

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

Date of meeting: 15 September 2025

By: Director of Communities, Economy and Transport

Title: East Sussex Local Growth Assurance Framework (ESLGAF) Capital Programme report

Purpose: To present the project progress, and project spend across the Local Growth Fund, Growing Places Fund and Getting Building Fund for 2024/25 and the forecast for 2025/26.

RECOMMENDATIONS: The Leader and Lead Member is recommended to:

- (1) Note the final spend in 2024/25 for the Local Growth Fund and Growing Places Fund programmes;**
 - (2) Note the project updates that took place across the Local Growth Fund, Growing Places Fund and Getting Building Fund programmes in 2024/25; and**
 - (3) Agree the forecast scheme spend profiles for the Local Growth Fund programme as detailed at Appendix 3 and Growing Places Fund programme as detailed at Appendix 6 for the 2025/26 financial year.**
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1. Background Information

1.1 As part of the closure of the South East Local Enterprise Partnership (SELEP) and the Government mandated transfer of relevant responsibilities to Upper Tier local Authorities (UTLAs), the County Council became the Accountable Body for the capital programmes delivered in East Sussex from 1 April 2024.

1.2 To manage these responsibilities, the East Sussex Local Growth Assurance Framework (ESLGAF) was established to provide local scrutiny, checks, balances and accountability to manage these new responsibilities.

1.3 The ESGAF was approved by the Leader and Lead Member for Strategic Management and Economic Development at a decision-making meeting held on 26 February 2025.

1.4 As outlined in the ESGAF, reports will be presented to the Leader and Lead Member for Strategic Management and Economic Development twice a year highlighting project and financial updates, decisions made under delegated approvals, and any significant changes to projects since the last update.

1.5 The last SELEP capital programme financial statement report that the Leader and Lead Member received was on 26 February 2025 and covered the confirmed spend in 2023/24 and the forecast spend for 2024/25.

Programme overview

1.6 The County Council has become the Accountable Body for the following capital programmes in East Sussex:

- **Local Growth Fund (LGF)** - £82m of LGF grant funding has been secured from SELEP which has been invested in 17 capital projects in East Sussex.
- **Growing Places Fund (GPF)** - Originally launched in 2011 this is a 'recyclable loan scheme'. East Sussex has benefitted from over £23.76m of GPF which has been invested in 8 projects in the county. As part of the disaggregation of the GPF, any repaid funding can potentially be used to run further GPF funding rounds in East Sussex, apart from funding repaid from the Sovereign Harbour project (see paragraph 2.8).
- **Getting Building Fund (GBF)** – Launched in June 2020 to help aid economic recovery in the wake of the Covid-19 pandemic. East Sussex has overseen 8 projects receiving total of £6.1m funding.

2. Supporting information

The Local Growth Fund

2024/25 Programme

2.1 Appendix 1 to this report sets out the final spend for the 2024/25 LGF programme. £556,420.88 was spent across 3 projects in 2024/25 against a baseline budget of £7.971m which had been carried forward from 2023/24. Further details on each of these projects and the current status of all the projects in the LGF programme is outlined at Appendix 2.

2.2 At the Leader and Lead Member for Strategic Management and Economic Development's decision-making meeting on 17 September 2024, a revised business case was approved for the Eastbourne and South Wealden Walking and Cycling Package project. This was required due to the significant increases in construction costs.

2.3 At the Leader and Lead Member for Strategic Management and Economic Development's decision-making meeting on 18 December 2024, an updated business case and project change request for the Eastbourne Town Centre Movement and Access Package Phase 2a project, which updated the scope of the project to reflect the increase in construction costs and extended the project end date to May 2026.

2.4 The following 5 projects were confirmed as complete in 2024/25 by The Ministry of Housing, Communities and Local Government (MHCLG) due to all financial, practical and output targets being achieved: 1) Newhaven Flood Defences, 2) Swallow Business Park (A22/A27 Growth Corridor), 3) Skills for Rural Businesses, 4) Bexhill Creative Workspace and 5) Eastbourne Fishermen's Quayside and Infrastructure Development project. Alongside Coastal Communities Housing Intervention (previously referred to as Housing Regeneration Project) and Devonshire Park, both completed in 2023/24 under SELEP, a total of 7 projects are completed.

2025/26 Programme

2.5 The remaining £7.414m of LGF funding is profiled to be spent over 2025/26 and future financial years as outlined in Appendix 3. This figure represented the forecasted spend at the beginning of the 2025/26 financial year.

Growing Places Fund

2.6 The end of year balances for the GPF projects in East Sussex for 2024/25 is outlined in Appendix 4 and the planned repayment schedule for 2025/26 is at Appendix 6.

2024/25 Programme

2.7 The final £40,000 instalment was received for the Charleston Centenary project in March 2024.

2.8 The County Council made payments of £1.424m to impacted Upper Tier Local Authorities relating to the Sovereign Harbour project as agreed as part of the SELEP transition and the disaggregation of the GPF funding.

2.9 Further details on each of the GPF projects is set out at Appendix 5.

Getting Building Fund

2024/25 Programme

2.10 As previously noted by the Leader and Lead Member at the decision-making meeting held on 15 January 2024, all the Getting Building Fund (GBF) projects in East Sussex had completed spend of their GBF grants by the end of 2022/23.

2.11 Updates and the current status of each of the GBF projects is outlined in Appendix 7.

Financial and Legal Implications

2.12 MHCLG have confirmed that from April 2025 onwards there will be no further funding provided to the County Council to deliver the LEP functions taken on, but the expectation remains that the requirements of the English Devolution Accountability Framework are met.

2.13 The nature of the GPF as a recyclable loan fund means that its ongoing function in East Sussex is dependent on the repayment of existing loans. Currently there is £40,000 available to be reissued. Once the available funding is more substantial, a new recyclable loan programme will be run to support the priorities for investment in the East Sussex Economic Prosperity Strategy and Investment Plan.

3. Conclusion and Reasons for Recommendation

3.1 As part of the closure of SELEP, the County Council has become the Accountable Body for the legacy capital programmes in East Sussex. A new governance structure, the East Sussex Local Growth Assurance Framework (ESLGAF) has been created to manage these new responsibilities. A smooth transfer has taken place with the remaining projects continuing towards completion and the completed projects delivering outputs and outcomes for the benefit of the East Sussex economy.

3.2 It is therefore recommended that the Leader and Lead Member notes the project progress across the GBF, LGF and GPF programmes.

3.3 It is also recommended that the Leader and Lead Member notes the final outturn spend in 2024/25 across the LGF and GPF programmes and approves the forecast budgets for the individual projects in the 2025/26 LGF and GPF programmes.

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LOCAL MEMBERS

All

BACKGROUND DOCUMENTS

None