

Report to: **Scrutiny Committee for Economy, Transport & Environment**

Date: **10 September 2014**

By: **Director of Communities, Economy and Transport**

Title of report: **Delivery of Economic Development & Skills Projects and activity**

Purpose of report: **To inform Scrutiny Committee on progress in delivering Economic Development projects in 2013/14, and plans for 2014/15**

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**RECOMMENDATIONS:**

**The Scrutiny Committee is recommended to note the report.**

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**1. Financial Appraisal**

1.1 There are no additional financial implications arising from this report, as funding has already been agreed and committed to the individual projects and activities.

**2. Supporting Information**

2.1 Economic Development is one of the County Council's key priorities, and the attached report at Appendix 1 provides detail on progress made in delivering projects in 2013/14 and plans for 2014/15.

2.2 It does not detail generalist activity but concentrates on the key or main actions that have taken place focusing on the Economic Development, Skills and Infrastructure Service. It gives detail on what the activities involved and also acts as a source of information/explanation in respect of these key areas. In addition, Appendix 2 summarises the key activities and effectively captures the 'headlines'.

2.3 Some of the key headlines for 2013/14 include:

- East Sussex SEP Growth Deal ask is £148m total of Local Growth Funding with 7,500 jobs directly enabled & 2,100 homes via individual capital projects, transport schemes facilitating 19,665 jobs & 30,800 homes. Nationally the Growth Deal is 4 times overbid.
- SeaChange Sussex – by working with SeaChange we have secured funding for, and are delivering circa £19m of Growing Places Funding projects in Bexhill, Hastings and Eastbourne.
- Through the previous SELEP Local Transport Body we have secured £19m funding for the Queensway Gateway Road and improvements to the junctions between the A22 and A27 at Polegate. Department for Transport has already accepted the business cases for each, and the funding is now allocated through the Growth Deal.
- The rollout of the first three phases of superfast broadband, with the programme substantially 8 weeks ahead of programme.
- The Rail Strategy has helped to confirm Network Rail of a good business case for the electrification of the Hastings/Ashford rail line and to run high speed services (HS1) to Hastings and Bexhill subject to additional detailed appraisal.
- Over 1,000 new learners have been engaged through the Adult Learning and Skills Partnership Board
- In July 2013 by working with the Let's Do Business Group as delivery partners, we bid into the Government's Regional Growth Fund (RGF) and were granted an additional £4m for our grants and loans to business programme (East Sussex Invest 3 (ESI 3)).

2.4 In addition to the continued progression and delivery of the projects identified above, some of the key headlines for 2014/15 include:

- The South East Local Enterprise Partnership Growth Deal specifically allocates £54.58m for East Sussex; £6.35m of this is for 2015/16. These figures include the previously committed funding for major transport schemes. East Sussex also benefits from the Coast 2 Capital Growth Deal in respect of Newhaven, with £11.5m (£0.750k in 2015/16) towards flood defence work and the Port Access Road. The East Sussex Growth Deal allocation percentage is on par at 36.8% of the total ask with the allocations to the other counties (Kent and Essex) in the SE LEP area.
- Creation of formal 'Team East Sussex (TES)' which will be *de facto* local board which is likely to be responsible for oversight of the delivery of East Sussex Local Growth Fund projects.
- Delivery of County Council actions emerging from the Local Government Association (LGA) Peer Review – Open For Growth, the relevant recommendations of which will also feed into a new growth strategy for East Sussex.
- Deliver the rollout of the e-Sussex superfast broadband project with BT improving coverage and speed across East Sussex, enabling more residents and businesses to take up services.
- The finalisation of the new Corporate 'Skills and Employability Strategy' focussing on ways the County Council and partners can enhance progression routes into employment, and also seeking to maximise the opportunities of working together to deliver the strategy.
- Work with the Small and Medium sized Enterprises (SME) Commission and other partners to identify funding to use as 'match' to secure EU funding from the £165m allocated to the SELEP area through European Social Funds and European Regional Development Funds to further reduce SME barriers to growth.
- By 1 August 2014, 47 RGF (ESI 3) applications had been approved totalling £2,500,612 of this £1,479,250 in grants and £1,021,362 in loans. Although some are still subject to contract, 313 projected jobs are now to be created with 41 safeguarded.
- The creation of the A27 'reference group' to ensure the best case is put forward to demonstrate the need for improvements to the A27 Lewes/ Polegate in the upcoming A27 improvement feasibility study.
- Work with partners to finalise the second pan East Sussex business conference (agreed date 8 October).
- Develop an East Sussex Growth Strategy and an 'Innovate East Sussex' strategy to help form the evidence and policy base underpinning relevant investment decisions including in the new round of European Union (EU) funds.

2.5 Scrutiny Committee may wish to note that since the launch of the East Sussex County Council Capital for Growth Funds December 2012, 648 new jobs are expected to be created. This equates to a cost per job created of £6k in respect of the committed funds; with the benchmark being £8k – 10k+/ job this gives us excellent value for money. Each new job is equal to an average annual GVA (gross value added) contribution to East Sussex of £35k/per head/ per full time job, this therefore equates up to a potential additional £22.68 million GVA contribution per year with all the jobs in place into the East Sussex economy.

### **3. Conclusion and Reason for Recommendation**

3.1 The report demonstrates considerable and positive progress in directly contributing to the economic growth of East Sussex during the last year, and provides a focus for this year's work.

RUPERT CLUBB

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Local members: All

BACKGROUND DOCUMENTS:

None

## Appendix 1

### Economic Development, Skills and Infrastructure: Narrative on activity for the financial year 2013/14 and looking forward, 2014/15

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#### **1. South East Local Enterprise Partnership (SE LEP)**

Note: ESCC has led for East Sussex partners in respect of developing content for both the SEP and the SIF (see below) with Economic Development & Skills (EDS) and Strategic Economic Infrastructure being the main lead teams. For some members of both teams this has used up to 80% of their time over a number of months. The teams contributed to meeting the 4 key deadlines in relation to the SE LEP SEP and SIF documents.

#### Strategic Economic Plan (SEP)

**2013/14:** Two key decisions were taken on the format of the SEP and funding:

- A federal model would be adopted, giving each of the SE LEP sub-areas greater autonomy in deciding on spend, but also giving each area a notional Local Growth Fund (LGF) allocation broadly based on population (ES a 13.2%). Because of this decision, and after development on the SEP had already begun at SE LEP level, the focus had to change fairly late in the development of the draft to include the production of much more detailed individual chapters for the federated areas.
- The document would be structured with a main SE LEP-wide section, followed by area chapters in line with the federal model. The local chapters would have a focus on Growth Corridors.

HMG advised there would be £2bn LGF for the English LEPs 2015/16 but circa £1bn had, in effect, already been committed (e.g. on transport & FE Funding Council capital). Where LGF had not already been committed there would be competition between LEPs to fund key priorities plus freedoms & flexibilities, with an emphasis on demonstrating vfm.

EDS worked with partners (mainly the B/DCs and Sea Change Sussex) to develop a programme of commercial and housing schemes, with rural and coastal partners to better understand their particular community intervention needs and the SE LEP Skills Working Group. EDS also organised a specific business consultation event July 2013 to help develop the business content and focus for the ES input to the draft. Schemes in relation to transport were identified noting that the Baldslow Link (now termed North Queensway Gateway) and the A22/ A27 junction improvements had already been agreed as priorities through the Local Transport Board. There is one specific project that will be cross LEP 'border' that, if successful, will involve LGF from both SELEP's allocation and that of Coast to Capital LEP at £1.5m each. This will be used to match a £6m contribution from the Environment Agency in relation to flood defences in and around Newhaven; whilst intended infrastructure schemes to support regeneration in Newhaven can in theory proceed without these defences, having no flood defences is seen as very likely to damage developer confidence to invest.

The ES chapter was agreed by Team East Sussex (TES) before inclusion in the draft SEP which was submitted December 2013.

SE LEP also decided it would top-slice 15% from the final LGF allocation for 'cross-LEP projects and economic shocks'. By the time the final SEP was submitted exactly what this 15% would cover, when and how, was not worked through.

Government provided both informal and then formal feedback on the draft. HMG in particular asked for a punchier document, was looking for more clarity on the 'asks' and freedoms & flexibilities and on what it could expect to receive from SE LEP in return for its investment.

Following this a large amount of further work was done with partners particularly on the proposed commercial and housing site schemes to further tease out more detail including on finance and the transport schemes where further worked up to develop high level business cases for each scheme. There was some necessary hard negotiation with ES partners to 'scale back' their ambition to fit within the notional financial envelope (c£25m LGF per annum in total for ES); some projects were withdrawn, others were scaled down and others were moved to years where there was less pressure

on the financial limit imposed. Given the SE LEP wished to focus on 'Growth Corridors' these were also developed with the individual narratives encompassing input from the relevant B/DCs.

In relation to skills capital East Sussex partners intend to use LGF in a multi-year strategic investment programme to ensure that local skills priorities can be delivered through the provision of 21st century facilities. EDS worked closely with FE providers to draw up an outline Capital Programme for ES. The proposed programme aligns with LEP-wide priority sectors and has a focus on particular growth sectors for the ES economy: Advanced Manufacturing and Engineering; Low Carbon economy; Life Sciences/ Medical Technology; Tourism; Creative, Cultural and Media, especially targeting higher value and growth sub-sectors. It also includes proposals for increased capacity to deliver health/medicine related learning; STEM (e.g. linked to scientific support for the care sector and a rural GPS technology centre). In addition to new build, we have also identified refurbishment requirements based on the % of gross space classed as either 'C' operational, or 'D' inoperable across the current college estates.

A revised SEP that finessed the draft SEP and reflected HMG feedback was submitted by SE LEP March 31 2014.

The final SEP has 6 sections: Growth ambitions; economic strengths+; productivity; skills; housing; growth corridors. The Growth Deal element has 5 sections: SEFUND; transport, productivity; skills; housing.

There are 12 Growth Corridors within SE LEP, 3 of which are in East Sussex: The A21/A259 Hastings – Bexhill Growth Corridor; the A22/A27 Eastbourne – South Wealden Growth Corridor and; the Newhaven Clean Tech and Maritime Growth Corridor.

The SE LEP SEP headlines are: £1.2bn LGF, £200m a year from 2015/ 2021 to enable 200,000 jobs at 20,000 per annum; 100,000 homes to 2021 (completion rate up 50% per annum); 10bn in leverage to 2021.

For East Sussex this equates to £148m total LGF with 7,500 directly enabled jobs and 2,100 homes via individual capital projects, and transport schemes facilitating 19,665 jobs and 30,800 homes. Transport and commercial/ housing site schemes if all successful would yield £397m in private sector leverage.

**2014/15:** In early April 2014 we were asked to prioritise the transport and 'SEFUND' schemes (the latter comprising projects on commercial and housing site development) with particular emphasis on projects that could be delivered 2015/16. The priority list for East Sussex was agreed by TES before submission.

From April 2014 government starts the formal assessment of the SEPs with the expectation that these will be completed by June with LGF Growth Deal offers being made July 2014. We supported SE LEP as required in its negotiations including the provision of any additional information in respect of schemes. Some of the (particularly partner) projects put forward, mainly post 2015/16, have a way to go in term of development including in relation to FE capital projects (whose major difficulty will be securing match funding at the 2:1 ratio currently required by the SFA). We will also begin work identifying other partners who could deliver skill capital projects since capital funding is

available more widely than for FE providers. As appropriate we will encourage and support all partners with project development.

We will be required to produce a local 'Growth Deal' Delivery Plan or equivalent in respect of ESCC and partner projects where enabled via the LGF.

The SE LEP July Growth Deal specifically allocates £54.58m for East Sussex; £6.35m of this is in the first year. These figures include the previously committed funding for major transport schemes, as well as an increase in the Housing Revenue Account borrowing limit for Eastbourne BC. If we also include the C2C Growth Deal, then East Sussex benefits from £66.08m of Local Growth Fund investment, of which £7.05m is in the first year.

Alternatively, if we factor in the match funding to the SE LEP £54.58m the SE LEP Growth Deal is worth £80.3m for East Sussex 2015 - 2020.

The Growth Deal for East Sussex currently encompasses:

	LGF allocation (£m)			Outputs		Match funding
	2015/16	2016 +	Total	Jobs	Homes	
<b>Transport schemes</b>						
- North Bexhill Access Road	5	0	5	1,600	120	0
- Integrated & sustainable transport projects	0.6	10.1	10.7	900	4,300	9.125
- Hastings and Bexhill LSTF walking and cycling package	0	6	6	-	-	1.7
- Hastings and Bexhill junction capacity improvements package	0	6	6	4,200	6,280	1.45
- Eastbourne town centre access & improvement package	0	6	6	3,500	4,100	4.9
<b>Previously committed transport funding</b>						
- A22/A27 junction improvement package	0	4	4	4,400	8,400	1
- Queensway Gateway Road (Baldslow Link)	0	15	15	3,900	4,900	0
<b>Total transport</b>	<b>5.6</b>	<b>47.1</b>	<b>52.7</b>	<b>18,500</b>	<b>28,100</b>	<b>18.175</b>
<b>Business support / productivity</b>						
- Newhaven flood defences	0.75	0.75	1.5	-	-	7.5
<b>Additional commitments</b>						
- Housing Revenue Account borrowing increase for Eastbourne BC	0	0.38	0.38	-	-	0
<b>Total non-transport</b>	<b>0.75</b>	<b>1.13</b>	<b>1.88</b>	<b>0</b>	<b>0</b>	<b>7.5</b>
<b>Total SELEP Growth Deal</b>	<b>6.35</b>	<b>48.23</b>	<b>54.58</b>	<b>18,500</b>	<b>28,100</b>	<b>25.675</b>
<b>C2C Growth Deal</b>						
Newhaven Port Access Road	0	10	10	0	335	
Newhaven flood defences	0.7	0.8	1.5	5,000	0	
	<b>0.7</b>	<b>10.8</b>	<b>11.5</b>	<b>5,000</b>	<b>335</b>	
<b>Total of both Growth Deals</b>	<b>7.05</b>	<b>59.03</b>	<b>66.08</b>	<b>23,500</b>	<b>28,435</b>	

The East Sussex allocation is on par with that of the partners SE LEP county areas of Kent and Essex. The Growth Deals are to be implemented from April 2015.

## European Structural & Investment Fund Strategy (SIF) 2014 – 2020

**2013/14:** As with the SEP, the SIF narrative and figures were drawn together by the consultants Shared Intelligence based on information supplied by all the federated SE LEP areas and also through the input of relevant stakeholders who participated in thematic working groups. In East Sussex, ESCC coordinated much of the county's input into the Strategy, with emphasis on skills and innovation, and worked closely with our partners to try to ensure our data and input were robust and had as much partner buy-in as possible.

The Strategy is divided thematically across: Innovation, Investment and Enterprise, Growth in the Rural Economy and, Building a 21st Century Workforce. There are also the two cross-cutting themes of Sustainable Development and Equality & Diversity. The total £165m SE LEP allocation is divided equally between the European Regional Development Funding (ERDF), which invests in SMEs directly and the European Social Fund (ESF), which invests in individuals, and there is an additional allocation of European Agricultural Fund for Rural Development (EAFRD) totalling just under £14.5m.

In developing the Strategy, SE LEP areas were asked to provide indicative projects that were exemplars for the type of investment that could be expected in order to give SE LEP an understanding of the focus and scale of interest and ambition. East Sussex partners provided over 45 projects, many of which relate to ESF, but there are wider potential projects across the LEP, such as the proposal for co-ordinated business support in the form of Gateways to Growth, which would apply to ERDF. Rural projects under EAFRD are somewhat less developed because of a delay in confirming the allocation until December 2013. Given the importance of ESF to the voluntary and community sector EDS organised a specific information event for this sector October 2013.

Skills/training are a major element within the SIF as at least £82.5m will go on this and related activity. EDS worked with SE LEP partners to develop the SIF Skills and Employment elements; our particular focus was to ensure that the needs of ES were recognised and articulated. We were particularly keen to ensure: The complexities of labour market disadvantage identified in the East Sussex Adult Learning and Skills Partnership Board (Works and Skills Plan) were encompassed; literacy, numeracy and IT skill levels were included; measures were identified to increase the participation of ages 16-24 in work, education and training; recognition was made of the need to grow knowledge intensive sectors in ES and; that recognition of the need to increase higher level and technical skills was given.

In support of the EU SIF we opened negotiations with opt-in agencies (e.g. The Skills Funding Agency, BIG Lottery, Manufacturing Advisory Service, Growth Accelerator etc.).

A draft SIF was submitted to HMG October 2013 and was then put out for external consultation by SE LEP, with the final SIF being submitted 31 January 2013.

**2014/15:** National Government is currently negotiating with the European Commission to agree the overarching, national SIF Programme. Simultaneously, the mechanisms for launching project calls and then assessing projects is being developed at LEP level. Discussion is centring on the degree of influence that LEPs will have over naming successful projects and how much they will be involved in the operational processes. SE LEP is feeding in to this debate and the EDS team is represented on the

SE LEP SIF work Group. Note however the ultimate decisions on individual projects will lie with Central Government, with individual departments acting as Managing Authorities and so carrying financial liability for any funding that *may be* 'clawed back' by the EU Commission.

Unlike LGF there is (to date) no notional allocation of EU funds to the federated areas partly because the LEP will have no ultimate control over projects (see above) and partly because the majority of the projects that may come forward are still unknowns, despite the pro formas. It should be born in mind however that federated areas are likely to have a notional 'take' in mind. The degree that ESCC/TES (see below) will need to be involved in the call for projects, in raising awareness and helping to develop partner projects is as yet unclear given the process, as explained, is still being worked through; there will undoubtedly however be some level of involvement beyond developing our own projects.

EDS will need however to continue to work with partners to develop a programme of projects to exploit funding opportunities available under the EU SIF to include delivery of identified skills and employment training that have resonance locally; project focus will be on the ES priorities detailed under the 2013/14 section above (e.g. reducing the barriers to training and employment opportunities). We will also continue to negotiate with the Opt-In agencies and will form part of the negotiating team that works on the skills 'deal' with Government.

The table below illustrates possible Opt In spend in East Sussex as well as indicative funding (2015 – 2020) need as identified in the county to date.

ESF Thematic Objective	SELEP Skills and Employment Priority	ESF East Sussex
Employment/labour mobility: access to employment and sustainable integration of young people	Active inclusion, transition to work, reducing youth unemployment	£2,851,000
Education, skills and lifelong learning	Employer-led infrastructure & enhanced Information, Advice and Guidance; apprenticeships/ other vocational provision; up-skilling the workforce and supporting SME growth	£5,860,800
Social inclusion: active inclusion	Active inclusion, transition to work	£1,683,000
Total ESF funding		£10,394,000

Work to finalise the SE LEP SIF will be on going until December 2014. We currently expect all of the outstanding (national) issues to be resolved by the end of summer, with the first calls for projects in early 2015.

#### Team East Sussex

**2013/14:** During a special SE LEP meeting between LA Leaders and Business Vice Chairs 24 May 2013, it was agreed that the structure of the LEP should be reconfigured into a more 'federated' model; a notional oversight SELEP Board would remain to focus on the areas where it can add strategic value, while each county area (East Sussex, Greater Essex (with a Thames Gateway south Essex 'sub-committee'), and Kent & Medway) would have its own de-facto local board, meaning far more activity and control at a local level.



SELEP's federated model of governance was finally approved December 2013, where it was agreed that the East Sussex local board would be a 'formalised' version of the Team East Sussex arrangement. Recall that prior to this TES was simply an informal 'pre-meet' in order for East Sussex members of the Board (and Executive Group) to consolidate our local viewpoint ahead of full SELEP meetings.

All TES meetings, briefings and operational matters are organised via EDS.

**2014/15:** Whilst TES is now acting as a formal local board, further work is still to be completed on governance, sectoral representation, Terms of Reference etc. (as none of this was previously required). This was completed during May/June 2014. The current TES Chair, Derek Godfrey, announced in June his intention to step down and his successor should be appointed following a panel selection by the end of September 2014.

Discussions will also be necessary on the Delivery Plan/ any commissioning plans, project delivery etc. as TES will likely be responsible for oversight of the delivery of all of the East Sussex Local Growth Fund/ SEFUND projects through SE LEP's Growth Deal. This is likely to have implications for the operational support (secretariat) needs for TES which will also need to be detailed over the coming months.

In addition in respect of the EU funds if it is agreed that the local federated areas will be able to recommend projects from their area to the LEP this implies that a suitable group with broader representation than TES may need to be set up; this group would need to have some expertise in the technical aspects of ERDF and ESF and also reflect in terms of sector expertise for example the social inclusion and low carbon elements of ESF and ERDF, which are ring fenced at 20% funding respectively. As noted above, any support requirements in respect of EU Funds will become clearer towards summer.

## **2. Growing Places Fund (GPF)**

**2013/14:** The Bexhill Business Mall scheme was awarded £6m of GPF May 2013. The project, which started work in September 2013, is expected to generate 330 new jobs.

Sovereign Harbour Innovation Centre in Eastbourne was also approved for GPF funding by the SE LEP Board June 2013, but the LEP was subsequently unable to progress this further due to a backlog of approved schemes that hadn't drawn down any funds. In January 2014 SE LEP's accountable body conducted a GPF review and recommended reallocation of unused funds; following this in March 2014, the Board agreed to award £4.6m of GPF to Sovereign Harbour, although less than originally requested. The project is expected to generate 330 jobs.

Prior to 2013/14, recall that East Sussex had already been successful in securing £7m to construct Phase 3 of the Priory Quarter scheme in Hastings and £1.5m for site-infrastructure work for a business park at North Queensway, also in Hastings. Both projects started work November 2012.

Note that all of the current GPF projects in East Sussex are being managed by Sea Change Sussex, and all of the contracts with SE LEP have been underwritten by ESCC.

**2014/15:** The Sovereign Harbour Innovation Centre project is now being progressed toward contracting.

The existing Round 1 projects mentioned above (Priory Quarter Phase 3 and North Queensway) are due to complete works during 2014/15, meaning they can begin to deliver their projected outputs of around 900 jobs.

There are also two further schemes still in the GPF Pipeline: Bexhill Enterprise Park 'Critical Business Space' (a £12.5m bid to generate 700 new jobs over 2 years and secure 1500 jobs), and Priory Quarter Phase 4 (an £11m bid to generate 287 new jobs). Whilst it is hoped these pipeline schemes can be brought forward this year, note that the future use of GPF is inexorably linked to SE LEP's proposed 'South East Fund' (SEFUND) where consideration is currently being given to using recycled GPF monies to seed this new fund. Depending on how and if SEFUND is funded and works there may be opportunity for these pipeline projects to bid into this fund post April 2015.

### **3. Transport Infrastructure**

#### Local Transport Board (LTB)/ South East Local Enterprise Partnership – Strategic Economic Plan (SEP)

**2013/14:** The SE LEP area Local Transport Board was allocated £66m from Central Government towards the delivery of local major transport schemes. Following a comprehensive assessment by the LTB and a process of due diligence to ensure deliverability and affordability of schemes being put forward, the LTB allocated:

- £15m towards the Queensway Gateway Road which will unlock employment development in the North Hastings area (up to 23,000sqm) as well as to improve access to the A21 corridor from other employment sites in Hastings and North Bexhill.

- £4m towards a package of junction improvements on the A22/A27 which are identified in both the Wealden and Eastbourne Local Plans as critical towards unlocking housing and employment growth in Eastbourne and South Wealden (Hailsham, Polegate/Willingdon & Stone Cross).

For the SE LEP Strategic Economic Plan and Local Growth Deal, a wider package of transport interventions required to support economic growth have been identified in each of the three East Sussex Growth Corridors (A21/A259 Hastings-Bexhill; A22/A27 Eastbourne-south Wealden; Newhaven Clean Tech and Maritime Growth Corridors). As well as the LTB schemes as above, these interventions include packages of junction improvements, public transport and walking/cycling improvements which were identified as critical in each Borough/District's Local Plan/ Infrastructure Delivery Plan to support housing and employment growth in the respective areas. These interventions were also identified as infrastructure requirements in the transport approach for each spatial area under the East Sussex Local Transport Plan in support of sustainable economic growth. Under the SEP (see 1. above) the East Sussex transport need totals to £81m of LGF investment over the six years 2015/16 to 2020/21.

**2014/15:** A high level business case has been developed for each of the LTB and further transport schemes identified above. Over 2014/15, and with a particular focus on those schemes where delivery is programmed to start in 2015/16, further work will be undertaken to develop and design

these schemes, including where appropriate taking them through statutory processes. We will also continue to refine the business cases to better ensure that the necessary funding is made available by central government/ SE LEP.

Queensway Gateway Road – an environmental impact statement is currently being undertaken along with the detailed design for the scheme. A planning application is programmed for submission summer 2014 with tenders timed to be issued autumn 2014.

### Strategic Roads

**2013/14:** We have continued to lobby for improvements to the strategic road network to support economic growth in the county. There has been particular focus on the A27 between Lewes and Polegate and on the A21 (Kippings Cross to Lamberhurst and Flimwell to Robertsbridge).

Within the SEP, one of our ‘asks’ is for Government/Highways Agency to fund the improvement of both the A27 and A21, highlighting the need to support our ambitious growth plans in the Eastbourne/south Wealden and Hastings/Bexhill Growth Corridors respectively. *Please also refer to the Growth Deal allocation at 1. above, 2014/15.*

In autumn 2013, we input to the Highways Agency’s Route Based Strategy (RBS) for the South Coast Central network (which includes the A27/A259, A21 and A26 south of Newhaven) as well as commenting on the draft evidence report published in February 14. Our response highlighted that the report had seriously underestimated the growth plans in the area and that the various evidence contained therein regarding network efficiency, traffic speed & journey time reliability, functionality and safety issues of the strategic road network serving the county had not been drawn through into the conclusions, and therefore needed to be revisited. We are still awaiting the revised RBS report.

We have provided support for the wider lobbying by local politicians and business of Government Ministers for the improvement of the A27 between Lewes and Polegate, in particular in respect of the Secretary of State’s visit at end March 2014.

**2014/15:** In tandem with the RBS, the Highways Agency and DfT will be undertaking an A27 improvement feasibility study looking at the A27 between Portsmouth and Pevensey. For this study and the RBS, we have already provided evidence to support the case for the improvement of the A27 between Lewes and Polegate. The study is due to conclude autumn 2014 and over the following six months we will be co-ordinating input across stakeholders into the work to ensure that the best case is put forward to demonstrate the need for improvements. This work will include the establishment of a local A27 reference group involving relevant MPs, local councillors and leaders of the local authorities aligned to the A27.

The Government announced in May that funding approval has been given for the A21 Tonbridge to Pembury improvements which will help support economic growth plans for the Hastings/Bexhill area by allowing for improved journey time reliability on the A21. This will help local business accessing north Kent, the M25, London and beyond.

### Local Sustainable Transport Fund – Wheels to Work

**2013/14:** The East Sussex Wheels to Work scheme was launched September 2013. The scheme has been funded through the East Sussex Local Sustainable Transport Fund allocation of £3.7m received July 2012. This funding is for a package of sustainable transport measures in Eastbourne, Newhaven and Lewes. The scheme provides a loan service of either a scooter, motorbike or an electric cycle. In addition, motorbike servicing, MOT testing station, a shop for motorbike equipment and a training facility for hire, will generate income to move the Community Interest Company (CIC) which manages W2W into financial sustainability in the near future. A new mobile van unit has also been introduced that can serve clients in other parts of the programme area.

The scheme has created five new jobs – four of these employees were long term unemployed. Since the launch, 50 people have joined the scheme using it to access work or education/ training or secure/ enhance existing job prospects.

**2014/15:** Further LSTF revenue funding has been made available in 2015/16 and the County Council has submitted a bid to DfT for an additional £205,000 for East Sussex Wheels to Work. If successful, the funding will be used towards:

- Scheme extension – Expanding the scheme into Bexhill and Hastings and the rural hinterland of the county to support access to jobs and education.

- Purchase of additional scooter, motorbike & electric cycles to increase the number of vehicles that are available to provide up to 180 loans during 2015/16.

- Increase engagement with key stakeholders - Continue to work closely with existing partners and identify new partners, which will provide access to the target market and referrals to the scheme.

- Increase the profile of income generating services: Promote the showroom & motorbike shop - clothing, equipment and accessories; promote the motorbike workshop providing maintenance, repairs and MOTs; provide and promote supported ‘bench time’ for local community motorcyclists by a trained motorbike mechanic; promote the training room facility to key partners and wider community for hire and; establish a ‘new’ EBay Store and a facility for online and telephone sales of clothing, equipment and accessories.

- Board of Directors, from members of the existing steering group, move towards the development of a Board of Directors to manage the future direction of the CIC.

In addition, we will continue to investigate and bid for other funding sources to support the scheme as it continues to move towards long term financial sustainability.

## Rail

**2013/14:** Following a Rail Symposium in September involving invited stakeholders, the County Council’s Rail Strategy was adopted November 2013. This identified two key priorities for supporting economic growth in the county – firstly, the dual tracking and electrification of the Hastings to Ashford line and secondly the dual tracking and electrification of the Uckfield to Hurst Green section of the Uckfield line. Both these schemes have been identified in the LEP’s SEP as ‘asks’ for investment in rail infrastructure in the county.

In addition, Network Rail had been undertaking a study on improvements to rail access to the Bexhill and Hastings area. The outcomes of the study were summarised at the Hastings Rail Summit held at end March 2014 and identified that there was a good business case for the electrification of the Hastings/Ashford line. This could include running high speed services via Ashford through Bexhill/Hastings subject to achieving the necessary journey time improvements and it being affordable.

In addition, Southeastern have announced the retention of the Hastings – Cannon Street service and that from December 2014, a ‘Hastings Express’ service will provide two additional faster services (one morning and one evening) between Hastings and London on the Hastings – Tonbridge line.

**2014/15:** The main focus over the next year will be to help support the further work being undertaken by Network Rail on the economic growth element of the business case for the electrification of the Hastings/Ashford line, in order that the scheme can be put forward for potential inclusion in Network Rail’s Control Period 6 negotiations with DfT. This will need to involve the co-ordinated input of a range of stakeholders including the local MPs, Borough and District Councils, Kent County Council and business and interest groups such as Railfuture and the East Sussex Rail Alliance.

#### Aviation

**2013/14:** In November 2013, we advised the Airports Commission, who were asked by Government to look at short/medium term deliverable improvements as well as long term airport capacity improvements in the south east, of our support for a second runway at Gatwick Airport (subject to the necessary surface infrastructure improvements). The runway would support economic growth and job creation (up to 17,000 jobs) in East Sussex.

In December 2013, the Airports Commission shortlisted a second runway at Gatwick as one of three options for addressing long term airport capacity. Gatwick Airport is currently consulting on three options for their second runway. We have also input into the surface access strategy which will accompany the final preferred second runway proposal to be submitted to the Airports Commission July 2014.

**2014/15:** We will be responding to Gatwick Airport’s consultation on their second runway proposals and will continue to lobby for the need for the runway to support economic growth in East Sussex ahead of and through the Airports Commission’s national consultation on all three long term options due September 2014. We will also continue to work with Gatwick Airport to refine the surface access improvements required to enable improved access for East Sussex business and residents to the airport by rail and road.

#### **4. Superfast Broadband**

**2013/14:** We ran a successful procurement for the Superfast Broadband contract during the early part of 2013 and following a period of negotiation awarded the contract to BT Group at end May 2013. There then followed approximately 6 months during which BT Openreach began planning for the first stages of network build. The first phase of implementation was announced in the autumn, and surveys began in November 2013 as did fibre spine build (linking to the existing fibre spine at

Tunbridge Wells). which is the only non-ADSL broadband enabled exchange in the county. The first exchange area to go live was Hadlow Down (April 2014). We secured an additional £650k from BDUK to support superfast delivery into more areas. Registrations of demand for better broadband now total 14,263; 6,262 registrations were added in 2013/14; more than triple the target for the year.

**2014/15:** Implementation is currently running about 8 weeks ahead of schedule, despite appalling weather conditions over the winter, and we will continue to drive delivery ahead of schedule whenever possible. Work will continue to deliver the next 2 phases in this calendar year, with surveys already completed for Phase 2 (two cabinets have already been installed although these are not yet live) and some 5 or so surveys have been completed for Phase 3. We will particularly focus on delivery of the solution for Isfield, as well as ensuring delivery to industrial estates across the county which have been left out of BT's commercial plans. An awareness and demand stimulation plan is in place and will run alongside rollout to highlight the benefits of better broadband and encourage take-up. Importantly, additional support to the business community to maximise benefit from superfast broadband will be taken forward under the ES SME Commission (for urban areas) and RuGEF funding (rural). (See 7. below).

We are also working with SELEP and, separately, with BDUK on projects to improve mobile telephony within the area.

#### **5. Adult Learning & Skills Partnership Board**

**2013/14:** We worked with and also chaired the East Sussex Adult Learning and Skills Partnership Board (FE; HEI, voluntary sector, private training providers and business) in its delivery of a programme of activity to increase participation and drive up skill levels. Over 1,000 new learners have been engaged in projects where learning is not fundable from mainstream sources. These included projects which offered 'first steps' and improved employability and digital skills and skills for business. In addition priority learners such as adults with mental health issues, people not in employment and training and those furthest from the labour market were also targeted.

We worked with the Partnership Board to run consultation events as part of the development of the EU SIF and the SEP (these included the voluntary sector) and ensured feedback from ES was strongly represented to SE LEP.

We also worked with Partnership Board members on the successful development and submission of the Skills Funding Agency contract 'Skills Support for the Workforce' (SSW) which covers the SE LEP area and is designed to provide flexibility to respond to business needs at local level. As part of the contract, we are working with the partners on the development of an employer-led training portal, the second phase of which will include Information, Advice and Guidance. We have supported the engagement of ES business/ training provider representation on the Portal Working Group, of which we are also part.

**2014/15:** We will undertake a full evaluation of the Partnership Board's project programme in order to inform the next stage of delivery, and will also continue to work with them to deliver the SSW contact with particular focus on the employer-led portal element. EDS will seek to ensure that training needs of ES employers, particularly of small companies are recognised and met as well as

the SE LEP employers who are significantly larger. The Adult Learning and Skills Partnership Board, now the Employment and Skills Board will meet in September and review membership, the strategy and work programme.

### **6. Skills & Employment - other**

**2013/14:** We supported the cross-departmental development of a new Corporate Skills and Employability Strategy which has four main priorities: P1: Raise prosperity and create job opportunities; P2: Ensure that young people and adults have the knowledge and skills they need to succeed at work; P3: Increase the number of children that are in education, employment or training (for those up to 25 years old); P4: Support vulnerable people, looked-after children, troubled families, and those with learning difficulties to find & keep voluntary/ paid employment. These priorities are underpinned by twelve cross-cutting actions, each with time bound targets and impact measures.

The EDS team produced a Skill Plan as part of the DfT monitoring requirements under the successful award of funds for the Bexhill Hastings Link Road and have now completed a progress report for DfT.

We continued to support the Sussex Learning Network (SLN is a Sussex-wide partnership of HEI and FE providers and local authorities across Sussex). Recognising the need to align complementarity of both FE and HEI provision to match employers' needs we were part of the SLN Working group that produced a report analysing potential demand for training across the built environment supply chain, the main focus of which were the Green Deal and Energy Company Obligation (ECO). Green Deal and ECO have been implemented alongside a prescriptive skills and competencies framework which organisations must meet in order to become accredited to deliver under these schemes. A curriculum mapping exercise was also carried out as part of the study in order to enable FE and HEI to adapt or offer new provision. Employer engagement was a key element of the work. This builds on other employer focused work undertaken by SLN including a report on perceived skills gaps of Tourism, Hospitality and Catering employees and working to overcome barriers to Higher Apprenticeship progression.

We were part of the SE LEP Panel which supported the SFA in its procurement of the new National Careers Service (NCS) contract for the SE LEP area, although the contract was not finally awarded for various reasons.

EDS worked with the Princes Trust, Amicus Horizon and other partners including Hastings Borough Council to secure £6.9m for the SE LEP area through the BIG Lottery's Talent Match programme which aims to reduce unemployment amongst young adults furthest from the labour market. The project is led by the Princes Trust and will run until 2017 pending approval of project plans to be resubmitted in two years' time.

EDS supported the Library Service in its work to re-register ESCC on the SFA's National Register of Training Organisations.

**2014/15:** Research concludes that the shift to superfast broadband will deliver jobs and growth; however changing technologies and a shortage of relevant skills is potentially a big constraint on achieving improved bandwidth benefits. Therefore initiatives are being developed that aim to

improve digital skills, one for businesses in order to better harness the potential of superfast broadband, and one for wider digital skills. We will be working with business representatives, FE and HEI, the voluntary sector, and ESCC's Library Service (including Learn Direct). The aim is twofold: To ensure that local residents are equipped to take advantage of employment opportunities, as well as equipping people and business to deal with the increasingly 'digital by default' public and other services (for example the new digital Universal Credit on which Jobcentre Plus has already raised concerns of insufficient client skills).

EDS will also support the implementation of the new Corporate Employability and Skills Strategy and the Employability Hubs project led by Children's Services; continue to deliver the Bexhill Hastings Link Road Skills Plan; work with the SFA on the re-procurement of the National Careers Service contract for the SE LEP area; support delivery of the Talent Match programme (focusing on engagement with employers and marketing); support the work of the SLN and; will evaluate learning from the 'Green Deal' report and West Sussex pilot to identify relevance for ES.

We will also support the Children and Young People's Trust in the development of a new Child Poverty Strategy. To note that this will be wider than simply a focus on skills and necessarily will have a strong economic development element.

### **7. The East Sussex SME Commission**

**2013/14:** Note the first East Sussex SME Commission meeting took place 2012 with the overarching objective of 'To identify barriers and facilitate improvement of conditions for SME growth'. Representation on the Commission is fifty percent at Member level and fifty percent from the private sector under a private sector Chair (Graham Peters). The Commission has met 6 times formally (& a number of times informally). In addition it hosted the first pan East Sussex Business Conference (2012, with 65 attendees) and, to follow up on a business need identified at the Conference, Wealden DC led on an SME Commission Planning and Business Funding event December 2013. EDS provides the secretariat function for the Commission.

The SME Commission was allocated up to £1m from the ESCC capital budget for growth to support its objectives. The SME Commission and the Business Conference have identified a number of barriers to SME growth where intervention should take place:

<b>ACTION and status</b>	<b>DESCRIPTION</b>	<b>Estimated/actual cost and outcomes</b>
<b>1. Superfast Broadband demonstration for business</b>	Demonstration of broadband; superfast broadband will not realise the business growth gains unless it's exploited to its maximum benefit by ES businesses. To investigate the use of broadband training vouchers	£80k RuGEF (granted); £80k SME Commission (granted). Outcomes: 960 businesses engaged across East Sussex; 28 current case studies produced for marketing/publicity purposes
<b>2. Capitalise Business Support (via Let's Do Business Group, LDBG) Project completed</b>	Capitalise Business Support (CBS) is loan finance to start up, micro and SME businesses. A new £2m loan fund (from the Regional Growth Fund) is now available over 3 years; no revenue funding is attached year 1 which will hamper CBS's ability to lend to full value. A budget is required towards staffing/marketing.	SME Commission £16k. Outcomes: 25 loans per year in East Sussex; 28 jobs created or safeguarded; 10 new business start-ups.
<b>3. Green savings (Low Carbon economy) via ESCC</b>	Increase the opportunity for business to save bottom line costs through 'green measures' –	SME Commission £92.8k 8 sustainable business network events &



<b>Project on going</b>	energy usage and waste. Help businesses (especially micro/small) reduce waste and energy bills, reduce the carbon footprint.	250 attending; 45 grants of up to £1k each; 30 site audits; measured CO2 savings.
<b>4. Marketing East Sussex (Via LDBG/Locate East Sussex)</b> <b>Project completed</b>	Additional funds agreed for Let's Do Business Group in respect of the Locate East Sussex website, video production as case studies in particular.	SME Commission £43k Up to £32k remaining
<b>5. Business Plans for growth</b>	Facilitator: Face to face support to rural businesses/entrepreneurs to develop ideas including development of robust business plans. 2nd element is a community panel, comprised 20+ local stakeholders to provide introductions to community leaders, business owners, further advice and other contacts.	£45k incl on costs + T&S 5%: £47.25k per annum  Outcomes: Over the period at least 50 companies enabled via SMART appropriate business Plans
<b>6. Virtual village hubs (pilot)</b>	In respect of rural SMEs provide a local facilitator to 'Listen - Develop - Communicate – Facilitate' and thereby increase local business growth and improve rural business sustainability	£45k incl on costs + T&S 5%: £47.25k per annum  Target of a minimum of 8 hubs established Outcomes: SMEs in the target areas who are more engaged with the totality of the business support community and each other leading to increased plans for business growth and improved sustainability.
<b>7. Urban Enterprise Facilitation</b>	In respect of urban SMEs provide a local 'village' facilitator to 'Listen - Develop - Communicate – Facilitate' to increase local business growth and improve business sustainability To also include a community panel (see project 5.)	£45k incl on costs + T&S 5%: £47.25k per annum  Outcomes: SMEs in the target areas more engaged with the totality of the business support community and each other leading to increased plans for business growth and improved sustainability
<b>8. Local Business Hubs (capital)</b>	To support provision of small scale easy term enterprise hubs (3 – 5 work spaces each) in rural and urban 'villages'	SME Commission £200k (capital) loan finance Outcomes: 6 hubs each with 2 – 3 workspaces that provide for new/ start up business to be accommodated within their local community
<b>9. Access to finance roadshows/Business Angel network facilitator</b>	To improve and promote access to finance by business. This is likely to focus on capital. Will support access to direct 'patient' investment to high potential SMEs via e.g. Business Angels, enabling them to unlock growth potential and; supporting the development of the local business angel market by encouraging new angels and possible syndication. To include the setting up of an initial Angel network facilitation Fund of £100k to support the group as it grows, be a potential top up to Business Angel equity investment and ensure the network works.	£50k incl on costs + T&S 5%: £52.50k per annum; £100k capital Outcome: Improving the ability of business to access commercial capital finance thereby aiding business growth (product or service) and/ or sustainability/ job retention. Outcomes: > increased use of and improved and more knowledgeable access to equity finance > A proactive and supported network of local 'Business Angels' which, working together reduces their risk > Increased number of new & innovative company start- ups, services and products
<b>10. Sector/ Cluster pilot project events (up to 6)</b> <b>1 pilot completed (Tec 66)</b> <b>2<sup>nd</sup> Tec 66 being organised</b>	Facilitate workshops/seminars for specific/ aligned sectors or clusters - networking, establishment of joint issues/opportunities, B2B, supply chain creation	£10k SME Commission first 'Tec 66' with focus on the vacuum cluster, mainly Hastings. £40k remainder 2 <sup>nd</sup> Tec 66 £20k requested

		Possible action also being developed with the wine and green technology sectors
<b>11. Planning seminar Project completed</b>	Many rural business applications are not “run of the mill” residential applications and are “more negatively scrutinised” by planners, who apparently apply a generally restrictive approach. To benefit both planners and potential applicants.	£5k SME Commission Held December 2014, led by Wealden BC and run alongside a business finance roadshow
<b>12. Pan East Sussex Business Conference 1 conference held 2012 2<sup>nd</sup> being organised for autumn 2014</b>	The first conference had very good feedback and there have been a number of requests to organise a second. This is in hand for autumn 2014. Themes being worked through with B/DCs and will also be referred to the SME Commission and the East Sussex Economic Advisory Board. It will include a digital element.	£5k SME Commission per conference x 2

To date the SME Commission has spent/ committed £250k. Although some activity has been ongoing as shown above, over the last year less direct action has taken place in respect of the remaining activities. This is because as the SELEP SIF developed it was identified that there was an opportunity to use EU funds (mainly ERDF) to double the amount available under the SME Commission and, given the lack of identified match funding locally to achieve possible EU funding draw down, this was seen as a ‘smart’ use of the SME funds that would achieve more than the remaining £750k could do alone. This was agreed in principle by the SME Commission Chair and will be referred back to the SME Commission May/June 2014.

**2014/15:** The greyed out action areas in the template above indicate those suitable for use under EU funding. With the SME Commission’s agreement we intend to set all the actions up under an ‘East Sussex Gateway to Growth (ESG2G)’ – a concept well regarded by central government and furthered in the SE LEP SEP. The ESG2G would supply localised business support where it can add coherence and value to the existing business support landscape including local, regional, national and international (e.g. as in EU funded programmes/ exporting/patents). The proposed ESG2G is intended to provide for new and wider business networking which in turn will act as the platform to create and support new virtuous economic circles within our businesses. EDS will now further develop the concept.

Working with the SME Commission and the EAB we will finesse the actions and costs suggested above for the ESG2G and be in a position to bid into ERDF when the call for projects comes; this is expected in January 2015. We will also trial one of the barriers (the virtual village hub) in 2015.

We will also be working with partners to finalise the second pan East Sussex business conference in on October 8th.

### **8. Locate East Sussex**

**2013/14:** Note: With the end of the Locate East Sussex Service (LES), Service Level Agreement between ES local authorities & Ten Sixty-Six Enterprise June 2012, the LES service was put out to tender via OJEU with the commissioning managed by EDS.

The successful contractor, the Let's Do Business Group (LDBG), commenced service delivery May 1 2013. The first oversight 'Sponsor's Board' meeting was in June 2013, consisting of Rob Cottrill CEO Eastbourne as Chair, the 6 sponsoring local authorities, and John Shaw from Sea Change Sussex as the business representative. The service is paid for by the 6 authorities at £30k per B/DC and £60k from ESCC (£210/annum for three years, with a mid-term review).

The service has to deliver activity under the following 4 themes: Marketing and promoting ES as a business location; an inward investment and relocation service; support and stimulation of the 'supply side' of commercial premises; manage an appropriate relationship with relevant National and regional services (e.g. UK Trade and Investment).

Following the letting of the contract by ESCC on behalf of the partners, work on the launch phase began with the recruitment of the Director; Philip Johnson started in June 2013, and two others joined the team in September. A marketing and promotional plan was developed with Cobb PR and implemented, including a programme of introductory meetings with council stakeholders and familiarisation visits. These were followed by meetings to introduce the LES offer to ES commercial agents and business organisations, along with meetings with business advisors, accountants and solicitors, and activity to raise the LES profile in the media.

A fully searchable database of commercial property in the county was developed and launched. In addition the funding offer financed by the ESCC Regional Growth Fund (RGF) grant (see below) was made available to companies October 2013. An additional member was recruited to LES to focus on promoting and actioning ESCC grants and loans to business.

The LES website was launched November 2013 with the commercial property and funding offer included along with case studies featuring leading ES companies. A presence was also established for LES on Linked in and Twitter. Details of the RGF funds were incorporated in a brochure and leaflet, both of which are being used in marketing campaigns; this has included at business networking events, B2B exhibitions and seminars.

To date LES has logged 114 incoming enquiries via the website/email or phone and [www.locateeastsussex.org.uk](http://www.locateeastsussex.org.uk) has received 9,948 unique views with the most popular pages being funding, success stories, property search, 'about us' and news.

LES has also mailed brochures to 92 leading companies with personalised introductory letters to the CEOs, and distributed leaflets to members of ES Chambers of Commerce and the FSB. LES attended LDBG's exhibitions in Eastbourne and Hastings, and Wealden's B2B event at the East Sussex National. LES 'Linked in' and Twitter accounts now have 200+ followers across ES.

LDBG/ LES also hold the 2013 contract with ESCC to initiate business bids to the three ESCC Capital for Growth Business Grant/Loan Funds to deliver jobs and additional appropriate commercial premises:

- a) Capital Grants for Growth and Jobs (initially £750k, now £580k as part is being used for RGF operational costs)
- b) Capital to upgrade commercial premises (£500k)
- c) Capital for Incubation units (£1.5m)

The outputs are:

- a) Deliver the Grants for Growth and Jobs fund approving £300k of grants in the first year from contract start date (August 2013), in total 85 – 170 jobs created (and/or safeguarded);
- b) Deliver the Grants for commercial premises refurbishment grants to upgrade and or subdivide un-used or under used commercial (predominantly industrial) premises in the county approving £200k worth of grant from contract start date.

*This is subject to the prior dispersal of contracted Regional Growth Fund (RGF) capital*

- c) Develop up to three business incubation centres in the county over a 3 year period.

To date resources have been concentrated on the delivery of the RGF funds as these are strictly time limited so none of these funds have been awarded yet. (See 9. Below).

In relation to RGF LDBG/LES are the delivery partners in the successful ESCC (EDS) application in March 2013 into the government's Regional Growth Fund round 4 at £4m. The agreed outputs for ESCC/LDBG/LES on RGF are:

Agreed programme				
	New jobs	Safeguarded jobs	RGF £	Match £
13/14	40	4	381,333	810,666
14/15	325	37	3,084,333	8,919,666
15/16	56	6	534,334	1,269,668
<b>Total</b>	<b>421</b>	<b>47</b>	<b>4,000,000</b>	<b>11,000,000</b>

In this period they have facilitated:

Panel agreed to 2013/14				
	New jobs	Safeguarded jobs	RGF £	Match £
Nov - Jan	89	16	983,000	804,000
Feb - Apr	68	0	516,112	1,777,062
<b>Total</b>	<b>157</b>	<b>16</b>	<b>1,499,112</b>	<b>2,581,062</b>

**2014/15:** The on-going programme of LES outreach activities will be supplemented with the development of direct marketing activities. Proactive marketing of the service will include further case studies for the website featuring strong business stories and promoting ES. The e-newsletter will continue to keep businesses informed, press releases will ensure the profile of LES is maintained as will Linked in and Twitter.

Marketing will also be directed at the county hinterland to target property 'hot spots'. There will also be a sectoral aspect, for example, targeting web-based companies in Brighton and highlighting the opportunities in ES.

The possibility will also be examined of working with existing ‘clusters’ of companies and targeting company supply chains. Opportunities will also be explored in collaboration with the University of Brighton to develop programmes to help stimulate business growth through improving competences in innovation.

The initial 3 year service contract with LES allows for a mid-term 18 month review and this will need to take place under the LES ‘oversight board’ November/October 2014; the oversight Sponsors’ Board is programmed to meet 4 times during this period.

The agreed ESCC/LDBG/LES RGF outputs for this period are:

<b>Forecast 2014/15</b>				
	<b>New jobs</b>	<b>Safeguarded jobs</b>	<b>RGF £</b>	<b>Match £</b>
<b>Quarter 1</b>	<b>30</b>	<b>0</b>	<b>253,668</b>	<b>944,259</b>
<b>Quarter 2</b>	<b>58</b>	<b>4</b>	<b>525,668</b>	<b>1,760,259</b>
<b>Quarter 3</b>	<b>58</b>	<b>9</b>	<b>568,168</b>	<b>1,887,759</b>
<b>Quarter 4</b>	<b>62</b>	<b>12</b>	<b>627,668</b>	<b>2,066,259</b>
<b>Total</b>	<b>208</b>	<b>25</b>	<b>1,975,172</b>	<b>6,658,536</b>

The EDS team will continue to directly support LES/ LDBG in respect of grants and loans they administer as ESCC is the accountable body. This includes EDS providing the secretariat function for the ESCC Grants and Loans Panel and oversight financial and contract monitoring.

Also to note that following publication of the East Sussex Guide which was well received, that the new more business focussed ES Business Directory is due out July 2014. Both are drawn together by the EDS team with relevant input from partners. This will be a good opportunity to publicise both LES and the business grants and loans available to county businesses and potential inward investors.

Also see 9. below.

### **9. Grants and loans under the ESCC Capital Budget for Growth/Regional Growth fund**

Note: Financial fall-out from the recession meant that local small and medium sized businesses (SMEs) were finding it hard to access mainstream credit – this was identified not only through national and local reports but also, consistently over a number of years, through the East Sussex Annual Business Survey. This evidence coincided with ESCC adopting a bid system into the ESCC capital programme allowing the EDS team to bid into the programme specifically to aid business access finance. The bid into the capital programme was successful and as already noted ESCC set aside: Capital Grants for Growth and Jobs; Capital to upgrade commercial premises; Capital for Incubation units. Further information on these has already been provided at 8. Locate East Sussex/LDBG.

In addition funds to help growth were also set aside under the same ESCC Capital Budget review but under the newly created ESCC Economic Intervention Fund; this was split in terms of EDS team management into:

- ESI: (East Sussex Invest) at 1m; Live from November 2012
- RuGEF (Rural Growth and Employment Fund) at £2.5m, live from October 2012 and;
- The Social Business Investment Fund (£0.5m) (Sept 2013)

It's important to note that in respect of setting up the operational needs for these funds that the EDS Team had to start from scratch. This included designing applications forms and guidance, setting up pages on the web site and e forms, financial management systems and contracts, project scoring regimes, access to credit histories, devising a loan system working with LDBG that was acceptable internally, increasing understanding of the application of State Aids and setting up and supporting the ESCC grants and loans panel. It is of no doubt that having this in place, along with the experience it brought, greatly helped when it came to writing and being successful in the bid to RGF.

**2013/14:** East Sussex Invest - (£1m fund), launched late 2012 continued to 2013/14. This capital grant fund was open to existing and start-up businesses that could demonstrate that capital investment would generate growth and job creation. The grant allocation guide per job created is £8k.

By December 2013 13 applications totalling approximately £800k had been approved. However, during 2013/14 Regional Growth Fund round 4 was announced and ESCC was successful in securing the £4m RGF funding to be spent by March 2015 (also see RGF below); we gave the RGF fund the working title of East Sussex Invest 3 (ESI 3). Due to the need to spend ESI 3 funding in such a short time three ESI projects totalling £360k which had been already approved and fitted the RGF criteria were moved, from ESI to RGF funding (ESI 3). This left £420k (of the £800k) ESI approved spend on 10 projects, 89 jobs are predicted to be created.

Therefore £520k remains in ESI (1 & 2). This funding can be used for applications that do not fit the stricter ESI 3 criteria and the remainder will be carried over to fund applications received after the early RGF spend deadline.

Rural Growth and Employment Fund - (£2.5m) was launched end 2012. The fund (capital and revenue) was open to businesses, voluntary and public sector organisations for projects that would create jobs and economic growth in the rural districts (Lewes, Wealden and Rother). Due to the wider eligibility criteria of the fund it was open for an 8 week period after which the projects were appraised by the ESCC grants and loans panel. The first round received applications worth £2.1m of which £1.2m (11 projects) were approved projecting 174 new jobs. A second round of funding was launched in 2013 to which 22 applications were received of which 14 were approved projecting 153 new jobs. Three of these projects fitted the RGF criteria and were moved over. This resulted in £950k (38%) remaining in the RuGEF fund.

Social Business Investment Fund - (£500k) this capital and revenue fund was open to trading social enterprises or start-ups with growth plans and had fewer criteria than the other funds. The fund was open for 8 weeks to November 2013, 27 applications were received of which 10 were approved

allocating the entire £500k. The projects are projected to create 25 jobs, 21 apprenticeships and 65 volunteering opportunities, the latter two being important elements in progression towards employment.

Regional Growth Fund, ESI 3 - (£4m): In December 2013 EDS wrote a bid (with Let's Do Business Group as Delivery Partners) into the government's Regional Growth Fund and in July 2013 was notified we had been successful in gaining £4m as additional grants and loans to business. There was a much contracted negotiation period with a number of additional supporting documents (e.g. Investment Plans) needing to be produced before final contract sign off with the Department for Business, Innovation and Skills January 2014. This is a capital fund for grants and loans to businesses and start-ups creating and safeguarding jobs and is divided into two strands:

- Strand 1 is £3.5 m for loans and grants over £5k, with a 50/50 split between loans and grants with a leverage target of 1:3 and a target of 396 jobs created and 40 jobs safeguarded.
- Strand 2 is £500k for small grant of between £3 - £5k for small and start-up businesses where the leverage target is 1:1 and a target of 65 jobs created and 7 safeguarded.

The first RGF claim made February 2014 was for £706,000 for all applications approved since 13 July that will spend by 15 May 2015. Note that we were allowed to back date to July 2013 as that was when government initially approved the grant in principle. To date £673,029 has been actually disbursed to applicants.

As at 31 March a total of 16 applications in all had been approved for a combined sum of £1,289,362, £708,500 in grants and £537,500 in loans (32%). The projected jobs to be created are 199 with 16 safeguarded.

**2014/15:** East Sussex Invest (1 & 2) is not currently being publicised and, as indicated, will be carried over to next year so that applications that miss the deadline for RGF can still be funded, as can those that do not fit the stricter RGF criteria. Ongoing monitoring and claims for the existing 10 projects will continue.

The Rural Growth & Employment Fund has been closed to applications following the second round. The outstanding sum of £950k will be carried over and combined with ESI funds to ensure (coupled with the reasons above as on ESI (1&2)) there are sufficient funds available until the RGF loan repayments start to replenish the revolving fund.

Social Business Investment Fund has been fully allocated. Some of the projects run over two years as the funding is mostly revenue which requires on-going monitoring and payment of claims by EDS.

The first ESCC grants and loans panel of the RGF ESI 3 programme of 2014/15 (28 April) recommended two projects for approval totalling £90k which (if approved by the Director) will bring the total sum approved to £1,378,362 (34.5%). By the second panel 1<sup>st</sup> August 2014, 47 RGF ( East Sussex Invest 3) applications had been approved totalling £2,500,612 of this £1,479,250 in grants and £1,021,362 in loans. Projected jobs created in total are 313 and 41 safeguarded, subject to some contracting.

At present we are ahead of the RGF schedule due to ESI which allowed us to move projects approved since July 2013 into the 1<sup>st</sup> RGF claim. The number of applications received has slowed down slightly therefore marketing is being intensified with attendance at events and conferences, press releases and direct mail-shots.

The last claim will be made 15 February 2015 which will include projected spend to 15 May 2015.

Note that two other RGF round 4 projects are available in parts of East Sussex: 'Escalate' at £5.5M (accountable body Kent County Council) which offers 0% loans to West Kent high growth businesses and those in Hastings, Rother and Wealden. 'SUCCESS' at £2m (accountable body HBC) offers grants for businesses that will create jobs in the creative and related sectors based in Hastings, Tendingring and Thanet.

### **10. Rural Development Programme via EU Funds: Leader**

**2013/14:** Since its launch in 1991 Leader has become a well-established method of delivering the EU Rural Development Programme (RDP) funding at the local 'bottom up' level. The WARR Partnership was established in 2002 as a Local Action Group (LAG) and administered both the 2002-2007 and 2007-13 Leader programmes for the area. The WARR Leader area covers the rural parts of Wealden and Rother. Lewes DC sits within the Sussex Downs and Low Weald Leader area under West Sussex CC/Coast to Capital LEP. To date the WARR Partnership (Board) comprises relevant representatives from the private, statutory and voluntary sectors; ESCC has Member representation on the Board and also an officer from EDS acts as an adviser to the Board and sits on the Executive.

The 2007 – 13 WARR Leader programme closed June 2013 having allocated its full grant budget of £1.59m. From when the Programme went 'live' in 2009/10, 80 projects benefitted from Leader grants ranging from diversifying-farms & foresters (38), rural local communities (24) and micro businesses (142). 52 jobs were created, 44 safeguarded and 41,902 rural individuals benefitted.

In June and July 2013 we applied for transition funding on behalf of the WARR Partnership to both ESCC's RuGEF and to DEFRA and were successful in obtaining £52k in total. As part of the projected grant spend, we wrote and issued a tender in March to commission a formal external evaluation of the 2007/ 13 WARR Leader Programme.

**2014/15:** For 2014-20 unlike other EU funds that have been notionally allocated to the LEPs Leader will be out-with the LEP allocations with Leader Boards reporting directly to DEFRA. The WARR Partnership intends to build on the successes of the past two Leader Programmes by submitting a Local Development Strategy (LDS) to support a bid for further funding under the new Leader programme. The key work areas going forward we will be involved in are:

- April 2014: Write and issue tender to commission the development of the LDS
- May 23<sup>rd</sup> 2014: Supply map of proposed WARR area on which the notional Leader funding will be based (NB also working with R&I)
- End May 2014: Final Evaluation Report to WARR Board
- June/July: Lead and support consultants/WARR Board in the development of the LDS and accompanying consultations
- August: Final draft LDS to WARR Board



- Sept 5: Submission to DEFRA of LDS to secure Leader funding
- January 2015: Next WARR Leader Programme starts if successful.

NB: Under the two previous Leader Programmes Rother DC acted as the accountable body for the WARR Leader Programme but does not intend to carry on in this role under the next programme – this may result in ESCC being asked by the WARR Board to take on the role if Wealden DC does not. We have asked RDC to supply estimated costs/ time for this function, most of which *are not* likely to be recoverable.

### **11. The Local Economic Assessment (LEA)/the Economic Development Strategy: Growth Strategy**

#### Local Economic Assessment (LEA)

**2013/14:** The LEA provides a very full set of data and analysis of the economy of East Sussex and was the evidence base for the development of the East Sussex Economic Development Strategy (EDS). It was completed June 2011 and was based on the 2011 ESCC Annual Business Survey, 2001 Census data, the 2011 run of the Economic Forecasting model and other formal data as available at that time. Specifically because of the now gradual release of the 2011 Census data and the changing economic context the update of the LEA was started winter 2013.

**2014/15:** The update will continue to late summer 2014 due to the slower than expected release of the 2011 Census data. In addition we will carry out an East Sussex Business Survey summer 2014 involving just over 1,000 businesses allowing us to identify and feed in current business views on key areas including transport, skills, the accessibility of finance, their growth plans and commercial property needs amongst other areas. This will also allow us to test the penetration/awareness and use of Locate East Sussex (see 9. above) in time for the LES review.

#### Economic Development Strategy (EDS): Growth Strategy

**2014/15:** The EDS largely remains current and a number of key objectives including addressing business access to finance; furthering the low carbon economy and supporting priority regeneration areas continue to be addressed. However, as noted above, the evidence data (via the LEA) is largely out of date; although we are not expecting any changes in data that would mean a fundamental change in direction this is coupled with the important context changes since the completion of the LDS aligned with the rise of Local Enterprise Partnerships and their scope of influence, their accompanying Strategic Economic Plans and local Growth Deals (encompassing GPF and LGF funds) and the start of a new EU Fund programming period 2014 – 2020. We therefore need to now produce a new Growth Strategy within this new context and the opportunities that have been identified in the SEP via our local Growth Deal, and within the EU funds via the SIF (see 2.). The Growth Strategy will have wider scope given the more limited nature of LGF.

It also needs to be noted that the economic development review work undertaken by Stephen McDonald and relevant recommendations from the Peer Review where agreed locally as actions will need to be factored in as will the recommendations from the new 'Innovate East Sussex' strategy (see 12. below).

It is intended that the Growth Strategy will be completed by November.

### **12. Production of the 'Innovate East Sussex' Strategy**

**2013/14:** Innovation and development of the knowledge base are key areas for investment identified by the EU and government to grow a higher-value, knowledge economy. The EU approach termed 'Smart Specialisation', essentially advocates assembling a firm evidence base that identifies natural economic advantages, including existing sectors and clusters, geographic factors and the research capacity in a specified area. This information then forms the basis for developing a strategy to build upon those advantages with targeted investment in the form of direct funding to business and/ or investment in innovation support.

Using Smart Specialisation as a cue, we have started the development of an Innovation strategy for East Sussex to underpin some of the investment decisions for the new round of EU funds and, where applicable, the Local Growth Fund under the SE LEP Growth Deal. Through this improved understanding provided by the strategy ESCC and partners will be better enabled to target and support higher value economic growth through the enhanced development and application of innovation in business.

During the initial stages of scoping the Strategy, we began discussions with Brighton and Sussex Universities to assess which issues they suggest should be included in the focus of the Strategy. We have also been investigating other areas where we have a natural advantage in niche sectors and which are growing 'organically'. Thus far, we have identified the following:

- Med tech - particularly in the fields of dementia, tele-health and possibly cancer
- Viticulture - particularly around wine production, but also potentially table grapes and wine tourism
- Advanced engineering - building on strengths that already exist and possibly focusing on one or more sub-sectors and their supply chains
- Language teaching

**2014/15:** Essential in developing the strategy will be the ability to access data and undertake the analysis to give us a very firm evidence base upon which we can make informed decisions about targeting our limited resources. Important in this is the refresh of the Local Economic Assessment (see section 11.) and the East Sussex Business Survey. Under 'Innovate east Sussex' we will also be looking at intervention with businesses with high growth potential that may fall out-with specific sectors as noted above.

Currently on average 6% of firms nationally produce between 50 – 70% of all new jobs, they include established SMEs and start-ups, but 70% are 5 years + *and cover every sector, region and can be high or low tech*. Companies in this 6% are termed 'gazelles'. The existing 6% will in the main grow anyway giving a potentially low return on business support investment even where some intervention is relevant. There is a need to grow the 6% itself; in East Sussex the current attainment of 6% lies around 3.75%, led by Lewes at 4.8% with Rother the lowest at 2.5%.

We would want to focus on those companies that have the ability with appropriate intervention to achieve 'gazelle' status – the 'pre gazelles'. National research indicates that there are potentially

between 5% – 10% of companies which could join the stock of high growth 6% SMEs. In East Sussex the number of businesses with the potential for high growth, the ‘pre gazelles’ is estimated (via Experian/ Winning Pitch data 2011) at c600 businesses with the greatest number being in Wealden followed by Lewes, Hastings and Eastbourne with Rother with the lowest number (estimated at 70). These pre gazelles are not necessarily eligible for the existing government’s Growth Accelerator Programme.

One of the issues in ES therefore is the companies which are not yet at the high growth stage, but could be, with additional targeted support. ESCC has acquired a new data set from Experian to help us identify those small individual companies in whichever sector that demonstrate the same characteristics as potential high-growth companies but with a relaxation in the (Growth Accelerator) growth criteria, it covers:

- Young Potential High Growth - a company with 10 employees or more that has achieved a minimum of £0.5m in total sales within their first 3 years of incorporation.

Based on this information and having identified individual businesses we will work with relevant partners (including Growth Accelerator and HEI) and businesses themselves to develop appropriate support to be detailed within the strategy. This will enable us to help the target businesses achieve high-growth status more quickly. The intention is to make this support available under the ESG2G ‘one stop shop’ and use ERDF to help fund it. Having engaged with these businesses, we will put in place a means of tracking their progress, record outputs and impacts resulting from interventions and ensure best practice is identified and rolled forward.

Innovate East Sussex will feed into the Growth Strategy but is seen as an ‘innovation’ module that can progress specific aspects of the Strategy.

### **13. Tourism related industries**

The SELEP SEP identifies key industries (e.g. advanced manufacturing), it also identifies (p 25) that creative, cultural and media and the visitor economy are also significant sectors within the LEP area. The Office for National Statistics (ONS) produced a ‘Geography of Tourism Employment’ (2012). This data, along with the more obvious tourism data (accommodation, food and beverage etc.), sport facilities, also includes data on cultural activities (from performing arts to historical sites & nature reserves). The ONS data identifies that 22,500 people are employed in East Sussex within this wider definition of tourism related industries, equating to 12.9% as a percentage of all ES industries (GB and the south east at 10.9%). Between the ES Districts this total ranges from 10.6% in Lewes to 14.4% in Wealden.

There are however large differences in respect of the percentage of employment in individual tourism related industries by Borough and District (highlighted green = highest %; highlighted pink = lowest %).

	Eastbourne	Hastings	Lewes	Rother	Wealden	East Sussex
Accommodation for visitors	27.4%	14.3%	6.6%	29.9%	8.8%	16.8%

Food and beverage serving activities	45.4%	43.4%	51.1%	44.7%	56.5%	49.1%
All transport related tourism activity	7.1%	11.5%	7.9%	4.1%	3.3%	6.4%
Travel agencies & other reservation services activities	1.1%	1.2%	1.0%	1.4%	1.1%	1.1%
Cultural activities	2.6%	3.7%	14.9%	6.1%	4.9%	5.9%
Sporting & recreational activities	8.0%	14.2%	10.3%	9.1%	20.9%	13.4%
Country-specific tourism characteristic activities (e.g. conference facilities)	1.2%	-	-	0.7%	1.2%	0.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

NB Nearly 50% of those within the Accommodation and food services work part time.

The above shows vast differences in the sub sectors and this also relates to their growth potential which will need to be clearly articulated in terms of where to actually focus any support; work for example is already taking pace with the wine sector where wine tourism has been highlighted as a key area for development. The tourism related industries do have an important role in employment terms, although to bear in mind that more than half of ES residents work in just 4 sectors: wholesale, retail and repair of motor vehicles; human health and social work activities; education and; construction.

Ensuring focus on tourism (amongst other sectors) was a recommendation within the Peer review.

#### **14. Data sets/Economic Forecasting**

##### **2013/14+**

##### Labour Insight

We now subscribe to UK 'Labour Insight'. This will enable access to real time data on "jobs in demand" at national, regional, county and ward level. The data will help us better to plan, shape and intervene on skills and training priorities and support the delivery of robust Information, Advice and Guidance.

UK Labour Insight is a web-based tool that provides a comprehensive database of real-time demand data (online vacancies) from a variety of sources. The tool will enable us to track and analyse employer hiring activity by geographical area, industry, occupation, education, skills and competencies.

From our annual business survey and further anecdotal evidence, we know that skills provision is not sufficiently well aligned to business needs. This new tool should help us to influence up-skilling or re-skilling of the workforce with skills that are known to be in demand by employers, and to identify, plot and react to changes in employer demand more quickly. This tool will also allow us to provide information to support organisations assisting those seeking jobs and skills training and inform advice to individuals when choosing options for their educational/ career pathways.

Our one licence allows us to share or publish information and/or reports both within ESCC and to other stakeholders who wish to access it.

East Sussex Economic Forecasting Model

We have had access to a Local Economic Forecasting model for a number of years and over this period it has been used, for example, in support of the Public Inquiry on the CPO for the Bexhill Hastings Link Road land take in respect of resultant GVA, to inform the ES Economic Development Strategy and to provide data for the B/DCs in production of their Employment Land Reviews and their Local Plans. Working more closely with the R&I Team we intend to update the data early summer with the release of the relevant 2011 Census data. This update will include the related skills forecasting module. This will allow us to more accurately forecast growth sectors and accompanying workforce requirements and to identify the potential GVA or product from larger infrastructure investments.

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## Appendix 2

### Economic Development, Skills and Infrastructure: Narrative on activity for the financial year 2013/14 and looking forward, 2014/15 – Headlines

#### 2013/14:

##### 1. South East Local Enterprise Partnership (SE LEP):

- A federated model was adopted
- Local 'Growth Deal' via Local Growth Fund for ES equates to c£25m LGF annum (2015/21)
- National LGF ask x4 overbid
- ES SEP chapter ask is for £148m total LGF with 7,500 jobs directly enabled & 2,100 homes via individual capital projects, transport schemes facilitating 19,665 jobs & 30,800 homes. Transport and commercial/ housing site schemes if successful yield £397m in private sector leverage
- SE LEP European Structural & Investment Fund Strategy (SIF) 2014/2020 has a total £165m EU Fund allocation plus £14.5m rural funds)
- SEP and SIF submitted to HMG by deadlines.

##### 2. Growing Places Fund:

- Via SeaChange Sussex X4 existing schemes at £19.1m via SE LEP GPF loans.

##### 3. Transport Infrastructure Local Transport Board (LTB)/ South East Local Enterprise Partnership:

- £19m of SE LTB funding allocated to Queensway Gateway Road (£15m) & A22/A27 junction improvement package (£4m)
- With successful lobbying from stakeholders, the A27 Lewes/ Polegate issues recognised & to be addressed
- A21 Tonbridge/ Pembury scheme given funding approval
- ES Wheels to Work scheme launched Sept 2013 providing motorbike loan service, created 5 jobs & 50 motorbikes on the road
- Rail Strategy adopted two key priorities: electrification of Hastings/Ashford line & dual tracking/electrification of Uckfield/ Hurst Green
- Network Rail (NR) advised a good business case for Hastings/Ashford electrification & running high speed services via Ashford to Hastings/Bexhill (subject to cost)
- Nov. 2013 advised Airports Commission of support for second runway at Gatwick Airport.

##### 4. Superfast Broadband:

- Contract awarded to BT Group May 2013. 3 phases in implementation/ being surveyed/ announced
- Secured additional £650k from BDUK to deliver into more areas.

##### 5. Adult Learning & Skills Partnership Board:

- Over 1,000 new learners engaged in projects
- Work on development of employer-led training portal to include Information, Advice and Guidance.

##### 6. Skills & Employment – other:

- Cross-departmental development of a new Corporate Skills and Employability Strategy
- Helped secure £6.9m for SE LEP area via BIG Lottery's Talent Match to reduce young adult unemployment.

##### 7. The East Sussex SME Commission:

- The Commission met 6 times formally & hosted the first pan ES Business Conference 2012 plus Wealden DC led on a Commission Planning and Business Funding event Dec 2013 Commission allocated £1m by ESCC; Commission and Business Conference identified a number of barriers to SME growth; to date SME Commission spend/ committed 25%.

### **8. Locate East Sussex:**

- Service started May 2013 paid for by ES 6 authorities at £30k per B/DC and £60k ESCC per annum over 3 year contract
- Full LES team in place; marketing material produced; commercial property database & website built & launched; 114 incoming enquiries
- Working with ESCC facilitated loan/grant projects totalling c£4m, 173 jobs created/safeguarded.

### **9. Grants and loans under the ESCC Capital Budget for Growth/Regional Growth fund:**

- East Sussex Invest £1m fund launched late 2012, to 2013/14. December 2013 approx. £800k approved
- Rural Growth and Employment Fund £2.5m launched end 2012. First round £1.2m approved projected 174 jobs; second round approvals projected 153 jobs
- Social Business Investment Fund 10 applications approved allocating all £500k
- Regional Growth Fund, ESI 3: December 2013 EDS bid into HMG's Regional Growth Fund; July 2013 notified successful with an additional £4m for grants and loans to business
- 31 March total of 16 RGF applications approved at £708,500 in grants & £537,500 in loans (32%). Projected jobs 199/ 16 safeguarded.

### **10. Rural Development Programme via EU Funds: Leader:**

- WARR Leader programme closed June 2013, allocated full grant budget of £1.59m. From when the Programme went 'live' 2009/10, 80 projects benefitted from Leader grants, 52 jobs created, 44 safeguarded & 41,902 individuals benefitted
- Facilitated obtaining £52k transition funding for the WARR Partnership.

### **Areas 11. 12. 13. & 14. –**

### **2014/15:**

#### **1. South East Local Enterprise Partnership (SE LEP):**

- April 2014 HMG started formal assessment of SEPs to be completed June, LGF Growth Deal offers to be made July 2014.
- The SE LEP July Growth Deal specifically allocates £54.58m for East Sussex; £6.35m of this is in the first year. These figures include the previously committed funding for major transport schemes, as well as an increase in the Housing Revenue Account borrowing limit for Eastbourne BC. If we also include the C2C Growth Deal, then East Sussex benefits from £66.08m of Local Growth Fund investment, of which £7.05m is in the first year.
- Will need to produce a local 'Growth Deal' LGF Delivery Plan (or equivalent) implemented from April 2015
- Work on East Sussex transport schemes to bring to fruition, support partners in their project development under both SEP & SIF.
- Team East Sussex is the formal local board, further work completed on governance by May/June 2014. TES likely to be responsible for oversight of delivery of ES LGF/ SEFUND projects; TES Terms of Reference in place, new TES Chair to be in place autumn 2014.

#### **2. Growing Places Fund:**

- Potential funding for 2 further (GPF) Pipeline schemes Bexhill Enterprise Park £12.5m 700 jobs over 2 years, Priory Quarter 4, £11m 287 jobs.

#### **3. Transport Infrastructure Local Transport Board (LTB)/ South East Local Enterprise Partnership:**

- High level business cases for the LGF and LTB funded schemes continues to be refined with particular focus on scheme development & design programmed for delivery 2015/16, including Queensway Gateway Road
- Ensuring best case is put forward to demonstrate need for improvements to A27 Lewes/ Polegate in A27 improvement feasibility study



- The establishment of local A27 reference group Seek additional funding to extend Wheels to work to Bexhill, Hastings, rural hinterland; purchase additional motorbikes; increase profile of income generating services; work to make scheme financially sustainable longer term
- Development of economic regeneration case to support further technical work to be undertaken by NR on business case for electrification of Hastings/Ashford line
- Respond to Gatwick Airport's consultation on second runway proposals; continue to lobby on need for runway.

**4. Superfast Broadband:**

- Implementation currently running c8 weeks ahead of schedule, work to keep ahead of schedule
- Deliver next 2 roll out phases in calendar year.

**5. Adult Learning & Skills Partnership Board:**

- Undertake a full review of the Board's programme to inform next stage of delivery.

**6. Skills & Employment – other:**

- Develop initiatives to improve digital skills for businesses & for wider digital skills.
- Support the Children and Young People's Trust in development of new Child Poverty Strategy

**7. The East Sussex SME Commission:**

- Under the SME Commission, & given lack of identified match to EU funds locally to develop projects, use Commission funds as part match to gain EU funds as additional support for Commission work in further reducing SME barriers to growth.
- Work with partners to finalise second pan East Sussex business conference, October 8th

**8. Locate East Sussex:**

- LES are contracted to facilitate (with ESCC) an additional 230 new/ safeguarded jobs.

**9. Grants and loans under the ESCC Capital Budget for Growth/Regional Growth fund:**

- With agreement ESI (1 & 2) remainder (currently £520k) to be carried over to 2015/16 to fund applications that miss the RGF deadline & also to fund those that don't fit stricter RGF criteria 2014/15. RuGEF closed to applications following 2nd round; remainder (£950k) to be carried over/used as per ESI (1&2). Consider use as EU Fund match to increase fund pot post RGF, winter 2015
- Forecast RGF spend up to £2.6m.

**10. Rural Development Programme via EU Funds: Leader:**

- Facilitate WARR Partnership to submit a Local Development Strategy (LDS) by September to gain funding under the new Leader programme, potential £2m in grant.

**11. & 12. Updating the Local Economic Assessment (LEA)/the Economic Development Strategy/new Innovation Strategy:**

- LEA and EDS updated following full release of 2011 Census data. 'Innovate East Sussex' strategy to be developed identifying existing niche sectors/ clusters, growth businesses, geographic factors & local research capacity to underpin relevant investment decisions in new round of EU funds. New East Sussex Growth Strategy commissioned and consulted on, in place November.

**13. Tourism related industries:**

- Peer review and other ED reviews considered and relevant, evidenced interventions on this area agreed with partners.

**14. Data sets/Economic Forecasting:**

- Use Labour insight to inform shape of & interventions on skills & training priorities & support delivery of robust Information, Advice and Guidance.
- Update Economic Forecasting model & skills module. Consider use on LGF interventions to gain insight on GVA gain.

