

Forward Plan reference number: (N/A)

Report title: To Agree Sector Support Fund Grant Allocation to the England's Creative Coast project (formerly known as the Culture Coasting project)	
Report to: Chief Executive Officer of SELEP	
Report author: Helen Dyer, SELEP Capital Programme Officer	
Date: 16 th August 2019	For: Decision
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Divisions affected: Pan-LEP	

1. Purpose of Report

- 1.1 The purpose of this report is to set out the recommendations and supporting documentation of the Sector Support Fund (SSF) Bid for the England's Creative Coast project (the Project). The Project has been through an Independent Technical Review (ITR) process, to enable £150,000 of Growing Places Fund (GPF) Revenue Grant to be devolved to Kent County Council for Project delivery. The bid document is included in Appendix 1.
- 1.2 The ITR report sets out an analysis to demonstrate that the Project meets the criteria for funding. This report is included in Appendix 2.

2. Recommendations

- 2.1 **Approve** the award of £150,000 GPF Revenue grant to Kent County Council to support the delivery of the Project identified in the Funding Bid and which has been assessed as meeting the criteria for funding.

3. Summary of issue

- 3.1. On 9th June 2017 the SELEP Strategic Board (the Board) approved the use of the GPF Revenue Grant to fund a programme of works to support the sector focussed activities that are being undertaken on a pan-LEP basis and predominantly led by the SELEP working groups, namely, the Sector Support Fund (SSF).
- 3.2. The Board agreed, in 2017, the programme of total funding available in each year would be up to £500,000 of revenue grant per annum for three financial years, beginning 2017/18.
- 3.3. The purpose of the SSF is to support one-off, discrete pieces of work of a pan-LEP nature with a sector focus that brings demonstrable benefits and has support across the LEP. All applications must meet the criteria detailed in section 3 of the SSF Guidance and be submitted in line with the process in

section 4 of the same. This process ensures that the funding is allocated in accordance with the requirements of the SELEP Assurance Framework.

- 3.4. The South East Creative Economy Network, as Project Management Group, has submitted a bid for SSF of £150,000 to support the delivery of the Project, which was endorsed by the Board on the 9th June 2017 and by the Kent and Medway Economic Partnership in December 2016.

4. Project Summary

- 4.1. The pan-LEP Project is SECEN's flagship tourism project and will create an innovative new immersive visitor experience driven by world class art, which aims to build the volume and value of visitors to the South East.
- 4.2. The Project will be managed by the South East Creative Economy Network (SECEN), with the Turner Contemporary in Margate playing a key role in project delivery.
- 4.3. The Project is designed to respond to current visitor behaviour trends and will tap into new markets. This will create a step change for the galleries and the wider tourism sector across the South East.
- 4.4. The Project will address the challenges faced by the South East as a destination, as a result of there being no major urban centre, and will build practical and scalable initiatives and interconnections across the South East and beyond. The Project will continue to stimulate further innovation and growth beyond the lifetime of the Project by delivering:
 - 4.4.1. World class art featuring a minimum of 7 art commissions creating a connected South East coast trail;
 - 4.4.2. Two itinerary-planning online platforms (one Business to Business and one Business to Consumer) which aim to increase income opportunities for tourism businesses across the South East;
 - 4.4.3. A multifaceted international and national tourism marketing campaign;
 - 4.4.4. Local engagement programmes capturing a "sense of place" delivered by the cultural partners;
 - 4.4.5. Artists' "bnb" audit and toolkit;
 - 4.4.6. Increased opportunity for spend by new visitors attracted to the Turner Prize (Margate 2019), Folkestone Triennial 2020, Estuary Festival 2020, Whitstable Biennale 2020, and the new National Coast Path;
 - 4.4.7. Promotion of sustainable travel and accessibility to visitors, encouraging use of different modes of transport and eco-friendly options as part of their trip, such as bicycle hire and train travel;

- 4.4.8. An iterative learning programme, knowledge sharing events, training and development;
- 4.4.9. An assessment and report on the Volume and Value of tourism activities across the SELEP region and West Sussex. A further report will be produced on current perceptions of the SELEP region with collation of data from existing perception research and some primary research targeted at French and Dutch markets; and
- 4.4.10. Scalable options for Associate Partners to utilise such as the new geocaching activity.
- 4.5. Predicted visitor growth in East Sussex, Kent and Essex as a result of the Project is 3%, enabling 4,700 direct and indirect jobs across the region.

5. Project Funding

- 5.1. The total cost of the Project is estimated at £1,179,000 including a SSF ask of £150,000, along with funding contributions from a number of different organisations and Local Authorities within the SELEP area, as set out in Table 1 below.

Table 1: Project Funding breakdown (£s)

Sources	2017/18	2018/19	2019/20	2020/21	Total
SELEP SSF			100,000	50,000	150,000
Match funding contributions					
Arts Council England Cultural Destinations	90,000	90,000	180,000	140,000	500,000
Visit England Discover England Fund	100,000	250,000			350,000
Kent County Council	14,000	10,000	10,000		34,000
East Sussex County Council	20,000		15,000	15,000	50,000
Essex County Council	10,000	10,000			20,000
Southend Borough Council	10,000				10,000
Chatham Historic Dockyard		5,000	5,000	5,000	15,000

Southeastern	5,000	10,000			15,000
Visit Kent	5,000	10,000			15,000
Visit Kent – further match funding		15,000			15,000
Visit Essex		5,000			5,000
Total	254,000	405,000	310,000	210,000	1,179,000

5.2. The status of the match funding contributions is shown below:

- 5.2.1. Arts Council England Cultural Destinations – a grant agreement was signed in January 2018;
- 5.2.2. Visit England Discover England Fund – a grant agreement was signed in February 2018;
- 5.2.3. Kent County Council – the match funding contribution has been agreed;
- 5.2.4. East Sussex County Council, Essex County Council and Southend-on-Sea Borough Council funding contributions – funder agreements were signed in April 2018;
- 5.2.5. Chatham Historic Dockyard – the match funding contribution has been agreed;
- 5.2.6. Southeastern – sponsorship has been agreed for Year 1 and Year 2 of the project (2017/18 and 2018/19);
- 5.2.7. Visit Kent - £15,000 of co-financing has been agreed, along with agreement for a further £15,000 match funding from Experience West Sussex; and
- 5.2.8. Visit Essex – the match funding contribution has been agreed.

Issues for consideration

6. Risks and Dependencies

6.1. The Project risks and dependencies, as detailed in the bid document include:

- 6.1.1. Dependency upon the general tourism market within the UK and any potential impact of Brexit. Analysis of the impact of a hard border suggests that more UK residents may holiday in the UK thus compensating for any loss of international visitors;
- 6.1.2. The two main funding streams for the project, the Arts Council England Cultural Destinations funding (£500,000) and the Visit England Discover England Fund (£350,000) have differing timelines which will need to be managed. The Arts Council England Cultural Destinations

funding runs from January 2018 to January 2021, whilst the Visit England Discover England Fund funding runs from January 2018 to March 2019.

7. Outcome of ITR Process (*Accountable Body Comments*)

- 7.1. The Accountable Body has independently assessed the Project Bid Document and has confirmed that the Project meets the criteria for funding, including the Assurance Framework requirement with regard to the expectation that high value for money will be achieved.
- 7.2. The Project aims to contribute to a 3% growth in the visitor economy across the SELEP area. This growth is expected to create the conditions for growth in the number of jobs in the region. An evaluation framework is in place to monitor delivery of outcomes and an evaluation report is due to be published by February 2021.
- 7.3. The project is pan-LEP and has secured financial contributions from Local Authorities in all four of the federated areas. The bid has been endorsed by the Kent and Medway Economic Partnership.
- 7.4. A quantified BCR has not been calculated for the Project. Within the Project benefits there will be an element of cost avoidance as a result of undertaking activity across the partnership, rather than the same work being undertaken individually by multiple partners. In addition, there are wider benefits for which a qualitative assessment has been provided. These benefits range from a direct increase in the number of visitors to the area as a result of the project, to training and skills development for creative industry organisations and tourism businesses. It is very difficult to quantify the value of these benefits.
- 7.5. It is considered that given the difficulties in accurately quantifying the value for money offered by the Project, consideration should be given to applying value for money exemption 1 as set out in the SELEP Assurance Framework in this case.
- 7.6. Exemption 1: This may be applied where a project does not present High Value for Money (a Benefit Cost Ratio of over 2:1); but
 - has a Benefit Cost Ratio value of greater than 1.5:1; or
 - where the project benefits are notoriously difficult to appraise in monetary terms.
- 7.6 Exemption 1 will only apply if the following conditions are satisfied:
 - (1) The funding sought from SELEP in relation to the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and

- (2) where there is an overwhelming strategic case (with minimal risk in the other cases); and
- (3) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.

8. Financial implications *(Accountable Body Comments)*

- 8.1. A total of £801,600 of SSF funding is available in 2019/20, when taking into account the brought forward funding of £301,600 from 2018/19; of this amount, a total of £200,600 has been awarded to date, leaving an outstanding £601,000 to be allocated.
- 8.2. This Project came forward for endorsement for £150,000 funding at the June 2017 Strategic Board meeting; the requested funding allocation for the Project is set out in Table 2 below.
- 8.3. On approval of this Project award, £501,000 remains outstanding for allocation to new funding bids in 2019/20 and £450,000 in 2020/21.

Table 2: Sector Support Fund Summary

Sector Support Fund Summary

SSF Funding Available	2018/19	2019/20	2020/21	Total
	£	£	£	£
Total Funding	1,000,000	500,000	500,000	2,000,000
Less Funding approved to date	698,400	200,600	-	899,000
Balance of funding available	301,600	299,400	500,000	1,101,000
Plus funding c/f from 2018/19		301,600		
Funding available	301,600	601,000	500,000	
Project seeking approval:	2018/19	2019/20	2020/21	Total
	£	£	£	£
England's Creative Coast	-	100,000	50,000	150,000
Total projects seeking approval	-	100,000	50,000	150,000
Funding Available	301,600	601,000	500,000	
Total carry-forward to future years	301,600	501,000	450,000	

8.4. This grant is a fixed maximum contribution to the Project; any Project over spends incurred will be required to be addressed by the Project delivery partner.

9. Legal implications (*Accountable Body Comments*)

9.1. The grant will be transferred to Kent County Council via a grant agreement with the Accountable Body; the grant agreement will include a requirement for claw back of the funding if it is not fully expended or not expended in line with the Project Bid Document.

10. Equality and Diversity implications

10.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act;
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not;
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

10.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

10.3 In the course of the development of the project business cases, the delivery of the project and the ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and where possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

11. List of appendices

11.1. Appendix 1 – Project Bid Document

11.2. Appendix 2 – Independent Technical Review report

12. List of Background papers

12.1. Sector Support Fund Guidance

12.2. SELEP Assurance Framework

12.3. Minutes of the Strategic Board Meeting 9th June 2017

Role	Date
Accountable Body sign off Stephanie Mitchener <i>(On behalf of Nicole Wood, S151 Officer Essex County Council)</i>	18/09/19

I approve the above recommendations set out above for the reasons set out in the report.	Date
 Adam Bryan Chief Executive Officer for the South East Local Enterprise Partnership	18/09/19