



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

FRIDAY, 2 OCTOBER 2020 AT 11.30 AM

CC2, COUNTY HALL, LEWES

++Please note, the Lead Member will not be present in person, but will be taking the decisions remotely++

AGENDA

- 1 Decisions made by the Lead Cabinet Member on 28 July 2020 (*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 Getting Building Fund - Grant Agreements (*Pages 5 - 10*)
Report by the Director of Communities, Economy and Transport
- 5 Any urgent items previously notified under agenda item 3

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24 September 2020

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LEAD MEMBER FOR STRATEGIC MANAGEMENT AND ECONOMIC DEVELOPMENT

DECISIONS made by the Lead Member for Strategic Management and Economic Development, Councillor Keith Glazier, on 28 July 2020 at County Hall, Lewes

++ The Lead Member was not present in person, but took The decisions remotely ++

Councillors G Daniel and Simmons spoke on item 4 (see minute 4). Cllr Simmons spoke on item 5 (see minute 5).

1 DECISIONS MADE BY THE LEAD CABINET MEMBER ON 21 APRIL 2020

1.1 The Lead Member approved as a correct record the minutes of the meeting held on 21 April 2020.

2 DISCLOSURE OF INTERESTS

2.1 Cllr Rupert Simmons declared a personal interest as a Director of Sea Change Sussex.

3 REPORTS

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

4 GROWING PLACES FUND ROUND 3 LOAN FUNDING AGREEMENTS - THE OBSERVER BUILDING HASTINGS (PHASE 1) AND BARNHORN GREEN COMMERCIAL AND HEALTHCARE DEVELOPMENT (PHASE 1)

4.1 The Lead Member considered a report by the Director of Communities, Economy and Transport.

DECISIONS

4.2 The Lead Member RESOLVED to (1) Approve loan funding to the value of £1.75m to White Rock Neighbourhood Ventures Ltd to fund the delivery of the Observer Building Hastings (Phase 1) project, subject to the approval by the South East Local Enterprise Partnership (SELEP) Accountability Board;

(2) Approve loan funding to the value of £1.75m to Rother District Council to fund the delivery of the Barnhorn Green Commercial and Healthcare Development project (Phase 1), subject to the approval by the South East Local Enterprise Partnership (SELEP) Accountability Board;

(3) Delegate authority to the Director of Communities, Economy and Transport and the Chief Finance Officer to agree the terms of, and enter into, the tripartite loan agreement with SELEP Ltd. and Essex County Council as the Accountable Body for SELEP Ltd., necessary to secure the funding;

(4) Delegate authority to the Director of Communities, Economy and Transport and the Chief Finance Officer to agree the terms of, and enter into the loan agreements, with White Rock

Neighbourhood Ventures Ltd in relation to the £1.75m loan funding for the Observer Building and Rother District Council in relation to the £1.75m loan funding for the Barnhorn Green Commercial and Health Development; and

(5) Delegate authority to the Director of Communities, Economy and Transport and the Chief Finance Officer to approve the terms of any agreements and to take all other necessary actions in respect of recommendations 1 and 2 above.

Reasons

4.3 The development of the Observer Building in Hastings is vital to safeguard and develop the mixed use building in the town centre supporting the local area through addressing both social and economic difficulties. The Barnhorn Green commercial and health development project in west Bexhill is key to unlocking housing growth, jobs and primary healthcare expansion. Delivery of the surgery will also unlock and enable over 700 other dwellings in the immediate area. The availability of loan funding from the SELEP's Growing Places Fund will enable the delivery of the first phases of both these developments.

5 UPDATED LOCAL GROWTH FUND SERVICE LEVEL AGREEMENT WITH SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP

5.1 The Lead Member considered a report by the Director of Communities, Economy and Transport.

DECISIONS

5.2 The Lead Member RESOLVED to (1) Approve entering into the updated Service Level Agreement with South East LEP Limited (SELEP Ltd.) and Essex County Council (ECC) as the Accountable Body for the SELEP to fund the delivery of the Local Growth Fund (LGF) programme in East Sussex; and

(2) Delegate authority to the Director of Communities, Economy and Transport and the Chief Finance Officer to agree the terms of, and enter into the Service Level Agreement, and to take all other necessary actions in respect of the recommendation 1 of this report.

Reasons

5.3 Following the incorporation of SELEP as a limited company in March 2020, there is a requirement to update the previous Service Level Agreement between Essex County Council, as the SELEP's Accountable Body, and the County Council to now also include SELEP Ltd. In addition, entering into the updated Service Level Agreement will give greater assurance to Government that the Local Growth Fund (LGF) monies approved by the LEP's Accountability Board to specific LGF projects is contractually committed. In turn, this will support the LEP's case for receipt of the final third of their LGF monies for 2020/21, and thereby enable East Sussex to continue delivering its LGF funded infrastructure projects to support the local economy.

Report to: Lead Member for Strategic Management and Economic Development

Date of meeting: 2 October 2020

By: Director of Communities, Economy and Transport

Title: Getting Building Fund – Grant Agreements

Purpose: To approve East Sussex County Council (ESCC) entering into grant agreements to transfer Getting Building Fund (GBF) monies to eight projects in East Sussex, as approved by the South East Local Enterprise Partnership (SELEP)

Recommendations: The Lead Member is recommended to:

- (1) Approve grant funding to the total value of £11,179,793 to the following eight projects, subject to approval of each project's business case by the SELEP Accountability Board:
 - (i) grant funding to the value of £89,293 to South Downs National Park to fund the delivery of the 'Charleston Access Road' project;
 - (ii) grant funding to the value of £250,000 to Lewes District Council to fund the delivery of the 'Creative Hub Lewes' project;
 - (iii) grant funding to the value of £3,500,000 to East Sussex Energy Infrastructure & Development Ltd (trading as Sea Change Sussex) to fund the delivery of the 'Fast Track Business Solutions for the Hastings Manufacturing Sector' project;
 - (iv) grant funding to the value of £1,713,000 to White Rock Neighbourhood Ventures Ltd to fund the delivery of the 'Observer Building Hastings Phase 2' project;
 - (v) grant funding to the value of £1,600,000 to Eastbourne Borough Council to fund the delivery of the 'Restoring the Glory of the Winter Garden' project;
 - (vi) grant funding to the value of £2,527,500 to Riding Sunbeams to fund the delivery of the 'Riding Sunbeams Solar Railways' project;
 - (vii) grant funding to the value of £200,000 to University of Sussex to fund the delivery of the 'Sussex Innovation Falmer Covid-Secure Adaptions' project;
 - (viii) grant funding to the value of £1,300,000 to Lewes District Council to fund the delivery of the 'UTC Maritime and Sustainable Technology Hub' project.
 - (2) Delegate authority to the Director of Communities, Economy and Transport (CET), in consultation with the Chief Finance Officer, to agree the terms of the grant agreements and take all other necessary actions as required to implement Recommendation 1 above.
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1. Background information

1.1. On 10 June 2020 the Ministry of Housing, Communities and Local Government (MHCLG) issued a call for projects through Local Enterprise Partnerships (LEPs) to help aid economic recovery in the wake of the Covid-19 pandemic. LEPs were given just seven days to provide MHCLG with a list of shovel-ready capital projects that could be delivered within 18 months (i.e. by March 2022) to help create jobs and raise overall demand in the economy.

1.2. East Sussex County Council (ESCC) officers, with the help of Borough and District colleagues, project promoters and other key partners, were able to provide the South East Local Enterprise Partnership (SELEP) with a list of 28 East Sussex projects. The final submission from SELEP to MHCLG on 18 June 2020 contained 170 projects across the SELEP geography – East Sussex, Essex, Kent, Medway, Southend and Thurrock – with an overall capital ask of around £573 million.

1.3. MHCLG announced their new £900 million 'Getting Building Fund' (GBF) on 1 July 2020 and confirmed that SELEP would be allocated £85 million. This meant that SELEP would need to prioritise its original submission into a 'package' of projects to that value.

1.4. Correspondence received from Government on 6 July 2020 included a shortlist of their 'favoured and interested' projects from SELEP's submission, plus a wider list of projects RAG-rated as Green or Green/Amber, all according to how far the projects hit the objectives and priority areas of the fund. The list included a good number of East Sussex schemes, which effectively removed the need for any local prioritisation. Instead, projects were banded (favoured, interested, RAG-rated and reserve) and then liaison took place with project promoters to make absolutely certain of the deliverability of the schemes and to gather any extra information that might help validate their cases (e.g. planning permissions, and in some instances revising the capital ask of a project to help meet the criteria and ensure it is truly deliverable within the 18-month timescale to March 2022).

1.5. The SELEP Chair, Deputy Chair, Federated Board Chairs and Government officials from the Cities and Local Growth Unit (CLGU) met on 10 and 14 July 2020 to consider the viability of the SELEP-wide submissions and formulate a draft version of the overall package. The schemes put forward from East Sussex were endorsed by Team East Sussex (TES) on 16 July 2020, and then the final SELEP package of projects was approved by the SELEP Strategic Board, also on 16 July 2020. The final SELEP package contained 34 projects to the value of £85 million, **including 8 East Sussex schemes with a GBF ask of £11,179,793** (see paragraph 2.1). MHCLG approved the SELEP GBF package of projects on 28 July 2020.

1.6. In order for GBF monies to be defrayed to the East Sussex projects, **grant agreements** need to be in place. Essex County Council (ECC), as the lead accountable body for SELEP, issues funds on a project-by-project basis to the relevant upper tier authority through a grant agreement with that authority – in this case ESCC. It is then the responsibility of the upper tier authority to defray funds to the individual projects and monitor progress. ESCC mitigates the repayment risk of grant awards (should projects not proceed to full delivery) through grant agreements with those individual projects.

2. Supporting information

2.1. The 8 East Sussex projects approved for GBF funding are as follows:

- Charleston Access Road (£89,293)
- Creative Hub Lewes (£250,000)
- Fast Track Business Solutions for the Hastings Manufacturing Sector (£3,500,000)
- Observer Building Hastings Phase 2 (£1,713,000)
- Restoring the Glory of the Winter Garden (£1,600,000)
- Riding Sunbeams Solar Railways (£2,527,500)
- Sussex Innovation Falmer Covid-Secure Adaptions (£200,000)
- UTC Maritime and Sustainable Technology Hub (£1,300,000)

2.2. A full description of each project is given in Appendix 1.

2.3. East Sussex will receive £11.18 million of the £85 million awarded to SELEP to support initiatives that will drive economic growth across the region. The funding will support projects to deliver 445 new jobs and safeguard a further 177 across East Sussex, as well as creating an additional 177 jobs during the construction period. More than 8,000 sqm of commercial space will be unlocked and over 400 new learners will be assisted through new skills facilities and programmes. The funding will also help release an additional £9.7 million in public/private sector contributions, meaning a total investment of nearly £21 million into East Sussex.

2.4. We have liaised directly with the project promoters of all 8 schemes to obtain as much information as possible prior to the original submission, including assurances on the *deliverability* of each project within the 18-month timeframe. The list of projects was endorsed by Team East Sussex (TES) and by the ESCC Chief Finance Officer.

2.5. Before any funds are defrayed, each project will undergo SELEP's full project assessment procedure – the 'gate' process as used for all previous Local Growth Fund (LGF) projects. Full business cases are submitted and are given a Gate 1 assessment by Steer, SELEP's Independent Technical Evaluator (ITE). Our Finance department also reviews the business cases and provides feedback. Updated business cases are then submitted for a Gate 2 assessment and our S151 Officer sign-off, before consideration by the SELEP Accountability Board who will make the final decision

on whether to award funding, with the ESCC Leader Councillor Glazier as our voting representative on that board. SELEP Accountability Board meetings will take place on 16 October and 20 November 2020.

2.6. The East Sussex projects being considered at the October Accountability Board meeting are Fast Track Business Solutions for the Hastings Manufacturing Sector, Observer Building Hastings Phase 2 and Restoring the Glory of the Winter Garden. All 3 projects have successfully completed the Gate 2 assessment and have received S151 sign-off. The remaining 5 East Sussex projects will go to the November Accountability Board meeting; they have all successfully completed the Gate 1 assessment and will submit their updated business cases for Gate 2 assessment by 9 October 2020.

2.7. In responding to the Covid-19 crisis the projects also directly respond to the aims and ambitions of the new East Sussex Economy Recovery Plan, launched by TES in mid-September 2020. Furthermore, delivery of these projects contributes to ESCC's core priorities of 'driving sustainable economic growth' and 'making best use of resources by maximising the funding available through external bidding'.

3. Conclusion and reason for recommendations

3.1. The 8 projects highlighted in this report all help to support the objectives and priority areas of the Government's new Getting Building Fund as well as the aims and ambitions of the East Sussex Economy Recovery Plan and the County Council's core priorities. The county will receive more than £11 million of funding, supporting projects to create new jobs, new workspace, assist new learners and unlock additional funding through public/private sector contributions to drive economic growth across the region.

3.2. All required due diligence has been, or will be, completed on each project prior to entering into any funding agreement. Therefore, as a result of SELEP obtaining an award of £85 million through the Getting Building Fund, and subject to the approval of each project's business case by the SELEP Accountability Board, the Lead Member is recommended to approve grant funding to the following 8 East Sussex projects:

- (i) £89,293 to South Downs National Park for 'Charleston Access Road';
- (ii) £250,000 to Lewes District Council for 'Creative Hub Lewes';
- (iii) £3,500,000 to East Sussex Energy Infrastructure & Development Ltd (trading as Sea Change Sussex) for 'Fast Track Business Solutions for the Hastings Manufacturing Sector';
- (iv) £1,713,000 to White Rock Neighbourhood Ventures Ltd for 'Observer Building Hastings Phase 2';
- (v) £1,600,000 to Eastbourne Borough Council for 'Restoring the Glory of the Winter Garden';
- (vi) £2,527,500 to Riding Sunbeams for 'Riding Sunbeams Solar Railways';
- (vii) £200,000 to University of Sussex for 'Sussex Innovation Falmer Covid-Secure Adaptions';
- (viii) £1,300,000 to Lewes District Council for 'UTC Maritime and Sustainable Technology Hub'.

3.3. The Lead Member is further recommended to delegate authority to the Director of Communities, Economy and Transport (CET), in consultation with the Chief Finance Officer, to agree the terms of the grant agreements and to take all other necessary actions as required to implement the above recommendation.

RUPERT CLUBB

Director of Communities, Economy and Transport

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LOCAL MEMBERS

Councillor Nick Bennett
Councillor Godfrey Daniel
Councillor Philip Daniel
Councillor Darren Grover
Councillor Ruth O'Keeffe
Councillor Sarah Osborne
Councillor Peter Pragnell
Councillor Barry Taylor

Background Documents

None

Appendix 1 – Getting Building Fund, approved East Sussex projects, July 2020

Charleston Access Road: removing the barrier to growth
<ul style="list-style-type: none"> - GBF capital ask: £89,293 (match funding £310,707, total project cost £400,000) - Project promoter: South Downs National Park - Project location: Charleston, Firle, Lewes <p>To widen and resurface the access track to Charleston, an artists' house and studio museum of international significance in the heart of the South Downs National Park, home to the renowned Charleston Festival. In 2018 Charleston undertook a £7.5m capital uplift, resulting in a doubling of audience numbers in 2019 and 20% increase in turnover, with a local economic impact of £1.4m. However, the poor condition of the access track is discouraging repeat visitors and is a barrier to growth. By widening the track, this project will also create new dedicated access for cyclists.</p> <p>Outputs include 26 indirect jobs in the local visitor economy created/safeguarded annually by domestic and international tourism to Charleston. The Centenary Project, of which this access lane forms part, has so far created 11 direct gross operational FTEs and 31 indirect gross induced jobs in the visitor economy – these are also safeguarded by maintaining and improving access to the site. The project is focused on The Charleston Trust which is a critical component in the region's visitor economy. The improved access also opens up access to businesses in the village of Tilton (Tilton House, an accommodation and retreat centre, and the foraging and cookery school Hunter Gather Cook's Shepherd Barn.</p>
Creative Hub, 4 Fisher Street, Lewes
<ul style="list-style-type: none"> - GBF capital ask: £250,000 (match funding £400,000, total project cost £650,000) - Project promoter: Lewes District Council - Project location: Fisher Street, Lewes <p>Conversion of a vacant building into a new co-working hub and café. The new hub will include touch down, short occupation and longer term leased office space for the fast-growing creative industries in Greater Brighton. Interest has already been received from potential tenants.</p> <p>Outputs include 777sqm of commercial workspace, 35 jobs created plus 9 additional construction jobs.</p>
Fast Track Business Solutions for the Hastings Manufacturing Sector
<ul style="list-style-type: none"> - GBF capital ask: £3,500,000 (match funding £1,000,000, total project cost £4,500,000) - Project promoter: East Sussex Energy Infrastructure & Development Ltd (trading as Sea Change Sussex) - Project location: North Queensway Innovation Park, Queensway, St Leonards on Sea <p>4,000sqm GIA of Class B1/B2 industrial accommodation designed to be occupied as a whole, or subdivided into units from 150 up to 1,000sqm. Situated in an established industrial location with good transport links. Addresses immediate need for modern manufacturing space due to supply shortage and outdated existing stock. Sustainable growth is at the heart of the build programme and building specification with low and zero carbon technologies and materials to give low maintenance and low energy cost solution.</p> <p>Outputs include 3,995sqm of commercial workspace, 96 jobs created plus 17 additional construction jobs, and 33 jobs safeguarded.</p>
Observer Building, Hastings (Phase 2)
<ul style="list-style-type: none"> - GBF capital ask: £1,713,000 (match funding £2,561,000, total project cost £4,274,000) - Project promoter: White Rock Neighbourhood Ventures Ltd - Project location: Cambridge Road, Hastings <p>After 35 years derelict, this iconic and much-loved local landmark will be brought to life with four floors of leisure, retail, offices, studios and community space. Led by a locally rooted social enterprise developer with a successful track record at Rock House, the project delivers significant workspace and jobs as well as enterprise support and skills development. The grant will also unlock the potential for 15 capped-rent flats and a large public roof terrace. This massive building will be a regeneration catalyst for the whole area and is a key component of the local High Street Heritage Action Zone.</p> <p>Outputs include 2,102sqm of commercial workspace, 66 jobs created plus 14 additional construction jobs, and 4 jobs safeguarded. Further outputs include 15 housing units unlocked, 40 businesses and 80 new learners assisted, and an estimated 81,000kg of CO2 emissions avoided.</p>

Restoring the Glory of the Winter Garden
<ul style="list-style-type: none"> - GBF capital ask: £1,600,000 (match funding £2,300,000, total project cost £3,900,000) - Project promoter: Eastbourne Borough Council - Project location: Compton Street, Eastbourne
<p>Restore the Winter Garden, a historic Grade 2 listed Victorian pavilion, to its former glory as a cultural destination of regional importance that supports and enhances Eastbourne's year-round visitor economy, establish new higher value markets and generate an additional £1m uplift to the local economy. This is a vital project as part of Eastbourne's post-Covid economic recovery.</p> <p>Outputs include 50 jobs created plus 53 additional construction jobs, and 10 jobs safeguarded. Additional events will indirectly support a large number of hospitality businesses in Eastbourne (not quantified, but the additional economic impact estimated at £1m per annum).</p>

Riding Sunbeams Solar Railways
<ul style="list-style-type: none"> - GBF capital ask: £2,527,500 (match funding £2,527,500, total project cost £5,055,000) - Project promoter: Riding Sunbeams - Project location: Chalvington / Berwick, near Polegate
<p>The world's first MW scale solar farm directly powering the DC railways. Delivered in an innovation collaboration between Green Tech company Riding Sunbeams and Network Rail to develop the route to market for direct rail subsidy free renewable energy directly supplying the UK's largest energy user. As outlined in the UK's Rail Decarbonisation Strategy, Riding Sunbeams Solar Railways will bring benefits to the region's energy capacity, carbon saving, costs saving and to our local communities through option for community investment.</p> <p>Outputs include 40 jobs created plus 10 additional construction jobs and 10 jobs safeguarded, plus 800 for the sector when the market opens across the region. 1,041.25 tonnes (1,041,250kg) of CO2 emissions avoided in year one, and 26,031.25 tonnes over 25 years. 30 acres (121,406sqm) of solar farm wild planted and some rewilded. Additional outputs include a 2% social impact benefit for 25-year lifetime of the project, and Green Recovery through opening up a new direct wire renewable energy market at the heart of the south east region (as mentioned in the Tri-LEP Energy Strategy).</p>

Sussex Innovation Falmer: Covid-Secure Adaptions
<ul style="list-style-type: none"> - GBF capital ask: £200,000 (match funding £100,000, total project cost £300,000) - Project promoter: University of Sussex - Project location: Sussex Innovation Centre, Falmer, Brighton
<p>To refurbish Sussex Innovation Centre (Falmer) to make it a Covid/pandemic-secure work environment. This necessary investment will ensure that the space will be adapted to accommodate social distancing, provide technology to aid remote working and virtual meetings that are required to safeguard businesses and jobs in the centre, and create new jobs to fill the available space. The impact of the pandemic has reduced occupancy levels of the centre to below 60%, therefore this investment is required to increase the occupancy level back to 95%. This is equivalent to 100 jobs or 18 businesses.</p> <p>Outputs include 100 jobs created and 190 jobs safeguarded, plus an expected reduction in CO2 emissions due to investment in green transport (EV charging facilities, additional cycle parking and shower facilities).</p>

UTC Maritime and Sustainable Technology Hub
<ul style="list-style-type: none"> - GBF capital ask: £1,300,000 (match funding £500,000, total project cost £1,800,000) - Project promoter: Lewes District Council - Project location: Railway Quay, Newhaven
<p>Conversion of the former UTC@harbourside building into an education-led skills training centre with commercial workspace for SMEs specialising in the marine sector. The proposals also include new office space for Lewes District Council and partners. Site is one of the most prominent in Newhaven and its regeneration would emphasise the strength of Newhaven's recovery.</p> <p>Outputs include 1,300sqm of commercial workspace, 32 jobs created plus 74 additional construction jobs, and 184 jobs safeguarded. Further outputs include 2,601sqm of new/improved learning & training space and 346 new learners assisted.</p>