**Strategic Programme Management Group**

**28thMay 2021**

**Local Growth Deal and Getting Building Fund Update**

**Final Local Growth Deal Position**

1. SSLEP received £98m of Local Deal Grant over the period 2014/15 to 2020/21, with a target of ensuring that all the grant was spent by 31 March 2021. It is positive to report that all LGD grant has been spent on approved LGD schemes, and that the final returns to BEIS will reflect this position. The final outturn position for 20/21 is shown in Appendix 1. In line with previous discussions and approvals at SPMG, grant has been re-allocated between approved LGD schemes to ensure all grant was spent by the deadline, and to subsequently allow the re-cycling of other funding sources for use beyond 31 March 2021.

A further Local Growth Deal Grant was received via the DfT for the Etruria Valley Ring Road (£18.5m). Spend in 20/21 against this grant was £4.759m, leaving a balance of £13.741m which will be carried forward to meet costs in future years.

1. *City East Link Road* (CELR) - The City East Link Road scheme underspent it’s revised profiled spend in 20/21 by a further £1.428m. The key reasons for the slippage on this project are set out below:-
2. **Long Utility Lead in times**. Utility Companies were advising of significantly extended lead in times due to the impact on their workforce of Covid. This was mitigated as far as possible by our contractor undertaking some of the Utility works. This was an uncontrollable risk.
3. **Covid 19.** The pandemic had a material impact on our contractor / sub-contractor supply chains, affecting the availability of materials / resources and efficiency of working.
4. **Unrecorded shallow mineworkings** on Bucknall New Road. This unforeseen and uncontrollable risk caused delays associated with significant additional ground investigation required and design of appropriate and affordable mitigation measures.
5. **Weather**. Working predominantly during the winter months results in lower productivity and less predictable delays than at any other time. This is an uncontrollable risk.

Formal re-allocation of the grant underspend on CELR has been undertaken to switch the grant to another LGD approved scheme, Etruria Valley, and an internal funding switch has subsequently been enacted by Stoke on Trent City Council between Etruria Valley and CELR, to enable the latter scheme to continue to progress in 21/22.

1. The Accountable Body has also used the freedoms and flexibilities allowed under the grant conditions to re-cycle £850k of LGD grant, using the Stafford Western Access Road LGD approved scheme, to ensure grant is not lost and resources are available for the SSLEP’s use in 2021/22 and future years. The origin of the £0.850m is:-

**Table 1: LGF Remaining Fund as of 31st March 2021**

|  |  |  |  |
| --- | --- | --- | --- |
| **Project Name** | **LGF** | **Spent** | **Remaining** |
| EA Stoke Project | £1,200,000 | £500,000 | £700,000 |
| Stafford Gateway | £150,000 | £0 | £150,000 |
|  |  |  | £850,000 |

1. Item 5 on the Agenda sets out potential options on how this available funding could be utilised.

**Get Building Fund**

1. The final spend position for 20/21 compared to current approved allocations is set out in Appendix 2. Actual spend against the grant was £5.360m, against available in-year grant of £11.850m. SPMG have been provided with regular updates on the GBF spend throughout the year and a significant underspend was expected against the available grant, which was primarily due to the way in which the total GBF grant was allocated to the SSLEP i.e. 50% in 20/21 and 50% in 21/22.
2. At present there is currently £0.190m of unallocated GBF available following the withdrawal of one scheme, and item 5 on the agenda sets out proposals / options for re-allocating this grant. There are currently no concerns that all the available GBF grant (£23.7m) will not be expended by the deadline of March 2022.

**Recommendations**

1. SPMG should:-
2. Note the final spend position in respect of the Local Growth Deal and the availability of re-cycled funding (£0.850m) to support other SSLEP projects or other spend.
3. Note the final spend position in respect of GBF for 21/22

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