

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 (as @ Final Outturn 20-21)	£98.275	£98.275	100%	£0.000
20-21 LGD Grant Allocation (as @ Final Outturn 20-21)	£24.398	£24.398	100%	£0.000
The City Deal (as @ Final Outturn 20-21)	£24.750	£20.431	83%	£4.319
20-21 City Deal Grant Allocation (as @ Final Outturn 20-21)	£4.130	£2.461	60%	£1.669
Getting Building Fund (as @ Final Outturn 20-21)	£23.700	£5.360	23%	£18.340

The Local Growth Deal (Local Growth Fund Grant)

* All **£98.275m** of total LGD funding has now been invested in to **33 schemes** across Staffordshire & Stoke-on-Trent. Of the **33** schemes funded; **12** schemes have completed & outputs delivered; **12** schemes have physically completed, but still have some or all of their outputs to deliver and **9** schemes are currently active/in progress and are to be funded from match funding pledged to the scheme.

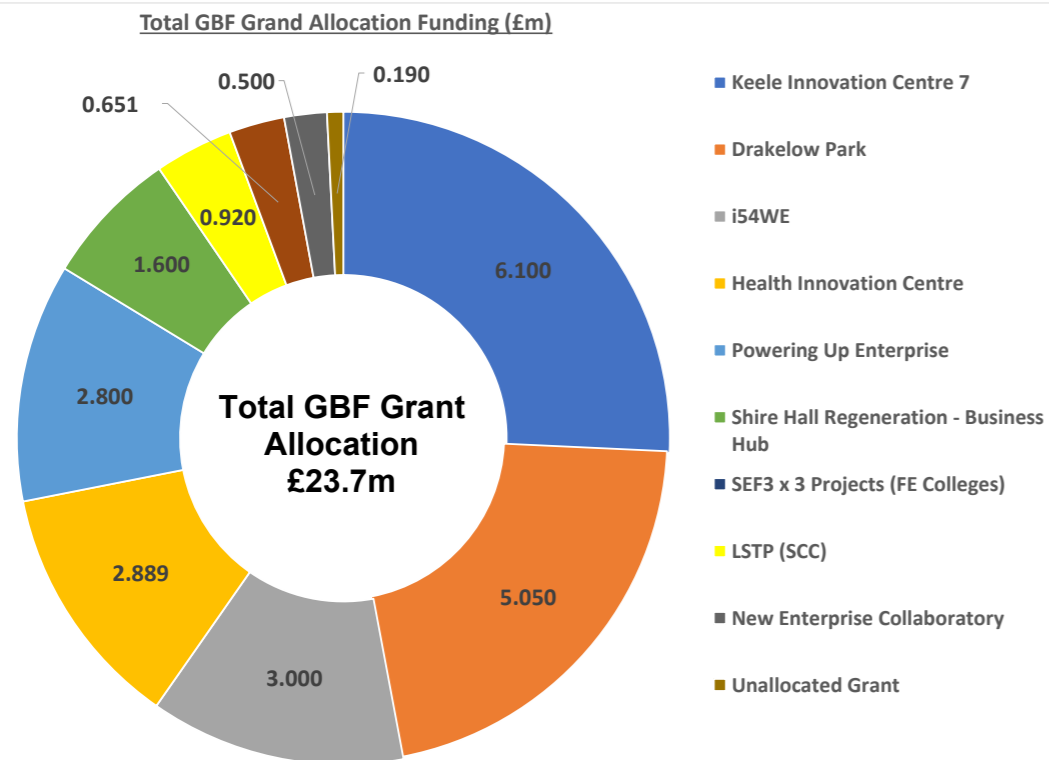
* The Accountable Body has used the freedoms & flexibilities allowed under the grant conditions to recycle **£0.850m** of LGD Grant slippage, consisting of Stoke Flood Alleviation scheme (£0.7m) & Stafford Gateway (£0.15m), to ensure that the grant was not lost and resources are available for the SSLEP's use in 21-22 and future years. SPMG is currently looking at how this funding is to be reallocated.

* A balance of **£13.741m** in Etruria Valley DfT retained scheme grant funding has been carried forward in to 21-22. During 20-21, a total of **£4.759m** of the £18.5m DfT retained scheme Grant was claimed by Stoke-on-Trent City Council.

GREEN

The LEP successfully spent all of its **£98.275m** total Local Growth Deal funding by the **31st March 2021 BEIS** deadline.

Getting Building Fund



* The SSLEP was successful in securing **£23.7m** of new **GBF** to invest in 'shovel ready' schemes. This funding has to be spent by the **31st March 22**. The Government confirmed that the annual grant allocation was to be split 50%:50% in both 20-21 & 21-22. i.e. a **£11.85m** grant allocation per annum over 2 years.

* Since BEIS approval of the LEP's GBF Programme, **1** BEIS GBF scheme has since withdrawn - the **Corporation Street Economic Development scheme, Tamworth** - allowing for **£0.190m** of grant to be reallocated. SPMG are currently looking at reallocating this grant sum against its shortlist of GBF contingency schemes which have been prioritised against the SSLEP's key specific economic outputs of jobs and housing.

* To date, of the **12** BEIS approved schemes, **9** GBF Business Cases have been approved by SPMG to a value of **£15.66m** or **66.1%** in 20-21 & are contracted with a further **£2.8m** or **21%** pending contract. The £5.050m Drakelow Park GBF funding is expected to be 'passported' to D2N2 leaving **£0.190m** (or **1%**) of unallocated GBF Grant yet to be assigned early in 21-22.

* Only 2 BEIS GBF approved schemes - the **£5.050m Drakelow Park** and the **£2.8m Powering Up Enterprise** schemes - have yet to have their business cases approved by the SPMG. These 2 Business Cases are now expected to be presented to SPMG for approval during Q1 21-22.

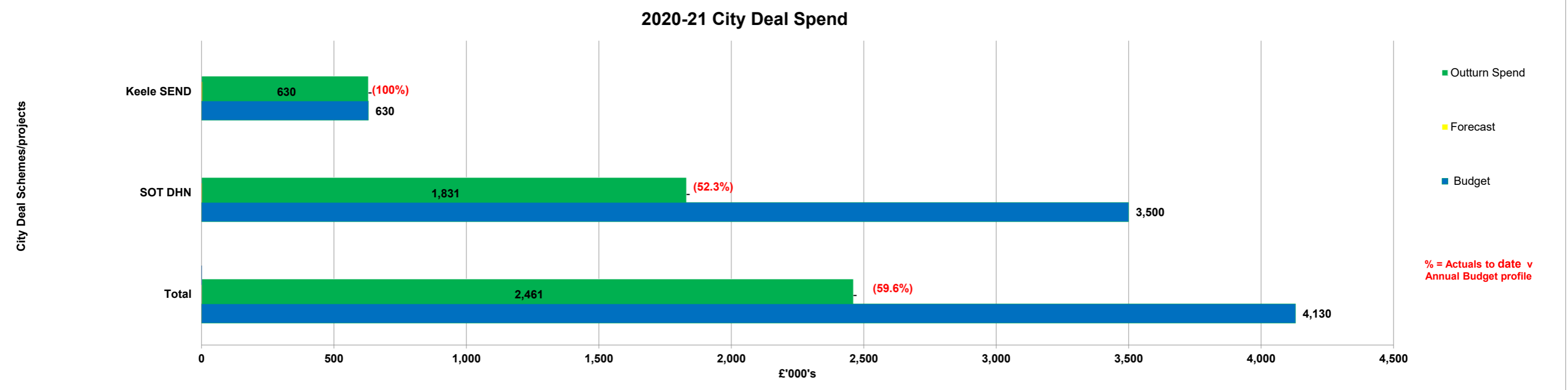
* **£5.36m** or **23%** of Year 1 of the GBF Grant allocation has been spent to date. The **i54WE** scheme has claimed its full **£3m** GBF Grant; the **Staffordshire University's Health Innovation Centre** has claimed **£1.678m**; **SEF C Digital Skills Academy** has claimed **£0.464m** and **SCC LSTP** has claimed **£0.196m** of its GBF allocation in 20-21. The remaining **£0.02m** of grant spend relates to **LEP Admin Fees** that have been levied against those contracted GBF schemes.

* The remaining **£6.49m** GBF Grant balance has been carried forward to 21-22 - Year 2 of the GBF Programme.

AMBER

The GBF Programme currently remains at an overall **AMBER** RAG rating due to the tight timeframe to spend the grant in; getting all Business Cases approved in a timely manner & Funding Agreements in place. The remaining 2 GBF schemes are currently progressing their business cases for SPMG approval in early 21-22 and aim to have all Funding Agreements in place by the end of Q2 21-22.

The City Deal



* At 20-21 Final Outturn, a total of **£2.461m** or **59.6%** of this year's City Deal's profiled spend has been spent.

* **Keele SMART Energy Network Demonstrator** scheme has 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)** spent **£1.831m** (or **52.3%**) of its planned **£3.5m** 20-21 City Deal profiled spend leaving **£1.669m** of City Deal profiled funding to be carried forward .

GREEN

No Issues Arising - The City Deal Grant funding to the Keele SEND has been fully spent. For the DHN, £1.669m of its planned 20-21 City Deal Grant spend profile has been carried forward in to 21-22 to enable the project to spend its remaining City Grant funding allocation in future year.

CVEZ Enterprise Zone Investment (18-19 to date)

	Value (£m)
Total Capital Expenditure	3.178
Total Revenue Expenditure	2.070
Interest Paid on Borrowings	0.235
Total Expenditure to Date	5.483
Less, Total Business Rates Income	
Deficit Balance (as @ 31-03-2021)	2.471

20-21 Final Outturn CVEZ figures were approved at the April 21 CVEZ Board.

I54 Enterprise Zone & Western Extension

* The initial borrowing to deliver the i54 Western Extension EZ development, which currently remains at **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 GBF Grant allocation has now been invested in this significant, large scale, economic development scheme.

* **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 is expecting to produce a Business Rates surplus by **30-31** (Source - CVEZ Discount Extension & Revised SIP Report 18-03-21).

* On completion of the CVEZ, anticipated **business rates uplift**, per annum, is currently estimated at **£5.644m** with **£3.012m** or **53%** of cumulative business rates currently secured by the end of 20-21.

* Total SIP **CVEZ Capital Investment** now stands at **£45.870m**. At the year-end, actual cumulative spend to date is **£11.304m** against a planned 20-21 spend profile of **£28.30m**. In prior years, total cumulative CVEZ capital spend was **£8.4m**, so actual spend in 20-21 was **£2.9m**.

* Total CVEZ jobs target is estimated at **7,328**. Of these, **1,096 jobs (14.95%)** so far been delivered to date with **249 new jobs** created in 20-21.

* Total CVEZ floor space when completed is estimated at **3,747,862 sq ft**. Of which, **705,500 sq ft (or 18.8%)** has been delivered to date.

GREEN

No issues arising for either the Ceramic Valley or the i54 Western Extension Enterprise Zones

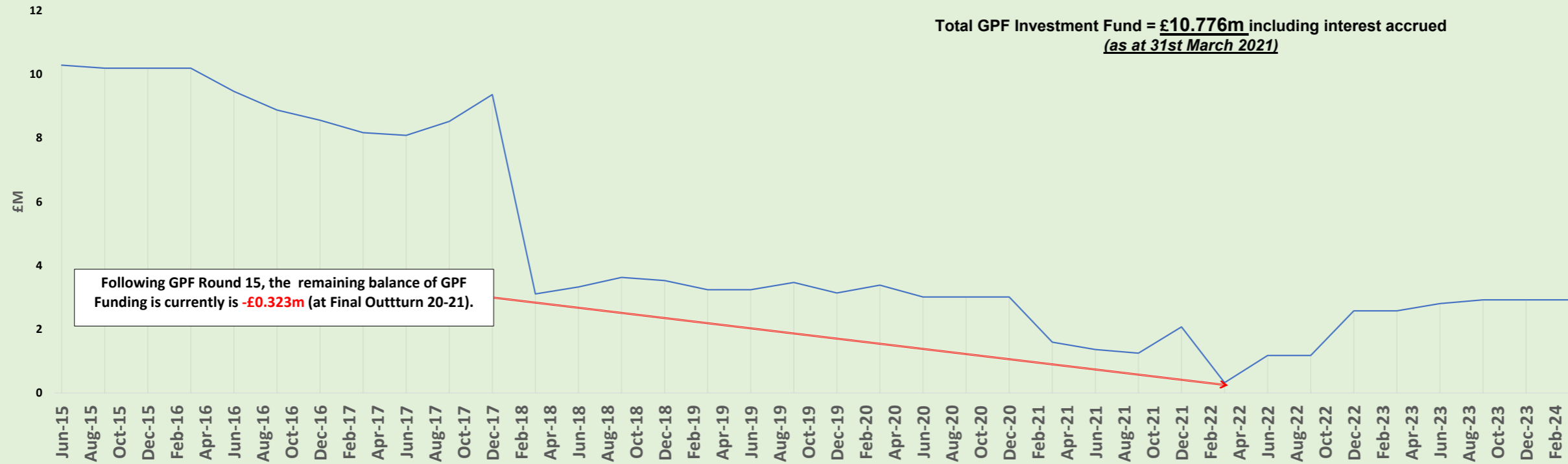
LEP REVENUE & CAPITAL INVESTMENT FUNDING

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 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.

* After taking into account all outstanding contractual loan payments & repayments the GPF Loans Fund currently holds an available 'rolling' fund balance of **£2.921m**.

* The total value of GPF loans currently outstanding, i.e. in circulation, is **£3.423m**. 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. To mitigate risk, a repayment plan arrangement is currently being proposed and is expected to be agreed.



* Following the GPF Round 15 'Open Call', there were 4 applicants for GPF Loans. 1 applicant was rejected at Stage 1, whilst the remaining 3 progressed to Stage 2, totalling **£0.345m** in loan value. All 3 passed Stage 2 approval at the **Dec 20 GPF Panel** and are currently progressing to full Funding Agreement. However, there have been some delays in contracting due to the recent pandemic lockdown. The 3 GPF loans awaiting FA are:-

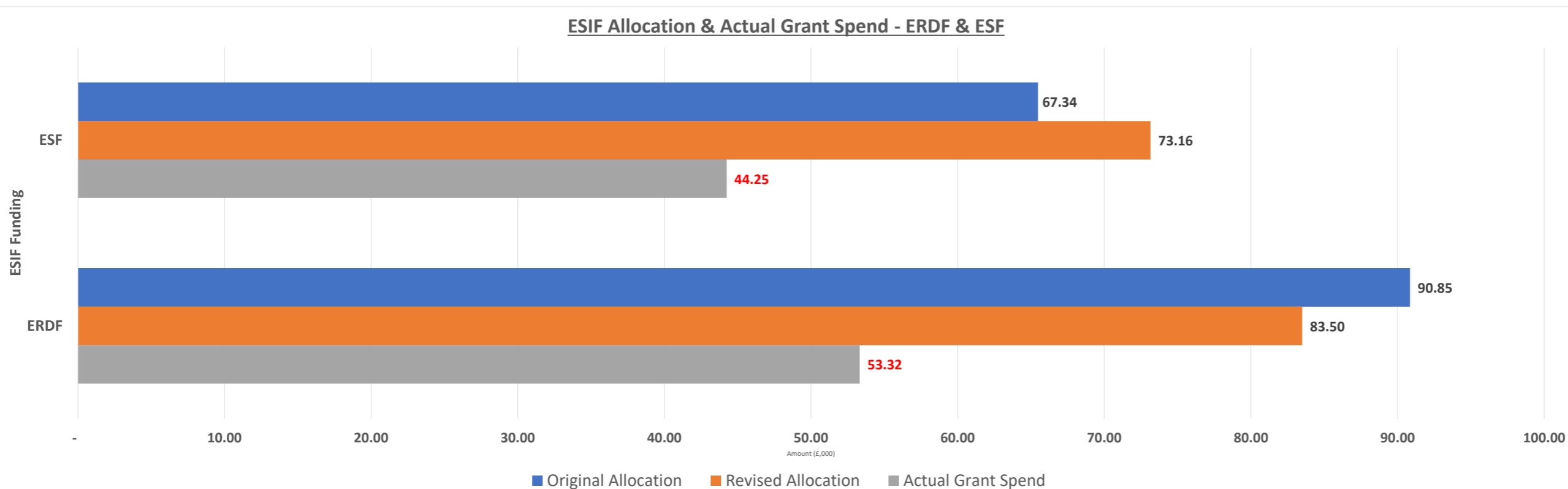
- Dog & Bone Properties Ltd = £0.180m
- Meta Ltd = £0.050m
- Chaffinch Green Ltd = £0.115m

* The **£1.4m** GPF loan funding agreement with **Blythe Properties Ltd** has now been signed by all parties and the loan paid to SCC Highways to begin S278 off site works to address the immediate infrastructure requirements and to unlock the site for both additional commercial space to accommodate SME's (300,000 sq ft) and also allows for the development of the residential site (168 homes).

GREEN

No issues arising. There are currently 3 GPF loans nearing GPF Loan Funding Agreement completion which are now expected to be 'signed off' during Q1 21-22 & loans paid out to applicants

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



NOTE - NO DCLG ESIF GRANT SPEND & COMMITMENTS UPDATE AVAILABLE THIS QUARTER

* **£151.31m** or **92%** of the total current ESIF Programme funding allocation has, up to the 1st January 21, been committed to projects with **£97.57m** or **59.5%** of this total committed funding sum claimed to date. ESIF currently remains on target to commit its remaining theme allocations by the **31st March 21** and to have all grants claimed by **30th June 23**.

ESF - European Social Fund

* Of the revised **£73.16m** total ESF allocation, **£67.34m** or **92%** of this has now been committed as at 1st Jan 21 and **£44.25m** of this grant has been claimed to date. **£54m** of this sum 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 as at 1st Jan 21. Expressions of interest for a 2nd phase of the ESF Programmes by the DWP The Skills 'Opt In' Prog were submitted during 20-21. DWP & Big Lottery 'Opt In' applications are still to be processed by BEIS/DCLG. 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 **£90.85m** ERDF allocation, **£7.34m** was 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.

* As at 1st Jan 21, **ERDF** remained at a high level of commitment of **£82.88m** or **99.25%** of its revised total ERDF funding with many projects now contracted & 'in delivery'. In comparison, the national average remains at **c80%** 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 full application stage including extensions to the Growth Hub & Low Carbon Programmes, plus a new Information Technology Business Enhancement Programme. Keele University has featured strongly in response to the call with bids for IC7 and extensions to SEND & Business Bridge Programmes. Full application stage decisions from Gov't are currently outstanding.

* With ERDF grant commitment being high, grant spend 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 info is usually reported to each ESIF Committee providing the actual grant position each quarter. No ESIF Committees has taken place since Nov 19, however, a written DCLG update was provided in late **Dec 20**.

* As at 1st Jan 21, 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** were made available to the SSLEP area for the **Reopening the High Streets Safely & SME Restart and Kickstarting Tourism Programmes**, & have been implemented. These allocations reflect the economic needs & 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 **fully claimed** and paid to the Districts. To date, 750+ applications have, so far, been made in respects to the new SME Restart & Tourism Kick Start Programmes & are currently being evaluated by the LEP's Growth Hub.

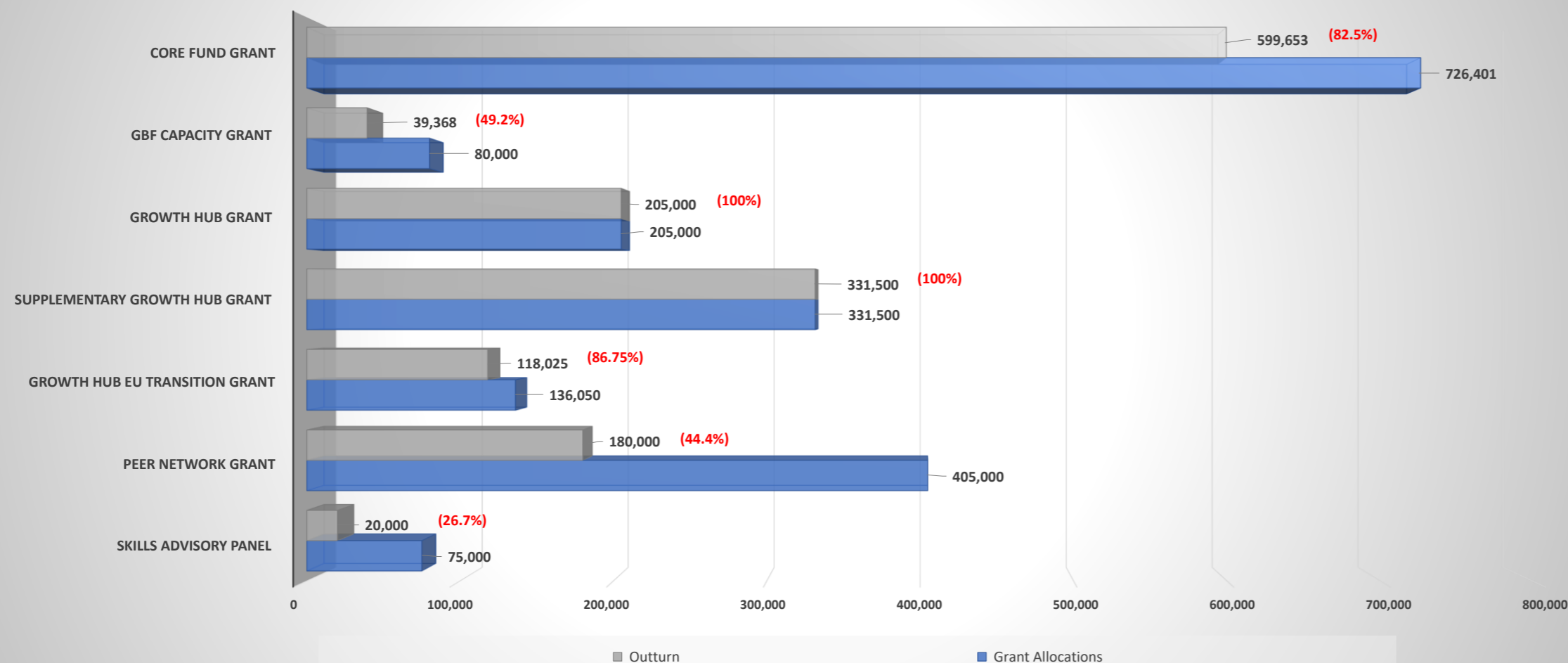
* At year end, **£0.31m** or **37%** of the total **£0.84m SME Restart & Kickstarting Tourism Programme** Grant funding has been committed to date. Further Covid Additional Restrictions Grant (ARG) has now been made available to support local businesses to meet their covid related costs via a new **£0.370m Staffordshire Thrive Grant Programme** which is funded from District contributions.

GREEN

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

LEP REVENUE GRANT FUNDING

2020-21 LEP Revenue Grant Funds



SSLEP Core Fund Budget (£0.726m) : £0.6m or 82.5% Spend

* The Core Budget **underspent** by **-£0.127m**. The majority of the underspend is in Strategic Planning due to reduced planned LIS development spend; vacancy savings on the SSLEP Secretariat's Employee budget and a reduction in Project & Programme Development budget spend which is partially offset by a small overspend on the LEP's Operational Budget due additional CEO recruitment costs; insurance premium costs and the extension of the Comms contract.

	Budget (£.)	Forecast (£.)	Variance (£.)
Staffing - SSLEP Secretariat	385,108	356,787	-28,321
LEP Operational Costs	154,293	167,949	13,656
Business Engagement & Support	37,500	26,815	-10,685
Strategic Planning - LIS Development	100,000	21,102	-78,898
Project & Programme Development	49,500	27,000	-22,500
Gross Expenditure	726,401	599,653	-126,748

* This Core Fund Budget underspend has been 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 various workstreams.

Getting Building Fund Capacity Grant (£0.080m) : £0.039m or 49.2% Spend

* MHDCLG was awarded an **£0.080m** 'one off' revenue grant to the SSLEP. This grant is not 'ring fenced', so any remaining unspent balance of grant can be carried forward into 21-22, at the year end, to support the new GBF Programme's Consultancy contract (Hatch Regenris); Comms; Publicity; Signage and Branding requirements.

* **£0.039m** of the grant has been spent with the remaining balance of **£0.041m** grant carried forward to 21-22 to support the Hatch Rengeris consultancy contract.

GREEN

Both the Core Fund Grant and the GBF Capacity Grant balances has been carried forward on the LEP's balance sheet to 21-22 to support future LEP Programme Development and to support the capacity of the LEP's Secretariat.

Annual Growth Hub Grant (£0.205m) : £0.205m or 100% Spend

- * This Grant is to support the further development of Growth Hubs to aligned to the Government's commitment to ensure that businesses across have access to high quality advice & guidance via Growth Hubs and to further simplify access to Business support.
- * The SSLEP's **£0.205m** annual Growth Hub Grant allocation has been fully spent and claimed by **31 March 21**.

GREEN

The annual Growth Hub Grant has been fully spent in 20-21.

Supplementary Growth Hub Grant (£0.331m) : £0.331m or 100% Spend

- * To further support LEP Growth Hubs, this 'one off' revenue grant has provided 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.
- * The SSLEP's **£0.331m** Supplementary Growth Hub Grant allocation has been fully spent by **31 March 21**. Gov't has now recently announced that the Supplementary Growth Hub Grant is again to be renewed in 21-22, but combined with the annual growth Hub Grant, and has allocated the same level of grant funding (**£0.331m**) to SSLEP to continue to support and grow its Growth Hub capacity.

EU Transition Business Readiness for Growth Hubs 'One Off' Grant (£0.136m) : £0.118m or 86.75% Spend

- * In Nov 20, a new additional 'one off' Growth Hub Grant was announced by BEIS which was specifically 'ring fenced' for spending on salaries & specified direct costs for Business Support Advisors to provide outreach & engagement with local businesses on EU Transition. This grant was used to strengthen Growth Hub resources, in the short term, so that there was capacity available to help businesses prepare for change & to seize the opportunities the new trading environment would present to UK businesses.
- * Of the SSLEP's **£0.136m** EU Transistion Business Readiness Grant allocation, **£0.118m** has been spent by 31 March 21 meaning that a nominal **£0.018m** of the grant allocation has been retained by BEIS.

GREEN

The Supplementary Growth Hub Grant has been fully spent in 20-21. However, for the 'one off' EU Transistion Growth Hub Grant, a nominal **£0.018m** of the **£0.136m** grant allocation was unspent and has been retained by BEIS.

Peer Network (£0.405m) : £0.180m or 44.4% Spend

- * The SSLEP secured a significantly generous allocation of **£0.405m** in 'one off' Peer Network funding which was to be fully spent within a tight 6 month timeframe by the **31st March 21**. This ambitious spend target, which was one of the highest awarded in the West Midlands region, has however proven to be difficult to achieve in the remaining 6 months of the year.
- * The delivery of the Peer Network contract was commissioned with the Chamber of Commerce, to a value of **£0.189m**, of which **£0.180m** (or **44.4%**) was claimed and the remaining balance of the allocation (**£0.225m**) retained by BEIS.
- * The Gov't has recently announced that it will continue to fund Peer Networks, nationally, in 21-22 and has awarded a further **£0.210m** grant allocation to SSLEP. The SSLEP has since used this new grant allocation to renew its Peer Network contract with the Chamber of Commerce for 21-22.

AMBER

The LEP was unable to spend the full **£0.405m** Peer Network Grant by the **31st March 21** BEIS deadline. However, Gov't has now since renewed Peer Network funding in 21-22 and has allocated a further **£0.210m** of Peer Network Grant to SSLEP to invest in local business network support.

The Skills Advisory Panel Grant (£0.075m) : £0.020m or 26.7% Spend

- * In 20-21, the 2nd year of Skills Advisory Panel (SAP) funding, the Gov't approved a further **£0.075m** in SAP Grant to enable & encourage SAPs to continue to increase its analytical capability; increase their local influence & their ability to address local skills challenges & to grasp local skills opportunities.
- * Of this SAP Grant, only **£0.020m** has been spent by **31 March 21** & the balance of grant (**£0.055m**) carried forward following permission from the **National SAP Prog Team**.
- * For 21-22, Gov't has recently confirmed that the **£0.075m** SAP Grant is to be continued to fund the Skills Advisory Panel.

GREEN

Although only **£0.020m** of Skills Advisory Panel Grant has been spent in 20-21. **£0.055m** of the grant has been carried forward following the granting of permission by the National SAP Programme Team.