

Hastings Town Investment Plan Briefing – August 2021

Use of Management Allowance for Accountable Body (HBC)

Following approval of the Heads of Terms at the Town Deal Board meeting and HBC Cabinet meeting in June, the programme team are moving forward with the project reassessment process in order to meet our funding allocation of £24.3m.

We have completed our work with Genecon (independent assessors) to reprofile the funding allocation, with support from the Project Prioritisation Working Group. All project leads have engaged in the process and held a meeting with Genecon to develop a reprofiled budgetary programme. Final recommendations will be discussed and agreed with the Town Deal Board and the HBC Programme Board prior to submission to government by end of August 2021.

Guidance on use of Management Allowance

The government has recently confirmed to towns an allowance to cover management and administration costs (referred to as Programme Management Resource Departmental Expenditure Limit - RDEL) to deliver the Town Deal programme. The allowance is included within the Town Fund offer and equates to 5% of the total grant or for Hastings a maximum sum of £1,215,000. Request to government for programme management costs have been made by many local authorities and HBC officers only became aware of this approval in early July 2021 (when the Annex A-1 document was published by the government).

HBC as accountable body envisages this funding will be utilised to manage the delivery of this £100m+ programme over the next five years.

The impact of the M&A cost on individual projects has been taken into account by Genecon during the project prioritisation process and will be part of reprofiling of the fund allocation. Hastings Borough Council is obliged to return to MHCLG an indicative financial profile of the projects and the M&A costs by end of August 2021 (submission of the Annex A-1 document).

The full allowance will be identified across the five years remaining of the programme and will be utilised to support the programme delivery from a management perspective. However, some of this allowance will also be utilised to mitigate key pinch points of the programme process with regards to capital programme delivery.

Proposed use of the Programme Management Allowance

The M&A budget will be utilised across the following budget areas (see also Table 1 below):

1. Programme team – HBC (jointly funded by the M&A and HBC core budgets)

- Regeneration capital programme manager (specialising in capital project management and likely to be joint funded by the TF programme, HBC core budgets and any levelling up project). This individual will provide guidance, advice and support to both the programme team and to project leads on capital programme delivery. They will be key liaison point for project leads on any matters to do with procurement, tender specification and build issues. This role will also act as a trouble shooter/ animator to enable joint initiative/cross over between projects and funding streams. They will advise project leads with their capital delivery rather than manage them on their behalf. Likely recruitment Q4 2021/22

- Project and finance officer – (HBC funded year 1, Town deal funded year 2 onwards). This role will have oversight of the project management, systems, supporting internal programme board and external investment panel board, management of business case consultant; maintenance & development of programme and project management tools; programme financial management; legal contracts (liaison with Legal dept). Currently out to recruitment
- Project compliance officer (HBC funded year 1, Towns fund funded year 2 onwards). This individual will manage all administrative duties and the claims processes.
- Towns Fund Engagement and Communication Officer – support and coordination of engagement activities; generating and managing content for social media; assisting with and organising and promoting lead partner projects. Likely recruitment Q4 2021/22

The programme will still draw on existing resources for oversight and management, however current core HBC officers will also work on other cross cutting programmes such as levelling up funding bids and any future rounds of the future high street fund, once towns fund programme team are in place.

2. External consultancy and project lead support/ ad-hoc contingency

- The cost of the business case consultants, external communications support and project prioritisation support is being funded via existing capacity funding which remains from our allocations to date.
- However, the new M&A budget will now set aside funds for the following:
 - Independent assessor for business cases
 - External communications support (social media etc) from March 2022 onwards
 - Any other external consultants needed for management on the programme (e.g. external evaluation etc)
 - Contingency to support non-funded project leads (unpaid staff) and other ad hoc support which may be needed to support project leads to develop their proposals. Use of the funds will be constrained and limited (guidelines to be published) and to mitigate risks to business cases and in delivery of the capital programme overall. It is expected that project leads will build into their budget legitimate development costs once funding flows.

3. Planning Service Support

The Executive Delivery Group and board have identified delays within the planning system as being a major risk for delivery of this programme, on time and on budget. As such we have built in an indicative budget for all projects for the following elements:

- Pre-App planning advice (proportionally funded dependent on TF proportion of scheme – i.e. if TF investment is 50% of total budget 50% of pre app fees paid)
- Planning performance agreement for all projects needing full planning approval - if justified due to size of scheme – and associated costs in setting one up. <https://www.gov.uk/guidance/before-submitting-an-application#planning-performance-agreements>

- Proportion of costs associated with conservation advice for each relevant application

4. HBC staff/resources contingency

- There is a small budget included for any other staff related contingency which will include overheads, recharges, equipment, travel, venue hire, training etc.
- This also includes any Legal and finance support costs in bringing in additional staff
- Includes budget for communications and marketing team

Hastings Town Fund Programme Management Cost						
Budget heading	21/22	22/23	23/24	24/25	25/26	Total
Programme staffing	£37,000	£170,000	£170,000	£144,000	£109,000	£630,000
External Consultants & External project lead support/contingency	£60,000	£60,000	£50,000	£20,000	£10,000	£200,000
Planning support	£40,000	£70,000	£70,000	£70,000	£0	£250,000
HBC overheads/equipment/contingency etc	£10,000	£50,000	£30,000	£25,000	£20,000	£135,000
Total	£147,000	£350,000	£320,000	£259,000	£139,000	£1,215,000

Table 1

This indicative M&A budget has been produced to include all these elements across the programme timeline. However, this detail is subject to change as and when we get into the detail of each project. Indicatively the spread across the years is as follows (please note this does NOT include the core costs covered by HBC on staffing this financial year nor the communications/external consultancy costs which have already been commissioned this FY – totalling approx. £300k).

August 21

HBC Programme Management Team