

East Sussex Growth Deal Allocations

SE LEP Team East Sussex Meeting
Monday 14th July 2014, 4:30pm
FSB Regional Office, Polegate

South East
Local Enterprise Partnership



East Sussex figures

The SE LEP Growth Deal specifically allocates **£54.58m** for East Sussex; **£6.35m** of this is in the first year. These figures include the previously committed funding for major transport schemes, as well as an increase in the Housing Revenue Account borrowing limit for Eastbourne BC (for which no specific detail has been provided).

If we also include the C2C Growth Deal, then East Sussex benefits from **£66.08m** of LGF investment, of which **£7.05m** is in the first year.

Alternatively, if we factor in all of the match funding for the £54.58m, we could in fact say that *“the SE LEP Growth Deal is worth **£80.3m** for East Sussex.”*

	LGF allocation (£m)			Outputs		Match funding
	2015/16	2016 +	Total	Jobs	Homes	
Transport schemes						
- North Bexhill Access Road	5	0	5	1,600	120	0
- Integrated & sustainable transport projects	0.6	10.1	10.7	900	4,300	9.125
- Hastings and Bexhill LSTF walking and cycling package	0	6	6	-	-	1.7
- Hastings and Bexhill junction capacity improvements package	0	6	6	4,200	6,280	1.45
- Eastbourne town centre access & improvement package	0	6	6	3,500	4,100	4.9
Previously committed transport funding						
- A22/A27 junction improvement package	0	4	4	4,400	8,400	1
- Queensway Gateway Road (Baldslow Link)	0	15	15	3,900	4,900	0
Total transport	5.6	47.1	52.7	18,500	28,100	18.175
Business support / productivity						
- Newhaven flood defences	0.75	0.75	1.5	-	-	7.5
Additional commitments						
- Housing Revenue Account borrowing increase for Eastbourne BC	0	0.38	0.38	-	-	0
Total non-transport	0.75	1.13	1.88	0	0	7.5
Total SELEP Growth Deal	6.35	48.23	54.58	18,500	28,100	25.675
C2C Growth Deal						
Newhaven Port Access Road	0	10	10	0	335	
Newhaven flood defences	0.7	0.8	1.5	5,000	0	
	0.7	10.8	11.5	5,000	335	
Total of both Growth Deals	7.05	59.03	66.08	23,500	28,435	

SE LEP will receive £69.5m of funding previously announced by Government for local major transport schemes. This means East Sussex will receive its requested £4m for the A22/A27 junction improvement package and £15m for the Queensway Gateway Road (formerly known as Baldslow Link).

The East Sussex transport ask in the SEP was £81m; our allocation of £52.7m is 65% of this. If we don't count the 2 major transport schemes with pre-committed funding, we were allocated £33.7m of new funding, that's 41.6%. The total overall East Sussex ask in the SEP was £148.2m; our allocation of £54.6m is 36.8% of this.

The SE LEP match funding figure for Newhaven flood defences (£7.5m) includes the £1.5m C2C allocation. The remaining £6m of match will come from the Environment Agency and hasn't been included in the overall totals.

"Integrated & sustainable transport projects" above is made up of 2 schemes - *Hailsham/ Polegate/ Eastbourne Sustainable transport corridor* and *Eastbourne and South Wealden LSTF walking & cycling package*. These 2 schemes total £10.7m LGF in the Growth Deal allocation and in the above table, but in the SEP they actually total only £10.5m. Also, the expected match for these 2 schemes is given as £9.125m above, but is only £3.39m in the SEP. There are similar (minor) discrepancies when scrutinising the figures for Kent & Medway, Essex and TGSE.

SE LEP-wide figures

The SE LEP allocation of £442.1m is around 37% of our overall £1.2bn ask. As we'd previously been advised that the fund was 3 to 4 times oversubscribed, this figure is not unexpected.

The allocations are almost entirely focussed on transport. Excluding the pre-committed funding for 'transport majors' and the provisional A13 funding (mentioned further below), the transport allocations are divided as follows:

Kent & Medway	23	out of 57 projects accepted (40.4%),	securing £102.2m (28.4%) of their ask
TGSE	6	13 (46.2%)	£69.1m (50.4%)
East Sussex	6	15 (40%)	£33.5m (41.4%)
Essex	11	41 (26.8%)	£40m (19.3%)

The *confirmed* LGF award of £208.2m for projects starting in 2015/16 includes 'SELEP-wide' funding for Growth Hub support and Skills. Excluding this pan-LEP share, the remaining funds are divided...

Kent & Medway	£19.4m in the first year,	£78.88m overall
TGSE	£6.6m	£56.3m
East Sussex	£6.35m	£17.58m
Essex	£16.9m	£27.2m

The *provisional* allocation of £164.4m for projects starting in 2016/17+ is allotted entirely to transport schemes, but the majority (£80m) is conditionally earmarked for A13 project development. The remaining funds are divided...

Kent & Medway	£35m; added to the confirmed funds above gives an overall allocation of £113.88m
TGSE	£19.5m £75.8m
East Sussex	£18m £35.58m
Essex	£11.9m £39.1m

Recall that when previously calculating 'per-capita' distribution, East Sussex accounted for a 13.1% share.

Confirmed LGF award

Transport projects starting in 2015/16		2015/16	2016+	Total
Kent & Medway	Congestion and pinch point transport projects	5.4	14.4	19.8
Kent & Medway	Integrated and sustainable transport projects	13	35.3	48.3
TGSE	Congestion and pinch point transport projects	1.5	34.1	35.6
TGSE	Integrated and sustainable transport projects	5	9	14
Essex	Congestion and pinch point transport projects	6	6	12
Essex	Integrated and sustainable transport projects	10.7	4.3	15
East Sussex	Congestion and pinch point transport projects	5	0	5
East Sussex	Integrated and sustainable transport projects	0.6	10.1	10.7
		47.2	113.2	160.4
Business support & productivity				
Kent & Medway	Kent & Medway Growth Hub	1	5	6
TGSE	Southend Central Area Action Plan (SCAAP)	0.1	6.6	6.7
East Sussex	Newhaven flood defences	0.75	0.75	1.5
Essex	Colchester NGA Broadband for business parks	0.2	0	0.2
SELEP	Revenue for Growth Hub business support co-ordination	0.8	0	0.8
		2.85	12.35	15.2
Skills				
SELEP	SELEP Skills Capital programme	11	11	22
		11	11	22
Additional commitments				
Kent & Medway	Loan to Camland Hythe for homes at Martello Lakes site	0	4.78	4.78
East Sussex	Increase to HRA borrowing limit for Eastbourne BC	0	0.38	0.38
		0	5.16	5.16
Totals		61.05	141.71	202.76
		<i>(differs from published summary by</i>	<i>3.55</i>	<i>1.89</i>
				<i>5.44)</i>

Provisional allocation to projects starting in 2016/17 and beyond

Transport projects starting in 2016/17 onwards			
East Sussex	Hastings and Bexhill walking and cycling package		6
East Sussex	Hastings and Bexhill junction capacity and improvement package		6
East Sussex	Eastbourne Town Centre access and improvement package		6
Kent & Medway	Improvements to the A28 Chart Road in Ashford		10.2
Kent & Medway	Integrated transport package for Maidstone		8.9
Kent & Medway	New link road in Canterbury (Sturry Road)		5.9
Kent & Medway	New parkway station in Thanet		10
TGSE	Package of transport works to deliver the Southend Central Area Action Plan (SCAAP)		7
TGSE	Integrated transport package for improving access to the London Gateway		7.5
TGSE	Improvements to the Thurrock cycling network		5
Essex	Package of Route Based Strategies in Essex		11.9
-	A13 widening project development		80
Total			164.4

General queries

- As mentioned, some of the figures don't quite reconcile. In particular, for the £9.125m match in our 'integrated & sustainable transport' schemes we're assuming this includes the local authority, private sector and other contributions for the 2 stated projects *plus some other schemes not already mentioned*. If this is the case, clarification is needed on what other schemes have been included in this calculation.
- The Growth Deal does not reference our scheme on improvements to the A27 Polegate to Lewes (a Highways Agency scheme listed in Appendix A of the SEP, not one of our LGF asks). We would ideally like Government to clarify the situation on the A27 and confirm that the Route Strategies and Feasibility Improvement Study currently being undertaken by the HA/DfT remain the most appropriate mechanisms for promoting our case.
- A large number of housing and commercial site developments across SELEP have a reliance on additional funding being made available through SEFUND, and there is currently *no* allocation for SEFUND at this stage. Government states it will be working with SELEP over the next 3 months to develop the SEFUND proposal and that it may be in a position to use unallocated LGF, but this leaves some uncertainty in respect of any schemes with a 2015/16 start. We need to know when Government plans to be in a position to reach a final agreement so that spend can ostensibly start in 2015/16; we'd also like Government to indicate the amount of LGF that may be available by year should SEFUND meet with agreement, including spend by dates.
- Government has committed £22m to the SELEP Skills Capital programme (for years 2015/16 and 16/17) against a total SELEP ask of £128m. There is no allocation against individual projects; the latest guidance from the SFA is that individual FE College allocations will be bid for in competition. It is therefore presumed that with individual LEP allocations this competition will be at LEP level.
- £6m is to be invested in a Kent & Medway Growth Hub, with £800k of revenue funding for Growth Hub business support coordination; there will also be a £6.7m investment in the Southend Growth Hub. However the position of East Sussex (and potentially parts of Essex/Thurrock) is very unclear in relation to local business being able to access a Growth Hub and its services; further understanding on how East Sussex businesses in particular will now be in a position to benefit would be welcome.