

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

Date: 12 November 2019

By: Director of Communities, Economy and Transport

Title: Bexhill Creative Workspace: Local Growth Fund Round 3b – Grant Agreement

Purpose: To seek approval for East Sussex County Council to enter into a Grant agreement to transfer the Local Growth Fund Round 3b monies as approved by the South East Local Enterprise Partnership (SE LEP) to the Project: Bexhill Creative Workspace

RECOMMENDATIONS: The Lead Member is recommended to:

1. Approve grant funding to the value of £0.96m to Rother District Council to fund the delivery of the Bexhill Creative Workspace project (following approval of the business case by the SE LEP Accountability Board on 13 September 2019); and
 2. 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 Recommendation 1
-

1. Background Information

1.1 In March 2014, the South East Local Enterprise Partnership (SELEP), 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 SELEP 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 SELEP LGF monies have been secured to date, towards economic growth and infrastructure projects.

1.3 Following the SELEP 'Deep Dive' review there was a recommendation that SELEP should take steps to satisfy themselves that any underspend at a federated level is reallocated to the most promising and best value for money projects. In response to the findings of the Deep Dive, on 16 March 2018, the Strategic Board agreed to implement the recommendations of the review. This included a decision to, "agree to establish and maintain a single pipeline of priority projects which will be used to identify the projects which utilise underspends in the event that it becomes available".

1.4 On 29 June 2018, SELEP'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 with potentially a maximum of £47.2m available for future pipeline project delivery to be currently spent by March 2021.

1.5 On 8 March 2019 the SELEP Investment Panel announced the outcome of the call, following the SELEP's independent technical evaluator's assessment of each of the 60 projects strategic outline business cases (SOBC). As a result, East Sussex had secured a further £5.358m LGF monies, allocated to three projects: Bexhill Enterprise Park North (£1.94m); Plumpton College Skills for Rural Businesses (£2.918m); and The Churchfields Business centre (formerly Sidney Little Road Business Incubator Hub) (£0.5m) with the remaining successful applicants forming the SELEP prioritised pipeline of projects should potential further LGF funding come available from underspends.

1.6 On 28 June 2019 the SELEP Investment Panel confirmed the total LGF available for reinvestment had increased to £15.158m. The SELEP Investment Panel prioritised eight further projects to progress utilising the the LGF monies currently available including the East Sussex **Bexhill Creative Workspace** (£0.96m) scheme. The project was identified by the Investment Panel as a priority through the LGF3b pipeline development process.

1.7 On 13 September 2019 the SELEP Accountability Board approved the award of £960,000 of LGF monies to support the delivery of the Project identified in the Business Case and which has been assessed by the SELEP Independent Technical Evaluator (ITE) as presenting high value for money with medium to high certainty of achieving this.

1.8 Essex County Council (ECC), as the lead accountable body for the SELEP, 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 and monitor progress for each individual project. The 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 '**Bexhill Creative Workspace**' project will create six light industrial units specifically for the purpose of attracting new creative industries in to the town. The project's business case strategically presents close alignment to: the SELEP Economic Strategy Statement; the East Sussex Growth Strategy; the East Sussex Cultural strategy and the Rother District Council Corporate Plan. The project is also located at the heart of the one of the East Sussex strategic priority Growth Corridors, the A259/A21.

2.2 The total scheme costs £1.76m with RDC match funding £0.8m for the purchase of the building. The £0.96m of LGF investment is required as a contribution towards the development of low cost creative workspace through the redevelopment of a former food production facility located on the Beeching Road industrial estate in Bexhill.

2.3 The project seeks to create 1,599 sqm of B1 light industrial space across six units for the specific use of creative industry businesses. Creating entry level and starter jobs for young creatives in the area and supporting 36 net additional jobs. RDC will work with the De La Warr Pavillion in Bexhill to access local networks and create a programme of development for local creatives which includes low cost space to work.

3 Conclusion and Reasons for Recommendations

3.1 The project supports the delivery of the SELEP's strategic objectives as outlined in the new Economic Strategy Statement 2019, the East Sussex Growth Strategy strategic priorities and the 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 SELEP Investment Panel and Accountability Board of grant funding to East Sussex of £0.96m through the SELEP Local Growth Fund Round 3b programme Lead Member is asked to approve the allocation of £0.96m funding to Rother District Council to fund the delivery of the Bexhill Creative workspace project.

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 the above recommendation.

RUPERT CLUBB

Director of Communities, Economy and Transport

Contact Officer: Marwa Al-Qadi

Tel. No. 01273 336439

Email: marwa.al-qadi@eastsussex.gov.uk

LOCAL MEMBERS

Councillors Elford and Earl-Williams.