

Forward Plan reference number: (N/A)

Report title: To Agree Sector Support Fund Grant Allocation to the Accelerating Climate-Based Solutions Project	
Report to: Chief Executive Officer of the SELEP	
Report author: Howard Davies, SELEP Capital Programme Officer	
Date: 17 December 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 Accelerating Climate Based Solutions (the Project). The Project has been through an Independent Technical Review (ITR) process, to enable £135,000 of Growing Places Fund (GPF) Revenue grant to be devolved to East Sussex 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 £135,000 GPF Revenue grant to East Sussex 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 a further £1 million was allocated to the SSF programme and it 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. The Accelerating Climate Based Solutions project has submitted a bid for SSF of £135,000 to support the delivery of the Project, which was endorsed by the Board on the 19 March 2021

4. Project Summary

4.1. The project focusses on carbon sequestration (the removal of carbon dioxide from the atmosphere), where there is significant demand but fragmented supply.

4.2. The Project aims are;

- Provide an understanding of the demand for nature-based projects from local authority climate emergency plans and the local businesses seeking to invest in local carbon offsetting.
- Assess the ‘readiness’ of nature-based organisations to develop and deliver nature-based projects for carbon sequestration and identify gaps in skills, knowledge and capacity that stand in their way.
- Produce resources to support the development and delivery of a coherent nature-based carbon sequestration offer.
- Develop demonstration projects to showcase innovation and good practice.
- Develop a framework for a SELEP-wide ‘brokerage hub’ that can bring together ‘buyers’ and ‘sellers’ to co-develop nature-based carbon sequestration projects.

5. Project Funding

5.1. The total cost of the Project is estimated at £198,000 including an SSF ask of £135,000, along with match and in-kind contributions from partners including Kent, Essex and East Sussex County Councils, Forestry Commission and Local Nature partnerships, as set out in Table 1 below.

Table 1: Project Funding breakdown (£s)

Funding breakdown (£s)			
Source	2021/22	2022/23	Total

SSF	£112,500	£22,500	£135,000
Other sources of funding			
East Sussex County Council	5,000	5,000	£10,000
Kent County Council	5,000		£5,000
Clean Growth UK	5,000		£5,000
Partner in-kind			
Kent County Council	5,000	2,500	£7,500
Essex County Council	5,000	2,500	£7,500
Kent Wildlife Trust	20,000		£20,000
Forestry Commission, South Downs National Park, Kent and Sussex Local Nature Partnerships	7,000	1,000	£8,000
Total Project Cost	£164,500	£33,500	£198,000

Issues for consideration

6. Risks and Dependencies

6.1. The Project risks and dependencies are detailed in Table 2 below.

Table 2: Project risks

Risks		
Issue	Risk	Mitigation
Project Management	1) Loss of staff capacity. 2) Underestimation of project management time required. 3) lack of expertise in the project team.	1) Establish robust governance. 2) Ensure supportive project management capacity is available amongst the main project partners. 3) Include budget to procure project management and relevant expertise. 4) Allow for additional delivery time within the programme.
Budget	1) Not enough budget to deliver the outputs. 2) match funding not provided.	1) Obtain indicative quotes for all contracted works prior to bid submission. 2) confirm match prior to bid submission.

Contractors	1) Cannot procure an appropriate contractor for key deliverables. 2) Contractors perform poorly.	1) Discuss interest and capacity with potential contractors prior to bid. 2) Write clear contract specifications and set up clear and robust project management processes.
Partner participation	Unable to recruit businesses or organisations to participate.	Identify participants prior to bid submission.
COVID-19	Travel restrictions constrain delivery of outputs.	Design outputs to be deliverable without the need for face-to-face work.

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 has been developed to accelerate the emergence of a new 'market-place' for nature-based projects which support clean growth by providing nature-based carbon-offsetting solutions, enhancement of the natural capital of the SELEP region and the creation of new jobs, skills and income streams for the nature-based sector across SELEP.
- 7.3. The Project aligns with SELEP's strategic objectives as follows:

Objective: Smarter – The Project will:

Provide the template for delivering a locally-focused 'offsetting' element of clean growth strategies across the public and private sectors within SELEP.

Support access to new funding streams for farmers, landowners and community-based organisations who may want to become involved in developing solutions in this area.

Objective: Deliver Faster – The Project will:

Develop a framework for a nature-based solutions 'brokerage hub' that can be expanded to include 'biodiversity net gain' and 'nitrate neutrality' alongside carbon offsetting.

Objective: Together

The project has been brought forward via the South East Nature Partnership which has members from SELEP and the wider South East of England (Hampshire, Isle of Wight, Surrey).

Priority 1: Creating ideas and enterprise

The project is about innovation and development of a coherent 'offsetting' offer by the nature-based sector, pulling together expertise from across sectors, the SELEP area and beyond.

Priority 4. Creating Places

The demonstration projects will help to accelerate the design and delivery of new natural capital assets - which when located as per emerging Local Nature Recovery Strategies, will target projects where they will contribute positively to 'place-making' and deliver optimal benefits for nature, landscapes, communities and people where they are needed most.

- 7.5 The Project provides a BCR of 4.9:1 with supporting evidence to demonstrate value for money, set out in Appendix 1.

8. Financial implications (*Accountable Body Comments*)

- 8.1 A total SSF fund of £1,206,500 was established for 2020/21; of this, successful funding applications of £944,771 have been awarded in year to date, with £261,729 remaining available for investment.
- 8.2 The Accelerating Climate Based Solutions project is seeking £135,000 of SSF; if approved, £126,729 will be available to support future funding bids in 2021/22, as shown in table 2.
- 8.3 The Project came forward at the March 2021 Strategic Board meeting and was endorsed for funding by the Board.

Table 2: Summary of SSF balance

	2020/21
Funding	£
Covid-19 Recovey Fund	1,000,000
c/f 2019/20	206,500
Total 2020/21 funding	1,206,500
Approved Projects 2020/21	
BuyLocal South East	69,510
Skills Working Group	76,000
Visitor Ecomony	200,000
Building Back Better	192,000
SEED	91,500
Carbon Pathways	99,061
Catalyst for Culture	181,700
GGT (Extension)	35,000
	944,771
Accelerating Climate Based Solutions endorsed March 2021	135,000
	126,729
Balance SSF remaining for Investment	126,729

9. Legal implications (*Accountable Body Comments*)

9.1 The grant will be transferred to East Sussex County Council via a 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.

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 Funding Guidance [LINK](#)

12.2. SELEP Assurance Framework [LINK](#)

12.3. Minutes of the Strategic Board Meeting [19 March 2021 LINK](#)

Role	Date
<p>Accountable Body sign off</p> <p>Peter Shakespear (On behalf of Nicole Wood, S151 Officer, (Essex County Council))</p>	<p>26/03/2021</p>

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