

Report Title: Update to Hastings Town Deal Board

Date: 18th 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 15th 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 16th 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. 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"> • Increase in visitors to c.150,000 annually by 2030 • Increase direct and indirect employment as a result (12-20 net additional jobs by the year 2030) • Improve visitor experience, perception and appreciation of a significant heritage asset • Increase awareness of 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. <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 7th 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 – 15th October 2022

- On the 15th 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
TOTALS per project:	£23,085,000.00	£2,847,230.80	£20,716,780.20	12.33%
PROJECTS CLOSED				
FACILITIES DELIVERED				
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%
ON SITE				
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%
APPROVED				
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%
PENDING OPTIONS REVIEW/PAR				
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.