

Report To: Cabinet

Date of Meeting: Monday, 1st November 2021

Report Title: Hastings Town Deal programme update

Report By: Assistant Director Regeneration and Culture

Key Decision: Y

Classification: Open

Purpose of Report

1. To approve the revised investment programme agreed with the government since the last [Cabinet report on 25th June 2021](#)
2. To set out the arrangements for the delivery of the Town Deal Programme
3. To provide an update on the Levelling Up fund due to be announced by the government over the next few months

Recommendation(s)

1. To approve the revised investment programme profile (Appendix 1) as agreed with the government and authorise the signature of the Grant Funding Agreement when provided by the government.
2. To delegate to the Assistant Director of Regeneration and Culture, in consultation with the Lead Member for Regeneration, the authority to offer grants and payments to partner organisations to deliver their projects as identified in Appendix 1.
3. To delegate any alterations to the Town Deal programme to the Section 151 Officer, in consultation with the Town Deal Board and the government office.
4. To approve funding of up to 5% of the Town Fund allocation towards the early development of projects to assist them in preparing clear design concepts, seek professional advice and prepare indicative costings.

5. In addition to above, to approve the use of the Management Allowance (M&A) of £1.215m, provided for by the government, to establish a Town Deal Programme Management Team and support related programme activities as agreed by the Town Deal Board (see Appendix 2). This is in addition to budgets approved by June 2021 Cabinet and as revised in item 9 below.
6. To delegate to the Assistant Director of Regeneration and Culture, in consultation with the Lead Member for Regeneration, to develop a HBC Levelling Up capital project bid and submit to government when the new prospectus and deadlines are published. To utilise the £125,000 of capacity funding recently awarded by the government to prepare for the bid.

Reasons for Recommendations

1. The Town Investment Plan (TIP) has been developed with the Town Deal Board and wider stakeholders. The projects in the TIP will act as a catalyst for the transformation and recovery of Hastings Town Centre for the benefit of the whole town. The Town Centre contains our largest employment base, learning and skills opportunity for our residents.
2. The TIP provides for a 5-year 're-set' strategy for the town addressing a wide range of economic and social issues. It is an opportunity to commence the recovery process from the pandemic and is expected to lead to other investment opportunities including those emerging from national and local funding streams, as well new inward investment.
3. The TIP has now been re-assessed by government and £23.085m (excluding £1.215m M&A Allowance) of funding has been allocated for projects – see Appendix 2.
4. The Grant funding agreement allows for early development costs up to a maximum of 5% of stated grant allocation per project.
5. As the accountable body, Hastings Borough Council will retain overall responsibility for the delivery of the programme. Project management and delivery support will continue to be provided by the Council in conjunction with partner agencies.
6. The Levelling Up funding is a new opportunity for the council to potentially bid for up to £20m of capital grants (under current government guidance), which is expected to be open over the next six months.

Introduction

Hastings Town Investment Plan

1. Hastings Town Investment Plan was submitted to the Department for Levelling Up, Housing and Communities (DLUHC, formerly the Ministry of Housing, Communities and Local Government) on 29th January 2021. Hastings Stage 1 Town Investment Plan (TIP) can be viewed by following this link to our blog: <https://www.hastingstowndeal.co.uk/>
2. Hastings Town Investment Plan made a funding request of £28.21m with a total proposed programme value of £113.7m, including the match and leveraged funding. It contained seven programme themes with over 12 projects (excluding sub projects).
3. The government issued a Heads of Terms to the town at the end of May 2021 offering £24.3m for delivery of our investment proposals. This is less than asked for but a considerable success for the town. This reduction level was common to all Town Deals and our Heads of Terms didn't specify how this reduction was to be applied across the programme, other than stipulating that all projects should be delivered within the financial envelope available.
4. MHCLG subsequently offered to all town deal area accountable bodies a 5% allowance for Management and Administration (M&A), to include the management and administration, oversight and monitoring of the programme. Full profiling of this allowance was included in our submission to government at the end of August 2021 (see Appendix 2).
5. The use of the M&A has been netted off our Heads of Terms offer. This equates to a further £1,215,000 from the overall programme, leaving £23,085,000 which will be available for capital expenditure on projects identified in the Town Investment Plan (for implementation, delivery and completion).
6. A reprofiled investment proposal was agreed by the Town Deal Board at its meeting on 24th August 2021 and submitted to the government at the end of August 2021. This is due to be formally approved by government in October 2021 and we are now awaiting a formal Grant Funding Agreement prior to approval of the projects to proceed to their next stages.
7. A summary of the proposals formally agreed with government is detailed in Appendix 1 with their description.

Management of the Town Fund Programme

8. Appendix 2 sets out how the Management Allowance is to be used as agreed by the Town Deal Board at its meeting on 24th August 2021.
9. In addition to the above, the Council is now proposing to utilise the remaining stage 1 and 2 Town Deal capacity funding (in total £152,000) and budgets from the Regeneration and Culture Service Area across 2020/21, 2021/22 and 2022/23 (totalling £93,000). This is a revision of the budgets approved by the Cabinet in June 2021.

Delivery of the Town Fund Programme

10. All the projects for delivery are identified in Appendix 1 subject to development and approval of full business cases.
11. There are four main HBC-led capital projects included in the Town Investment Plan which are now able to proceed to the development phase and subject to further Cabinet approval as and when appropriate. These are as follows:
 - Hastings Castle
 - Town Centre Core Projects
 - Town Living
 - Churchfield Business Centre (a fast-track project)
12. There is also a total of 8 additional partners' capital projects being delivered by local and regional organisations as part of the investment programme. These are also listed in Appendix 1.
13. The Towns Fund allocation for our partners' projects totals £9.945m and also subject to business case approval, local assurance and signing of an appropriate grant funding agreement.
14. All Towns Fund projects are now permitted to use 5% of their grant funding allocation for early feasibility studies if required. This is prior to business case approval. However, if the business case is subsequently not approved this funding is lost to the programme.
15. In addition to above, the Town Deal Board also agreed to set aside £65,000 from the overall current offer, for the installation of a lift at White Rock Baths courtyard. This was an early Towns Fund project completed and built last financial year.

Levelling Up Fund (LUF)

16. The current levelling up fund prospectus was published in March 21 - [Levelling Up Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/levelling-up-fund-prospectus.pdf). This prospectus is subject to change with the agenda now much more prominent. It will be an opportunity for the town to focus on improving the lives of our poorest communities.
17. The previous round detailed that the £4.8 billion fund will support town centre and high street regeneration, local transport projects, and cultural and heritage assets. The fund focused on investment projects (up to a maximum of three) that combined require up to £20m of funding. Bids above £20m and below £50m were only accepted for transport projects only. It is expected all capital projects would need to be completed by March 2024.
18. A key requirement of whatever approach was taken, was to ensure the local MP backs the proposal. The government is likely to identify this as a requirement in the guidance again.
19. Hastings is a priority area for the fund and has been allocated £125,000 capacity funding to develop its proposals and prepare documentation and evidence for the bid.

20. It is proposed that this capacity funding will be utilised to bring in external expertise and undertake feasibility studies as needed for proposed schemes prior to submission of a levelling up bid.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Report to Cabinet	Presentation of report	November 2021	Assistant Director of Regeneration and Culture
Awarding of grant funding agreements to projects	Development of Project proposals	Q3 21/22 to Q2 2022/23	Assistant Director of Regeneration and Culture
	Business Case submission and approval for projects	Q3 21/22 to Q2 2022/23	Economic Development Manager
Updated reports to Cabinet	Completion of all business cases	Q2 to Q3 – 2022/23	Assistant Director of Regeneration and Culture Economic Development Manager
Levelling up fund work commences	Tender for external support to develop bids	Q3 2021	Regeneration Manager
Levelling up bid submitted to government	Bids completed in line with further levelling up guidance	Q1 to 2 2022/2023 (TBC)	Assistant Director, Regeneration and Culture Lead member for Regeneration Regeneration Manager

Wards Affected
All

Policy Implications

Reading Ease Score: 36.0

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

Equalities and Community Cohesiveness Y

The proposals set out in the Town Investment Plan – includes delivering jobs (estimated at 614), skills, new housing, educational, cultural and leisure assets to maintain opportunities for all in the town. Employment and Educational assets are also being built or enhanced in the most deprived parts of the part of the town including in Hollington and the Ore Valley.

A full Equalities Impact Assessment will be conducted on the programme once all the business cases have been completed. All projects will be completing an Equalities Screening check to and identify any immediate issues and actions with their proposal. The Programme Team will engage with each of the projects to review their 'screening' check and ensure actions are followed through as agreed.

Crime and Fear of Crime (Section 17) Y

The Town Investment Plan has a large investment programme to improve the public realm in the town centre, increase footfall and reduce fear of crime.

Risk Management Y

As part of the project management tools a detailed project plan is being developed and a RAID log is being maintained. Each project will be producing their own risk assessment as part of preparing their business cases. Risk assessments of projects will be regularly conducted by the programme team.

An initial programme risk assessment has been produced by the programme team. Generally, the risks relate to the projects rather than the programme. To mitigate some of the risks a programme team needs to be established as soon as possible and provide the support to the projects.

Environmental Issues & Climate Change Y

All project leads, as part of their strategic business case development, will be asked to carry out an environmental impact assessment of their project and indicate how their project contributes the UK's overarching goal of net zero carbon by 2050; increase climate resilience; as well as delivering the Hastings Councils carbon neutral goals for the town. Indicative project interventions include improvements to the existing buildings, by integrating low carbon technologies and improving the fabric of buildings; providing training opportunities through a new centre of excellence for green construction, renewable energy and electric vehicle maintenance; transforming the public realm by creating a beautiful and vibrant green town centre which increases biodiversity and is resilient to the impacts of a changing climate; improving cycling and walking infrastructure and developing new commercial spaces that are

built to the highest environmental standards and the development of the state of the art visitor attractions

Economic/Financial Implications Y

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

Human Rights Act N/A

Organisational Consequences Y

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

Local People's Views Y

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

Anti-Poverty Y

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

Legal Y

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

Additional Information

Appendix 1 - A summary of the projects in the funding agreement with DLUHC

Appendix 2 - Use of Management Allowance

Officer to Contact

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