

## **Newhaven Town Deal Board**

### **Minutes of Board Meeting**

Friday 24<sup>th</sup> June 2022

3pm – 4pm via MS Teams

**Chair:** Chris Ketley (CK), Knill James LLP

#### **Attendees:**

- **Lewes District Council:**
  - Robert Cottrill (RCot), Chief Executive
- **Members of Houses of Parliament and Lords:**
  - Baroness Janet Whitaker (JW)
- **Department of Business, Energy & Industrial Strategy / Towns Fund team**
  - Nigel Stewardson (NS), Cities & Local Growth Unit
- **Local Enterprise Partnerships:**
  - Graham Peters (GP), Chair, Team East Sussex (SELEP)
- **Community, Education and Business Representatives:**
  - Sarah Burge (SB), Sussex NHS Commissioners
  - Penny Shimmin (PS), Sussex Community Development Association
  - Captain Dave Collins-Williams (DCW), Newhaven Port & Properties
  - Duncan Kerr (DK), Wave Leisure
  - Dick Shone (DS), Boutique Modern
  - Ed Wills (EW), Brighton & Hove Buses

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

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

#### **Apologies:**

- Cllr Zoe Nicholson, Lewes District Council
- Cllr James MacCleary, Lewes District Council
- Ian Fitzpatrick, Lewes District Council
- Peter Sharp, Lewes District Council
- Guy McQueen, Lewes District Council
- Maria Caulfield, MP
- Corinne Day, Newhaven Enterprise Zone
- Adam Bryan, Chief Executive, SELEP
- James Harris, East Sussex County Council
- Max Woodford, Brighton & Hove City Council
- Ken Dry, Newhaven Town Council
- Cllr Graham Amy, Newhaven Town Council
- Adam Szczotka, DLUHC
- Trevor Beattie, South Downs National Park

- Mike Shorer, Newhaven Chamber of Commerce
- Chris Rasmussen, Jasfic Ltd

Agenda item		Action
1.0	<p><b>Welcome, Introductions &amp; Apologies</b></p> <p>CK welcomed all to the meeting.</p> <p>In addition to giving apologies, CK explained that CR had been in touch to explain that he will be stepping down from the Board. The Board joined CK in thanking CR for his insight and valuable contributions to the Board and the Building Our Economic Strength Sub-Group.</p> <p>There will also be changes to the LDC Regeneration team in July. PSha will be leaving the council and his role will be filled by LR. PSha was thanked for his great work in championing Newhaven and playing a lead role in bringing so much investment into the town. LR was congratulated for securing the position as Head of Regeneration.</p> <p>MH is also leaving LDC and was thanked for his hard work and proficiency over the last year or so. No replacement has yet been agreed.</p> <p><u>Occupation of former University Technical College (UTC) building</u>  During the week commencing June 6th, Lewes District Council exchanged contracts for the purchase of the building, with completion taking place during the week commencing June 13th. Unlocking this waterside site offers great potential for an exciting mix of education, community and commercial use.</p> <p>One of the occupants of the building, now called the Marine Workshops, will be East Sussex College Group (ESCG), which will in turn mean they move from their current facility at Denton Island. This move will free up the Denton Island site to house the Social Enterprise Incubator unit to be delivered by the Sussex Community Development Association (Agenda Item 3).  <i>Note from officers: LDC remain in negotiation with ESCG about the lease for their space in the Marine Workshops. There remains some risk associated with the Social Enterprise Incubator unit project until that is fully resolved.</i></p> <p><u>Your Newhaven (PropTech Engagement Fund)</u></p>	

	<p>Members will recall that LDC secured full funding to develop Your Newhaven through the Prop Tech Engagement Fund (Round 2). The fund is designed to support the widespread adoption of digital citizen engagement tools and services.</p> <p>GMQ has emailed Members with details of this new digital engagement platform and can provide an on-screen walkthrough on the site in advance of the launch:  <a href="mailto:yournewhaven@commonplace.is">yournewhaven@commonplace.is</a></p> <p>Members were asked to kindly promote the site through their usual channels. CK suggested that interested Members join for a group walkthrough of the site.</p> <p><u>Future High Streets Fund</u></p> <p>It has been proposed that the former Co-op building incorporate a new 'Health and Wellbeing Hub'. This would be expected to greatly increase footfall in the town centre and strengthen the wider programme of investment.</p> <p>CK celebrated these positive news items and Newhaven continuing to go from strength to strength.</p>	<p><b>GMQ to provide details of launch and offer site walkthrough</b></p>
<p><b>2.0</b></p>	<p><b>Minutes of Last Meeting</b></p> <ul style="list-style-type: none"> <li>• The previous minutes were agreed.</li> <li>• CK acknowledged completion of previous Actions - MH discussed options with DK to have the <i>An Active Community</i> Sub-Group review and consider Newhaven FC's request for additional funding. A paper setting out a proposal with details of the tendering process and total cost was shared on May 5th. The proposal was accepted by the Sub-Group and also CK Board Chair.</li> </ul>	
<p><b>3.0</b></p>	<p><b>Business Case for Approval: Building our Economic Strength</b></p> <ul style="list-style-type: none"> <li>• <i>Building our Economic Strength</i> is the sixth of the seven business cases that the Board will be asked to consider. The Executive Summary of the business case was circulated to Board members on 21st June. <i>The Building our Economic Strength</i> programme consists of two projects: <ol style="list-style-type: none"> <li>1. Social Enterprise Incubator</li> <li>2. Business Grants Scheme.</li> </ol> </li> </ul>	

	<ul style="list-style-type: none"><li>○ The consultants and officer team have been working on the development of the business case since April, with a virtual workshop held with the project sponsors on 7th April.</li><li>○ The work-in-progress business case was presented to the Strategic Sub-Group on 12th April and following further work it was taken back to the Sub-Group on 14th June for review and sign-off. Officers have also held additional sessions during May with the project sponsors for the grant scheme (ESCC) to develop those proposals.</li><li>○ The first draft of the business case had proposed dropping the business grant component of the programme. However, the Sub-Group were keen for that to be retained, a view which was supported by the Board at its meeting on 22nd April. The final draft of the business case therefore incorporates both projects.</li><li>○ The internal sign-off group reviewed the business case on 21<sup>st</sup> June. The draft circulated to the Board reflects the input and comments of the sub-group and the internal sign-off group.</li><li>○ The sub-group was chaired by GP with Chris Rasmussen, Jasfic Ltd &amp; Michelle Connors, Newhaven Enterprise Zone as additional members.</li><li>● CK invited GP to make opening remarks on the work of the Sub-Group:<ul style="list-style-type: none"><li>○ GP explained that there is a shortage all over East Sussex of managed workspace. The idea of providing workspace specially set aside for social enterprises was intriguing. GP supported the programme but was seeking the completion of a current feasibility study for the Social Enterprise Incubator before full support be provided to the business case. GP was delighted that ESCC had agreed to act as project sponsors for the Business Grants Scheme.</li></ul></li><li>● GP passed to MH for further details of the business case:<ul style="list-style-type: none"><li>○ MH explained that the Sub-Group had approved the business case but under the condition that the feasibility be completed prior to the main grant funding being released.</li><li>○ Officers recommend that the Board approve submission subject to relevant conditions. If the Board agrees then the business case could be submitted in time for the deadline of July 15th.</li></ul></li></ul>	
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- This would trigger the release of payments to LDC, as the accountable body, in September. LDC could then hold onto the funding on behalf of the Board until the feasibility study has been completed and reviewed.
- MH confirmed that SCDA were project sponsors for the Social Enterprise Incubator; this will be located on Denton Island in premises currently occupied by East Sussex College Group (ESCG). Colleagues at East Sussex County Council (ESCC) will be leading on the delivery of the business grant scheme.
- ESCC are experienced at running business grants schemes of this type which will greatly mitigate any risk relating to delivery of the scheme.
- The Social Enterprise Incubator is reliant on East Sussex College Group vacating their Denton Island premises on schedule for SCDA to move in and convert the building. ESCG are to move into the Marine Workshops (former UTC) which has progressed (Agenda Item 1) and means a timetable and programme of works can be developed.

*Note from officers: LDC remain in negotiation with ESCG about the lease for their space in the Marine Workshops. There remains some risk associated with the Social Enterprise Incubator unit project until that is fully resolved.*

- A feasibility study is required and will help inform the infrastructure requirements. Types of social enterprise could include services for vulnerable people, health and wellbeing, literacy, numeracy and other wider educational benefits, or perhaps businesses focused on the environment.
- The business grant scheme has a detailed specification which will focus on job creation, migration to net zero, delivering improvements to commercial property, purchase of new equipment linked to delivery of a new product or service, productivity improvements or reaching new markets.
- The Town Deal provides grant funding of just over £940k for the programme and there is match funding of at least £160,000. The match funding will be supplied by those business successful in securing grants through the business grant scheme. They will be . required to provide at least 50% match funding for their projects. Therefore the total match funding will at least equal the Town Deal funding for the business grant scheme

(£160,000), but may also exceed this.. The maximum combined funding for the whole programme will be around £1.1m

- Benefits include rental income that will be directly received from occupiers of the social incubator units over 10 years appraisal period as well as Land Value Uplift (LVU) from the building and from the refurbishment. The major part of the benefits comes through job creation of monetised benefits is based around the gross value added of the jobs. Total benefits over the appraisal period has been calculated to be just over £6.2m with a Benefit Cost Ratio of 1.93.
- As with previous business cases a cautious approach has been taken when monetising the benefits e.g. the impact of reduced unemployment has not been monetised.
- Additional non-monetised benefits include a cluster effect within the incubator unit with lots of businesses, many of whom will be slightly different sectors with different skill sets etc. and can produce knowledge exchange and capacity building.
- Agglomeration benefits and commercial benefits – where business occupying the units are able to trade between themselves in some instances. These sorts of benefits have been realised in other incubator units and shared workspaces so could be expected to occur in Newhaven too.
- New businesses often struggle to receive bank loans or can be risk averse and avoid using their own finances where there are limited reserves or working capital. Match funding from the Town Deal should help reduce risk and provide confidence to invest in themselves or borrow.
- ESCC will be developing a detailed set of assessment criteria and establishing a panel to undertake the assessment which should contain at least one Member of the Board.
- As well as the need for a feasibility and accompanying business plan from SCDA, officers will also look at the design and cost estimate work just to make sure that we're able to safeguard and avoid unnecessary risks.
- CK opened discussion up to the Board:
- JW thanked MH for a detailed and helpful presentation. JW said the staff cost estimates were lower than expected. As well as unemployment reduction, mental health improvement might

	<p>also be included. MK reiterated that a cautious approach had been decided upon and so neither had been included.</p> <p>➤ SB asked what sort of support would be available to assist businesses in financial decision making. MH confirmed that there was no funding for business advice within the programme, but that officers and project sponsors would explore the various ways which support could be offered through existing schemes.</p> <ul style="list-style-type: none"> <li>● <b>The Board approved the business but subject to these conditions:</b></li> <li>● presentation and acceptance of a feasibility study</li> <li>● presentation and acceptance of business plan</li> <li>● a review of the outcomes of the design and cost estimate/tender work</li> </ul> <p>to be completed before agreeing the project progresses to construction stage.</p>	
<p><b>4.0</b></p>	<p><b>State subsidy advice</b></p> <ul style="list-style-type: none"> <li>● CK explained that at the last meeting, Board members requested further information on the state subsidy implications of the proposed change to the <i>Better Journeys for All</i> programme to provide match funding to support the procurement of hydrogen fuel cell (HFC) buses. Since then, officers have been liaising with their legal advisers, a specialist transport consultant, and Brighton and Hove Buses to compile the information needed to provide that advice. That process is ongoing and further advice will be provided at the next meeting.</li> <li>● MH added that Members had been provided with a paper prior to this meeting that summarises the current position statement in terms of state subsidy advice, which the Board asked to see before approving the programme. The legal advice provided so far is that the proposed scheme would constitute a state subsidy but that does not mean it could not go ahead. The business case must demonstrate the necessity and proportionality of the investment. A detailed pro forma needs to be submitted to the Department of Business, Energy and Industrial Strategy. Brighton &amp; Hove Buses are assisting, and a workshop is scheduled for July 13<sup>th</sup> to progress this.</li> <li>● CK thanked MH and acknowledged that it was a complex project and highlighted the importance of due diligence being applied.</li> </ul>	

<b>5.0</b>	<b>Date of Next Meeting</b>  The next meeting is scheduled for Friday 22 <sup>nd</sup> July.	
<b>6.0</b>	<b>Any Other Business</b> <ul style="list-style-type: none"><li>• CK reminded Members that the annual Newhaven Fish Festival is taking place on Saturday 25<sup>th</sup> June.</li><li>• CK thanked all for attending and brought the meeting to a close.</li></ul>	