

# Town Deal Agenda

Wednesday, 18 January 2023 at 2.30 pm

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

		Page No.
1.	Welcome and apologies 2:30	
2.	Declarations of interest 2:35	
3.	Minutes of the last meeting and matters arising 2:40	1 - 6
4.	Programme progress update 2:50	7 - 30
	<ul style="list-style-type: none"><li>• Town Deal Programme update</li><li>• Decisions of the Town Deal Investment Panel</li><li>• Re-allocation of Town Fund monies and update on redevelopment of Priory Street Car Park and the West Wing of the Priory Meadow Shopping Centre</li><li>• Future of the Town Deal Board</li><li>• Business case progress report by theme</li><li>• Communications update</li><li>• Equalities Impact Assessment</li><li>• Programme finance update</li><li>• Staff changes</li></ul>	
5.	Project updates 3:25	
	<ul style="list-style-type: none"><li>• Hastings Castle – Kevin Boorman, Marketing and Major Projects Manager, HBC</li><li>• Updates from other project leads present</li></ul>	

6. Any other business

3:50

7. Date of next meeting:

11:00, Thursday, 27th April 2023

# Agenda Item 3 Public Document Pack

## TOWN DEAL

21 SEPTEMBER 2022

### Present:

Carole Dixon (Co-chair)	Hastings Community Network
Graham Peters (Co-chair)	Team East Sussex
Andrew Harvey	Hastings Business Improvement District
Bianca Forrester	NewRiver REIT
Cllr Maya Evans	Deputy Leader, Hastings Borough Council
James Harris	East Sussex County Council
Jess Steele	White Rock Neighbourhood Ventures
John Bownas	Hastings Business Improvement District
Liz Gilmore	Hastings Contemporary
Lourdes Madigasekera-Elliott	Public Health East Sussex
Sally-Ann Hart	MP for Hastings and Rye
Sean Dennis	Hastings Area Chamber of Commerce
Sonia Blizzard	Sea Change Sussex
Steve Manwaring	Hastings Voluntary Action

### Others in attendance:

Jon Trigg	Freedom Works
Justin Manning	Owens Entertainment
Katy Sherman	Hart District Council
Nathalie Tulip	Freedom Works
Nigel Stewardson	Department for Levelling Up, Homes & Communities

### HBC Programme Team present:

Ian Sycamore  
Pranesh Datta  
Ruth Kynoch  
Stephen Dodson  
Allison San Diego

### 87. WELCOME AND APOLOGIES

Apologies have been received from: Chantal Lass, Darrell Gale, Jane Hartnell, Justin Thomas, Liz Coleman, Ruby Crowhurst and Victoria Conheady

### 88. DECLARATIONS OF INTEREST

None received.

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### 89. MINUTES OF THE LAST MEETING AND MATTERS ARISING

Accepted as an accurate record.

### 90. FORMER DEBENHAMS BUILDING PRESENTATIONS

Two projects have successfully been allocated Town Deal funding following approval of their business cases. 1) Owens Entertainment Centre and 2) Freedom Works' Hastings co-working, flexible office space, which are both located in the former Debenhams building:

#### **Owens Entertainment Centre – Justin Manning from Owens Entertainment explained:**

- Development of the entertainment centre is going well, and it is hoped it can be officially opened on or around 14<sup>th</sup> October
- The Towns Fund grant is being used to extend the centre's originally planned offer, therefore allowing for more attractions to be created
- Entry to the centre is through 1-3 Robertson Street (the former Debenhams perfume counter), where the bistro and information centre are located. Also on the ground floor are six bowling lanes, a table tennis court, pool tables, two state of the art football simulators and the 1066 immersive experience
- On the 1<sup>st</sup> floor will be the soft play centre, café and main garden bar where daily free of charge entertainment will be available, 10-pin bowling, an amusement arcade, a virtually reality centre and a wild west immersive experience
- On the 2<sup>nd</sup> floor, there will be a 140-seat themed carvery restaurant which will offer breakfast, lunch and dinner
- On the 3<sup>rd</sup> floor, there will be three indoor golf courses, a wonders of wizardry immersive experience, the Soar Tour virtual reality ride soaring over Hastings and the South Coast, Jurassica Live dinosaur themed experience, Oddity Museum, a maze and a vault themed game
- Energy prices for the centre have been successfully fixed for 3 years
- Entry to the centre will be free of charge and all of the attractions are individually priced, lower than others across the country. A local resident's discount pass is also being developed
- There will be 75-90 full time equivalent jobs available at the centre, estimated to equate to 120-130 part time jobs. Around 75 applicants have been recruited and 12 of these are doing a first aid course today. Another tranche of staff will be brought in during the week commencing 3<sup>rd</sup> October and the soft launch events will take place during the second and third week of October

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### Hastings co-working, flexible office space – Nathalie Tulip and Jon Trigg from Freedom Works:

- Freedom Works was founded in 2016 and its mission is to create flexible working space across regional towns in the Southeast. Locations include Worthing, Southampton, Chichester, Gatwick and Hastings
- There are 9 branches in total and 3000 active members, including Let's Do Business Group which is moving into the Hastings space during the week after next. Each space has its own hotdesking spaces, meeting rooms, break out areas and event spaces
- Freedom Works also provides a space for collaborative working between its members, curated business support to members which includes seminars, and has a "no faff" policy, ensuring everything that would be needed in an office space is readily available for its members
- Working in partnership with curators of business support is also being looked into for the Hastings area
- Work on the 3<sup>rd</sup> and 4<sup>th</sup> floors are nearing completion. These two floors cover the 10,000 sq ft development area as stated in the project business case. Works on the 5<sup>th</sup> floor are yet to commence due to cost overrun but this work would be in addition to what was proposed in the business case and it is estimated this could be completed if an additional £70k was to become available
- Freedom Works doesn't target any particular groups but has been working collaboratively with local groups and agencies, and as part of its growth strategy is working alongside these groups to deliver specific strands of support within the community
- Membership is free and a pay as you go model is available for booking desk space, which is available 24 hours a day, 7 days a week. It costs £20 a day to hire a desk, or £10 for half a day. Meeting room hire costs £15 an hour. Full tariff details can be found [here](#)
- The building will be heated via air conditioning and reverse cycle heating
- All are welcome to visit the space at the former Debenhams building

### 91. PROGRAMME PROGRESS UPDATE

- **Town Deal Programme update**

Pranesh Datta, Economic Development Manager at HBC presented the progress to date and updated on the Priory Street car park and Priory Meadow projects, and Homes England's interest in Hastings town centre.

The Observer Building is aiming to create 15 affordable flats, although it does not have access to sufficient funding. The possibility of involving Hastings Commons in the conversations with Homes England will be raised. **Action: Pranesh**

The number of new homes to be created stated in the Town Investment Plan is 200 and it is understood that the sites Homes England want to explore may create more than this, although the full scale of work is not yet understood. The MP asked to be

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kept in the loop regarding the indicative timelines which DLUHC has provided. The importance of addressing health and inequalities and creating lifetime homes was also raised. Public Health is also happy to be involved in early discussions as needed.

- **Decisions of the Town Deal Investment Panel**

Ian Sycamore, External Funding Manager at HBC summarised the decisions of the investment panel on the recently submitted and approved business cases: 1) Former Debenhams Site, 2) Green Construction, Energy and Vehicle Training Centre, 3) Town Living and 4) Public Realm and Green Connections.

These decisions were noted by the meeting.

It is understood that the 'Right to Buy' scheme exists for all social housing landlords, including the local authority, therefore potentially affecting the Town Living project. Community land trusts are exempt from right to buy and the importance of protecting long term investments was noted for future discussions. This will be looked into and the board updated. **Action: Pranesh**

- **General project update**

### **Broadening Futures Together**

Carole Dixon explained that the partnership between Education Futures Trust and Plumpton College is developing, and the service level agreement has now been signed. A pilot accredited course was run very successfully just before the summer break and the site was also improved as part of this course. A difficulty though is that the project is still being delivered without a building. Work on the drainage and highways are both out to tender. The first full course will be starting tomorrow (23<sup>rd</sup> September) and promotion of the courses will start once the works have been completed and the classroom is in place. The project is also meeting with the Garden Town next month to look at collaborative working opportunities around the Public Realm and Green Connections project.

### **Hastings Commons**

Jess Steele explained that the Observer Building was made weatherproof but very unfortunately the sprinkler system pipe burst and poured 40,000 liters of stored building water through it. The team worked all night to manage the water and the damage created will be covered by the contractor's insurance, however, the plaster and flooring will have to be re-done. On a positive note, the creative digital hub which will be going into the building has been running a pilot programme about 3-D scanning. 300 local people have been 3-D scanned and an exhibition and event will be taking place from 1<sup>st</sup>-8<sup>th</sup> October, during the hours of 12-6pm, which will give a taster of what the creative digital hub will be about.

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- **Business case progress report by theme**

Allison San Diego, Programme Support Officer presented the current status of the business cases for the project.

The chair extended congratulations and thanks to everyone involved in the projects, including the project leads, volunteers, consultants, the local authority and other partners on the investment panel on the progress to date.

- **Communications update**

### **Open Day on Saturday, 15<sup>th</sup> October in Priory Meadow Shopping Centre**

Allison presented the communications update and reiterated that any support from board members on the day of the open day, with promotion of the day and other events will be appreciated. The programme team can be contacted at:

[Towndeal@hastings.gov.uk](mailto:Towndeal@hastings.gov.uk)

Further information about the open day will be circulated shortly.

- **Complaint regarding the process of selecting projects at the early stage of the programme**

Noted. It was mentioned that may be the original 150 proposal and ideas should have been made public and the complaint and response noted. .

- **Equalities Impact Assessment**

Pranesh summarised the need to produce an EIA for the programme as a whole, which needs to be submitted to DLUHC, likely in March 2023. Once the work is commissioned, project leads will be approached and workshops will be held.

- **Programme finance update**

Ruth Kynoch, Project and Finance Officer presented the programme finances, which was noted.

- **Subsidy Control**

Ian explained that the programme team is working with the HBC legal team to ensure the programme is compliant with the subsidy control act. More details will be shared when these become available.

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**92. DATE OF NEXT MEETING:**

11:30, Tuesday, 22<sup>nd</sup> November 2022

The chair thanked everyone for their contributions into this work despite its challenges and for putting their energy into Hastings which is getting better as a result of everyone's efforts.



# Agenda Item 4

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

**Date:** 18<sup>th</sup> January 2023

**Report by:** Town Deal Programme Team

## 1. Town Deal Programme update

Actions arising from previous meeting:

### 1.1 Town Living Project – issue of Right to Buy of refurbished properties under this programme (raised as question in last Town Deal Board meeting)

This is to confirm right to buy remains an entitlement for all residents living in council homes. The council recently considered the implication of this entitlement when it refurbished York building (Millets store upper units - Wellington Street). The Cabinet report **1 August 2022** considered the implications of Right to Buy (see Appendix 1) on this project. Please follow attached link: [Modern Gov](#) – see item 448 Appendix 1.

#### Summary conclusion from the report was as follows:

Council tenants on a secure tenancy are eligible for Right to Buy if they've had a public sector landlord, such as a Council or Registered Provider, for 3 years; this does not need to be consecutive.

The Right to Buy provides tenants with an opportunity to purchase their home at a discounted rate, which could potentially present a financial risk to the Council. However, there are measures within the legislation and guidance which mitigates the risk to some extent.

Appendix 1 of report sets out further information regarding the potential financial risk posed by Right to Buy at York Buildings. The exact risk cannot be quantified as we cannot predetermine the take-up. The research and modelling highlight the following:

- The risk in the first 10 years is minimal. At worst there would be a requirement to sell the flats to tenants for approximately £160,000 which is their estimated market value at present (units at York buildings). Sell price will need to take into account all refurbishment works to the building.
- The financial risk increases in year 11 and, if no further works were carried out and the tenant was eligible for the maximum entitlement, the flats could have to be sold for a significant discount.
- Based on take-up in other areas, the risk of Right to Buy on 6 units would equate to 0.02 units annually. However, the risk of Right to Buy in Hastings is not comparable with stock holding authorities who have an historic tenant base.

## 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.

## Project business case assessment report (Hastings Castle) – December 2022

The investment panel met on 15<sup>th</sup> December 2022 to consider the business case for the Hastings Castle World Heritage Destination project (phase 1).

The 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. Board members were notified of this approval via email on 16<sup>th</sup> December so the summary document to DLUHC for the end of December 2022 could be met.

'The overall assessment of the economic case is that the scheme will deliver a benefit cost ratio of **1.2:1** taking account of the strong strategic alignment, demonstrable need for intervention and outputs, and outcomes; and our assessment is that the scheme represents Medium value for money, with a Medium level of certainty of achieving that value for money.'

Project name and sponsor	Description	Assessment comments	Proposed outputs and outcomes	Project cost and Towns Fund offer
Hastings Castle World Heritage Destination  Hastings Borough Council	<p>The project forms Phase 1 of a wider programme to make Hastings Castle a more attractive visitor destination in Hastings. The Phase 1 interventions include creating a new visitor/interpretation centre to better convey the history of the site, new wayfinding, information points and pathways, and a new modular timber viewing platform to take advantage of the site's elevation. Improvements to the West Hill Lift will also be made, but do not form part of the project's Towns Fund ask. The project aims to complete in late 2026.</p> <p>Phase 2 will look to deliver the remaining interventions not included in Phase 1 but identified in the RIBA Stage 1 report prepared by Mott MacDonald for the project sponsor. These include a crossing point from Castle Hill to Ladies Parlour, further improvements to footpaths and biodiversity, a new spiral staircase to create additional viewpoints, and a new facility (rest room/souvenir shop/tea rooms) on the site.</p>	<p>Alignment with national, regional, and local policy has been explained and is compelling. The project delivers against TIP strategic objectives. The business case demonstrates alignment with the TIP.</p> <p>Alignment with other local, regional and national policy is also clearly illustrated in the business case.</p> <p>The business case states that the project will be procured and managed according to Hastings' Sustainability Framework. (A more specific update could be requested after RIBA Stage 2.)</p> <p>A strong evidence-based case for change has been made around the underperformance of Hastings Castle as a visitor attraction, including poor accessibility and connectivity throughout the site. The intervention is needed to boost the visitor economy and increase employment opportunities in Hastings, as well as to provide an additional educational and community space in the town.</p> <p>Ultimately, there is an immediate need to invest in Hastings' long-term resilience as the town recovers from the pandemic and other economic and social shocks.</p>	<ul style="list-style-type: none"> <li>• Increase in visitors to c.150,000 annually by 2030</li> <li>• Increase direct and indirect employment as a result (12-20 net additional jobs by the year 2030)</li> <li>• Improve visitor experience, perception and appreciation of a significant heritage asset</li> <li>• Increase awareness of its history through hosting at least 15 education events and workshops per year by the year 2030</li> <li>• Raising Hastings' profile as a visitor destination more widely, with a long-term aspiration of achieving 250,000 visitors by the year 2040</li> <li>• Improve biodiversity at the site, planting new plant species to increase biodiversity by 15% by the year 2035.</li> </ul> <p>The project sponsor clearly states the basis behind these outputs and outcomes. It is our view that the business case provides a moderate level of certainty of deliverability of these outputs and outcomes.</p>	<p>Project value £4,141,719 (including unsecured match)</p> <p>Towns Fund grant approved £3,450,069</p> <p>Match funds (unsecured NLHF) £691,650</p> <p><u>Timelines:</u></p> <p>Start: Q1 2023</p> <p>Finish: Q3 2026</p>

A project summary is attached for information at Appendix 1.

The Town Deal Board is requested to note and support the decision of the investment panel as set out above.

Kevin Boorman will be giving an update on the project at the board meeting.

### **3. Re-allocation of Town Fund monies and update on redevelopment of Priory Street Car Park and the West Wing of the Priory Meadow Shopping Centre**

As discussed at the last board meeting, the above projects were intended to deliver mixed-use development in the core of the Town Centre. Both proposals have needed to be reconsidered due to issues of financial deliverability and alignment with very, very, very early interest from Homes England and its consideration of regeneration of the Town Centre.

On this basis we have been developing alternative options for the use of the funds currently allocated to the two remaining town centre projects, and a draft discussion paper is attached for the board to consider for re-allocation of the town fund monies. See Appendix 2.

Final decision on reallocation to be taken by the Towns Fund Investment Panel in discussion with DLUHC Area leads to secure the funds for the town.

### **4. Future of the Town Deal Board**

Since the previous discussions on the role of the board, we have received some updated guidance from Towns Fund team at DLUHC on 7<sup>th</sup> November 2022 re their future role. See Appendix 3. The key points are as follows:

- DLUHC expects Town Deal Boards to continue to meet regularly to discuss progress, ensure that projects are staying true to the vision of the Town Investment Plan, and to work through risks and issues together.
- DLUHC requires local authorities (as the accountable body) to report on progress every six months. These reports cover Expenditure, Progress, Risks, Outputs and Outcomes. Town Deal Boards are required to have sight of these performance reporting returns, and the opportunity to feed into them before they are submitted to DLUHC. The Town Deal Board Chair must sign the performance reporting return before it is submitted to DLUHC.
- When submitting Project Adjustment Requests, Local Authorities are required to confirm that the Town Deal Board have reviewed and agreed the proposals. This requirement will continue; Town Deal Boards should be involved in any discussions around project changes and agree these before they are made either under local delegation or submitted to DLUHC for a decision.

It is therefore proposed that we continue to provide the function of the Town Deal Board as is and set dates to meet quarterly and discuss issues as required above. It is also suggested requests to join the Board now be considered initially by the co-chairs and the Board every six months as they arise.

We also need to consider the future of the Town Deal Board Investment Panel as most business cases have now been approved except any that may be necessary from the current change request approval.

## 5. Business Case progress report by theme (for info)

Project (programme) theme	Project Title	Fast-track	Business case status
Enterprise & Employment infrastructure	Hastings co-working, flexible office, community space	Yes	APPROVED
	Churchfields (fast-track)	Yes	APPROVED
	Enterprise Space, Ponswood	Yes	WITHDRAWN
Green Low Carbon Skills and Economy	Green construction, energy, and vehicle training centre	No	APPROVED
	Broadening Futures Together	Yes	APPROVED
Hastings Castle World Heritage Destination	Hastings Castle	No	APPROVED (PHASE 1)
Town to Sea Creative Quarter (Hastings Commons)	Observer Building Creative Digital Hub	No	APPROVED
	Cambridge Rd (Eagle House)	No	
	12 Claremont	No	
Town Centre Core	Priory Street Car Park (Town Centre Core Project 2)	No	Due for internal submission: Jan 2023 (Awaiting DLUHC approval to be withdrawn and funds re-allocated)
	Repurposing Priory Meadow (Town Centre Core Project 1b)	No	Due for internal submission: Jan 2023 (Awaiting DLUHC approval to be withdrawn and funds re-allocated)
	New Look Fast Track (Town Centre Project 1a)	Yes	APPROVED
	Former Debenhams Building	No	APPROVED
Town Centre Public Realm and Green Connections	Public Realm & Green connections	No	APPROVED (PHASE 1)
Town Living	Town Living	No	APPROVED
Accelerator Project extension	The Courtyard (the Source) installation of lift	Yes	Summary Document submitted to DLUHC for approval

## 6. Communications update (for info)

### Open day – 15<sup>th</sup> October 2022

- On the 15<sup>th</sup> October 2022 the Town Deal programme hosted an Open Day at Priory Meadow
- This consisted of information boards about the programme on display along with the presence of members of the team to answer any questions
- The team spoke to around 200 people, with many more coming to just take a look at the information without any questions for the team
- We had several members of the public fill out feedback forms, which provided useful information and things to consider for the programme going forward:
  - The subject of questions included timescales, the future of St Mary in the Castle and worries about losing Priory Street Car Park
- There was a lot of positive feedback given from those who came along, some included below
- We are currently in the process of creating a summary board for the programme, and then we will place the boards in different windows/venues across the town to be displayed
- The next event is likely to be held once all projects have been given planning permission.

#### Feedback quotes:

*“Such a positive development for the town. “*

*“Fantastic and inspiring, lifted my spirits and raised my hopes.”*

*“All [of the projects] are fabulous additions to the local community.”*

*“All [the projects] are really interesting”*

*“Interested in all of these projects for different reasons - part of a greater whole”*

#### About the event itself:

*“It is great to see specific information and people to ask questions of.”*

*“Enjoyed being able to read about projects and give feedback.”*

#### Towns Fund project updates:

- The Palace Workshop (Freedom Works, the Former Debenhams building), is now open for business
- Owens Entertainment – is now open
- Observer Building Digital Hub – is now open
- Source Park Courtyard lift – is now installed, with signage
- Churchfields Business Centre – is due for handover by the end of January 2023
- Former New Look building – Gym Group membership seems to be very popular and is being widely accessed by young people.

#### Other initiatives:

- Havelock Road University of Brighton – works have started to transform this into a hotel/apartment building
- University of Brighton building, Priory Street – has been acquired by Stonegate Housing for residential conversion
- Former Peacocks building, Queens Road – we understand has been acquired for retail use but this is to be confirmed

## 7. Equalities Impact Assessment

The Council is committed to conducting an equalities impact assessment on the programme as whole. Its purpose is as follows:

- to consider how policies or decisions of the council affect people who are protected under the Equality Act.
- the standard set is to ensure local authorities 'have due regard' to the need to 'eliminate discrimination ... advance quality of opportunity, and ... foster good relations between different people'.

An independent consultant (Dr Anne Rathbone) has been appointed to conduct an equalities impact assessment for the programme as a whole. Various workshops are organised with project leads and other stakeholders to ensure compliance with equalities standards, inclusivity and wider community reach of the assets being built under the programme. A draft report will be available for the Board to consider early next year.

The final EIA report will set out the following:

- EIA Report using templates provided by the Town Hub / merged with HBC corporate templates. The report will be presented to the Town Board as soon as possible
- An overview of each project and their impact on equalities (positive and negative)
- Presentation of assessment, issues arising and recommendations
- Presentation of any baseline evidence to support recommendations

## 8. Programme finance update (for info)

Current actuals spend against fund allocation:

Project	Allocated from town fund	Total spent to date	Total left to spend	% TDF spent
<b>TOTALS per project:</b>	<b>£23,085,000.00</b>	<b>£2,847,230.80</b>	<b>£20,716,780.20</b>	<b>12.33%</b>
<b>PROJECTS CLOSED</b>				
<b>FACILITIES DELIVERED</b>				
Hastings co-working, flexible office, community space Former Debenhams Building	£116,732.00	£116,732.00	£0.00	100.00%
Priory Meadow shopping centre (Fast Track element)	£400,000.00	£400,000.00	£0.00	100.00%
Source / Courtyard lift	£349,676.00	£337,000.00	£12,676.00	96.37%
	£65,000.00	£0.00	£65,000.00	0.00%
<b>ON SITE</b>				
Churchfields	£778,211.00	£778,211.00	£0.00	100.00%
Hastings Commons	£3,997,203.00	£1,038,405.80	£2,958,797.20	25.98%
Broadening Futures Together	£417,121.00	£0.00	£417,121.00	0.00%
<b>APPROVED</b>				
Green construction, energy and vehicle training centre	£2,638,758.00	£0.00	£2,638,758.00	0.00%
Public Realm & Green connections	£2,920,989.00	£65,695.00	£3,334,305.00	2.25%
Town Living	£1,037,615.00	£0.00	£1,037,615.00	0.00%
Hastings Castle	£3,450,069.00	£111,187.00	£3,338,882.00	3.22%
<b>PENDING OPTIONS REVIEW/PAR</b>				
Priory Meadow shopping centre	£1,725,553.00	£0.00	£1,725,553.00	0.00%
Priory Street	£5,188,073.00	£0.00	£5,188,073.00	0.00%

## **9. Staff changes (for info)**

Ruby Crowhurst has been offered a communications role at Brighton and Hove City Council, which she has accepted (and started in early January). We would like to thank her for all of her work for HBC and the Towns Fund programme, particularly in building the partnership between all of the project leads. We wish her all the success for the future.

Chantal Lass has also now left the Council and is working for Wealden District Council. She supported many projects with their business cases, helped with development of the Public Realm and Green Connections Project and other projects when asked. Would like to thank her for all her skills, knowledge and contributions to the programme.

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## Hastings Castle Project

Hastings Castle is the only direct link the town has with the battle in 1066 that made us famous around the world.

Although it dominates the seafront and town centre on top of the West Hill, it offers a poor visitor experience, attracting only around 30 000 visitors a year before the pandemic struck. Hastings Castle, the first Norman-built castle in the country, deserves to be a major visitor attraction, it has an amazing story to tell.

Hastings Borough Council has set out a clear vision to turn Hastings Castle into a must-see visitor destination, improving access for all with a real link between the building and the battle that made the town of Hastings famous around the world.

The Council has completed RIBA 1 concept phase, identifying a programme of interventions to improve the castle. The Town Deal funding will help to fund Phase 1 of a wider programme. Phase 1 will look to:

- Improve the West Hill Lift to make access to the site more accessible
- A new interpretation centre and café – with augmented reality interpretation
- New wayfinding, information, and pathways at Ladies Parlour along with improved connection to the castle grounds.
- New pathways and wayfinding within the castle through visual and digital links and a new viewpoint at the narrowing grounds in the south west.
- Viewing structure within the castle grounds.

The objectives for Phase 1 will be:

- Increase in visitors to Hastings Castle to c.100,000 annually by the year 2030.
- Increase direct and indirect employment as a result of higher visitor activity at Hastings Castle (12-20 net additional jobs by the year 2030).
- Improve visitor experience and perception and appreciation of a significant heritage asset, to be monitored through annual visitor engagement surveys, to the year 2030.
- Increase awareness of Hastings Castle and its history through hosting at least 15 education events and workshops per year by the year 2030.
- Raising Hastings' profile as a visitor destination more widely, with a long-term aspiration of achieving 250,000 visitors by the year 2040.
- Improve biodiversity at the site, planting new plant species to increase biodiversity by 15% by the year 2035.

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## **Hastings Towns Fund Programme**

### **Project Adjustment Request – draft options appraisal for re-allocation of funds**

**January 2023**

As discussed at the Town Deal Board meeting 21<sup>st</sup> September 2022 it was stated that there was considerable financial challenge to the council to delivering two Town Centre Core projects without further support. This Project Adjustment Request arises from the withdrawal of the two projects as follows:

- The redevelopment of Priory Street Car Park - £5.188m of TF monies allocated
- The redevelopment of Priory Meadow – shopping centre (Project 1b) west wing - £1.725m TF monies allocated

Total funds for re-allocation: £6.913m.

#### **A. Reasons for the withdrawal of above projects**

##### Project: Redevelopment of Priory Street Car Park

The first Town Centre Core proposal related to the development of a mixed-use scheme at Priory Street Car Park including the possibility of a commercial leisure offer, wet leisure centre, cultural hub and residential units. The mixed-use development opportunity is currently identified in our Local Plan and also in the draft plan. This is an opportunity to implement those plans.

The above development initiative includes the ESK Building, 23 Priory Street (Xtrax Young People's Centre), 24 Cornwallis Terrace (building adjoining Xtrax) and the undeveloped Sea Change owned site (Priory Street). Queensbury House is also a potential inclusion to the proposal to ensure the regeneration plan is comprehensive and addresses all the blight dereliction issues in this part of the town.

The successful delivery of this project was however dependent upon a number of factors, including overcoming challenges linked to land assembly, car parking, archaeological constraints, private sector investment and the development of a viable scheme which also meets the council's town centre objectives.

The Council considered indicative proposals based on market assessments conducted by Motts McDonald and Aspinall Verdi (Property Regeneration Consultants), with early stakeholder engagement and an online community survey. All options showed a considerable viability gap and as an example two of the options aligned with the ambitions stated in the Town Investment Plan as shown below.

<b>Option 1: Cambridge Mews</b>	
<b>Overview:</b>	A mixed-use development with a municipal swimming pool and commercial leisure and other usages - with an inner 'mews'
<b>Description of facilities:</b>	<ul style="list-style-type: none"> <li>• Residential; approximately 60 units</li> <li>• 8 lane pool &amp; changing facilities</li> <li>• Commercial leisure, e.g., cinema / bowling</li> <li>• Gym / multi use studios</li> <li>• Food and beverage / retail</li> <li>• Performance venue / studio space</li> <li>• Mews / plaza</li> </ul>
<b>Financial Viability:</b>	Indicative Development and Construction cost: £59,248,776 Net realisation: £25,689,066 Viability / Funding Gap: <b>-£33,559,710 (0% sensitivity)</b>
<b>Sensitivity test</b>	With various levels of sensitivity allowances related to construction cost and sale value (with an assumption of 20% variance for either element) the funding gap could be as high as £45m and as low as £22m.
<b>Officer Assessment:</b>	A large viability gap due to the provision of the public facilities and the 'mews'

<b>Option 2: Sunken Plaza</b>	
<b>Overview:</b>	A mixed-use development with a municipal swimming pool and commercial leisure and other usages – with a large public courtyard facing Priory Square
<b>Description of facilities:</b>	<ul style="list-style-type: none"> <li>• Residential; approximately 60 units</li> <li>• 8 lane pool, leisure pool &amp; changing facilities</li> <li>• Sport courts / parking under</li> <li>• Children's play destination</li> <li>• Food &amp; beverages / retail</li> <li>• Performance venue / commercial leisure</li> <li>• Sunken plaza</li> </ul>
<b>Financial Viability:</b>	Indicative Development and Construction cost: £49,525,030 Net realisation: £21,951,600 Viability / Funding Gap: <b>-£28,473,430 (0% sensitivity)</b>
<b>Sensitivity test</b>	With various levels of sensitivity allowances related to construction cost and sale value (with an assumption of 20% variance for either element) the funding gap could be as high as £37.5m and as low as £19.5m.
<b>Officer assessment</b>	A large viability gap due to the provision of public facilities and the 'sunken plaza'

Both the above development proposals for the car park site were to facilitate the delivery of mixed-use development in the town centre core including new homes. The vision set out in our Town Investment Plan was predicated on unlocking key sites within the Council's ownership to drive delivery of these objectives. However, the cost of delivering this project is extremely high, presenting a real challenge for Hastings Borough Council to deliver them at present.

With the council's current financial position, like many other local authorities, this would have been a significant challenge. The risks in pursuing the above project were assessed to be significant and is therefore now withdrawn from the programme.

#### Project: Re-purposing of Priory Meadow Shopping Centre

Phase 1 of the repurposing of the shopping centre (former New Look Building) is now complete using £337,000 of the Towns Fund grant. This has brought the Job Centre Plus and the GYM Group to the town centre. HBC directly contributed £99,000 towards this project and New River REIT £554,000 (Total Project value being £990,000). The business case for this project was approved by the Town Investment Panel in November 2021.

Phase 2 of the proposal involved further redevelopment of the West Wing of Priory Meadow around Queens Square. This was to provide for a mixed-use development maintaining much of the existing commercial and retail outlets on the ground floor but providing for estimated @62+ new homes on the site.

The indicative project cost for this was estimated at £25.4m delivering approximately 93 housing units. However, this again would also have involved significant investment by the council and its partner (NRR) or a potential private developer, at a time of extreme financial volatility. The project would have also involved complex legal changes to the long lease agreement for the shopping centre, valuations and the profit-sharing agreement between the Council and NRR.

Since the above development proposal Homes England have met with HBC officers and Council leaders and expressed their interest in the following terms: 'Homes England are working with Hastings Borough Council to understand the opportunities that exist and exploring how Homes England can use its resources to support Hastings' regeneration ambitions, as part of the agency's support for the government's levelling up ambitions'.

Although this work is at a very early stage of development and there is no firm commitment it is considered by the council that attempting to take forward such a large development scheme may be an 'ad hoc' solution both to the delivery of new homes and radical repurposing of a key asset in the town centre.

The Council remains committed to the redevelopment of town centre sites, but the high costs means that even with the allocated Towns Fund monies, the Council will not be able to deliver them within the Towns Fund timelines. Therefore, it is proposed the above funds be re-allocated to existing approved projects only.

## B. Context in considering the alternatives use of funds

1. **DLUHC Guidance:** new guidance was published in October 2022 which clearly states they will no longer consider new projects for funding as part of any project change request. We also hope this means no further business cases for our profiled projects will need to be submitted.
2. **DLUHC Area Lead feedback:** following recent discussions (December 2022) regarding the re-allocation options, given we had a blanket re-allocation approved in July 2022 (£820k), DLUHC are not likely to look favourably on another all-inflationary re-allocation request. This is so Towns do not regularly submit PARs, cancelling projects to re-allocate fund to others. DLUHC are much more likely to approve a targeted allocation to an existing project which could have substantial and wider measurable economic and social impact.
3. **DLUHC Instructions:** Towns must submit all their business cases and summary documents with Board / Investment Panel approval by end of March 2023 at the latest.
4. Homes England have commissioned some preliminary work to include a property market review and an analysis of the opportunities and constraints at 'Hastings Station Gateway', as well as the development of a high-level vision for the area. The Hastings Station Gateway represents the area around the station. However, at this stage, Homes England are not yet able to commit to any intervention and the scope and parameters of interventions available to Homes England is yet to be confirmed by DLUHC. Any interventions by Homes England will aim to complement the Towns Fund Programme.
5. Inflationary and impact of ongoing recession: the ongoing economic changes since the submission of our investment plan in January 2021 are and will continue to have significant financial impact on the deliverability of our projects, such as:
  - Rising construction costs - [Construction Building Materials - Commentary September 2022 \(publishing.service.gov.uk\)](#); [Building materials and components: monthly statistics - GOV.UK \(www.gov.uk\)](#); [What can we do about rising construction costs? | Construction News](#);
  - Rising inflationary costs – [Ukraine invasion sends UK construction inflation into double figures \(theconstructionindex.co.uk\)](#); [Construction facing 'second wave' of inflation | Construction News](#)
  - Increase in cost of borrowing (where ££ match will now cost more where this is borrowed cash investment). Cost of 50 year borrowing via the PWLB- Public Work Loans Board has risen from under 2% (January 2022) to over 5% (September 2022).

- Market volatility and falling value of the pound – having considerable impact on costs of imported construction materials and goods.

## C. Proposed Options for the reallocation of funds

1. **General uplift to all incomplete Town Fund projects** considering the fact many are still in early development and once tenders for construction return the costs are likely to significantly higher.

PROJECTS	Towns Fund Status Allocation		Early Concept (EC) Only (A)	EC and Near Completion (B)	Total with uplift A	Total with uplift B
Green construction, energy and vehicle training centre	£2,638,758	Early Concept	£1,405,590	£1,164,122	£4,044,348	£3,802,880
Hastings Castle	£3,450,069	Early Concept	£1,837,752	£1,522,042	£5,287,821	£4,972,111
Public Realm & Green connections	£2,920,989	Early Concept	£1,555,927	£1,288,631	£4,476,916	£4,209,620
Town Living	£1,037,615	Early Concept	£552,708	£457,757	£1,590,323	£1,495,372
Hastings Commons - Eagle House	£469,527	Early Concept	£250,104	£207,138	£719,631	£676,665
Hastings Commons - 12 Claremont	£2,462,204	Early Concept	£1,311,545	£1,086,232	£3,773,749	£3,548,436
Churchfields	£778,211	Near Completion	£0	£343,318	£778,211	£1,121,529
Hastings co-working, flexible office, community space	£116,732	Near Completion	£0	£51,498	£116,732	£168,230
Former Debenhams Building	£400,000	Near Completion	£0	£176,465	£400,000	£576,465
Priory Meadow shopping centre (Fast Track element)	£349,676	Near Completion	£0	£154,264	£349,676	£503,940
Broadening Futures Together	£417,121	Near Completion	£0	£184,018	£417,121	£601,139
Hastings Commons - Observer Building	£630,472	Near Completion	£0	£278,141	£630,472	£908,613
Hastings Commons - Eagle House - Building Purchase	£435,000	N/A	£0	£0	£435,000	£435,000
Source / Courtyard lift	£65,000	N/A	£0	£0	£65,000	£65,000
To be re-allocated	£6,913,626		£0	£0	£0	£0
<b>TOTALS</b>	<b>£23,085,000</b>		<b>£6,913,626</b>	<b>£6,913,626</b>	<b>£23,085,000</b>	<b>£23,085,000</b>

### Definitions:

Early Concept: Business Cases approved, pre-planning approval, pre-tender, subject to significant scope change if costs higher than forecast

Near Completion: Business Cases approved, post-tender, on site, but may have had to de-scoped or may have additional opportunities to expand delivery outputs.

N/A: Not affected by cost changes re inflation

Source Park excluded as completed

### Notes:

Uplift A: approximately 53% uplift if funds reallocated to early concept project only

Uplift B: approximately 44% uplift if funds reallocated to all project (early concept & near completion)

### Pros and cons

#### Pros

- Supporting existing projects that are still to tender, reducing the risk of delivery and increasing the likelihood of success for projects already approved
- Extension of the scope of existing projects to deliver more where possible
- Avoids the need to establish a method / justification for reallocation of the funds within the deadline, which may be a challenge

- Towns Fund allocation is fully utilised quickly if approved and projects still able to make adjustment to their scope

## Cons

- See B2 above. This option is therefore likely to be rejected by DLUHC
- No assessment of genuine project financial needs, expansion of scope, or value for money
- No clear additionality to the programme outputs and outcomes
- Allocating funding for cost increases may not result in any visible benefit
- Some business cases approved with a phased approach as current budget cannot deliver total project

## 2. General uplift of 20% (TBA) to incomplete projects and additional funds for projects already having considered delivery on a limited / phased basis (as stated in their business cases).

PROJECTS	Towns Fund Allocation	Status	20% Uplift	Additional Allocation	Total
Green construction, energy and vehicle training centre	£2,638,758	Early Concept	£527,752		£3,166,510
Hastings Castle	£3,450,069	Early Concept	£690,014	£1,889,676	£6,029,759
Public Realm & Green connections	£2,920,989	Early Concept	£584,198	£1,889,676	£5,394,863
Town Living	£1,037,615	Early Concept	£207,523		£1,245,138
Hastings Commons - Eagle House	£469,527	Early Concept	£93,905		£563,432
Hastings Commons - 12 Claremont	£2,462,204	Early Concept	£492,440		£2,954,644
Churchfields	£778,211	Near Completion	£155,642		£933,853
Hastings co-working, flexible office, community space	£116,732	Near Completion	£23,346		£140,078
Former Debenhams Building	£400,000	Near Completion	£80,000		£480,000
Priory Meadow shopping centre (Fast Track element)	£349,676	Near Completion	£69,935		£419,611
Broadening Futures Together	£417,121	Near Completion	£83,424		£500,545
Hastings Commons - Observer Building	£630,472	Near Completion	£126,094		£756,566
Hastings Commons - Eagle House - Building Purchase	£435,000	N/A			£435,000
Source / Courtyard lift	£65,000	N/A			£65,000
To be re-allocated	£6,913,626				
<b>TOTALS</b>	<b>£23,085,000</b>		<b>£3,134,274</b>	<b>£3,779,352</b>	<b>£23,085,000</b>

*N.b. Town Living project was also phased but mainly because the second property is still to be acquired. Funding for this second phase is in principle already allocated.*

## Pros and Cons

### Pros

- Allocation of general uplift to incomplete projects based on estimated cost inflation increase of 20/25% (TBA). This provides for greater contingency for the projects and more assurance of delivery
- Remaining funds awarded to two projects which already identified significant need of additional funds to deliver all identified phases in their projects
- The two underfunded identified projects are Hastings Castle and the Public Realm and Green Connections proposals – where the scope has been vastly reduced to reflect budgets available.



- Being able to deliver more and or widening the scope of the above two projects will be able to show greater economic impact for the programme – tourism, perception, private and public investment, and value for money.

#### Cons

- Verification/ assessment may be required to assess impact and level of assurance achieved on delivery of all the projects
- Reworking of BCR and VFM for the Castle and Public Realm and Green connections projects
- No account taken for additional fund requests already from completed projects (Freedom for works to convert an 5000sqf at Debenham, or Owens for repairs to the building windows also at Debenham).
- See B2 above. This option is therefore likely to be rejected by DLUHC

### 3. A significant uplift to the Public Realm and Green Connections Project (for example 80% - but TBA)

The Public Realm and Green Connections scheme focuses on delivering high quality, relevant catalytic public realm initiatives, bringing nature into the town and promoting active travel:

- Put People first, delivering Healthy Streets that improve air quality and prioritise active travel
- Build identity, highlighting and preserving heritage, character and charm of the town
- Optimise function of the town centre through intuitive wayfinding and improving connection
- Inspire community-led design through local engagement and staged project implementation
- Enhance sense of place by creating distinctive destinations for activity at the heart of the town and
- Design with nature for ecological and climate resilience

The current project status is:

- Business case for phase 1 approved 7 September 2022
  - Project led by ESCC with collaboration of the Garden Town team
  - Benefit cost ratio of 2.5:1; high value for money, high level of certainty
  - Project value £3,400,000 (first phase)
  - Towns Fund grant approved £2,920,989 (inclusive of uplift)
  - Other match funds (for this phase) £479,011
- The ARUP RIBA Stage 1 design concept initial figures place the construction of the whole scheme at between £8.7m to £9.02m (based on April 2022 tender rates)

- The full scheme would widen the level of interventions in the town centre
- Interventions will complement Homes England programme
- As well as additional real outputs and outcomes, indirect benefit of attracting further investment (private/public)
- Allows ambition of project to deliver distinguishing green 'garden town' public realm within the region
- Compliments the other Towns Fund town centre projects

**Option 3A - 80% (TBA) with any balance split across all other (early concept and near completion\*) projects**

PROJECTS	Towns Fund Allocation	Status	80% of Allocation	Balance	Total
Green construction, energy and vehicle training centre	£2,638,758	Early Concept		£232,825	£2,871,583
Hastings Castle	£3,450,069	Early Concept		£304,410	£3,754,479
Public Realm & Green connections	£2,920,989	Early Concept	£5,530,900	£257,725	£8,709,614
Town Living	£1,037,615	Early Concept		£91,550	£1,129,165
Hastings Commons - Eagle House	£469,527	Early Concept		£41,430	£510,957
Hastings Commons - 12 Claremont	£2,462,204	Early Concept		£217,250	£2,679,454
<b>Subtotal</b>					
Churchfields	£778,211	Near Completion		£68,661	£846,872
Hastings co-working, flexible office, community space	£116,732	Near Completion		£10,300	£127,032
Former Debenhams Building	£400,000	Near Completion		£35,290	£435,290
Priory Meadow shopping centre (Fast Track element)	£349,676	Near Completion		£30,850	£380,526
Broadening Futures Together	£417,121	Near Completion		£36,805	£453,926
Hastings Commons - Observer Building	£630,472	Near Completion		£55,630	£686,102
<b>Subtotal</b>					
Hastings Commons - Eagle House - Building Purchase	£435,000	N/A			£435,000
Source / Courtyard lift	£65,000	N/A			£65,000
<b>Subtotal</b>					
To be re-allocated	£6,913,626				
<b>TOTALS</b>	<b>£23,085,000</b>		<b>£5,530,900</b>	<b>£1,382,726</b>	<b>£23,085,000</b>

*\*The definition of near completion will be determined via the Investment Panel with information from the programme team to avoid conflicts of interest.*

**Option 3B - 80% (TBA) with a selected split\* of the balance (early concept project), including Hastings Castle (another phased project)**

PROJECTS	Towns Fund Allocation	Status	80% of Allocation	Balance	Total
Green construction, energy and vehicle training centre	£2,638,758	Early Concept		£57,725	£2,696,483
Hastings Castle	£3,450,069	Early Concept		£750,001	£4,200,070
Public Realm & Green connections	£2,920,989	Early Concept	£5,530,900		£8,451,889
Town Living	£1,037,615	Early Concept		£225,000	£1,262,615
Hastings Commons - Eagle House	£469,527	Early Concept			£469,527
Hastings Commons - 12 Claremont	£2,462,204	Early Concept		£350,000	£2,812,204
<b>Subtotal</b>					
Churchfields	£778,211	Near Completion			£778,211
Hastings co-working, flexible office, community space	£116,732	Near Completion			£116,732
Former Debenhams Building	£400,000	Near Completion			£400,000
Priory Meadow shopping centre (Fast Track element)	£349,676	Near Completion			£349,676
Broadening Futures Together	£417,121	Near Completion			£417,121
Hastings Commons - Observer Building	£630,472	Near Completion			£630,472
<b>Subtotal</b>					
Hastings Commons - Eagle House - Building Purchase	£435,000	N/A			£435,000
Source / Courtyard lift	£65,000	N/A			£65,000
<b>Subtotal</b>					
To be re-allocated	£6,913,626				
<b>TOTALS</b>	<b>£23,085,000</b>		<b>£5,530,900</b>	<b>£1,382,726</b>	<b>£23,085,000</b>

*\*Early concept projects including phased projects. Definitions of early concept will be agreed by the Investment Panel with information from the programme team to avoid conflicts of interest.*

## Pros and cons

### Pros

- Ensures the TF allocation enhances the *aspirational* Homes England programme – focused on the Station Gateway area
- Aligns with advice from DLUHC, who will look more favourably on a targeted re-allocation rather than a more programme-wide blanket re-allocation of funds
- A transformational project working with the Garden Town, HBC and other TF project leads. It will deliver the ‘Garden Town’ concept promoted in the Town Investment Plan.
- The project will invest in future proofing for climate change with improved surface drainage, ecology, and introduce biodiversity – benefiting the whole town
- Makes Hastings an inspiring and world leading exemplar of a biodiverse town centre with huge potential for promotion and tourism because of the leading names associated with it
- Project already shows high levels of BCR and VFM (Castle BCR is 1.2:1, with medium VFM & medium certainty)
- Greater possible assurance of deliverability – with ESCC as lead
- Ensures the funding is allocated to a project that enhances the Town Centre, encouraging increased footfall that supports the other town centre projects
- Ensures funding is allocated to a project which invests in enhanced walking and cycling infrastructure and better wayfinding infrastructure, supporting other town centre projects
- Will help the town to attract private investment including by Homes England when they start their work, with an improved public realm/ walking and cycling infrastructure already in place
- The last major public realm investment in the Town centre was over 25 years ago
- Funding available for public realm interventions is very scarce (whereas future funding opportunities for the Castle project are possibly greater)
- Helps fulfil condition ‘to identify a clear plan and raise additional funds to widen the public realm investment area of the town centre’ stipulated by Investment Panel as part of phase 1 approval

### Cons

- Allocating 100% to this project may still not be enough to deliver all improvements sought to all the identified public realm within the scheme in the town centre. Will need to be closely aligned with proposals from Homes England
- Funding could also be split with the Hastings Castle project (as suggested in option 3B) which is also phased with no secure funding for phase 2. However,

the BCR for the project is lower and deliverability risks higher (being an ancient monument)

- The timeline for the Castle Project (phase 2) will be challenging given its heritage status and obtaining all the permissions and implementation by 2026
- Investment in the 'core' of the town centre (rather than the adjoining Castle location) better protects and enhances other private and public investment enabled through the Town Funds programme
- Maintenance of public realm also needs to be considered in the proposal

#### **4. Allocation of funds on a need basis assessed independently by a consultant**

##### **Pros and cons**

##### **Pros**

- An independent assessment of all incomplete projects and funds allocated according to need
- Possibly a much more clearly assessed process which may be more transparent

##### **Cons**

- High risk of missing the deadlines for submission of the final documentation for releasing funds
- Higher admin costs by the employment of further consultants
- Projects are all still at early concept stage and costs are unlikely to be fully known until Year 2 / 3.
- Not clear if consultant report / assessment will offer any better options than those already presented
- See B2 above

#### **D. Next Steps**

- Options presented to Town Deal Board, 18th January 2023
- Feedback (written) requested from Board (7 working days)
- Investment Panel consider feedback, discussion with DLUHC to finalise option and inform Board (electronically if required)
- PAR drafted for DLUHC approval (with Board co-chair and 151 Officer approvals)
- Submission of PAR by end of March 2023



Department for Levelling Up,  
Housing & Communities

### **Towns Fund: Supplementary Guidance on the role of Town Deal Boards in the delivery phase**

1. Section 4 of the Towns Fund Guidance (published in June 2020) sets out the role of the Town Deal Board:

*The Town Deal Board will sign off each stage of a Town Investment Plan and Town Deal. The Board is responsible for:*

- *Upholding the Seven Principles of Public Life (the Nolan Principles)*
- *Developing and agreeing an evidence-based Town Investment Plan*
- *Establishing a clear programme of interventions*
- *Embedding arrangements in local plans (where appropriate) and undertaking Environmental Impact Assessments and fulfilling duties on public authorities under the Equalities Act, in particular, and the public sector equality duty.*
- *Coordinating resources and engaging stakeholders*
- *Ensuring communities' voices are involved in shaping design and decision making at each phase of development*
- *Ensuring diversity in its engagement with local communities and businesses*
- *Helping develop detailed business cases*
- *Overseeing each step of agreeing a Town Deal, and overseeing compliance with the Heads of Terms Agreement with government*

2. The Department for Levelling Up, Housing and Communities (DLUHC) expectation is that Town Deal Boards will continue to work to these principles; however, we recognise that as towns move into delivery of their projects, some additional guidance may be useful. **This guidance should be read as supplementary to the Towns Fund Guidance published previously.**
3. The Towns Fund Delivery Partner (TFDP) article "Town Leadership in the Delivery Phase" (available on the Towns Fund website: <https://townsfund.org.uk/blog-collection/town-leadership-in-the-delivery-phase>) provides a helpful starting point for Boards to consider how they operate moving forward. **DLUHC expects Boards to continue meeting regularly** to discuss progress, ensure that projects are staying true to the vision of the Town Investment Plan, and to work through risks and issues together.
4. It is important to maintain the distinction between the local authority as the accountable body, and the Town Deal Board. However, as at TIP and Summary Document stage, we expect that the Town Deal continues to be a collaborative effort and that Town Deal Boards continue to be consulted on and involved in key decisions.

5. Engagement with local communities is a vital part of the Town Deal process, and this remains the case as projects move into delivery. Town Deal Boards have demonstrated that they are a key link to the local community and local businesses and should be involved in any refresh of engagement and communication plans.
6. Town Deals have always had a focus on local accountability and decision making, and this will continue as the programme moves into delivery. However, as places will be aware, DLUHC requires local authorities (as the accountable body) to report on progress every six months. These reports cover Expenditure, Progress, Risks, Outputs and Outcomes. **Town Deal Boards are required have sight of these performance reporting returns, and the opportunity to feed into them, before they are submitted to DLUHC. The Town Deal Board Chair must sign the performance reporting return before it is submitted to DLUHC.**
7. When submitting Project Adjustment Requests, Local Authorities are required to confirm that the Town Deal Board have reviewed and agreed the proposals. This requirement will continue; Town Deal Boards should be involved in any discussions around project changes and agree these before they are made either under local delegation or submitted to DLUHC for a decision. This includes Project Adjustments to projects already in delivery.

### ***Governance Checks***

8. As referenced in the Levelling Up Funds Local Authority Assurance Framework September 22 (page 20 110-112), compliance checks will be completed annually by DLUHC for all Town Deals. The checks review whether the Town Deal Board is working in line with the governance and information provision requirements set out in the prospectus and subsequent guidance.
9. Checks will be carried out annually on publicly available records which cover the governance requirements as laid out in the Towns Fund Prospectus 2019; Towns Fund Guidance June 2020 (Annex D Town Deal Board governance guidance); Towns Fund Guidance Stage 2 December 2020; and this October 2022 supplementary guidance.
10. Following the checks, recommendations for action (if required) will be provided to local authorities and the Town Deal Board. Confirmation that the actions have been addressed will be required and evidence may be requested.
11. Annex A sets out the key aspects of governance for Town Deal Boards that will be checked annually.

## **Annex A: Town Deal Board Roles and Responsibilities**

1. Roles and Responsibilities: The Town Deal Board should have a document, published on the Lead Council's website, which clearly sets out the roles and responsibilities and the governance and decision making processes for the Town Deal Board, the Town Deal Board Chair and Lead Council.
2. Code of Conduct policy: outlining the Lead Council's record keeping responsibilities on behalf of Town Deal Board with specific reference to the seven principles of public life, including a register of gifts and/or hospitality.
3. Conflict of interest policy: process of record for each Board member.
4. Transparency: transparent decision making is supported by the publication of information on the Lead Council's website and we expect the following standards to be applied:
  - A documented decision-making process outlining the voting rights of the Board to be published
  - Profiles of Board Members to be published (stating private or public member)
  - All Board papers to be published on the Lead Council's website in advance of the meeting (within 5 clear working days)
  - To promptly publish draft minutes of meetings on the Lead Council's website following the meeting (within 10 clear working days)
  - To publish final minutes on the Lead Council's website, once approved by the Board (within 10 clear working days)
  - Any conflicts of interest reported to be formally noted within the published minutes.
5. The Town Deal Board's membership should reflect the diversity of the town and surrounding area. The Towns Fund Prospectus stated that membership of Town Deal Boards should comprise:
  - A private sector chair
  - All tiers of local government for the geography of the town
  - The MP(s) representing the town
  - The Local Enterprise Partnership
  - Local businesses and investors
  - Community/local voluntary community sector representatives
  - Other relevant local organisations, such as FE colleges or Clinical Commissioning Groups.

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