



## Sector Support Fund Project Update

### Executive Summary

#### 1. Overview

- 1.1. At the March 2022 meeting the Board agreed to not make any further Sector Support Funding (SSF) awards, as such there are no awards to consider at this meeting.
- 1.2. The Board are asked to note the total Sector Support funding returned to the SELEP operational reserve from projects, thus far.
- 1.3. This report includes an update on current Sector Support funded project delivery.

#### 2. Note

- 2.1. The Board are asked to
  - 2.1.1. **Note** that a further £22,673 of Sector Support funding has been returned to the SELEP operational reserve in 2021/22, this was approved by the Accountability Board at their meeting on 27 May 2022.

#### 3. Current Sector Support Fund Position

- 3.1. At the Board meeting in March 2022, it was agreed that no further SSF awards would be made, and the fund was closed.
- 3.2. At the time of the last update, it was reported that £126,736 was being retained to support the SELEP operational reserve to bolster the operation for 2022/23.
- 3.3. Further, it was agreed that should funding previously allocated to Projects from Sector Support Fund projects, be returned to SELEP, then this would be re-allocated to the SELEP operational reserve.
- 3.4. To date the Board has endorsed a total of 21 SSF projects, to a maximum value of £2.373m. At the Board meeting in March 2022 the Board were advised that a number of projects had identified an under spend. Table 1 sets out the projects and the amount of funding that has been returned to SELEP.

**Table 1 – Returned SSF to SELEP**

Project	Amount of SSF returned (£)
Delivering skills of the future through teaching: teaching for growth (SELEP Skills)	7
Good Food Growth (Kent County Council)	29
Buy Local South East (Kent County Council)	4,970
Re-Building Confidence and Demand in the Visitor Economy (Kent County Council)	17,666
<b>Total</b>	<b>22,673</b>

- 3.5. The return of £22,673 of SSF project funding was approved by the Accountability Board at their meeting on 27 May 2022.



- 3.6. All projects delivered the benefits as set out in the SSF application, although the Buy Local South-East project experienced difficulties with delivery during the Covid-19 pandemic, some project savings were made due to reduced match funding from the Essex partner and budget savings in Kent.
- 3.7. Details of the allocations made throughout the SSF programme, and the final amounts transferred to the SELEP operational reserve can be found in Table 2.

**Table 2: Sector Support Fund Balance**

	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£,000	£,000	£,000	£,000	£,000	£,000
Total Contributions to SSF	500	500	500	1,000	0	2,500
<i>Funds c/f from prior year</i>	0	129	0	207	127	0
<i>Total SSF Available for allocation in year</i>	500	629	500	1,207	127	0
Total SSF Allocated to Projects	-371	-629	-294	-1,080	0	-2,373
Return from SSF Projects					23	23
SSF Transferred to Operational Reserve	0	0	0	0	-149	-149
<b>Available Fund Balance</b>	<b>129</b>	<b>0</b>	<b>207</b>	<b>127</b>	<b>0</b>	<b>0</b>

- 3.8. Summary information on all SSF projects can be found at Appendix A and B.

## 4. Update on existing Projects

- 4.1. The projects currently in flight are required to provide updates at regular intervals. The latest updates on delivery of live projects and an assessment of the RAG status for these projects can be found at Appendix B.
- 4.2. There are no projects currently flagged as red, but four projects are flagged as Amber:
- 4.2.1. **Creative Open Workspace Masterplan and Prospectus** was endorsed by the Board to extend the completion date to September 2022, in March 2022. The project is still experiencing difficulties due to inflation, interest rate increases, allocation of UKSPF to districts and Boroughs, which are presenting new obstacles to achieving the benefits of the project. Work on finalising contracts with consultants in the proper fashion are expected to allow the outstanding outputs to be delivered. Project benefits delivered to date are (1) The Prospectus (now called Statement of Intent and endorsed by the Board in December 2020) is relevant to all SELEP local authorities, thus achieving a net saving on commissioning separate strategies, and (2) Identification of three Creative Enterprise Zones to escalate development of workspace to achieve earlier yield of business rates.
- 4.2.2. **Building Back Better** was granted an extension at the December 2021 Board meeting. All grant agreement revisions have been signed between East Sussex County Council, SELEP Ltd, and Essex County Council (as the Accountable Body for SELEP). The project is gearing up and an update on delivery will be given to the Board via the October



reporting

- 4.2.3. **SEED 2 project** was previously granted an extension to October 2022, from May 2022, by SELEP Chief Executive Officer. Project benefits as per the SSF application have for the most part, not yet been captured as SEED partners are still in the process of recruiting eligible businesses and are in the stages of capturing initial feedback from the recently fully completed virtual trade mission (UAE Food & Drink) with Vietnam & Ireland results to follow shortly, as well as delivering the remaining 3 market programmes (Canada - Health & Life Science and Digital & Creative, Malaysia and UAE Health & Life Science). Evaluation forms will be used throughout to capture benefits on completion of each of these activities. The project is seeking to reallocate some of the costs that will not be required, to allocate against the contracting of in-market specialists work on the UAE (Health & Life Science) and Canada (Digital & Creative and Health & Life Science) programmes. The project had originally planned to spend funding on equipment hire for virtual trade missions (screens etc) and meeting software subscription, however meetings have taken place on Teams and Zoom at a much reduced cost. The project will give a presentation to the October Board on progress.
- 4.2.4. **Accelerating Nature Based Climate Solutions** after early delays due to the impacts of Covid-19 and the reallocation of staff, plus impacts in relation to government policy post Brexit and issues around developing the project into Essex, as it is less well developed in this area. The project has now been approved to extend the completion date until September 2022, by SELEP Chief Executive Officer. Work package 1 (Demand analysis) and 2 (Supply side analysis) are proceeding well and work is ongoing in relation to Work package 3 (Demonstration projects) and 4 (Brokerage hub development).

## **5. Comments from the Accountable Body**

- 5.1. A total SSF fund balance of £126,729 was carried forward from 2020/21 for allocation in 2021/22. As this SSF was not committed to new Projects, the Board endorsed in October 2021, for this funding to be reallocated to reserves, which was agreed by Accountability Board in November 2021 in response to the on-going funding challenges being experienced by the LEP.
- 5.2. A further £22,673 of unspent and returned SSF has been transferred to the SELEP Operational Reserve as agreed by the SELEP Accountability Board at their meeting on 27 May 2022. This makes the total SSF transferred to the SELEP operational reserve £149,410 with no balance remaining in SSF for investment in projects.
- 5.3. With the majority of SSF for each project having been transferred to the Local Authorities, it is advised that the Board continue to effectively monitor the progress of all SSF projects due to be completing in 2022/23.
- 5.4. Updates to the Board to include ongoing monitoring of possible risks which may impact delivery of SSF projects along with proposed mitigations is important, due to the current uncertain economic climate and increasing inflation, together with ongoing impacts experienced following Covid-19 pandemic and Brexit.
- 5.5. All SSF Projects included in appendices A and B now have a grant agreement in place, with the exception of Creative Open Workspace Masterplan and Prospectus where the grant agreement is in progress following the change request endorsed at the March meeting of the Board and



approved by the SELEP CEO.

## **6. Appendices, Supporting Documents and previous Decisions**

- 6.1. Appendix A - Summary of SSF Projects with Board Endorsement
- 6.2. Appendix B - Delivery Updates and RAG rating for current projects
- 6.3. For further information contact Howard Davies, SELEP Capital Programme Officer  
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