



Ministry of Housing,
Communities &
Local Government

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

Fry Building
2 Marsham Street
London
SW1P 4DF

Carole Dixon
Co-chair, Hastings Town Deal Board
carole@educationfuturetrust.org

www.gov.uk/mhclg

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Graham Peters
Co-chair, Hastings Town Deal Board
gq.peters@btinternet.com

Jane Hartnell
Chief Executive Hastings Borough Council
jhartnell@hastings.gov.uk

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.