



LEAD MEMBER FOR STRATEGIC MANAGEMENT AND ECONOMIC DEVELOPMENT

DECISIONS to be made by the Lead Cabinet Member for Strategic Management and Economic Development, Councillor Keith Glazier

FRIDAY, 5 FEBRUARY 2016 AT 1.00 PM

CC2, COUNTY HALL, LEWES

AGENDA

- 1 Decisions made by the Leader and Lead Cabinet Member on 21 January 2016 (*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 Funding agreements with Sea Change Sussex - North Bexhill Access Road and Site Infrastructure investment (*Pages 5 - 8*)
Report by the Director of Communities, Economy and Transport
- 5 Funding agreement with Westcott Leach Ltd - Swallow Business Park (*Pages 9 - 12*)
Report by the Director of Communities, Economy and Transport
- 6 Funding agreement with Environment Agency for the Newhaven Flood Alleviation Scheme (*Pages 13 - 14*)
Report by the Director of Communities, Economy and Transport
- 7 Any urgent items previously notified under agenda item 3

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28 January 2016

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LEADER AND LEAD MEMBER FOR STRATEGIC MANAGEMENT AND ECONOMIC DEVELOPMENT

MINUTES of a meeting of the Leader and Lead Member for Strategic Management and Economic Development held at County Hall, Lewes on 21 January 2016.

PRESENT: Councillor Keith Glazier

ALSO PRESENT Councillor Trevor Webb

21 DECISIONS MADE BY THE LEADER AND LEAD CABINET MEMBER ON 3 NOVEMBER 2015

21.1 The Leader and Lead Member for Strategic Management and Economic Development approved as a correct record the minutes of the meeting held on 3 November 2015.

22 ESTABLISHMENT OF A SHARED LEGAL SERVICE

22.1 The Leader considered a report by the Assistant Chief Executive.

DECISIONS

22.2 The Leader RESOLVED to agree:

- (1) to the creation of a new Legal Services partnership arrangement with Brighton & Hove City Council, Surrey County Council and West Sussex County Council to be known as Orbis Public Law with effect from 1 April 2016;
- (2) to the establishment of a Joint Committee as the governing body for Orbis Public Law to oversee the discharge of the Council's Legal Services function;
- (3) to approve the attached Terms of Reference for the Joint Committee and to appoint Councillor Elkin, Lead Member for Resources, to the Committee;
- (4) that a Business Case be developed for an Alternative Business Structure, in the form of a Limited Company approved by the Solicitor Regulation Authority, and to delegate authority to the Chief Executive to establish such an Alternative Business Structure if they consider it appropriate; and
- (5) to delegate authority to the Chief Executive to take any action they consider appropriate to give effect to, or in consequence of the above recommendations, including (but not limited to), agreeing and entering into the Articles of Association, shareholder agreement and the Inter Authority Agreement.

Reasons

22.3 By working together, the four Councils will be able to realise savings in excess of those achievable in isolation, whilst still delivering a good service to our authorities. The Vision for Orbis Public Law is for "a single, resilient, sustainable cost effective legal service with a public service ethos with an ability and ambition to grow".

22.4 The Joint Committee is a relatively straightforward and familiar model to adopt. Members would still have control over arrangements and staff would remain employed by their existing Council. A Joint Committee would mirror arrangements for the wider Orbis partnership though some changes would be necessary to accommodate four partners rather than the three in Orbis. The partners will also enter into an Inter Authority Agreement which will set out the basis and terms of the partnership, and the arrangement for making officers available to each other.

23 DELEGATIONS IN RELATION TO EXECUTIVE FUNCTIONS

23.1 The Leader considered a report by the Chief Executive.

DECISIONS

23.2 The Leader RESOLVED to:

(1) amend the Cabinet portfolios as follows:

Function	Current Cabinet Portfolio	Proposed Cabinet Portfolio
Special Educational Needs	Children and Families	Learning and School Effectiveness

(2) amend the name of the Cabinet portfolio from ‘Learning and School Effectiveness’ to ‘Education and Inclusion, Special Educational Needs and Disability’ to reflect the scope of the revised portfolio.

Reasons

23.3 The Leader is responsible for appointing members of the Cabinet and determining the content of portfolios assigned to Cabinet Members. The Leader can review portfolio content at any point during the year to align portfolios in the interests of efficiency. The new portfolio name better describes the revised portfolio.

Report to: Lead Cabinet Member for Strategic Management and Economic Development

Date: 5 February 2016

By: Director of Communities, Economy and Transport

Title: Funding Agreements with Sea Change Sussex – North Bexhill Access Road and Site Infrastructure Investment

Purpose: To seek approval, subject to the necessary planning permission/business case approvals being in place, for the County Council to enter into legal agreements to transfer the Local Growth Fund monies approved by the South East Local Enterprise Partnership to Sea Change Sussex to deliver the North Bexhill Access Road and a Site Infrastructure Investment Package

RECOMMENDATIONS: The Lead Member is recommended to:

- (1) Approve grant funding, to the value of £16.6m to Sea Change Sussex, subject to planning permission being granted, to fund the delivery of the North Bexhill Access Road;
 - (2) Approve grant funding to the value of £1.7m to Sea Change Sussex, subject to approval of the business case by the South East Local Enterprise Partnership's Accountability Board, to fund the delivery of site infrastructure at the Sovereign Harbour, North Queensway and North Bexhill employment sites; and
 - (3) Delegate authority to the Director of Communities, Economy and Transport to approve the terms of any agreements and to take all other necessary actions in respect of recommendation 1 above.
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1 Background Information

1.1 In March 2014, the South East Local Enterprise Partnership (SE LEP), which comprises businesses, local authorities and education leaders across East Sussex, Essex, Kent, Medway, Southend and Thurrock, submitted their proposals to Government for a Growth Deal to drive economic expansion in the area over the next 6 years up to 2021. Within this was a specific growth plan for East Sussex focussed around its three growth corridors – Newhaven, A22/A27 Eastbourne/South Wealden and the A21/A259 Bexhill/Hastings Growth Corridor.

1.2 The SE LEP's initial Growth Deal was agreed in July 2014 with a further Growth Deal agreed in February 2015. Within East Sussex, over £71m has been secured to date towards infrastructure projects, with a particular focus on transport schemes that will bring forward new jobs and homes across the county.

1.3 The East Sussex element of the Growth Deal identifies the North Bexhill Access Road as integral to the growth plans in the A21/A259 Bexhill/Hastings Growth Corridor and a site infrastructure investment package as important to delivering jobs and employment space in the A21/A259 and A22/A27 Eastbourne/South Wealden growth corridors. The Growth Deal initially allocates £7.6m of funding for the North Bexhill Access Road and £1.7m towards the site infrastructure package.

North Bexhill Access Road

1.4 The North Bexhill Access Road, as shown in Appendix 1, comprises a 2.4km single carriageway road link between the A269 and the Bexhill Hastings Link Road (BHLR) with a roundabout at each end and two further roundabouts along the road's alignment. The road will unlock planned employment growth in North Bexhill identified under Policy BX3 of the 2006 Rother Local Plan with capacity for circa 38,000sqm of employment generating floorspace. The Access Road also provides the road infrastructure to unlock the proposed urban extension in North East Bexhill with potential to directly unlock land for up to approximately 780 new homes.

1.5 Sea Change Sussex, as the promoter of the scheme, submitted a planning application to Rother District Council for the road in October 2014; the District Council will be considering the planning application on 11 February 2016. Following assessment by the SE LEP's Independent Technical Evaluator (ITE) to ensure the scheme represented good value for money, the business case for the project was approved by the South East LEP's Accountability Board on 13 November 2015. Main construction of the road is expected in March 2016 and is programmed for completion by the end of 2017.

Site Infrastructure Package

1.6 When the Growth Deal extension was approved earlier this year, based on the outline business case submitted to Government, £1.7m was allocated towards a package of site infrastructure at Sovereign Harbour. Since then Sea Change Sussex have reviewed that outline business case and identified that the costings for the Sovereign Harbour infrastructure requirements were going to be less than envisaged. Accordingly, Sea Change Sussex have developed a full business case to use the £1.7m allocation instead towards a site infrastructure investment package across three sites – Sovereign Harbour as well as North Bexhill and North Queensway.

1.7 The business case has been assessed by the SE LEP's ITE and the assessment has identified that there is a high value for money for the infrastructure package. The business case will be considered by the LEP's Accountability Board on 12 February 2016.

2 Supporting Information

2.1 Sea Change Sussex is a company limited by guarantee and is a key delivery partner for the County Council. Hastings Borough Council, Rother District Council and the County Council together hold 19.9% of the company, University of Brighton 30.1% and local businesses the remaining 50%. The County Council has appointed the Lead Cabinet Member for Economy as a Director of the Company. Sea Change Sussex is a not-for-profit economic development and regeneration company, working to expand the area's economy and business community by working with the County Council and other key partners.

2.2 The County Council has a well established and successful relationship with Sea Change Sussex in implementing economic development projects and Sea Change Sussex has a noteworthy record of project delivery in the county. Such projects include the creation of the Innovation Centre, the Creative Media Centre, the Sussex Exchange and Lacuna Place in Hastings. Sea Change Sussex have recently delivered a number of other projects using Growing Places funding secured by the County Council through SE LEP - the Bexhill Innovation Mall (Glovers House) and North East Bexhill Gateway Road on the southern section of the employment land that is being unlocked by the Bexhill Hastings Link Road, and the Sovereign Harbour Innovation Mall (Pacific House) in Eastbourne.

2.3 The terms of the grant agreements will be in accordance with those between Essex County Council, as SE LEP's Lead Accountable Body, and the County Council, as the 'local' accountable body for the delivery of the scheme; SE LEP's accountability framework was considered by the Lead Member at his decision making meeting on 2 June 2015. The County Council will be using its general power of competence under the Localism Act 2011, and all other enabling powers, to make the grants to Sea Change Sussex.

North Bexhill Access Road

2.4 Following the development of the detailed business case, technical redesign and the extension of the North Bexhill Access Road to ensure the connection to the main A269 to support the now adopted Rother Local Plan in unlocking additional housing and commercial space, the total cost of the scheme is £16.6m in total, profiled over three years with spend of £5.4m in 2015/16, £7.2m in 2016/17 and £4m in 17/18.

2.5 At present, a total £13m of Local Growth Fund (LGF) monies is allocated towards the North Bexhill Access Road – this comprises the initial £7.6m of Local Growth Fund monies within the Local Growth Deal and the £5.4m reallocated from the East Sussex LGF 2015/16 allocation which was approved at the Lead Member's decision making meeting on 3 November 2015. Approval will need to be sought to reallocate a further £3.6m of the County Council's LGF allocation to fully fund the scheme once the annual LGF allocations for 2016/17

onwards for East Sussex schemes within the overall SE LEP programme are confirmed by Government and the LEP.

2.6 Subject to planning permission being granted, the grant funding would be awarded to Sea Change Sussex, as the promoter of the scheme, to fund pre-construction works, including design, site clearance, site investigation, land acquisition and the construction of the North Bexhill Access Road.

Site Infrastructure Package

2.7 As highlighted in paragraph 1.6, the £1.7m of Local Growth Fund monies would be used to deliver a package of site infrastructure improvements to assist in unlocking three key employment sites in the county for development – North Bexhill, North Queensway and Sovereign Harbour. Within the £1.7m, £0.6m would go towards Sovereign Harbour and £0.55m to both North Queensway and North Bexhill. As agreed at the Lead Member's decision making meeting on 2 November 2015, £0.7m would be allocated for spend in 2015/16 and £1m in 2016/17.

3 Conclusion and Reasons for Recommendations

3.1 The North Bexhill Access Road is one of the Local Growth Deal schemes to come forward in East Sussex and its delivery will help unlock employment space and create jobs in the A21/A259 Bexhill/Hastings growth corridor. Equally the improvement of site infrastructure at Sovereign Harbour, North Queensway and North Bexhill as a Local Growth scheme will help unlock employment space and create jobs in the A21/A259 and the A22/A27 Eastbourne/South Wealden growth corridors.

3.2 Sea Change Sussex is a key delivery partner for the County Council in achieving its ambitions for driving economic growth in the county. Subject to planning permission being granted, the awarding of the grant funding of £16.6m will enable Sea Change Sussex to deliver the North Bexhill Access Road whilst, subject to the approval of the SE LEP's Accountability Board, the grant of £1.7m will help unlock the development potential of three strategic employment sites in the county.

3.3 The Lead Member is therefore recommended to approve the awarding of these grants to Sea Change Sussex, subject to planning permission being granted for the North Bexhill Access Road and the approval of the Site Infrastructure Investment package business case by the LEP's Accountability Board, and delegate authority to the Director of Communities, Economy and Transport to agree the terms of the legal agreements between the County Council and Sea Change Sussex, and take all other necessary actions.

RUPERT CLUBB

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LOCAL MEMBERS

Councillors Elkin, Ensor, Phillips, Pragnell and Scott

BACKGROUND DOCUMENTS

South East Local Enterprise Partnership - Strategic Economic Plan, March 2014

<http://southeastlep.com/our-local-growth-deal-and-strategic-economic-plan>

South East Local Enterprise Partnership - Growth Deal, July 2014

<http://southeastlep.com/growth-deal>

Appendix 1 – North Bexhill Access Road



Report to: Lead Cabinet Member for Strategic Management and Economic Development

Date: 5 February 2016

By: Director of Communities, Economy and Transport

Title: Funding Agreement with Westcott Leach Ltd – Swallow Business Park

Purpose: To seek approval, subject to the necessary business case approvals being in place, for the County Council to enter into a legal agreement to transfer the Local Growth Fund monies approved by the South East Local Enterprise Partnership to Westcott Leach to deliver the site infrastructure associated with the Swallow Business Park, Lower Dicker, Hailsham.

RECOMMENDATIONS: The Lead Member is recommended to:

- (1) Approve grant funding to the value of £1.4m to Westcott Leach Ltd to fund the delivery of the site infrastructure associated with the Swallow Business Park;**
 - (2) Agree to enter into a supplemental legal agreement to the grant agreement to ensure the delivery, at no cost to the County Council of the first phase of speculative business space on Swallow Business Park by Westcott Leach Ltd; and**
 - (3) Delegate authority to the Director of Communities, Economy and Transport to approve the terms of any agreements and to take all other necessary actions in respect of recommendation 1 above.**
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1 Background Information

1.1 In March 2014, the South East Local Enterprise Partnership (SE LEP), which comprises businesses, local authorities and education leaders across East Sussex, Essex, Kent, Medway, Southend and Thurrock, submitted their proposals to Government for a Local Growth Deal to drive economic expansion in the area over the next 6 years up to 2021. Within this was a specific growth plan for East Sussex focussed around its three growth corridors – Newhaven, A22/A27 Eastbourne/South Wealden and the A21/A259 Bexhill/Hastings Growth Corridor.

1.2 The SE LEP's initial Local Growth Deal was agreed in July 2014 with a further Local Growth Deal agreed in February 2015. Within East Sussex, over £71m has been secured to date towards infrastructure projects, with a particular focus on transport schemes that will bring forward new jobs and homes across the county.

1.3 The East Sussex element of the Local Growth Deal identifies the Swallow Business Park as integral to the growth plans for delivering jobs and employment space in the A22/A27 Eastbourne/South Wealden Growth Corridor.

1.4 The project at Swallow Business Park, as shown in Appendix 1, involves the provision of enabling infrastructure to unlock the development of Swallow Business Park on a 3.4 hectare greenfield site off the A22 in Lower Dicker, which extends the existing Hackhurst Lane Industrial Estate. The proposed works involve the provision of general infrastructure, including the completion of the site access road from the A22, utilities services and associated works supply to open up the site. The new access to the A22 will remove commercial traffic from the existing sub-standard Hackhurst Lane and improve operating conditions for the existing industrial estate as well as opening up new development on Swallow Business Park. The enabling infrastructure will be delivered by the site owner and developer, Westcott Leach Ltd.

1.5 Planning permission for industrial and warehouse units on the site was originally granted in 1996 and renewed in November 2010 for 14,829m² of B1, B2 & B8 floorspace. The scheme has subsequently been revised to better align to market demand, proposing a total floorspace of

10,344m² focussed on meeting the requirements of small businesses. The project will unlock capacity for over 240 gross jobs.

1.6 Subject to the Local Growth Deal funding coming forward to deliver the enabling site infrastructure, the developer has agreed to enter into a supplemental legal agreement to the grant agreement to deliver, at no cost to the County Council, a first phase of speculative business space comprising 2,519m² of flexible units, in six blocks, to accommodate a range of small business needs. This will secure an initial private sector investment of £2m from the first development phase and unlock a further £12m in later phases over the period to 2021.

1.7 The business case has been assessed by the SE LEP's Independent Technical Evaluator (ITE) and the assessment has identified that there is a high value for money for the enabling infrastructure package. The business case will be considered by the SE LEP's Accountability Board on 12 February 2016.

2 Supporting Information

Westcott Leach Ltd

2.1 The developer, Westcott Leach Ltd, is an experienced and well established property development company operating in the South East, with its activities focussed primarily in Sussex. The company is an Small/Medium Enterprise (SME) with its registered office in Tunbridge Wells and has been trading since 2007. Westcott Leach purchased the Swallow Business Park site in August 2013.

2.2 The company brings a strong track record to delivering similar projects to Swallow Business Park having successfully completed and let several workspace developments in Sussex including:

- Mid Sussex Business Park, Burgess Hill – 30 units totalling 7,430m² now fully let;
- Apex Way, Hailsham – 8 units totalling 5,100m² now fully let;
- Hammonds Drive, Eastbourne – 9 units totalling 1,950m² now fully let; and
- Deanland Road, Golden Cross, 14 units totalling 3,700m² now 80% let.

Legal Agreements

2.3 The further Local Growth Deal agreed in February 2015 allocated £1.7m of funding for Swallow Business Park in 2016/17. At the Lead Member's decision making meeting on 3 November 2015, it was resolved to agree the re-profile of East Sussex's 2015/16 Local Growth Deal allocation on approved priority East Sussex schemes that were able to be brought forward for spend in this financial year. Swallow Business Park was one of those schemes where spend of up to £1.4m could be achieved this financial year.

2.4 The grant funding would be awarded to Westcott Leach as the promoter of the scheme, to fund pre-construction works and delivery on the enabling site infrastructure for the Swallow Business Park.

2.5 The terms of the grant agreement will be in accordance with those between Essex County Council, as SE LEP's Lead Accountable Body, and the County Council, as the 'local' accountable body for the delivery of the scheme; SE LEP's accountability framework was considered by the Lead Member at his decision making meeting on 2 June 2015. The County Council will be using its general power of competence under the Localism Act 2011, and all other enabling powers, to make the grants to Westcott Leach.

2.6 The terms of the supplemental legal agreement to the grant agreement with Westcott Leach Ltd will ensure the delivery of the initial phase of speculative employment space on the Swallow Business Park which would be funded by Westcott Leach Ltd and would be at no cost to the County Council. This would ensure the establishment of the site in the market as a key location for business growth in the area, beyond the provision of a serviced site only.

State Aid

2.7 The project specifically involves the provision of general infrastructure that is intended to be adopted by the County Council, Statutory Undertakers and utility providers. On this basis, the public sector investment of £1.4m in such infrastructure provision would not of itself constitute State Aid as the infrastructure would be available to users on an open, transparent and non-discriminatory basis. Notwithstanding the nature of the investment as general infrastructure, further legal advice has been taken from specialist consultants on State Aid matters in respect of the

project. This advice indicates that the investment would, in any event, be compatible with State Aid provisions under Article 56 of the General Block Exemption Regulation, referring to Investment Aid for Local Infrastructure. This provides exemption for financial support for the construction or upgrade of local infrastructure that contributes at the local level to improving the business and consumer environment and modernising and developing the industrial base.

3 Conclusion and Reasons for Recommendations

3.1 Swallow Business Park is one of the Local Growth Deal schemes to come forward in East Sussex and its delivery will help unlock employment space and create jobs in the A22/A27 Eastbourne/South Wealden Growth corridor.

3.2 Westcott Leach Ltd are a well established SME with a focus and extensive experience in local property development in Sussex. The awarding of the grant funding of £1.4m, has been viewed as compatible with State Aid provisions, and will enable Westcott Leach Ltd to bring forward the enabling site infrastructure to unlock the Swallow Business Park. In turn, this will enable Westcott Leach to commit to funding the development of 2,519m² of employment space to meet the needs of small businesses in the area.

3.3 The Lead Member is therefore recommended to approve the awarding of the grant to Westcott Leach Ltd. It is also recommended that a supplemental legal agreement to the grant agreement is entered into to ensure that, following the completion of the infrastructure works, the developer agrees to deliver, at no cost to the County Council, the initial phase of employment space. In respect of both these agreements, authority should also be delegated to the Director of Communities, Economy and Transport to agree the terms between the County Council and Westcott Leach Ltd, and take all other necessary actions.

RUPERT CLUBB

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LOCAL MEMBERS

Councillor Bennett

BACKGROUND DOCUMENTS

South East Local Enterprise Partnership - Strategic Economic Plan, March 2014

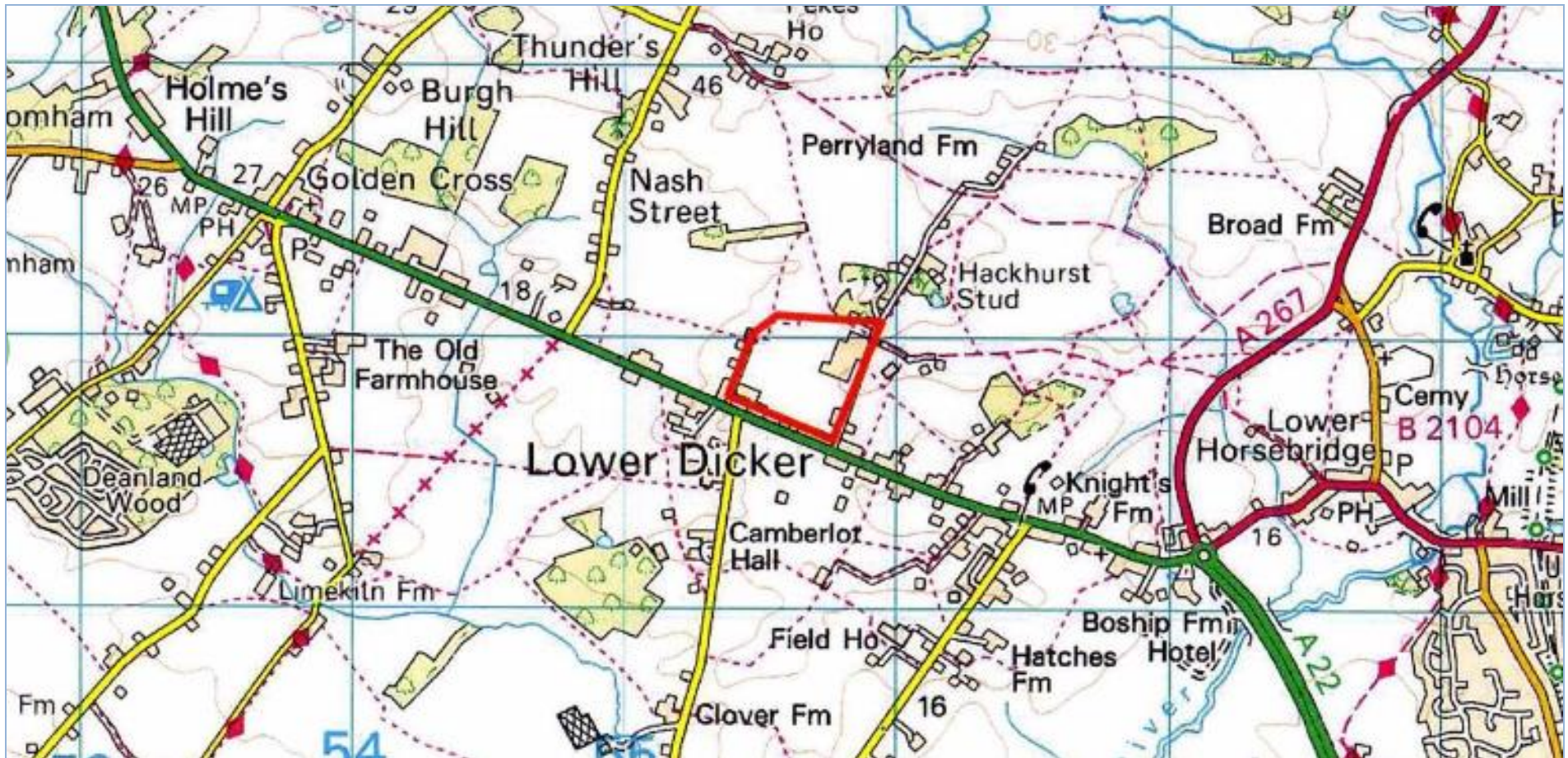
<http://southeastlep.com/our-local-growth-deal-and-strategic-economic-plan>

South East Local Enterprise Partnership - Growth Deal, July 2014 and February 2015

<http://southeastlep.com/growth-deal>

Swallow Business Park Business Case submitted to SELEP, January 2016

Appendix 1 – Swallow Business Park Location Plan



Report to: Lead Cabinet Member for Strategic Management and Economic Development

Date: 5 February 2016

By: Director of Communities, Economy and Transport

Title: Funding Agreement with Environment Agency for the Newhaven Flood Alleviation Scheme

Purpose: To seek approval for the County Council to enter into legal agreements to transfer the Local Growth Fund monies approved by the South East Local Enterprise Partnership to Environment Agency to deliver the Newhaven Flood Alleviation Scheme

RECOMMENDATIONS: The Lead Member is recommended to:

- (1) Approve grant funding to the value of £1.5m to Environment Agency to fund the delivery of the Newhaven Flood Alleviation Scheme; and**
 - (2) Delegate authority to the Director of Communities, Economy and Transport to approve the terms of any agreements and to take all other necessary actions in respect of recommendation 1 above.**
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1. Background Information

1.1 In March 2014, the South East Local Enterprise Partnership (SE LEP), which comprises businesses, local authorities and education leaders across East Sussex, Essex, Kent, Medway, Southend and Thurrock, equally alongside the Coast 2 Capital Local Enterprise Partnership (C2C LEP) submitted their proposals to Government for a Growth Deal to drive economic expansion in the area over the next 6 years up to 2021.

1.2 One of the East Sussex Local Growth Fund (LGF) schemes identified in both LEP's Strategic Economic Plans as integral to the growth plans for the Newhaven Maritime and Clean Tech Growth Corridor was the Newhaven Flood Alleviation Scheme (NFAS). The NFAS, which comprises flood defences works to the east and west banks of the tidal Ouse in Newhaven was identified in the Environment Agency's 'River Ouse to Seaford Head Strategy' approved in 2012.

1.3 Both LEP's Growth Deals were agreed in July 2014 with a further Growth Deal agreed in February 2015. Within East Sussex, over £71m has been secured to date towards infrastructure projects, which will bring forward new jobs and homes across the county. A total of £3m LGF monies, £1.5m from SE LEP and £1.5m from Coast to Capital, have been secured through the respective Growth Deals towards the delivery of the NFAS. This will augment a further £10m from the Environment Agency (EA), who are responsible for leading and managing the overall scheme. The SE LEP's Local Growth Fund £1.5m funding contribution is to be spent on early scheme interventions including design, procurement, investigations, surveys and initial construction materials in the delivery of the overall NFAS project.

1.4 The NFAS would reduce the flood risk to over 1,060 existing residential and 476 commercial properties. It will directly create some 1,460 jobs, open up 98,241sq ft of commercial floor space and enable the delivery of 494 new homes. In addition, without the flood defence scheme, the further creation of 3,540 jobs and 78,759 sq ft of commercial floor space would not go ahead in the growth corridor.

1.5 The EA as the project sponsor submitted the NFAS business case, this has been considered by both LEPs in order to ensure the scheme represented good value for money. Following assessment by SE LEP's Independent Technical Evaluator (ITE), the business case was approved by the SE LEP's Strategic Board on 12 June 2015. C2C LEP was satisfied that the full and detailed appraisal undertaken by Government in order to secure the EA's financial contribution to the project meant that the scheme represented good value for money. The scheme is programmed to start in early 2016 and completed by 2019.

1.6 At the Lead Member's decision making meeting on 15 September 2015, the Lead Member resolved to agree the re-profile of the South East Local Enterprise Partnership's Local Growth Fund allocation of £1.5m for the Newhaven Flood Alleviation Scheme within the agreed arrangements under the South East Local Enterprise Partnership's Accountability and Assurance Framework. The original

funding allocation was for £0.75m of spend in 2015/16 and £0.75m in 16/17; the revised funding profile agreed by the Lead Member at his decision making meeting was £0.4m in 15/16, £0.7m in 16/17 and £0.4m in 17/18.

2. Supporting Information

2.1 The EA established in 1996, is an executive non-departmental public body, sponsored by the Department for Environment, food and Rural Affairs (DEFRA). The EA work to create better places for people and wildlife, and support sustainable development with a core priority of managing risk of flooding. The NFAS is designed to manage the risk of coastal flooding for 55 years, given current sea level rise estimates.

2.2 In light of the comprehensive spending review (CSR) on 25 November 2015, the County Council sought confirmation on the match funding from the EA and that the NFAS remains a high priority. The EA responded by confirming that their overall funding for the 6-year plan of flood and coastal erosion works has been confirmed by Government. Moreover, specifically on NFAS the EA have also confirmed this continues to remain a high priority, compared to other projects due to the healthy value of match funding, impact and quality assurance used to prioritize their funding for schemes.

2.3 The terms of the grant agreements will be in accordance with those between Essex County Council, as SELEP's Lead Accountable Body, and the County Council, as the 'local' accountable body for the delivery of the scheme; SELEP's accountability framework was considered by the Lead Member at his decision making meeting on 2 June 2015. The County Council will be using its general power of competence under the Localism Act 2011, and all other enabling powers, to make the grants to the Environment Agency.

2.4 The Flood Alleviation Scheme will constitute general infrastructure under Article 56 of the General Block Exemption Regulation, referring to Investment Aid for Local Infrastructure. This provides exemption for financial support for the construction or upgrade of local infrastructures that contribute at the local level to improving the business and consumer environment and modernising and developing the industrial base. Therefore, there are no state aid issues with issuing the grant to the Environment Agency.

3. Conclusion and Reasons for Recommendations

3.1 The Newhaven Flood Alleviation Scheme is one of the Local Growth Deal schemes to come forward in East Sussex and its delivery will help unlock new housing, employment space and create jobs across the Newhaven Clean Tech and Maritime Growth corridor.

3.2 The Environment Agency is a key delivery partner for the County Council in achieving its ambitions for driving economic growth in Newhaven. The awarding of the grant of £1.5m will enable the Environment Agency to deliver the package of flood alleviation measures, subject to the approval of the SE LEP's Accountability Board, bringing forward greater viability towards unlocking key strategic sites in Newhaven for commercial and housing opportunities.

3.3 The Lead Member is therefore recommended to approve the awarding of the grant to the Environment Agency and delegate authority to the Director of Communities, Economy and Transport to agree the terms of the legal agreements between the County Council and Environment Agency, and take all other necessary actions.

RUPERT CLUBB

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LOCAL MEMBERS

Councillors Butler and Charlton

BACKGROUND DOCUMENTS

South East Local Enterprise Partnership - Strategic Economic Plan, March 2014

<http://southeastlep.com/our-local-growth-deal-and-strategic-economic-plan>

South East Local Enterprise Partnership - Growth Deal, July 2014 <http://southeastlep.com/growth-deal>