

Report Title: Update for Hastings Town Deal Board

Date: 25th January 2024

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 the Department for Levelling Up, Housing and Communities (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 fully:

- a) **Churchfield Business Centre** – a new, sustainable green building with 29 Business incubation units for the town’s small businesses. 15 units let (January 2024)
- b) **Hastings Commons (Observer Building Digital Hub)** – is open and active in the mezzanine level, with an exciting schedule of events currently taking place.
- 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 and is currently at 80% occupancy. This has been so successful the fifth floor is being developed independently of Towns Fund.
- d) **White Rock Courtyard** – installation of the lift to the courtyard allowing the mix of restaurants and businesses to be fully accessible.
- e) **Priory Meadow (repurposing of New Look building upper floor)** – Gym Group is 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.
- f) **Broadening Futures Together** – This is a unique partnership between Education Futures Trust and Plumpton College, with the development of the 18,000m2 semi-derelict site and the Firs classroom now complete. This new education facility offers courses related to the land-based economy. Courses are underway and Plumpton College will be hosting twice a week at City and Guilds Levels 1 & 2 from January 2024.

Previously completed projects having to reset.

- a) **Former Debenhams Building (2)** – joint venture between Moxie Management Two and Owens Entertainment – after opening in autumn 2022, the building provided a mixed entertainment, game, and leisure venue (Ground, first and second floors of the former Debenhams building). It is currently closed and parent company, CFEC has stated the attraction will undergo a multi-million-pound redevelopment in 2024. Plans to upgrade the offering of entertainment, immersive gaming and leisure will require investment by CFEC. A statement on their website reads: “We remain closed for a full redevelopment of Owens Entertainment to bring more new and exciting entertainment to Hastings community and its visitors.”

Officers visited the building back November 2023 to discuss the future of the project with the new manager, Jamieson Berriman, and the owners of the building, Moxie Management Two Ltd. CFEC confirmed their intention to bring in further investment to the project and to reopen with a revamped and improved offering. We are in regular contact with the new manager of the project and at this stage we believe the operation may reopen as stated in the recent press release. In parallel, we are taking advise with regard to compliance to the Grant Funding Agreement signed by both parties.

b) Priory Meadow (repurposing of New Look building ground floor)

There are new office spaces on the ground floor where an alternative user is being sought after the departure of Jobcentre Plus. The board will be kept informed on developments.

Progress on all other projects

Hastings Castle – In October 2023, the council launched the [Hastings Castle Expression of Interest](#), the purpose was to gauge interest from the market on delivering its ambitions for the site and to test the viability of its aspirations to deliver the project, on time and on budget. Its purpose is to gauge stakeholder and market interest as well as engagement regarding the long-term future of the castle and the café site and its development as part of the Town Deal project.

The closing date for responses to the Expression of Interests was early December, the EOI received positively, with 32 organisations registered their interest via the Procurement Hub and 7 full EOI responses submitted.

Following discussions with the Section 151 officer the council will now be proceeding to the next stage of requesting full submissions form applicants with a specialist being employed to both invite further full submissions and making assessments and recommendations to the Council and the Town Investment Plan for decision. The deadline for a specialist consultant to submit a quotation to manage the bid process is the 22nd January 2024. This will be subject to further DLUHC approval.

Hastings Commons – The Towns Fund is enabling Hastings Commons to transform three formerly derelict heritage buildings (Eagle House, 12 Claremont and the Observer Building) into revitalised mixed use community spaces for living, working and play.

- 12 Claremont – planning permission has been granted and the tender process for the construction phase is underway.
- Eagle House – Town Fund enabled the purchase of the freehold and resulted in a grant from Youth Investment Fund to be used to renovate the whole building. The project is going through its RIBA stages but on track for full outputs by the end of the programme.
- All projects (including the Observer building roof terrace) going out to tender before the end of January 2024 with the idea that works will begin in April 2024.

Public Realm and Green Connections update to be provided at Board meeting 25th January 2024. ESCC and Arup will be presenting their update at the Board meeting.

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 March 2026 for completion. Delays have been caused due to delays in finalising the funding agreement and a pause due to concerns over increasing construction costs. The funding agreement has now been finalised but awaiting signature from ESCG.

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.

A call for proposals amongst 17 selected providers to deliver affordable housing in the town centre was launched prior to Christmas and is due to close on 22nd January 2024. This will then be assessed by council Housing Officers, the Town Deal Investment Panel and finally DLUHC for approval.

5.2 Communications update

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

5.3 Programme finance update

Project	Allocated from town fund	Total spent to date	Total left to spend	% TDF spent
TOTALS	£23,085,000.00	£3,636,830.69	£19,448,169.31	15.75%
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%
Priory Meadow shopping centre (Fast Track element)	£349,676.00	£337,000.00	£12,676.00	96.37%
ON SITE				
Former Debenhams Building	£400,000.00	£400,000.00	£0.00	100.00%
Hastings Commons	£3,997,203.00	£1,227,099.58	£2,770,103.42	30.70%
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%
PENDING REAPPROVAL				
Hastings Castle	£3,450,069.00	£111,187.00	£3,338,882.00	3.22%
Town Living Pt1	£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/Town Centre Regeneration 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, originally focusing on the land and sites surrounding Hastings Station, the scope of the project has widened to include the Hastings Town Centre area and the wider connections and opportunities beyond the immediate area around the station.

This work continues to develop, and via funding from Homes England, a Strategic Regeneration Investment Framework (SRIF) for the town centre has been commissioned. A SRIF will be like a masterplan, delivery plan, management plan and a funding plan. More details to follow. The work has started, and engagement activities will commence from January to March 2024.

Board members should note several possible private housing developments are being taken forward in the town centre:

1) Hastings Station Yard site:

Planning details are here:

[HS/FA/06/00983 | Demolition of warehouse and workshops, mixed-use development of five new buildings comprising education, health, retail and 103 residential units \(62 x 1 bed, 39 x 2 bed, 2 x 3 bed\) with associated open space, landscaping, car parking and engineering works. | Station Plaza, Station Approach, Hastings, TN34 1BA](#)

The residential building's locations are shown here.

[HS FA 06 00983-CONDITION 4 PLAN-646101.pdf \(hastings.gov.uk\)](#)

HS/FA/06/00983 | Demolition of warehouse and workshops, mixed-use development of five new buildings comprising education, health, **retail and 103 residential units (62 x 1 bed, 39 x 2 bed, 2 x 3 bed)** with associated open space, landscaping, car parking and engineering works. | Station Plaza, Station Approach, Hastings, TN34 1BA

The site has acquired by Purple Pepper Partnership and we have been informed the development is due to commence January 2024.

2) University of Brighton Building Priory Street

The building has been sold to Stonegate Homes for development.

The planning application for the building was validated in Sep 2023 – details here [HS/FA/23/00393 | Change of use of rear ground floor level and first to third floor levels from Use Class F1 \(Education\) to Use Class C3 \(Residential\), change of use of rear basement level from Use Class F1 to Use Class E \(commercial\), retention of Use Class E \(commercial\) at front basement and ground floor levels and erection of single storey](#)

[roof extensions at fourth and fifth floor levels to provide 41 residential dwellings and 667sqmm Class E floorspace and associated installation of wheelchair ramp and landscaping.\(Amended Description\) | Former University of Brighton in Hastings, Priory Street, Hastings, TN34 1EA](#)

It is not clear as to when the construction work will start at the moment.

3) Queensbury House

The property has been sold to a Real Estate Investment Company and council has had one meeting with the company to understand it's plans. The Town Board will be kept updated as information becomes available.

4) Former Youth Centre and CAB offices on Cornwallis Terrace / Priory Street has also recently been sold. No contact made with the new owners at the moment by the council.

5.5 Long Term Investment Plan for Towns – Endowment Fund

Hastings has been pre-selected by the Department of Levelling Up, Homes and Communities (DLUHC) to receive £20,000,000 of funding and support to regenerate the town. The funding is released over a seven year period and can be spent over ten years. DLUHC will provide a data pack curated by their Spatial Data Unit as well as a policy toolkit outlining available powers available to towns and a list of policy interventions with an already agreed case for investment. An independent High Streets and Towns Taskforce will be established to support towns.

£50,000 capacity funding has been paid to the council to cover the upfront costs of setting up a Town Board by 1st April 2024. This will take the form of a refreshed Local Strategic Partnership in Hastings. Once the board is established a further £200,000 of capacity funding will be released for 2024/25.

The local authority will remain the accountable body, but the board will be responsible for delivering a Long-Term Plan for Hastings. The plan will set out the town's vision and priorities for investment and regeneration, aligned to themes of safety and security, high streets, heritage and regeneration, and transport and connectivity.

The board will advise how to spend the capacity funding to develop the Long-Term Plan. This could include appointing consultants or increasing in house capacity or a combination of both. The plan will comprise a ten-year vision, identifying the longer-term priorities for Hastings with a three-year investment plan as an annex. The funding covers the whole borough, and it is anticipated that the plan will cover five town centres: Hastings, Old Town, St Leonards, Silverhill and Ore. It is intended to be flexible, enabling private and philanthropic investment to be capitalised to help investments, assets and land go further, generating more opportunities and benefits for the town.

Should the board pursue the policy interventions prepared by DLUHC business cases will not be required. However, they are not compulsory and there are no set requirements for allocating money between themes, though at least one intervention per theme is expected.

5.6 Levelling Up Partnership update

Hastings has been selected as one of twenty areas to establish a Levelling Up Partnership as part of a programme to deliver a tailored approach to place-based working. £20 million has been allocated to Hastings with £5 million due to be spent by April 2024 and the remaining £15 million by April 2025.

Detailed work on the Levelling Up Partnership between Hastings Borough Council (HBC) and the Department of Levelling Up Housing and Communities (DLUHC) got fully underway in September 2023. HBC facilitated introductions with over sixty local stakeholders covering the local business sector, the cultural sector, voluntary and not for profit organisations, and other public sector bodies working in Hastings. It is hoped that by collaborating with key partners and understanding the challenges and opportunities the partnership will identify practical solutions to bring about change.

DLUHC has worked hard to meet with as many local organisations as possible, listen to their views and ideas and in some cases asking them to prepare a funding proposal. DLUHC has also conducted a desktop review of the data available about Hastings, including educational outcomes, levels of deprivation and health inequalities. They have also undertaken a 'deep dive' into the high levels of demand for temporary accommodation in the town. The council has emphasised to DLUHC the need to focus on solutions to the housing crisis which is having a severe impact on the councils challenging financial situation.

The DLUHC team have now prepared a package of proposals for consideration by ministers. The decision rests entirely with ministers and we are hoping to hear the results of these proposals within the next few weeks.

5.7 Hastings Town Deal 'Deep Dive'

Hastings Borough Council has been selected for a deep dive review regarding their Town Deals project, Hastings, as part of the assurance process outlined in the [Levelling Up Funds Local Authority Assurance Framework](#). The purpose of a deep dive review is to enable the Department for Levelling Up, Housing and Communities (DLUHC) Domestic Assurance Team to review the governance, decision making, and delivery associated with the Town Deals funding.

The deep dive review will require engagement with the Chief Finance Officer (S151/127/95/54) and project leads, as well as the provision of any procurement, financial and decision-making evidence as requested for review. Wherever possible, the Domestic Assurance Team shall assist us and work together to fully satisfy any review requirements.

Complete and return the attached deep dive documents checklist and procurement register has been extended to 19th January 2024. Documents to be submitted are as follows:

Provide (by email) documentation to demonstrate arrangements for the following:

- Governance and Decision-Making
- Counter-Fraud
- Procurement
- Subsidy Control

Next Steps (as confirmed by DLUHC):

‘To support us with the process we would be grateful if you would **prioritise completing and returning the attached procurement register** as soon as possible. This will enable us to select two of the procurements and then clarify with you the documents required in evidence for this part of the review. Once you have sent us your documents, we will be in touch to arrange a date for a review meeting. We may also contact you by email should any queries come up throughout the review, so we can seek clarification and test out understanding.

Following the deep dive review, we will share our findings with you, including any recommended remedial action(s) and target dates for their implementation, and ask you to sign off the report. When all agreed actions, if any, have been completed you will receive notification confirming the closure of the deep dive review.’

Hastings Town Deal Programme Team
January 2024