

Report to: Lead Member for Strategic Management and Economic Development

Date of meeting: 24 November 2020

By: Director of Communities, Economy and Transport

Title: Getting Building Fund – Service Level Agreement with the South East Local Enterprise Partnership

Purpose: To approve East Sussex County Council entering into a new Service Level Agreement with the South East Local Enterprise Partnership in order to deliver the Government's Getting Building Fund programme

Recommendations: The Lead Member is recommended to:

- (1) Approve East Sussex County Council entering into a new Service Level Agreement with the South East Local Enterprise Partnership Limited and Essex County Council as the Accountable Body to SELEP in order to deliver the Government's Getting Building Fund programme in East Sussex; and**
 - (2) Delegate authority to the Director of Communities, Economy and Transport, in consultation with the Chief Finance Officer, to agree the terms of and enter into the GBF Service Level Agreement, and to take all other necessary actions as required to implement Recommendation 1 above.**
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1. Background information

1.1. In June 2020 the Ministry of Housing, Communities and Local Government (MHCLG) issued a call for projects through Local Enterprise Partnerships to help aid economic recovery in the wake of the Covid-19 pandemic, to be funded through its new £900m Getting Building Fund (GBF).

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. SELEP's submission to MHCLG contained 170 projects across the SELEP geography with an overall capital ask of around £573m.

1.3. In July 2020 MHCLG approved a final SELEP package of 34 GBF projects to the value of £85 million, including 8 East Sussex schemes with a GBF ask of £11,179,793. All of the schemes will need to spend the GBF monies by March 2022.

1.4. Essex County Council (ECC), as the lead accountable body for SELEP, issues GBF funds on a project-by-project basis to the relevant local upper tier (county/unitary) authority. That upper tier authority then acts as *local* accountable body, responsible for defraying the funds to the individual projects and monitoring progress. The terms of this arrangement are set out in Service Level Agreements (SLAs) with each authority, which allow project funding and accountability to be devolved. Each SLA is a tripartite agreement between SELEP Ltd, ECC as the lead accountable body, and the relevant upper tier authority. For the current 8 East Sussex GBF projects, a Service Level Agreement needs to be entered into by the 3 parties of SELEP Ltd, ECC and ESCC.

2. Supporting information

2.1. At the Lead Member for Strategic Management and Economic Development meeting on 2 October 2020 (see Background Documents below), it was resolved that the following 8 East Sussex projects receive GBF funding, and that the County Council enters into grant agreements with the respective project promoters:

- 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. The county will receive over £11 million to support initiatives that will drive economic growth across the region. These projects will deliver new jobs and safeguard existing jobs, create additional construction jobs, unlock commercial space, and assist learners through new skills facilities and programmes. The funding will also help to release an additional £9.7 million in public/private sector contributions, meaning a total investment of nearly £21 million into East Sussex.

2.3. In responding to the Covid-19 crisis the GBF projects also directly respond to the aims and ambitions of the new East Sussex Economy Recovery Plan, termed 'East Sussex Reset' and launched by Team East Sussex (TES) in mid-September 2020. Delivery of these projects also contributes to the County Council's core priorities of 'driving sustainable economic growth' and 'making best use of resources by maximising the funding available through external bidding'.

2.4. The SLA – attached at Appendix 1 – was drafted by the legal team at ECC (as the lead accountable body to SELEP). It has been reviewed and endorsed by our own officers in ESCC's legal and finance teams.

2.5. The County Council has previously entered into a similar SLA with SELEP Ltd and ECC for the Government's Local Growth Fund (LGF) programme. The SLA for GBF follows the same structure as that LGF SLA, which was approved by the Lead Member for Strategic Management and Economic Development (LM SMED) on 28 July 2020.

2.6. Once the new GBF SLA is in place, back-to-back grant agreements will be executed between ECC and the County Council, and between the County Council and the individual project promoters (private sector and other public sector bodies), in order for GBF monies to be defrayed to the East Sussex projects to ensure financial spend of GBF monies by March 2022.

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 Team East Sussex led East Sussex Economy Recovery Plan (East Sussex Reset) and the County Council's core priorities. The county will receive more than £11 million of GBF 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 agreements with the individual project promoters, and specific terms and conditions will be applied where appropriate.

3.3. Before any GBF monies can be defrayed to East Sussex projects, it is necessary for the County Council to enter into a new tripartite Service Level Agreement with SELEP Ltd and Essex County Council for this new Getting Building Fund programme.

3.4. Therefore, as a result of SELEP obtaining an award of £85 million through the Getting Building Fund programme, the Lead Member is recommended to approve the County Council entering into a new SLA with SELEP Ltd and ECC in order to deliver the Government's GBF programme in East Sussex.

3.5. The Lead Member is further recommended to delegate authority to the Director of Communities, Economy and Transport, in consultation with the Chief Finance Officer, to agree the terms of and enter into the GBFSLA, and to take all other necessary actions as required to implement the above recommendation.

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

Lead Member for Strategic Management and Economic Development decision making meeting, 2 October 2020 – Item 9: Getting Building Fund – Funding Agreements