

Forward Plan reference number: (N/A)

Report title: To Agree Sector Support Fund Grant Allocation to Rebuilding Confidence and Demand in the Visitor Economy	
Report to: Chief Executive Officer of the SELEP	
Report author: Howard Davies, SELEP Capital Programme Officer	
Date: 2 October 2020	For: Decision
Enquiries to: Howard Davies: howard.davies@southeastlep.com	
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 Buy Local South East (the Project). The Project has been through an Independent Technical Review (ITR) process, to enable £200,000 of Growing Places Fund (GPF) Revenue grant to be devolved to Essex 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 £200,000 GPF Revenue grant to Essex 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. At the June 2020 meeting the Board agreed a further £1 million allocation to the SSF Programme in response to Covid-19, which was extended until 31 March 2022 or when the fund is exhausted, whichever is sooner.

- 3.4. 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.
- 3.5. Rebuilding Confidence and Demand in the Visitor Economy has submitted a bid for SSF of £200,000 to support the delivery of the Project, which was endorsed by the Board on 2 October 2020.

4. Project Summary

- 4.1. The Visitor Economy is a significant engine of growth for the SELEP region, worth over £8.6bn, supporting more than 177,000 jobs as of 2015. Covid-19 heavily impacted the industry, with footfall across the region reduced by over 90% in April and May. Consumer confidence has also been affected, 50% of regular visitors to attractions remain extremely nervous. Hence, reassuring visitors that our destinations are safe and exciting places to visit is essential. The seasonality of tourism makes it especially vulnerable and the loss of earnings during peak season means that businesses will struggle to survive the winter, particularly in rural and coastal communities.
- 4.2. To address this, partners from Essex, Kent and East Sussex are proposing a significant programme to aid the recovery of the SELEP visitor economy.
- 4.3. The project seeks to address key opportunities and challenges, including:
 - Raising destination awareness and supporting sustainable tourism management through visitor dispersal
 - Support consumer confidence in travelling by public transport
 - Using key themes to showcase the diverse and high-quality tourism offer to key domestic markets and increase length of stay
 - Protect businesses and safeguard jobs by extending the season
 - Product development and business support to address seasonality
 - Build positive engagement and confidence among SELEP residents

5. Project Funding

- 5.1. The total cost of the Project is estimated at £356,835 including an SSF ask of £200,000, along with match and match in-kind contributions from Visit Essex, Visit Kent, East Sussex County Council and Sussex Modern, as set out in Table 1 below.

Table 1 Funding Breakdown

Source	2019/20	2020/21 £	2021/22 £	Total £
SSF		85,000	115,000	200,000
Other sources of funding				
Visit Essex match in-kind		10,000	20,000	30,000
Essex County Council cash match		10,000	10,000	20,000
Sussex Modern match in-kind		11,700	14,040	25,740
Sussex Modern cash match		20,000	8,000	28,000
East Sussex County Council match in-kind		548	547	1,095
Visit Kent match in-kind through Interreg Experience		20,000	0	20,000
Visit Kent match in-kind		16,000	16,000	32,000
Total Project Cost		173,248	183,587	356,835

Issues for consideration

6. Risks and Dependencies

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

- The level of disruption caused by Covid-19 through the winter

Risks and Dependencies	Risk Mitigation
Level of disruption caused by Covid-19 through the winter	Business resilience workshops will be delivered virtually to mitigate any risk of holding a face to face meeting and to maximise attendance from across the LEP area.
The effects of Brexit going into 2021	A level of flexibility built into these activities will allow us to adapt to any challenges that occur as a result of Brexit.
How crowds are managed as the Pandemic continues	Effective destination management supports the dispersal of visitors to spread the economic benefit while reducing localised impact. The campaigns will focus on dispersing visitors from honeypots (already popular destinations) to lesser-visited places through inspirational content and itineraries.

That all the organisations offering up staff resource as match in kind have the appropriate skills necessary.	Activity would need to be adjusted in response to the restrictions and therefore the delivery timeline would move in line with this as would the allocation of staff resource.
---	--

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 value for money will be achieved.
- 7.2. The Project aligns with SELEP's strategic objectives to increase skills levels and STEM sector growth across the SELEP area;
- **Create places** by putting the area's towns, cities and rural communities on the front foot in responding to new technology and changing work patterns; supporting quality of life and quality of place; and supporting businesses' role in the community
- 7.3. The application references a target of;
- 160 number of businesses engaged through resilience workshops
 - Delivery of 4 LEP-wide workshops/webinars drawing on insights and best practice
 - 200 Local reboot campaign businesses engaged
- 7.4. 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.
- 7.5 The Project provides a BCR of 2:1 calculated with an aim to achieve 3:1.
- 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 Up to £500,000 of the GPF revenue grant was available in 2019/20 (plus carry forward of £301,600) to support the SSF programme. An allocation of funding of £1m to establish an extended Sector Support Fund programme to operate in 2020/21 and 2021/22 was approved at the June 2020 Strategic Board. The additional programme criteria requires projects to demonstrate their contribution to COVID-19 recovery.

8.2 The Rebuilding Confidence in Visitor Economy project is seeking £200,000 and therefore there is sufficient funding available to support the request for this Project A, leaving £860,990 to support future funding bids in 2020/21.

8.3 The Project came forward at the October 2020 Strategic Board meeting and was endorsed for funding by the Board.

8.4 On approval of this Project award, there will be a balance of £860,990 available for funding of SSF projects. Table 2 shows the breakdown;

SSF Funding Available	2018/19	2019/20	2020/21
	£	£	£
Total Fund Opening Balance	1,000,000	500,000	
Covid recovery SSF			1,000,000
Plus c/f from prior year	-	578,000	610,734
Total Funding Available	1,000,000	1,078,000	1,610,734
Total Funding Approved to Date	422,000	467,266	549,744
Available Fund Balance	578,000	610,734	1,060,990
Projects seeking approval following Endorsement			200,000
Total seeking approval following endorsement	-	-	200,000
Balance following approval	578,000	610,734	860,990

8 Legal implications *(Accountable Body Comments)*

8.1 The grant will be transferred to Kent County Council via a notional grant agreement; 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.

9 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.

10 List of appendices

- 10.1 Appendix 1 – Project Bid Document
- 10.2 Appendix 2 – Independent Technical Review report

11 List of Background papers

- 11.1 Sector Support Funding Guidance
- 11.2 SELEP Assurance Framework
- 11.3 Minutes of the Strategic Board Meeting (Electronic Vote) DATE

Role	Date
Accountable Body sign off Peter Shakespear (On behalf of Nicole Wood, S151 Officer, (Essex County Council)	19/10/2020

--	--

I approve the above recommendations set out above for the reasons set out in the report.



Adam Bryan
Chief Executive Officer for the South East Local Enterprise Partnership

Date

22/10/2020