



1. Introduction

- 1.1. This paper provides a progress update on the South East Local Enterprise Partnership (SELEP) open call for projects for the Local Growth Fund (LGF) Round 3B capital grant funding – specifically covering the process and outcome of the Stage 1 Expression of Interest (EOI) assessment and evaluation.
- 1.2. The total amount of funding provisionally allocated to SELEP by Central Government totals £570m. Of this, £561.6m has been allocated to a total of 97 LGF projects, with **£8.3m LGF remaining unallocated up to Mar 2021**.
- 1.3. On 29 Jun 2018 the SELEP Strategic Board agreed to issue an open call for projects which support its strategic objectives to receive unallocated LGF funding and form a strong short-term pipeline of priority investments. East Sussex County Council (ESCC) circulated the open call to prospective scheme promoters and more widely through its communication channels and business networks.
- 1.4. Note that to ensure a proportionate approach to the scale of funding available, guidance received on behalf of SELEP from 'Steer', SELEP's Independent Technical Evaluator (ITE), indicated: *"While the guidance note sets out a maximum of £47.2m, at the last Programme Consideration Meeting a proposed 'banding' of the schemes was agreed. It is suggested that in order to ensure a proportionate approach to the funding available, only projects categorised as either 'Strong' or 'Good' should be recommended for progression to Stage 2"*.

2. Local Growth Fund (LGF) Round 3B Expressions of Interest

- 2.1. Stage 1 of the open call was submission of EOIs to the federated areas' Upper Tier Local Authority to be assessed for eligibility.
- 2.2. **ESCC received 21 EOIs** for the federated area of East Sussex by the submission deadline of 20 Aug 2018. *To date it has been communicated that up to 70 applications at EOI stage have been received by SELEP*, and therefore East Sussex will need to compete strongly against these other projects for this short-term LGF funding round.
- 2.3. The East Sussex EOIs were assessed against the eligibility criteria as outlined in the SELEP Pipeline Development Guidance Note. As noted above, in order to preserve a level of consistency, the federated areas were asked to 'band' the EOIs – Strong, Good, Borderline and Failed – based on guidance by Steer (SELEP's ITE). Steer also advised that only those projects banded as Strong or Good should be recommended to proceed to Stage 2.
- 2.4. ESCC in conjunction with Steer have now assessed all EOIs submitted to our federated area against the Stage 1 eligibility criteria. *All 21 projects and their final banding are listed in Appendix 1.*
- 2.5. *The outcome of the Stage 1 evaluation resulted in 10 projects demonstrating suitability to go forward for Stage 2 assessments, listed in the Strong and Good banding. The total sum of LGF ask from East Sussex for these 10 projects equates to £13,274,879.*
- 2.6. The following list is in no particular order and simply shows the Strong and Good projects from the west to the east of the county:

Strong

- **Skills For Rural Businesses Post-Brexit (Plumpton College)** - Building capacity in technical training, skills supply & business support interventions to drive productivity increases in Agri-food during Brexit transition & post-Brexit 10 year competitive opportunity period.
- **Exceat Bridge Replacement (ESCC Highways)** - Exceat Bridge replacement & improvements to the A259 corridor to address a longstanding bottleneck.
- **Restoring the Glory of the Winter Garden (Eastbourne BC)** - Restore the historic Grade 2 listed Victorian pavilion in Devonshire Quarter as a cultural destination that supports & enhances Eastbourne's visitor economy.

- **Bexhill Enterprise Park North (Sea Change Sussex)** - Delivery of the site and servicing infrastructure required to access the business site from the North Bexhill Access Road (NBAR), directly enabling development of the site to proceed with the benefit of access & enable private sector investment.
- **Workspace Central Bexhill (Hastings & Rother Furniture Service)** - Redevelop a former garage and petrol station into a retail and workspace hub, creating and safeguarding 179 jobs.
- **Sidney Little Road Business Incubator Hub (Hastings BC)** - Building and developing 28 new incubator units ranging from 322-344 sq ft (a total of 9,558 sq ft) on a currently redundant site.

Good

- **Newhaven Town Centre Scheme (Lewes DC)** - Reshape the town centre as a vibrant place to live, work & visit, boosting the local economy with new community, tourism, leisure & retail facilities.
- **Eastbourne Fisherman's Quayside & Infrastructure Development Project (Eastbourne Fishermen)** - Phases 2 and/or 3 of the Fishermen's Quay development in Eastbourne.
- **Bexhill Creative Workspace (Rother DC)** - Development of low cost creative workspace through the redevelopment of a former food production facility on the Beeching Road Industrial Estate.
- **Rye Harbour Discovery Centre (Sussex Wildlife Trust)** - Create a landmark new visitor attraction at Rye Harbour Nature Reserve, a dynamic gateway for the development of the region's presence in the rapidly-growing market for nature tourism.

- 2.7. As a result of the above EOI assessment and evaluation, projects in the Strong and Good banding will be encouraged to submit a Strategic Outline Business Case (SOBC) for Stage 2 assessment by 26 Oct 2018.
- 2.8. ESCC colleagues have and will continue to be in touch with each scheme promoter to look at areas of support required to bring the SOBC forward for submission. This will be done on an individual case-by-case basis. Submitted SOBCs will then be evaluated by the ITE by 16 Nov 2018 and presented to the SELEP Investment Panel for consideration and prioritisation at its meeting on 7 Dec 2018.
- 2.9. The project EOIs banded as Borderline or Failed will progress no further in this LGF funding round. However, recognising that these projects are potential long-term future pipeline schemes beyond the LGF round 3B period, ESCC colleagues will provide advice and recommendations on how to develop these schemes as part of the TES future pipeline.

3. Recommendation

- 3.1. **East Sussex County Council and Steer (the SELEP ITE) recommend that Team East Sussex endorse the 10 projects banded as Strong or Good as suitable to be put forward to the next stage.** These projects will then be worked up to submit a Strategic Outline Business Case (SOBC) for consideration and prioritisation for Local Growth Fund Round 3B short-term funding.

Appendix 1 – East Sussex LGF EOs

LGF-3B Expressions of Interest submitted in the East Sussex federated area.

Project Name	LGF Ask
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STRONG applications

Skills For Rural Businesses Post-Brexit (Plumpton College)	£ 2,918,000
Exceat Bridge Replacement (ESCC Highways)	£ 2,113,579
Restoring the Glory of the Winter Garden (Eastbourne BC)	£ 1,600,000
Bexhill Enterprise Park North (Sea Change Sussex)	£ 2,060,300
Workspace Central Bexhill (Hastings & Rother Furniture Service)	£ 1,000,000
Sidney Little Road Business Incubator Hub (Hastings BC)	£ 500,000

GOOD applications

Newhaven Town Centre Scheme (Lewes DC)	£ 843,000
Eastbourne Fisherman's Quayside & Infrastructure Development Project (Eastbourne Fishermen)	£ 1,080,000
Bexhill Creative Workspace (Rother DC)	£ 960,000
Rye Harbour Discovery Centre (Sussex Wildlife Trust)	£ 200,000

BORDERLINE applications

Queensway Gateway Road (Sea Change Sussex)	£ 3,000,000
Bexhill East Beach (Rother DC)	£ 400,000
12 Claremont, Hastings (Heart of Hastings)	£ 2,500,000
The Observer Building, Hastings (White Rock Neighbourhood Ventures)	£ 5,000,000
North Hastings Trade Park - Phase 2 (Hayland Developments Ltd)	£ 600,000
Coastal Space 4 (Hastings BC)	£ 1,000,000
Ore Valley DIY Regen Organisation Workshop (Heart of Hastings)	£ 686,700

FAILED applications

Hugh Rae - Defender of the Lost Crafts (Abigail's Drapery)	£ 450,000
Rural Health and Wellbeing Hub (Change Grow Live)	£ 364,760
Eastbourne & Lewes Star-Lab (Hextransforma Healthcare Ltd)	£ 3,450,000
Rear elevation of the Workshop building, Wharf Rd, Eastbourne (Mistywell Ltd)	£ 50,000