

Report Title: Update to Hastings Town Deal Board

Date: 25th October 2023

Report by: Town Deal Programme Team

Item 5

5.1 Town Deal Programme update

Programme Overview

The programme has as such now fully entered project implementation with all project business cases formally approved by DLUHC.

The following Towns Fund projects have now been completed and are open for activities and business, some are to still to deliver their outputs and are on track:

- a) **Churchfield Business Centre** – a new, sustainable green building with 29 Business incubation units for the town's small businesses. 12 units let and 2 under offer (Sep 23).
- b) **Hastings Commons (Observer Building Digital Hub)** is open;
- c) **Former Debenhams Building (1) Freedom Works** – Hastings' co-working, flexible office and community space on the third and fourth floors of the former Debenhams Buildings. This has been so successful the fifth floor is being developed independently of Towns Fund;
- d) **Former Debenhams Building (2)** – joint venture between Moxie Management Two and Owens Entrainment - after opening last autumn, the building provided a mixed entertainment, game, and leisure venue (Ground, first and second floors of the former Debenhams building). It is currently closed for refurbishment and rebranding – this is the message from both Moxie and the operators.
- e) **White Rock Courtyard** – installation of the lift to the courtyard allowing the mix of restaurants and businesses to be fully accessible;
- f) **Priory Meadow (repurposing of New Look building)** – Gym Group is now open on the upper floors offering affordable gym memberships which has increased the provision of affordable health and fitness facilities to a larger catchment population for a longer period of the day. There are new office spaces on the ground floor where an alternative user is being sought after the departure of Job Centre +.
- g) **Broadening Futures Together** - This is a unique partnership between Education Futures Trust and Plumpton College. With the development of 18,000m² semi-derelict site the new education facilities will offer courses related to the land-based economy. Construction is complete and the building will be available for use by Plumpton College from September 2023. Other courses are already underway, and the student related outputs are on track and increasing

Progress on all other projects

Hastings Castle - The council has been considering how to deliver the Hastings Castle Project given its current restricted financial circumstances. Essentially this has impacted in its ability to borrow from the Public Works Loan Board given its low reserve balance and the current high interest rates. This limits its financial ability to commit to the repayments of any loans and take additional substantial financial risks in the short to medium term. In 2022 the council had expected to commit £2.5m towards the development of the first

phase of the castle project in addition to the £3.4m on offer from the Town Fund Programme.

As a result, the council would like to explore the wider private and public development market to seek partners including potential developers, operators and funders who may be interested in delivering the above project. This approach is being developed in discussions with DLUHC, the Town Board and other potential funders. Once this has been progressed and carefully assessed the Programme Team, the council (as owners of the assets and the project lead), the Section 151 officer together with Town Deal Investment Panel, will consider the next steps and identify the appropriate processes. This will be confirmed asap.

Hastings Commons - update to be provided at Board meeting 25th October 2023.

Jess Steele has made a separate presentation

Public Realm and Green Connections - The ambition of the project is to create green arteries buzzing with biodiversity that will connect the entwined streets in the town centre with routes to the sea. It will allow for curation of the street scene which will allow people to breathe, think and dwell.

The project is led by East Sussex County Council with guidance and contributions from Hastings Garden Town and the council. The Project is progressing but the reallocation of Towns Fund, taking it from £3m to £10m, required a review of the internal procurement process, driving a delay in appointing the design consultants for the public realm work. Contract negotiations are being finalised and the consultant design team Arup are due to start work by mid October 2023. The construction company for the build phase is already in place and the delivery date of 2026 still holds.

Green Construction, Energy and Vehicle Training Centre - The project will provide new training and skills opportunities with focus on installing and maintaining green and sustainable technologies in homes, industry and transport (electric vehicles).

Progress is being made on the implementation of the project although now delayed until September 2024 for completion. Delays have been caused by finalising the funding agreement and pausing the programme until construction costs relatively stabilise. The funding agreement has now been finalised and awaiting signature.

Town Living - This project is also currently being reviewed by the council given its current financial position. It is not being taken forward by the council as originally envisaged (refurbishment of heritage property in Wellington Square). This is because of various risks including financial, suitability, deliverability, and future management of a refurbished listed building. The council has proposed alternative ways of delivering homes in the town centre by opening discussions with other potential providers using the £1m Towns Fund allocated for this project.

There is likely to be a call for proposals amongst selected providers to deliver affordable housing in the town centre. This will then be assessed by council Housing Officers, the Investment Panel and DLUHC.

5.2 Communications update (for info)

This will be delivered verbally by the new Town Deal Communications Officer, Suzanne Oakley.

5.3 Programme finance update (for info)

Project	Allocated from town fund	Total spent to date	Total left to spend	% TDF spent
	£23,085,000.00	£3,578,072.37	£19,506,927.63	15.33%
PROJECTS CLOSED				
Source / Courtyard lift	£65,000.00	£65,000.00	£0.00	100.00%
Hastings co-working, flexible office, community space	£116,732.00	£116,732.00	£0.00	100.00%
FACILITIES DELIVERED				
Churchfields	£778,211.00	£778,211.00	£0.00	100.00%
Broadening Futures Together	£417,121.00	£417,121.00	£0.00	100.00%
Former Debenhams Building	£400,000.00	£400,000.00	£0.00	100.00%
Priory Meadow shopping centre (Fast Track element)	£349,676.00	£337,000.00	£12,676.00	96.37%
ON SITE				
Hastings Commons	£3,997,203.00	£1,168,341.26	£2,828,861.74	29.23%
IN DESIGN				
Public Realm & Green connections	£9,754,458.00	£65,695.00	£9,688,763.00	0.67%
APPROVED				
Green construction, energy and vehicle training centre	£2,638,758.00	£0.00	£2,638,758.00	0.00%
Hastings Castle	£3,450,069.00	£111,187.00	£3,338,882.00	3.22%
Town Living	£1,037,615.00	£38,628.50	£998,986.50	3.72%
WITHDRAWN				
Priory Street	£80,157.00	£80,156.61	£0.39	100.00%

5.4 Hastings Station Gateway Project Update

This initiative follows the cancellation of the ESK / Priory Street Car Park development project which was included in the Towns Fund Programme. This was due to the large funding gap to enable a mixed-use development but also because of interest from Homes England to regenerate the town centre.

The council has been working with Homes England over the past year to consider ways of regenerating the town centre, focusing on all the land and sites surrounding Hastings Station.

This work continues to develop, and the next step is likely to be the development of a Strategic Regeneration Investment Framework (SRIF) for the town centre. A SRIF will be like a masterplan, delivery plan, management plan and a funding plan. More details to follow. The work will be funded by Homes England and Board members will be engaged and invited to participate in the process.

5.5 Long Term Investment Plan for Towns – Endowment Fund

This fund was announced on 1st October 2023. It is a £20million funding offer to Hastings across 10 years to enable a much longer-term investment programme. It will be 25% revenue and 75% capital. This will be borough wide we expect and will be broadly focused on community safety, improving transport and connections; enhancing town centres (small and large), improved public spaces, tackling empty shops; insecure housing, community cohesion, health, skills and education.

The timeline is stringent, with key milestones beginning in April 2024 for the formation of Boards, followed by the release of capacity funding in Spring 2024, and submission

of Long-Term Plans by Summer 2024. The local authority will be the accountable body and capacity funding will be available next spring for this scheme.

In Hastings, the board is likely to be an evolution of the Local Strategic Partnership (LSP) and the Town Deal Board with a core board and thematic working groups, interfacing with other structures in the town such as the Hastings Safer community safety partnership, Health Inequalities Board, etc. This will limit the conflict-of-interest issues, may reduce the huge time demand on voluntary members and the resources needed to support many town forums and their functions. It is also clear, that investment cannot solely remain in the new town and others will need to be engaged. We also need a working group with young people to inform direction as this needs to be improved.

The council has forwarded early questions regarding the operation of the fund to DLUHC and keen to receive answers. Example of some of these are follows:

- What will the geographic coverage of the endowment fund be for Hastings?
- Is there a point of contact at DLUHC yet to ask questions such as this?
- Will there be any requirements for match funding? To what extent?
- Will there be an M&A to cover the ten years management of the programme work? What % of the fund?
- Will full Treasury Green Book Business cases be required for proposals?
- Can the funds be used to fund across the various government initiatives?
- When will there be a date for the next set of guidance to be released and the work of the High Street Task Force support programme to begin?

DLUHC has indicated they will be producing an FAQ and establishing a policy team to oversee the initiative as soon as possible.