

# Town Deal Agenda

Thursday, 30 June 2022 at 11.00 am

Microsoft Teams

For further information, please contact [Towndeaal@hastings.gov.uk](mailto:Towndeaal@hastings.gov.uk)

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1.	Welcome and apologies 11:00	
2.	Declarations of interest 11:05	
3.	Minutes of the last meeting and matters arising 11:10	1 - 4
4.	Programme progress update 11:20	5 - 12
5.	Any other business 11:45	
6.	Date of next meeting: 10am, Thursday, 21 <sup>st</sup> September 2022	

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# Agenda Item 3 Public Document Pack

## TOWN DEAL

15 MARCH 2022

### Present:

Carole Dixon (Co-chair)	Hastings Community Network
Graham Peters (Co-chair)	Team East Sussex
Andrew Harvey	Priory Meadow Shopping Centre
Candice Miller	NHS East Sussex CCG
Clive Galbraith	Hastings Area Chamber of Commerce
Cllr Kim Forward	Hastings Borough Council
James Harris	East Sussex County Council
Jane Hartnell	Hastings Borough Council
Jess Steele	Heritage Action Zone
John Bownas	Hastings Business Improvement District
Liz Coleman	Hastings and Rother Interfaith Forum
Lourdes Madigasekera-Elliott	Public Health East Sussex
Sonia Blizzard	Sea Change Sussex

### Others in attendance:

Iain McNab	Department for Levelling Up, Homes and Communities
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### HBC Programme Team present:

Chantal Lass  
Ian Sycamore  
Ruby Crowhurst  
Ruth Kynoch  
Stephen Dodson  
Allison San Diego

## 75. WELCOME AND APOLOGIES

Everyone was welcomed to the meeting.

Carole shared some positive news with the meeting: Justin Thomas from NewRiver REIT is a new board member (replacing Stuart Mitchell), the programme team has a new Communications and Engagement Officer, Ruby Crowhurst, and the Towns Fund Delivery Partner/Towns Hub has returned and it is hoped Rebecca Collings will be able to join future meetings.

Apologies were received from: MP Sally-Ann Hart, Darrell Gale, Justin Thomas, Rebecca Collings, Sean Dennis, Steve Manwaring, Pranesh Datta and Victoria Conheady

As today is Clive Galbraith's final Town Deal Board meeting, Carole expressed her thanks to him. The town is going to miss Clive's input. He may make light of it and underplay what he does but what he has done for the town has been huge over the

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years and quite phenomenal. He may try to hide it and use wit and humour to cover everything up but underneath it all there is a real desire to see the town improve and not keep repeating the same mistakes or go down the same avenues that don't lead to success and in order to do that it's because of the heart that he's got for the town's people. Carole expressed a huge thank you on behalf of the Town Deal Board for his input into the meetings and for everything that he has done across the time he has been working in the business sector.

### **76. DECLARATIONS OF INTEREST**

Carole Dixon and Clive Galbraith declared a vested interest in the Broadening Futures Together business case.

### **77. MINUTES OF THE LAST MEETING (9TH DECEMBER 2021) AND MATTERS ARISING**

Accepted as an accurate record.

Matters arising:

Ian Sycamore explained that it has been agreed that the Decisions of Town Deal Investment Panel report now includes a project summary explaining the project in more detail.

### **78. DECISIONS OF THE TOWN DEAL INVESTMENT PANEL**

Carole Dixon and Clive Galbraith left the meeting at this point.

Ian Sycamore explained that the Investment Panel met in February and assessed the business case for the Broadening Futures Together project. There were some additional clarification points around inflationary pressures, staff recruitment and partnership arrangements which were all resolved, and the business case was approved as representing very high value for money, with a high level of certainty around achieving that value for money. The economic modelling brought a high benefit cost ratio of 5.2:1.

The project is a partnership between Education Futures Trust and Plumpton College to deliver a teaching facility on a 3-hectare site at The Firs. The main outputs and outcomes are a new educational pathway for local learners through a 7-year programme which hopefully will result in 2,220 local people being engaged or re-engaged in land-based courses and achieving up to level 2 or 3 qualifications. The Towns Fund contribution will be £352,000 of a total project value of £621,775. Further details can be found in the summary table in the report.

The meeting noted the decisions of the Town Deal Investment Panel.

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### 79. PROGRAMME PROGRESS UPDATE

#### **Project re-allocation of funds**

Ian summarised the process. One of the Town Centre Core projects (1-7 Wellington Place / Sports Direct building) has been withdrawn and the implication is that the £1m grant funding for the project has been returned to the programme. In discussions with the Department of Levelling Up, Housing and Communities (DLUHC) it has been agreed that £600,000 will be held and use of this will be considered later in the year and that £400,000 will be immediately reallocated through an open call process which opened on 2<sup>nd</sup> March and will close on 30<sup>th</sup> March. Several eligible projects have been asked to complete an application form which will go through the same rigorous process as the original projects. The submissions will be independently reviewed by Steer Group and be presented to the Town Deal Investment Panel and Town Deal Board shortly afterwards with the final decision being with DLUHC.

Iain McNab was thanked for his help with the process which meant Hastings was allowed to keep the funds.

Jess explained that the Hastings Commons project allocation was reduced by 5% a few months ago and this process has now been decided without checking with the projects that are trying to work with less than they had originally bid for. It would have been helpful if any projects that needed to go back to the originally requested allocation were approached. These concerns were noted.

The process to reallocate the remaining £600,000 has not yet been agreed with DLUHC and the £1m funding that had become available due to the project being withdrawn is not sufficient to give all projects their original allocation, hence the current position. Hastings was awarded over £3m less than it bid for.

Iain McNab explained that it is intended that the £600,000 that is being reserved from the withdrawn project's allocation is to be used as contingency for increasing costs across the projects rather than to backfill one which had its funding reduced because of the offer. It is up to the board to decide how funds should be allocated provided the proper processes are followed, but the general expectation is that projects are managed within the constraints of the offer that has been made. Any allocations would impact other projects and the remaining contingency fund. All towns received less than they bid for and had to make sacrifices against their original requests.

Another issue is making sure that projects are delivered overall and there are various reasons why some will be affected by increasing costs as opposed to others. In addition, it is not clear what will happen if other projects do not proceed. It is important that work does not get delayed further and the position with regards to the remaining £600,000 needs to be discussed and a decision made. **Action: programme team**

It was clarified that the Sports Direct building is in private ownership and the owners did not want to sell the building.

#### **General projects update**

Ian presented this part of the report which was noted.

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### **Project progress by theme/project**

- Town to Sea Creative Quarter (Hastings Commons) business case is due for submission in mid-April. This will be assessed by the investment panel in May and the decision is due for noting at the June Town Deal Board meeting
- Green construction, energy and vehicle training centre business case has been delayed due to a resourcing issue at East Sussex College
- Other business cases are due for submission in June/July. There is an increased risk with this schedule currently due to project business case delays, a lot will be coming in towards the end of the development period. This risk will need to be actively managed to reduce any further slippage. If the projects become unviable towards the end of the process, there will be less time to manage the reallocation of any potentially returned grant.

### **Communications and engagement**

Ruby Crowhurst joined the programme team in January as Communications and Engagement Officer. Ruby summarised her report and added that the next group project lead meeting will be taking place tomorrow and will focus on communications and engagement.

### **80. ANY OTHER BUSINESS**

Jess advised there will be a Spring tour of Hastings Commons on 25<sup>th</sup> April from 11am-3pm. Board members are welcome to attend. Information will be circulated.

### **81. DATE OF NEXT MEETING:**

10am, Wednesday, 25<sup>th</sup> May

# Agenda Item 4

**Report Title:** Update to Hastings Town Deal Board

**Date:** 30<sup>th</sup> June 2022

**Report by:** Town Deal Programme Team

## 1. Town Deal Programme Update

The Town Deal Programme Team intends to submit a Project Change Request to the Department of Levelling Up Housing and Communities (DLUHC) which will encompass the following changes to the investment proposals over the last three months.

- a) The withdrawal of proposed development of 1-7 Wellington Place from the programme: £1m Town Fund monies originally allocated.
- b) Ponswood Worxpace project has also been withdrawn from the programme. The Town Deal Investment Panel (TDIP) was unable to approve the business case submitted and had requested further information and clarification. Unfortunately, this did not occur, and it was agreed with DLUHC Area Leads to redistribute the £220,000 fund allocation to other existing projects.
- c) Following an open call and much interest, the TDIP agreed to the allocation of £400k Towns Fund monies to enhance the offer in the redevelopment and repurposing of the Debenhams building to bring it back into active use. Like all projects this is however subject to business case approval.
- d) Approximately £820,000 now remains to be allocated to existing projects. Taking into consideration rising construction costs and the cost of borrowing, the TDIP considered several options regarding the distribution of the funds. Following discussions, it was agreed that the most fair and transparent solution was to distribute to all projects on a proportionate basis to their Towns Fund allocation, with the exception of the new project at Debenhams and Source Park lift installation which was near completion. Most projects will receive an uplift of @3.76% of their Towns Fund monies. This is subject to confirmation by DLUHC asap.
- e) To date, five business cases (with 3 sub-projects within Hastings Common) have been approved by the TDIP, with a further two being considered over the next two weeks. The remaining business cases will follow over the next few months with the final project submission date to DLUHC being the end of September 2022.
- f) Planning Performance Agreement – one PPA has been agreed to date for the redevelopment proposals for the west wing of Priory Meadow Shopping Centre.
- g) A recent project leads meeting was held on 27<sup>th</sup> May 2022. The main item for discussion was a presentation by Optivo Housing to consider ways of directing benefits to the wider community.
- h) Minister Neil O'Brien will be invited to visit the projects at Churchfields Industrial Estate, Former Debenhams store and other projects (TBC) – with possible date 16<sup>th</sup> September 2022.
- i) Assurance performance review submitted to DLUHC in May 2022

- j) Subsidy Control guidance published by government in April 2022 and it is currently being considered how this impacts projects in Hastings. Legal advice is being sought on completing assessment proformas. The programme and projects need to have a transparent and open audit trail for the Towns Fund grant in case of any third-party challenges.

## **2. Decisions of the Town Deal Investment Panel**

The Town Deal Investment Panel is a subgroup of the Town Deal Board. It has been given delegated responsibility to assess business cases and make final recommendations on projects together with the accountable body (HBC) and its representative – the Section 151 Officer.

This note is to confirm the decisions of the investment panel and the Section 151 officer.

### **2.1 New project(s) assessment: April 2022**

- a) The investment panel met on 21<sup>st</sup> April to consider the applications received for new project proposals to benefit from up to £400k of Towns Fund grant made available from the withdrawn Wellington Place proposal.
- b) A total of 8 applications were received. These were assessed by Steer Group and clarification meetings held with project leads. Steer presented the approach taken, the criteria and scoring used, and the recommendations to the panel, based on value for money, timescales, deliverability and suitability. Various scenarios were then considered by the panel.
- c) The investment panel discussed the recommendations/scenarios presented and after deliberation it was agreed that the application by Moxie Management Two Limited and C&O Entertainment for the Former Debenhams Department Store was the strongest. It was recognised that other projects were strong in some areas and had their own merits. Overall, however, the Debenhams application met the objectives of the town deal programme and will be able to deliver within the required timescales. The funding will generate additional outputs to a development that is already underway.
- d) The investment panel agreed to support the Former Debenhams Department Store application and award (in principle) funding of £400k. A full business case has been submitted and will be presented to the panel for approval in July.

### **2.2 Project Business case assessment report (Hastings Commons): May 2022**

- a) The investment panel met on 25<sup>th</sup> May to consider the business case for Hastings Commons (formerly Town to Sea Creative Quarter). The project involves development of three buildings in the Hastings Commons - the Observer Building; 12 Claremont; and Eagle House.



- b) The Hastings Commons business case has been independently assessed by Steer Group and has been recommended for approval by the Town Deal Investment Panel and confirmed by HBC's S151 Officer as able to proceed to delivery and implementation.
- c) The overall assessment of the economic case is that the scheme will deliver a high benefit cost ratio of **2.32:1**; taking into account the need for intervention, outputs and outcomes it presents high value for money. Risks that were identified on the first review have been discussed in a feedback meeting and resolved. "Therefore, it is our assessment that this project represents **high** value for money, with a **high** level of certainty around achieving that value for money".

Project name and sponsor	Description	Assessment comments	Proposed outputs and outcomes	Project cost and Towns Fund offer
Hastings Commons  Hastings Commons Ventures (HCV)  formerly White Rock Neighbourhood Ventures	The project involves development of three buildings in the Hastings Commons - the Observer Building; 12 Claremont; and Eagle House. This is principally to enable the delivery of courses to lower skilled and unemployed local residents with a view to increasing their employability and transferrable skills. The project will also enable cultural events, community space and affordable workspace as part of a diverse benefits offer.	Alignment with national, regional, and local policy has been explained and is compelling. The business case explicitly draws out how the project will address the principles of the Hastings Town Investment Plan, i.e. Inclusive Economic Growth, Clean Growth and Health and Wellbeing. The project is 'shovel-ready' and alignment with other local, regional and national policy is clearly illustrated in the business case.  A strong evidence-based case for change has been made regarding the pronounced education inequality in Hastings, with the proportion of unqualified people exceeding Southeast and national averages. The intervention is needed to stimulate employment, improve social mobility and ultimately contribute to Hastings' recovery from the pandemic. The scheme targets a number of areas, including education but also social care (via 'Project Art Works') and business (via workspace provision).	<ul style="list-style-type: none"> <li>•Provision of 640 training course spaces annually.</li> <li>•Hosting cultural events with approximately 11,900 unique visitors annually.</li> <li>•Developing 1,996sqm of dilapidated site, including 1,027sqm of new affordable workspace.</li> <li>•Generating 11 new FTE jobs and safeguarding a further 3 FTE jobs.</li> </ul> <p>The project sponsor clearly states the assumptions behind these outputs and outcomes. Provided all unsecured funding can be identified and secured, it is our view that they are reasonable and provide certainty.</p>	<p>Project value £4,355,000</p> <p>Towns Fund grant approved £3,853,000</p> <p>Other match funds £502,000</p>

- d) A project summary for 'Hastings Commons' is attached for information at Appendix 1.

### 2.3 General Fund re-allocation assessment: May 2022

- a) The investment panel also considered a variety of options regarding how to re-allocate the funds available from the withdrawn projects. Three main scenarios were considered assessing the pros and cons of each with an options analysis for each on the impact on

programme resource, programme and project deliverability benefit, fairness, transparency of approach, ability to make decisions quickly, and reputational and political impact.

- b) The scenarios were:
  - i. General uplift for all projects (could include or exclude all fast-track projects which are already in delivery)
  - ii. Allocation awarded on need basis
  - iii. Allocation of funds on a first come first basis – justifying need
- c) Following discussions, it was agreed that the most fair and transparent solution was to distribute to all projects on a proportionate basis to their Towns Fund allocation - with the exception of the new project at Debenhams and Source Park lift installation which was near completion. From this scenario, most projects will receive an uplift of @3.76% of their Towns Fund monies. This decision by the investment panel is subject to confirmation by DLUHC asap.
- d) The Town Deal Board is requested to note and support the decisions of the Investment Panel as set out above.
- e) Regarding the project approvals, the accountable body will supply a summary document containing details of these projects to DLUHC in due course. The summary document will be signed by the Town Deal Board co-chairs prior to submission. Additionally, DLUHC will be notified via a formal project alteration request (PAR) form regarding the re-allocation of funds (as mentioned in item 1).
- f) Additionally, it is suggested that during the summer holidays any business cases that are approved by the investment panel are confirmed and noted by the Board upon email notification of the decision. The next board meeting is scheduled to take place on 21<sup>st</sup> September, when all decisions will be noted in the minutes.

### 3. General Project update

From any project leads attending the board meeting.

### 4. Business Case Progress Report by theme

Project (programme) theme	Project Title	Fast-track	Business case status
Enterprise & Employment infrastructure	Hastings co-working, flexible office, community space	Yes	SUBMITTED: 24/09/2021 APPROVED: 22/11/2021

	Churchfields (fast-track)	Yes	SUBMITTED: 27/09/2021 APPROVED: 22/11/2021
	Enterprise Space, Ponswood	Yes	Project withdrawn
Green Low Carbon Skills and Economy	Green construction, energy, and vehicle training centre	No	Assessment underway Approval: pending
	Broadening Futures Together	Yes	SUBMITTED: 17/01/2022 APPROVED: 08/03/2022
Hastings Castle World Heritage Destination	Hastings Castle	No	Due for submission: 30/06/2022
Town to Sea Creative Quarter (Hastings Commons)	Observer Building Creative Digital Hub	No	SUBMITTED: 18/04/2022 Approved: 25/05/2022
	Cambridge Rd (Eagle Hse)	No	
	12 Claremont	No	
Town Centre Core	Priory Street Car Park (Town Centre Core Project 2)	No	Due for submission: August 2022
	Repurposing Priory Meadow (Town Centre Core Project 1b)	No	Due for submission: 30/06/2022
	New Look Fast Track (Town Centre Project 1a)	Yes	SUBMITTED: 07/10/2021 APPROVED: 14/01/2022
	Former Debenhams Building	No	Assessment underway Approval: pending
Town Centre Public Realm and Green Connections	Public Realm & Green connections	No	Due for submission: 14/07/2022
Town Living	Town Living	No	Due for submission: 14/07/2022
Accelerator Project extension	The Courtyard (the Source) installation of lift	Yes	Business case N/A - TBC by DLUHC

## 5. Communications update

We are currently working on updating the Town Deal blog to reflect the work the programme is doing now – more specific to individual projects and we are also looking to integrate CitizenLab with the blog.

We are planning a project open day for 16<sup>th</sup> September 2022 at Muriel Matters House. This open day will include people from each project team to present and talk through their project with the public and invited guests. Promotion is due to start within July.

Arrangements are being made with all the project leads and more information will come out over the next few weeks.

## 6. Project Change Request

Now submitted via a project alteration request form to DLUHC, which is already underway regarding the changes detailed in item 1 for approval as soon as possible.

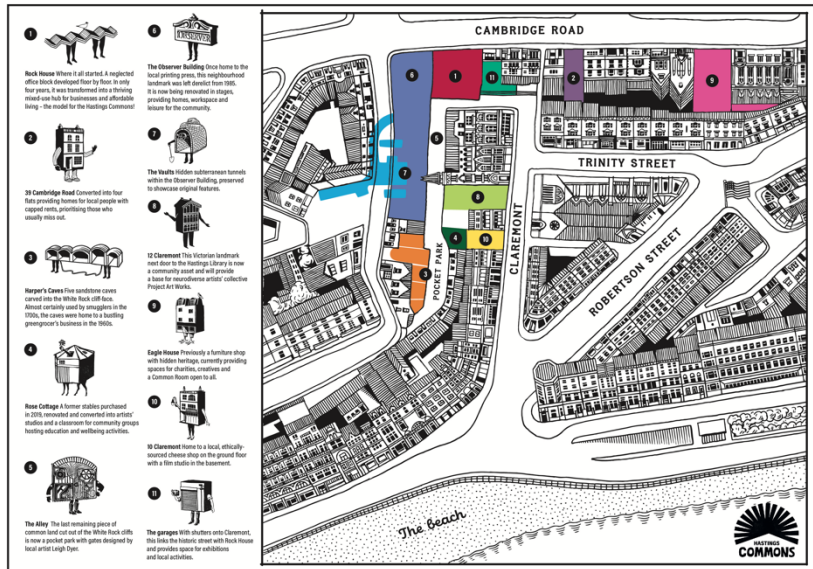
## 7. Programme finance update

Spend of £173k Capacity Funding awarded to the council over two years ago to prepare the Town Investment Plan and progress is provided below.

Capacity Fund £173k	2020/21	2021/22	2022/23	total to Jun 22	Detail
Salaries	£ 1,392	£ 34,397	£ -	£ 35,789	
Travel Expenses	£ -	£ 86	£ -	£ 86	
Citizens Lab	£ -	£ 10,000	£ -	£ 10,000	
Damon McCollin-Moore	£ 1,225	£ -	£ -	£ 1,225	Research session
Fastprint & Design Ltd	£ -	£ 66	£ -	£ 66	Correx Board printing re Town Investment Plan
GENECON Ltd	£ 20,000	£ 5,000	£ -	£ 25,000	Hastings Town Investment Plan
Land Registry	£ -	£ 54	£ -	£ 54	Land Registry Charge
Larking	£ 7,421	£ 8,955	£ -	£ 16,376	Hastings Town Deal Investment Plan & Blog
Let's Do Business	£ -	£ 2,000	£ -	£ 2,000	LDBG work Town Deal Blog
Mott McDonald	£ -	£ 69,167	£ -	£ 69,167	Town Investment Plan & Business Case Development
Steer Davies & Gleave Ltd	£ -	£ 12,550	£ -	£ 12,550	Hastings Towns Fund - Independent Assurance
Trustmarque Solutions Limited	£ -	£ 679	£ -	£ 679	Creative Cloud for teams All Apps - For Comms
<b>SubTotal - Capacity Fund</b>	<b>£ 30,038</b>	<b>£ 142,953</b>	<b>£ -</b>	<b>£ 172,992</b>	
<i>Remaining Fund</i>				<i>£ 8</i>	

# Hastings Commons - Town to Sea

Hastings Commons is a DIY regeneration approach bringing difficult and derelict buildings back to life through 'organic phased development' in which each space is squeezed for maximum community benefit before, during and after redevelopment, and protected for the long term through community land trust ownership.



Building on the success of Rock House, a run-down office block transformed into six Living Rents flats and more than 40 capped-rent workspaces, the Commons has grown to over 8,000 square metres of buildings and spaces clustered around an historic Alley that is not owned by anyone or adopted by any authority. This locally-rooted, evolving community is creating high quality, capped rent homes and workspaces, boosting local participation and economic growth, promoting inclusion and diversity, and encouraging grassroots enterprise.

The Towns Fund investment focuses on three critically important buildings, each at a different stage of redevelopment. The capital funds will enable:

**12 Claremont** - full renovation as artists' workspace, a cultural and retail venue including some space for overnight stays targeting people who want to share, learn and contribute to Hastings.

**Eagle House** - securing the freehold and undertaking targeted interventions to open up the whole building for workspace and wellbeing, enhancing and protecting the future of the public living room (opened Sept 2021) and providing a bright and beautiful temporary mural to improve the streetscape.

**Observer Building** - following the main-phase renovation of this enormous building after 37 years of dereliction, a Creative Digital Hub will be developed in the main ground floor space. This will comprise a digitally-enabled venue and a 'digital lab' space for ongoing co-development by local young people to suit their interests (eg gaming, coding, robotics, computer-controlled making etc). Workshops, speakers and screenings will inspire a wide range of users to experiment with new technologies.

The Commons is not only about rescuing and sustaining 'common-ground resources'. It is also about 'commoning' as a verb – people working together to positively change their place and in doing so taking opportunities to improve their own lives within an open and mutually-supportive community. *We look out for each other and we look after the place.*

Hastings Commons is being created by an ecosystem of local organisations including a social enterprise property developer, a community land trust and a registered charity.



HCV is the risk-taker, the social enterprise property developer – acquisition, financing, renovation, leasing, building management, tenant support, and commercial operations. One-third owned by the CLT.



HCCLT is the democracy and engagement, building a strong organisation ready for the long-term responsibility of holding community assets in perpetuity.



L&L is the creative animator, achieving its charitable objectives by developing and funding learning programmes, and creating high-quality spaces for learning and community activity.

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