



LEAD MEMBER FOR STRATEGIC MANAGEMENT AND ECONOMIC DEVELOPMENT

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

TUESDAY, 11 JULY 2017 AT 12.30 PM OR AT THE CONCLUSION OF THE COUNTY COUNCIL MEETING, WHICHEVER IS THE LATER

CC2, COUNTY HALL, LEWES

AGENDA

- 1 Decisions made by the Lead Cabinet Member on 27 July 2017 (*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 agreement with Eastbourne Borough Council - Devonshire Park Quarter redevelopment (*Pages 5 - 6*)
Report by the Director of Communities, Economy and Transport
- 5 Local Growth Fund - 2016/17 Financial Year Statement (*Pages 7 - 10*)
Report by the Director of Communities, Economy and Transport
- 6 Any urgent items previously notified under agenda item 3

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3 July 2017

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LEADER AND LEAD MEMBER FOR STRATEGIC MANAGEMENT AND ECONOMIC DEVELOPMENT

DECISIONS made by the Leader and Lead Member for Strategic Management and Economic Development, Councillor Keith Glazier, on 27 June 2017 at County Hall, Lewes

1 DECISIONS MADE BY THE LEAD CABINET MEMBER ON 7 APRIL 2017

1.1 The Lead Member confirmed as a correct record the minutes of the meeting held on 7 April 2017.

2 REPORTS

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

3 ORBIS JOINT COMMITTEE TERMS OF REFERENCE

3.1 The Leader and Lead Cabinet Member for Strategic Management and Economic Development considered a report by the Chief Operating Officer.

DECISIONS

3.2 **RESOLVED** to approve the revised Terms of Reference for the Orbis Joint Committee, contained at Appendix 1 of the report.

Reasons

3.3 Brighton & Hove City Council formally joined the Orbis partnership on 25 May 2017 as the final founding partner. The Terms of Reference need to be updated and refreshed to reflect the expansion to three partners. Ratification of the revised Terms will be sought at the next meeting of the Orbis Joint Committee.

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

Date: 11 July 2017

By: Director of Communities, Economy and Transport

Title: Funding Agreement with Eastbourne Borough Council – Devonshire Park Quarter Redevelopment

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 Eastbourne Borough Council to deliver the Devonshire Park Quarter Redevelopment

RECOMMENDATIONS: The Lead Member is recommended to:

- (1) Approve grant funding, to the value of £5m to Eastbourne Borough Council to fund the delivery of the of the Devonshire Park Quarter Redevelopment; 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, 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 second Growth Deal agreed in February 2015. In April 2016 the Department for Communities and Local Government put out a call to local enterprise partnerships to submit bids for a further Growth Deal.

1.3 In July 2016, the SE LEP submitted a comprehensive and ambitious bid worth £229m featuring 41 projects from across the LEP area. In January 2017, SE LEP's ambition for growth was recognised by government and rewarded with approval of £102m in grants to fund projects included within this third bidding round for LGF monies. East Sussex has been successful in securing £13.2m towards two major schemes, including £5m to the Devonshire Park Quarter (DPQ) Redevelopment, which is being delivered by Eastbourne Borough Council (EBC).

1.4 Within East Sussex, over £88m has now been secured to date towards infrastructure projects, with a particular focus on commercial floorspace and transport schemes that will bring forward new jobs and homes across the county.

2 Supporting Information

2.1 The Devonshire Park Quarter (DPQ) of Eastbourne is an unusual site with a tight cluster of three listed theatres, and an international sports venue, adjacent to a major arts venue in Towner Gallery. The current footfall to the area is in excess of 400,000 people per annum.

2.2 All year round consumer tourists and business visitors are very important for the local economy and make a major contribution to preventing the Eastbourne tourism economy following the downward spiral of many similar coastal towns. In Eastbourne, the sector directly supports 7,800 local jobs and generates over £300m in visitor spending.

2.3 The conference facilities in the Devonshire Park complex are recognised to be outdated and insufficient. DPQ has lost business due in large part to the unsuitability, the lack of capacity and the low

quality of these spaces. Redevelopment of this site will provide a high class conference and exhibition venue that is of major importance to the profile and economy of East Sussex, drawing exhibitors and delegates from the UK and internationally.

2.4 As part of the £44m investment in the area, £16m will be invested in a new “Welcome Building” to provide:

- Single location for visitor / delegate information
- Central box office / conference reception
- Hospitality space
- Two large additional conference spaces

2.5 The proposed project is in line with the East Sussex Growth Strategy (2014-2020), East Sussex Cultural Strategy (2013-2023), Eastbourne Borough Corporate Plan 2010-2015 and the Eastbourne Cultural Innovation Strategy.

2.6 The redevelopment is being led by EBC who are providing the majority of the match funding for the project. 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 SELEP’s Accountability Board on 31 March 2017. £5m of LGF monies will be allocated to the scheme with £3.4m in 2017/18 financial year and £1.6m in 2018/19.

2.7 The terms of the grant agreement with EBC will be in accordance with those between Essex County Council, as SE LEP’s Lead Accountable Body (LAB), and the County Council, as the local partner for the delivery of the scheme under the terms of the SE LEP Assurance Framework (2017) signed up to and previously agreed by the County Council. 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 EBC. EBC will be responsible for reporting any changes to project budgets and indemnifying against any additional costs that may be incurred.

3 Conclusion and Reasons for Recommendations

3.1 Devonshire Park Quarter in Eastbourne is a cultural and sporting, town centre destination, in a key position linking the rail station and the sea front. It already enjoys success from an internationally renowned Tennis Centre, three theatres and a contemporary art gallery. The redevelopment of the area is critical to Eastbourne’s ambitions for their visitor economy and conference offering and is in line with the East Sussex Growth Strategy (2014-2020) and East Sussex Cultural Strategy (2013-2023).

3.2 The Lead Member is therefore recommended to approve the awarding of the grant of £5m of Local Growth Fund (LGF) monies to Eastbourne Borough Council and delegate authority to the Director of Communities, Economy and Transport to agree the terms of the legal agreements between the County Council and EBC, and take all other necessary actions to give effect to this grant.

RUPERT CLUBB

Director of Communities, Economy and Transport

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LOCAL MEMBERS

Councillors Taylor

BACKGROUND DOCUMENTS

None

Report to:	Lead Cabinet Member for Strategic Management and Economic Development
Date of meeting:	11 July 2017
By:	Director of Communities, Economy and Transport
Title:	Local Growth Fund – 2016/17 Financial Year Statement
Purpose:	To present the final spend statement for 2016/17 financial year and approve the Local Growth Fund programme for 2017/18

RECOMMENDATIONS: The Lead Cabinet Member is recommended to:

- (1) Note the final 2016/17 spend for the Local Growth Fund programme and the amount of funds that were re-profiled into the East Sussex County Council Capital Programme, as per Option 4 in the SE LEP Assurance Framework; and**
 - (2) Agree the final scheme profiles for the Local Growth Fund programme in the 2017/18 financial year.**
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1. Background Information

Local Growth Fund – East Sussex allocations

1.1 In March 2014, the South East Local Enterprise Partnerships (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 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 an additional Growth Deal agreed in February 2015. Within East Sussex, over £70m of Local Growth Fund (LGF) money has been secured to date towards economic growth and infrastructure projects. In January 2017, the Government announced the outcome of the third round of Growth Deal submissions with the County Council securing a further £13.2m allocated to two major projects. £5m was granted to the Devonshire Park Quarter (DPQ) Redevelopment, which is being delivered by Eastbourne Borough Council (EBC) and £8.2m for the East Sussex Strategic Growth Package (ESSGP) delivered by Sea Change Sussex (SCS).

2016/17 Local Growth Fund Programme

1.3 On 24 May 2016 the Lead Member for Strategic Management and Economic Development approved the allocation of £16.88m for the 2016/17 financial year profiled across seven projects.

1.4 As part of our ongoing programme management process, we identified in-year underspends in four LGF schemes; the Queensway Gateway Road (QGR), the North Bexhill Access Road (NBAR), the Eastbourne Town Centre Access and Improvement Package (ETCAIP), and the Eastbourne and South Wealden Walking and Cycling Package (ESWWCP).

1.5 Delays in the planning process and the discharging of planning conditions led to delays in construction commencing on the QGR scheme. The topography of the site and working environment has also meant that land remediation works have taken longer than initially programmed.

1.6 Changes to the design of NBAR as part of a value engineering exercise have meant delays due to seeking amendments to the extant planning permission. Should the change be accepted by the local planning authority then the new design will include a culvert through an embankment for the Combe Haven rather than requiring the construction of a bridge.

1.7 The ETCAIP has experienced delays due to an extended consultation process regarding the relocation and access to bus stops as part of the Terminus Road improvements associated with the extension to the Arndale shopping centre. The detailed design is close to completion with tenders expected to go out in the late summer 2017. Works are now programmed to start in early 2018, but will need to tie into the timescales in which the Arndale shopping centre is working to regarding their extension plans.

1.8 The second tranche of ESWWCP projects has experienced delays due to the discovery of Japanese knotweed along the route of the Sovereign Harbour to Town Centre cycle route on the section between Lottbridge Drove and Langney Rise roundabout (Phase 3).

LGF Spending Conditions

1.9 The conditions of the grant handed down by government to the Accountable Body for the SE LEP (Essex County Council), and in turn the local partner, the County Council, insist that all LGF monies must be spent in the financial year in which they were allocated. As such, £7.375m from across the above four LGF schemes required mitigation action.

1.10 The SE LEP Accountability Board, on 12 February 2016, agreed amendments to the Accountability and Assurance Framework (AAF) which authorised the use of four mitigation options to avoid underspend in the LGF programme. These mitigation options are also incorporated into the new SE LEP Assurance Framework approved in February 2017. The options were:

- 1) Bring forward LGF spend on schemes already in the 2016/17 programme;
- 2) Bringing forward future year's schemes to spend in the current financial year;
- 3) Transfer LGF spend on schemes between partner authorities;
- 4) Re-profile spend between LGF projects and own Council Capital Programme Projects.

2. Supporting Information

2016/17 LGF Programme

2.1 In order to mitigate slippage, the Lead Cabinet Member at his decision making meeting on 21 February 2017 agreed the acceleration of one scheme - the East Sussex Strategic Growth Package (ESSGP) - under option 2 above, in to the 2016/17 financial year. It was anticipated at that time that £0.3m of spend would be achievable on the ESSGP within 2016/17. However the development of a grant agreement was slightly delayed and no spend was achieved on this scheme before the end of the financial year.

2.2 Therefore, a total of £7.375m of remaining underspend from the four LGF schemes was re-profiled into the East Sussex County Council Capital Programme in accordance with the mitigation option 4 outlined in paragraph 1.10 above. The final spend and the mitigation totals are detailed in Table 1 below.

Table 1 – 2016/17 LGF Programme: Final Spend and Mitigation

*figures provided below relate only to LGF investment and do not include other scheme contributions

Scheme	Total LGF Allocation	2016/17 Allocation (after previous mitigation)	Grant Drawn Down in 2016/17 (inc previous year's slippage)	2016/17 Final Spend	Transfer to ESCC Capital Programme (mitigation option 4)
Queensway Gateway Road (Round 1)	6,000,000	4,281,000.00	4,280,797.40	1,121,000.00	£3,159,797.40
Strategic Site Infrastructure (Round 1)	1,700,000	1,170,000.00	1,170,000.00	1,170,000.00	£-
Newhaven Flood Alleviation Scheme (Round 1)	1,500,000	800,000.00	800,000.00	800,000.00	£-
Swallows Business Park (Round 2)	1,400,000	895,001.00	895,001.00	895,001.00	£-

Scheme	Total LGF Allocation	2016/17 Allocation (after previous mitigation)	Grant Drawn Down in 2016/17 (inc previous year's slippage)	2016/17 Final Spend	Transfer to ESCC Capital Programme (mitigation option 4)
Eastbourne and South Wealden Walking and Cycling Package (Round 1)	8,600,000	750,000.00	750,000.00	370,410.00	£379,590.00
Coastal Communities Housing Scheme (Hastings) (Round 2)	666,666	65,000.00	-	-	£-
North Bexhill Access Road (Round 1)	16,600,000	6,190,000.00	6,190,000.00	4,600,000.00	£1,590,000.00
East Sussex Strategic Growth Package (Round 3)	820,000.00	300,000.00	300,000.00	-	£300,000.00
Eastbourne Town Centre Access and Improvement (Round 1)	6,000,000	2,495,000.00	2,495,000.00	549,810.00	£1,945,190.00
TOTALS		16,946,001.00	16,880,798.40	9,506,221	£7,374,577.40

2017/18 LGF Programme

2.3 As well as the ESSGP there are three other new schemes to be incorporated into the East Sussex LGF programme for the 2017/18 Financial Year; the Hailsham/Polegate/Eastbourne Movement and Access Corridor (LGF Round 1); the Hastings and Bexhill Movement and Access Package (LGF Round 1) and the Devonshire Park Quarter (DPQ) re-development scheme (LGF Round 3) in Eastbourne. Each of these, with the exception of the Hastings and Bexhill Movement and Access Package has been approved by the SE LEP Accountability Board, following the development of a detailed business case.

2.4 Table 2 below shows the proposed spend profile for the 2017/18 financial year, including 9 schemes and taking into account the mitigation options outlined above.

Table 2 – 2017/18 LGF Programme – proposed spend profile

Scheme	Total Scheme LGF Contribution	17/18 LGF Profile (including Option 4 slippage)
Queensway Gateway Road	£6,000,000	£3,459,797.40
North Bexhill Access Road	£16,600,000	£5,590,000.00
Eastbourne and South Wealden Walking and Cycling	£8,600,000	£879,590.00

Scheme	Total Scheme LGF Contribution	17/18 LGF Profile (including Option 4 slippage)
Newhaven Flood Alleviation Scheme	£1,500,000	£400,000.00
Eastbourne Town Centre Access and Improvement Scheme	£6,000,000	£2,450,190.00
Hailsham/Polegate/Eastbourne Movement and Access Corridor (Round 1)	£2,100,000	£1,500,000.00
Hastings and Bexhill Movement and Access Package (Round 1)	£12,000,000	£1,352,000.00
Coastal Communities Housing Scheme (Hastings)	£666,666	£666,666.00
East Sussex Strategic Growth Package (Round 3)	£8,200,000	£6,300,000.00
Devonshire Park Quarter (DPQ) re-development (Eastbourne) (Round 3)	£5,000,000	£3,400,000.00
TOTAL		£25,998,243.40

2.5 To mitigate risk on spend, accelerate delivery and ensure desired outcomes we have put into practice a range of programme management steps to address corrective action with internal and external project partners. This has included embedding ESCC programme management into the individual project structures as well as establishing an internal ESCC Officer LGF Governance Group.

3 Conclusion and Reasons for Recommendations

3.1 Due to the reasons outlined above, we have experienced slippage on spend in 2016/17 on five of the projects in the LGF programme. In most cases this slippage is of a short term nature with spend occurring in the early quarters of the 2017/18 financial year. A rigorous assessment of projects has been undertaken through our programme management approach which has led to a more realistic forecasting of spend profiles for the 2017/18 financial year.

3.2 It is recommended that the Lead Cabinet Member notes the final outturn spend in 2016/17 and approves the allocated budgets for the individual projects in the 2017/18 LGF programme including the use of the funds that were transferred into the East Sussex County Council capital programme under mitigation option 4.

RUPERT CLUBB
Director of Communities, Economy and Transport

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

None