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Strategic Infrastructure

1. INTRODUCTION

- 1.1. This note provides a brief update to the previous briefing (reported to Team East Sussex in Mar 2018) on the progress of a number of strategic transport infrastructure projects. A more comprehensive update will be provided at the next TES meeting in Sep 2018.

2. RAIL

Infrastructure to enable High Speed Rail

- 2.1. Network Rail has previously identified an incremental approach to bringing forward the infrastructure work required to enable high speed rail into East Sussex. The first phase focuses on taking advantage of planned track renewal to the Ashford West junction (Christmas 2019 or Christmas 2020) to also enhance the junction to enable access between the high speed link to the Marshlink line via Platform 2 at Ashford International.
- 2.2. Network Rail has commenced the design work, funded by the Department for Transport (DfT) and the local authorities, on the Ashford West junction. The design work will be completed by Oct 2018 to Network Rail's Guide to Rail Investment Process (GRIP) Stage 3. It will also identify the anticipated costs for these enhancements (currently estimated at £15 – 25m).
- 2.3. It is expected that Network Rail will be looking for third party contributions towards the overall cost of the scheme including potentially from the LEP. Therefore we are considering the potential funding options that are available as part of developing a funding strategy to ensure that the necessary monies are secured to bring the scheme to fruition.

South Eastern franchise specification

- 2.4. The franchisees submitted their bids on 14 Mar 2018. DfT are evaluating the propositions before announcing the preferred bidder in Nov 2018. The franchise will commence in Apr 2019.

Brighton Mainline – Network Resilience

- 2.5. Network Rail previously announced details of a major asset maintenance and renewal project in Jan 2018 to improve reliability and performance for passengers on the Brighton Mainline. This focusses on the four Victorian-era tunnels – Balcombe, Clayton, Patcham and Haywards Heath – and the railway which runs through them. To enable these works to take place, no trains will run between Three Bridges and Brighton or between Three Bridges and Lewes from *Sat 20 to Sun 28 Oct 2018* and from *Sat 16 to Sun 24 Feb 2019*. The closures have been carefully planned for school half-terms when passenger numbers are lower.
- 2.6. Network Rail is undertaking a large scale passenger communications campaign targeting all travellers affected by the blockades to ensure that passengers and businesses are fully aware of the closures, the impact on journeys, the alternative travel options available to them and the benefits the work will bring for the region.

GTR Timetable Changes – May 2018

- 2.7. The revised GTR timetable came into effect in May 2018. Due to the unprecedented changes to the timetable, affecting the timings of all rail services, there has been disruption to rail services on the Southern part of GTR's network with the need to relocate trains and drivers onto different routes.

- 2.8. GTR, in liaison with Network Rail and DfT, is in the process of delivering a recovery plan to stabilise and provide more certainty to passengers on rail services, which includes the introduction of a temporary timetable.

3. ROAD: A27 East of Lewes Study

- 3.1. A further stakeholder workshop was held in early May 2018 to outline the emerging findings from the study. The final study will be completed in Jun 2018 and its outcomes will be considered by DfT as part of the development of Highways England's Roads Investment Strategy 2 (RIS2) covering the period from 2020 to 2025.

4. ROAD & PORT: Newhaven Port Access Road

- 4.1. The County Council is submitting the final business case to DfT in Jun 2018 for Phase 2 of Newhaven Port Access Road (NPAR) across the Newhaven–Seaford railway and Mill Creek to the harbour mouth. Following the assessment by DfT Officials, the final funding approval will be a Ministerial decision. Following submission of the business case, a decision is expected to take 8-10 weeks.
- 4.2. The County Council appointed a preferred contractor in Jan 2018, and in anticipation of construction starting, completed vegetation clearance across the site and received the relevant licences from Natural England for the translocation of great crested newts and badgers.
- 4.3. Subject to approval of the business case, main construction will start late-summer 2018 with completion anticipated late-2019 / early-2020.

5. ROAD & RAIL: Transport for the South East (TfSE)

- 5.1. The first stage of the development of Transport for the South East's Transport Strategy has been to undertake an Economic Connectivity Review (ECR), which is intended to demonstrate how strategic transport infrastructure could unlock economic growth and ensure that the South East continues to make a significant contribution to national prosperity.
- 5.2. The outcomes of the ECR were presented at the Connecting the South East event in Farnborough on 8 May 2018, and comments were sought from stakeholders by mid-Jun. The final ECR will be considered by the TfSE Board in Jul 2018.

6. LOCAL TRANSPORT/PIPELINE PROJECTS

- 6.1. Work continues on a number of other local transport/pipeline projects identified in the Mar 2018 briefing, including:
- **Eastbourne Town Centre Improvement Scheme** – the package of pedestrian and public transport improvements focussed on Terminus Road, Gildredge Road and Cornfield Road is currently on site and is being constructed by Mildren Construction.
 - **Eastbourne Town Centre Movement & Access Package Phase 2** – the final stakeholder workshop was held in early May 2018 and reported on the outcomes of the study relating to further transport interventions in Eastbourne Town Centre; we are currently developing the design brief for the package of identified interventions.
 - **Polegate Station Study** – investigating the potential for a new station in the Polegate area.
 - **A22 Junction Improvements Package** – taking forward the designs for the junction improvements on the A22 Corridor around Hailsham/Polegate/Stone Cross required to support the planned and proposed development in the South Wealden area.
 - **A22/A26 Corridor Study** – this is investigating the wider impacts and mitigation measures required in relation to the planned growth in the Wealden area on the A22 and A26 corridors ahead of these routes being designated part of the Major Road Network.
 - **SMART Cities Initial Scoping Study** – identifying opportunities and value of investment, challenges and risks tied to 'Smart City' strategic transportation and highways maintenance techniques and approaches in a coastal and urban/rural-split county like East Sussex.

Business East Sussex (BES)

Core Growth Hub

The Department for Business, Energy and Industrial Strategy (BEIS) has announced a new reporting framework for Growth Hubs which puts increasing emphasis on working with 'high growth potential' businesses and puts some limits on the ways funding can be spent on supporting pre-start/start-up businesses.

It is clear that the direction of travel for Growth Hubs nationally is changing and we will continue to work with SELEP and the other Growth Hubs to work out what these changes mean for us locally and how best to respond to them.

South East Business Boost

The ERDF-funded South East Business Boost (SEBB) project has so far agreed 83 grants totalling £557k, with 37 defrayed from a total target of 170. 20 SMEs have received 12 hours of business support from a total target of 85. A Project Change Request on behalf of the programme has been given initial consent by Government, which will allow for revenue grants to be awarded and will extend the programme end date from Jun 2019 to Dec 2019.

Growth Hub Evaluation

In line with the terms of our funding from BEIS, we recently completed an evaluation of the Growth Hub for 2017/18. This included an assessment of the economic impact of the services provided by the BES Growth Hub during that time. This evaluation was also designed to allow the Growth Hub to start to respond to the new ways of working that are being promoted by BEIS and to identify areas where approaches taken up to this point may need to be modified. It is clear that nationally all Growth Hubs will face challenges in responding to the new direction of travel, and in carrying out this evaluation we have put ourselves in a good position to do this quickly and efficiently. The key points of this evaluation are:

- Most output targets appear to be being met, but improvements in the recording and reporting of monitoring data need to be implemented to meet the new BEIS standards.
- 85% of businesses supported are sole-traders or micro businesses.
- The South East Business Boost (SEBB) programme is producing outputs at a relatively good rate; some more sector-specific targeting of outputs could be beneficial moving forwards.
- 37 interviews were carried out with Growth Hub beneficiaries to try to ascertain the economic impact of the interventions provided; based on this simple methodology, an estimate is given that 277 jobs were created as a result of interactions with the Growth Hub and the various programmes and support services it refers businesses to in the period Oct 2016 to Mar 2018 (this figure is given with a +/-16% margin of error at the 95% confidence level).
- The Hub may wish to review ways referrals are made to partner organisations and how these are monitored, as well as providing more feedback to agencies referring into the Hub.

SELEP will be preparing an overall economic impact evaluation to go alongside the annual report to BEIS on the Growth Hubs. This will be based on the BES evaluation and similar studies carried out in Kent and Essex.

The full evaluation report will be considered by the BES Steering Group in Jul 2018 – *if anyone wishes to see the full report they can request a copy from ioni.sullivan@eastsussex.gov.uk.*

Developers East Sussex (DES)

Developers East Sussex (DES) was established in May 2016 as a group committed to making a difference in the East Sussex growth agenda to bring about deliverable, high quality and sustainable development, a functional property market and growth in jobs and housing.

DES has continued to move forward in addressing the common barriers to quality sustainable development in East Sussex through collaboration and direct engagement with key stakeholders. The most recent DES meeting in Apr 2018 focussed on modernisation in the construction sector, with a thought provoking

presentation from Mark Farmer, author of the *Farmer Review of the UK Construction Labour Model*, a government-commissioned review into the construction sector first published in Oct 2016. The original hard-hitting report, titled “Modernise or Die”, gave a full and frank analysis of the industry with a series of recommendations for transformational change, so a year on it was extremely interesting to discuss the topic with the report’s author, helping to crystallise DES’s role as a real influencer on the change required in the industry. Mark was very complimentary about the progress DES has made and the work being done, and was very keen to stay in contact and support the group. The future of skills in the construction and built environment sector was also debated at the meeting, with input from the University of Brighton and the newly-formed East Sussex College Group.

Following April’s DES meeting the group formally moved to a subscription-based membership arrangement, with full- and associate-membership to be drawn from the development sector on a subscription basis to support the costs of running the group. DES has partnered with Let’s Do Business Group (LDBG) and Locate East Sussex (LES) to provide some of the administrative support functions in this regard. Additional free-of-cost membership will still be offered to such groups as the Environment Agency, Homes England, Natural England, Department for International Trade and the County, Borough & District Councils.

The new subscription arrangement has been welcomed by the DES group and a large number of the regular developer organisations have indicated their support and their commitment to join; LDBG is currently in the process of liaising with these organisations and arranging invoicing/payment. It is expected that final take-up will be high, so the next scheduled DES meeting in Jul 2018 will hopefully continue DES’s established trend of attracting 25+ attendees.

DES is introducing new good practices across the county and has helped develop the *East Sussex Planning Protocol*. The draft protocol document was very well received and a final version was subsequently signed-off by ESCC Leaders & Chief Executives. The East Sussex Planning Protocol will be formally launched at the Team East Sussex meeting on 25 Jun 2018.

DES has also set up a task-and-finish group to review the loss of potential business space to permitted development and to review in general the requirement for business land/premises going forward to support the local economies, both for existing businesses and for those looking to move to the area. The group will initially look at the west of the county as this has been expressed by members as an area of particular concern, but there are considerations to extend the work to the east of the county.

Skills East Sussex (SES)

Skills East Sussex Meetings

The Skills East Sussex (SES) Board last met on 20 Mar 2018 in Eastbourne and focused on the needs of the Health and Social Care sector. The meeting was run in partnership with Mike Bailey from Health Education England and Colleen Hart, the East Sussex Better Together (ESBT) lead for the NHS. Over 30 organisations were represented at the meeting which explored the employment needs of the sector and examined the range of current careers guidance offers in the county, discussing whether this actually meets the needs and whether a more strategic, joined-up approach could support growth and sustainability for this sector.

A follow-up task group meeting was held in Apr 2018, also attended by over 20 participants (training providers and Health and Social Care providers). The group mapped current careers provision, planned the development of an infographic in partnership with the University of Chichester to promote careers in Health and Adult Social Care, explored issues facing the sector that the group should lobby on and discussed training around new technologies in health care. Subgroups have been set up to develop each of these initiatives further.

SES meets again on 21 Jun 2018 where it will review the final draft SELEP Skills Strategy and will approve the East Sussex College Group (ESCG), Plumpton Agricultural College and Bexhill College curricula for the 2018/19 academic year. The group will also talk about forthcoming European Social Fund opportunities.

Enterprise Adviser Network

The Enterprise Adviser Network seeks to match business representatives with schools in order to help them improve their careers strategies and plans. The Network has now engaged all 40 of the schools and colleges in the EAN and 29 of these are now matched with an Adviser.

Industry Champions

East Sussex County Council's Employability & Skills team launched its 'Industry Champion' status and badge on 28 Mar 2018 at County Hall. The Badge is awarded to employers from our economic priority sectors who undertake at least three activities to promote their sector to young people in the county (e.g. by participating in Open Doors, attending careers fairs, being an Enterprise Adviser, offering work experience, sitting on a SES task group etc.) 35 Champions attended the launch and a further 35 have since been recruited in the first quarter of 2018/19.

Open Doors

Planning for Open Doors is now underway. Over 40 companies and 22 schools have already signed up to participate in the programme in Nov 2018, which will see young people visit employer premises across the county to experience the world of work.

European Funding

EU Strategy / Funding Stream	Element	Activities / Actions / Deadlines		Main applications covering East Sussex
		Completed	Pending	
EAFRD	Call 1 – EOIs for support to micro and small businesses, £50k-£155k project grant value.	Call closed 19 Jun 2015; project EOIs considered at EU SIF committee 23 Jul 2015.	Nothing pending.	None.
	Call 2 – 3 submeasures covering Tourism Infrastructure £2.6m, Food Processing £3.7m, & Business Development £2m. EOIs to be completed as first stage of 'open rolling call' application process. Enquiries on completing EOIs to GPEnquiries@rpa.gsi.gov.uk.	Call 2 published Jan 2017 with various launch events in Feb/Mar and further events in Oct 2017 to publicise funding availability and give advice to potential applicants; the original Jan 2018 deadline for the rolling call for projects was extended to 31 May 2018; the fund is now closed to new EOIs.	As at Apr 2018, 8 projects have progressed to contracting stage and received funding; a further 18 full applications have been received and are awaiting appraisal, with another 24 EOIs proceeding to full application stage.	Of the 8 projects that have received funding, 3 are from East Sussex; 2 of the 18 full applications and 2 of the 24 EOIs are also from East Sussex.
ERDF	Call 1 – Priority Axes (PA) 1: Innovation; PA 3: SME Competitiveness; PA 4: Low Carbon Enterprises; and Technical Assistance. Minimum grant value £500k.	Call closed May 2015 with full application deadline Sep 2015; 4 applications were successful - Keep+, LoCASE, Invest Kent and the ERDF Technical Facilitator project.	Nothing pending.	The 4 successful applications - <i>Keep+</i> , <i>LoCASE</i> , <i>Invest Kent</i> and the <i>ERDF Technical Facilitator</i> project - have all been awarded, contracted and are underway; an appointment to the Technical Facilitator role has been made, with ESCC as accountable body.
	Call 2 – PA 3: SME Competitiveness, BIS National Products.	Better Off In Business, Get Exporting 2 and the Manufacturing Growth Programme have all been awarded, contracted and are underway (there was also a 'High Growth Programme' but it was withdrawn since consultancy company PERA went into receivership).	Nothing pending.	<i>Better Off In Business</i> (Prince's Trust), <i>Get Exporting 2</i> (Exemplas) and the <i>Manufacturing Growth Programme</i> (WMMBF Ltd) are all designed to deliver across the SELEP area, including East Sussex. 'Newable' is the delivery partner for Get Exporting 2 in East Sussex & Kent; the Manufacturing Growth Programme will be delivered by Economic Growth Solutions Ltd (EGS). There are also 2 multi-LEP projects (awarded and contracted) that only deliver across Essex - the Essex Growth Programme and Supply Chain Innovation for Offshore Renewables (SCORE), both led by consultants NWES.
	Call 3 – PA 3: Growth Hubs & Access to Finance; £13m grant available, £500k minimum grant value.	The Kent-led Innovation Loan Fund scheme was rejected and asked to become part of the South East Business Boost (SEBB) Growth Hub project; SEBB progressed to full application and was approved in Sep 2016; SEBB began operating in Apr 2017 with the launch of its grants programme.	Nothing pending.	East Sussex is one of the SELEP partners in the <i>South East Business Boost</i> (SEBB) Growth Hub project to deliver extended growth hub services (£3m) and a small grants programme (£10m); SEBB will provide £1.1m total funding for East Sussex over the 3 year programme period to extend & enhance the reach of our current business support services under the banner of Business East Sussex (BES), alongside a slice of the SEBB grants programme (approx £850k).

EU Strategy / Funding Stream	Element	Activities / Actions / Deadlines		Main applications covering East Sussex
		Completed	Pending	
ERDF	Call 4 – PA 3: SME support to the creative and digital industries (£3.5m); £500k minimum grant value.	Call opened Apr 2016; 1 application submitted by Thurrock Council for the South East Cultural, Creative & Digital Sector project (SECCADS); full application submitted Sep 2016; following DCLG feedback the application went through several iterations and was finally approved in Nov 2017.	Nothing pending.	The <i>South East Cultural, Creative & Digital Sector</i> project (SECCADS) is led by Thurrock Council and covers the whole SELEP area; it will be aligned with BES/SEBB.
	Call 4 – PA 3: SME support (£10m); £500k minimum grant value; Rolling Call.	Call opened Apr 2016; 1 outline application submitted by Essex CC for South East Invest (SEI), approved in Feb 2017; 2 further applications submitted in Sep 2016, invited to full application in Jan 2017; call closed in Mar 2017.	2 full applications - Betteshanger Sustainable Parks (Hadlow College) and Transportation & Logistical Efficiencies (TALE, Haven Gateway Partnership) - are in appraisal with MHCLG and are awaiting a final decision.	<i>South East Invest</i> (SEI) is a joint project by ESCC and Essex CC (lead partner) to enhance the Locate East Sussex inward investment service, providing for double the funding given on the existing CORE service contract value to some £420k per annum for 3 years. <i>Betteshanger Sustainable Parks</i> will seek to provide incubator space for SMEs in the preventative health sector, and <i>Transportation & Logistical Efficiencies</i> (TALE) will provide support to the logistics sector - both will operate across the SELEP area.
	Call 5 – PA 1: Innovation; and PA 4: Low Carbon Enterprises. Both with a £500k minimum grant value.	Call opened Dec 2016 with 3 outline applications submitted under PA 1 and 1 under PA 4; all 4 were invited to submit full applications in May 2017; 2 have since been withdrawn (both University of Kent) due to justifiable constraints and issues.	The 'South East GREAT' and the 'South East New Energy' projects have submitted full applications and are awaiting a final decision from MHCLG.	The 2 current applications are both SELEP-wide and will benefit East Sussex due to the requirements on Strategic Fit; the projects are <i>South East Graduate Enterprise & Talent</i> ('South East GREAT' from the University of Greenwich) and <i>South East New Energy</i> (now being led by Retrofit Works replacing Anglia Ruskin University).
	Call 6 – PA 1: Research & Innovation; PA 3: SME Growth & Competitiveness; and PA 4: Low Carbon Economy; rolling open call for applications.	Rolling open calls for applications against all 3 Priority Axes went live in Mar 2017; 3 outline applications were submitted in Jul 2017; 4 more were submitted in Oct 2017; a further 4 new outline applications were submitted by the final deadline of 26 Jan 2018.	The 3 outline applications submitted in Jul 2017 have been invited to submit full applications; 2 of the 4 outline applications submitted in Oct 2017 were rejected, the other 2 are due to be reviewed by the ESIF Sub-Committee in early 2018; the final 4 outline applications submitted in Jan 2018 are currently with MHCLG for gateway assessment.	All 3 outline applications submitted in Jul 2017 are SELEP-wide and will benefit East Sussex due to the requirements on Strategic Fit; the projects are <i>Mercury Rising</i> (Colchester BC), <i>I-CONSTRUCT</i> (Haven Gateway Partnership) and <i>CAMIC</i> (Anglia Ruskin University); only 1 of the 2 outline applications submitted in Oct 2017 will service East Sussex, <i>Better Off In Business</i> (The Prince's Trust), which is requesting a continuation to the existing contracted project; once the 4 applications submitted in Jan 2018 have been assessed by MHCLG it will be possible to comment on the coverage of East Sussex.
	Call 7 – PA 1: Research & Innovation; multi-LEP calls including SELEP for applications to support the 'Innovation South SIA for Quantum Supply' and 'Knowledge Accelerator' projects.	The call was open between 8 Dec 2017 and 26 Jan 2018; 1 outline application was submitted to cover the Innovation South SIA area.	The outline application is currently with MHCLG for initial appraisal.	The single outline application covers the Innovation South SIA area, which includes East Sussex, to run a Quantum Supply project.
ESF (Opt in)	Department for Work & Pensions (DWP) – supporting businesses to identify training, recruitment & skills needs, meeting those needs and generating entry level opportunities for those out of work or underemployed; focus is on developing candidates that meet employer needs rather than generating a pipeline of candidates prior to identifying opportunities; 3 years' funding up to 2020.	ITT open between 29 Jan and 10 Mar 2016; the DWP/Jobcentre+ Opt-in contract was awarded to Reed, who in partnership with Skills Training UK, Royal British Legion Industries (RBLI) and APM, will now work to deliver the £9m South East contract.	DWP has indicated that this contract could be extended pending DWP match and LEP ESIF Committee confirmation; the contract is under Priority 1.1 and the Education & Skills Funding Agency (ESFA) has recently offered match for this priority area, which will enable a matched call for Priority 1.1 to go out in summer 2018 , with the potential still to extend the current contract.	The contract for the South East is titled <i>Skills Support for the Long-Term unemployed</i> , with a maximum contract value of £9m for a minimum of 4,500 starts (the minimum starts for East Sussex based on population numbers of 13% is 583). The geographic locations in East Sussex are Eastbourne in the employment sector of Design & Manufacturing, and Hastings in the sectors of Financial & Business Services, Specialist Manufacturing & Engineering. The duration of the contract is up to 2020. Preliminary performance info for this contract shows a good level of take-up across East Sussex with approx 299 starts.

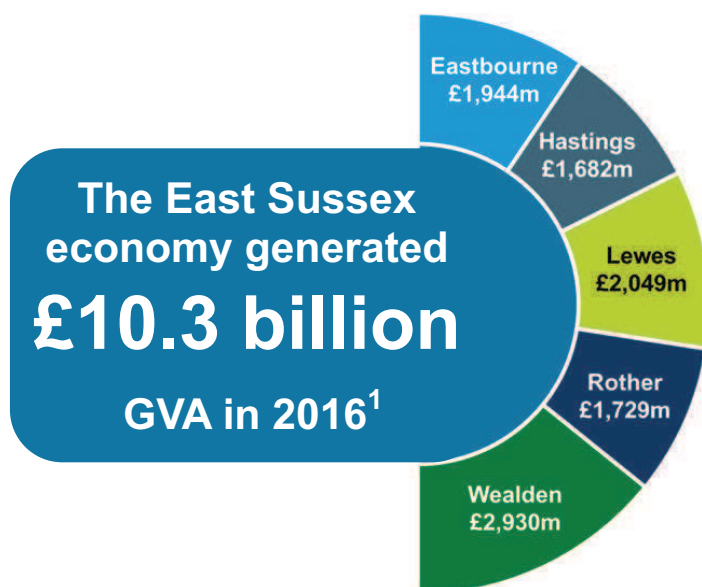
EU Strategy / Funding Stream	Element	Activities / Actions / Deadlines		Main applications covering East Sussex
		Completed	Pending	
ESF (Opt in)	DWP – open call for Priority Axis 1: Access to Employment; intended to assist young people to enter growth sectors by addressing barriers such as transport, mental health support and confidence building to ensuring long-term sustainable jobs through pre-apprenticeships and work experience; the project must cover the SELEP area and/or list the main towns/cities within the LEP that the call is open to; approx £1.5m of funding is available; the project must be completed no later than 24 Sep 2020.	Call open from 21 Apr to 16 Jun 2017 (more info on the Gov.UK website); outline applications were reviewed by the SELEP ESIF Committee in Aug 2017, and 2 EOIs totalling £700k went to full application.	Contracts are being finalised with the 2 projects that went to full application and the deliverers will be announced soon; as the overall pot is £1.5m there are some funds remaining in this priority area; these contracts are under Priority 1.2 and the Education & Skills Funding Agency (ESFA) has recently offered match for this priority area, which will enable a matched call for Priority 1.2 to go out in summer 2018; further matched calls for the remaining SELEP ESF pot (approx £17m) are also expected under Priority areas 1.4 & 2.1 in Jul 2018; there will still be direct calls for Priority 2.2 with timescales being confirmed by DWP.	None currently.
	Education & Skills Funding Agency (ESFA) – sector-focused Apprenticeships including support to disadvantaged/vulnerable participants, access to high-quality employer-led careers information and LMI, and brokerage of opportunities for young people; 5 years' funding.	ESFA contracts worth £24m were announced in Jan 2017. Contractors were invited to re-profile if they expect under-delivery and to put in a case for growth; in consultation with local areas (Holly Aquilina for East Sussex) and the ESIF Committee, the Numeracy, Basic Skills & Enhancing Apprenticeships programmes were approved for financial growth and time extensions; the Higher Level & Digital Skills programmes were approved for time extensions only.	Nothing pending.	Two <i>Skills Support in the Workplace</i> projects covering Numeracy (£2.16m across SELEP of which approx £285k will be used in East Sussex) and Basic Skills (£2m across SELEP of which approx £260k will be used in East Sussex). Two <i>Skills for Growth</i> projects covering Higher Level Skills (£4.6m across the whole SELEP region) and Higher Digital Skills (£1.4m across the whole SELEP region). <i>Skills Support for the Unemployed</i> (£1.924m for East Sussex).
	BIG Lottery – second round of Building Better Opportunities funding; the ESF thematic objective is Promoting social inclusion & combating poverty; applications invited to deliver 12 projects across the SELEP area - 6 in the north, 6 south; the total funding available for the south is £8,500,900.	Launched Oct 2015; East Sussex, Kent & Medway agreed & submitted shortlisted applications in Nov 2015; successful applicants announced May 2016; 1 applicant withdrew so there are now only 5 in the south (11 overall); the funds allocated to the withdrawn project (£483k) remain uncommitted.	Alternative options for the unallocated £483k have been discussed and SELEP has proposed using the funds for successful projects when they have a track record (say towards the end of 2018), ringfenced for East Sussex, Kent & Medway - awaiting Big Lottery's agreement; Big Lottery has advised that Building Better Opportunities projects would also be able to apply for growth, and SELEP is awaiting confirmation of the process & timeframe for this; a meeting with Big Lottery & SELEP for all 11 Building Better Opportunities projects will take place on 27 Jun 2018 to share best practice & discuss any challenges; the match funding offered by ESFA includes Priority 1.4 which will enable a call for a community grants programme to be launched in summer 2018.	The 5 live projects in the south (all covering East Sussex) are: <ul style="list-style-type: none"> • Sussex Community Development Association ('Let's Get Working', £3,574,200 – employment support for people with disabilities and long term health issues) • Porchlight & Sussex Community Development Association (£2,260,500 – employment support for people with mental health issues) • Social Enterprise Kent CIC (£483,000 – employment support for older people) • Gingerbread, the charity of single parent families (£830,800 – employment support for lone parents) • Royal British Legion Industries (£869,400 – employment support for people with difficulty sustaining employment)
LEADER	Programme adopted, launched Oct 2015.	WARR and Central Sussex Leader programmes launched Oct 2015.	Nothing pending.	Wealden & Rother Rural Partnership (WARR) and Central Sussex Leader programme (including Horsham, Mid Sussex & Lewes District); both Local Action Groups are running and accepting applications, a number of which have already been approved.

EU Strategy / Funding Stream	Element	Activities / Actions / Deadlines		Main applications covering East Sussex
		Completed	Pending	
CLLD (ERDF/ESF)	3 CLLD applications in the South East – Hastings & Bexhill, Folkestone and Thurrock (5 applications were originally submitted but Dover and Ramsgate dropped out at the first stage of the approvals process). The CLLD programmes will run for 5 years focusing on those groups most excluded from economic activity and in need of support to get on the path towards employment, and on encouraging entrepreneurial activity; target groups will include adults, including aged 50+, & BME communities including settled migrants.	Initial applications closed Nov 2015; 3 applications in the South East successful at stage 1 (Hastings & Bexhill, Thurrock and Folkestone) each received a small amount of ERDF funding to write a 'Local Development Strategy' seeking further ERDF funding, submitted Aug 2016 and all approved; all 3 areas submitted full applications by end of Jan 2017, followed by revised final applications; funding agreements for Hastings BC were finally signed in May 2018.	With funding agreements now in place with Hastings BC, the CLLD project team is being recruited; the first call is expected to open late-Jun 2018 ; member & external workshops will follow.	The Hastings & Bexhill CLLD submission - <i>CHART (Connecting Hastings & Rother Together)</i> - encompasses 10 wards across Hastings, Bexhill and Sidley, helping local people benefit from new employment & enterprise opportunities and helping to expand the cultural, creative, media and visitor/leisure economies; Hastings BC is the accountable body for CHART.
CLLD - European Maritime Fisheries Fund (EMFF)	EMFF / Marine Maritime Organisation (MMO) Fisheries Local Action Group (FLAG).	An application and Local Strategy from Hastings Fisheries Local Action Group (HFLAG) has been submitted and approved.	HFLAG project progressing.	<i>Hastings Fisheries Local Action Group (HFLAG)</i> has approval for £600k over 3 years, supporting the Hastings small scale fleet and associated industry; 8 projects have so far been approved, with 1 more awaiting approval, 4 in the pipeline, and 4 others in early development; the total approved and submitted to date (Jun 2018) is £298k; Hastings BC is lead partner on behalf of HFLAG.
Interreg	France-Channel-England (https://interreg5a-fce.eu): a cross-border programme that aims at funding high quality cooperation projects in the Channel border region between France and England, in line with the Europe 2020 strategy; the Managing Authority is Norfolk County Council.	5 calls took place between Mar 2015 and Apr 2017, and in May 2017 the programme switched its application process to a running open call; since Mar 2017 the programme has also opened 2 calls per year (Mar & Oct) for 'micro projects'; a total of 20 projects have so far been approved overall.	The running open call for regular projects has been extended until Nov 2019 for project ideas, and Jun 2020 for full applications; calls for micro projects (2 calls per year in Mar & Oct) will continue until Mar 2020.	Hastings BC was originally part of the <i>Sustainable Future for Seaside Economies (SUFUSE)</i> project submission, but withdrew due to risk/resource/potential gain.
	2 Seas 2014-20 (www.interreg2seas.eu/en): a European Territorial Cooperation programme covering England, France, Netherlands & Belgium with a total of €241m ERDF to co-finance projects in the 2014-20 period; the overall objective is to develop an innovative, knowledge & research based, sustainable and inclusive 2 Seas area, where natural resources are protected and the green economy is promoted.	5 calls have already taken place; Call 6 Step 1 closed on 2 May 2018; a total of 44 projects have been approved overall.	Call 6 is expected to be the last call, with Step 2 open from 8 Aug - 6 Nov 2018.	Hastings BC is a partner in implementing the <i>Sustainable Houses in an Inclusive Neighbourhood (SHINE)</i> project, approved Jul 2016 for completion by Aug 2020.
	North West Europe (http://www.nweurope.eu): the Interreg NWE programme fosters transnational cooperation to make Northwestern Europe a key economic player and an attractive place to work and live, with high levels of innovation, sustainability and cohesion.	7 calls have taken place between Nov 2015 and Apr 2018, plus a new targeted call on renewable energy opened on 24 Jan 2018; a total of 39 projects have been approved.	The Monitoring Committee will decide in Jun 2018 which of the Call 7 submissions will proceed to step 2; the targeted renewable energy call is open until 31 Jul 2018; Call 8 will be open in Nov 2018.	Hastings BC is a sub-partner in implementing the <i>Climate Active Neighbourhoods (CAN)</i> project, with 'Optivo' the main partner in Hastings, approved Feb 2016 for completion by Oct 2019; HBC is also a partner in the <i>Public Building in Straw (UP STRAW)</i> project, approved Mar 2017 (length 4 years but build implementation over 1 year).
	Interreg Europe (http://www.interregeurope.eu): helping regional and local governments across Europe deliver better policy by creating opportunities for sharing ideas and experience, therefore improving strategies	3 calls have taken place between Jun 2015 and Jun 2017; Call 4 opened on 7 May 2018; a total of 130 projects have been approved overall.	Call 4 closes on 22 Jun 2018.	Hastings BC is a partner in the <i>Delivering Efficient Sustainable Tourism with low-carbon transport Innovations - Sustainable Mobility, Accessibility and Responsible Travel (DESTI-SMART)</i> project, which was approved in Mar 2018 as part of Call 3.

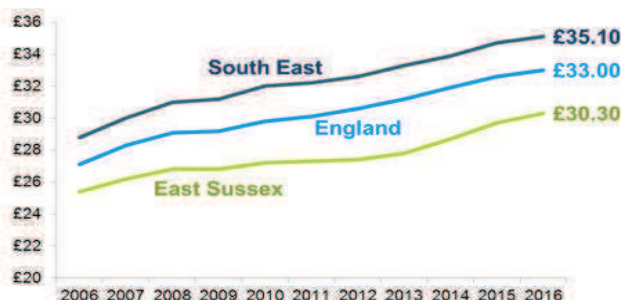
Economic update - June 2018

Gross Value Added

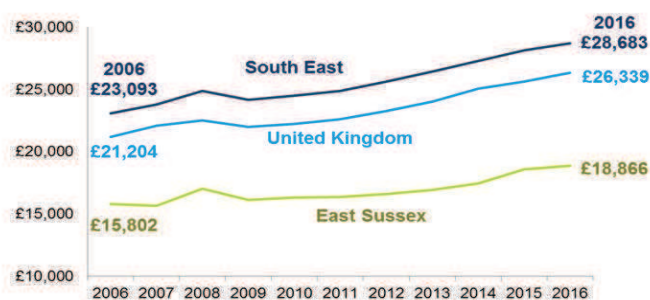
- GVA per head has grown by 19.4% in the county since 2006, but this compares with growth of 24.2% nationally and in the SE region¹.
- Growth of GVA per head in the county was higher than average in 2014/15 (6.6% compared with 2.2% nationally) but fell back again in 2015/16 (1.6% against 2.8% nationally)¹
- Structural differences to the national economy include a much higher proportion of GVA from Real estate; a higher proportion in Public administration, Education & Health, and Construction sectors; while Information & communication and Financial & insurance services are under-represented.
- The Professional and administrative services sector and Other services grew most strongly in the year 2015-2016 compared to the national change, while the construction sector also saw significant growth but this was similar to the national change.
- Growth in Manufacturing and Distribution, transport, accommodation and food was much slower than the national average, and there was a significant fall in the Financial and Insurance sector.



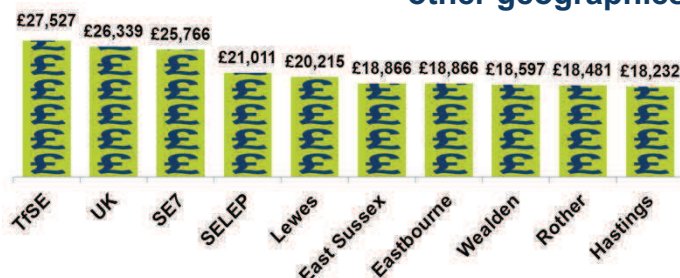
GVA per hour worked, 2006-2016²



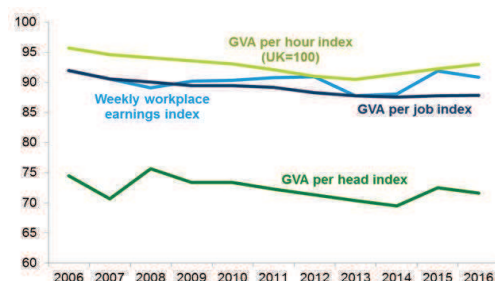
GVA per head, 2006-2016¹



GVA per head in 2016 by district, SE LEP and other geographies¹

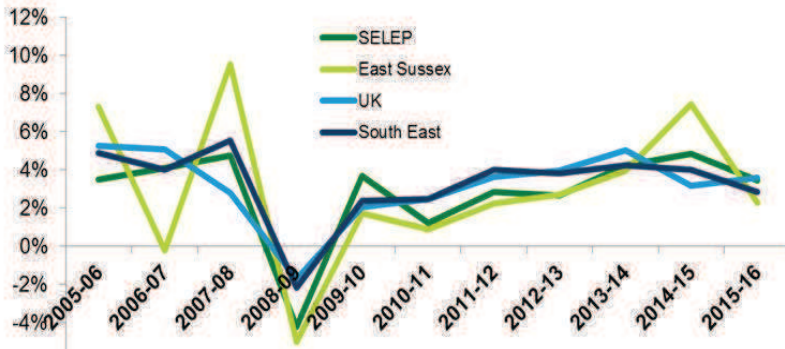


Productivity and earnings measures compared - East Sussex indices where UK=100^{1,2,7}



Details and links for all sources can be found at the end of the briefing

Year on year change in GVA is more volatile in the county than at other geographies.



Three broad sectors account for 60% of GVA in East Sussex¹:



Real Estate - 21.5%



Public admin, Education and Health - 21.2%



Distribution, Transport and Accommodation & food - 16.9%

Gross value added by sector in 2016¹

Different sectors make a higher than average contribution to GVA in the districts:

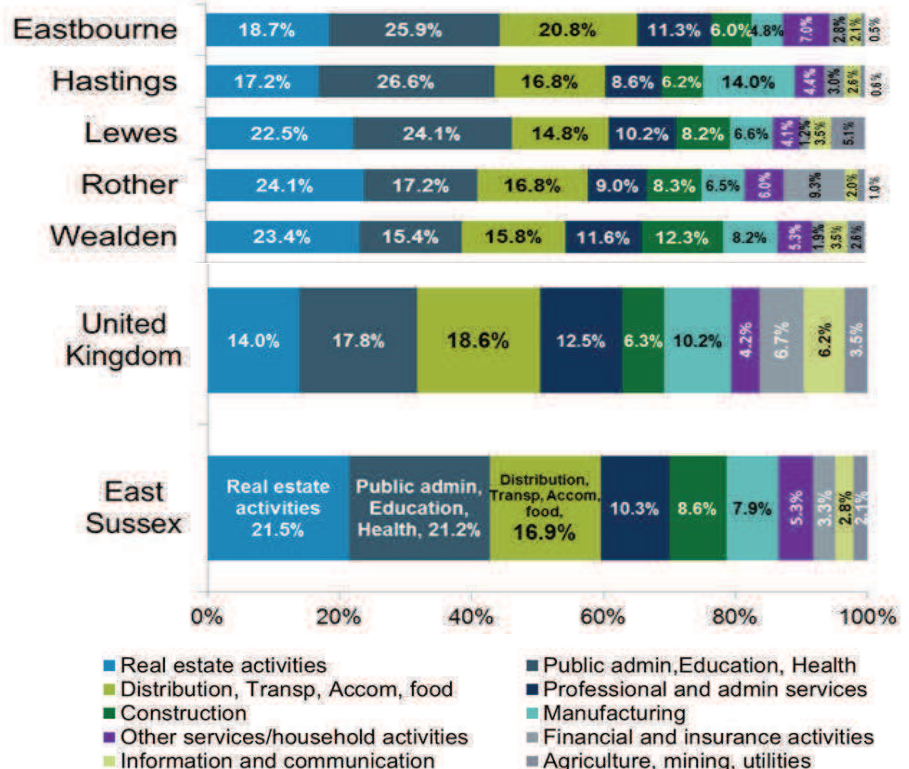
Eastbourne: Public admin etc. (26% of GVA in 2016); Distribution etc. (21%)

Hastings: Public admin etc. (27%); Manufacturing (14%)

Lewes: Public admin etc. (24%); Real estate (23%)

Rother: Real Estate (24%); Finance etc. (9%)

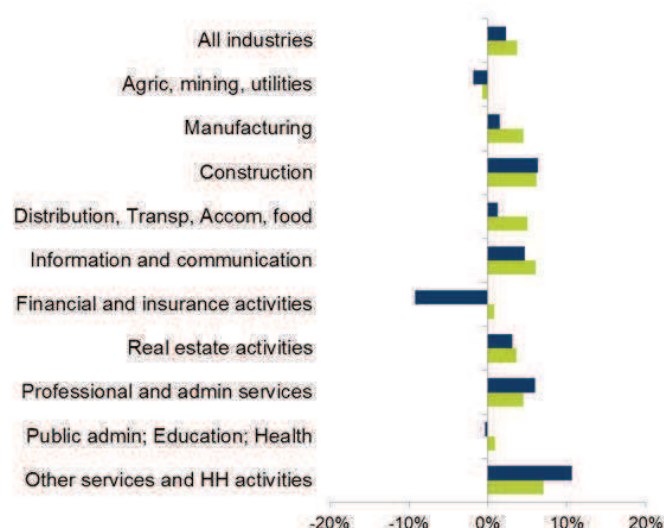
Wealden: Real estate (23%); Construction (12%)



Long-term change in GVA 2006-16



Short-term change in GVA 2015-16¹

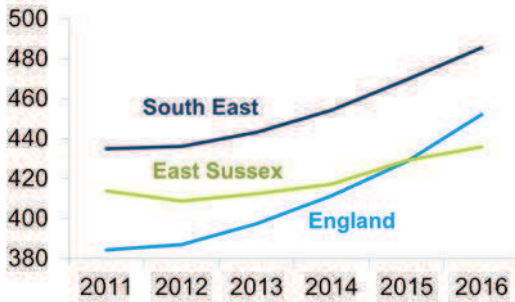


Change in GVA by industry varies significantly over time. Some sectors which saw significant growth over a 10 year period have shown a decline more recently.

Businesses

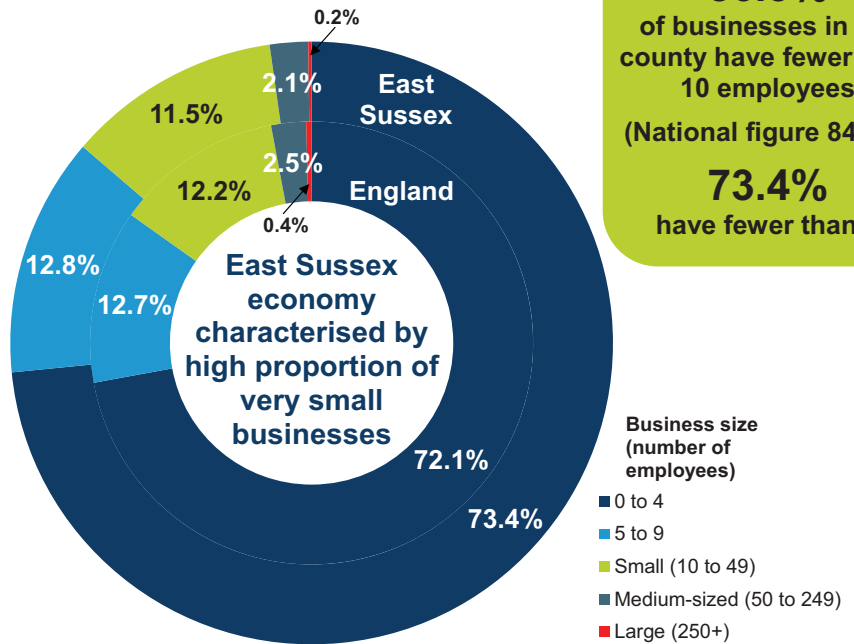


Active businesses per 10,000 population³



East Sussex has fewer businesses than average for the region and growth is slowing.

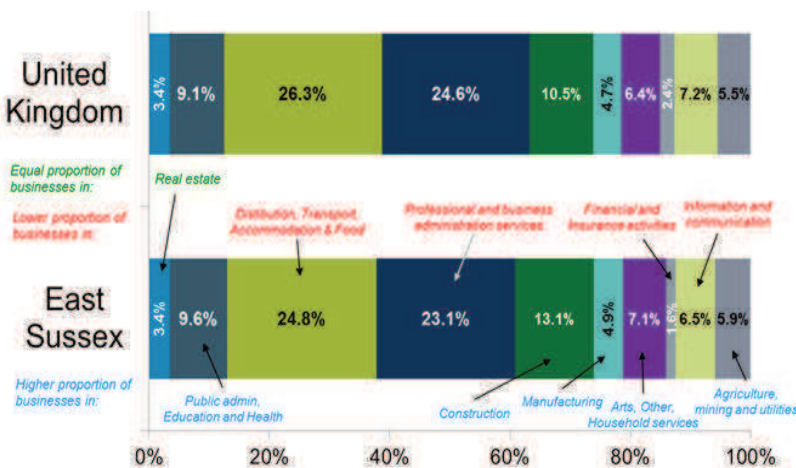
Business size in 2017⁴



86.3%
of businesses in the county have fewer than 10 employees
(National figure 84.8%)

73.4%
have fewer than 5

East Sussex businesses by sector in 2017⁴



- While Real Estate contributes most to GVA, it make up only a small proportion of businesses (3.4%)
- One quarter of all businesses are in the Distribution, Transport, Accommodation & food sector, but they make up a smaller proportion than the national average, and only account for 16.9% of GVA.
- The second largest sector in terms of number of businesses is the Professional, technical and business administration services, but these account for only 10.9% of GVA.

Fastest growing sectors in the county⁴ (2012-2017)



Business administration and support services - up 30%
(England up 53%)

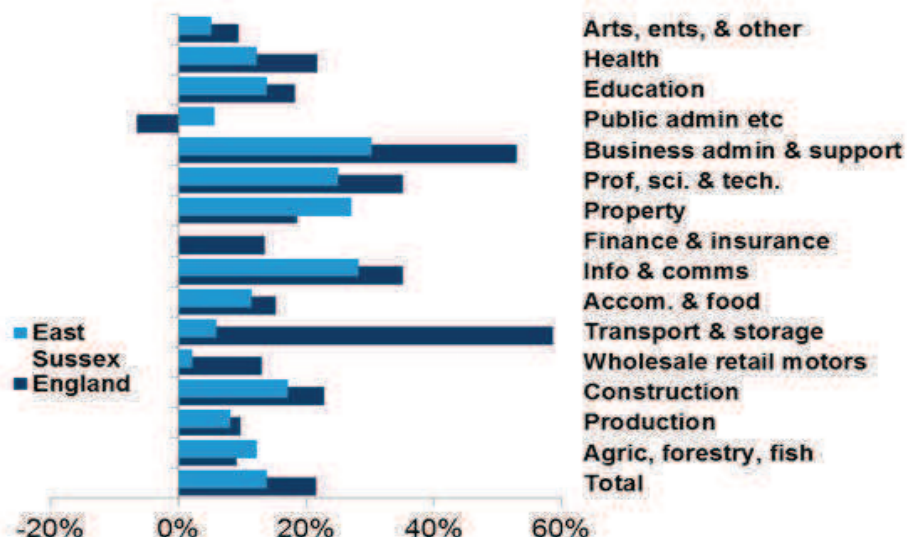


Information & communication - up 28%
(England up 35%)



Property - up 27%
Higher than national rise
(England up 19%)

Percentage change in businesses by sector 2012-2017⁴



Business starts, closures and survival

23,880

active businesses in
East Sussex in
2016 - highest since

2004³

- ♦ 1 in 9 of these were new start-ups
- ♦ That's 2,590 new businesses
- ♦ But 7% fewer new businesses than in 2015
- ♦ And new business registration rates down

**Active
businesses**

Up 9%

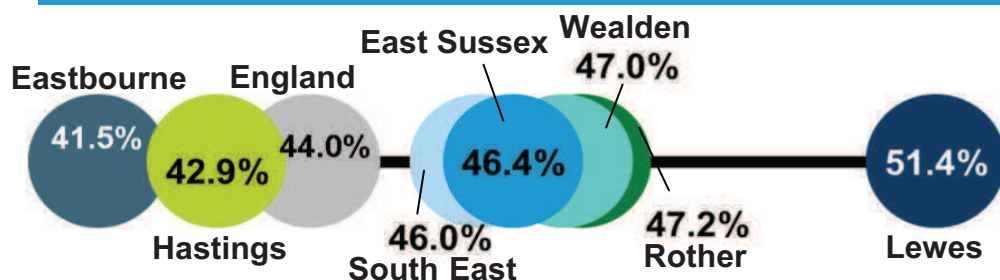
since 2011,

up 2.3%

since 2015

46.4% of businesses in East Sussex started in 2011 survived their first five years

5 year business survival rates for the county are higher than the England average³:

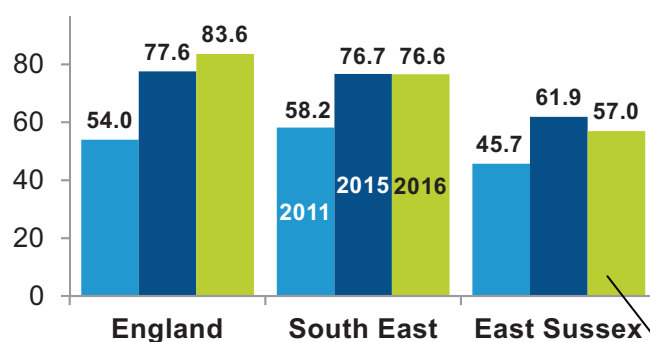


- 530 more active businesses in 2016 (23,880) than in 2015 (23,350).
- New business growth slower - 200 fewer new business starts than in 2015 and only slightly more business starts (2,590) than closures (2,405) in 2016.³

Business births and deaths in East Sussex 2006-16³



New business registration rates 2011-16³



Second lowest of all counties/UAs in the South East

East Sussex priority sectors: percentage change in number of businesses, 2012-2017⁴

East Sussex

26,035

5,475

1,685

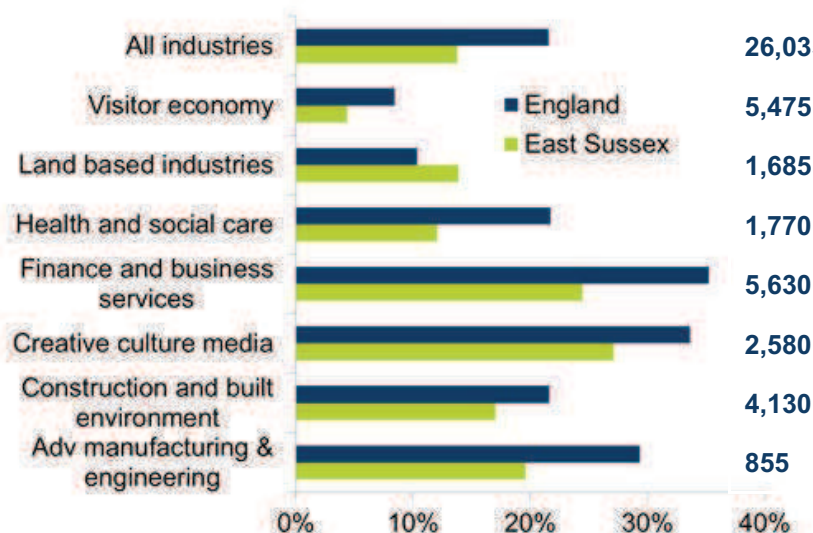
1,770

5,630

2,580

4,130

855



- The finance and business services combined sector is the largest of the priority sectors (as defined in the growth strategy), with Visitor Economy businesses forming the next largest group.⁴

- Growth in most priority sectors was slower between 2012 and 2017 than in the country as a whole

(note that some SIC sector divisions occur in more than one priority sector)

Labour market

Economic activity and inactivity in the year to December 2017⁵

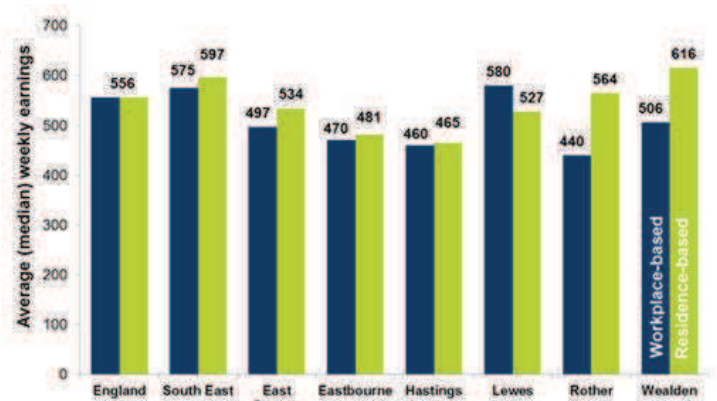


- At 75.8%, the East Sussex employment rate⁵ is above average (England 75.1%) with comparatively high levels of self-employment and people working part-time⁶.
- The Claimant Count rose in the month to April in line with the national trend and the claimant count is now 46% higher than in April 2017⁹.
- In November 2017, 9% of the county's working age population were claiming out-of-work benefits.
- Average earnings for jobs in the county are lower than average
- A slightly lower proportion of the county's residents have higher level qualifications compared to national and regional populations, but a lower proportion have low or no qualifications.

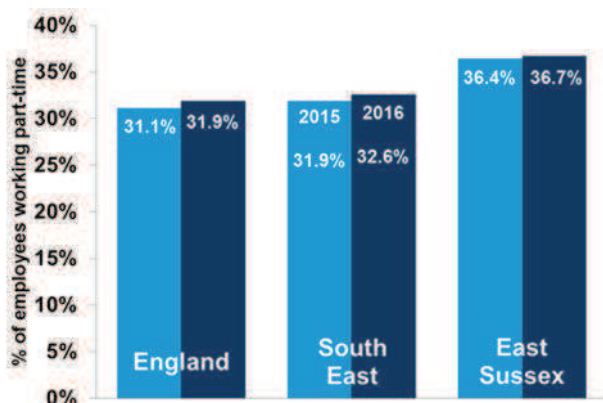
Workforce projections⁸

Between 2016 and 2021 there is projected to be marginal growth in the number of people in the East Sussex labour force, although after 2027 there is projected to be a slight decline.

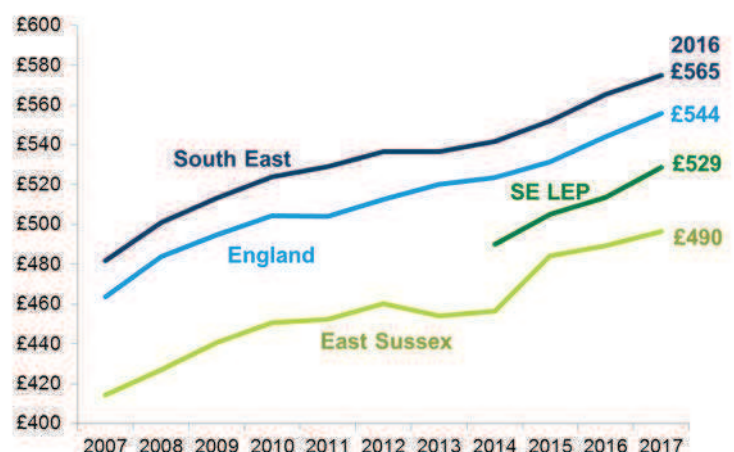
Average (median) earnings in 2017⁷



Percentage of employees working part-time, 2015-2016⁶



Workplace-based median full time earnings, 2007-2017



jobcentreplus

7,090 claimants

of Universal credit (UC) and Job Seeker's Allowance (JSA) in East Sussex April 2018

2.2% of the working age population

Now equal to the national average and

↑ 46% since April 2017

Table of targets

Growth measures – June 2018	2013	2014	2015	2016	2017	2018	2019	2020
Contribute to unlocking key employment floor space allocated in Local Plans (Square metres)		Havelock Place 2,248	Glovers House and Sovereign House 4,690		Swallow Business Park 3,409			
Achieve average annual housing completions of 1,504 in East Sussex to 2020 in accordance with our Local Plans (Source: East Sussex County Council On-line Housing Monitoring Database)	1,298 (2012-13 data)	1,208 (2013-14 data)	1,358 (2014-15 data)	1,509 (2015-16 data)	1,445 (2016-17 data)	Data due: September 2018		
Increase GVA per capita by 20% by 2020 (Source: Office for National Statistics)	£16,929 +22.3% 2003-13	£17,423 +22.1% 2004-14	£18,574 +25.4% 2005-15	£18,866 +19.4% 2006-16	Data due: December 2018			
Maintain the employment rate for East Sussex at a higher level than the England rate to 2020 (Source: Annual Population Survey/Labour Force Survey, NOMIS/ONS)	73.6% +2.1% points higher than England (Dec)	74.5% +2.0% points higher than England (Dec)	73.0% -0.8% points lower than England (Dec)	74.1% -0.1% points lower than England (Dec)	75.8% 0.7% points higher than England (Dec)	Data due: July 2018		
Maintain the Claimant Rate for East Sussex at below the England rate to 2020 (Source: Office for National Statistics/ NOMIS)	2.9% -0.8% points lower than England (April)	2.1% -0.6% points lower than England (April)	1.5% -0.4% points lower than England (April)	1.4% -0.4% points lower than England (April)	1.6% -0.3% points lower than England (April)	2.2% Equal to England rate (April)	Data due: April 2019	
Increase the percentage of working age residents in East Sussex with a Level 4 qualification to at least 35% by 2020 (Source: Annual Population Survey, Nomis/ONS)	32.4% -2.5% points lower than England	36.7% 1.0% points higher than England	31.2% -5.5% points lower than England	34.1% -3.8% points lower than England	37.9% -0.4% points lower than England	Data due: April 2019		
Reduce the percentage of working age residents in East Sussex with no qualifications and qualified only to NVQ1 to below the England level by 2020 (Source: Annual Population Survey, Nomis/ONS)	23.5% +2.2% points higher than England	19.4% -1.2% points lower than England	23.1% +3.1% points higher than England	22.4% +3.3% points higher than England	15.6% -2.9% points lower than England	Data due: April 2019		

Further information and sources

This publication is produced as an aid to understanding the mechanisms at work in the economy of East Sussex. The sources for all the data are given in this section

Gross value added

¹ Gross value added (GVA) data is released annually by the [Office for National Statistics \(ONS\)](#), and GVA per head is calculated using [ONS mid-year-estimate data](#). GVA is a measure of the increase in the value of the economy due to the production of goods and services. Estimates are measured at current basic prices, which include the effect of inflation. The data). With the release of the 2016 GVA data a major change in methodology took place. Please ensure you use only the most recent data.

² GVA per hour worked data is obtained from the [ONS' Sub-regional productivity](#) tables. When assessing regional economic performance, it is recommended that the best measure of productivity is this data, rather than GVA per head or per job. This is particularly important when there are large net commuting flows into or out of an area, as is the case in East Sussex.

GVA per head relates the value added by production activity in an area to the resident population of that area, and thus is subject to distortion due to effects of commuting and variations in the age distribution of the population. Small areas, such as local authorities, can be subject to very large distortions and this should be borne in mind when interpreting the statistics as an indicator of relative economic prosperity. GVA per head is thus not a good measure of productivity.

GVA per job is also not the best measure of productivity because we have to consider the impact of higher proportion of part-time jobs.

Businesses

³ The Office for National Statistics (ONS) provide data on active businesses, start-ups and closures in the annual '[Business Demography](#)' series. These national statistics are compatible with EU wide business demography data. 1-5 year survival rates are also included with this data. All rates are calculated by the Research and Information Team using the latest available mid-year estimate population data from the ONS.

⁴ The [UK Business: Activity, Size and Location](#) (UK BASL) dataset from the ONS uses data from the Inter-departmental Business Register (IDBR) to report the total number of businesses. This is the most up-to-date source for data about business activity at local authority level and gives details of both the number of business enterprises and the number of local units. Data is available by industrial sector, business size (in terms of number of employees), annual turnover and age of business (years of trading). Some of the data is also published as 'UK business counts' in the Nomis website.

Business Demography counts differ from those given in UK BASL because the Business Demography methodology takes into account businesses that were active at any time during the reference calendar year, whereas UK BASL numbers are based on a snapshot taken from the IDBR on a specific date at the end of March of the relevant year. As a result, numbers in the Business demography dataset are higher than those given in UK BASL.

There are a number of other sources of business data available. For more information about business data sources and how the data can be used, see our [data note](#).

Employment, earnings, and benefits data

⁵ Employment data is sourced from the Annual Population Survey (APS) which is published by the ONS on the [Nomis](#) website.

⁶ Data on part-time and full-time working is obtained from the Business Register and Employment Survey (BRES) which is also published by ONS in [Nomis](#).

⁷ Earnings data is from the Annual Survey of Hours and Earnings which is published by ONS and is available on the [Nomis](#) website. We have mostly used workplace-based median earnings which gives earnings for jobs based in the area, but residence-based data is also given in the table, which is the earnings of those living in the area.

⁸ Workforce projections data is produced by the Research and Information Team of East Sussex County Council using the PopGroup family of population projection modelling software alongside a full suite of population projections, and published on [East Sussex in Figures](#).

⁹ Claimant Count numbers are produced by the Department for Work and Pensions (DWP) and published on [Nomis](#) together with data on claimants of other DWP benefits. Other claimant data can be found on the DWP's [StatXplore](#) website.

For further information about GVA, sub-regional productivity, Business Demography and UK BASL data, visit the [ONS website](#).

[East Sussex in Figures](#) has detailed data about [GVA](#), [GVA by industry](#), [productivity](#), [business demography](#) and [business activity](#), [economic activity rates](#), [full- and part-time working](#), [workplace median earnings](#), [claimants of Universal Credit and JSA](#) and [workforce projections](#).

For further information on data about the economy in East Sussex, contact Lenna Santamaría on 01273 481619 or e-mail mariahelena.santamaria@eastsussex.gov.uk.

Contact details

The Research and Information Team, Chief Executive's Office provides demographic and socio-economic data, intelligence and insight to support East Sussex County Council and other East Sussex Partners. The Team also manages East Sussex in Figures (ESiF), the Local Information System for East Sussex.

ESiF is a web-based information system that contains detailed, up-to-date and reliable information on a very wide range of topics. It is free and very easy to use and puts individual users in control. ESiF lets you specify exactly what data you want to see (for the places and time periods you are interested in) and how you want to view it (as a table, chart or map).

Visit www.eastsussexinfigures.org.uk

or e-mail esif@eastsussex.gov.uk
for more information.