

**Report to:** Leader and Lead Member for Strategic Management and Economic Development

**Date of meeting:** 29 November 2022

**By:** Director of Communities, Economy and Transport

**Title:** Getting Building Fund - Grant Agreements

**Purpose:** To approve East Sussex County Council (ESCC) entering into variations to existing, or new, grant agreements to transfer additional Getting Building Fund (GBF) monies to projects in East Sussex, as approved by the South East Local Enterprise Partnership (SELEP)

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**Recommendations:** The Leader is recommended to:

- (1) Approve grant funding up to the total value of £1,620,514 to the following four projects, subject to prioritisation and approval of each project's business case by the SELEP Accountability Board:**
    - (i) Winter Garden Phase 2 - £900,000**
    - (ii) Seven Sisters County Park, Visitor Infrastructure Uplift - £84,100**
    - (iii) Observer Building - Essential elements - £315,000**
    - (iv) Accessing Charleston: Removing the barrier to growth (Project Extension) - £321,414**
  - (2) Delegate authority to the Director of Communities, Economy and Transport (CET), in consultation with the Chief Finance Officer, to agree the terms of the variation to the existing grant or funding agreements or new grant or funding agreements as appropriate (including any necessary documentation with SELEP and the project deliverers for each project), and take all other necessary actions as required to implement Recommendation 1 above.**
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## **1. Background information**

1.1. On 10 June 2020 the Ministry of Housing, Communities and Local Government (MHCLG) issued a call for projects through Local Enterprise Partnerships (LEPs) under the name of the Getting Building Fund (GBF) to help aid economic recovery in the wake of the Covid-19 pandemic.

1.2. To date in East Sussex, ten projects have received GBF funding. Seven have completed full spend of the allocated funding; Charleston Access Road (£329,000), Creative Hub, Lewes (£250,000), Restoring the glory of the Winter Garden (£1,600,000), Sussex Innovation Falmer – COVID secure adaptations (£200,000), The Observer Building Hastings Phase 2 (£1,713,000), Food Street - Eastbourne (£100,000) and Seven Sisters Visitors Infrastructure Uplift (£200,000), whilst one remains ongoing; UTC Maritime & Sustainable Technology Hub (£1,300,000), and two others were unable to proceed due to factors outside of their control (i) Fast Track Business Solutions (£3,500,000) and (ii) Riding Sunbeams - Solar Railways (£2,527,000), returning their allocated GBF funding to SELEP.

1.3. On 5 August 2022, the SELEP Strategic Board, via electronic procedure, agreed the process for the development of a new Getting Building Fund (GBF) prioritised project pipeline, to consist of existing GBF projects seeking additional funding. Currently there is £3.3175m available from GBF projects that have returned funding to Essex County Council (as Accountable Body for SELEP).

## **2. Supporting information**

2.1. ESCC officers engaged with the project leads from existing East Sussex based GBF projects to ascertain their interest in applying for additional GBF funding under the terms outlined by SELEP. These were that the available funding will either:

- Provide the opportunity for existing GBF projects which have been adversely impacted by the COVID-19 pandemic, Brexit or current high inflation levels to seek additional GBF funding

to bridge funding gaps and allow delivery of the full project scope as set out in their approved Business Case.

Or

- Allow existing GBF projects to seek additional GBF funding to enable delivery of extensions to the project, i.e. to support delivery of further phases of the project which are not covered by the originally agreed Business Case.

2.2. Applications were received from five projects; Winter Garden, Seven Sisters County Park, Observer Building, Sussex Innovation Centre, Falmer, Accessing Charleston: Removing the barrier to growth, as per below:

- Winter Garden Phase 2 - £900,000
- Seven Sisters County Park, Visitor Infrastructure Uplift -£84,100
- Observer Building - Essential elements- £315,000
- Sussex Innovation Centre, Falmer: COVID Secure Adaptions (Hybrid Working Enhancements) - £200,000
- Accessing Charleston: Removing the barrier to growth (Project Extension) - £321,414

Further details on the projects can be found in Appendix 1.

2.3. The Seven Sisters and Observer Building projects were seeking funding to address cost inflations and were required to submit application forms drafted by SELEP. The remaining three projects; Winter Garden, Sussex Innovation Centre and Accessing Charleston, were seeking funding for new phases of their existing project and were required to submit new business cases.

2.4. Steer, the independent technical evaluators for SELEP, were commissioned to undertake a review for the three projects submitting new businesses cases.

2.5. As part of the application process, County Council finance and treasury teams undertook financial appraisals of all organisations submitting applications to confirm their financial health.

2.6. The five projects were ranked by County Council officers against the criteria supplied by SELEP. These criteria focused on assessing the deliverability of the projects, identifying any remaining risks which may impact on the delivery, cost, benefits, or value for money offered by the project and any remaining barriers to delivery. Crucially all projects that receive funding would be expected to spend and deliver by the end of March 2023.

2.7. The prioritised ranking produced from this exercise was carried out by East Sussex County Council (ESCC) officers with support from SELEPs Independent Technical Evaluators who undertook an initial gateway review on the business cases as per 2.4 in this report.

2.8. The proposed list of projects was submitted to members of Team East Sussex (TES), for comment and endorsement in their role as SELEP Federated Board for East Sussex. This endorsement was confirmed via electronic procedure, with the approved list of projects then being submitted to SELEP on 23 September 2022 for them to review and prioritise all the submissions into an indicative LEP-wide pipeline.

2.9. Following the initial listing Sussex Innovation Centre took the decision to withdraw their Business Case from the prioritisation process.

2.10. The ITE undertook more detailed assessments on the remaining business cases for applicants seeking funding for additional phases of their projects, with the results passed onto SELEP to feed into their processes as appropriate.

2.11. An initial pipeline was considered and finalised at the SELEP Strategic Board on 21 October 2022 with the final approval by the SELEP Accountability Board on 25 November 2022.

2.12. It is intended that the grant conditions attached to any funding allocated to East Sussex projects will be the same as for the previous GBF funding that each project received. Any risks to ESCC from defraying this funding has been mitigated by the initial financial appraisals into the bidding organisation (as per paragraph 2.5) and will be further managed by ongoing monitoring of the project spend and performance by both ESCC and SELEP.

### **3. Conclusion and reason for recommendations**

3.1. The four projects highlighted in the report all help to support the objectives and priority areas of the Government's Getting Building Fund as well as the aims and ambitions of the County Council's core priority of driving sustainable economic growth.

3.2. The Leader is therefore recommended to approve grant funding up to the total value of £1,620,514 to the following four projects, subject to approval of each project's business case by the SELEP Accountability Board:

- Winter Garden Phase 2 - £900,000
- Seven Sisters County Park, Visitor Infrastructure Uplift - £84,100
- Observer Building - Essential elements - £315,000
- Accessing Charleston: Removing the barrier to growth (Project Extension) - £321,414

3.3. The Leader is further recommended to delegate authority to the Director of Communities, Economy and Transport (CET), in consultation with the Chief Finance Officer, to agree the terms of the grant agreements and to take all other necessary actions as required to implement the above recommendation.

#### **RUPERT CLUBB**

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#### **LOCAL MEMBERS**

Councillor Nick Bennett

Councillor Godfrey Daniel

Councillor Johnny Denis

Councillor Sarah Osborne

Councillor Peter Pragnell

Councillor Barry Taylor

#### **BACKGROUND DOCUMENTS**

None