

19 August 2010

Our ref: R239

RE: Freedom of Information Request – Rye Central Garage Site

Introduction

Thank you for your request dated 26 July 2010, made under the terms of the Freedom of Information Act 2000, and the clarification you provided on the 29th July 2010.

Your request to SEEDA relates to a grant of £119,600 awarded in 2003 to Rye Partnership, via Rother District Council, for the Central Garage Site project in Rye.

1. *How was the money given with no guarantees of ownership by Rye partnership?*
2. *Are SEEDA going to put a charge on the land to recover this money?*
3. *I would like to see all paperwork involved in the decision to allow this grant?*
4. *Could I please have the invoices in regards to this matter?*

Information requested

In 1999 SEEDA awarded the Rye Partnership a grant of £1.68 million under the Single Regeneration Budget (SRB) to spend on local regeneration activities over the following six years. The SRB programme provided resource to support regeneration activities initiatives delivered by local regeneration partnerships, as part of a shift towards involving the wider community in regeneration activity.

Under the national SRB programme Local Authorities were unable to bid for funds directly but supported local regeneration partnerships in accessing SRB funds. In this case Rother District Council assisted in setting up the Rye Partnership and provided staff time and resources to prepare funding bids. Rother District Council agreed to act as Accountable Body for the grant, a role which entails ensuring that proper and effective Governance is in place for the programme and overseeing the allocation and spend of the grant awarded. As Accountable Body Rother District Council are responsible for the financial management and performance management of the SRB programme, which includes scrutinising evidence of agreed activity being undertaken and also ensuring that required contracting and procurement procedures are adhered to.

A condition of the SRB grant was that the Rye Partnership had to apply to SEEDA to seek approval for individual projects within the SRB scheme. SEEDA organised an independent appraisal of the funding application submitted for the Garage Site Project and the appraiser's recommendation was that the requested level of funding be provided as the project represented the most appropriate proposal for the development of the site. In March 2003 SEEDA granted £119,600 SRB funds to Rother District Council for phase one of a two phase project, to be delivered by Rye Partnership. The grant was provided to fund the clearance of the Garage site, which was derelict and contaminated, and these works were completed in 2003.



The second phase of the project applied for included developing the site to provide community facilities through constructing a modern new building incorporating a new library, adult education centre, offices for Rother Homes and a one stop shop for public sector services. This has been the subject of many protracted negotiations between the Rye Partnership and the land owner. In late 2009 these finally concluded, following the decision by East Sussex County Council to locate the new library on an alternative site in Rye. SEEDA has since supported and encouraged Rother District Council to explore other options which would result in the intended community facilities being provided. However a mutually acceptable proposal has not been forthcoming and it now appears unlikely that any community facilities will now be provided on this site.

Following a request from local residents the National Audit Office (NAO) undertook a review of the Rye Partnership and their report was published in March 2009. The report includes information on the Central Garage Site project (see appendix 2, section 2). The NAO report is publicly available from their website at:
http://www.nao.org.uk/publications/0809/review_of_the_rye_partnership.aspx

In response to your specific queries:

1) At the time of the submission of the project proposal, the site was not owned by the Rye Partnership but there was an understanding that the site would be leased to them. As stated in the enclosed funding application and appraisal, it was expected that Rye Partnership would arrange to let the premises on a long term (125 year) lease during quarter 4 of 2002/03. SEEDA understands that a Heads of Terms with the site owner to lease the land was agreed before the demolition started, however this expired in May 2005. During the period the remediation works took place and for a short time afterwards the Rye Partnership paid to rent and insure the site, despite having no formal lease or contractual relationship with the owner of the site. The 2003-04 SRB Delivery Plan submitted to SEEDA states that the Rye Partnership had purchased the site, but it was later found that this was not actually the case. As stated above, unsuccessful negotiations with Rother District Council have taken place since 2003 to identify and secure an appropriate level of community usage of the site. In May 2010 SEEDA became aware that the land had been put up for sale on the open market by the land owner.

2) Rother District Council is the Accountable Body for the SRB programme under which the funds for the Garage Site project were awarded. As such it would be for Rother District Council to take a charge on the site rather than SEEDA. This was not a specific requirement of the grant and no charge was taken at the time of award. SEEDA suggested that Rother District Council take legal advice regarding retrospectively taking a charge on the land however we understand that legal advice received by them confirms that they are unable to do this as no current contractual arrangement with the owner exists. As stated in the attached Grant Offer Letter, dated 25 March 2003, 'Approval of SRB funding is therefore subject to repayment of the grant should the second phase not proceed for whatever reason'. The NAO report (Appendix 2, paragraph 2.7) states that 'The Partnership may be liable to repay the SRB funding used to pay for the site clearance if a building with some civic and amenity access is not constructed on the site.' SEEDA are currently taking legal advice as to whether there are grounds to seek repayment of the funds awarded for this project from Rother District Council.

3) As requested I enclose the following documents:

- Application Form for Central Garage Site Redevelopment Project
- Supplementary Information to SEEDA Application

- Appraisal of Central Garage Site Redevelopment Project
- Grant Offer Letter for Central Garage Site Project

Please note that personal information which is exempt from disclosure under Section 40 (2) of the Freedom of Information Act 2000 has been redacted from these documents. All redactions are clearly marked in the documents disclosed.

4) As consolidated grant claims for the entire SRB scheme were submitted to SEEDA by Rother District Council, SEEDA do not hold copies of invoices for individual projects. You may wish to contact Rother District Council for this information.

Please contact me if you have any other queries.

Yours sincerely

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