

## **Newhaven Town Deal Board**

### **Minutes of Board Meeting**

Friday 27<sup>th</sup> August 2021

3.00 – 4.00pm via MS Teams

#### **Attendees**

- **Chair:** Chris Ketley (CK), Knill James LLP
- **Towns Coordinator for Newhaven:**
  - Rebecca Collings (RCol), Nichols Group
- **Lewes District Council:**
  - Cllr James MacCleary (JM), Leader of the Council
  - Peter Sharp (PSha), Head of Regeneration
- **Newhaven Town Council:**
  - Cllr Graham Amy (GA)
  - Ken Dry (KD), Town Clerk
- **East Sussex County Council:**
  - James Harris (JH), Assistant Director – Economy
- **Members of Houses of Parliament and Lords:**
  - Maria Caulfield MP (MC)
- **Community and Business Representatives:**
  - Dan Shelley (DShe), East Sussex College Group
  - Penny Shimmin (PS), Sussex Community Development Association
  - Chris Rasmussen (CR), Jasfic Ltd
  - Dave Collins-Williams (DCW), Newhaven Port & Properties
  - Patrick Warner (PW), Brighton & Hove Buses
  - James Morton (JMo), NHS East Sussex Clinical Commissioning Group

#### **Secretariat (provided by Lewes District Council):**

- Lisa Rawlinson (LR), Strategy & Partnerships Lead for Growth & Prosperity
- Guy McQueen (GM), Regeneration Project Manager
- Mark Healy (MH), Funding Programme Delivery Manager

#### **Apologies**

- Cllr Zoe Nicholson, Lewes District Council
- Rob Cottrill, Chief Executive
- Ian Fitzpatrick, Lewes District Council
- Susie Mullins, Newhaven Town Council
- Baroness Janet Whitaker
- Nigel Stewardson, Cities and Local Growth Unit
- Adam Bryan, SELEP
- Graham Peters, Team East Sussex
- Corinne Day, Programme Director
- Max Woodford, Greater Brighton Economic Board
- Duncan Kerr, Wave Leisure
- Dick Shone, Boutique Modern

- Trevor Beattie, South Downs National Park Authority
- Mike Shorer, Newhaven Chamber of Commerce
- Martin Harris, Brighton & Hove Buses

<b>Agenda item</b>		<b>Action</b>
<b>1.0</b>	<p><b>Welcome, Introductions &amp; Apologies</b></p> <ul style="list-style-type: none"> <li>● CK welcomed all to the meeting and noted quite a few absences owing to the holiday period.</li> <li>● CK thanked all who attended the official opening of The Sidings (Towns Fund Accelerated Project). This outdoor event allowed Board members to finally meet in person after months of online meetings which CK was extremely grateful for.</li> <li>● CK introduced Mark Healy to the Board; Mark has been employed by Lewes District and Eastbourne Borough Councils as a Funding Programme Delivery Manager. His responsibilities will include working closely with the existing team to develop business cases for our Strategic Programmes. MH highlighted his wealth of experience including recent roles within the Department for Business Energy &amp; Industrial Strategy (BEIS) as a senior project manager on a number of key Net Zero projects.</li> </ul>	
<b>2.0</b>	<p><b>Minutes of Last Meeting</b></p> <p>The previous minutes were agreed.</p>	
<b>3.0</b>	<p><b>Revised Project List</b></p> <ul style="list-style-type: none"> <li>● CK passed to PSha for the main agenda item which was to discuss and agree upon a revised Project List in order to account for the reduced Towns Fund offer (£19.3m).</li> <li>● The signing of the Heads of Terms was formally noted – these were returned 02/08/21.</li> <li>● PSha acknowledged the need to allow time for discussion of this item, which had been accounted for when planning the agenda, and proceeded to outline proposals and additional analysis of the fund. PSha also acknowledged that there had been no ideal solution given the full £24.7m had not been</li> </ul>	

	<p>offered. Although the award of £19.3m was still very much viewed positively:</p> <ul style="list-style-type: none"> <li>○ PSha provided a summary of analysis undertaken by GM of the offers all 101 Towns received and how this funding could be understood relative to population size. Newhaven was shown to have received the 13<sup>th</sup> highest offer out 101 Towns and the 2<sup>nd</sup> highest per capita in the SE region based on analysis undertaken. For a town the size of Newhaven, the offer is a significant sum - the challenge now lies in making the most of the funding offered.</li> <li>○ Board members were presented with the list of projects and programmes included in the Newhaven Town Investment Plan (TIP).</li> <li>○ Each of our seven Strategic Programmes has an individual funding limit (as outlined in briefing note) which is the amount asked for that particular Programme in TIP submission.</li> <li>○ To meet the reduced funding level, project costs (which comprise the Strategic Programme ask) need to be reduced. An increase in match funding might also be considered for some projects.</li> <li>○ A re-prioritised bid proposal which meets the maximum £19.3m total ask, without any of the Strategic Programmes exceeding their offer limit, needs to be submitted to Government by October 5<sup>th</sup> 2021.</li> <li>○ Officers have reviewed community engagement and spoken to project sponsors in detail to assess feasibility – this has informed officer recommendations. After conducting a detailed reprioritisation process, two projects have become unfeasible to deliver. Six projects were scored as ‘amber’ based on a red/amber/green system which meant they could either be considered for reduction in funding/removal or have risks attached which required mitigation.</li> <li>○ PSha also informed the Board of two issues with projects which were being resolved – Newhaven Port &amp; Properties had identified an increase in costs but have committed to meeting the shortfall. Newhaven Fort requires significant structural restoration but is seeking to ensure that investment also improves the offer for visitors. Work continues to consider how funds would be best used at the Fort.</li> <li>○ Four options for revising the Strategic Programmes allocations to reduce costs were provided to the Board for consideration with a detailed discussion of both the effect on outputs, deliverability, and alignment with strategy and community engagement. Option 4 had scored most highly and was recommended to the Board for approval.</li> <li>○ Option 4 required the removal of Norton Road Business Park and The Old Boatyard as both had ceased to be deliverable.</li> </ul>	
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	<p>The Avis Way Improvement and Multimodal Superhubs were deemed suitable for investment by other means and the Business Grants Programme was reduced in order to meet the final funding gap.</p> <ul style="list-style-type: none"> <li>➤ CK deemed the recommendations to be well-thought out and evidenced with community engagement being an important factor. CK then opened up discussion for the Board.</li> <li>➤ MC thanked PSha for the detailed briefing note and presentation. MC supported Option 4 and acknowledged some of the issues still needing to be resolved, lending her support for furthering discussions with Government departments to help ensure project delivery is as smooth as possible.</li> <li>➤ JH also offered his support for Option 4 and complimented officers on the methodical approach taken. JH acknowledged that it was unfortunate but necessary for some projects to be removed to meet the shortfall – Avis Way being the subject of the Newhaven Enterprise Zone Board. JH reflected on ESCC’s experience of administering grants and loan schemes and highlighted that despite there being a reduction in Grants Scheme within our TIP, businesses in Newhaven will still have access to alternative funding support – also suggested it would be useful to introduce MH to finance staff in his organisation. Finally, JH queried the decision by MHCLG to cap Programme allocations given this limits flexibility as business cases are developed and during this reprioritisation phase.</li> <li>➤ PW was pleased with the outcome of the bid for Newhaven residents. PW supported Option 4, though disappointing to be removing the Multi Modal Superhubs but acknowledged that they are a new concept being adopted in the UK and that learning from trials elsewhere in the country may make provision in Newhaven more feasible and cost-effective at a later date through alternative funding. B&amp;H Buses are very positive about the projects which remain within our Town Deal and look forward to close partner working to now deliver.</li> <li>➤ JM also highlighted the contradiction in terms of towns and their communities being encouraged through the Towns Fund to make decisions while allowing very little flexibility to decide how to reprioritise spend on projects, particularly given the ever-changing nature of costs and external factors.</li> <li>➤ PSha acknowledged this point and the need to try to reconfirm costs – all projects sponsors having been asked to seek up to</li> </ul>	<p><b>JH to introduce MH to ESCC finance staff</b></p>
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	<p>date figures. As detailed business cases are produced, figures will be scrutinised, and the Board will remain informed throughout with any additional costs identified.</p> <ul style="list-style-type: none"> <li>➤ CK agreed and added that all Boards will be facing the same lack of uncertainty over costs and that this will be being communicated to Government.</li> <li>• The Board were in full agreement to progress with Option 4. A revised project list will be submitted before 05/10/21 deadline.</li> </ul>	<p><b>MH to submit revised project list</b></p>
<p><b>4.0</b></p>	<p><b>Business Case Development Process</b></p> <ul style="list-style-type: none"> <li>• PSha presented an overview of the steps required to submit Business Cases for the now revised Town Deal: <ul style="list-style-type: none"> <li>○ <u>By October 5<sup>th</sup></u> - we must agree which projects will be progressed (as in Agenda Item 3 above). We must also identify actions to address the conditions attached to any of our projects. Financial profiles need to be developed for all projects that make up the revised Town Deal. A timetable needs to be agreed for business case production, a business case per Programme needing to be submitted. And this must be staggered in order to sensibly manage workload. This will be developed with assistance from our consultants. Sub-group chairs will be asked to agree to the proposed timeline as representatives of the Board.</li> <li>○ <u>Advance Funding</u> – MHCLG are to release 5% of our total Town Deal allocation in advance, in order to speed delivery; this means £965k of advanced funding will be available. Further clarification is being sought on how and when this 5% needs to be spent before more of our allocation is received but it is assumed that this will be spent on projects which are shovel ready / immediately deliverable. This also allows us to undertake feasibility and design work. All project sponsors will be asked to highlight any work which might be undertaken before officers recommend to the Board how best to use this allocation, with further clarification of the funding mechanisms in place for this early advanced funding being shared with the Board once received.</li> <li>○ <u>Business Case Requirements</u> – within the next 12 months, we must: <ul style="list-style-type: none"> <li>✓ Produce Green-Book compliant business cases for each Programme</li> <li>✓ Obtain local sign-off for business cases from Accountable Body</li> </ul> </li> </ul> </li> </ul>	<p><b>MH to contact sub-group chairs in order to sign-off timeline for business case development</b></p> <p><b>MH to write out to board members to seek volunteer members for sub-groups</b></p>

	<ul style="list-style-type: none"> <li>✓ Provide a detailed Town Deal Summary document with all business cases summarised.</li> <li>○ <u>Consultancy Support</u> – as mentioned during prior meetings, LDC successfully secured additional capacity funding earlier in the year. PSha was thankful to Government colleagues for this support being provided. The funds have been used to secure the assistance of Marshall Regen and Nairne Consultancy for the creation of our business cases. MK, LR and GM will provide support and all project sponsors will need to work with them to ensure the correct information is provided in a timely and accurate manner.</li> <li>○ <u>Programme Workshop with Project Leads</u> - officers will be assisting our consultants to set up workshops for sponsors in order to meet them personally and to have detailed discussions of the requirements and planned ways of working.</li> <li>○ <u>Development Process</u> – PSha outlined the process of developing and providing assurance for our business cases as the following sequential steps (further details provided in briefing note): <ul style="list-style-type: none"> <li>1. Business case drafted with Project Sponsors &amp; LDC Team</li> <li>2. Programme Sub-Group review and make recommendation to the Board</li> <li>3. Board Sign-off and submit to Accountable Body</li> <li>4. Internal Review at LDC</li> <li>5. Sign-off by LDC S151 Officer</li> </ul> </li> <li>● <u>Sub-groups</u> - PSha offered three recommendations for the Board to consider: <ul style="list-style-type: none"> <li>1. Board agrees to create sub-groups for each Strategic Programme</li> <li>2. Board approves nominated sub-group Chairs</li> <li>3. Board agrees to limit sub-group membership to no more than 3 Board members as well as additional officer support (MH, LR, GM &amp; AS).</li> </ul> </li> <li>➤ RCol highlighted that as part of the devolution process applied to Towns Fund, it was up to Towns to decide how to manage the appraisal process. The approach being taken was praised with a good balance of sensible input and an efficient process for seeking approval.</li> <li>➤ JH asked whether there is a risk that the advanced funding (5%) would be spent early before full business cases are developed – it might be that a projects or projects do not proceed – would Government seek to claw funds back for undelivered projects. RCol and PSha were not aware of this condition but MH will ask NS will be asked to clarify.</li> </ul>	<p><b>MH to seek clarification on 5% spend</b></p>
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	<ul style="list-style-type: none"> <li>The Board agreed to accept the above recommendations on sub-groups.</li> </ul>	
<b>5.0</b>	<p><b>Date of Next Meeting</b></p> <p>The Board agreed a date of 22/10/21 at 3pm for next meeting.</p>	
<b>6.0</b>	<p><b>Any Other Business</b></p> <ul style="list-style-type: none"> <li>CK thanked all for attending and reiterated the significance of securing an offer of £19.3m for a town of Newhaven's size and thanked GM for the analysis of Towns undertaken. CK then brought the meeting to a close.</li> </ul>	