

**Forward Plan reference number: (N/A)**

<b>Report title:</b> To Agree Sector Support Fund Grant Allocation to the Creative Open Workspace project	
<b>Report to:</b> Chief Executive Officer of SELEP	
<b>Report author:</b> Helen Dyer, SELEP Capital Programme Officer	
<b>Date:</b> 8th April 2019	<b>For:</b> Decision
<b>Enquiries to:</b> <a href="mailto:helen.dyer@southeastlep.com">helen.dyer@southeastlep.com</a>	
<b>Divisions affected:</b> 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 Creative Open Workspace project (the Project). The Project has been through an Independent Technical Review (ITR) process, to enable £49,000 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 £49,000 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 9<sup>th</sup> 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 has submitted a bid for SSF of £49,000 to support the delivery of the Project, which was endorsed by the Board on the 22<sup>nd</sup> March 2019 and by Team East Sussex Federated Board on 3<sup>rd</sup> December 2018.

#### **4. Project Summary**

- 4.1. The Project drives growth, innovation and prosperity by supporting the workspace needs of the creative industries, which is one of the fastest growing sectors. The Project will address a gap in suitable available workspace for the Creative, Cultural and Digital Sector across the SELEP area.

- 4.2. In order to do this, the Project will deliver the following outputs:

- 4.2.1. A refreshed South East Creative Economy Prospectus to describe exemplary pipeline projects alongside complementary work packages addressing skills and business support needs;

- 4.2.2. A Creative Open Workspace report and toolkit to accelerate the pipeline of open workspace projects;

- 4.2.3. 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;

- 4.2.4. A minimum of three Creative Enterprise Zones and increased Business Rate yield identified;

- 4.2.5. A SELEP-wide pipeline of investment-ready open workspace projects; and

- 4.2.6. Development of the governance and operating structure for a new creative workspace finance vehicle.

- 4.3. The tools produced as part of the Project will be promoted by the South East Creative Economy Network to ensure that maximum benefit is gained from the project outputs.

- 4.4. The project application also sets out a number of indirect benefits, such as the creation of new creative workspace, which will not be delivered as part of the Project. However, to ensure that these benefits are realised, fundraising is ongoing to raise the funding needed to enable delivery of these outcomes. In January 2019 it was announced that the Thames Estuary Production Corridor application for £4.3m from the Cultural Development Fund had been successful. This funding will help to develop a globally significant creative

production corridor and will contribute towards delivery of the wider project outcomes stated within the Project SSF funding application.

## 5. Project Funding

5.1. The total cost of the Project is estimated at £70,000 including a SSF ask of £49,000, along with funding contributions from Arts Council England and three Local Authorities within the SELEP area, as set out in Table 1 below.

**Table 1: Project Funding breakdown (£s)**

Sources	2018/19	2019/20	Total
SELEP SSF		49,000	49,000
<b>Match funding contributions</b>			
Arts Council England Strategic Funds	13,000	2,000	15,000
Kent County Council contribution		2,000	2,000
East Sussex County Council contribution		2,000	2,000
Essex County Council contribution		2,000	2,000
<b>Total</b>	<b>13,000</b>	<b>57,000</b>	<b>70,000</b>

5.2. Kent County Council, East Sussex County Council and Essex County Council have all committed to providing £2,000 match funding.

5.3. The Arts Council England Strategic Funds have been secured and the first instalment of funding (£13,000) has been received. Receipt of the remaining £2,000 of this funding is subject to provision of a progress report and evidence of outcomes achieved. The risk of non-receipt of the remaining funding is considered to be low.

## Issues for consideration

### 6. Risks and Dependencies

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

6.1.1. Untested skills requirements: the need to procure this work in lots has been identified as there are a range of tasks and different suppliers may be needed for different elements of the work to secure the best outcome.

6.1.2. Finance vehicle: whilst the project team have some leads to follow up, the finance vehicle is an ambitious target and will require some opportunism to achieve.

## **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 meets the assessment criteria and is aligned with SELEP's strategic objectives through seeking to support creation of jobs in the Creative Sector.
- 7.3. The project is pan-LEP and has secured financial contributions from Local Authorities in three of the four federated areas. The bid has been endorsed by Team East Sussex Federated Board.
- 7.4. The BCR for the Project is anticipated to meet the requirements for high value for money based on costs avoided by nine local authorities within the SELEP area as a result of the creation of shared resource outputs. However, it is noted that to realise the full indirect benefits, implementation of the delivered outputs will be required.

## **8. Financial implications** (*Accountable Body Comments*)

- 8.1. A total of £651,600 of SSF funding is available in 2019/20, when taking into account the brought forward funding of £151,600 from 2018/19; of this amount, a total of £151,600 has been awarded to date, leaving an outstanding £500,000 to be allocated.
- 8.2. This Project came forward for endorsement for £49,000 funding at the March 2019 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, £451,000 remains outstanding for allocation to new funding bids in 2019/20.

**Table 2: Sector Support Fund Summary****Sector Support Fund Summary**

<b>SSF Funding Available</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>
	£	£	£	£
Total Funding	1,000,000	500,000	500,000	2,000,000
Less Funding approved to date	848,400	151,600	-	1,000,000
<b>Balance of funding available</b>	<b>151,600</b>	<b>348,400</b>	<b>500,000</b>	<b>1,000,000</b>
Plus funding c/f from 2018/19		<b>151,600</b>		
<b>Funding available</b>	<b>151,600</b>	<b>500,000</b>	<b>500,000</b>	

<b>Projects seeking approval:</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>
	£	£	£	£
SECEN Creative Open Workspace	-	49,000	-	49,000
<b>Total projects seeking approval:</b>	<b>-</b>	<b>49,000</b>	<b>-</b>	<b>49,000</b>
Funding Available	151,600	500,000	500,000	
<b>Total carry-forward to future years</b>	<b>151,600</b>	<b>451,000</b>	<b>500,000</b>	

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 East Sussex 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

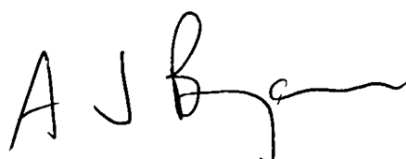
## 12. List of Background papers

12.1. Sector Support Fund Guidance

12.2. SELEP Assurance Framework

12.3. Minutes of the Strategic Board Meeting 22<sup>nd</sup> March 2019

Role	Date
<b>Accountable Body sign off</b>  Stephanie Mitchener  <i>(On behalf of Margaret Lee, S151 Officer Essex County Council)</i>	17/05/19

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>    Adam Bryan Chief Executive Officer for the South East Local Enterprise Partnership	Date  20/05/19
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