



## **Financial Accounts 2016/17**

# **Stoke on Trent & Staffordshire Local Enterprise Financial Accounts 2016/17**

## **Introduction**

As part of the Local Enterprise Partnership National Assurance Framework there is a requirement to produce a summary of the annual accounts of the Stoke on Trent & Staffordshire Local Enterprise Partnership (SSLEP) and to ensure that these are published.

Staffordshire County Council (SCC) and Stoke on Trent City Council (SoTCC) jointly act as the Accountable Body for the SSLEP, with each local authority taking responsibility for specific funding streams that the SSLEP receives. An accountability agreement is in place between the SSLEP and the two local authorities which sets out the respective roles and responsibilities of the relevant partners, including the governance arrangements. A formal review (audit) is undertaken on an annual basis of these arrangements, in line with the National Assurance Framework.

The Accountable Body ensures the use of resources of the SSLEP are subject to the usual local authority checks and balances, for example, appropriate grant conditions are complied with; robust approval processes are in place; funds are used appropriately and agreements are in place which include adequate provisions for the protection of public funds and decisions and activities of the SSLEP conform with legal requirements with regard to equalities, social value, environment, State Aid, procurement etc. The Accountable Body also maintains the official financial records of the SSLEP.

The formal accounts of the Accountable Body recognise the relationship it has with the SSLEP in the related party note to their accounts.

The SSLEP and Accountable Body work closely with the Cities and Local Growth Unit (BEIS West Midlands), and an 'annual conversation' is undertaken to verify that appropriate financial and other controls are in place, in particular in respect of Local Growth Deal and City Deal funding. Future years' allocations of these funding streams are dependent upon a successful 'annual conversation' and approval of the Cities and Local Growth Unit, which was received on the 4<sup>th</sup> April 2016. The Section 151 officer of the Accountable Body also has to provide written confirmation that they are content that the Local Assurance Framework is compliant with current national guidelines.

The purpose of these accounts is to give an overall view of the funds and financial activities that the SSLEP has been involved with during the 2016/17 financial year.

The 2016/17 Financial Summary table overleaf details all funding streams that the SSLEP currently overviews; monitors and reports back to government on a regular quarterly basis:

## Financial Summary 2016/17

<b>Funding Stream</b>	<b>Balance b/fwd £000</b>	<b>2016/17 Allocation £000</b>	<b>2016/17 Spend £000</b>	<b>Balance c/fwd £000</b>
<b>Growth Deal and City Deal</b>	-	33,972	33,727	245
<b>Regional Growth Fund &amp; Growth Hub</b>	3,348	205	2,209	1,345
<b>Growing Places Fund</b>	10,136	-	2,091	8,045
<b>Core Fund</b>	61	250	261	50
<b>Capacity Grant (formerly Strategic Plan Grant)</b>	26	250	150	126
<b>Total</b>	<b>13,571</b>	<b>34,677</b>	<b>38,438</b>	<b>9,811</b>

### Growth Deal and City Deal

The Local Growth Deal (LGD) and The City Deal provides significant investment funds to Local Enterprise Partnerships (LEPs) for projects and schemes that benefit the local economy and help to deliver agreed outcomes, primarily in respect of housing, job creation and skills (apprenticeships).

The Local Growth Deal funding, known as the Local Growth Fund (LGF) Grant, is paid by the Department for Communities and Local Government (DCLG) to the Accountable Body (Staffordshire County Council) under *S31 of the Local Government Act 2003*, and is ‘a non ringfenced’ capital grant. City Deal Funding is paid to Stoke on Trent City Council, as the Accountable Body, also under *S31 of the Local Government Act 2003*, and is an unringfenced capital grant.

Business cases are submitted and approved by the SSLEP for each scheme/project, and a formal grant agreement is put in place between the Accountable Body and the grant recipient prior to the grant being released. A key issue prior to the approval of the business case is how the proposed scheme contributes to the overarching priorities of the Strategic Economic Plan (SEP); whether it provides value for money and the leverage of additional private sector funding it provides e.g. developer contributions.

For the Growth Deal Programme, the SSLEP initially secured £75m in LGF Grant following LGD rounds 1 & 2 to support both City and Countywide economic developments; transport infrastructure improvements; and to develop local workforce skills planning and the delivery of apprenticeship training.

The table below details total LGF payments made to grant recipients for LGD 1 & 2 schemes in 2015/16 (Year 1) and 2016/17 (Year 2) of the Growth Deal Programme:

Local Growth Deal Project Title	Grant Recipient	Total Spend 2015-16 £m	Total Spend 2016-17 £m	Total LGF Allocation £m
Lichfield Park	SCC	4.00	0.00	4.00
Meaford	SCC	3.70	0.50	4.20
Bericote (Phases 1 & 2)	SCC	1.23	0.95	2.86
Stafford Western Access (incl LTB)	SCC	1.48	4.73	13.71
Pre-committed LTB (Etruria ONLY)	SoTCC	0.00	0.00	8.20
LSTP (SoTCC & SCC)	SCC/SoTCC	0.81	5.12	6.30
Branston Locks	SCC	0.47	4.60	5.09
Skills Capital - AMH South Staffs College	South Staffs College	0.73	3.06	3.80
Skills Capital - AMH Stafford College	Stafford College	0.00	2.00	2.00
Skills Capital - AMH JCB Academy	JCB Academy	0.00	0.44	1.10
North West Approach to the City Centre	SoTCC	0.06	0.81	1.91
Tamworth Enterprise Quarter	Tamworth BC	0.00	0.69	2.90
Leek Mill Heritage Quarter	Staffs Moorlands DC	0.00	0.00	0.80
Rugeley Town Centre Package	Cannock DC	0.00	0.75	1.30
Friarsgate, Lichfield	Lichfield DC	0.00	0.00	2.69
South West Approach to the City Centre	SoTCC	0.00	1.72	2.30
Economic Regeneration Programme	SCC/SoTCC	0.00	2.09	2.09
South East Approach to the City Centre	SoTCC	0.00	0.00	2.20
ROF Featherstone	SCC	0.00	0.57	0.57
Chatterley Valley	SCC	0.00	0.07	0.07
Redhill Business Park	SCC	0.00	0.76	0.76
Keele IC5	SCC	1.92	3.00	4.92
i54 Employment Site	SCC	0.00	0.90	0.90
Lichfield Southern Bypass - Highways major	SCC	0.00	0.33	0.33
<b>Totals LGF Grant</b>		<b>14.40</b>	<b>33.11</b>	<b>75.00</b>

Key: Grant recipients - SCC = Staffordshire County Council / SoTCC = Stoke on Trent City Council.

For 2016/17, £33.36m of LGF Grant was allocated to the SSLEP to invest in Growth Deal 1 & 2 schemes/projects which are programmed to be delivered by 2020/21. This grant allocation is forecast to deliver schemes/projects with a total estimated value of £189m and is expected to deliver the following, agreed strategic planned output targets:

- 1,000 new homes;
- 9,384 direct and indirect jobs safeguarded;
- 1,670 new apprenticeships.

At the mid point of 2016/17, slippage was initially identified against the £33.36m LGF Grant allocation due to various delays in project start ups and contracting arrangements. The SSLEP Executive therefore gave approval for new schemes to be brought in to the approved Growth Deal Programme from both the City Council and County Council's current capital programmes on the condition that both local authorities switch funding in future years to enable the full delivery of the LGD Programme by 2020/21.

By the end of the 2016/17 financial year, a total of £33.11m of LGF Grant was invested in to both the Growth Deal 1 & 2 programme and also those approved brought forward schemes/projects from Stoke on Trent City Council and Staffordshire County Council's respective capital programmes leaving £0.25m in total grant slippage.

During 2016/17, the DCLG announced a further LGD bidding round (Round 3) in which the SSLEP successfully secured a further £23.3m LGF Grant funding to invest into 7 new schemes/projects, attracting an additional £25.35m in private sector leverage and £22.15m of other public body funding to give an overall planned investment of £70.8m. These new schemes consist of a range of transport infrastructure developments; strategic employment site expansion and a Skills Capital Equipment Fund for local colleges to bid against to support the expansion of their respective Apprenticeship Programmes.

Following the LGD Round 3, the SSLEP is now responsible for managing and overseeing the delivery of £98.3m in total LGF Grant funding to support an investment programme consisting of 23 schemes and projects from 2015/16 to 2020/21. Of this grant sum, £47.51m has so far been spent to date leaving a further £50.77 in LGF Grant (including £0.250m of 2016/17 LGF Grant carried forward) to be spent over a four year timeframe. The table below details the remaining Local Growth Deal annual LGF Grant allocations up to and including 2020/21:

<b>Financial Year</b>	<b>Future LGF Grant Funding (£)</b>
2016-17 balance c/fwd	248,763
2017-18	17,518,643
2018-19	11,283,922
2019-20	6,370,448
2020-21	15,345,059
<b>TOTAL LGF Grant</b>	<b>50,766,835</b>

For the City Deal, funding is claimed as it is incurred and, to date, the SSLEP has delivered all of the City Deal Programme's approved schemes and projects with the exception of 2 significant energy generation schemes – The Keele Smart Energy Network Demonstrator (SEND) and the Stoke on Trent District Heat Network (DHN). Both of these schemes, following procurement and contracting, are expected to begin construction during 2017/18 with completion by 2020/21 expected for each scheme.

The City Deal funding and spend to date for these two key, on going, schemes is detailed in the table below:

<b>City Deal Projects</b>	<b>Total City Deal Funding</b>	<b>Total Spend 2015-16</b>	<b>Total Spend 2016-17</b>	<b>Total spend to Date</b>	<b>City Deal Allocation c/fwd in to 2017/18</b>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
<b>Stoke District Heat Network (DCLG)</b>	<b>19.75</b>	0.77	0.59	1.36	<b>18.39</b>
<b>Keele Smart Energy Network (BEIS)</b>	<b>5.00</b>	0.44	0.03	0.47	<b>4.53</b>
<b>Total</b>	<b>24.75</b>	<b>1.21</b>	<b>0.62</b>	<b>1.83</b>	<b>22.92</b>

In addition to the £24.75m of City Deal funding, both the SEND & the DHN schemes are to attract a further £33.25m in private sector leverage; £8.4m in European funding (ESIF) and £4m in local authority and other public bodies funding to deliver a total investment of £70.4m in to the local energy generation sector.

The planned outcomes targets that were agreed for the overall City Deal Programme are as follows:

- 1,278 jobs created or safeguarded (to date 710 jobs have been created or secured);
- 1,600 new Apprenticeships (this target has been delivered);
- 1,300 Businesses supported (1,723 business supported);
- 90 National Business Growth (209 in new business growth achieved).

### **Jobs & Growth Programme - Regional Growth Fund and the Growth Hub**

The Jobs & Growth Programme consists of two key funding streams – Growth Hub funding to Local Enterprise Partnerships Grant and the Regional Growth Fund.

**Growth Hub funding to Local Enterprise Partnerships Grant** – In response to LEP proposals for Growth Hubs in their respective SEPs, the Government agreed to provide revenue grant funding to LEPs in 2016-17 to support the establishment or further development of Growth Hubs as set out in their Local Growth Deals.

Government and the LEPs identified a central role for Growth Hubs in simplifying and rationalising business support in local areas and recommended that national business support should be aligned with Growth Hubs.

In return for funding in 2016-17, LEPs have agreed to 5 key principles to ensure that growth hubs meet Government expectations and achieve policy objectives. The principles are:

- a) developing strong, inclusive partnerships with local stakeholders;
- b) putting in place robust governance arrangements to oversee Growth Hub activity and ensuring alignment with the LEP's strategic economic plan;
- c) ensuring plans for Growth Hubs are deliverable now and sustainable beyond when government funding eventually ends;
- d) joining up national and local business support and simplifying the local offer;
- e) applying a common evaluation framework to identify what works and measures impact.

The Growth Hub Grant is paid by BEIS to the Accountable Body (Staffordshire County Council) via *Section 11 of the Industrial Development Act* with the SSLEP receiving £0.205m in 2016/17. The SSLEP fully utilised this revenue grant to invest in its Client Referral Management System; website maintenance and development; a business advice help line; project management support and business community consultations.

**The Regional Growth Fund (RGF)** – The overarching aim of the RGF is to support eligible projects and programmes in raising private sector investment to create economic growth and lasting employment conditions. The SSLEP was awarded £3.945m in RGF (Round 5) in November 2014 to invest over a two and a quarter year period ending in April 2017. The RGF 5 grant is provided under *Section 7 and 8 of the Industrial Development Act 1982* to the Accountable Body, the Staffordshire Chambers of Commerce by the BEIS (the Department for Business, Energy & Industrial Strategy).

The criteria to support local businesses is that the company needs to be based in the UK; with plans to grow their business; create or protect jobs; help support private investment; they are unable to find suitable or appropriate funding elsewhere and are State Aid compliant.

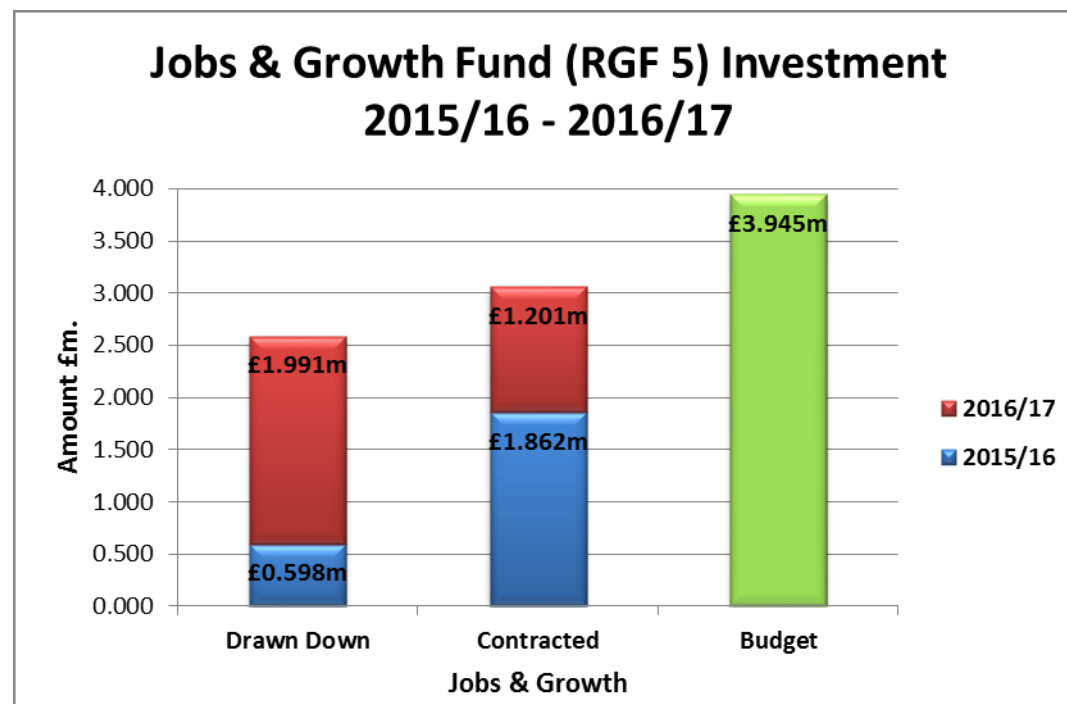
Businesses are supported by the Staffordshire Chamber of Commerce & Industry to submit an application form for the Jobs & Growth Fund. They are then assessed for eligibility, financial health and ability to supply match funding by the Chamber. If businesses are suitable they are seen by the Jobs & Growth funding panel which makes the final recommendation. Evidence of new and sustained jobs must be proved within an agreed timescale or the company may be subject to clawback of the grant.

During 2016/17, a further £1.2m of RGF 5 was contracted with local businesses by the Jobs & Growth Panel taking total contracted funding up to £3.063m over the two and a quarter year lifetime of this programme. Of this approved contracted sum, a further £2m of RGF 5 was drawn down in year by local businesses resulting in an eventual final draw down sum of £2.6m by the end of the programme. On closure of the programme, a remaining balance of £1.356m in RGF 5 funding – consisting of £0.882m unallocated funding and £0.474m of approved funding that was not

successfully drawn down by businesses before programme closure – is now due to be returned to BEIS by the Staffordshire Chamber of Commerce & Industry.

Over the lifetime of the RGF 5 funding programme, the £2.6m of drawn down funding was distributed to 35 small, medium sized enterprises (SME's), which created 428 new jobs and safeguarded 214 existing jobs in the local economy.

A summary of the current RGF 5 cumulative spend position over the life time of the investment programme (as at the 31<sup>st</sup> March 2017) is shown in the bar chart below:



### Growing Places Fund

The Growing Places Fund (GPF) grant was paid by the DCLG to the Accountable Body (Staffordshire County Council) under *S31 of the Local Government Act 2003*, and is an 'unringfenced' grant.

The GPF is intended to be used by the SSLEP to invest in key areas of infrastructure to enable local economic development, with the loan funding invested to be returned to the LEP for re-investment in further provision of infrastructure. This mechanism is referred to as a Revolving Investment Fund (RIF) and is used to promote a long term locally led solution to local infrastructure constraints; job creation and enable housing development.

The criteria for GPF to support a Small, Medium Enterprise (SMEs) is that the company needs to be based in England; that they want to strengthen or grow their business; create or protect existing jobs; help lever private investment; they are unable to find suitable or appropriate funding elsewhere and are State Aid compliant.

A total of £10.593m was initially allocated to the SSLEP in 2011/12 and the GPF stood at £10.136m (including accrued interest) at the start of 2016/17. The GPF is



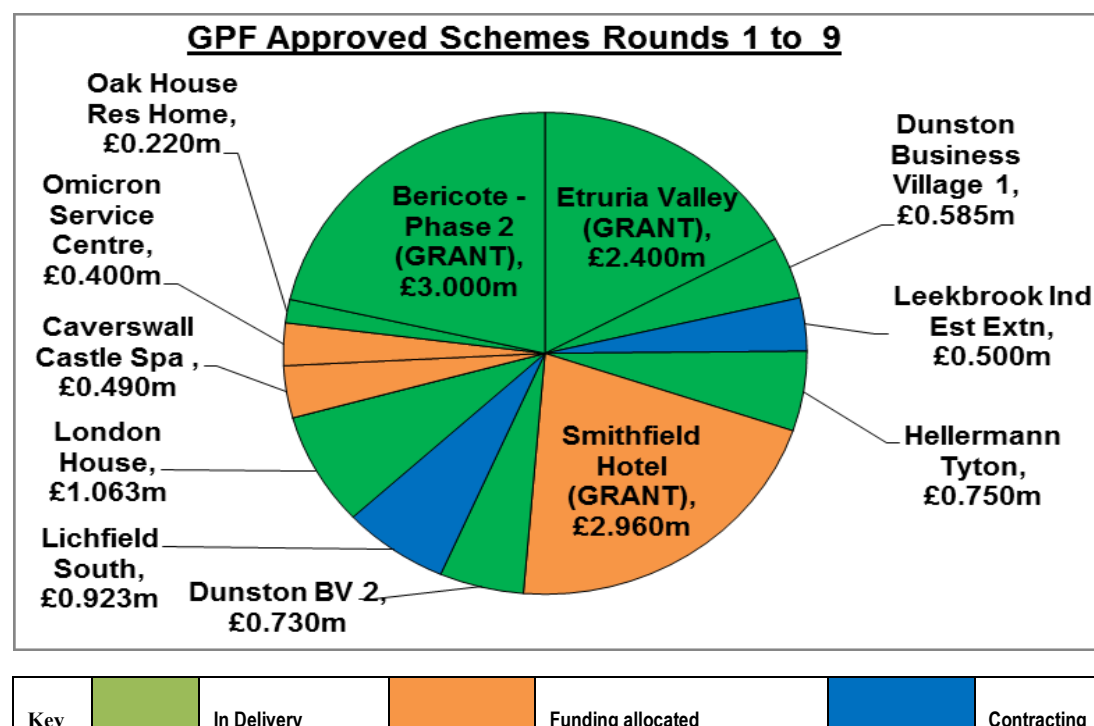
used to provide loans and (in some cases) grants to SMEs, following approval by the SSLEP GPF Panel and the LEP Executive.

The SSLEP GPF Panel approval process consists of two stages: an initial filter stage followed by a second stage where a detailed business case submission has to be made which tests the integrity of the proposed schemes. This covers business & financial planning; procedural compliance and technical competence. Final approval is subject to appropriate due diligence procedures; legal contracting and formal approval from the LEP Executive.

Where GPF loans are allocated, repayment schedules are agreed including interest and this increased loan amount once returned to the GPF is then made available for future SME investment. All current GPF loans are provided interest free for the first 2 years of the agreement with interest only charged on loans that are for 3 years or more.

Since receipt of the GPF grant, there have been 9 bidding rounds open to local SMEs with 9 loan and 3 grant approvals being made by the GPF Panel. To date, GPF loans totalling £5.66m and £8.36m in grants have been approved which will support a total investment of over £70m+ in the local economy. Of the 9 approved GPF bids, 7 of these (5 loans and 2 grants) have since moved to full contract with respective GPF loans and grants that have either been fully paid out or are due to be paid out during 2017/18. Of the contracted GPF loans, 4 local SMEs to date have now received their full GPF loan approval payments. 2 of which, are due to repay their loans back 'in full' to the GPF during 2017/18. These repaid GPF loans will continue to be recycled and reinvested in to future GPF bidding rounds.

During 2016/17, a further £1.110m of GPF funding was approved for 3 new business loans and a total of £2.091m in GPF loans was actually paid to GPF contracted local SMEs. Detailed below, is a pie chart which summarises all approved GPF loans and grants awards to date:



## The Cost of the SSLEP Operations

SSLEP operations are currently supported by 2 annual revenue grants known as the **Core Fund** and the **Capacity Grant**. Of the 2 grants received, the Core Fund requires local matched funding from local authority partners whilst the Capacity Grant (formerly known as the Strategic Plan Grant) is unconditional. Both grants are also defined as ‘unringfenced’ to allow LEPs greater flexibility of spend.

The table below details the annual revenue grant funding streams, plus the required local match funding that supported the operations of the SSLEP in 2016/17:

<b>Funding Streams</b>	<b>15-16 C/fwd £'000s</b>	<b>16-17 Grant &amp; Match £'000s</b>	<b>16-17 Budget £'000s</b>	<b>16-17 Spend £'000s</b>	<b>16-17 C/fwd £'000s</b>
<b>Core Fund</b>	60.85	250.00	310.85	261.35	49.50
<b>Local Match Funding</b>					
Staffordshire CC	-	170.00	170.00	170.00	-
Stoke on Trent City Council	-	57.00	57.00	57.00	-
Inward Investment Team	-	50.00	50.00	50.00	-
<b>Capacity Fund</b>	26.47	250.00	276.47	149.96	126.51
<b>Total</b>	<b>87.32</b>	<b>777.00</b>	<b>864.32</b>	<b>688.30</b>	<b>176.01</b>

For 2016/17, each revenue grant was awarded £0.250m by the DCLG. Both of these revenue grants were paid at the start of the year to Stoke on Trent City Council (as the Accountable Body) under *S31 of the Local Government Act 2003*.

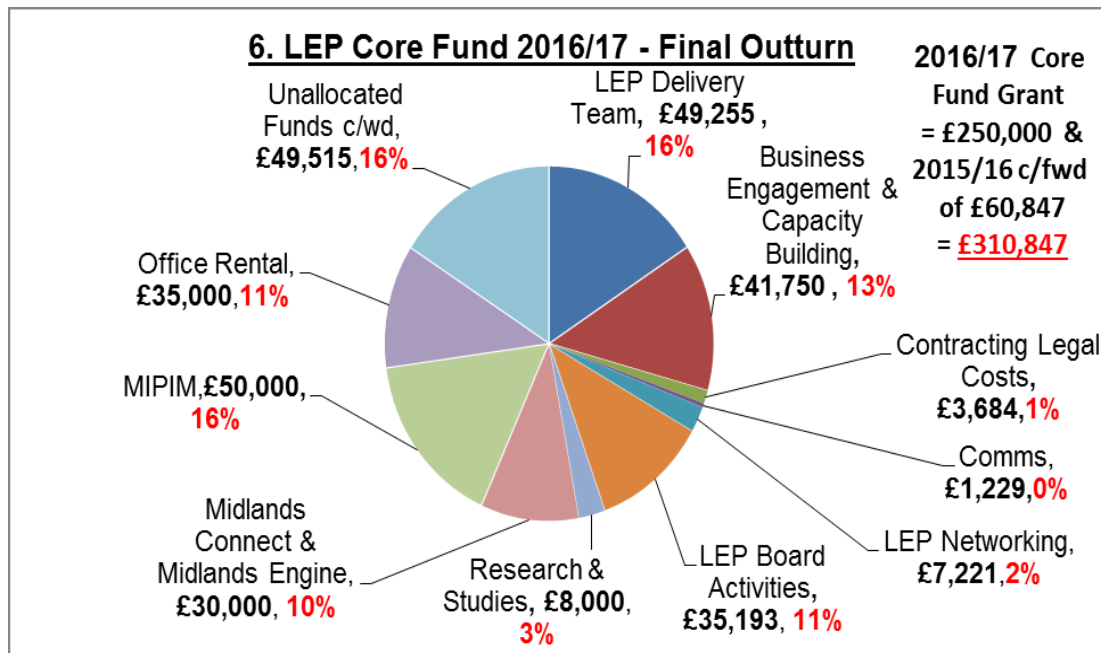
## The LEP's Annual Revenue Grants

### The Core Fund

The annual Core Fund Grant allocation is a conditional on local authority partners providing matched funding which is set at a minimum of £0.250m. The match funding is provided as ‘in kind’ staffing contributions to support SSLEP operations and is provided by Stoke on Trent City Council; Staffordshire County Council and the Staffordshire & Stoke on Trent Chamber of Commerce Inward Investment Team.

During 2016/17, the SSLEP has primarily used its £0.250m Core Fund Grant allocation to support the activities of the LEP Executive Board; the Delivery Team and office accommodation costs. At the year end, a sum of £0.050m of the Core Fund Grant was carried forward in 2017/18 to support on going; future Board and Delivery Team spend commitments.

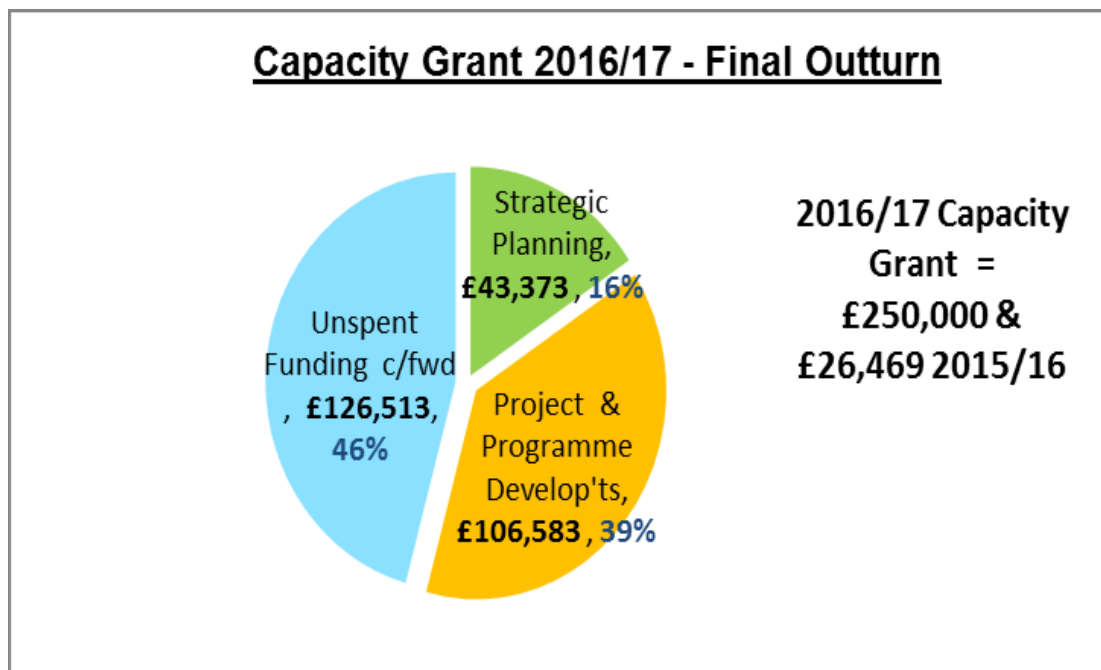
Outlined in the pie chart overleaf is the detailed expenditure for the 2016/17 Core Fund Grant (inclusive of the 2015/16 grant carry forward of £0.061m):



### The Capacity Grant (formerly the Strategic Plan Grant)

In 2016/17, the Strategic Plan Grant was renamed the Capacity Grant by the DCLG. This annual revenue grant has been utilised to support strategic planning; economic impact assessments and Local Growth Deal 3 business case development which are to be directly managed by either Stoke on Trent City Council or Staffordshire County Council. At the year end, £0.127m of this grant remained unspent and has been carried forward into 2017/18 to support on going spend commitments.

Outlined in the pie chart below is the Capacity Grant spend (inclusive of the 2015/16 grant carry forward of £0.026m) for 2016/17:



For 2017/18, these 2 grants are now to be merged into one annual revenue grant and ‘rebadged’ the Core Fund. For 2017/18, the Core Fund Grant to be awarded by the DCLG will be £0.5m in total on the condition that a minimum of £0.250m of match funding is continued to be met by the LEP and its respective local authority partners.

### **European Structural and Investment Funding (ESIF)**

The SSLEP has an indicative allocation of £127.2m following approval of the Local Enterprise Partnership’s ESIF Strategy in 2015/16 which is to be invested over a 6 year period up to 2020/21. The ESIF allocation involves 3 principal funds which are provided by the European Union:

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- European Agricultural Fund for Rural Development (EAFRD)

The SSLEP is accountable for the performance of the ESIF programme, via its ESIF Committee, and provides strategic direction and management. However, it is the individual ESIF Fund applicants who are responsible for their bid application to each of the government’s Managing Authorities – the DCLG for ERDF; the Department of Works & Pensions (DWP) for ESF & the Department for Environment & Rural Affairs (DEFRA) for EAFRD – leading to a final funding agreement. No ESIF funds therefore flow directly through SSLEP.

**ERDF** is delivered via competitive open bidding calls. Four bidding calls have been held to date by the SSLEP and there has been a high level of interest across the ESIF themes of Innovation, SME Competitiveness and Low Carbon Economy, but bids have yet to be forthcoming for the ICT and Environmental Protection themes. The impact of EU funding will be measured in terms of jobs created and the number of SME businesses supported, the level of private sector investment, reduction in CO2 emissions and biodiversity improvements.

**ESF** focuses on addressing skills gaps in the LEP Area’s workforce and will also address tackling barriers to help those in disadvantaged groups and furthest away from accessing job opportunities. ESF funding is normally measured by the numbers of people gaining higher level qualifications, those participating in national programmes such as NEET or Apprenticeships and those participating in activities that move them along their development journey.

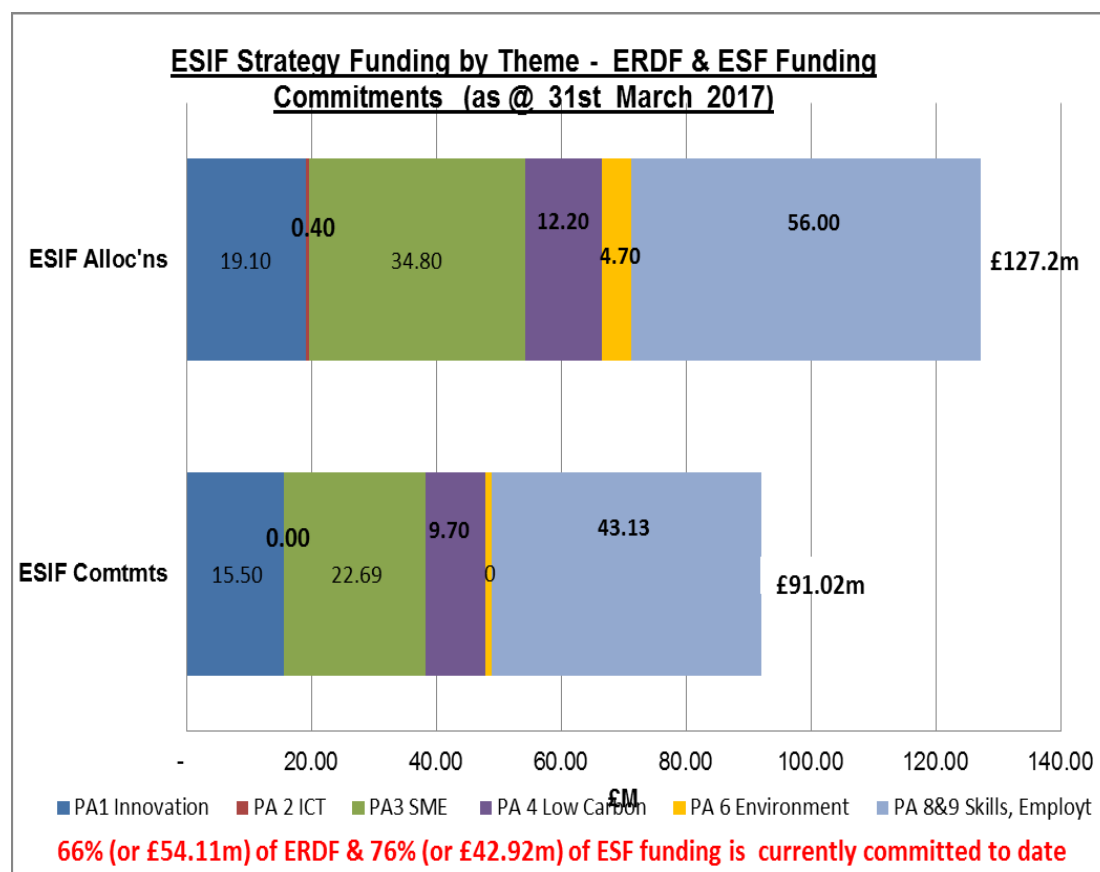
The purpose of the **EAFRD** programme is to stimulate economic growth across rural areas focussing on farm productivity and diversification; rural SME business development and support for the tourism and food & drink sectors. Again measured by job creation and business support EAFRD is delivered via open bidding calls

Stoke on Trent & Staffordshire has been awarded Transition Area status by the EU. This status is for regions of member states whose economic performance in terms of GVA (Gross Value Added) is between 75% and 90% of the EU average. Transition status means that ESIF funding support for eligible projects and programmes can be up to 60% of total funding compared to 50% for non Transition areas.

During 2016/17, 4 further ERDF and 1 EAFRD bidding rounds were open for SME and Low Carbon schemes/projects resulting in a further £4m commitment of ESIF funding to successful small business applicants.

Overall, to date, £91m of the total £127.2m ESIF funding allocation has so far been committed following business case submissions and approvals from the DCLG, DWP and the DEFRA respectively.

The bar chart below details the ESIF Strategy's economic development themes set compared to their respective current project pipeline approval rates.



To date, the SSLEP ESIF Strategy is currently exceeding the UK average in terms of bids. To date, 72% of the £72m ERDF allocation has been accounted for in bid activity compared to the national average of 59% across all 39 LEP areas. Subsequent bidding rounds are planned to maintain the momentum of the ESIF programme subject to agreement between the government and the European Commission.

## 2016/17 Overview and Future Years

In 2016/17, the SSLEP spent £38.44m of its funding resources and has carried forward a total balance of £9.81m into 2017/18. During the year, the SSLEP spent £33.11m of its second LGF tranche of £33.36m leaving £0.25m in grant slippage on the approved Local Growth Deal 1 & 2 programme and a further £0.62m of the 2016/17 City Deal funding allocation on the 2 City Deal energy generation schemes. This significant grant investment has attracted £5.8m in private sector leverage and a

further £8.25m in both Local Authority and other Public Bodies capital investment contributions during the year.

The SSLEP is now entering its third year of the Local Growth Deal Programme and has been allocated its next tranche of LGF Grant totalling £17.52m in 2017/18 to enable it to deliver on Year 3 of its Strategic Economic Plan (SEP).

Following the recent successful LGD Round 3 bid to fund 7 new LEP schemes and projects, the SSLEP is now due to overview and manage £27.5m in remaining LGD1 and 2 LGF Grant funding, plus a further £23.3m in LGF Grant funding for LGD3 – totalling £50.8m – over the forthcoming 4 years up to and including 2020/21.

The City Deal has continued to progress in 2016/17 with both the Keele SEND and Stoke on Trent District Heat Network approved business cases having received their respective funding allocations and are now proceeding to the procurement and contracting stages. The SSLEP is set to invest a total of £24.75m in City Deal funding leading to a total planned investment of £70.4m in these two innovative City Deal schemes over the next 4 year period up to 2020/21.

For the Jobs & Growth Programme, RGF 5 funding to support local SMEs was closed at the end of April 2017 following the completion of the two and a quarter year investment programme. Of the £3.945m RGF 5 allocation awarded, £2.6m of Panel approved funding was successfully drawn down by local businesses before the programme closed leading to a balance of £1.345m in RGF 5 to be returned to the BEIS by the Chamber of Commerce.

For 2017/18, the County's Growth Hub (which has now successfully secured 3 years of ERDF funding up to 2020/21) will act as the primary investment fund for local SMEs. Whilst the 2017/18 Growth Hub revenue grant funding to support local businesses is to continue at the same funding level as in 2016/17 at £0.205m. This revenue grant will continue to be utilised to fund the Growth Hub's on going SME business support commitments.

Further GPF bidding rounds are planned during the course of 2017/18 to invest in local SMEs business expansion and developments. As at April 2017, there currently remains a balance of £1.56m available in GPF funding to invest in SMEs business loans. The SSLEP, however, given the relatively low number of successful GPF bids that have progressed to full contract, plans to invest some of its 2017/18 Core Fund Grant to fund an independent review of the overall GPF funding mechanism; to evaluate its current processes and procedures and to identify if this Investment Fund can be better promoted and utilised more efficiently to support the local business community.

The SSLEP's ESIF Strategy has continued to progress significantly during 2016/17 and is currently exceeding the UK average in terms of project pipeline bids and approvals. Further EU project bidding rounds, to allocate the remaining allocations are currently planned for 2017/18 with the aim that all of the ESIF Strategy indicative allocation will be fully assigned and contracted.

During 2016/17, the SSLEP was awarded Enterprise Zone (EZ) status for a number of business development sites across the City of Stoke on Trent and Staffordshire. The awarding of EZ status effectively allows the LEP and its local authority partners to retain 100% of business rates from Enterprise Zones to finance initial site development and infrastructure costs and to further develop and promote business incentives on those sites. Stoke on Trent City Council are to lead on EZ for the SSLEP and during 2017/18 a fully costed EZ site development plan is to be finalised and initial procurement and contracting progressed.

**Simon Ablewhite**  
**Strategic Finance Business Partner (SSLEP)**  
**Staffordshire County Council**

**6<sup>th</sup> July 2017.**