

LEP CAPITAL FUNDING

The Local Growth Deal, The City Deal & Getting Building Fund - Headlines

	Total Grant Allocation (£m)	Spend to Date (£m)	% Spend To Date	Funding Remaining (£m)
Local Growth Deal (Total Funding & Spend as @ 31st March 20)	£98.275	£82.930	84%	£15.345
20-21 LGD Grant Allocation (as @ Q3 20-21)	£24.398	£15.643	64%	£8.755
The City Deal (Total Funding & Spend as @ 31st March 20)	£24.750	£17.970	73%	£6.780
20-21 City Deal Grant Allocation (as @ Q3 20-21)	£4.130	£1.835	44%	£2.295
Getting Building Fund (as @ Q3 20-21)	£23.700	£3.435	14%	£20.265

The Local Growth Deal (Local Growth Fund Grant)

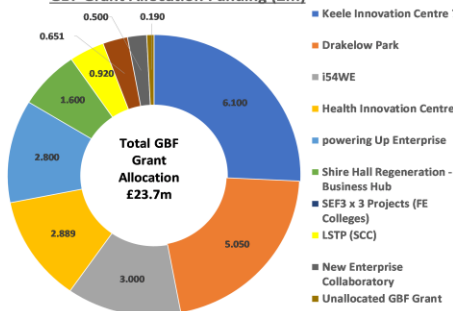
- All **£98.275m** of LGD funding has to be spent by **31st March 21**. In addition to this total LGD allocation, **£18.5m** of DfT retained scheme funding for Etruria Valley has now been received following recent DfT approval of the final business case in Q2 20-21. This particular grant funding can be carried forward into 21-22.
- As at 31st Dec 20, the SSLEP has now contractual committed **98.73%** of the total **£98.3m** of LGD funding & currently has 1 LGD Grant Funding Agreement outstanding relating to the **Blythe Park Infrastructure** scheme which has been 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.

AMBER

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.

Getting Building Fund

GBF Grant Allocation Funding (£m)



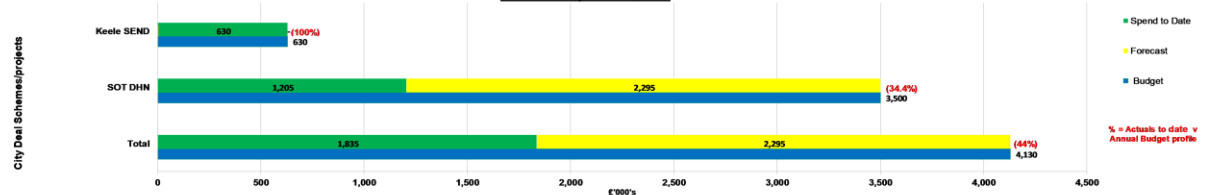
- SSLEP was successful in securing **£23.7m** of Getting Building Fund (GBF) to invest in 'shovel ready' schemes. This funding has been paid as a 'non ring fenced' S31 grant & is to be spent over the following 18 months up to the **31st March 22**. The Government has now confirmed that the annual grant spend profile is to be split **50%:50%** in both 20-21 & 21-22. i.e. a **£11.85m** grant allocation over 2 years.
- 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 considering 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, Housing etc).
- 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.
- 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 **£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**.

AMBER

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.

The City Deal

2020-21 City Deal Spend



- 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.

GREEN

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)

	Value (£m)
Total Capital Expenditure	4.852
Total Revenue Expenditure	2.270
Interest Paid on Borrowings	0.235
Total Expenditure to Date	7.357
Less, Total Business Rates Income	(6.915)
Deficit Balance (as @ 31-12-2020)	4.342

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

i54 Enterprise Zone & Western Extension

- 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 Exec 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 has now been invested in this significant, large scale economic development scheme.

GREEN

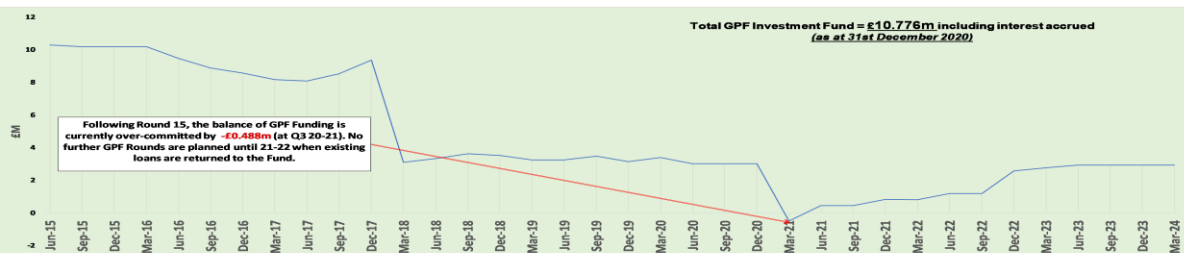
No issues arising for either the Ceramic Valleyor the i54 Western Extension Eneprise Zones

- Key Risks** include the pace of delivery, road infrastructure may not accommodate predicted CVEZ growth; Viability of sites may be underestimated & 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 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.

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.



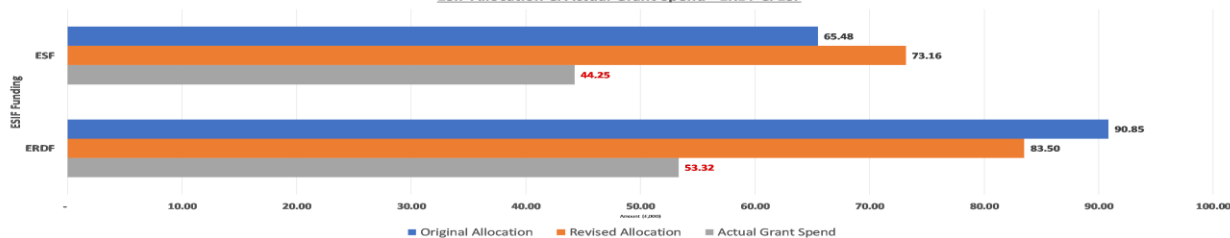
- 'Open Call' (Round 15) is closed on the **9th Oct 20** for new SME loan bids. There were 3 applicants for GPF Loans, totalling **£0.345m**, which have passed both Stage 1 & Stage 2 approval by the Dec 20 GPF Panel and are currently progressing to Funding Agreement. The Round 15 approved GPF loans are 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 amount.
- 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 logistics etc. The Funding Agreement is now with respective solicitors & are shortly expected to be signed).

GREEN

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 & loans paid. After taking in to account all outstanding contractual loan payments & repayments, the available 'rolling' GPF Loan Fund balance is **£2.921m**.

ESIF Funding - European Regional Development Fund (ERDF) & European Social Fund (ESF)

ESIF Allocation & Actual Grant Spend - ERDF & ESF



- 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

- 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. **£54m** 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 **674%** 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 **680%** 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 **£63.32m** 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 Safety & 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 Safety funding has now been **fully claimed** & 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, **£0.21m** or **25%** of the **£0.84m** SME Restart & Kickstarting Tourism Programme grant funding total has now been committed to date.

GREEN

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 pandemic.

