgraded road infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Provide further detail setting out how the viability gap will be bridged through match funding.</li> <li>• Provide further details of outcomes related to needs as identified in the Town Investment Plan, including for example business counts.</li> </ul>	N

			<ul style="list-style-type: none"> <li>• 14 business births, deaths and survival rates</li> <li>• 1940 jobs generated as a result of the build-out of floorspace on the site</li> <li>• Increased (indirect) £72m GVA generated</li> </ul>		
<b>Sports Centre</b> The project is for the refurbishment of Kidsgrove Sports Centre, to allow the re-opening of the dry and wet-side facilities to the public under community management, with proposed designs to satisfy user requirements and provide a 25-year life span for a key community asset.	£2.45m	£3.70m	<ul style="list-style-type: none"> <li>• 1 new, upgraded or protected community centres, sports or athletics facilities, museums, arts venues, theatres, libraries, film facilities, prominent landmarks or historical buildings, parks or gardens</li> <li>• 26300 people with access to high quality leisure facilities</li> <li>• 6400 sqm of derelict town centre land redeveloped</li> <li>• 1% reduction per year in adult inactivity rates per year for 5 years</li> </ul>	N/A	Y
<b>West Avenue Light Industrial Units</b> Light industrial units would be located on a 2.83-hectare site to be taken forward as a phased, multiple unit scheme focused towards B2 and B8 uses.	£1.1m	N/A	<ul style="list-style-type: none"> <li>• Remediation and/or development of 2.83ha abandoned or dilapidated sites</li> <li>• 8500sqm increase in the amount (and diversity) of high quality, affordable commercial floor space</li> <li>• 11 enterprises utilising new, high quality commercial space</li> <li>• 142 new manufacturing and logistics jobs</li> </ul>	<ul style="list-style-type: none"> <li>• Provide details of the match funding and how this relates to the overall funding profile.</li> <li>• Provide further analysis of costs.</li> </ul>	N
<b>Park Improvements</b>	£2.1m	N/A	<ul style="list-style-type: none"> <li>• 9.2ha area of public parks improved</li> </ul>	<ul style="list-style-type: none"> <li>• Provide further analysis of costs.</li> </ul>	N

Improvements to Clough Hall Park and Newchapel Recreation Ground (key recreational sites and green spaces within the Town Deal Investment Area).			<ul style="list-style-type: none"> <li>• New, upgraded or protected sports or athletics facilities: 2 – tennis courts and MUGA</li> <li>• 26300 residents with access to high quality, regenerated public parks</li> <li>• Increased use of Clough Hall and Newchapel Parks by local residents and sports teams - TBC</li> <li>• Reduced incidents of anti-social behaviour in Newchapel and Clough Hall Park - TBC</li> </ul>		
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### General conditions

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

- **TIP improvements:** Provide further evidence of the lead authority's capacity to manage the delivery of the Town Deal i.e. its approach to risk management and the governance arrangements that will be put in place and further information on plans to engage the private sector specifically.
- **Assurance:** The business cases for projects will be taken through Newcastle-Under-Lyme Borough Council, in line with local assurance processes.
- **Public Sector Equalities Duty:** Kidsgrove 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, Kidsgrove 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.



Kidsgrove 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 Kidsgrove 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.