

Report to: Economy, Transport and Environment (ETE) Scrutiny Committee

Date of meeting: 14 March 2018

By: Director of Communities, Economy and Transport

Title: Catalysing Stalled Sites

Purpose: To inform the Committee of the work that is involved in the Catalysing Stalled Sites (CaSS) programme, including project outcomes

RECOMMENDATIONS:

1. Members are asked to note the contents of this report and the contribution that funds are making towards driving sustainable economic growth by unlocking investment in housing and commercial property growth;
 2. Members are asked to consider whether the change of name from Catalysing Stalled Sites to the Scheme Enabling Fund is appropriate.
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1. Background Information

1.1 The Catalysing Stalled Sites Fund (CaSS) was created in 2015-16 with the specific aim of unlocking 'stalled' development sites, whether for housing or employment use. CaSS provides funding to undertake feasibility studies, business cases and in some cases, pre-development activity.

1.2 The County Council allocated £915k in 2015-16 from its capital programme to it, and it contributes to achieving the County Council's core priority of "driving sustainable economic growth" and delivers on the strategic priorities set out within the East Sussex Growth Strategy (2014-2020). £353,700 of the CaSS fund has now been awarded, £230,000 of which has been used for pre-development costs on specific sites.

1.3 There can be a number of reasons for 'stalled sites' including, for example: contamination or flood issues; the viability of the site; environmental/location issues (e.g. dereliction, access); and pre-development work required to secure much larger amounts of funding to deliver the projects.

1.4 Given the increasing need for development space, bringing forward stalled sites also has the benefit of reducing pressure on 'virgin' sites, which is important in the context of the limitations on available development land in the county.

1.5 The fund guidelines were developed and approved by the external Grants and Loans Panel, managed by the County Council (see Appendix 1). Larger sums for pre-development work were agreed to be awarded as a loan thus providing a potential recyclable fund. Any beneficiaries of the fund typically need to provide 50% match funding.

1.6 The first round of CaSS funding, launched in June 2015, was marketed through district and borough partners, Team East Sussex, and Locate East Sussex (the East Sussex inward investment service). This first call remained open for applications for 8 weeks and attracted 11 applications. Two further rounds of funding were held in the period up to June 2017, at which time it was agreed that the fund would remain an open call.

2. Supporting Information

2.1 The CaSS fund has and continues to ensure the development of studies and business cases that enable a strong pipeline of projects that will seek to take advantage of bidding for external funding and to attract much needed private sector investment. One of the benefits of the programme is that the feasibility studies and business cases funded through CaSS enable projects to go on to secure larger sums of funding from the South East Local Enterprise Partnership (SELEP) to deliver the project.

2.2 In total, 26 applications have been received for the CaSS programme. A summary of these applications is shown in Table 1 (below). Further details of individual projects have been circulated to the Committee.

Table 1

Applications	R1 2015	R2 2016	R3 2017	Open 2017 onwards	Total
Received	11	5	9	1	26
Approved	7	4	3	1	15
Rejected / Withdrawn / Referred to another fund	4	1	6	0	11
Status of Approved applications					
Did not proceed	4	1	1	0	6
in progress	0	3	2	1	6
completed	3	0	0	0	3

2.3 Of the 15 approved projects six withdrew for a variety of reasons, of the remaining nine projects three have completed and six are in progress.

2.4 The programme has funded feasibility studies, land surveys, and business case development for four projects that include housing development on brownfield sites. It is anticipated that this investment will be used to identify viability gaps, attract funding and drive forward the development of much needed housing in our towns.

2.5 Three out of the nine applications have been from private and third sector organisations, one of which has progressed and completed pre-development works on a new employment site at the Ivyhouse Lane Industrial Estate, Hastings. A full business case has been prepared by the developers and submitted for consideration by the grants and loans panel for investment through the County Council's Business Incubator Fund.

2.6 In order to broaden the appeal of the CaSS fund and improve understanding of its ambitions to both private and public sector partners we would propose to rename the CaSS fund to the 'Scheme Enabling Fund' (SEF). The proposed renaming has followed conversations held with both LES (the inward investment service for the county) and the county's established developer's forum, Developers East Sussex (DES). This will help clarify, raise awareness and enable an effective marketing campaign for SEF, which will then work alongside other complimentary East Sussex County Council funds and other external funding opportunities available.

3. Conclusion and Reasons for Recommendations

3.1 It is recommended that Members note the contents of this report and the contribution that funds are making towards driving sustainable economic growth by unlocking investment in housing and commercial property growth, and also consider whether the proposed change of name from Catalysing Stalled Sites (CaSS) to the Scheme Enabling Fund (SEF) is appropriate.

3.2 The economic climate is such that there is still an on-going need for this type of funding as, without it, stalled sites will remain undeveloped which inevitably has an impact on virgin sites.

3.3 The County Council continues to have a strong track record of developing business cases to attract external funding. The proposed "Scheme Enabling Fund" makes a contribution towards this objective and ensures the on-going development of a comprehensive project pipeline ready to take advantage of a range of public and commercial investment opportunities. As the report notes, the fund is also proving to be a useful tool for the Locate East Sussex team to promote difficult sites to prospective developers and investors, bringing the potential for new additional jobs to the county.

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LOCAL MEMBERS

All