

**Report to:** Lead Cabinet Member for Strategic Management and Economic Development  
**Date:** 24 January 2017  
**By:** Director of Communities, Economy and Transport  
**Title:** Grant Funding Agreement with Hastings Borough Council – Coastal Communities Housing Intervention Project for period 2016-18  
**Purpose:** To seek approval for the County Council to enter into legal agreements to transfer Local Growth Fund monies to Hastings Borough Council to deliver the Coastal Communities Housing Intervention Project

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**RECOMMENDATIONS:** The Lead Member is recommended to:

- (1) Subject to the project receiving approval by the SE LEP Accountability Board:**
    - a. approve East Sussex County Council acting as local accountable body for the Housing Coastal Communities Intervention Project;
    - b. approve grant funding to the value of £666,000 to Hastings Borough Council to fund the delivery of the East Sussex element of the Coastal Communities Housing Intervention Project.
  - (2) Delegate authority to the Director of Communities, Economy and Transport to approve the terms of any legal agreements and to take all other necessary actions in respect of recommendations 1a and 1b above.**
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## **1 Background Information**

1.1 In March 2014, the South East Local Enterprise Partnership (SE LEP), which comprises businesses, local authorities and education leaders across East Sussex, Essex, Kent, Medway, Southend and Thurrock, submitted their proposals to Government for a Growth Deal to drive economic expansion in the area over the next six years up to 2021. Within this was a specific growth plan for East Sussex focussed around its three growth corridors: Newhaven; A22/A27 Eastbourne/South Wealden and the A21/A259 Bexhill/Hastings Growth Corridor.

1.2 The SE LEP's initial Local Growth Fund (LGF) Round 1 Deal was agreed in July 2014 with a further LGF Round 2 Deal agreed in February 2015. Within East Sussex, over £71m has been secured to date towards infrastructure projects, with a particular focus on transport schemes that will bring forward new jobs and homes across the county.

1.3 As part of the LGF Round 2 Deal awarded by government in February 2015, the SE LEP Coastal Communities group proposed a pan LEP-wide scheme termed the Housing Coastal Communities Intervention project (HCCIP) that would seek to address broken housing markets in deprived areas of three coastal towns, Hastings (East Sussex), Tendring (Essex) and Thanet (Kent).

1.4 This project was approved by government as part of the LGF Round 2 Deal, and was awarded a total of £2m in funding of which each of the three local authorities will receive an equal share.

## **2 Supporting Information**

2.1 Hastings Borough Council (HBC) were nominated as the lead authority working with representatives from Tendring and Thanet District Councils to produce a business case for the £2m LGF funding, which has now been reviewed and assessed by the SE LEP Independent Technical Evaluator (ITE) and is to be considered by the SE LEP Accountability Board on 24 February 2017.

2.2 The wider Coastal Communities project has four components, which will be implemented in each of the three locations:

- A. Strategic Housing Interventions – these being major housing schemes (rehabilitation or new build) – capable of securing major change over time in the priority areas.
- B. Empty Property Loans – designed to bring smaller single empty properties back into occupation. Both landlords and First Time Buyers are / will be eligible for loans.
- C. Home Improvement Loans – focused on helping low income and elderly owner occupiers (and possibly First Time Buyers) make essential repairs and improvement to their homes.

- D. Programme Management and Dissemination of Good Practice – resource to manage the cross-authority programme and support dissemination of good practice across the SE LEP Coastal Communities.

2.3 LGF grant monies will only be used for the delivery of the ‘Strategic Housing Interventions’ as the loans and programme management are not eligible to be funded by LGF grant monies. The projects being undertaken by the three councils focus on acquisition of strategically important buildings or sites, where refurbishment or new development will provide a spur to private investment. It is envisaged that this will eliminate what are perceived to be ‘problem properties’ and large abandoned properties or sites which have a negative impact on perceptions of the locality visually and / or because they attract anti-social behaviour.

2.4 HBC has partnered with AmicusHorizon in a major intervention programme, known as CoastalSpace, involving the acquisition and refurbishment of properties in St Leonards. LGF grant monies will be used to fund new build development on the site of a former prominent and large problem property in the St Leonards intervention area known as Hillesden Mansions.

2.5 The HCCIP involves projects in each of the federated areas of the SE LEP. As such, it is proposed that the upper tier authority for each of the identified areas (i.e Kent CC, Essex CC and East Sussex CC) act as the local accountable body, rather than the relevant borough or district authority. This mirrors the position in East Sussex for all our other East Sussex LGF schemes. The County Council will then be able to take responsibility for contracting, managing the distribution of funds (including utilising any underspend and re-profiling if required), reporting the outcomes of the Hastings contributions to the pan-LEP HCCIP, and then report on to the SE LEP. It is important to agree that the Council acts as the ‘local accountable body’ for the Hastings contribution to the HCCIP prior to the SE LEP Accountability Board meeting in February 2017 where it is proposed to agree the business case and also seek assurance that each upper tier authority is in agreement to be the ‘local accountable body’.

2.6 Agreement to act as Local Accountable Body will then be in accordance with the SE LEP’s Accountability and Assurance Framework, which was considered and approved by the Lead Member at his decision making meeting on 2 June 2015. The terms of subsequent grant agreements from the County Council to HBC will then be in accordance with the terms of service level agreement between Essex County Council, as SE LEP’s Lead Accountable Body, and the County Council, as the ‘local accountable body’ for the delivery of the scheme.

2.7 The financial profile agreed is that HBC will spend £666,000 over two years with £65,000 in the financial year 2016/17 and £601,666 in 2017/18.

2.8 In addition, the HCCIP is to be supplemented by the continuation and expansion of the successful programme of Empty Property Loans and Home Improvement Loans run by Parity Trust, a social investment agency.

### **3 Conclusion and Reasons for Recommendations**

3.1 The St Leonards area has been a strategic priority for Hastings Borough Council for many years reflecting the high level of deprivation in the area, associated with poor housing conditions, particularly linked to: high levels of private renting; a large population of people on benefit; a wide range of social needs; and high levels of anti-social behaviour and crime.

3.2 The HCCIP and its stated components will build on previous Local Growth Fund, Growing Places Fund and other County Council and HBC strategic investments, to reinvigorate the local economy, help address the broken housing market in the area and encourage greater levels of private sector investment.

3.3 The Lead Member is therefore recommended in advance, subject to the approval of the business case by the SE LEP Accountability Board on 24 February 2017, to approve the awarding of this LGF grant to HBC and delegate authority to the Director of Communities, Economy and Transport to agree the terms of the legal agreements necessary to give effect to this and take all other necessary actions.

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## LOCAL MEMBERS

Cllrs Rogers, Charman, Forward, Scott, Webb, Daniel, Wincott and Pragnell