

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

Date: 4 March 2021

By: Director of Communities, Economy and Transport

Title: Local Growth Fund – Covid-19 Response Fund and Getting Building Fund Grant Agreements

Purpose: To seek approval for East Sussex County Council to enter into grant agreements to transfer funding secured from SELEP to East Sussex projects

RECOMMENDATIONS: The Lead Member is recommended to:

1. Approve additional Local Growth Fund grant funding to the value of £0.36m to the Eastbourne under 10m Fisherman’s Community Interest Company (Eu10CIC) to fund the delivery of ‘Eastbourne Fisherman’s Quayside and Infrastructure Development project’;
 2. Approve additional Local Growth Fund grant funding to the value of £1.49m to Plumpton College to fund the delivery of the ‘Skills and Business Support for Rural Businesses post Brexit’ project;
 3. Subject to SELEP’s prioritisation of East Sussex schemes within its Getting Building Fund reserve pipeline programme at its meeting on 19 March 2021, to approve as appropriate the additional grant funding allocation to the value of:
 - a. £0.24m to The Charleston Trust to fund the delivery of the ‘Charleston’s access road: removing the barrier to growth’ project;
 - b. £0.20m to the South Downs National Park to fund the delivery of the ‘Seven Sisters Country Park Visitor Infrastructure Uplift’ project;
 - c. £0.23m to Eastbourne Borough Council to fund the delivery of ‘Food Street’ project; and
 4. Delegate authority to the Director of Communities, Economy and Transport and Chief Finance Officer 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 Partnership (SELEP) 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 subsequent Growth Deals agreed in February 2015, March 2016 and February 2017. The total amount of funding provisionally allocated through these Growth Deals to SELEP by Central Government was £570m. Of this, £561.7m had been allocated to 97 Local Growth Fund (LGF) projects. Within East Sussex, over £80m of SELEP LGF monies has been secured towards delivering economic growth and infrastructure projects.

Local Growth Fund Covid Response Fund

1.3 SELEP have indicated that at present there is between £6m and £10m of unallocated LGF monies available as a result of monies being returned from other LGF projects across the SELEP programme. Several existing LGF projects across the whole of the SELEP area have recently identified ‘funding gaps’ which potentially impact on their deliverability as a result of Covid-19. At its Strategic Board meeting on 2 October 2020, SELEP agreed to utilise the unallocated LGF monies to create a LGF Covid Response Fund and that existing LGF projects, with a genuine need and justification of a funding gap, should submit a case for securing additional monies.

Getting Building Fund reserve pipeline programme

1.4 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 through its Getting Building Fund (GBF). Projects needed to

be deliverable within 18 months (i.e. by March 2022) to help create jobs and raise overall demand in the economy. The final SELEP package put forward on the 16 July 2020 contained 34 projects to the value of £85 million, including 8 East Sussex schemes with a GBF ask of £11,179,793; all have since received funding decisions and commenced delivery.

1.5 On 11 December 2020 the SELEP Strategic Board announced the return of £1.09m to the GBF fund available for reinvestment and agreed the approach and assessment criteria for the development of a pipeline of GBF projects to come forward for prioritisation in March 2021. Due to the short timescales to develop the pipeline and spend the grant in full by 31 March 2022, it was proposed that only projects previously considered by the Board in June 2020 would be eligible for inclusion on the pipeline.

2. Supporting Information

Local Growth Fund Covid Response Fund

2.1 Two East Sussex existing LGF projects with an identified funding gap and which met the SELEP's Covid Response Fund criteria submitted applications for additional monies through the LGF Covid Response Fund:

- the Eastbourne Fisherman's Quayside and Infrastructure Development (£0.36m) and
- Plumpton College Rural Skills for Business Post Brexit (£1.49m)

2.2 In November, the additional project asks were independently assessed and Team East Sussex (TES), the local federated area's growth board, endorsed both projects as high priorities for funding to be submitted to the SELEP. The prioritisation of the pipeline of LGF Covid Response Fund schemes was considered by the SELEP Strategic Board on 11 December 2020, resulting in both East Sussex projects securing their full additional funding request allocations. The SELEP's Accountability Board at its meeting on 12 February 2021 confirmed the funding decision to allocate LGF Covid Response Fund monies to these two projects.

Eastbourne Fisherman's Quayside & Infrastructure Development

2.3 The 'Eastbourne Fisherman's Quayside & Infrastructure Development project' will result in the construction of a Fisherman's Quay at Sovereign Harbour to develop local seafood processing infrastructure that supports long term sustainable fisheries and the economic viability of Eastbourne's inshore fishing fleet. The project comprises 3 distinct phases - processing infrastructure (phase 1), administrative offices (phase 2) and a visitor & heritage centre (phase 3). The project aims to maximise local economic benefits from fishing activity with a final aspiration to be a vibrant, multi-purpose destination combining a sustainable fishing industry for the local area with a heritage visitor destination.

2.4 The first phase, funded through a Growing Places Fund loan from the LEP (£1.15m) and a European Maritime and Fisheries Fund (EMFF) grant (£1m), is progressing ahead of schedule and is anticipated for practical completion in April 2021. The project has already secured £1.08m of LGF monies for Phases 2 & 3. The Eu10CIC sought an additional £0.36m of LGF based on increases in project costs arising from changes in the lead contractor following liquidation, consequential upward pressures on build costs and general inflation since the original LGF approval.

Plumpton College Rural Skills for Business Post Brexit

2.5 Plumpton College is a specialist regional College delivering land-based education and training, working with c2,000 businesses and supporting c3,500 students per annum. Based on a new approved masterplan for the existing site, the College is advancing a 10 year development plan with the current LGF allocation focused on Phase 1 'Rural Skills for Business Post Brexit'. This is focused on expanding and improving its activities in agri-food technical skills curriculum to meet recognised skills shortages and the growing demand for training and re-training arising from the UK leaving the European Union and the impacts of COVID. In addition, the project would enhance the landscape setting of the College to create outdoor social / learning spaces and mitigate any impacts on the South Downs National Park.

2.6 The project has an existing LGF approval for £2.92m for the delivery of four elements of Phase 1 of the College masterplan against a total project cost of £7.04m. The revised total project cost is now £8.53m and the College sought an additional £1.49m to mitigate increased costs. There are three causes underpinning the request for additional LGF investment; (1) The College has incurred significantly more preliminary costs than anticipated to bring the site forward for

development, (2) inflation related cost pressures, and (3) mechanical and electrical infrastructure amendments.

Getting Building Fund Reserve Pipeline Programme

2.7 Since the SELEP Strategic Board held on 12 December, East Sussex County Council have engaged with scheme promoters to revisit the original East Sussex GBF project bids considered by the SELEP Board in June 2020. These have been assessed against the agreed criteria to prioritise projects that could come forward to form the GBF pipeline should the £1.09m additional funding become available.

2.8 Through this process three schemes have been identified that meet the eligibility criteria, are within the potential funding available which have been endorsed by TES as a priority;

- (i) Charleston's access road: removing the barrier to growth (£0.24m);
- (ii) Seven Sisters Country Park Visitor Infrastructure Uplift (£0.20m);
- (iii) Eastbourne Food Street (£0.23m)

2.9 These three East Sussex projects, alongside other projects from across the other SELEP federated areas will be considered for the GBF reserve list prioritisation at the SELEP Strategic Board meeting to be held on 19 March 2021. If successful subsequent business cases will be developed and submitted to the SELEP Independent Technical Evaluator to assess and will include information on the projects outputs e.g number of jobs created and safeguarded. Once assessed these will be taken to the next SELEP Accountability board on 2 July 2021 for consideration and approval.

Charleston's access road: removing the barrier to growth

2.10 The access track to Charleston farmhouse and studio museum is currently in a poor condition due to drainage issues which have led to a broken surface with cracks and large potholes. The poor quality of the access track discourages visitors from making repeat visits and impacts on the ability of Charleston to grow their events and festivals programme.

2.11 The project has already secured £0.89m of GBF monies for the first phase of the project which supports 3 businesses. However due to the overall GBF funding available, the project was not able to secure its full funding ask. Securing the remaining ask would support the resurfacing and drainage of the 1km access road enabling the connection to the new Lewes to Eastbourne cycle route, encourage sustainable transport links to the South Downs National Park.

Seven Sisters Country Park Visitor Infrastructure Uplift

2.12 The Seven Sisters Country Park (SSCP) attracts over 500,000 visitors per year however the barn used as a welcome point is in poor condition, is closed from October-April and has not opened at all during COVID and has poor accessibility.

2.13 If the Getting Building Fund monies were secured it would enable a comprehensive refresh of the visitor offer, including upgraded physical and intellectual access, new toilets and an improved public realm. It will allow the SSCP to open 364 days per year, showcase products from local producers and makers, signpost visitors to local attractions and businesses and provide an accessible welcome for visitors with a year-round events programme.

Eastbourne Food Street

2.14 If prioritised for the GBF reserve pipeline, the Food Street project, delivered by Eastbourne Borough Council, would bring into use five refurbished commercial units to support the creation of a new food and drink destination at the seafront end of Terminus Road (Grand Parade to Trinity Trees). The project would support the wider proposals for improving movement and access in Eastbourne town centre and the pedestrianisation of this section of Terminus Road.

Grant Agreements

2.15 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.

2.16 New and/or updated agreements are now required to be entered between the County Council and the individual scheme promoting bodies for inclusion in the management of the additional LGF funding secured.

2.17 If the East Sussex reserve list projects identified in 2.8 and 2.9 above are allocated funding through the SELEP GBF reserve pipeline at the SELEP Strategic Board on 19 March 2021, and are subsequently approved at the SELEP Accountability Board on 2 July individual grant agreements between the County Council and the scheme promoters will be required to be in place to defray the GBF monies in a timely manner to ensure delivery and defrayal of spends by 31 March 2022.

3 Conclusion and Reasons for Recommendations

3.1 Following the allocation of the SELEP Covid Response Fund by SELEP at its Strategic Board meeting on 11 December 2020, and the funding decision made at the SELEP's Accountability Board meeting on 12 February 2021, the Lead Member is recommended to approve the additional grant funding of:

- (a) £0.36m to the Eastbourne under 10m Fisherman's Community Interest Company (Eu10CIC) to fund the delivery of the Eastbourne Fisherman's Quayside and Infrastructure Development project and;
- (b) £1.49m to Plumpton College to fund the delivery of the Skills and Business Support for Rural Businesses post Brexit project.

3.2 The projects put forward for the Getting Building Fund reserve pipeline have a strong alignment to the funding criteria and are shovel-ready projects which meet Governments objectives to boost the economy for the post-Covid recovery. Subject to the prioritisation of East Sussex projects at the SELEP Strategic Board meeting on 19 March 2021, with the subsequent development and approval of the full business cases at SELEP Accountability Board on 2 July 2021, the Lead Member is recommended as appropriate to approve grant funding to the value of:

- (a) £0.24m to The Charleston Trust to fund the delivery of the 'Charleston's access road: removing the barrier to growth' project and;
- (b) £0.20m to fund the delivery of the 'Seven Sister Country Park Visitor Infrastructure Uplift' project and;
- (c) £0.23m to Eastbourne Borough Council to fund the delivery of 'Food Street' project.

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

Councillor Elkin – Sovereign Harbour,

Councillor Philip Daniel - Charleston,

Councillor Osborne – Plumpton College,

Councillor Stephen Shing – Seven Sisters Country Park,

Councillor Taylor – Eastbourne "Food Street",

Councillor Wallis – Eastbourne "Food Street"

BACKGROUND DOCUMENTS

None