Item 7

**STOKE & STAFFS LOCAL ENTERPRISE PARTNERSHIP**

**STRATEGIC PROGRAMME MANAGEMENT GROUP**

**8th February 2022**

**LGF / City Deal / GBF – Finance Update**

The latest financial position for the above capital schemes will be shown on the Q3 Finance Dashboard. A summary is: -

**LGF**

The DfT retained scheme where the funding was being held by the SSLEP, Etruria Valley, has now claimed all its available grant funding, a total of £13.741m in 21/22.

All LGF grant has now been expended.

**CITY DEAL**

The final City Deal scheme, Stoke District Heat Network, is forecast to spend £2m in 21/22 of its remaining grant allocation of £4.320m. the balance will be carried forward into 22/23.

**GBF**

The transfer agreement in respect of Drakelow Park has now been signed by all parties, and the funding of £5.050m has been transferred to the D2N2 LEP.

The latest spend / forecast / c/fwd. position on the GBF schemes is shown below at Appendix 1 for information.

Following the decision of SPMG to withdraw the grant GBF funding from the Cornhill scheme, to maximise GBF grant spend and as agreed at SPMG in December, the grant has been reallocated to the three schemes who were due to receive both GBF and SSLEP reserve funding (Church St. Gaming Hub / Cleveland Future Skills Hub / SEF G JCB Robotics). No SSLEP reserve funding is now required to finance the remaining GBF programme. Following reallocation of the GBF Grant, £0.052m of grant is now unallocated and will be carried forward as part of the slippage referred to in the paragraph below for use in 22/23.

Latest grants spend at Q3 is £6.021m, out of total remaining grant of £13.290m. Six of the thirteen schemes remaining in the programme have fully drawn down their GBF grant allocations. The current forecast slippage is £2.584m, which has increased from circa £2m reported in December, primarily due to further forecast slippage on Keele IC7 of £1m due to recent poor weather conditions and the discovery of a further badger sett on site, offset by Shirehall now confirming all GBF grant will be spent by 31 March 22.

As agreed at the December SPMG, the accountable body using its freedom and flexibilities will do a funding switch with another SCC capital scheme to utilise all the GBF grant. This will ensure the funding is immediately available in 22/23 to fund the slippage schemes.

SPMG should note however, that when the accountable body uses its freedom and flexibilities to carry forward this funding, the SSLEP will report an underspend in its formal returns to BEIS, effectively showing under delivery against its GBF spend targets. This is a reputational risk to the SSLEP and potentially more widely Staffordshire, although given the economic issues over the last two years, it could be argued some slippage in the programme was inevitable.

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