



Financial Accounts 2017/18

Stoke on Trent & Staffordshire Local Enterprise Financial Accounts 2017/18

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 currently 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 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 governance approval processes in place; funds are used appropriately and agreements are in place which include adequate provisions for the protection of public funds and decisions and that the activities of the SSLEP conform with legal requirements with regard to equalities, social value, environment, State Aid rules, procurement regulations 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 governance controls are in place, in particular in respect of the Local Growth Deal Programme (LGDP) 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 29th November 2017. The Section 151 officer of the Accountable Body also has to provide written confirmation that the LEP is compliant with the Local Assurance Framework and 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 2017/18 financial year.

The 2017/18 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 2017/18

Funding Stream	Balance b/fwd £000	2017/18 Allocation £000	2017/18 Net Spend £000	Balance C/fwd. £000
Growth Deal	245	17,519	15,604	2,160
City Deal	0	3,585	3,117	468
Growing Places Fund	8,045	-	2,664	5,381
Growth Hub Funding Grant	0	205	205	0
Core & Capacity Grant	168	500	556	112
Total	8,458	21,809	22,146	8,121

Local Growth Deal and City Deal

The LGDP 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 Ministry for Housing, Communities & Local Government (MHCLG) 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 also a non-ringfenced capital grant.

Business cases are submitted and approved by the SSLEP for each scheme/project, and a formal grant agreement is then put in place between the Accountable Body and the respective 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) in terms of Job creation and growth in housing; whether it provides value for money and the leverage of additional private sector funding it provides e.g. developer contributions.

For the current Growth Deal Programme, the SSLEP has secured **£98.3m** in total LGF Grant funding following LGD Rounds 1, 2 and 3 to support the City and Countywide economic investment programme. This programme now consists of **32 key schemes**

and projects including significant transport infrastructure improvements; large scale business park developments and to develop local workforce skills planning for the delivery of apprenticeship training at local colleges and training centres.

The table below details total LGF payments made to grant recipients for LGD 1, 2 and 3 schemes in 2015/16 (*Year 1*); 2016/17 (*Year 2*) and 2017/18 (*Year 3*) of the current LGDP:

LGD scheme	Local Growth Deal Project	Grant Recipient	Total Spend 2015-16 £m	Total Spend 2016-17 £m	Total Spend 2017-18 £m	Total Spend To Date £m	Total Initial LGF Allocation £m
LGD1	Lichfield Park	SCC	4.00	0.00	0.00	4.00	4.00
LGD1	Meaford	SCC	3.70	0.50	0.00	4.20	4.20
LGD1	Bericote (Phase 1)	SCC	1.23	0.95	0.16	2.34	1.91
LGD1	Stafford Western Access (SWAR) incl LTB allocation	SCC	1.48	4.73	4.09	10.30	24.25
LGD1	Pre-committed LTB (Etruria ONLY)	SoTCC	0.00	0.00	0.00	0.00	8.20
LGD1	LSTP (SoTCC & SCC)	SCC/SoTCC	0.81	5.12	0.36	6.29	5.00
LGD1	Branston Locks	SCC	0.47	4.60	0.02	5.09	5.09
LGD1	Skills Capital - AMH South Staffs College	South Staffs College	0.73	3.06	0.00	3.79	3.79
LGD1	Skills Capital - AMH Stafford College	Stafford College	0.00	2.00	0.00	2.00	2.00
LGD1	Skills Capital - AMH JCB Academy	JCB Academy	0.00	0.44	0.66	1.11	1.11
LGD2	Tamworth Enterprise Quarter	Tamworth BC	0.00	0.69	0.64	1.33	2.95
LGD2	Leek Mill Heritage Quarter	Staffs Moorlands DC	0.00	0.00	0.00	0.00	0.00
LGD2	Rugeley Town Centre Package	Cannock DC	0.00	0.75	0.00	0.75	0.75
LGD2	Friarsgate, Lichfield	Lichfield DC	0.00	0.00	0.07	0.07	2.69
LGD2	Stoke on Trent City Centre Access	SoTCC	0.06	2.53	1.25	3.84	7.70
LGD2	Churnet Valley Works - Small Business Units	Staffs Moorlands DC	0.00	0.00	0.00	0.00	0.50
LGD3	Keele Smart Innovation Hub	Keele University	0.00	0.00	0.51	0.51	1.00
LGD3	Hanley Bentilee Link Road	SoTCC	0.00	0.00	0.00	0.00	8.58
LGD3	Doxey Rd Regen & SWAR	SCC	0.00	0.00	0.00	0.00	8.50

LGD3	Spode Church Street	SoTCC	0.00	0.00	0.00	0.00	0.50
LGD3	ROF Featherstone	SCC	0.00	0.00	0.00	0.00	1.50
LGD3	LSTP (SoTCC & SCC)	SCC/SoTCC	0.00	0.00	0.46	0.46	1.46
LGD3	Skills Capital Equipment Fund	SCC	0.00	0.00	0.00	0.00	1.76
Slippage	Economic Regeneration Programme	SCC/SoTCC	0.00	2.09	0.00	2.09	0.00
Slippage	Bericote (Phase 2)	SCC	0.00	0.00	3.05	3.05	0.00
Slippage	ROF Featherstone	SCC	0.00	0.57	0.00	0.57	0.00
Slippage	Chatterley Valley	SCC	0.00	0.07	0.00	0.07	0.00
Slippage	Redhill Business Park	SCC	0.00	0.76	0.00	0.76	0.00
Slippage	Keele IC5	SCC	1.92	3.00	0.00	4.92	0.00
Slippage	i54 Employment Site	SCC	0.00	0.90	0.00	0.90	0.00
Slippage	Lichfield Southern Bypass - Highways major	SCC	0.00	0.33	0.00	0.33	0.00
Slippage	SME Expansion Programme	SCC	0.00	0.00	4.32	4.32	0.00
LGD2	Unallocated LGF Grant		0.00	0.00	0.00	0.00	0.85
	Totals LGF Grant		14.40	33.11	15.60	63.11	98.29

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

For 2017/18, a new LGF Grant allocation of **£17.52m**, plus the previous year's unspent 2016/17 LGF Grant balance of **£0.245m**, gave a total LGD funding pot of **£17.765m** for the SSLEP to invest in current Growth Deal 1, 2 & 3 schemes/projects which are programmed to be delivered by 2020/21. This annual grant allocation is forecast to deliver schemes/projects with a total estimated value of **£324m** and is expected to deliver the following, agreed strategic planned outcome/output targets:

- **4,900** new homes;
- **11,060** direct and indirect jobs created or safeguarded;
- **1,260** new apprenticeships.

At the mid point of 2017/18, slippage was initially identified against the £17.765m total LGF Grant funding due to various delays in project start-ups and contracting arrangements. The SSLEP Executive therefore gave approval for new schemes to be considered and brought in to the Growth Deal Programme from both the LEP's current Growing Places Fund's SME loans scheme and the County Council's current capital programme on the condition that the local authority return this grant slippage funding in future years to ensure the full delivery of the LGD Programme by 2020/21. By the end of the 2017/18 financial year, a total of **£15.6m** of LGF Grant was invested in the Local Growth Deal programme leaving **£2.16m** in total LGF Grant slippage which is to be carried forward to 2018/19.

During 2017/18, the LEP Executive Board also formally withdrew LGF Grant funding from two LGD2 schemes/projects which were either unable to secure appropriate match funding resources to support their particular scheme or their specific business case outcomes were considered insufficient or inadequate for LGF Grant investment. The two schemes that were withdrawn were Leek Mill Heritage Quarter (£0.8m) and the 2nd phase of the Rugeley Town Centre Improvements package (£0.55m) resulting in the return of £1.35m in LGD2 grant funding to the LEP for redistribution to other, appropriate business and economic developments.

Of this £1.35m of LGF Grant funding returned, the LEP Executive has, during the final quarter of 2017/18, approved the reallocation of £0.5m of this de-committed grant funding to the Churnet Valley Small Business Units scheme based in the Staffordshire Moorlands, leaving £0.85m of LDG2 Funding unallocated. The LEP is currently refreshing its project pipeline to consider and identify appropriate ‘shovel ready’ scheme(s) that meet the LEP’s key criteria of job creation or housing development opportunities to ensure that the remaining, unallocated LGF Grant balance of funding is fully spent by March 2021.

The SSLEP now has overall responsible for managing and overseeing the delivery of **£98.3m** in total LGF Grant funding to support an investment programme consisting of 32 schemes and projects from 2015/16 to 2020/21. Of this grant sum, **£63.1m** has so far been spent to date, leaving a further **£35.16m** in LGF Grant (including the £2.16m of unspent 2017/18 LGF Grant carried forward) to be spent over the remaining three year timeframe of the LGD programme. The table below details the remaining Local Growth Deal annual LGF Grant allocations up to and including 2020/21:

Financial Year	Future LGF Grant Funding (£m)
2017-18 carry forward	2.16
2018-19	11.28
2019-20	6.37
2020-21	15.35
TOTAL LGF Grant	35.16

For **The City Deal**, funding is claimed as it is incurred by the scheme/project and, to date, the SSLEP has delivered all of the City Deal Programme’s approved schemes and projects with the exception of two 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 extensive procurement and contracting, have now begun major construction in the latter part of 2017/18 and into 2018/19 with completion expected by 2020/21 for each scheme.

The City Deal funding and spend to date for these two key, ongoing, local energy generating sector schemes is detailed in the table below:

City Deal Projects	Total City Deal Funding	Total Spend 2015-16	Total Spend 2016-17	Total Spend 2017-18	Total spend to Date	City Deal Allocation c/fwd in to 2018/19
	£m	£m	£m	£m	£m	£m
Stoke District Heat Network (DCLG)	19.75	0.77	0.59	0.77	2.13	17.62
Keele Smart Energy Network (BEIS)	5.00	0.44	0.03	2.35	2.82	2.18
Total	24.75	1.21	0.62	3.12	4.95	19.80

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:

- **2,000** jobs created or safeguarded (710 jobs have so far been created or secured to date);
- **3,900** new Apprenticeships - Target to be realised by 2024;
- **1,300** Businesses supported (Target achieved - 1,723 business supported);
- **90** Business referrals for National Business Growth (Target Achieved - 209 in new business growth achieved);
- Achieve energy efficiency savings of **49,000 tonnes CO2 per annum** – Target to be realised from 2019/20 onwards;
- Generate **45 GWh** (equivalent) of heat energy per annum locally, to be distributed to local businesses and residents – Target to be realised from 2019/20 onwards.

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 a ‘un-ringfenced’ grant, i.e. there are no specific grant conditions applied.

The GPF is used by the SSLEP to invest in key areas of infrastructure to enable local economic development, through to SME loan funding which is returned to the LEP for re-investment in further provision of infrastructure and jobs. 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 to 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 **£8.045m** (including accrued interest) at the start of 2017/18. The GPF is used to provide loans and (in some cases) grants to SMEs and local developers, 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 made by the LEP Executive Board subject to appropriate due diligence procedures and legal contracting.

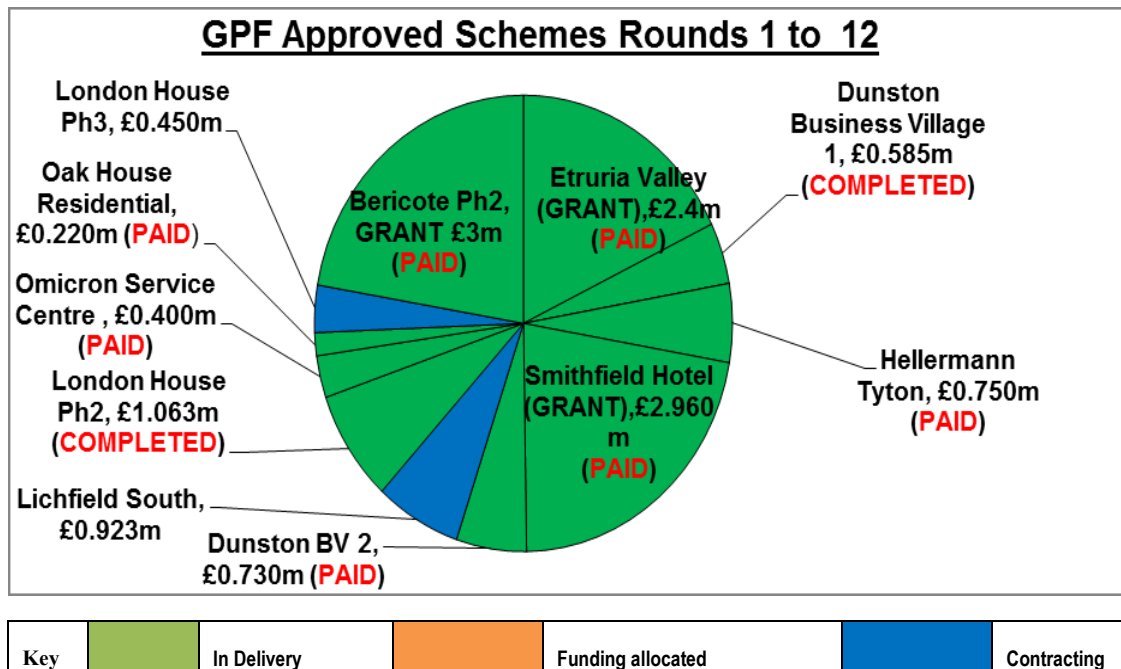
Where GPF loans are allocated, repayment schedules are agreed including interest and this increased loan amount once returned to the GPF is then again made available for further, future SME investment. All current GPF loans are provided interest free for the first 2 years of the agreement with interest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

Since receipt of the GPF grant, there have been **11** bidding rounds open to local SMEs with **8 loan** and **3 grant** approvals being made by the GPF Panel to the LEP Executive Board. To date, a total of **£13.481m** in GPF has been approved, including loan repayments that have been reinvested, which consists of **£5.121m** in loans and **£8.36m** in grants to support a total investment of circa **£75m+** in the local economy.

Of the 11 approved GPF bids, 9 of these (**6 loans** and **3 grants**) have since moved to full contract with respective GPF loans and grants that have been paid out by 31st March 2018. The 2 remaining GPF loans totalling **£1.373m** – London House (Phase 3) and Lichfield South - are currently at the contracting stage and are due to be paid out in early 2018/19.

During 2017/18, a further **£0.620m** of GPF funding was approved for 2 new business loans and a total of **£4.318m** in GPF loans was actually paid to current GPF contracted local SMEs. Furthermore, 2 GPF loans, totalling **-£1.654m** has returned to the GPF following the ending of their respective 2 year interest free loan agreements. These repaid GPF loans are to be recycled back into the Fund for reinvested into future, planned GPF bidding rounds.

Detailed overleaf, is a pie chart which summarises all approved GPF loans and grants awards to date:



The LEP's Annual Revenue Grants

The SSLEP currently manages two annual revenue grants – **The Core & Capacity Grant** which supports the overall operations of the LEP and **The Growth Hub Funding Grant**.

The Core & Capacity Grant and the Cost of SSLEP Operations

The SSLEP Delivery Team's operations are currently supported by a new annual revenue grant known as the **Core and Capacity Grant** which replaced both the former Core Fund and Capacity Grant from 2017/18 onwards. This annual revenue grant, like its predecessors, requires a minimum of **£0.25m** in total matched funding which is provided by local authority partners.

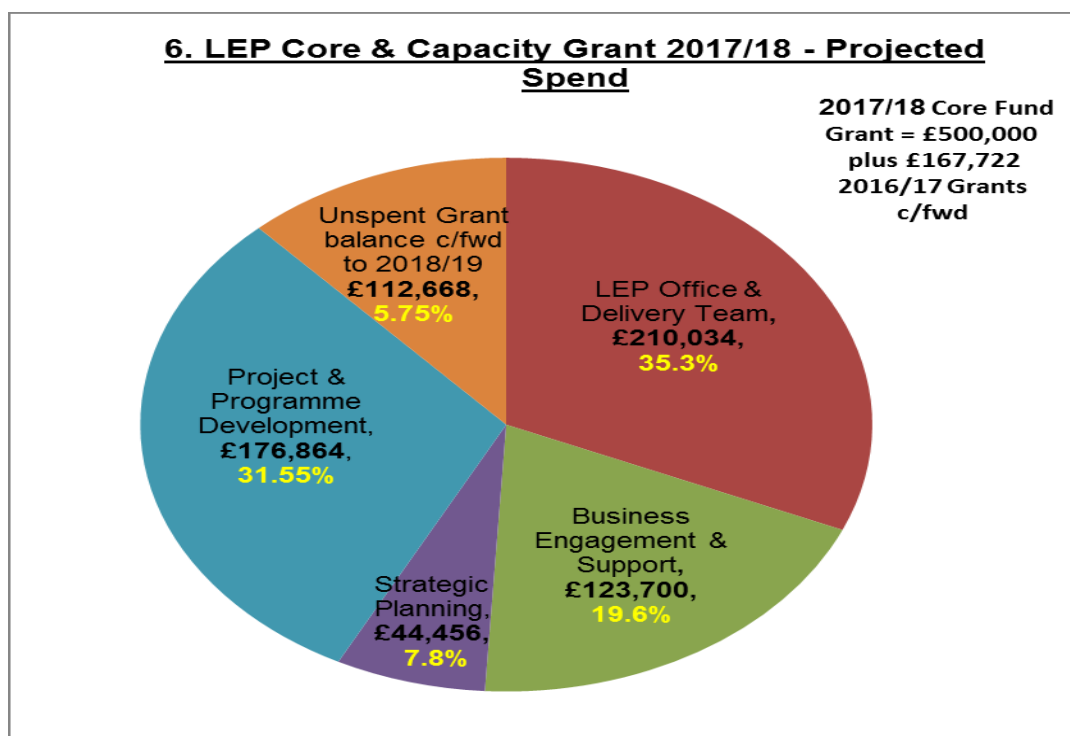
The match funding is provided as 'in kind' staffing contributions to support SSLEP operations and is provided by Stoke on Trent City Council; Staffordshire County Council and the Staffordshire & Stoke on Trent Chamber of Commerce Inward Investment Team.

For 2017/18, the **£0.5m** Core and Capacity revenue grant was awarded by the Ministry for Housing, Communities & Local Government (MHCLG) to Stoke on Trent City Council, as the Accountable Body, under *S31 of the Local Government Act 2003* and is defined as 'un-ringfenced' to allow the LEPs greater flexibility of spending. From 2018/19 onwards, however, Staffordshire County Council (SCC) is to be the Accountable Body for the Core & Capacity Grant.

During 2017/18, the SSLEP has primarily used its Core & Capacity Grant to support the activities of the LEP Executive Board; the SSLEP Delivery Team; the LEP Offices based in Stafford. Part of the Grant is also made available to support Projects & Programme developments; the Strategic Planning process and Business Engagement Support through an annual grant bidding process whereby match funding

is a prerequisite for applying for Core & Capacity Grant funding. At the year end, a sum of **£0.113m** of the Core Fund Grant was carried forward in 2018/19 to support ongoing; future Board and Delivery Team spend commitments.

Outlined in the pie chart overleaf is the detailed expenditure for the 2017/18 Core & Capacity Grant (inclusive of the 2017/18 grant carry forward of **£0.168m**):



The table below, details the annual Core & Capacity revenue grant, plus the required local match funding that supports ‘in kind’ the operations of the SSLEP in 2017/18:

Funding Streams	16-17 C/fwd £m	17-18 Grant & Match £m	17-18 Budget £m	17-18 Spend £m	17-18 C/fwd £m
Core & Capacity Fund	0.168	0.500	0.668	0.555	0.113
Local Match Funding					
Staffordshire CC	-	0.217	0.217	0.217	-
Stoke on Trent City Council	-	0.057	0.057	0.057	-
Inward Investment Team	-	0.050	0.050	0.050	-
Total	0.168	0.824	0.991	0.879	0.113

The Growth Hub Funding Grant

The SSLEP also received a Growth Hub Funding Grant of **£0.205m** in 2017/18 which is awarded by BEIS to LEPs on an annual basis and is invested in the Hub’s Client

Referral Management System (CRMS); Website Maintenance; the Business Helpline and a number of Business Advisor posts. The Accountable body for this grant is SCC.

BEIS has recently confirmed that the annual Growth Hub Funding Grant will remain in place at £0.205m pa for the next two years (2018/19 & 2019/20) to continue to support Stoke on Trent and Staffordshire SMEs and creating jobs.

European Structural and Investment Funding (ESIF)

The SSLEP currently has an indicative allocation of **£132.75m** (previously set at £127.2m) following the initial 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 Ministry for Housing, Communities & Local Government (MHCLG) 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.

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. In Autumn 2017 all UK ESIF Transition Areas received a funding uplift resulting a further £5m spread across relevant themes of the SSLEP ESIF programme.

ERDF is delivered via competitive open bidding calls. Five bidding calls have so far been held to date by the SSLEP and there has been a high level of interest across the ESIF themes of Innovation, SME Competitiveness; Low Carbon Economy and Environment 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.

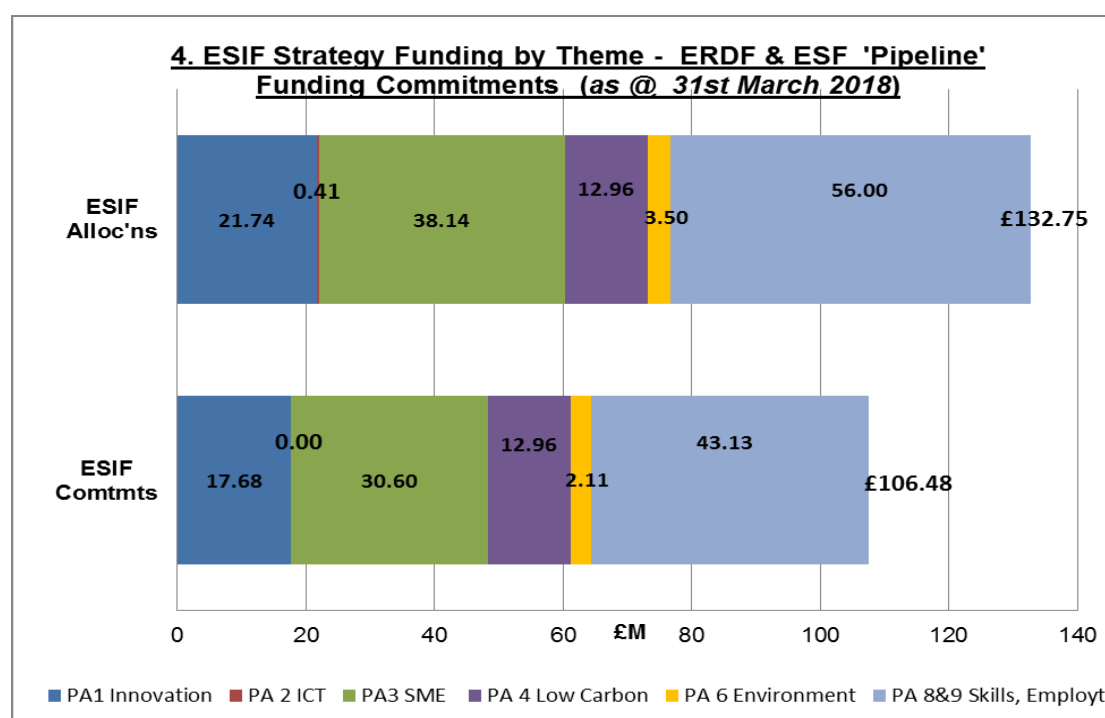
ESF focuses on addressing skills gaps in the LEP Area's workforce and will also address tackling barriers to help those in disadvantaged groups and furthest away from accessing job opportunities. ESF funding is normally measured by the numbers of people gaining higher level qualifications, those participating 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. Part of the EAFRD programme is delivered through the LEADER Programme, which is directly managed by SCC, and supports community led support for rural businesses capable of expanding their operations and creating employment across rural areas.

During 2017/18, 2 further ERDF calls were open for Innovation; SME Competitiveness; Low Carbon and Environmental Protection schemes and projects resulting in a further **£15.46m** commitment of ESIF funding to successful small business applicants.

Overall, **£106.5m** or **80%** of the total **£132.75m** ESIF funding allocation award to the SSLEP has been committed to date following successful business case submissions and approvals from the MHCLG, DWP and the DEFRA respectively. This leaves **£26.26m** of ESIF Funding yet to be committed by the end of 2018/19 and particularly before the BREXIT commitment cut off deadline (29th March 2019). Of this commitment, **£26m** (as at 31st March 2018) has been claimed towards a **mid-programme term target** of **£34m** by December 2018. This mid-programme term target is an important milestone for the SSLEP ESIF programme as achieving this level of spend will guarantee full commitment of the ESIF allocation that will be claimed in subsequent years.

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



Subsequent bidding rounds are planned in 2018/19 – one in the autumn of 2018 and a final call in March 2019 - to maintain the momentum of the ESIF Programme subject to agreement between the HM Government and the European Commission. MHCLG

has recently confirmed that contracting of new ESIF bids could continue after BREXIT up to 2020 with ESIF spend now being allowed up to December 2023.

Enterprise Zones

The SSLEP is currently part of the Black Country Enterprise Zone which became operational in April 2012. The I54 South Staffordshire site is one of a collection of sites within the EZ. Approximately 90% of the I54 site has been developed and has created some 2,700 jobs to date. Through a collaboration agreement, once the business rates generated have repaid the original investment (circa £60m), the SSLEP will receive a share of the annual business rates which will enable further re-investment in the Staffordshire economy. During 2017/18 the SSLEP agreed to fund £0.3m from these future business rates in a proposed I54 Western Extension.

In 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 North Staffordshire. The awarding of EZ status effectively allows the SSLEP 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 the lead on EZ for the SSLEP and during 2017/18 a fully costed EZ site development plan – The Ceramic Valley Enterprise Zones Strategic Implementation Plan - was developed and finalised following approval by the LEP Executive Board and is now currently progressing initial procurement and contracting arrangements with various EZ Site Developers.

2017/18 Overview and Future Years

In 2017/18, the SSLEP spent **£22.146m** of its funding resources and has carried forward a total balance of **£8.121m** into 2018/19. During the year, the SSLEP spent **£15.6m** of its third LGF tranche of **£17.52m**, plus the **£0.244m** 2016/17 LGF Grant carry forward to leaving **£2.16m** in grant slippage at the year end. The SSLEP also spent a further **£3.117m** of its 2017/18 City Deal funding allocation on the two City Deal energy generation schemes. This significant City Deal grant investment has attracted a further **£0.57m** in ERDF financing during the year.

The SSLEP is now entering its fourth year of the Local Growth Deal Programme and has been allocated its next tranche of LGF Grant of **£11.284m**, plus the **£2.16m** 2017/18 unspent LGF Grant, to give a funding total of **£13.444m** in 2018/19 to enable it to deliver on Year 4 of its Strategic Economic Plan (SEP).

The City Deal continues to progress in 2018/19 with both the Keele SEND and Stoke on Trent DHN rapidly progressing construction following completion of an extensive procurement process and the finalising of their respective contracting arrangements. The SSLEP is set to invest a further **£19.8m** into The City Deal 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 2018/19, the County's Growth Hub which has successfully secured 3 years of ERDF funding up to 2020/21 will act as the primary investment fund for local SMEs. Whilst the 2018/19 Growth Hub revenue grant funding will continue at **£0.205m** and will continue to be utilised to support the operations of both the Hub and local SME businesses.

In respects to the GPF, a bidding round (or open call) currently remains open in 2018/19 with the aim to continue to offer interest free loan investment into local SMEs business expansion and development. As at April 2017, there currently remains a balance of **£1.304m** available in GPF funding to invest in future SMEs business loans.

The SSLEP's ESIF Strategy has continued to make significant progress during 2017/18 in allocating funding commitments, **80%** has so far been allocated, and continues to exceed the UK average (**66%**) in terms of project pipeline bids and funding commitment approvals. Further EU project bidding rounds, to allocate the remaining allocations, are currently planned for 2018/19 (in the coming Autumn and March 2019) with the aim that all of the ESIF Strategy indicative allocation awarded to SSLEP will be fully assigned and contracted by the 31st March 2019.

In terms of progressing EZ developments across North Staffordshire and Stoke on Trent, the newly approved Ceramic Valley Enterprise Zones Strategic Implementation Plan is now expected to be 'rolled out' during 2018/19. Stoke on Trent City Council, as the Lead Authority, has begun to initiate the procurement process with the specific aim of finalising contracts by the end of the year. The City Council is also to submit a number of planning applications for the designated EZ sites. In respects to the I54 Western Extension in South Staffordshire, SCC in partnership with Wolverhampton City Council as part of Black Country Enterprise Zone will continue to progress its site planning requirements; procurement procedures and contracting arrangements for the site's extension with the aim to start construction in early 2019.

The financial accounts set out a summary of the key financial activities of the SSLEP for 2017/18. The SSLEP, via the two Accountable Bodies, has managed its finances throughout 2017/18 in line with the National Assurance Framework and local authority standard practices and procedures. There are no areas of concern from a finance perspective to note.

Simon Ablewhite
Strategic Finance Business Partner (SSLEP)
Staffordshire County Council
12th July 2018