

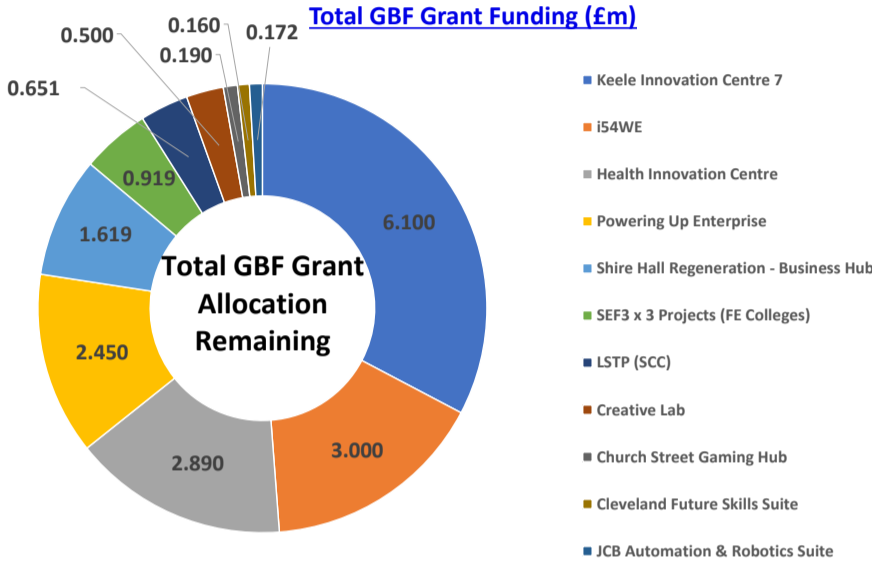
Stoke on Trent & Staffordshire Local Enterprise Partnership Finance Dashboard - 2nd Quarter 22-23

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	Funding Remaining (£m)
Local Growth Deal <i>Programme Funding Completed</i>	£98.275	£98.275	100%	£0.000
Local Growth Deal (DfT Retained Scheme) <i>Programme Funding Completed</i>	£18.500	£18.500	100%	£0.000
Getting Building Fund <i>Programme Funding Completed (@ Q1 22-23)</i>	£18.650	£18.650	100%	£0.000
The City Deal <i>(as @ Q2 22-23 Final Outturn)</i>	£24.750	£17.304	70%	£7.446

Getting Building Fund



* £2.806m of GBF Grant slippage was carried forward to 22-23 to fund 5 remaining, active, GBF schemes.

* All remaining GBF Grant funded Schemes have now completed the drawdown of their remaining grant allocations by the 30th June 2022 deadline.

* In order to demonstrate to BEIS full GBF Grant spend, the unallocated GBF Grant of £0.019m has been allocated to the Shire Hall Regeneration scheme and the Accountable Body has used its 'Freedoms and Flexibilities' to switch fund, & has subsequently transferred the equivalent amount of funding to LEP Reserves.

GREEN

All 5 GBF Funded Schemes have successfully completed the drawdown of their respective GBF Grant by the end of June 22 time limited deadline.

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

- * The Stoke on Trent District Heat Network (DHN) is the one remaining, active, City Deal scheme which carried forward a balance of £7.585m in City Deal Grant funding to 22-23.
- * For 22-23, the DHN has profiled a total City Deal Grant spend of £0.438m and is planning to carry forward its remaining grant balance of £7.147m to 23-24. The proposed DHN's project completion date has recently been extended from Q4 23-24 to Q1 24-25.

Scheme	Budget £'000	Spend to Date £'000	Committed £'000	Forecast Outturn £'000
DHN	438	139	299	438

* At Q2 22-23, the DHN has to date spent £0.139m (31.8%) of its 22-23 profiled, planned spend of £0.438m City Deal Grant funding.

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The DHN scheme is expected to spend its 22-23 profiled grant spend and carry forward its remaining £7.147m balance of City Deal Grant to 23-24.

CVEZ Enterprise Zone Investment 2018-19 to 2022-23

Note Q2 22-23 CVEZ report has yet to be approved by the 12th Oct 22 CVEZ Board.

Forecast Position at end of 22-23 Year	Value (£m)
Total Capital Expenditure (excl. Grants)	20.600
Total Revenue Expenditure	3.066
Interest Paid on Borrowings	0.235
Total Cumulative Expenditure to Date	23.901
Less, Total Business Rates Income	-5.596
Deficit Balance (as @ 30-06-2022)	18.305

CVEZ Outcome Targets	Target	Target Forecast by End of Year	% Delivered to date	Delivered to Date	% Delivered by End of Year
Total Jobs	7,328	1,283	18%	1,303	17.8%
Total Floor Space (sq. ft)	3,747,862	759,250	20%	735,461	19.6%

- * Anticipated CVEZ Business Rates surplus is expecting by 30-31 (Source - CVEZ Discount Extension & Revised SIP Report 18-03-21).
- * On completion of CVEZ, total business rates uplift pa (SIP target) is now estimated to be £6.165m by 2041. For 22-23, the current forecast business rates uplift by 31st March 23 is now anticipated to be £5.936m - some £0.230m below the current 2041 CVEZ target.
- * Total prior year CVEZ SIP Capital Investment was £38.4m and, for 22-23, total planned CVEZ capital investment has now been slightly revised down to £10.493m from £10.729m - a reduction of £0.240m on Q1 22-23. At Q2 22-23, £4.442m of CVEZ capital has been spent to date leaving a further £6.050m to be invested by the end of the year.

i54 Enterprise Zone

* The latest estimated position on i54 EZ Payback/Business Rates as at Q2 22-23 is as detailed below:

i54 Enterprise Zone			
Payback Year	Payback year Number	1st Full Year of Business Rates	Value of Rates in 1st Full Year after Payback Year **
2024-25	14	2025-26	4,900,000

** Value of Rates figure in 1st full year of £4.9m reflects a 15% provision for bad debts on future receipts

* The latest forecast on the i54 EZ shows that all borrowing on this scheme will be paid back in 24-25. From 25-26, the SSLEP will receive an estimated £2.45m per annum (50% share of business rates) until 37-38 when the EZ status ends, the first call on which will be the payment of the outstanding agreed support to the western extension of £1.627m.

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

* The SSLEP has, since the start of the Programme in 2013-14, invested GPF funding in to the local economy consisting of both grants and loans totalling:-

			£M.
3	GPF Grants		7.855
12	GPF Loans		6.522
Total GPF Investment to Date			14.377

#1 Note: Assumes £1.4m Blythe Properties loan is approved and finalised

* Total **Private Sector leverage, to date**, derived from GPF Grant & Loans investments is currently estimate **79.557** #2 Note: Total Private Sector Leverage includes £32.746m of Blythe Park Properties GPF loan match funding (TBC).

* The total value of GPF loans outstanding, i.e. currently in circulation, now stands at **£0.450m** for the London House GPF loan. All other GPF loans have now been repaid back to the GPF loans Facility.

* After taking into account all outstanding contractual loan payments & repayments, the GPF Loans Fund currently holds an available 'rolling' fund balance of **£2.943m**.

* In respects to GPF Revenue funding, which currently funds the administration of GPF Loans Programme, there was **c£0.3m** of revenue funds available, as @ 31-03-22, and the estimated balance as at March 23 is expected to remain at **c£0.3m**.

* Further GPF Loan 'Open Calls' are currently **on hold** until further notice.

Current Status of Stage 2 Approved GPF Loans & Grants

£0.180m Dog & Bone Properties Ltd - Revised application has been Panel approved & is being progressed with Legal Services & the applicant. The FA is now expected to be signed off during Q3 22-23.

£1.400m Blythe Properties Ltd - The initial loan, ringfenced until Jan 23, has been temporarily returned to the GPF Loans Fund. This scheme is currently paused pending a resubmitted planning application appeal outcome. If the appeal is again rejected then the scheme will revert to its original planning approval.

Current Status of Defaulted GPF Loan

£0.450m - Following protracted negotiations, a revised Funding Agreement has now been agreed with the applicant with the 1st payment of **£0.015m per quarter** due in **October 22**, at default interest rate of 4%, until the applicant is able to sell its asset (student accommodation) that the GPF loan financed and repays its outstanding balance of loan debt back to the Growing Places Loan Facility Fund.

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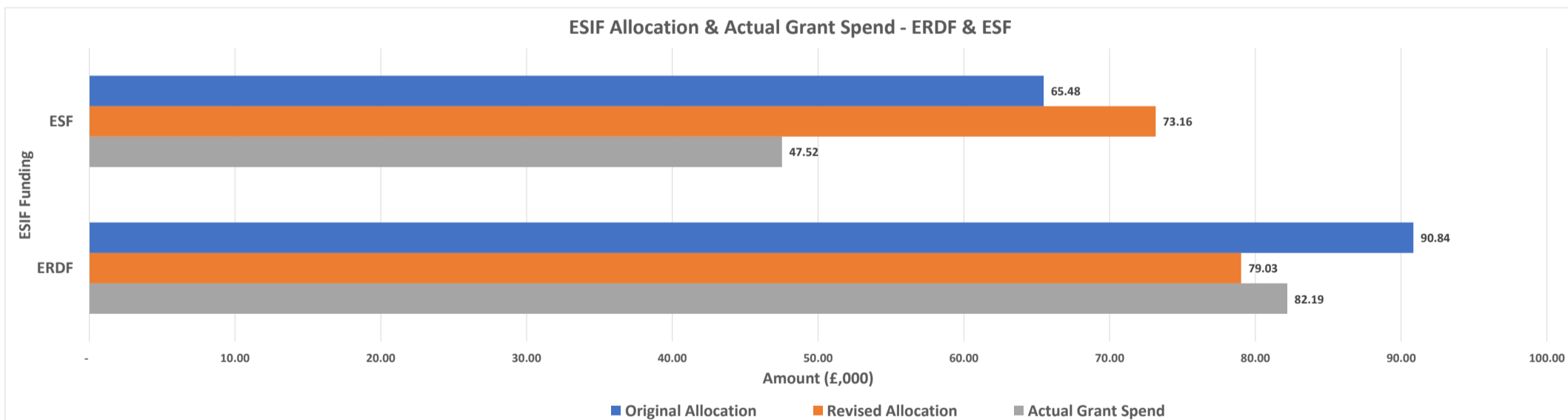
There is 1 approved GPF loan currently awaiting its Funding Agreement which is now expected to be 'signed off' during Q3 22-23. The £1.4m Blythe Business Park loan has been temporarily returned to GPF until the revised Funding Agreement has been signed with the applicant following the planning appeal. All future GPF loan open calls are currently paused

ESIF Funding

* The new Department for Levelling Up, Housing & Communities has completed a Governance Review of the ESIF Programme and has agreed that the Managing Authorities (MAs) approach to keep existing local governance structures in place as a means of bi-annual reporting of Programme performance to local partners. Reports are due to be issued in **July 22 (Received); January 23; July 23** and a final report to be issued in July 24 following the closure of the ESIF Programme.

* The Governance Review also concluded that there is no longer the requirement for formal local sub-committee meetings given that there are no further investment decisions for local areas to provide advice on, but partners are welcome to self-organise discussions between members on local growth issues.

* All ESIF budget allocations; grant commitments & actual grant claimed figures are as per the latest reported position as at **11th June 2022**.



ESF - European Social Fund

* Of the revised **£73.2m** total ESF allocation, **£58.753m** or **80%** of this allocation (as @ June 22) been committed and **£47.52m** claimed to date.

ERDF - European Regional Development Fund

* Of the revised **£90.84m** ERDF allocation, **£79.03m** or **87%** of the ERDF allocation has been committed to date with many projects now contracted & 'in delivery'. As at June 22, total contracted + match funding is **£158.82m** and the cumulative expenditure claimed to date is **£117.82m**.

EAFRD - European Agricultural Fund for Rural Development

* Applications (mainly for rural businesses) to the EAFRD Programme closed 2 years ago and grant committed stands at **£2.54m** or **79.4%** of the SSLEP's original **£3.2m** allocation. To date, **£1.063m** has been claimed and a further **£1.474m** in claims are yet to be paid to Tourism business applicants.

DIT Internalisation Fund

* SSLEP met with the West Midlands ESIF Lead, during Q1 22-23, to review the LEP's overall ESIF Programme and has identified that the Department for International Trade (DIT) Internalisation Fund, which forms part of a regional programme, is currently falling significantly behind schedule. In response, SSLEP has since identify who, regionally, is managing this programme on their behalf - the Midlands Engine - and is to provide assistance to ensure that the funding allocation is fully spent by the **June 23** deadline.

* To date, of the total **£0.755m** Internalisation Fund allocation available to SSLEP, **£0.288m** (or **38%** of the allocation) has been awarded and a further **£0.092m** of grant (**12%** of the allocation) has been committed by the end of **August 22** leaving a further **£0.374m** or **50%** of the remaining total budget to be spent by **June 23**.

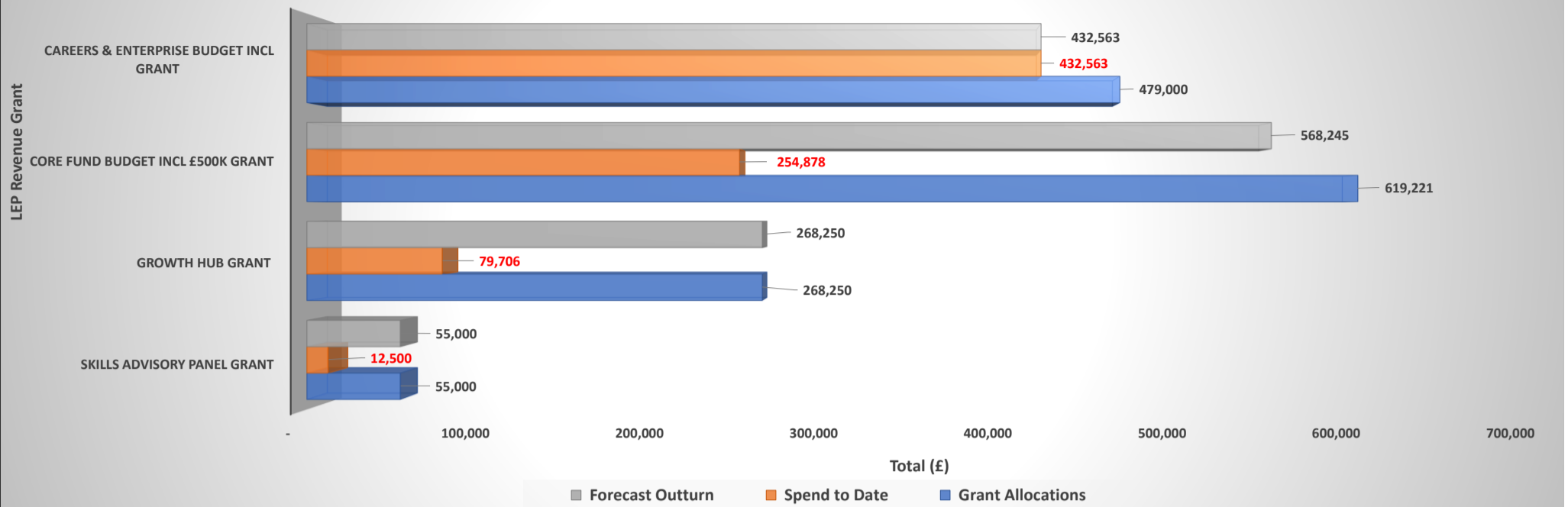
* Overall, the SSLEP ESIF Programme currently remains **on target** to commit all of its revised allocations by the **30th June 23** deadline and ensure that all contracted project spend is financially completed by **Dec 23**.

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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

Q2 22-23 LEP Revenue Grant Budget Compared to Forecast Outturn



LEP Core Fund Budget (£0.604m in total. Of which, £0.5m is Core Fund Grant funding) : £0.254m or 41.2% Spend to Date

* For 22-23, the annual Core Fund Grant has been reduced to **£0.375m** per LEP nationally - a reduction of **£0.125m** or **25%** on the previous year's grant award.

* The 22-23 LEP Core budget; its Q2 spend to date and current forecast outturn are detailed as below:

	Revised Approved Budget £.	STD £.	Forecast Outturn £.	Variance £.
Staffing - SSLEP Secretariat	381,041	199,227	369,325	-11,716
Commissioning Support	30,000	5,160	15,000	-15,000
Operational Costs	179,610	42,091	155,520	-24,090
Annual LEP Contributions	28,570	8,400	28,400	-170
Total Gross Expenditure	619,221	254,878	568,245	-50,976
<i>funded by:</i>				
Core Fund Grant (incl. 20-21 GBF Capacity Grant c/fwd)	- 375,000	- 375,000	- 375,000	0
Funding Contributions (Partner Contributions)	- 112,000	- 56,000	- 105,500	6,500
SSLEP Reserves Funding	- 132,221	- 51,715	- 87,745	44,476
Total Income Funding	- 619,221	- 482,715	- 568,245	50,976
Net 22-23 LEP Core Budget Carry Forward	- 0	- 227,837	0	0

GREEN At Q2 22-23, the current LEP Core Budget is currently anticipated to underspend by **£0.051m**. Any underspend at year-end will be transferred to the Reserves.

Annual Growth Hub Grant (£0.269m) : £0.080m (or 29.7%) Spend to Date.

* This annual 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 22-23, BEIS has confirmed a reduction in the SSLEP's Growth Hub Grant to **£0.269m** which is **50%** lower than the previous year's grant award. SSLEP have submitted its 22-23 Growth Hub Grant Spend Plan which the BEIS approved in early **August 22**.

* SSLEP is currently undertaking a review of the Growth Hub budget and its funding arrangements with our Growth Hub partners - Staffordshire Chamber of Commerce, Stoke City Council and Staffordshire County Council - as part of its plan to consolidate County and City wide Growth Hub Services under the LEP's direct control during 22-23. A paper, outlining the consolidation and transfer of this year's Growth Hub budget, was presented to the **Sept 22 A&F Committee** and approved.

* At Q2 22-23, **£0.080m** of the Growth Hub Grant has been spent to date and it is expected that all of this year's **£0.269m** GH Grant will be fully spent & claimed.

* The approved 22-23 Growth Hub budget that has now been transferred to SSLEP is as follows:

Expenditure	£.
Salaries	781,005
Operations	104,989
Total Expenditure	885,994
Income	
BEIS Growth Hub Core Grant	- 268,250
ERDF Growth Hub Projects Grant	- 370,336
Growth Hub Partner Match (CoC)	- 154,220
Growth Hub Partner Match (SCC)	- 52,883
LEP Reserve Funding	- 40,305
Total Income	- 885,994

* A forecast of the Growth Hub budget will be provided on at Q3 22-23.

GREEN The 22-23 Growth Hub Grant Spend Plan has been approved by BEIS and it is expected that this year's **£0.296m** Grant allocation will be fully claimed. The **Sept 22 A&F Committee** has now approved the total 22-23 Growth Hub budget transfer of **£0.886m** to SSLEP.

21-22 Careers & Enterprise Budget (£0.479m incl. £0.357m CEC Grant funding): £0.310m (or 64.7%) of the Net Total Budget.

* For the **Sept 21 - August 22 Academic Year** CEC Budget, the total final outturn spend including match as at **August 22** (Q4 21-22 Academic Year) is as follows:

	Grant Awarded £M.	Match Funding £M.	Total Budget £M.	Actuals to Date £M.	Outturn £M.	Variance £M.
Staffing	0.249	0.111	0.359	0.348	0.348	0.011
Central Hub Fund	0.075	0.000	0.075	0.075	0.075	0.000
Sustainability Fund	0.024	0.000	0.024	0.010	0.010	-0.014
Total	0.347	0.111	0.458	0.433	0.433	-0.003

The reported unspent balance is retained by Govt.

Balance of £14k Grant c/fwd is expected to be spent in the 22-23 Academic Yr.

* As at Q2 22-23, the CEC Service spent a total of **£0.442m** of its **£0.479m** 21-22 academic year's budget (including match funding contributions) and has underspent against its annual grant allocation by **£0.011m** which has been retained by Gov't; and has carried forward **-£0.014m** - permissible under the current grant's t&c's - of its remaining Sustainability Fund allocation to 22-23.

* For the 22-23 academic year budget, SSLEP has reviewed its new level of grant funding (**£0.294m**) and has agreed with its partners - City of Stoke on Trent & SCC - **50%** matched funding contributions to the Service to fund 4 x Enterprise Coordinator posts (1 x FTE post SoTCC @ £0.026m & 3 x FTE posts SCC @ £0.077m), totalling **£0.103m** in match funding, to support a total of **97 schools** countywide.

GREEN At the Academic year-end, **£0.011m** of the **£0.359m** CEC Grant allocation (incl. match funding) has not been claimed and has therefore been retained by Government. For the 22-23 Academic year CEC budget, consisting of the annual grant (**£0.294m**) plus partner matched funding contributions (**£0.103m**), has now been agreed and set.

The Skills Advisory Panel (SAP) Grant - £0.055m Allocation) : £0.013m (22.7%) Spend to Date.

- * For 22-23, the SAP Grant has been reduced by the Dept of Education (DfE) to **£0.055m** per LEP nationally - a reduction of **£0.020m** or a **26.7%** on the previous year's grant award.
- * This grant is to be used to develop and provide robust analysis of the local labour market and skills, to support the development and roll out of the LSIP (Local Skills Improvement Plans) which are to be led by the newly established **Employer Representative Bodies (ERB)** as featured in the DfE's 'Skills for Jobs' White Paper with the aim of putting employers more firmly at the heart of the skills system. LSIP's need to be grounded in broad & robust analysis of local labour markets & skills needs. It is currently the role of the LEP/SAP to produce this analysis and ensure it is available & shared with the designated ERB.
- * This is the final year of SAP Grant funding to LEPs nationally. In future years, SAP Grant funding will be merged in to a new 'Local Skills Improvement Fund' to support providers to collaborate and collectively respond to identified LSIP priorities as part of the Government's new Levelling Up Agenda. Skills Advisory Panels will no longer continue to operate from March 23.
- * The **£0.055m** SAP Grant Spend Plan was approved by the **May 22 SSLEP Executive Board** and consists of the following:-

	Budget	STD	Forecast Outturn	Variance	
	£.	£.	£.	£.	
ESMI Analytical Software Licenses	5,000	5,000	5,000	-	
Data & Skills Analyst Contribution	15,000	7,500	15,000	-	
LSIP Development Funding - ERB	35,000	-	35,000	-	ERB Spend Plan Commitments yet to be finalised.
Total 22-23 SAP Grant Budget	55,000	12,500	55,000	-	

- * The **May 22 Executive Board** approved the **Staffordshire Chamber of Commerce** as the **designated ERB** for the Stoke on Trent & Staffordshire LEP area which has since been approved by the DfE.

GREEN The 22-23 SAP Grant is expected to be fully spent at year-end.