

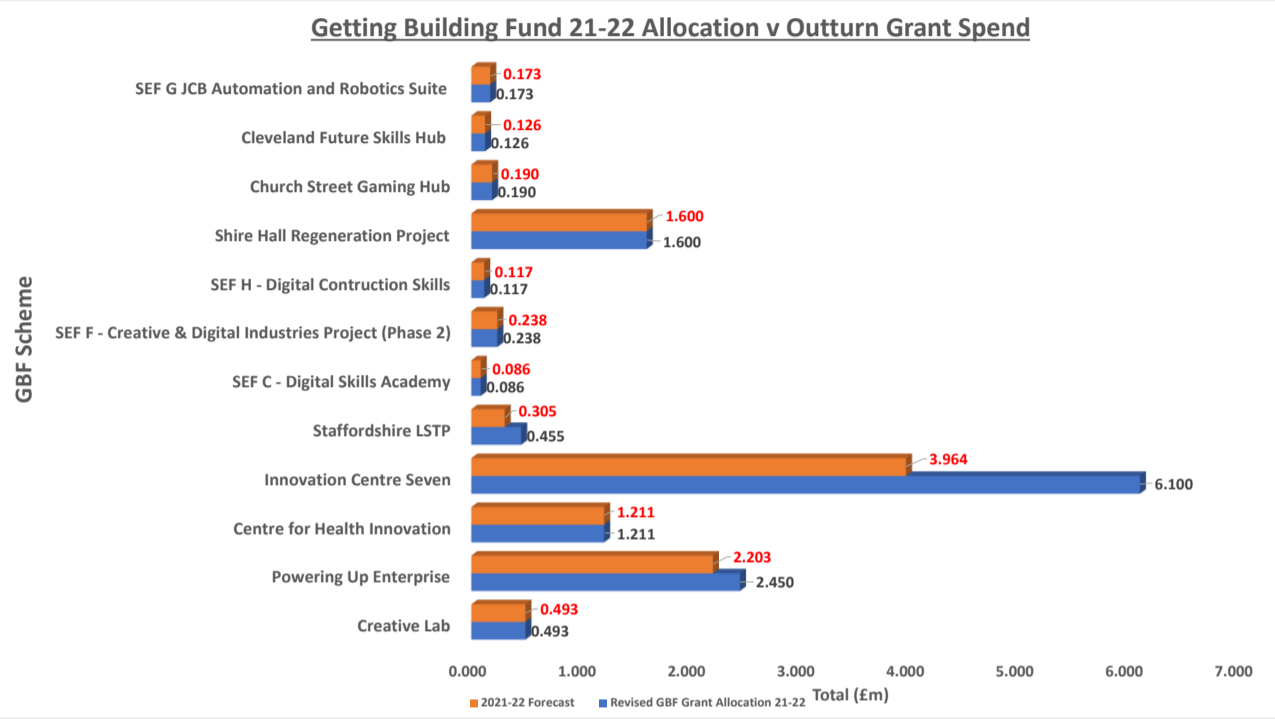
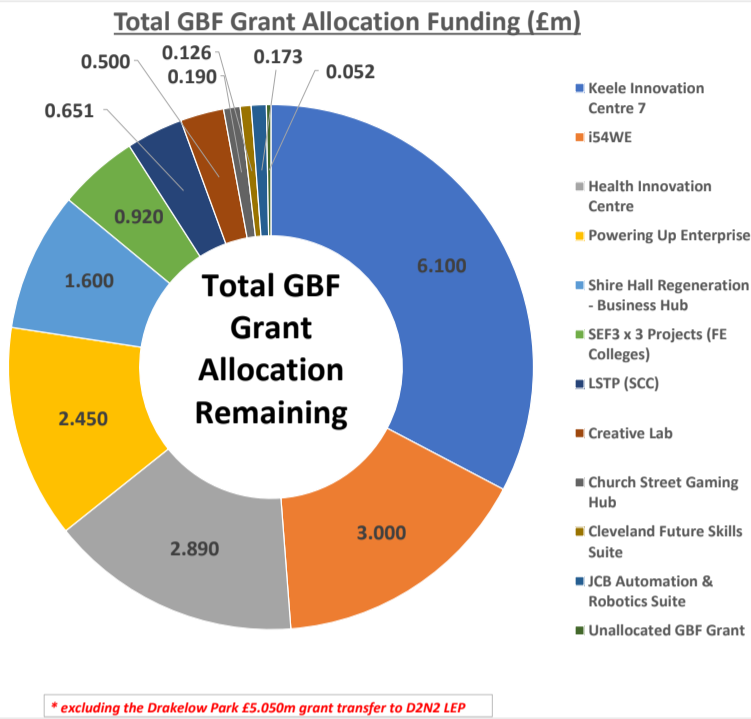
Stoke on Trent & Staffordshire Local Enterprise Partnership Finance Dashboard - Q3 21-22 DRAFT

LEP CAPITAL FUNDING

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

Funding Programmes	Total Grant Allocation (£m)	Spend to Date (£m)	% Spend To Date	Remaining (£m)
Local Growth Deal <i>Programme Funding Completed</i>	£98.275	£98.275	100%	£0.000
The City Deal <i>(as @ Q3 21-22)</i>	£24.750	£21.349	86%	£3.401
Getting Building Fund <i>(as @ Q3 21-22)</i>	£18.650	£11.381	61%	£7.269

Getting Building Fund



- * The deadline for spending of the total GBF Grant allocation is the **31st March 22**.
- * The SSLEP initially securing **£23.7m** of new GBF to invest in 'shovel ready' schemes. Following this award of the GBF Grant allocation, it has been agreed by the LEP and BEIS that the **£5.050m** Drakelow Park allocation is to be transferred to the D2N2 LEP, so reducing the SSLEP's total GBF Grant allocation down to **£18.650m**. The SSLEP will, however, continue to maintain oversight of the scheme's progress and will be recognised as a major contributor to the scheme.
- * An Executive Board decision was approved that the **Cornhill Small Business Units Scheme** should be withdrawn from the Programme due to delivery timescale, therefore, reducing the number of approved GBF Grant funded schemes down to **13** in total.
- * Of the remaining **13** approved BEIS schemes, **all now have Funding Agreements in place** and with the exception of 1 scheme (Church St Gaming Hub, Stoke) are either currently drawing down their respective grant allocations, on a quarterly basis, or have already completed their GBF Grant drawdown. To date, **6** of these approved schemes/projects have now completed their drawdown of their respective grant allocations, totaling **£7.310m**, and are currently utilising their match funding contributions to complete the scheme in accordance with their FA timescales.
- * As at Q3 21-22, **£6.021m** (or **45.3%**) of the remaining 21-22 GBF Grant allocation has now been spent to date, leaving a further **£4.685m** of profiled Grant allocation yet to be spent in Q4 21-22, plus an estimated **£2.584m** of grant slippage.
- * Given that SSLEP is now anticipating an estimated **£2.584m** of GBF Grant slippage this year, the LEP is planning to use its current 'Freedom & Flexibilities', allowable under the grant's t&c's, to 'switch fund' any balance of GBF Grant slippage at the year-end, on the condition that the GBF Grant allocation is to be time-limited to be fully spent by the end of **June 22 (Q1 22-23)**.

GREEN The remaining 21-22 GBF Grant allocation is expected to be fully spent by the end of 21-22, subject to any 'freedoms & Flexibilities' being applied by SSLEP, to 'switch fund' any anticipated GBF grant slippage arising in the final quarter of the year. For those grant GBF slipped GBF schemes, a time limit is to be set for all grant carry forward balances spend to be fully completed by the 30th June 22 (Q1 22-23).

Local Growth Deal - Etruria Valley DFT Retained Scheme

- * During 20-21, the Dept of Transport awarded **£18.5m** of DFT Retained Scheme funding to SSLEP following the final approval of the Etruria Valley Highways business case. In 20-21, **£4.759m** of this funding was spent on the scheme resulting in **£13.741m** of LGD Grant, allowable under the grant t&c's, to be carried forward to 21-22.
- * As at Q3 21-22, the Etruria Valley DFT Retained scheme has now successfully spent its remaining of **£13.741m** balance of funding. All DFT LGD grant funding has now been committed and spent, subject to any partner funding contribution spend.

GREEN No Issues Arising - The Etruria Valley Dft Retained scheme has fully spend its remaining balance of Local Growth Deal Grant within the agreed business case timeframe agreed with the DFT.

The City Deal (Accountable Body is the City of Stoke-on-Trent)

- * The **Stoke on Trent District Heat Network (DHN)** is the one remaining City Deal scheme.
- * At Q3 21-22, the DHN has to date spent **£0.919m** (or **30%**) of its profiled **£3.045m** City Deal Grant funding for the year with its remaining **£1.275m** balance of funding to be carried forward to 22-23.

GREEN No Issues Arising - The DHN scheme remains on track to spend its remaining balance of City Deal Grant funding by the 31st March 23.

CVEZ Enterprise Zone Investment (18-19 to date)

	Value (£m)
Total Capital Expenditure	6.443
Total Revenue Expenditure	2.500
Interest Paid on Borrowings	0.235
Total Cumulative Expenditure to Date	9.178
Less, Total Business Rates Income	-4.25
Deficit Balance (as @ 30-09-2021)	4.928

- * **Key Risks** include the pace of delivery; road infrastructure may not accommodate predicted CVEZ growth; the viability of current sites may be underestimated & significantly the potential impact of any delays (due to the impact of covid) incurred with the delivery of the Etruria Valley Link Rd.
- * **Anticipated CVEZ Business Rates** are expecting to produce a **surplus** by **30-31** (Source - CVEZ Discount Extension & Revised SIP Report 18-03-21).
- * On completion of the CVEZ, anticipated **business rates uplift** pa, is currently estimated at **£5.644m** by **2041** with **£3.012m** or **53%** of cumulative business rates currently secured by 20-21. For 21-22, a total of **£4.25m** (or **75%**) in cumulative business rates uplift is currently forecasted.
- * Total SIP **CVEZ Capital Investment** in prior years currently stands at **£19.5m**. At Q3 21-22, actual spend to date is **£12.685m** against SIP forecast planned spend profile of **£30.460m**. Against this profiled spend, **£17.003m** is currently forecasted to be spent in this year leaving a variance of **£13.457m** yet to be spent in future years.

- * Total CVEZ jobs target is estimated at **7,328** in total. Of these, **1,232 jobs (16.8%)** have been delivered to date against a forecast, profiled 21-22 jobs target total of **1,215 jobs**, so the current planned jobs target has been exceed by **17 jobs** to date.
- * Total CVEZ floor space when completed is estimated at **3,747,862 sq. ft.** Of which, **735,461 sq. ft (or 19.6%)** has been delivered to date. For 21-22, a target of **1,042,446 sq. ft** in total is currently forecasted to be delivered.

i54 Enterprise Zone & Western Extension

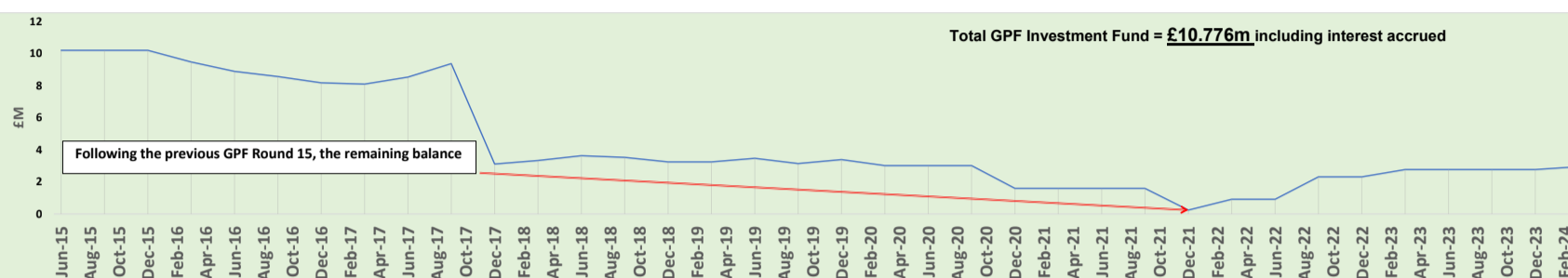
- * The initial borrowing to deliver the i54 EZ development, which is currently **80%** occupied, is now expected to be paid back during the 2nd half of **24-25** with the first full year of expected rates payable to the LEP in 25-26. SSLEP agreed to invest up to **£10m** to develop the i54WE site which is currently estimated to cost **£24.56m** in total. The latest forecast suggests this amount will be **£8.3m** due to underspend on the scheme's budget. **£6.54m** has already been invested by SSLEP utilising LGD/GBF Grant, and the balance is to be paid using future i54 EZ business rates. The value of 25-26 i54 business rates is currently forecasted to be **£5.11m pa (net of bad debts)**. Of which, **50%** or **£2.56m pa** of this surplus will be available to SSLEP from 25-26 onwards, once all project costs including borrowing costs have been repaid, up to **35-36**.

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

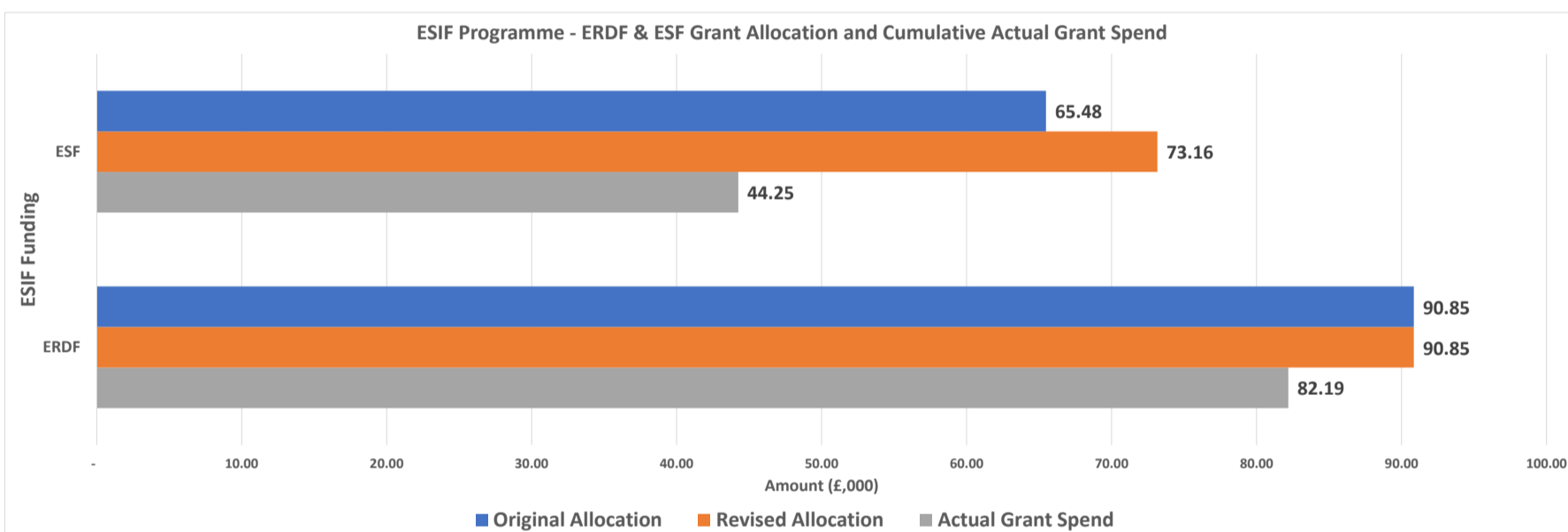
- * Since 2013-14, **3 grants** totalling **£7.855m** in value, plus **12 GPF loans** totalling **£6.522m** have to date been awarded by SSLEP to local SMEs - a **£14.377m** total investment to date which has leveraged in over **£79.557m** of Private Sector Investment in to the local economy over a 7 3/4 year period.
- * After taking into account all outstanding contractual loan payments & repayments, the GPF Loans Fund currently holds an available 'rolling' fund balance of **£2.943m**.
- * The total value of GPF loans currently outstanding, i.e. in circulation, is now **£2.950m** following the repayment of 2 GPF loans, totalling **£0.375m**, during Q3 21-22.
- * In respects to GPF Revenue funding, which funds the administration of GPF Loans Programme, there is **£0.311m** (@ 31-03-21) currently available.



- * The **£1.4m** GPF loan made to **Blythe Business Park** in March 21, is currently under review following a breach of a S278 Agreement condition & a significant change to the proposed infrastructure works which the loan was to be utilised for. The LEP Board approved delegated authority to a sub-group for decision-making on tis project going forward. The sub-group have approved the revised scheme in principle & A new FA is currently being drafted to include land security in accordance with the Board's decision around lessons learned from the current defaulted loan, replacing the Parent Company Guarantee in the previous GPF loan agreement.
- * The repayment of the known **£0.450m** defaulted GPF loan, which was to be repaid in Q2 20-21, is currently with Legal Services awaiting final resolution with the applicant. To mitigate risk, a Repayment Plan arrangement of **£0.015m** per quarter has initially been agreed with the GPF loan recipient to begin to reduce the balance of the principal loan debt until the building asset is eventually been sold.
- * As at Q3 21-22, there is 1 approved GPF loan for **Dog & Bone Ltd (£0.180m)** currently awaiting resolution. The GPF Unit is currently undertaking a review of the loan bid with the applicant due to a change in their proposed construction plans before it is able to finalise the GPF Loan Funding Agreement. Discussions currently remain on-going with the aim of concluding the GPF loan FA by the 31st March 22.
- * Further GPF Loan 'Open Calls' are currently on hold until the national LEP Review outcomes are known.

AMBER There is 1 GPF loan currently awaiting its GPF Loan Funding Agreement which is now expected to be 'signed off' during Q4 21-22. Future GPF loan Open Calls are currently paused, until the outcomes of the national LEP Review outcomes are known.

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



- * All ESIF budget allocations; grant commitments & actual grant claimed figures are as per the latest position as at **December 21**. The ESIF Committee will be receiving a statement highlighting the official position on ERDF, ESF & EAFRD in the near future which is currently anticipated by the end of **February 22**.
- * The SSLEP ESIF Programme currently remains on target to commit all of its revised allocations by **30th June 23** to ensure that all contracted project spend is financially completed by **Dec 23**.

ESF - European Social Fund

- * Of the revised **£73.2m** total ESF allocation, **£66.5m** or **90.8%** of this has now been committed. An extension for the SSLEP Skills Hub has now been agreed for another 12 months (to December 22).

ERDF - European Regional Development Fund

- * Of the **£90.86m** ERDF allocation, **£80.6m** or **88.7%** is now committed with many projects now contracted and 'in delivery'.

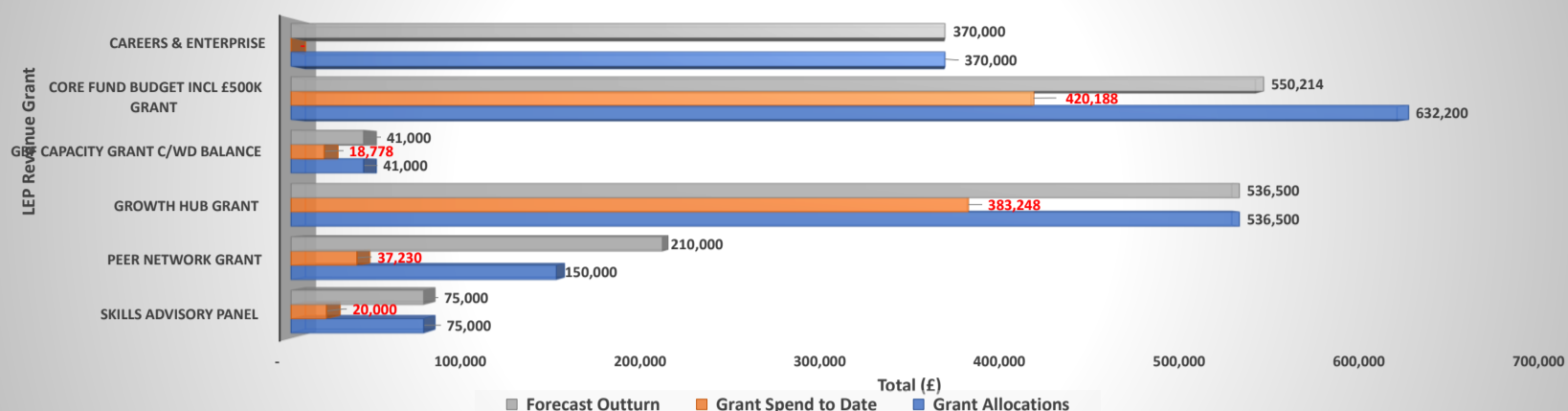
EAFRD - European Agricultural Fund for Rural Development

- * Applications (mainly for rural businesses) to the EAFRD Programme closed 18 months ago and grant committed stands at **£3.1m** or **97%** of the SSLEP's **£3.2m** allocation.
- * All residual LEP Area ESIF allocations, approximately **£10.26m** for ERDF & **£6.7m** for ESF across the SSLEP Area, have been returned to support the Government's **National COVID Recovery & Response Programme**. Allocations of **£1.1m** & **£0.84m** have initially been made from this returned sum to the SSLEP Area for the **Reopening the High Streets Safely & SME Restart**, plus the **Kickstarting Tourism Grant Programme** in late 20-21 which was quickly spent in supporting the local business economy and further grant allocations are to be expected when the Gov't announces its 'Levelling Out' Funding to replace the current EU funding Programme going forwards.
- * The **£1.1m** of funding for the **Reopening of the High Streets Safely** has now been fully claimed by the District Authorities and **£0.31m** (or **31%**) of the **£0.84m SME Restart & Kickstarting Tourism** grant funding had been awarded and spent. The SME Restart and Kickstarting Tourism Grant funding has now ceased and all unallocated grant funding returned to Gov't as part of the National Reserve Fund (NRF) for on-going Covid response actions.
- * Updated programme Management information is usually reported to the ESIF Committee providing the actual grant position for each quarter. However, no ESIF Committees have taken place since November 2019, but a written update was provided in May 21. Further written updates are now expected towards the end of **February 22**.

GREEN There continues to be a reasonable 'high level of confidence' that the balance of ESIF funding remains 'on course' to meet the grant commitments deadline and the remaining grant is expected to be fully redistributed and spent by **30th June 23**.

LEP REVENUE GRANT FUNDING

LEP Spend Compared to Revenue Grants Q3 2021-22



LEP Core Fund Budget (£0.632m in total - £0.5m is Core Fund Grant funding) : £0.420m or 66.5% of Total Budget Spent to Date

* The full £0.5m 21-22 LEP Core Grant has now been paid to SSLEP following the BEIS notification that the 2nd half of the annual grant will be paid following the recent national LEP Review led by the Gov't and confirmation that SSLEP has identified a total of £0.250m in 21-22 match funding to secure the full grant.

* Following the recent BEIS notification, the SSLEP's CEO & S151 Officer undertook a full review of all original Core Fund spend commitments set at the start of the year, resulting in the LEP Core Budget being revised down from £0.799m to £0.632m for the year. The 21-22 LEP Core budget and current forecast spend is as detailed below:

	Budget (£.)	Forecast (£.)	Variance (£.)	
Staffing - SSLEP Secretariat	351,100	333,330	-17,770	
LEP Premises Costs	21,300	12,250	-9,050	
LEP Operational Costs	259,800	204,634	-55,166	includes £0.041m of 20-21 GBF Capacity Grant spend.
Gross Expenditure	632,200	550,214	-81,986	
Funded by:				
Core Fund Grant (incl. 20-21 GBF Capacity Grant c/fwd)	- 500,000	- 540,542	-40,542	includes £0.041m of 20-21 GBF Capacity Grant c/fwd.
Funding Contributions (Partner Contributions)	- 103,310	- 103,310	0	
SSLEP Reserves Funding	- 28,890	-	28,890	Reserve funding draw down in 21-22 is no longer required.
Total Income Funding	- 632,200	- 643,852	-11,652	
Net Core Budget Budget & Spend	-	93,638	-93,638	

* To date, the 21-22 LEP Core budget is currently anticipated to underspend by **£0.094m** in this year. Any 21-22 unspent of the LEP's Core Fund Budget, will be transferred to the LEP's Core Fund Reserve at the year-end to support future Strategy & Programme development.

GREEN The 21-22 Core Budget budget is currently anticipating to be **£0.094m** underspent. Any underspent arising, will be carried forward to the LEP's Core Fund Reserve, which the grant's t&c's allow, at the year-end.

Getting Building Fund Capacity Grant (£0.041m 20-21 Grant Carry forward): £0.019m (or 45.8%) Spend to Date

* In 20-21, MHDCLG awarded an £0.080m 'one off' grant to SSLEP. Of this sum, £0.039m was spent last year and the remaining £0.041m balance of grant was carried forward to 21-22.

* This £0.041m grant c/fwd is to be spent on the Hatch Rengeris consultancy contract that supports & advises on the LEP's GBF Programme & Contracts Management. As at Q3 21-22, £0.019m has been spent to date leaving £0.022m to be spent on the remaining contract by 31st March 22. Both Grant c/fwd & spend are reported in the Core Budget above.

GREEN No issues arising. The remaining balance of the 20-21 Getting Building Fund Capacity Grant is expected to be fully spent in 21-22.

Annual Growth Hub Grant (£0.537m) : £0.383m (or 71.4%) Spend to Date

* This Grant is used to support the development of Growth Hubs to aligned to the Gov't's commitment to ensure that all businesses have access to high quality advice & guidance.

* For 21-22, the GH Grant has been substantially increased following BEIS' decision to further expand GH support to businesses post Brexit and to aid both local economic and business recovery from the covid pandemic. The annual GH Grant has since been merged with the former GH Supplementary Grant to give a £0.537m grant allocation for 21-22.

* To date **£0.383m** (or **71.4%**) of this year's grant award has been spent to date and claimed at Q3 21-22.

GREEN No issues arising. The Annual Growth Hub Grant is expected to be fully spent in 21-22.

20-21 Careers & Enterprise Budget (£0.516m including £0.378m of CEC Grants funding) : Final Outturn £0.381m (or 73.8% of Total Budget)

* The Sept 20 - August 21 Academic Year CEC Budget & Final Outturn Spend is as follows:

	Grant Awarded (£m)	Match Funding (£m)	Total Budget (£m)	Outturn (£m)	Variance (£m)	
Staffing	0.268	0.138	0.405	0.313	- 0.092	Remaining Allocation balance is retained by Govt.
Central Hub Fund	0.081	0.000	0.081	0.063	- 0.018	£18,120 balance c/fwd to 21-22 Academic Year.
Sustainability Fund	0.030	0.000	0.030	0.005	- 0.025	£24,589 balance c/fwd to 21-22 Academic Year.
Total	0.378	0.138	0.516	0.381	- 0.135	

* The NEW Sept 21 - August 22 Academic Year CEC Budget & current Outturn Forecast is as follows:

	Grant Awarded (£m)	Match Funding (£m)	Total Budget (£m)	Outturn (£m)	Variance (£m)	
Staffing	0.249	0.122	0.371	0.324	- 0.047	Remaining Allocation balance is retained by Govt.
Central Hub Fund	0.084	0.000	0.084	0.084	-	21-22 Grant c/fwd expected at year end (TBC).
Sustainability Fund	0.025	0.000	0.025	0.025	-	Any balance of Grant c/fwd is expected to be spent in the 21-22 Academic Year.
Total	0.357	0.122	0.479	0.433	- 0.047	

GREEN The CEC budget for the new 21-22 Academic Year has now been set and grant funding allocation approved based on secured, staffing matched funding from the LEP's local authority partners (SCC & SoTCC)

Peer Network (£0.150m) : £0.037m (24.8%) Spend Claimed to Date.

* In 21-22, SSLEP initially secured an allocation of £0.210m in Peer Network funding which is to be fully spent by the **31st March 22**. During Q3 21-22, this funding allocation has however now been reduced to **£0.0150m** to deliver 10 cohorts at £0.015m per cohort (instead of the 14 originally agreed) and agreed with BEIS accordingly.

* The SSLEP is to utilise this revised grant allocation to recommission (extend) the current Peer Network contract with the Staffordshire Chamber of Commerce at a contract value of **£0.134m** and the remaining **£0.016m** balance is expected to be levied as an admin fee to cover operational & contracting costs.

* At Q3 21-22, **£0.037m** (or **24.8%**) has been spent to date and claimed.

GREEN No issues arising. The REVISED Peer Network Grant of £0.150m is expected to be fully spent and grant claimed in 21-22.

The Skills Advisory Panel Grant (£0.075m) : £0.020m (26.7%) Grant Spend Claimed to Date.

* For 21-22, the 3rd year of Skills Advisory Panel (SAP) funding, the Gov't approved a further **£0.075m** in SAP Grant to enable and encourage SAPs to continue to increase its analytical capability; increase their local influence, their ability to address local skills challenges and to grasp local skills opportunities.

* The 21-22 SAP Spend Plan consists of **£0.005m** for software licences; **£0.015m** on the SAP analyst post and **£0.055m** to procure & deliver a Skills Business Survey by 31st March 22.

* At Q3 21-22, **£0.020m** (or **26.7%**) of grant has been spent on funding the SAP's Data & Skills Analyst post & Skills Analysis software licenses. The Survey has now been procured & contract signed.

GREEN No issues arising. The 21-22 SAP Grant has been fully committed. However, the Skills Team are now likely to seek BEIS permission to carry forward a proportion of the new Skills Business Survey contract spend commitment to 22-23 due to the survey contractor experiencing difficulties in engaging schools during the pandemic.