

Cabinet Agenda

Friday, 25 June 2021 at 2.30 pm

Council Chamber, Muriel Matters House, Breeds Place, Hastings, East Sussex,
TN34 3UY

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1.	Apologies for Absence	
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3.	Hastings Town Deal <i>(Jane Hartnell, Managing Director)</i> <i>(Cabinet decision)</i>	1 - 28
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Agenda Item 3



Report To: Cabinet

Date of Meeting: 25th June 2021

Report Title: Hastings Town Deal: Heads of Terms

Report By: Jane Hartnell, Managing Director

Key Decision: Yes

Classification: Open

Purpose of Report

The Town Investment Plan has now been assessed by government and up to £24.3m of funding has been allocated to Hastings, along with a number of conditions, set out within a 'Heads of Terms' agreement. There is now a requirement for the Town Deal Board and the council, as accountable body, to agree the Heads of Terms within three weeks of issue (by 29 June 2021).

Recommendation(s)

1. To approve the Heads of Terms for Hastings as attached – see Appendix 1
2. To agree to the development of the HBC projects as identified in the Heads of Terms and detailed in the Town Investment Plan
3. To delegate to the Managing Director, or her nominee, the authority, after consultation with the Lead Member for Regeneration, to agree:
 - to sign off, following agreement by the Town Deal Board, the project confirmation documents, prior to submission to government by end August 2021 (appendix 2)
 - to submit the business cases for the projects identified in the Heads of Terms, each having been subject to the assessment processes set by the government and the local approval process as outlined in Appendix 3 (Town Deal Board Governance Structure)
 - to seek Cabinet and Full Council approval for the business cases for the projects which HBC are leading on prior to submission. (Except those which have already received approval from cabinet/council e.g. Churchfields Business Centre)
4. To delegate to the Assistant Director of Regeneration Culture, in consultation with the Lead Member for Regeneration the authority to use the remaining stage 1 and 2 Town Deal capacity funding (in total £153,000) and to use budgets from the regeneration and culture service area across 2020/2021, 2021/22 and 22/23 (totalling £151,753) to:

- establish a Town Deal Programme management team (using internal and external resources) to deliver stage 2 of the programme (June 2021 – June 2022)
- employ external consultancies to develop the business cases (as required) and independently assess them

Reasons for Recommendations

1. The Town Investment Plan (TIP) which was submitted in January 2021, is a huge opportunity for the town. It has been developed with the Town Deal Board and wider stakeholders. The projects in the TIP will act as a catalyst for the transformation and recovery of Hastings town centre for the benefit of the whole town. The Town Centre contains our largest employment base, learning and skills opportunities for our residents.
2. The investment plan provides for a 5-year ‘re-set’ strategy for the town addressing a wide range of economic and social issues. It is an opportunity to commence the recovery process from the pandemic and is expected to lead to other investment opportunities including those emerging from national and local funding streams, as well as new inward investment.
3. The Town Investment Plan has now been assessed by government and up to £24.3m of funding has been allocated along with a number of conditions, set out within a ‘Heads of Terms’ agreement. There is now a requirement for the Town Deal Board and the Council, as accountable body, to agree the Heads of Terms within three weeks of issue, by the 29 June 2021.
4. As the accountable body, Hastings Borough Council will retain overall responsibility for the delivery of the programme. Project management and delivery support will continue to be provided by the Council in conjunction with partner agencies.
5. To comply with the funding guidance for the Towns Fund process, all projects are required to develop business cases for approval by HBC as managing authority and by the Ministry of Housing Communities and Local Government (MHCLG) before funding is released for construction.

Fund Background and work to date

1. The government launched the Towns Fund with the objective of driving economic regeneration and delivering long term economic and productivity growth. Hastings is one of 101 towns eligible to bid for up to £25 million from the Towns Fund. Hastings Borough Council has been designated by government as the lead organisation for managing the development of the Town Deal, including the Town Investment Plan.
2. The original [Town Fund prospectus](#) and the supplementary guidance published in June 2020, available here: [Town Fund Further Guidance PDF](#) (see item 6 - page 29 to 32).
3. The first stage was the development and submission of a Town Investment Plan (TIP). For Hastings this is an important strategic document as well as a 'call for action' for the council, partners and community for at least the next five years.
4. The TIP represents the Town Deal boards vision and ambition and its delivery is a corporate priority for the council requiring a significant amount of HBC resource and commitment over the short and medium term. The TIP also joins up many of the 'asks' in the Local Plan, Corporate Plan and other local and regional strategies including East Sussex Economy Recovery Plan, South East Coastal Prospectus, Hastings Housing Strategy and the Climate Change Strategy. It will be Hastings' 'go to' document mapping out the ambitions for the future in concrete programmes of activity.
5. The TIP was developed over the last 12 months in partnership with the Town Deal Board, and involved: significant research, Covid 19 impact evidence and review of past consultation, bids and research, a call for ideas which produced 158 responses, liaison with government funded consultants to support the process, engagement with 14 arm's length bodies/ funders, schools and young people, in addition to internal HBC officer engagement.
6. The Hastings Town Investment Plan will also act as a prospectus to funders and investors demonstrating how the town is open for business. It will deliver jobs, new cultural facilities, homes, skills and action to reduce our carbon emissions. The Plan also includes activities that ensure residents in the outer areas of the town directly benefit from the proposed investment and significant investment in the quality of the town centres public realm.

Projects and next steps

Hastings Town Investment Plan

7. Hastings' Town Investment Plan was submitted to the Ministry of Housing, Communities and Local Government on 29th January 2021 and can be viewed by following this link to our blog: <https://www.hastingstownddeal.co.uk/>
8. Attached at Appendix 1 (Heads of Terms Hastings) is the offer from government, in response to our TIP, in the form of a Heads of Terms agreement which is required to be signed by HBC Managing Director and the co-chairs of the Hastings Town Deal Board.
9. Hastings' Town Investment Plan made a funding request of £28.21m with a total proposed programme value of £113.7m, including the match and leveraged funding. It contained 7 programme themes made up of 12 specific projects.

10. A summary of the proposals submitted to the government are as follows

Hastings Town Investment Plan			
Programme Theme	Project Title	Project Lead	Project Lead and brief description
Enterprise and Employment Infrastructure	Churchfield Industrial Estate (Business centre)	Hastings Borough Council	Commercial development in Hollington : Business Incubation Units, Small and medium factory units
	Enterprise space, Ponswood	Unveiled Co Ltd	Repurposing existing open planned office spaces on Ponswood Industrial Estate ,Silverhill
	Hastings Co-working, Flexible Office and Community Space	Freedom Works Ltd	Repurposing existing open planned employment spaces in the Town Centre
Green Low Carbon skills & economy	Green Construction, Energy and Vehicle Training Centre	East Sussex College Group	Infrastructure at Ore Valley Campus for provision for Green Low Carbon Skills & business start-up / development opportunities
	Broadening Futures Together	Plumpton College and Education Futures Trust	New education and skills offer linked to land based occupations and business opportunities in Town Centre and at The Firs in Baird
Hastings Castle World Heritage Destination	Hastings Castle	Hastings Borough Council	A new visitor attraction at the Castle and telling the story of the 1066 invasion and

			its impact
Town to Sea Creative Quarter	12 Claremont	Heart of Hastings Community Land Trust	Development of a community led creative quarter in the heart of the town centre - gallery, workspaces, homes, community spaces, wellbeing facilities, digital and education learning facilities.
	Eagle House	White Rock Neighbourhood Ventures	
	OB Digital Creative Hub	Leisure and Learning	
Town Centre Core	Town Centre Core (Phase 1 projects) - total of 3 sub projects including a new commercial Leisure offer	Hastings Borough Council and NewRiver REIT	Regeneration of key sites in the town centre through acquisition and development to modernise, repurpose and revitalise the centre
Town Centre Public realm and green connections	Town Centre Public realm and green connections	East Sussex County Council / Hastings Borough Council and the Garden Town	Focus on improving active travel connectivity (walking and cycling) and the transformation of the public realm in Hastings town centre with the Hastings Garden Town - inspired by Great Dixter's philosophy of creative ecology, horticultural innovation and biodiversity.
Town Living	Town Living	Hastings Borough Council	Hastings Borough Council - Town Centre Housing Investment providing new and renovating existing homes

Overview of programme

11. The combined programme of activities responds to the local growth and productivity needed to improve our economy, skills and assets. The investment will also tackle our deep-rooted challenges by delivering against our key principles:

- Programme interventions that deliver inclusive economic growth (delivering benefits to those living in our deprived areas)
- Programme interventions that improve our health and wellbeing
- Programme interventions that deliver significant progress towards a carbon neutral Hastings
- Building on and adding to existing partnerships and plans and complements pre-existing strategies such as the emerging Local Plan; South East Coastal Communities Prospectus; Hastings and Rother Task Force Review; East Sussex Economy Recover Plan – East Sussex Reset and other local and regional strategies
- Investing where possible in local skills and resources to deliver this programme

12. Over the lifetime of the Town Investment Plan we believe it will benefit all our 92,700 residents directly and is estimated to generate the following key outputs:

Summary Economic Impact (Indicative)	
Towns Fund Programme Indicative Outputs	Estimated Total
Estimated Gross Value Added (to cumulative Net Present Value by 2035)	£448m
Number of buildings created or repurposed for economic growth and wellbeing	23
Total m ² new / upgraded leisure, arts, cultural, heritage buildings and landmarks	15,054m ²
New / upgraded green skills & learning facilities	1,670m ²
New and refurbished affordable commercial floor space m ²	17,707m ²
Projected number of local jobs created	614
Number of new visitors to Hastings town centre (per annum)	875,000
Number of enterprises utilising high quality, affordable commercial spaces (per annum)	56
Number of new & refurbished Homes	203
Improved town centre public realm, incorporating garden town concept	1 square mile

The Town Investment Plan presented here only details the immediate potential, there is much more which it will catalyse and unleash. We have already started work with our partners in closing this gap is vital if we are to improve the lives of all our residents, grow the economy and reduce future welfare and health costs to the UK Exchequer.

13. The programme is gathering momentum with the early release of funding to deliver accelerated projects within 2020/21. This included conversion of a derelict and underutilised courtyard space at White Rock baths (home of The Source Park) into retail, food/beverage offers, the development of a new visitor centre, youth employability centre

and business hub within the Station Plaza East Sussex College Group campus and the installation of more electric vehicle charging points in the town centre and seafront car parks.

The Courtyard at White Rock Baths (home of The Source Park



14. This momentum will continue during the next 12 months of the development phase as fast track ('shovel ready') projects are taken forward to construction, more engagement and partnership work commences, including continuing our work with local students in developing the towns fund programme further until all projects are completed during 2026. <https://www.hastingstowndeal.co.uk/latest/engaging-young-people>

Heads of terms, phase 2 delivery and programme governance

Timeline and stages of the towns fund process:

15. In summary, the Towns Fund is a three-stage grant process, with two decision points or 'gateways'.
16. Stage 1: the first stage (Expression of Interest stage) is the submission of a Town Investment Plan, in Hastings this was submitted at the end of January 2021. Gateway decision 1: the first decision gateway is the release, and then agreement of the Heads of Terms (HoT) – Appendix 1, which were released to Hastings on 8 June 2021.
17. Stage 2: the programme then enters the second stage (development stage), the development of the business cases and submission of summary documents. HBC and the Town Deal Board have 12 months from Heads of Terms signature to deliver this part of the programme.
18. Within this phase there are several milestones:

- a. Signature of Heads of Terms by HBC and Co-Chairs of the board by 29 June 2021
 - b. Submission of agreed programme (including financial and output profile of each project) to government by August 2021
 - c. Development and local assessment and HBC sign off all project business cases by June 2022
 - d. Town deal board endorsement of business case summary document and supporting letter (within 12 months of HoT signature)
 - e. Submission to government of summary documents and approval
19. Gateway decision 2: the second decision gateway is the approval of summary documents by government, and the release of funds.
20. Stage 3: the third phase is the delivery phase of the approved projects, which will include contracting between HBC and project leads, and release of funds at agreed milestones. A further report will come to Cabinet regarding the resourcing and programme requirements of this stage once we have submitted all business summary documents to government by June 2022.

Government approval of Town Investment Plan – Heads of Terms

21. The government's Heads of Terms Hastings (see Appendix 1) – has approved a total funding envelope of £24.3m.
22. Government processes require that the Town Deal Board and the Council, as accountable body, agree to the Heads of Terms and the conditions they contain to access the funding offered. A response is required by 29 June 2021 and Cabinet approval is sought as soon as possible.
23. A further requirement of the Heads of Terms is to provide MHCLG within two months of it being signed, the following information:
- 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
 - The actions taken to address the conditions for selected projects
24. Arrangements for this have been put in place by working with the Town Board

Delivering the Town Investment Plan

25. The management, governance and delivery of Hastings Town Investment Plan will require the ongoing advisory and consultation oversight by the Town Deal Board. This was agreed with the board at the April board meeting. See Appendix 2 – overview of board governance which was presented to the Town Deal board and agreed.
26. Overall, there will be three main programme development and advisory groups to support the development phase as follows:

- Hastings Borough Council's Town Deal Programme Board
 - A HBC Town Deal internal programme board will be established with strategic oversight, management, and approval of the next stages of the Town Deal programme.
 - This will work alongside the overall Town Deal programme structure.
 - HBC as accountable body and the Section 151 designated officer has the final decision on the investments to proceed, at business case stage. The level of scrutiny may vary project by project.

- Town Deal Investment Panel, a subgroup of the Town Deal board
 - A Town Deal Investment Panel (TDIP) will provide independent scrutiny to the business case with delegated authority from the board to the Co-Chairs to sign off the Business Case Summary Document as required.
 - This board will be a development of the current Executive Delivery Group (EDG) with a wider membership drawn from those with suitable skills and expertise to ensure appropriate oversight and scrutiny of the business cases being bought forward.
 - It is expected that there will be some TDIP members who will not necessarily be board members. The TDIP will also have support from external independent appraisers. It will be chaired by the private sector Town Deal board Chair (though both Co-Chairs are members of the TDIP) and report to the Town Deal board as and when required.

- The Town Deal Board
 - From Stage 2 the board will shift to that of an advisory role on the development of project business cases and into the delivery phase, as well as acting as ambassadors for the Town Deal programme and its vision. During the next 12 months the main order of business at the board will be as follows:
 - To review and agree project confirmation document (appendix 2) (approx. 2 months after Heads of Terms (HOT) signature). This will include the financial envelope for each project within the £24.3M offer from government. (please note HBC MD or S151 officer will need to agree and to sign this document in addition to the co-chairs)
 - To review fast track (shovel ready) projects summary documents prior to submission to government (between 3-6 months after HOT signature). Agree letter of support from the Town Deal Board for project summary documents, to accompany submission.
 - To review remaining projects summary documents prior to submission to government (9-12 months after HOT signature). Agree letter of support from the Town Deal Board for project summary documents, to accompany submission.
 - Review progress on fast track (shovel ready) projects as applicable.

Accountable body role (Hastings Borough Council)

27. As the accountable body, Hastings Borough Council will retain overall responsibility for the delivery of the programme and a team will be established to support this process.

28. The following budget has been identified to manage the programme utilising remaining and additional council and government funding as they are made available.

29. The sources of the budgets are as follows:

Budget source for Phase 2 Delivery Costs - 21/22	
Remaining balance (from original TF Capacity allocation)	£112,022
Additional Capacity Fund from government approved	£40,000
Regeneration and Culture budgets C/F from 20/21	£36,000
Regeneration and Culture service budgets 21/22 and 22/23	£116,731
Total Budget Available	£304,753

30. Proposed planned expenditure is as follows:

Town Investment Plan Programme Phase 2 Delivery Costs - 21/22	
Business Case Consultancy (for all projects)	£125,000
Additional HBC Town Fund Programme Team Cost for 12 months	£44,753
Communications and engagement external support	£20,000
Expenses/contingency (including consultancy for assurance review and capital project management input to business cases)	£115,000
Spend plan total 21/22	£304,753

31. It is also recommended that the business cases for each of the projects be prepared with the appointment and support of an expert consultancy by HBC as required. The development and submission of business cases are an essential requirement of this programme.

32. Given the scale and complexity of this programme, it is recognised that development and delivery will also put substantial demands on all services of the council, such as legal, finance, planning and programme management support and the government has been asked to consider the implications of this workload urgently.

Public Exemption

33. The report does not contain any confidential information.

Timetable of Next Steps

34. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Heads of Terms Negotiation with MHCLG	Approval of Heads of Terms	Late June 2021	Managing Director

Town Fund Programme Management Team	Establishment of Programme Management Team for development stage	June 2021	Assistant Director Regeneration and Culture
Utilisation of Town Fund Capacity Budgets	Commence development of projects and business case development	June 2021	Assistant Director Regeneration and Culture Economic Development Manger

Wards Affected

All

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness Y
The proposals set out in the Town Investment Plan – include delivering jobs, skills, new housing, educational, cultural and leisure assets to maintain opportunities for all in the town.

Crime and Fear of Crime (Section 17) Y
The TIP has a large investment programme to improve the public realm in the town centre, increase footfall and reduce fear of crime.

Risk Management Y
As per the project management tools a detailed project plan is being developed and a risk log is being maintained

Environmental Issues & Climate Change Y
As part of business case development all project leads will be asked to carry out an environmental impact assessment. The indicative plans will attempt to deliver the new buildings to high sustainability standards – including 'BREEAM' and other standards. The buildings not only to be sustainably built but also then operated, including the use of heat pumps where applicable. In addition, a project included in the plan is to establish a new sustainable skills excellence centre by East Sussex Colleges Group.

Economic/Financial Implications Y
This is a large capital investment programme with council being the accountable body. Further implications will become clearer as the project is developed in more detail. The new leisure and cultural centres have the potential to generate income for the council and contribute to the wider economic growth and regeneration of the town.

Human Rights Act N/A

Organisational Consequences Y

The organisational consequences are set out in the report and require full council support to deliver such a large programme.

Local People's Views

Y

Local stakeholders were consulted with development of plan, put their ideas forward and will have further opportunities to shape projects as the develop. A community engagement plan has been developed as part of the programme.

Anti-Poverty

Y

The proposals will deliver jobs, skills, new learning opportunities and raise people's income

Legal

Y

HBC as accountable body for the entire programme will need to address all legal issues relating to its projects but the other delivery partners

Reading Ease Score: 37.7

Additional Information

Appendix 1 – Heads of Terms Hastings

Appendix 2 – Annex A – Project confirmation document

Appendix 3 – Hastings Town Deal Board and Governance Structure

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8 June 2021

Graham Peters
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Jane Hartnell
Chief Executive Hastings Borough Council
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Dear Ms Dixon, Mr Peters, and Ms Hartnell,

Hastings 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.

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

I am delighted to be offering you a Town Deal for Hastings to a value of up to £24.3 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 Hastings 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 Hastings, particularly as we meet the challenges presented by Covid-19. I look forward to working with you to make Hastings' plans a reality.

Yours sincerely,

THE RT HON ROBERT JENRICK MP

Heads of Terms offer for Hastings

Introduction

Situated on the South Coast of England, to the east of Eastbourne, Hastings is a historic seaside town that has endured as an attractive location both to visit and in which to reside. Nevertheless, Hastings faces several challenges. Most significantly amongst these are: the need for more jobs and enterprise growth, a forgotten history and assets which need to be brought back to life, a disconnected town centre, and a lack of quality housing.

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

The commitment

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

Government will provide up to **a total of £24.3 million from the Towns Fund**, which will be used to crystallise Hastings' identity as a healthy, vibrant and quirky seaside town; ensuring that people love to visit, live and work there, and enable them to say, 'I can make it in Hastings'.

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

- Enterprise & Employment infrastructure
- Green low carbon skills and eco
- Hastings Castle World Heritage destination
- Town to Sea Creative Quarter
- Town centre core (confidential)
- Town centre public realm & green connections
- Town living

Hastings 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

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

Hastings 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 **£24.3m** 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 **£24.3 million** of MHCLG funding in total.

Within this maximum amount, Hastings 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>Enterprise & employment infrastructure</p> <p>Enterprise sites for SMEs and social enterprises in three core employment sites- developing key sites for eg incubation units and flexible workspaces</p>	£3.08m	£9.686m	<ul style="list-style-type: none"> • Increase in the amount (and diversity) of high-quality, affordable commercial floor space (all spaces) : 5657m² • No of jobs created (FTE jobs per m²): 253 • Increase in the amount of shared workspace or innovation facilities: 1957m² • Number of start-ups and/or scaleups utilising business incubation, acceleration and co-working spaces:78 	<ul style="list-style-type: none"> • N/A 	Y
<p>Green low carbon skills and eco</p> <p>Centre of excellence for green construction, broadening training offer and establishing a local labour supply.</p>	£3.08m	£940,000	<ul style="list-style-type: none"> • Increase in capacity and accessibility to new or improved skills facilities: 1,070m² • Number of new learners assisted:565 • Increase in the breadth of the local skills offer that responds to local skills needs (new courses): 27 	<ul style="list-style-type: none"> • N/A 	Y

It improves skills provision within the town			<ul style="list-style-type: none"> Increase in the amount (and diversity) of high quality, affordable commercial floor space:200m2 		
Hastings Castle World Heritage Destination Creating a new interpretation centre, making use of digital technology and enhancing the visitor experience	£3.5m	£2.15	<ul style="list-style-type: none"> Jobs created: 24 New visitors to town: 250,000 Regional Job outcomes:1500 	<ul style="list-style-type: none"> N/A 	N
Town to Sea Creative Quarter On the popular White Rock area, recently grown as a creative quarter, builds on existing regeneration by 1)Creating a Digital hub, 2) Cambridge Road Development, 3) 12 Claremont will host a gallery and event space.	£4.06m	£5.964	<ul style="list-style-type: none"> Refurbished Homes: 16 Jobs created: 20 Increase in the amount (and diversity) of high-quality, affordable commercial floor space: 700m2 Number of enterprises utilising high quality, affordable and sustainable commercial spaces: 4 	<ul style="list-style-type: none"> N/A 	N
Town centre core (confidential) Creating a joint venture between the Council and NewRiver Real Estate Investment Trust to kick start regeneration. Keys sites are proposed for development and envisage mixed-use developments including new	£10m	£62.84 m	<ul style="list-style-type: none"> Remediation and/or development of abandoned or dilapidated sites Delivery of quality residential or commercial space in key locations (town centres, gateway areas, employment sites): 7,325m2 New homes: 167 Number of jobs created: 300 	<ul style="list-style-type: none"> Provide confirmation of match funding arrangements. Provide further detail on status of discussions with owners and occupiers regarding acquisitions of 3rd party owned properties or the termination of existing retail leases and/or relocation of tenants. Provide further detail on the delivery mechanism and long 	N

homes and leisure facilities.				- term partners/ownership of the leisure centre and housing developer for the Wellington Place.	
<p>Town centre public realm & green connections</p> <p>Transforming town centre public realm with horticultural improvements, aiming to inspire and engage locals, promoting wellbeing and infrastructure for markets and events, linking with the sustainable transport strategy and encouraging local green skills and training.</p>	£3m	£1.498m	<ul style="list-style-type: none"> Improved Town Centre public realm incorporating Garden Town concept: 1 square mile Wider cycling infrastructure such as cycle parking: 10 cycle parklets New or upgraded cycle or walking paths: 2152m Number of visitors to arts, cultural and heritage events and venues: 625,000 	<ul style="list-style-type: none"> N/A 	N
<p>Town living</p> <p>High quality, affordable and energy efficient homes in town centre, repurposing poor quality street and redundant commercial spaces. This will deliver 20 new residential units, addressing the town's challenge from housing stock being increasingly unaffordable.</p>	£1.5m	£2.5m	<ul style="list-style-type: none"> 20 homes refurbished Increase in the amount (and diversity) of high-quality, affordable commercial floor space: 200m² Increased and closer collaboration with employers: 20 	<ul style="list-style-type: none"> Provide confirmation of match funding arrangements. Provide confirmation of which individual properties have been identified for redevelopment and whether these are tenanted or subject to legal or planning restrictions. Provide further detail on the impact of this project through inclusion of a broader range of outcomes. 	N

General conditions

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

- **TIP Improvements:** Provide further details of planned private sector stakeholder engagement.
- **Assurance:** The business cases for projects will be taken through Hastings Borough Council, in line with local assurance processes.
- **Public Sector Equalities Duty:** Hastings Borough 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, Hastings 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.

Hastings 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 Hastings 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.

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Annex A: project confirmation table

Please complete the table below for each project and send to the Towns Fund central inbox, towns.fund@communities.gov.uk, within two months of agreeing Heads of Terms.

Project confirmation table					
Project name					
Date:					
Towns Fund ask (£ million)					
Match funding total and breakdown					
Expected outputs and outcomes					
Plan for addressing key conditions					
Fast-tracked project (Yes or No)					
Capital/revenue split					
Nominal Financial profile (£ million)					
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Signature of Town Deal Board Chair and accountable body's Chief Executive Officer or S151 Officer					

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Appendix 3:

Hastings Town Deal Board and Governance/project management structures for Phase 2 of the programme 2021-2022

1. Background

The Hastings Town Deal board was set up rapidly in response to government requirements for the first meeting to be held by the end of January 2020. Some of the membership was prescribed by government in their prospectus and some more flexible depending upon individual town's structures and requirements.

This was set out below as per the prospectus:

The Board **must** have the following membership (essential):

- A private sector chair
- All tiers of local government for the town
- Members of Parliament representing the town
- Local businesses and investors
- Local Enterprise Partnership (LEP)
- Community/local voluntary community sector representatives
- Other relevant local organisations, such as FE colleges or Clinical Commissioning Groups

The following **may** be members (suggested):

- Business Improvement Districts (BIDs):
- Jobcentre Plus:
- Anchor institutions:
- Arms-length bodies and other non-departmental government agencies:
- Other private investors and developers

The [current board](#) aims to represent different parts of Hastings through business and community representative organisations and stakeholders to guide and act as advisory on the Town Investment Plan (TIP) to point of submission. Its role up to this point has been to:

- Develop and agree an evidenced based TIP
- Develop a clear programme of interventions
Coordinate resources and influence stakeholders

2. Business Case stage of the Town Deal programme

Once the government has approved our TIP and Heads of Terms have been signed, the Town Deal (TD) programme will move into the next phase (Phase 2)– business case (and project) development. This will require adjustments to the board structures as well as the introduction of new programme management structures to support the development and delivery of the businesses case and projects.

3. Town Deal Board Membership

Following the agreement of Heads of Terms, the role of the board will shift to an advisory role on the development of project business cases and into the delivery phase, as well as acting as

ambassadors for the Town Deal programme and its vision. This shift in role is set out in the business case guidance document:

“Locally ultimate decision making responsibility will lie with the accountable body (HBC), but the town deal board Chair/s will be a signatory to the summary document (high level detail document for business cases that has to be submitted to government) and should make decisions in partnership and collaboration with the Town Deal board.....The Town Deal board should have an ongoing role and sight of decision as projects are developed in more detail or possible changes are made. The nature and degree of the board’s oversight should be agreed locally.”

As stated, the Town Deal board membership requirements as set out in the original prospectus are not being altered by government. We therefore recommend we maintain the board as it is but refresh membership, by first allowing those who would like to review their participation on the board and then recruit new members to achieve a better balance of representation.

3.1 Equalities

A refreshed membership will form part of the new governance arrangements for the Town Deal programme governance and management. The Code of Conduct, including Terms of Reference will need to be updated to reflect board membership changes that can adapt to reflect the breadth of the local community while seeking to maintain the balance of Private, Public and Community representation. This is in keeping with the public sector equality duty (Equality Act 2010).

Board members outside of those places deemed as essential by the government must fulfil the following aspects:

- Be a resident, work or in education within the Borough of Hastings
- Be aligned to one of the areas identified in the essential or suggested criteria
- Be willing to advocate for the town deal programme and projects which have been already agreed and as are outlined in the Town Investment Plan
- Utilise the tools prescribed by the accountable body when publicly speaking about the town deal projects (tone of voice) such as when posting on social media.
- Abide by the governance and the key characteristics outlined in the government’s guidance on this fund.
- Be able to volunteer their time to read documents before board meetings and attend board meetings or sub meetings they may volunteer to be on.

4. Governance and management

As a reminder the government requires both chairs of town deal boards and the chief officer of the accountable body to sign the Heads of Terms.

This now also extends to Phase 2 of the programme where both the Managing Director and the ‘Section 151’ (monitoring) officer for the council and both co-chairs of the board need to sign the summary document which is submitted to government.

As such, to meet the requirements of the Phase 2, (Business Case development and submission of summary document), it is proposed that the following staged process be introduced, with it being reviewed at the end of business case phase to consider the skill set and structural requirements for the delivery and construction phase of the Town Deal Programme (Phase 3).

Stage	Activity
Stage 1:	Prepare and submit 5 case business case for approval by HBC (as accountable body) and delegated members of the Town Board (Town Board Investment Panel) as the advisory body.
Stage 2:	Prepare and submit summary document for review by Town Board and signature of Town Board Co-Chairs and HBC S151 Officer and the Managing Director. Submission of summary document to MHCLG to approve funding.
Stage 3:	With government funding approved, funding agreements with project leads and programme monitoring and evaluation arrangements with project leads agreed.

The approval process is demonstrated by the flow chart which can be viewed in appendix 1.

5. HBC Town Deal Programme Board

HBC as accountable body and the Section 151 designated officer has the final decision on the investments to proceed. This was also the case with the accelerated funded projects. The level of scrutiny may vary project by project, but the S151 officer will be ultimately responsible for the Town Deal programme.

An HBC Town Deal internal programme board will be established with strategic oversight, management, and approval of the next stages of the Town Deal programme.

This will work alongside the overall Town Deal programme structure. Membership of this board will be finalised by the council following the election in May 2021.

6. Town Deal Investment Panel (TDIP):

A Town Deal Investment Panel will also be established to provide independent scrutiny to the business case with delegated authority to the co-chairs to sign off the Business Case Summary Document as required.

This board will be a development of the executive delivery group with a wider membership drawn from those with suitable skills and expertise to ensure enough oversight and scrutiny of the business cases being brought forward.

It is expected that there will be some TDIP members who will not necessarily be board members. The TDIP will also have support from external independent appraisers. It will be chaired by the private sector TD board chair (though both co-chairs are members of the TDIP) and report to the Town Deal board as and when required.

Conflict of interest will be managed by conflicted parties abstaining from decision making and removing themselves from discussion regarding a project there are lead on or that they have a pecuniary interest in.

Recruitment to the TDIP will be informed by the Heads of Terms (HOT) conditions and a term of reference for this investment panel will be developed and agreed in accordance with this document. It is hoped to bring this and the process for selection of the membership of the TDIP, to the extraordinary TDB meeting when we review the HOT offer from government.

7. HBC programme team

There will be allocation for specific roles within the HBC project team to meet the requirements and skills needed for the business case phase and beyond, as well as development of an internal programme board recognising the council’s status as managing authority and Section 151.

8. Capacity funding and the role of Project leads

Current levels of capacity funding and other HBC Funding will be used to support the following activities:

- 1) Funding dedicated programme management and project staff
- 2) Funding external support for the development of the five-case business case
- 3) Funding external independent assessor of 5 case business case.

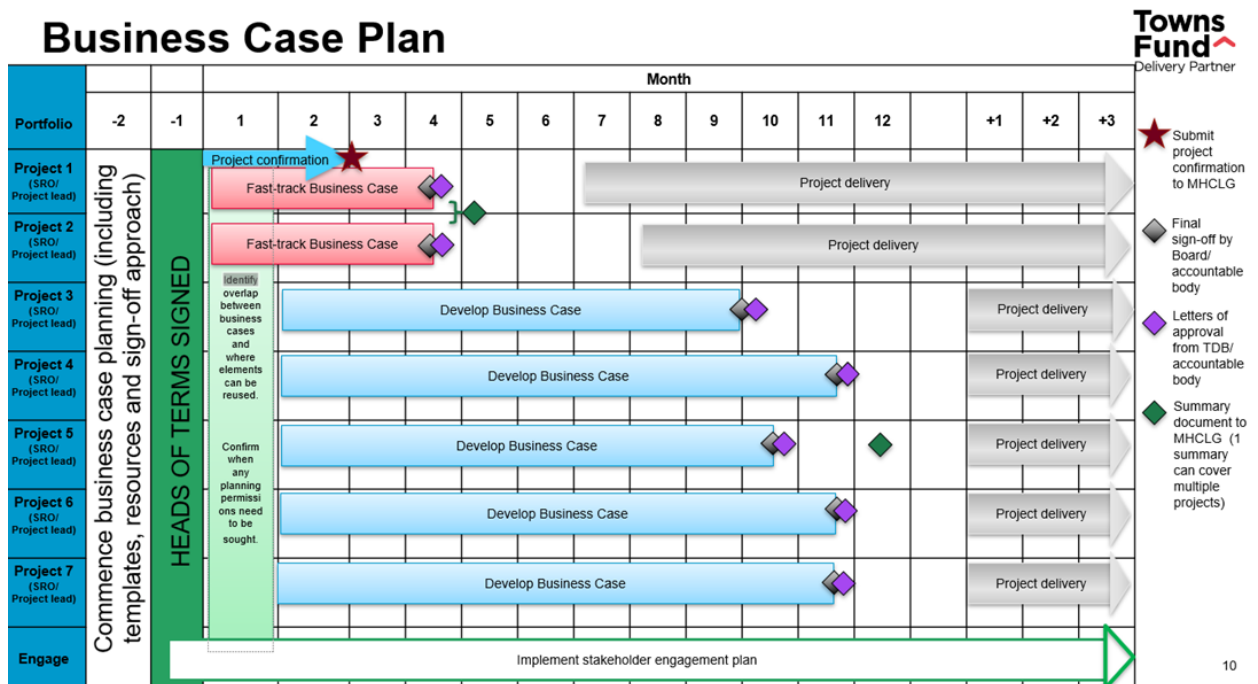
All projects will designate a project lead for their programme and suitable expertise (where required) to develop their proposal to RIBA Stage 2 to 3 (pre planning stage) and their business cases (whether that be internal or through external support).

HBC will employ external technical/specialist support for identified projects (whom do not have the capacity) to ensure the business cases developed are to the required compliant standard for those that identify the need for external expertise.

There will be an appraisal and approval process developed, as outlined in appendix 1, giving assurance that decisions made have been undertaken in a transparent, proper, and accountable manner. This will include the Town Deal Investment Panel and a team of appraisers who will evaluate each business case. This will include appropriate mechanisms for performance monitoring and evaluation.

With regards to project development and the development costs to take the projects to the above RIBA stages, HBC are exploring mechanisms to support external project leads in these tasks. These proposals will go to cabinet for decision, at the same time as the Heads of Terms, likely on June 7th, if not before.

9. Timing and frequency of board meetings



9.1 Town Deal Board (TDB)

It is proposed that Board meetings are reduced from 4 to 3 meetings during phase 2, to align with the bringing forward of summary documents for review, prior to submission to government.

It is proposed that this meeting cycle commences after an 'extraordinary' board meeting to agree/review Heads of Terms (HOT). Please note that the HOT needs to be signed within 3 weeks of issue so we will be scheduling a board meeting in mid – end of May/early June.

The above chart, supplied by our towns hub partners, show there are likely 3 meetings which will be required once heads of terms are signed.

Therefore, Hastings town deal board three board meetings during this period will review the following business:

- 1) To review project confirmation document (approx. 2 months after HOT signature)
- 2) To review fast track projects summary documents prior to submission to government (between 3-6 months after HOT signature). Agree letter of support from TDB for project summary documents, to accompany submission.
- 3) To review remaining projects summary documents prior to submission to government (9-12 months after HOT signature). Agree letter of support from TDB for project summary documents, to accompany submission. It is likely that status update reports on any 'shovel ready projects' will be also prepared for this meeting.

9.2 Town Deal Board Investment Panel (TDBIP):

It is expected that the TDBIP will schedule meetings quarterly, though this will be informed by the Heads of Terms and Project confirmation submission to government.

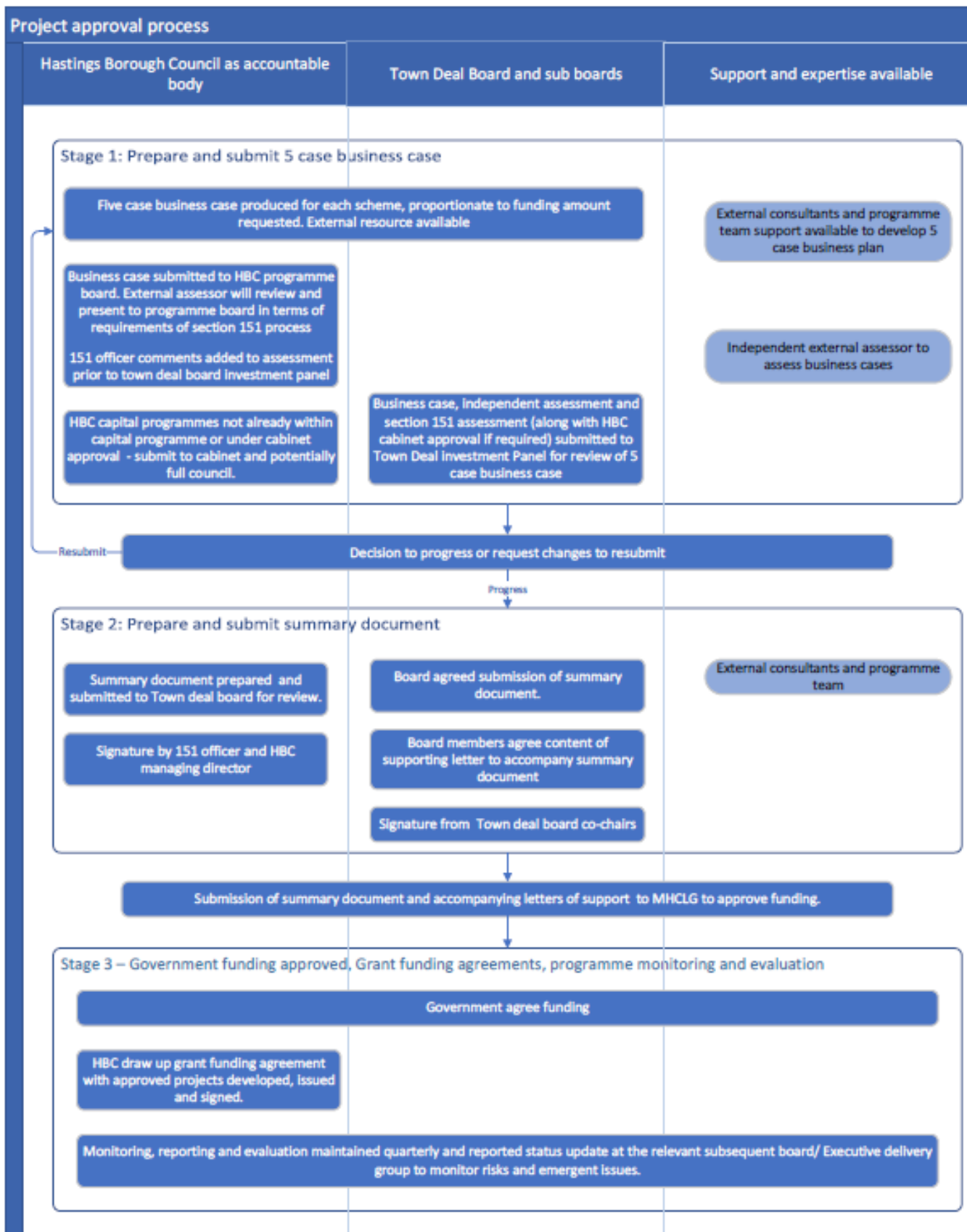
9.3 Town deal board project leads and engagement working groups.

This will again be informed by the project confirmation submission, and the need from the group, however it is expected that these meetings will be more frequent than quarterly, dependent to the needs of the programme.

9.4 Town Deal Executive Delivery group:

The Executive Delivery group will remain but will only call ad-hoc meetings when required during phase 2 of the town deal programme. Main order of business will be agenda setting and review/approval of new board members.

9.5 Town Deal Project Approval Process Flowchart



Agenda Item 4

To Councillor Battley
Chair of Overview and Scrutiny Committee

ACCESS TO INFORMATION RULES

KEY DECISIONS

RULE 26 – General Exceptions.

NOTICE is hereby given under Rule 26 of the Access to Information Rules contained in the Council's Constitution that the following key decision will be taken at Cabinet on: -

Cabinet			
<u>Decision</u>	<u>Consultation and Timetable</u>	<u>Working Papers and files</u>	<u>Responsible Officer / Portfolio Holder</u>
Hastings Town Deal: Heads of Terms (for approval)	Cabinet – 25 th June 2021	Part 1	Victoria Conheady, Assistant Director, Regeneration and Culture Councillor Paul Barnett, Regeneration, Lead Councillor

1. The Town Investment Plan (submitted January 2021) is a huge opportunity for the council. It has been developed by working with the Town Board and wider stakeholders, to take a lead in the transformation and recovery of Hastings town centre for the benefit of the whole town. It contains our largest employment base, learning and skills opportunity for our residents.
2. The investment plan provides for a 5-year 're-set' strategy for the town addressing a wide range of economic and social issues. It is an opportunity to commence the recovery process from the pandemic and could lead to other investment opportunities including those emerging from national and local funding streams, as well as new inward investment.
3. The Town Investment Plan has now been assessed by government and up to £24.3m of funding has been allocated along with a number of conditions, set out within a 'Heads of Terms' agreement. There is now a requirement for the Town Deal Board and the Council, as an accountable body, to agree the Heads of Terms within three weeks of issue (29th June 21). The Board and the Council will then need to reprofile / re-prioritise the projects to fit within the envelope of the funding offer from £28.21m to £24.3m by end of August 21.

4. Authorisation is required to sign the Heads of Terms and return to Ministry of Housing Communities and Local Government by the 29th June 21. It is proposed an urgent report be presented to Cabinet on 25th June to authorise the signature.

Signed M Kilner
Chief Legal Officer

Dated 9th June 2021

Note:

Rule 26.20 General Exception

If a matter which is likely to be a key decision has not been included in the forward plan, then subject to Rule 26.21 (special urgency), the decision may still be taken if:

- (a) the decision must be taken by such a date that it is impracticable to defer the decision until it has been included in the next forward plan and until the start of the first month to which the next forward plan relates;
- (b) the Chief Legal Officer has informed the chair of a relevant overview and scrutiny committee, or if there is no such person, each member of that committee in writing, by notice, of the matter to which the decision is to be made; and
- (c) the Chief Legal Officer has made copies of that notice available to the public at the offices of the Council; and
- (d) at least five clear days have elapsed since the Chief Legal Officer complied with (b) and (c).

Where such a decision is taken collectively, it must be taken in public.