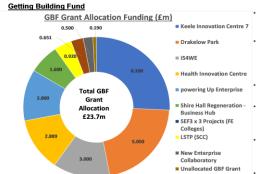
LEP CAPITAL FUNDING The Local Growth Deal, The City Deal & Getting Building Fund - Headlines Spend to Date (£m) Funding emaining (£m) (£m) **Local Growth Deal** £98.275 £82.930 84% £15.345 20-21 LGD Grant Allocation £24.398 £15.643 £8.755 The City Deal £24.750 £17.970 73% £6.780 20-21 City Deal Grant Allocation 44% £4.130 £2.295 £1.835 Getting Building Fund (as @ Q3 20-21) £23.700 £3.435 £20.265

The Local Growth Deal (Local Growth Fund Grant)

AMBER

- All £98.275m of LGD funding has to be spent by 31st March 21. In addition to this total LGD allocation, £18.5m of DfT retained scheme funding for Etruria Valley has now been received following recent DfT approval of the final business carried forward into 21-22.
- As at 31st Dec 20, the SSLEP has now contractual committed 98.73% of the total <u>\$98.3m</u> of LGD funding & currently has 1 LGD Grant Funding Agreement outstanding relating to the Blythe Park Infrastructure scheben now finalised & is currently awaiting 'sign off' by all parties.
- At Q3 20-21, a total of £15.643m in LGD Grant funding (64%) has, to date, been spent against the remaining balance of LGD Grant funding of £24.398m. At this stage, SSLEP remains 'on course' to fully spend its final year LGD Grant funding allocation. Any unspent LGD grant slippage arising against the current, remaining Programme will be reassigned by the SPMG at the year-end to ensure the grant is fully spent in year' to the set BEIS LGD spend deadline.

The LGD Programme continues to have an overall AMBER RAG rating due to the on-going delays in completing the 1 remaining LGD Scheme Funding Agreement. SPMG has a contingency plan in place to ensure that the Grant is fully spent by 31st March 21.



SSLEP was successful in securing £23.7m of Getting Building Fund (GBF) to invest in 'shovel ready' schemes. This funding has bee
paid as a 'non ring fenced' \$31 grant & is to be spent over the following 18 months up to the 31st March £2. The Government has now
confined that the annual grant spend profile is to be split 50%:50% in both 20-21 & 21-22. i. a £11.85m grant spend profile is to be split 50%:50% in both 20-21 & 21-22. i. a £11.85m grant spend profile is to be split 50%:50% in both 20-21 & 21-22. i. a £11.85m grant spend profile is to be split 50%:50% in both 20-21 & 21-22. i. a £11.85m grant spend profile is to be split 50%:50% in both 20-21 & 21-22. i. a £11.85m grant spend profile is to be split 50%:50% in both 20-21 & 21-22. i. a £11.85m grant spend profile is to be split 50%:50% in both 20-21 & 21-22. i. a £11.85m grant spend profile is to be split 50%:50% in both 20-21 & 21-22. iii.

- Since BEIS approval of the LEP's GBF Programme of Schemes, 1 BEIS GBF Grant approved scheme the £0.190m Corporation Street Economic Development, Tamworth has since been withdrawn by the applicant from the GBF Programme. SPMG will shortly be dering the reallocation of this £0.190m GBF Grant balance to one of the shortlisted GBF contingency schemes which are currently at the Business Case approval stage & subject to prioritisation against the SSLEP's key specific economic outputs (Jobs created/secured,
- To date, of the 12 BEIS approved schemes, 9 of the following GBF Business Cases have been approved by SPMG during Q3 20-21 & are either progressing to full contract or the Funding Agreement is now in place.
- Shire Hall RegenerationBusiness Hub

 Of the total £23.7m GBF allocation awarded, £15.66m or 66.1% has now received delegated approval by the SPMG to date. Only 2 BEIS

 GBF approved schemes the £5.050m Drakelow Park & the £2.8m Powering Up Enterprise schemes have yet to have their Business Cases approved by the SPMG.
 - * As at Q3 20-21, £3.435m or 14% of Year 1 of the GBF Grant allocation has been spent to date i54WE has claimed its full £3m GBF Grant & the Health Innovation Centre has claimed £0.435m of its GBF allocation - which currently leaves a further £8.372m of this year's allocation yet to be fully spent by the year-end with potentially c£0.043m of this year's unspent grant allocation to be reassigned by SPMG.
 - The SPMG currently remains 'on target' to have all 12 GBF scheme Funding Agreements in place by the 31st March 21.

The GBF Programme currently has an overall AMBER RAG rating due to the tight timeframe to spend the grant & the timing of getting all Business Case approved & Funding Agreements in place. All remaining GBF schemes are progressing their business cases for SPMG delegated approval & contractual sign off over the coming months with the aim to have these all in place by the end of 20-21.



- * At Q3 20-21, a total of £1.835m or 44.4% of this year's City Deal's profiled spend has now been spent to date.
- Keele SMART Energy Network Demonstrator scheme has fully spent its final £0,630m City Deal grant allocation. Going forward, Keele continues to invest its remaining match funding in to this significant infrastructure project.
- The Stoke On Trent District Heat Network (DHN) has spent £1.205m (or 34.4%) of its planned £3.5m 20-21 City Deal profiled spend leaving a remaining balance of £2.295m of City Deal funding yet to be spent in 21-22.

No Issues Arising - City Deal Grant funding to the Keele SEND is now closed. Whilst, the DHN is expected to spend its remaining £2.295m 20-21 City Deal Grant spend profile with any unspent balance of this year's City Deal Grant to be carried forward in to 20-21 to fully spend its remaining City Grant allocation.

CVEZ Enterprise Zone Investment (18-19 to date)

154 Enterprise Zone & Western Extension

GREEN



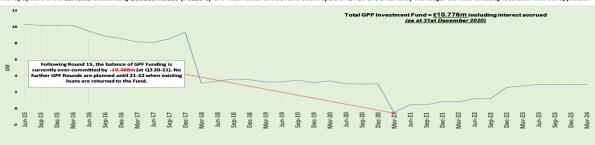
Q3 20-21 CVEZ figures were approved by the 13th January 21 CVEZ Board.

- Key Risks include the pace of delivery; road infrastructure may not accommodate predicted CVEZ growth; Viability of sites may be erestimated & significantly the potential impact of any delays incurred with the delivery of the Etruria Valley Link Road
- Anticipated CVEZ Business Rates to be collected over 25 yrs is estimated at £118.69m. SOTCC is expecting to produce a Business Rates surplus by 25-26 & for SCC / Newcastle-under-Lyme BC a surplus by 23-24 (Source CVEZ SIP).
- Anticipated CVEZ business rates uplift per annum is currently estimated at £5.644m with £3.015m of cumulative business rates forecast to be delivered by the end of 20-21.
- Total forecast SIP CVEZ Capital Investment is estimated at £28,340m (incl. EV Link Road). Forecast 20-21 capital spend continues to be estimated at £12.86m & prior year capital spend totalled £8.4m.
- * The total CVEZ jobs target is estimated at 7,328. Of these, 901 jobs (12.3%) so far been delivered to date with 54 new jobs created in 20-21
- Total CVEZ floor space when completed is is estimated at 3,747,862 sq ft. Of which, 688,000 sq ft (or 18.3%) has been delivered to date. 46,896 sq ft of speculative floor space is currently under construction & a further 1,604,538 sq ft now has planning approved.
- The initial borrowing to deliver the i54 Western Extension EZ development, which is currently 80% occupied, is expected to be fully repaid by April 26. Following this date, all business rates attained will be utilised to repay the £10m planned Investment that the LEP Exce Board has agreed to invest for the i54 Western Extension. To date, £3.537m this year's LGF Grant allocation slippage has been reassigned to the I54WE and £3m of new Getting Building Fund Grant allocation slippage has been reassigned to the I54WE and £3m of new Getting Building Fund Grant allocation has now been invested in this significant, large scale exonomic development scheme.

LEP REVENUE & CAPITAL INVESTMENT FUNDING

The Growing Places Fund (GPF) - Grants & Loans Facility

- Since 2013-14, 3 grants totalling £7.855m in value, plus 14 GPF loans totalling £6.688m have now been awarded by SSLEP to local SMEs a £14.543m total investment to date which has leveraged in over £80.539m of Private Sector Investment in to the local economy over a 7 year period.
- * As at Q3 2020, after taking into account all outstanding contractual loan payments & repayments the GPF Loans Fund currently holds an available 'rolling' fund balance of £2.921m.
- As at the 31st Dec 20, the total value of GPF loans currently outstanding, i.e. in circulation, is £3.423m with no further GPF loans expected to be returned to the Fund in the final quarter of 20-21. The repayment of the £0.450m outstanding London House (Phase 3) GPF loan which should have been repaid in Q1 20-21, is currently with Legal Services awaiting resolution with the applicant.



- 'Open Call' (Round 15) is closed on the 9th Oct 20 for new SME loan bids. There were 3 applicants for GPF Loans, totalling <u>80,345m</u>, which have passed both Stage 1 & Stage 2 approby the Dec 20 GPF Panel and are currently progressing to Funding Agreement. The Round 15 approved GPF loans are as follows:
 - Dog & Bone Properties Ltd = £0.180m (contracting now underway)
 Meta Ltd = £0.050m (contracting now underway)
 Chaffinch Green Ltd = £0.115m (contracting now underway)

- The £0.050m GPF loan previously approved by Panel, at Round 14, for Scott AM Ltd has since been withdrawn & replaced with a new approved loan bid made by Meta Ltd for the same amo
- At present, there remains 1 GPF loan that has been approved at Stage 2, subject to certain conditions, which is currently awaiting finalisation & 'sign off' of the Funding Agreement in Q4 20-21.
- Blythe Properties Ltd = £1.40m (some delays around co-ordination of contractor logisitics etc. The Funding Agreement is now with respective solicistors & are shortly expected to be signed).

No issues arising - There are currently 4 GPF loans nearing GPF Loan Funding Agreement completion which are expected to be 'signed off' during Q4 20-21 & lo

ESIF Funding - European Regional Development Fund (ERDF) & European Social Fund (ES ESIF Allocation & Actual Grant Spend - ERDF & ESF 65.48



* As at Q3 20-21, £151.31m or 92% of the total current ESIF Programme funding allocation has, to date, been committed to projects with £97.57m or 59.5% of this total committed funding sum claimed to date. The ESIF Programme currently remains on target to commit its remaining theme allocations by the 31st March 21 & to have all grant claimed by 30th June 23.

ESF - European Social Fund

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Of the revised \$73.16m total ESF allocation (up from £65.48m), £67,34m or 92% of this has now been committed to date & £44.25m of this grant has been claimed to date. £64m of this sum is to be delivered through 3 national 'Opt In' Funding Agency & the Big Lottery (Building Better Opportunities). In comparison, the national average is c74% for ESF commitments. Expressions of interest for a 2nd phase of the ESF Programmes by the DWP, The Skills 'Opt In' Prog have now been submitted. DWP & Big Lottery 'Opt In' applications are currently being processed. Any returned funds will go to the National Reserve Fund, but due to the on-going COVID pandemic, this has now been postponed indefinitely as Gov't refocuses & diverts funding in response.

ERDF - European Regional Development Fund

- Of the original £90.84m ERDF allocation, £7.34m has now been returned to the National Reserve Fund following the final call in Autumn 19, reducing the LEP's ERDF allocation to £83.5m or 91% of the previous total ERDF funding allocation levels.
- The ERDF Programme remains at a high level of commitment of £82.88m or 99.3% of its revised total ERDF funding with many projects & programmes now contracted & 'in delivery'. In comparison, the national average remains at e80% for ERDF commitments. The last ERDF Open Call yielded 27 new & extended bids seeking £22.5m in total. All but 3 of these applications have been passed through to the full application stage including extensions to the Growth Hub & Low Carbon Programmes, plus a new Information Technology Business Enhancement Programme. Keele University also featured strongly in response to the call with bids for IC7 and extensions to SEND & Business Bridge Programmes. Full application stage decisions are expected soon.
- With ERDF grant commitment being high, grant spend or grant claimed is now the critical factor to retain the ERDF allocation in full although ERDF monies are now being re-prioritised due to the pandemic. Updated programme management information is usually reported to each ESIF Committee providing the actual position each quarter. No ESIF Committees have been held since Nov 2019, however, a written update was recently provided in late Dec 20. This important role for LEP ESIF Committee is to continue to monitor spend to ensure contracted projects & programmes remain on course and to profile.
- Total ERDF & EAFRD claimed to date by applicants remains at £53.32m or 63.9% of the revised £83.5m total ERDF allocation.
- Any remaining allocations after the full application stage will feature in a National ERDF Reserve Fund calls targeted at COVID response actions. Already allocations of £1.1m and £0.84m has now been made available to the SSLEP area for the Reopening the High Streets Safely & SME Restart and Kickstarting Tourism programmes, and are now being implemented. These allocations reflect the economic needs and challenges facing the SSLEP area as well as it's EU Transitional Area status. The Reopening of the High Streets Safely funding has now been <u>fully claimed</u> 8 paid to the District Authorities. To date, 700- applications have, so far, been made in respects to the new SME Restart & Tourism Kick Start Programmes and are currently being evaluated by the LEP's Growth Hub. At Q3 20-21, <u>80.21m</u> or 25% of the £0.84m SME Restart & Kickstarting Tourism Programme grant funding total has now been committed to date.

There remains a 'high level of confidence' that the balance of ESIF funding remains 'on course' to meet the grant commitments deadline of the 31st March 21 & the grant spend by the 30th June 23, subject to any Gov't national review of uncommitted ESIF Funding being undertaken to refocus financial resources on the pande



SSLEP Core Fund Budget (£0.730m): £0.306m or 42.1% Spend to Date

At Q3 20-21, the Core Budget is currently anticipated to underspend by -£0.142m. The majority of this underspend is due to a reduced planned LIS development spend; an underspend on LEP Operational Costs & a LEP Secretariat Project Officer vacancy which is partially offset by additional CEO recruitment costs; additional Comms

	Budget (£.)	Forecast (£.)	Variance (£.)
Staffing - SSLEP Secretariat	385,108	354,645	-30,463
LEP Operational Costs	154,293	112,627	-41,666
Business Engagement & Support	37,500	37,289	-211
Strategic Planning - LIS Development	100,000	30,000	-70,000
Project & Programme Development	49,500	49,500	o
Unallocated Grant Balance	-	-	0
Gross Expenditure	726,401	584,061	-142,340

This Core Fund Budget underspend will be transferred to the LEP's General Reserve at the year-end to support future Programme development and to build the capacity of the LEP's Secretariat to support the LEP's numerous workstreams.

Getting Building Fund Capacity Grant (£0.080m): £0.018m or 22% Spend to Date

MHDCLG has recently been awarded £0.080m of 'one off' revenue grant funding known as the Getting Building fund Capacity Grant to the SSLEP. This Section 31 Local Government Act grant is not 'ring fenced' and any remaining, unspent balance of this grant at year-end can be carried forward into 21-22 to support the new GBF Programmer's Comms; Publicity, Signage & Branding requirements. To date, £0.018m has been spent of the £0.050m committed spend for Hatch Regeneris Consultancy.

No issues arising. Any revenue grant underspends on both the Core Fund Budget & the GBF Capacity Grant will be caried forward on the LEP's balance sheet to 21-22 to support future LEP Programme Development.

- Annual Growth Hub Grant (£0.205m): £0.155m or 75.4% Spend to Date
- This Grant is offered under Section 11 of the Industrial Development Act 1982 to support the further development of Growth Hubs to aligned to the Government's commitment to ensure that businesses across regions have access to high quality advice & guidance via Growth Hubs & to further simplify access to Business support. The annual Growth Hub Grant Spending Plan was set by SSLEP & approved by BEIS in early March 20.
- * The 20-21 Growth Hub Grant allocation is £0.205m & to date £0.155m or 75.4% of this sum has been claimed & received by the end of Q3.

No issues arising - The revenue grant expected to be fully spent in 20-21.

Supplementary Growth Hub 'One Off' Grant (£0.331m): £0.246m or 74.2% Spend to Date

- To further support LEP Growth Hubs, this 'one off' revenue grant is to provide additional capacity to ensure businesses have access to high quality free and impartial advice & guidance. In addition, the funding was awarded in recognition of immediate pressures faced by Growth Hubs in responding to the Covid-19 pandemic.
- To date, at Q3 20-21, the Growth Hub Unit has now claimed & received <u>80.246m</u> or 74.2% of this Supplementary Growth Hub Grant this year.

EU Transition Business Readiness for Growth Hubs 'One Off' Grant (£0.136m) : £0.068m or 50% Spend to Date

- In Nov 20, a new additional 'one off' Growth Hub Grant called EU Transition Business Readiness for Growth Hubs was announced by BEIS which is specifically 'ring 'fenced' for spending on salaries & specified direct costs for Business Support Advisors to provide outreach & engagement with local buinesses on EU Transition. This grant is to strengthen Growth Hub resources, in the short term, so that there is capacity available to help businesses prepare for change & to seize the opportunities the new trading environment will present.
- SSLEP has successfully secured a grant of £0.136m which is to be fully spent by 31st March 21. To date, £0.068m or 50% of this grant has be final claim, as permitted by the grant's terms & conditions and agreed with HM Treasury.

GREEN No issues arising for either of the two 'one off' Growth Hub revenue grants. Both grants are expected to be fully spend this year.

Peer Network (£0.405m): £0.189m or 46.7% Spend to Date

- SSLEP has successfully securied £0.405m of 'one off' Peer Network funding which is to be fully spent by the 31st March 21. The Peer Network plans to involve up to 250+ SME participants across a number of Network Working Groups. This grant funding stream can be claimed either on a quarterly or a monthly basis.
- The delivery of the Peer Network is currently being commissioned with external agencies with one contract to a value of £0.189m (plus VAT) or 46.7% has recawarded to the Chamber of Commerce whilst a 2nd contract is currently open to external competitive tender and is expected to be awarded shortly.

There is a potential risk that not all of the 'one off' £0.405m Peer Network Grant will be spent by the 31st March 21 BEIS set deadline

The Skills Advisory Panel Grant (£0.075m): £0.053m or 71% Spend to Date

- In 20-21, the 2nd year of Skills Advisory Panel (SAP) funding, the Gov't approved a further £0.075m in SAP Grant funding to enable & encourage SAPs to continue to increase its analytical capability; support the on-going development of the LIS; increase their local influence & their ability to address local skills challenges & to grasp local skills concrutifies
- The SSLEP's SAP has now received its £0.075m SAP Grant in full from the DfE which is to be spent by 31 March 21.
- A SAP Spend Plan has been agreed & set £0.050m is to fund a SAP Analyst post & £0.025m has been allocated to Other Hired Services. Of which, £0.015m has been spent on the purchase of the EMSI data. To date, at Q3, £0.053m or 71% of this year's SAP Grant has so far been spent in total & the balance of grant funding is expected to be fully spent by the 31st March 21.

No issues arising - This revenue grant is expected to be fully spent in 20-21.