

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

Date: 9 May 2019

By: Director of Communities, Economy and Transport

Title: Local Growth Fund Round 3b – Grant Agreements

Purpose: To seek approval for East Sussex County Council to enter into Grant agreements to transfer the Local Growth Fund Round 3b monies as approved by the South East Local Enterprise Partnership (SE LEP) to the following projects: Bexhill Enterprise Park North; Plumpton College Skills for Rural Businesses; and Sidney Little Road Business Incubator Hub

RECOMMENDATIONS: The Lead Member is recommended to:

1. Approve grant funding to the value of £1.94m to Sea Change Sussex to fund the delivery of the Bexhill Enterprise Park North (following approval of the business case by the SE LEP Accountability Board);
 2. Approve grant funding to the value of £2.918m to Plumpton College to fund the delivery of the Skills for Rural Businesses Post Brexit project (following approval of the business case by the SE LEP Accountability Board);
 3. Approve grant funding to the value of £0.5m to Hastings Borough Council to fund the delivery of the Sidney Little Road Business Incubator Hub (following approval of the business case by the SE LEP Accountability Board); and
 4. Delegate authority to the Director of Communities, Economy and Transport to agree the terms of any agreements and to take all other necessary actions in respect of recommendations 1-3 above.
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1. Background Information

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 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 SELEP's initial Growth Deal was agreed in July 2014 with additional Growth Deals agreed in February 2015, March 2016 and February 2017. The total amount of funding provisionally allocated to SE LEP by Central Government, was £570m. Of this, £561.6m had been allocated to 97 Local Growth Fund (LGF) projects. Within East Sussex, over £80m of SE LEP LGF monies have been secured to date towards economic growth and infrastructure projects.

1.3 On 29 June 2018, SE LEP's Strategic Board agreed to issue an Open Call for unallocated LGF funding to the value of £8.3m for projects which supported its strategic objectives and which would form a strong 'short-term' pipeline of priority investments. The open call was termed LGF Round 3b and there is potentially a maximum of £47.2m available for future pipeline project delivery to be currently spent by March 2021.

1.4 On 8 March 2019 the SE LEP Investment Panel announced the outcome of the call, following the SE LEP's independent technical evaluator's assessment of each of the 60 projects

strategic outline business cases (SOBC). As a result, East Sussex has secured a further £5.358m LGF monies, allocated to three projects (subject to acceptance of final business cases by SE LEP's Accountability Board).

1.5 Essex County Council (ECC), as the lead accountable body for the SE LEP, issues funds on a project by project basis to the relevant upper tier authority through grant agreements, in this case East Sussex County Council. It is then the responsibility of the upper tier authority to defray funds to the individual projects, and monitor progress. East Sussex County Council mitigates the risk of repayment of grant award should the project not proceed to full delivery through grant agreements with individual projects.

2. Supporting Information

2.1 The East Sussex '**Bexhill Enterprise Park North**' is a key element in a package of measures to address challenges facing the Bexhill area. Bexhill Enterprise Park North gained planning approval in May 2018 for 33,500 sqm (net internal area) of employment floor space. The Bexhill Enterprise Park North site unlocked by this project will deliver the first light industrial units essential to address the jobs deficit in the local area. The LGF funding will be used to deliver the site and servicing infrastructure required to provide full access to the individual development plots within the business park from the North Bexhill Access Road. These works will directly enable development of the business park and will facilitate private sector investment in the site to bring forward 8,000 sqm of light industrial units and up to 8,000 sqm of manufacturing space.

2.2 Plumpton College is a regional specialist land-based training and education centre, working with approximately 2,000 businesses and educating around 3,500 students annually. The aim of the '**Skills for Rural Businesses**' Project is to support the provision of the infrastructure and training required to secure better AgriFood productivity and efficiency post-Brexit. The LGF funding will be used to help deliver the first phase of an ambitious development on the college site: the construction of a 2 storey centre of excellence in AgriFood knowledge transfer; improved pedestrian and road user access to the new facilities; redevelopment of the pig production and beef and sheep handling facilities, including automated milking stations, and; development of a village green through landscaping opportunities.

2.3 The '**Sidney Little Road Business Incubator Hub**' project will deliver 28 new incubator units on a currently redundant site which was identified for industrial development in the Hastings Local Plan (adopted in 2015). The site is ideally located on a well-established industrial estate within easy reach of the two major trunk roads (A259 and A21) providing good access and proximity to a potential supply chain. The 28 new incubator units will range from 322 sqft to 344 sqft in size, with a total area of 9,558 sqft. The LGF funding will be used towards the development and building costs of the incubator units.

3 Conclusion and Reasons for Recommendations

3.1 The projects detailed above support the delivery of the SE LEP's strategic objectives as outlined in the new Economic Strategic Statement 2019, the East Sussex County Council Growth Strategy's strategic priorities covering 2014-2020 and East Sussex County Council's core priorities in 'driving sustainable economic growth' and 'making best use of resources by maximising the funding available through external bidding'.

3.2 As a result of the award by the SE LEP Investment Panel of grant funding to East Sussex of £5.358m through the SE LEP Local Growth Fund Round 3b programme the Lead Member is asked to approve the allocation of funding to the following three projects (subject to full business cases being approved by the SE LEP's Accountability Board): (i) £1.94m to Sea Change Sussex to fund the delivery of the Bexhill Enterprise Park North site; (ii) £2.918m to Plumpton College to fund

the delivery of the Skills for Rural Businesses; and (iii) £0.5m to Hastings Borough Council to fund the delivery of the Sidney Little Road Business Incubator Hub.

3.3 The Lead Member is asked for approval to delegate authority to the Director of Communities, Economy and Transport to agree the terms of any agreements and to take all other necessary actions in respect of recommendations 1-3 above.

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LOCAL MEMBERS

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