



## LEAD MEMBER FOR ECONOMY

**DECISIONS** to be made by the Lead Cabinet Member for Economy,  
Councillor Rupert Simmons

**TUESDAY, 2 JUNE 2015 AT 1.30 PM**

**COMMITTEE ROOM, COUNTY HALL, LEWES**

### **AGENDA**

- 1 Decisions made by the Lead Cabinet Member on 20 April 2015 (*Pages 3 - 4*)
- 2 Disclosure of Interests  
Disclosure by all Members present of personal interests in matters on the agenda, the nature of any interest and whether the Members regard the interest as prejudicial under the terms of the Code of Conduct.
- 3 Urgent items  
Notification of any items which the Lead Member considers urgent and proposes to take at the appropriate part of the agenda.
- 4 Catalysing Stalled Sites (*Pages 5 - 6*)  
Report by the Director of Communities, Economy and Transport
- 5 Any urgent items previously notified under agenda item 3

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22 May 2015

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## ECONOMY

DECISIONS made by the Lead Cabinet Member for Economy, Councillor Rupert Simmons on 20 April 2015 at County Hall, Lewes.

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Councillors Hodges, Pursglove and Stogdon spoke on item 4 (see minute 21)

## 19. MINUTES

19.1 The minutes of the meeting held on 10 February 2015 were agreed as a correct record.

## 20. REPORTS

20.1 Reports referred to in the minutes below are contained in the minute book.

## 21. KEY SECTORS FOR INNOVATION, HIGH GROWTH AND SKILLS

21.1 Councillor Simmons considered a report by the Director of Communities, Economy and Transport which sought approval of the themes and subsectors identified in the report to develop the East Sussex Growth Strategy Implementation Plan. A revised report, further clarifying the identified sectors for Innovation, High Growth and Skills was tabled, to include:

- Healthcare – specifically in relation to the ageing population, including telehealth and telecare
- Land-Management – linked to the Growth Strategy Strategic Objective of Place, including the visitor economy and high added-value food and drink production
- Digital and media (Creative)
- Engineering / Advanced Manufacturing
- Engineering / Materials & Electronic Systems
- Low carbon & environmental goods and services
- Wholesale/Retail/Motor
- Construction Industry
- Financial Sector (Banking, Insurance and Accountancy)

## DECISIONS

21.2 **RESOLVED** – to endorse the themes, subsectors and niche products and services identified as deserving specific attention for future investment to embed innovation in East Sussex.

## Reasons

21.3 Innovate East Sussex directly supports the Council Plan priority of Driving economic growth – showing how the embedding of innovation can improve business sustainability, resilience and growth.

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# Agenda Item 4

**Report to:** Lead Cabinet Member for Economy  
**Date of meeting:** 2 June 2015  
**By:** Director of Communities, Economy and Transport  
**Title:** Catalysing Stalled Sites  
**Purpose:** To seek approval of the criteria and process for the Catalysing Stalled Sites Fund.

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

- (1) Agree the criteria set out in paragraph 2.2 of the Report for the Catalysing Stalled Sites Fund of £916k;**
  - (2) Agree the process for distributing the Catalysing Stalled Sites Fund as set out in paragraph 2.3 of the Report; and**
  - (3) Delegate authority to the Director of Communities, Economy and Transport to approve projects for funding following a recommendation from the East Sussex Grants and Loans Panel.**
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## **1. Background Information**

1.1 The Catalysing Stalled Sites (CaSS) Capital Fund of £916k (including administration) was approved by County Council in February 2015. The fund is designed to unlock stalled commercial and housing site opportunities across the county. CaSS is finance of 'last resort' to East Sussex Local Authorities and private sector developers to unlock these sites to generate economic activity and housing and realise site potential.

1.2 There are a number of sites that have remained undeveloped for decades for a range of reasons. Some of these sites however, do not require a lot of investment to demonstrate viability but, often due to associated or perceived risk, this has not occurred. When funding for development has become available in the past, for example through the South East Local Enterprise Partnership (SELEP), there has been a lack of sufficiently worked up schemes ready to take full advantage of the funding.

1.3 The need for this type of intervention was specifically identified within the work undertaken to develop the SELEP Strategic Economic Plan (SEP). Subsequently, further evidence has been gathered and included in an increasing pipeline of projects following meetings with key commercial agents across East Sussex's coastal and rural communities, with significant land already allocated in the Local Plans as available for employment or housing but with varying stalling issues to be overcome.

## **2. Supporting Information**

### 2.1 Types of Stalled Sites:

2.1.1 There can be a number of reasons for 'stalled sites' including: contamination or flood issues; the desirability of the site compared to others more easily developed and sold on; environmental/locational issues (e.g. dereliction, access); the need for marketing and feasibility work to bring forward the allocated sites; costing the site layout and design to also encourage release from land banks; and viability due to 'exceptional' costs/viability due to lower locational value.

2.1.2 To qualify as a stalled site, the site has to be identified in the local plan (Employment Land Review or Strategic Housing Land Availability Assessment - SHLAA) and have remained undeveloped or under developed for a minimum of twelve months, as a result of one of the factors set out in paragraph 2.1.1 above. Sites that are already in use that need funding to upgrade or change of use do not qualify.

2.1.3 Housing sites will only be considered if there is a major problem with the site. It is recommended that a maximum of 40% of the fund allocation is spent on unlocking housing land.

2.1.4 Funding must be State Aid compliant.

### 2.2 Fund Criteria

2.2.1 The recommended core criteria for qualification are:

- Employment or housing sites identified in the local plans only (excluding retail, hotel and catering) (subject to a maximum of 40% of the fund being spent on unlocking housing land).
- Activity funded: i) feasibility studies (including viability assessments ii) business cases iii) exceptional site specific pre-development work without which the site would remain undeveloped.

- Site stalled for 12 months minimum.
- Normally the site must be a minimum of half a hectare.
- 50% match funding (except for feasibility studies which require a minimum of 30% match) of the unlocking cost.
- Minimum size for housing site is 15 units (excluding social housing) with a guide build cost of £100k or less per unit (Homes and Communities Agency guide).
- Stalled employment sites will be assessed on the potential level of job creation of the site.
- Sites that make a more significant contribution to local plan targets *and* where local plan target completions are lower than county average completion rates will be particularly encouraged.

## 2.3 Approval and Delivery Process

### 2.3.1 It is recommended that:

- The fund administration be delivered through East Sussex County Council's existing grants and loans to business process, including use of the panel to consider bids for funding. The current model has been tested and approved by both internal assurance and the Department for Communities and Local Government.
- A two stage process be adopted with an Expression of Interest form (EOI) followed by a detailed application stage for successful EOIs.
- A third of the fund to be opened up for an initial pilot bidding round for two months. This will allow testing of the criteria and selection process.
- EOIs to be assessed on value for money; the difficulty of the issue; viability and deliverability; and by what percentage the release of the sites will contribute towards Local Plan targets (as confirmed by the borough and district councils on each individual application).
- Top scoring projects will then be required to complete a full application. In the case of site pre-development works this will also require a business case. These will then be appraised and presented to the Grants and Loans Panel for recommendation to the Director of Communities, Economy and Transport for final approval.

2.3.2 The East Sussex Independent Grants and Loans Panel comprises two Councillors (including, and chaired by the Lead Member for Economy), the Assistant Director for Economy and three independent members from the professional sectors including one property professional. The level and type of funding will be recommended by the Panel and can include a loan, share of profit or grant.

2.3.3 The Economic Development and Skills (EDS) Team will be responsible for processing the applications, issuing the contracts, paying the funds and monitoring the project. Specialist expertise will be brought in as required, including from internal Property Services, Finance and Legal, as well as external support where necessary. A fixed term resource may be required to process the applications.

## 2.4. Contract Conditions

2.4.1 Once the application is approved, a contract will be drawn up with the applicants. Conditions of funding will include evidence of match funding and a claw back clause if the site is sold within 3 years of receipt by the applicant for the funding.

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

3.1 The Lead Member is recommended to approve the criteria and delivery process for the CaSS Fund.

3.2 The Lead Member is recommended to delegate authority to the Director of Communities, Economy and Transport to approve funding for stalled sites recommended by the Grants and Loans Panel as outlined above.

## **RUPERT CLUBB**

**Director of Communities, Economy and Transport**

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## LOCAL MEMBERS

All

## BACKGROUND DOCUMENTS

None