**Agenda Item No. 13**

**SSLEP Executive Board – 16th July 2020**

**Audited Accounts 2019/20 and Q1 Finance Update 20/21**

**Audited Accounts 2019/20**

The formal audited accounts for the company for 2019/20 are attached at Appendix 1 for information. The accounts consist of a set of financial statements, which have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies, which provide an overview of the company position. The external auditors did not note any areas of concern as part of preparing these statements. The detailed breakdown of the spend and income of the SSLEP is set out in the financial statements included in the Annual Report.

A separate shortened set of accounts have been prepared to lodge with Companies House, which reflect the fact that the company is dormant (i.e. not formally trading) and is therefore exempt from audit under Section 480 of the Companies Act 2006.

Under the scheme of delegation, the Executive Board must formally approve the accounts each year, based on a recommendation from the Audit and Finance Committee. The A&FC considered these accounts at its meeting on the 9th July 2020.

**Decision – That the Executive Board approve the accounts for the Stoke on Trent and Staffordshire Local Enterprise Partnership Limited for 2019/20 and authorise the chair of the Audit and Finance Committee to sign the accounts on their behalf.**

**Q1 Finance Update 20/21**

The finance dashboard as at the end of Q1 2020/21 is attached at Appendix 2.

The key headlines are:-

**Local Growth Deal (£15.345m Grant 20-21)**

* At Q1 20-21, a total of **£8.169m** (***33.5%***) has been spent against the final year's available LGD funding of **£24.398m (£9.053 c/fwd from 2019/20)**.
* Two thirds of in year grant allocation received (**£10.230m**), with a review to be done prior to the final third being released.**2 LGD Grant Funding Agreements** yet to be finalised – **Blythe Park Development and Stoke Station Power Upgrade**.
* In June 20, MHCLG announced a new funding call - ***Ideas for the Accelerating Existing Government Funded Capital Projects & Additional Shovel-Ready Capital Projects***. SSLEP submitted a bid totalling £65.1m. ***SSLEP has been awarded £23.7m in funding****.* A special SPMG meeting was convened this week to agree grant allocations to shovel ready schemes.
* Overall, the LGD programme continues to have an **AMBER** Rag Rating due to the on-going delays in getting the remaining 2 Funding Agreements in place which could lead to failure to deliver all schemes by the 31st March 21 final year deadline.

**City Deal (£4.130m Profiled Spend)**

* At Q1 20-21, a total of **£1.048m** or ***25.4%*** of this year's City Deal's profiled spend has been spent to date.
* **Keele SMART Energy Network Demonstrator scheme** – **£0.317m** or ***50.3%*** of the remaining funding (£0.630m) has been spent in Q1 20-21.
* **Stoke on Trent District Heat Network** has spent **£0.731m** or ***21%*** of its planned **£3.5m** 20-21 City Deal profiled spend.

**Enterprise Zones (CVEZ figures not updated at Q1)**

* Total CVEZ planned investment is **£13.2m** and current investment spend to date now stands at **£9.69m**.
* Anticipated Business Rates on completion of the investment are expected to be **£5.282m** per annum. To date, **£0.594m** of Business Rates have been secured leaving a current deficit balance of funding totalling **£8.58m**.
* CVEZ expected business rates surplus by 25-26, although economic impact of Covid 19 is likely to impact on this delivery timeline.
* I54 anticipated business rates surplus by April 24, first £10m is committed to I54 Western Extension, City Centre Access and CELR.

**Growing Places Fund**

* Since 13-14, **3 grants** totalling **£7.855m**, plus **14 SME loans** totalling **£6.543m** have been awarded by the SSLEP – a **£14.398m** total investment to date, leveraging in over **£79.43m** of Private Sector Investment.
* There are 3 Stage 1 GPF loan approvals, totalling **£1.6m**, currently awaiting finalisation of Stage 2 due diligence procedures and respective Funding Agreements.
* After considering all outstanding contractual loan payments and repayments the available ‘rolling fund balance’ currently stands at **£2.921m**.

**ESIF Programme (NO UPDATE AVAILABLE DUE TO COVID-19)**

* MHCLG has announced that there will be no further Reserve Fund call and is currently reviewing plans for utilising remaining unallocated ERDF funding. During June & July, Investment options are to be developed and they will be shortly providing further information on these plans as they are developed.
* There is, however, **a high level of confidence** that the balance of ESIF funding remains ‘on course’ to meet the grants commitments deadline (31st March 2021) and the grants payments (30th June 2021) deadline, subject to any government national review of uncommitted ESIF funding being undertaken to redirect available financial resources to respond to the current Covid-19 pandemic.

**LEP Revenue Grants**

**Core Fund / Activities (£0.500m)**

* The LEP Core budget of **£0.730m** was approved at the **27th February 20 SSLEP Executive Board**. At Q1, only **£0.069m** has been spent to date. Budget expected to be fully spent at the year-end.

**Growth Hub Grant (£0.205m)**

* An annual Grant Spending Plan has been submitted by the Growth Hub and approved by BEIS. This annual revenue Grant is to be fully spent by 31st March 21.

**Growth Hub Supplementary Grant (£0.332m ‘One Off’)**

* ‘One Off’ Supplementary Growth Hub Grant awarded to Growth Hubs in recognition of immediate pressures faced in responding to the Covid-19 pandemic.
* Payable quarterly in advance in accordance with the BEIS approved Spend Plan. Spending Plan recently submitted on ***18th June 20*** & is currently awaiting approval by BEIS.

**SAP Grant (£0.075m)**

* **£0.020m** of this year’s grant has been allocated to date - **£0.005m** SAP Analyst & **£0.015m** for the purchase of the EMSI data.
* The SAP Panel is to return to the Executive Board with a detailed SAP Spend Plan for approval.

Mohammed Ahmed / Caroline Brown

Simon Ablewhite – SCC Accountable Body