

Report to: Lead Member for Economy

Date of meeting: 20 September 2022

By: Director of Communities, Economy and Transport

Title: Create Growth Programme bid

Purpose: To seek approval for East Sussex County Council to be a Consortium partner for the Create Growth Programme bid.

RECOMMENDATIONS: The Lead Member is recommended to:

- (1) Consider and approve the proposed Create Growth Programme bid (Appendix 1 of an exempt report detailed in a later agenda item); and**
- (2) Delegate responsibility to the Director of Communities, Economy and Transport for ensuring that the County Council's roles and responsibilities as a Consortium partner for the Create Growth programme are met.**

1. Background Information

1.1 In 2020, the UK's Creative Industries contributed £95 billion in Gross Value Added (GVA) to the UK economy and employed more than 2.3 million people. Creative industry business support is one of the three East Sussex Cultural Strategy Priorities (2013-2023).

1.2 The Government's Department for Digital, Culture, Media and Sport (DCMS) recognise the benefit of sector specialist business support and, with foundations in the Industrial Strategy, funded three Creative Scale Up pilot programmes in Greater Manchester, West of England and West Midlands.

1.3 The DCMS has now launched the Create Growth Programme (CGP), built on the learning from Creative Scale Up. They will make six awards of £1.275m for three years to area partnerships across the UK. There is no match funding requirement. Businesses within the areas awarded the funding will also be able to access a share of £7m grants/loans/equity shares.

1.4 The CGP delivers on several East Sussex County Council strategic priorities including the East Sussex Cultural Strategy Priority 2: Create an environment which enables the cultural and creative economy to expand and enhance our ability to attract and retain other businesses. Moreover, it meets the County Council's core priorities in (i) Driving sustainable economic growth; (ii) Helping people help themselves and (iii) Making best use of resources in the short and long term. In addition, the work supports the East Sussex Growth Strategy, Economy Recovery Plan (2020-22) and the District and Borough recovery strategies. It will support places to achieve the following outcomes (i) Unlock local economic growth and productivity; (ii) Become more attractive places in which to live, work, visit and invest and (iii) Strengthen local leadership and partnership capabilities.

1.5 Working with the Districts and Boroughs, there will be alignment with other major funding sources such as The UK Shared Prosperity Fund (UKSPF). There is also alignment with some of our priority projects including developing creative workspace capacity and the emerging Coastal Creative Campus (CCC) vision. We have submitted a Cultural Development Fund Round 3 Expression Of Interest (EOI) to support and develop this CCC vision – outcome expected in September 2022.

1.6 On 7 July 2022 Kent County Council (KCC) submitted a LEP-wide EOI on behalf of the South East Local Enterprise Partnership (SELEP) sector sub-group the South East Creative Economy Network (SECEN), working closely with East Sussex County Council (ESCC), the SECEN Co-Chairs, Essex County Council, Screen South, Creative Estuary, Essex University's Angels@Essex and University of Kent. This EOI aligned with our legacy plans for the South East Creatives programme, part funded by the European Regional Development Fund which ended in March 2021.

1.7 ESCC were informed on 21 July 2022 that the KCC/SECEN EOI was one of nineteen EOIs (from 80 EOIs submitted) which had been shortlisted by DCMS to submit full applications. The 19 areas are competing for the six awards which are available. The DCMS has strongly recommended that successful applicants at EOI stage form larger strategic partnerships. Taking this advice on board, SECEN's original Consortium is proceeding with a full bid, and whilst KCC continue to be the lead authority, we have now broadened the Consortium and are working with neighbouring partners to include West Sussex County Council, Brighton and Hove City Council and Medway Council. This partnership makes us a strong South-East proposition.

1.8 ESCC have developed the bid with some sector-led organisations including (i) Creative UK (formerly Creative England/Creative Industries Federation) who bring with them a £24m investment fund; (ii) Indi Labs – a creative sector accelerator (iii) Wired Sussex, early pioneers of the create-tech model for fusing creativity and tech, who manage a Sussex wide network of digital companies. ESCC are also working with leading creative industries specialist Josh Siepel from Sussex University (who is a national advisor and researcher to Nesta, an innovation foundation based in the UK, the Policy and Evidence Centre (PEC) and the DCMS). Creative UK and Wired Sussex have now joined us as Consortium partners.

1.9 If ESCC's bid is successful, it will advance the reputation of the South East Creative Economy Network and ESCC as creative industry leaders, which will put us in a strong position to further increase inward investment.

1.10 Since 21 July 2022 there has been a very short turnaround with the full bid submitted on 25 August 2022. The DCMS indicative timetable is that the outcome of the full bid will be announced in September 2022, programme launch in October 2022, with programmes to be completed by March 2025.

2. Supporting Information

2.1 The CGP comprises three workstreams. The first would be the responsibility of the Consortium to target Intellectual Property-rich micro and Small to Medium Sized Enterprises (SMEs) and deliver an intensive business support programme designed to improve the leadership capacity of pre-scale-up creative businesses, so that they are better placed to access finance, particularly investor finance. The second workstream is to increase national and regional investor capacity with the aim to build viable networks of investors more attuned to creative industry investment opportunities in the future. There

will be further work to build investor capacity locally working with Essex University's Angels@Essex (note: this will be region-wide, not just limited to Essex). The third workstream will be delivered by a national provider who will distribute £7m of additional funding, available to businesses in the six shortlisted areas.

2.2 The partnership has set a target of engaging with 100 businesses, this is in line with the Creative Scale Up pilots and DCMS's indicative expectations. In this second iteration of the programme, DCMS will fund applicants that show capacity to reach previously unreached creative sub-sectors with unexploited Intellectual Property. New business models will crystallise into investable propositions and bring the sub-sector closer to the investor markets. Simultaneously, investor markets will be coached on the benefits of creative sector investment.

2.3 DCMS requires bidders to identify priority sub-sectors to target. Our target sub-sectors are based on a multitude of data sets analysing the critical mass of sub-sectors and cross referencing this with the characteristics of pre-scale-up companies with the potential for high growth (the full bid is appended to an exempt report detailed at a later agenda item for data and rationale) As a result, the targeted sub-sectors are:

- Film, TV, Video, Radio & Photography
- Design & Designer Fashion
- Music, Performing & Visual Arts
- IT, Software & Computer Services

2.4 To highlight the relative performance of different sub-sectors across these various measures of 'investment maturity', ESCC have RAG rated the table in Appendix 1, data is based on businesses across the proposed South East region covered by Consortium partners.

Delivery structure

2.5 If the bid is successful, KCC will be the lead partner, and additional staff resource is factored into the bid to oversee delivery. A Project Board will be established which will involve all Consortium partners. Sector specialists will be appointed to deliver hyper local engagement, business support and mentoring.

2.6 ESCC's involvement will include:

- Signing a Service Level Agreement with KCC as the lead partner and accountable body
- Participating on the Partnership board
- Commenting on procurement specifications and participating in procurement processes including pre-tender market consultation
- Commenting on job descriptions and participating in recruitment exercises
- Assisting in engaging with businesses working with Culture East Sussex, the Growth Hub, Skills East Sussex and using The Friday Email

3. Conclusion and Reasons for Recommendations

3.1 This programme meets the East Sussex Cultural Strategy priorities, East Sussex Growth Strategy and East Sussex County Council strategic priorities. The programme will support local pre-scale up Creative businesses to grow, increase employment opportunities for residents, make available a proportion of the £7m additional funding to our creative businesses and start to build a South East investment community with an appetite to invest in creative businesses to the benefit of East Sussex businesses and residents.

RUPERT CLUBB

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LOCAL MEMBERS

All members

BACKGROUND DOCUMENTS

None