

Report to: Lead Member for Economy

Date of meeting: 22 May 2023

By: Director of Communities, Economy and Transport

Title: UK Shared Prosperity Fund (UKSPF) funded business support and skills programmes, and Newhaven Town Deal Grants programme

Purpose: To seek approval for East Sussex County Council to commission and/or manage county-wide business support and skills programmes on behalf of district and borough funding partners, including a grants programme in Newhaven, and to enter into grant agreements or other arrangements (such as partnership agreements) as appropriate with funding partners

RECOMMENDATIONS: *The Lead Member is recommended to:*

- (1) Note the work that has been done to develop county-wide business support and skills programmes working with district and borough partners;**
 - (2) Note the development of the Newhaven Town Deal Grants programme;**
 - (3) Approve the commissioning and/or managing of county-wide business support and skills programmes on behalf of district and borough funding partners including a grants programme in Newhaven; and**
 - (4) Delegate authority to the Director of Communities, Economy and Transport (CET) to enter into grant agreements or other arrangements with district and borough funding partners using UK Shared Prosperity Funds (including Rural England Prosperity Fund), Town Deal and other funding as identified by funding partners**
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1 Background Information

1.1 East Sussex County Council (ESCC) has a long history of successfully accessing European Union (EU) funds to support the economy in a variety of ways, making particular use in recent years of the European Regional Development Fund (ERDF) and the European Social Fund (ESF) which supported balanced economic development and employment-related interventions respectively. The UK left the EU in January 2020, with a short transition that ended in December 2020, but projects that had secured EU funding prior to those dates were able to continue until 2023. During the exit process the UK Government committed to introducing its own funding to replace EU funding and launched the £2.6billion UK Shared Prosperity Fund (UKSPF) in April 2022.

1.2 The move from EU funds to UKSPF has meant a period of significant change. Not only is the overall funding significantly less than what was available through the EU, UKSPF is managed in a completely different way. The Fund's interventions are being planned and delivered by District and Borough Councils, unitary and mayoral authorities across England, Scotland and Wales ("lead local authorities") with areas receiving a conditional allocation which is accessed via an investment plan that Government approves. Lead Local authorities have been able to set out measurable outcomes that reflect local needs and opportunities across three investment priorities: Communities and Place; Local Business; People & Skills.

1.3 In East Sussex all District and Borough Councils were allocated £1m, with the exception of Wealden District Council who were allocated £1,172,127. The fund is to be spent over the financial years 2022-2025. In September 2022, Government announced further funding, known as the Rural England Prosperity Fund (REPF), as an “addendum” to UKSPF. Rother District Council received an allocation of £603,963 and Wealden District Council £838,551.

1.4 In 2019 the Government announced a £3.6 billion fund called the Towns Fund, aimed at investing in towns as part of its plan to level up regions. Newhaven within Lewes District Council (LDC) was offered a Town Deal worth £19.3 million in July 2021.

2 Supporting Information

2.1 Previous EU-funded business support and employment skills programmes have almost all run on at least a county-wide level, and often on a regional or even national basis. All East Sussex local authority partners recognise that value for money and economies of scale are crucial when developing support programmes for businesses and residents. In addition, ESCC recognises that programmes that run in specific areas but not in others could be confusing and unhelpful for the business community who generally do not recognise geographical boundaries and for residents who are seeking work, who are likely to consider roles across District and Borough boundaries. Consequently, partners have worked together to agree county-wide business support and employability programmes.

2.2 The County Council’s Economic Development (ED) Team has led on designing, commissioning and managing many varied programmes over the past six years, as well as running the East Sussex arm of the SELEP-wide Business Growth Hub. Through this, the team has built up significant evidence of ‘what works’ in business support and how this can be applied in an East Sussex context. The team has knowledge and experience in knowing what support best delivers economic growth, is accessible to the greatest range and diversity of businesses and provides value for money for commissioners. Moreover, the team has built up strong working relationships with the wide variety of business support organisations working in the county, through the Providers Group Network which is convened quarterly. Therefore, the County Council proposes to design, commission and manage a county-wide business support programme on behalf of Eastbourne Borough, Lewes District, Rother District and Wealden District Councils funded from their agreed contributions of at least £400,000 combined from their respective UKSPF allocations. Hastings Borough Council is not currently contributing but close contact is being maintained with them in case this changes so that any Hastings business wishing to participate can be accommodated.

2.3 In addition, four of the five District and Borough Council partners as above, have indicated that they want to invest the £30k funding per authority previously set aside for inward investment service into other new models that help them to deliver their other economic development priorities. This proposed newly termed “Business Hub Plus” model is currently being worked on, but when established will see resources available, for example, to enable the Growth Hub to take a more proactive outreach approach than current very small allocation of Growth Hub funding from Government allows plus other tailored business support work. This, together with the SPF-funded work described at 2.1 above, will lead to a valuable and much needed business support offer that will still be available to East Sussex businesses, albeit at significantly reduced levels due to the ending of EU funding.

2.4 Part of Newhaven’s Town Investment Plan is the setting up of a business grants programme. It will deliver at least £160,000 of grants for Newhaven businesses in the Town Deal area to help them, for example, create jobs and assist with net zero adaptations. The County

Council's ED team has designed and will manage the grants programme on behalf of LDC. The programme will formally launch post-elections in May 2023.

2.5 The County Council's Employment and Skills (E&S) Team working with partners has strategic oversight of the work in the county to support those who are unemployed into work, in order to support those who are furthest from the workplace and to help local businesses fill the substantial number of vacancies, particularly in the East Sussex key sectors. The E&S team has worked with Districts and Boroughs to consider the best way of maximising the impact of the funds that have been ringfenced to support the People and Skills element of the UKSPF in conjunction with other limited funds that are currently available to address skills shortages and support people into work.

2.6 As a result of discussions, Wealden District, Rother District, Lewes District and Eastbourne Borough Councils have collectively committed to allocate just over £540,000 of UKSPF from April 2023 to March 2025. This will supplement the additional £355,000 of the County Council's Contain Outbreak Management Fund (COMF) recently committed to extend the delivery of the Moving on Up programme, which supports those who are homeless, or at risk of homelessness, along with other marginalised groups to deliver a cost-effective employment support scheme. Hastings Borough Council has decided to use its UKSPF in a different way but will still have access to and benefit from the core funding offer applied to the Moving on Up programme.

3 Conclusion and Reasons for Recommendations

3.1 The Lead Member is asked to note the significant work that has taken place with district and borough partners to put in place business support and skills programmes following the loss of EU funding, together with the development of a Grants Programme for the Newhaven Town Deal area.

3.2 The Lead Member is asked to delegate authority to the Director of Communities, Economy and Transport (CET) to enter into grant agreements or other arrangements with funding partners and commission delivery via grant or competitive tendering processes in order that ESCC can move to the next, vital stage of delivering much needed support to businesses and residents in East Sussex as part of work to drive sustainable economic growth in line with one of ESCC's priority outcomes.

RUPERT CLUBB

Director of Communities, Economy and Transport

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

None