

Sector Support Fund (SSF) Application Template

1. Project Title	
SELEP Creative Open Workspace Master Plan and Prospectus	
2. Project Location	
SELEP-wide	
3. Lead point of contact for Project	
Name	Sally Staples
Organisation	East Sussex County Council
Job Title	Cultural Strategy Manager
Telephone	01273 481871
Email	Sally.staples@eastsussex.gov.uk
4. Lead contact in County Council/ Unitary Authority (if different from above)	
Name	
Organisation	
Job Title	
Telephone	
Email	
5. Description of Project (No more than 300 words)	
<p>This project drives growth, innovation and prosperity by supporting the workspace needs of one of the fastest growing sectors – the creative industries. The creative industries are worth more than £87.4bn in GVA to the UK and the creative economy employs one in every 11 working people (approx. 9% of the workforce).</p> <p>This South East Creative Economy Network work package addresses a gap in suitable available workspace for the Creative Cultural and Digital Sector pan-SELEP. It will:</p> <ol style="list-style-type: none"> 1. Produce a refreshed South East Creative Economy Prospectus to describe exemplary pipeline projects alongside complementary work packages addressing skills and business support needs. 2. Deliver a Creative Open Workspace report and toolkit to accelerate the pipeline of open workspace projects 3. Create Cultural planning policy guidance that can be adopted by local authorities to support the inclusion of creative workspace in new developments and the re-purposing of under-used buildings as creative workspace. 4. Identify a minimum of three Creative Enterprise Zones and increase Business rate yield (£360k) 5. Create new workspace 6. Generate 351 new jobs 7. Create a SELEP-wide pipeline of investment-ready open workspace projects <p>Creative industries can lack visibility. Flagship buildings which bring many microbusinesses under one umbrella not only support those businesses but tell a story about the impact of the creative industries on the local economy. They send a clear signal that creative microbusinesses are welcomed and valued in the region and are</p>	

immediate docking stations from which creative businesses can seek out the ecosystem of complementary businesses, business support and collaborations they need to survive. Furthermore, open workspace can lend authority to individual company brands, supporting marketing and promotion campaigns.

6. Project links to SELEP Strategic Economic Plan

This project builds on our economic strengths:

Since 2010, the number of creative businesses in the SELEP area has grown by 30.5%. The proportion of creative industries in the total SELEP business base is growing as well, accounting for 9.6% of total businesses in 2015, compared to 8.5% in 2010. When comparing the region with other LEPs, SELEP is above average regarding its share of creative enterprises, ranking 13th of all 39 LEPs. However, growth is below the national average, suggesting that the SELEP region is failing to maximise its obvious potential given its proximity and connectivity to London, and risks losing out to other LEPs. Furthermore, the talent pool in London continues to move eastward into the Thames Estuary and towards the coast. As there is limited headroom for growth in London, a mutually beneficial pipeline relationship is a key opportunity for SELEP. As part of this proposal we would refresh this data to provide the current data.

It boosts productivity:

Availability of affordable and flexible workspace for creative businesses is vital, not just to provide premises for entrepreneurs in the early stages of their businesses, or to provide appropriate move on space but because open workspace fosters innovation and therefore growth.

It improves our skills

Clustering of similar businesses fosters skills in any industry sub-sector, as knowledge and improvements in techniques and productivity are more likely to be shared, stimulating innovation.

It supports investment in our growth corridors

The project will inform and complement the Thames Estuary Production Corridor and the Coastal Culture Trail ambitions to become a creative agency and form a Creative Coastal Enterprise Zone by developing the planning guidance, finance vehicles and evidence of need that will be required to unlock identified sites. The South East Creative Cultural and Digital Support (SECCADS) programme will maximize the potential outcomes of the project.

7. Total value (£s) of SSF sought (net of VAT)

£49,000 (70%)

8. Total value (£s) of project (net of VAT)

£70,000

9. Total value (£) of match funding (net of VAT)

£21,000 (30%)

10. Funding breakdown (£s)

Source	2017/18	2018/19	2019/20	Total
SSF			£49,000	£49,000

Other sources of funding (please list below, add additional rows if necessary)

<i>Arts Council England Strategic Funds</i>		£13,000	£2,000	£15,000
<i>Kent County Council</i>			£2,000	£2,000
<i>East Sussex County Council</i>			£2,000	£2,000
<i>Essex County Council</i>			£2,000	£2,000
Total Project Cost		£13,000	£57,000	£70,000

11. Details of match funding

Arts Council England funding is secured to deliver the outcomes related to the workspace study as described. The first instalment has been received (£13k) and the outstanding instalment (£2k) is subject to a progress report and evidence of outcomes achieved. The Kent County Council, East Sussex County Council and Essex County Council Contributions of £2k are confirmed.

12. Expected project start and completion dates

April 2019 – March 2020 – this takes into account possible phasing of lots for the contract and time to undertake dialogue with planning departments and fit in with reporting cycles. We will aim to dovetail this work with other significant projects, in particular the Thames Estuary Production Corridor programme supported by the £4m Cultural Development Fund award.

13. Key Milestones

Key Milestones	Description	Indicative Date
Secure supplier(s)	Seeking specialist skills to develop tools, investigate investment vehicles, work with property portfolio holders and planning authorities, refresh research baseline data, conclude with refreshed Prospectus. Commission will be divided into lots	April –June 2019
Commission outcomes	Work with supplier(s) to refine brief, identify soft leads and work towards pipeline, identify creative enterprise zones and secure finance vehicle.	June 2019
Review milestones	Review progress, revisit milestones, consider available finance options for finance vehicle and any emerging pipeline opportunities – reprioritise if necessary	November 2019
Final report and tools drafted	Planning policy guidance and refreshed research drafted. Pipeline projects (min 9) identified in draft refreshed Prospectus (with room for further additions).	December 2019
Final report, tools finalised and launch event	Planning policy guidance and refreshed research finalised. Pipeline projects (min 9) identified in refreshed Prospectus (with room for further additions) finance vehicle and initial pot (target £5m) in place.	March 2020

14. Benefits created by 2021 (list benefits with number/amount and cash value if applicable)		
Type of Benefit	Number of benefits created	Cash value of benefit (£)
Direct Benefits:		
1 and 2 Research and present existing and new options for financial and governance models, produce a report, toolkit and Prospectus	1 report and 1 toolkit relevant to all the local authorities, thus achieving a net saving on commissioning separate strategies (Estimate based on up to nine authorities in the SELEP area investing £20k each in undertaking the work separately)	£180,000
3 Develop cultural planning policy that can be adopted by local authorities to support the inclusion of creative workspace in new developments and the re-purposing of under-used buildings as creative workspace.	Planning policy prepared and considered for adoption relevant to local all the local authorities achieving a net saving on commissioning separate strategies (Estimate based on up to nine authorities in the SELEP area undertaking the work separately at a cost of £15k each)	£135,000
Indirect Benefits		
4. Identify a minimum of three Creative Enterprise Zones or similar	3 CEZs or similar identified and development of workspace escalated to achieve earlier yield (estimate 12 months earlier) of business rates 1610m ² @£200 per m ²	£322,000 (for first 12 months)
Business rates income		
5. Creation of workspace	1610 m ²	£1,331,936 letting income over 10 years
6. Job outputs Based on Cumulative £22,873 GVA	351 FTE	£ 8,028,423 over 10 years
7. Create a SELEP-wide pipeline of open workspace projects	Min 9 pipeline projects identified Investment strategy and finance vehicle identified with initial ring fenced cash/loan secured of £3m – with estimated match funding of a minimum £3m. New workspaces purchased, adapted and in use, match funding of minimum £1:£1 attracted by a £3m finance vehicle	£3,000,000
456 Construction generates wider economic return (based on CBI formula) £1:£2.84	Assume £6,000,000 in construction/refurbishment cost over the life time of the fund	£17,040,000
7. Value for Money – Benefit/Cost Ratio		
Overall direct benefit: £49k/£315k or £1k/£6.4k		
Overall indirect benefit: £49k/£29.722m or £1k/£606k		

8. Value for Money – Other Considerations	
<p>Section 14 assumes that some individual local authorities and small cultural organisations may be seeking to develop workspace and that this work will provide a set of shared tools and therefore achieve local savings.</p> <p>Project benefits will be pan-SELEP with at least one Creative Enterprise Zone or equivalent agreed per federated area.</p> <p>Both East Sussex Creative Coastal Enterprise Zone and the Thames Estuary Production Corridor (TEPC) bid for the Cultural Development Fund (CDF). TEPC was successful with their bid and the resulting delivery programme (£4m) will be complementary to this work. East Sussex retain the ambitions set out in their CDF bid and intend to pursue their project plan albeit at a slower pace. This fund will help to support East Sussex to position themselves strongly for any further rounds of the CDF.</p>	
9. Dependencies and Risks	
<p>Untested skills requirements: we have identified the need to procure this work in lots as there are a range of tasks and we may want to identify different suppliers for different elements of the work to secure the best outcome.</p> <p>Finance vehicle: whilst we have some leads to follow up the finance vehicle is an ambitious target and will require some opportunism to achieve. We are aware that this is a need identified nationally and are confident that we can find a financial vehicle to fit our requirements.</p>	
10. State Aid Implications	
<p>We do not believe the aid would constitute State aid or breach relevant State aid rules, this will need to be revisited once the finance vehicle is in place but we believe we will be partnering with an existing vehicle and therefore will be able to test risks before committing to a particular model.</p>	
11. Contracting Body	
<p>The project budget holder will be East Sussex County Council and will be managed by the South East Creative Economy Network. A working subgroup will be establish. This way of working is already used to deliver SECCADS, England’s Creative Coast, Talent Accelerator and TEPC. Each SECEN work package is led by one organisation which provides the legal governance structure to manage the budget, undertake a procurement exercise and enter into any legal agreements. In this case the project lead organisation will be East Sussex County Council. The project manager will be SECEN’s East Sussex Co-Chair: Sally Staples Sally.staples@eastsussex.gov.uk 01273 481871</p>	
12. Declaration	
Declaration	I certify that the information provided in this application is complete and correct
Signature (Lead applicant)	



Print Name	Sally Staples
Organisation	East Sussex County Council
Date	

A version of this document is available at www.southeastlep.com