

## **Appendix 6 - Growing Places Fund (GPF) Project Updates**

### **Round 1 and 2 GPF Projects**

- **Priory Quarter Phase 3 (Completed)** This scheme was awarded £7m GPF in round 1 to provide 2,323 sqm of high-quality office premises at Priory Quarter in Hastings town centre, meeting the expressed needs of private sector employers to expand their operation in the town. The project was completed in Autumn 2014. The loan funding was repaid in full to the LEP in 2018/19 and the scheme has now been removed from the GPF programme.
- **North Queensway, Hastings (Completed)** In relation to the North Queensway project, the £1.5m GPF has been invested in the construction of a new junction and preliminary site infrastructure works and the full £1.5m has been repaid by 31 March 2022.
- **Glovers House, Bexhill (Completed)** The £6m GPF has been invested into a new commercial development and has led to the sale of Glovers House in late 2018/19, the full repayment of the outstanding GPF loan of £4.975m was made in Q1 of 2019/20.
- **Pacific House, Sovereign Harbour, Eastbourne (Loan spent, practical completion and outcomes achieved, repayment ongoing)** The £4.6m GPF investment into the Sovereign Harbour Innovation Mall known as Pacific House, is now complete and has delivered 2,345m<sup>2</sup> of high-quality office space. The SELEP Accountability Board agreed at their February 2024 meeting to extend the repayment terms of the GPF loan to March 2026. The County Council have completed transfer of the property from the original developers, as per the terms of the original loan agreement and will make the outstanding loan repayments, as agreed by the SELEP Accountability Board. Repayments totalling £1,025,000 had been made against the Project by 31 March 2024 with £1,424,000 scheduled to be repaid over the 2024/25 financial year, leaving an outstanding balance of £2.151m.
- **Charleston House (Loan spent, practical completion and outcomes achieved, repayment ongoing)** The £120k GPF loan towards their Centenary scheme has enabled Charleston to become more commercially sustainable and provide a year-round educational programme. Physical outputs comprise a new café-restaurant facility in the converted Threshing Barn which is serving more than double the amount of covers than the previous café, an auditorium and education space in the adjoining converted Hay Barn and completely new Wolfson gallery spaces with retail foyer. To support these developments there is improved separate access to the Charleston site and a significantly enlarged and improved car park with landscaping. Due to the substantial financial impact of Covid-19 to the charity, the project was granted flexibility on the GPF loan repayments, and a revised repayment schedule was approved at the July 2020 Accountability Board. Repayments have been made in accordance with this revised plan and are expected to be completed in 2024/25.
- **Eastbourne Fisherman's Quay (Loan spent, practical completion and outcomes achieved, repayment ongoing)** This project was awarded £1.15m GPF. Construction of both Phase 1 and Phases 2 and 3 of the Fisherman's Quay project is now complete. Although the first repayment of the loan had been undertaken with £225k paid back to SELEP in March 2021, however due to the impact of Covid and Brexit, a revised GPF repayment profile was approved at July 2021 SELEP Accountability Board. A reduced repayment of £100,000 was made against the £250,000 repayment instalment due in Q4 2021/22 meaning that the project had defaulted on their agreed repayment terms. Subsequently a revised repayment schedule was submitted and approved at the April 2023 SELEP Accountability Board, which extended the repayment date to 2034/35 SELEP also agreed to waive interest payments on the outstanding balance subject to compliance with the proposed revised repayment schedule.

### Round 3 GPF Projects

- **Observer Building Phase 1a, Hastings (Loan spent, practical completion and outcomes achieved, repayment ongoing)** The business case for a £1.75m GPF loan to deliver Phase 1a of the Observer Building project was approved by the SELEP's Accountability Board on 18 September 2020. Phase 1a will support the renovation of a total of 1,174 sqm of the building. It will directly support the first 18-20 estimated jobs and six enterprises while preparing the building for Phase 2 which will deliver a further 1,039 sqm of commercial space (Mezzanine and First Floor) as well as preparing the residential shell on the 2nd and 3rd floors.
- **Observer Building Phase 2, Hastings (Loan spent, practical completion and outcomes achieved, repayment ongoing)** The business case for the further £1.6m on the GPF pipeline was approved by the SELEP Accountability Board on 2 July 2021. The loan funding will support the shortfall in the post-tender and post-value engineering contract price for the redevelopment of the lower four floors for commercial workspace and leisure uses. In doing so, it will enable the transition towards delivering significant elements of Phase 2 of the project, particularly the external shell works, as well as provide refinancing of an extended loan from the Architectural Heritage Fund that has allowed the project to move to contract and start on site. Moreover, it will create the conditions for a successful application to the Homes England Affordable Homes Programme to unlock the final funding to bring forward and complete 15 new homes. The full loan has been defrayed to the scheme in March 2022 and work funded by the GPF loans completed in 2024.