

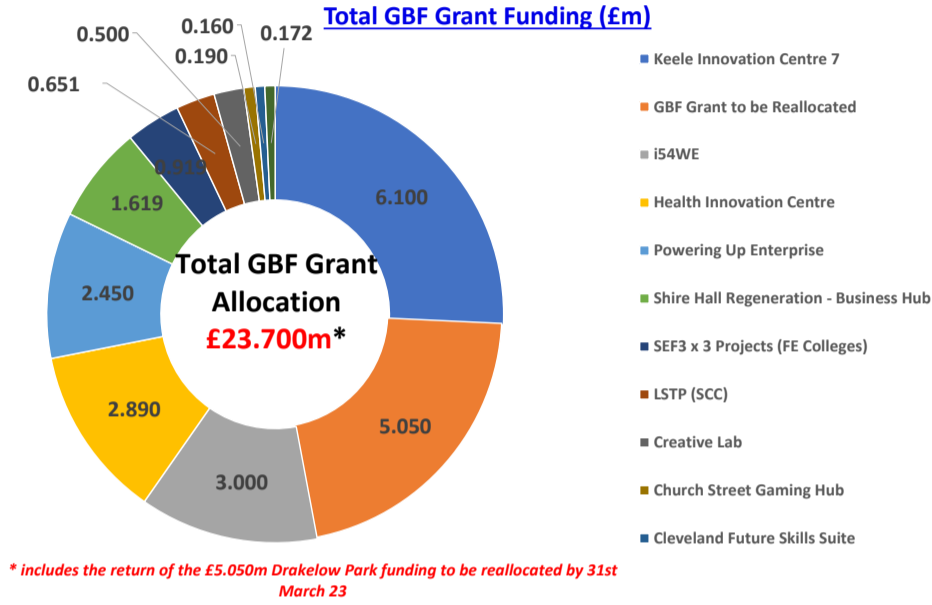
Stoke on Trent & Staffordshire Local Enterprise Partnership Finance Dashboard - 3rd Quarter 22-23

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 Reopened (as @ Q3 22-23)</i>	£23.700	£18.650	79%	£5.050
The City Deal <i>(as @ Q3 22-23)</i>	£24.750	£17.464	71%	£7.286

Getting Building Fund



- * In Q4 22/23 D2N2 LEP & SSLEP agreed that the contractor for the Drakelow Park Project be given to 13th January 2023 to legally commit to the conditional offer of GBF funding. Unfortunately, the project in question has made little progress since its initial allocation in 2020 & several matters remain outstanding including technical approvals not being in place for the bridge infrastructure.
- * Despite numerous attempts by D2N2 LEP, SSLEP & partners to progress the scheme, the developer responsible for the delivery of the project was ultimately unable to proceed & suggested that the development could take place without public funding.
- * SSLEP is now obliged to reallocate the full **£5.050m** from the site to other projects, by the 31st March 2023, ensuring both GBF & SSLEP criteria including terms & conditions are met by future applicants.
- * The open call for this funding **went live** on the SSLEP website on **20th January 23** & the closing date for Business Case Proformas is **Midnight 17th February 2023**.
- * Independent Technical Advisors (mostly likely external appointment: Hatch Regeneris) are to be appointed to oversee and support the final assessment part of the process, of those Business Cases that meet the initial assessment process. The appointed external consultancy contract is to be funded from current LEP Reserves.

AMBER

The GBF Grant RAG rating has been revised to Amber, from Green, following the return of the £5.050m deallocated D2N2 LEP grant sum. SSLEP is currently in the process of developing a review and selection 'Open Call' process to identify new 'shovel ready' schemes/projects for the SPMG to consider and approve funding for, whereby, the full £5.050m sum is expected to be reinvested back into the Local economy.

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 been extended from **Q4 23-24** to **Q1 24-25**.

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

- * At Q3 22-23, the DHN has to date spent **£0.299m (68.2%)** of its 22-23 profiled, planned spend of **£0.438m** City Deal Grant funding leaving a further **£0.139m** to be spent in Q4 22-23.

AMBER

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 - The CVEZ Project Board has agreed to now meet twice a year, instead of quarterly, so no report update is available this quarter (Q3 22-23). The next report update will be available at the year-end, in April 23.

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 @ 30-09-2022)	18.305

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

- * **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 the Q1 22-23 position. As at Q3 22-23, **£4.442m** of CVEZ capital has been spent as at Sept 22, 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 Q3 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	7.833	
12	GPF Loans	6.522	#1 Note: Assumes £1.4m Blythe Properties loan is approved and finalised (TBC).
Total GPF Investment to Date		14.355	

* Total **Private Sector leverage, to date**, derived from GPF Grant & Loans investments is currently estimated at **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 **£0.435m** 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** given that current quarterly default loan interest charged is considered sufficient to cover expected operational costs this year.

* At present, GPF Loan 'Open Calls' are currently **on hold**. A GPF paper is due to be submitted to the 16th February Exec Board which is to discuss future options to utilise available GPF funding by the new Business Partnership.

Current Status of Stage 2 Approved GPF Loans & Grants

£0.180m Dog & Bone Properties Ltd - Revised application has been Panel approved & is currently being progressed with Legal Services & the applicant. It is anticipated that this GPF loan will be 'signed off' in Q4.

£1.400m Blythe Properties Ltd - Following an appeal to the Secretary of State, this scheme has now received approval on the 13th January 23 to amend the original planning application approval to instal traffic control system T-junctions in lieu of the previously approved roundabouts proposal. Arrangements will now be put in place to reinstate the GPF loan to Blythe Properties once the original FA has been updated and signed off by all parties.

Current Status of Defaulted GPF Loan

£0.435m London House - A revised Funding Agreement is now in place to start to repay the defaulted loan, at £0.015m loan per quarter, until the applicant is able to sell the asset (student accommodation) that the GPF loan financed & repays its remaining balance of the loan back to the GPF Loan Facility. To date, £0.015m of this loan has been repaid & the 2nd quarterly is due to be paid in early Jan 23.

AMBER

There is 1 approved GPF loan, currently awaiting its Funding Agreement, which is now expected to be 'signed off' during Q4 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 until further notice.

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 (Pending); 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 1st July 2022.**

ESF - European Social Fund

* Of the revised **£73.16m** total ESF allocation, **£58.753m** or **80.3%** of this allocation is current & pipeline committed and, to date, **£47.524m** of Grant & **£31.992m** of match has been claimed .

ERDF - European Regional Development Fund

* Of the revised **£83.5m** ERDF notional allocation, **£79.026m** or **94.6%** of the ERDF allocation has been committed to date with many projects now contracted & 'in delivery'. As at July 22, total contracted, plus match funding is **£158.82m** & the cumulative ERDF Grant expenditure & match claimed to 1st July is **£117.82m**.

EAFRD - European Agricultural Fund for Rural Development

* Applications (mainly for rural businesses) to the 3rd & final EAFRD Programme closed on the **16th February 20**. Total EAFRD grant committed currently stands at **£2.936m** in value or **91.8%** of the SSLEP's original £3.2m allocation. As at July 22, **£1.310m** has been claimed to date with a further **£1.626m** in claims yet to be paid to applicants 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 & ensure that all contracted project spend is financially completed by **Dec 23**.

DIT Internalisation Fund

* SSLEP met with the West Midlands ESIF Lead in early 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.

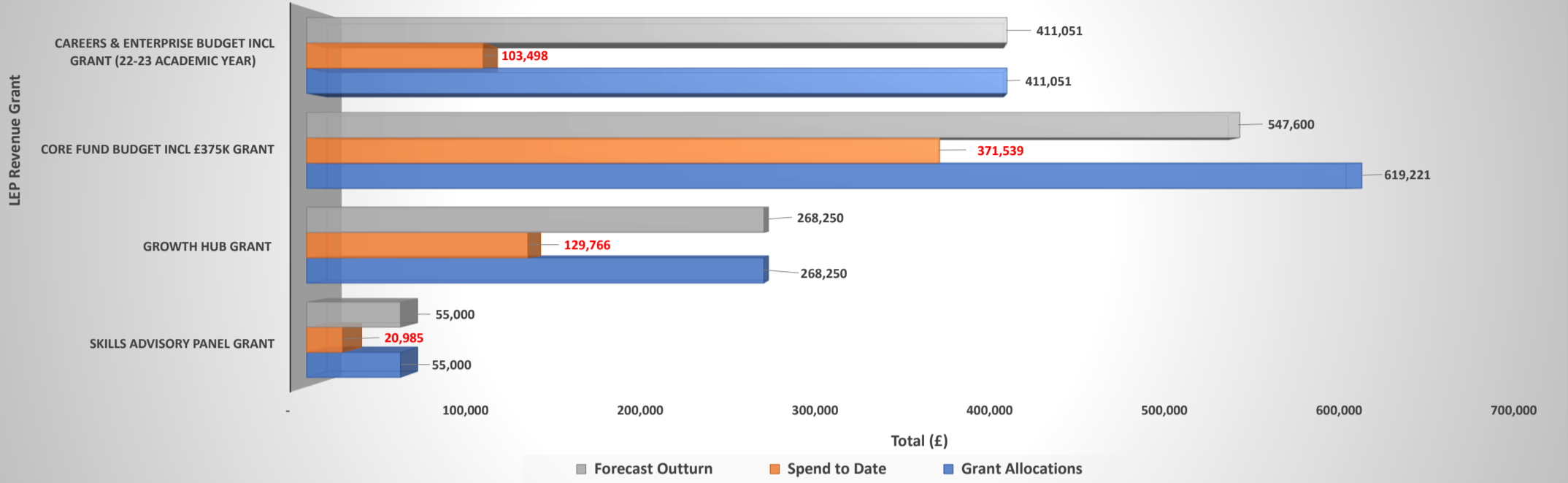
* To date, of the total **£0.659m** Revised Internalisation Fund allocation now available to SSLEP, following the reallocation of a further **£0.095m** to Greater Lincolnshire LEP, **£0.356m** (or **54%** of the allocation) has been awarded, plus a further **£0.064m** of grant (or **10%** of the revised allocation) has now been committed by the end of **Nov 22** leaving **£0.240m** or **36%** of the remaining grant allocation yet to be spent by June 23. Early indications are that the revised DIT Internalisation Fund allocation will not be fully spent by June 23, so it is highly likely that **c£0.2m** of the revised grant allocation will be returned to Govt at the end of the Programme.

AMBER

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. The DIT International Fund allocation is now highly likely to be underspent resulting in c£0.2m of grant allocation to be retained by Govt.

LEP REVENUE GRANT FUNDING

Q3 22-23 LEP Revenue Grant Budgets Compared to Forecast Outturn



LEP Core Fund Budget (£0.619m in total. Of which, £0.375m is Core Fund Grant funding) : £0.372m or 60% 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 (inclusive of reserves funding); its Q3 spend to date and current forecast outturn are detailed as below:

	Revised Approved Budget £.	STD £.	Forecast Outturn £.	Variance £.
Staffing - SSLEP Secretariat	381,041	257,844	347,510	-33,531
Commissioning Support	30,000	6,160	15,000	-15,000
Operational Costs	179,610	79,135	156,690	-22,920
Annual LEP Contributions	28,570	28,400	28,400	-170
Total Gross Expenditure	619,221	371,539	547,600	-71,621
<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	- 64,250	105,500	6,500
SSLEP Reserves Funding	- 132,221	- 40,131	67,100	65,121
Total Income Funding	- 619,221	- 479,381	547,600	71,621
Net 22-23 LEP Core Budget Carry Forward	- 0	- 107,842	0	0

GREEN At Q3 22-23, the current LEP Core Budget is currently anticipated to underspend by c£0.072m. Any underspend at year-end will be transferred to the Reserves.

Annual Growth Hub Grant (£0.269m) : £0.130m (or 48.4%) Spend to Date.

* This BEIS annual grant is used to support the development of Growth Hubs to aligned to the Govt'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**.

* At Q3 22-23, **£0.130m** of the BEIS 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.

GREEN The 22-23 Growth Hub Grant Spend Plan has been approved by BEIS and it is expected that this year's **£0.268m** Grant allocation will be fully spent and claimed.

22-23 Careers & Enterprise Budget (£0.412m incl. £0.357m CEC Grant funding): £0.103m (or 25.2%) of the Net Total Budget.

* For the new 22-23 academic year budget, SSLEP has reviewed its new level of grant funding (**£0.244m**) 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 @ £0.078m), totalling **£0.104m** in match funding, to support a total of **97 schools** countywide.

* The **22-23 Academic Year** CEC budget, its total spend to date and current forecast outturn, including match funding, as at Q1 22-23 Academic Year (Q3 22-23) is as follows:

	Grant Funding £M.	Match Funding £M.	Total Budget £M.	Actuals to Date £M.	Outturn £M.	Variance £M.
Careers & Enterprise Service	0.244	0.104	0.348	0.102	0.348	0.000
Local Hub Fund	0.050	0.000	0.050	-	0.050	0.000
Sustainability Fund (Kickstart)	0.013	0.000	0.013	0.001	0.013	0.000
Total	0.307	0.104	0.411	0.103	0.411	0.000

Any unspent balance of grant is to be retained by Govt.

c£13k of 21-22 Kickstart grant funding c/fwd to 22-23 academic year.

* As at Q3 22-23, the CEC Service has spent a total of **£0.103m** (or **25.2%**) of its new **£0.411m** 22-23 academic year's budget and is, at this early stage of the new academic year, expected to be fully spent by August 23.

GREEN The new 22-23 academic year Careers & Enterprise budget of **£0.348m**, consisting of **£0.244m** revenue grant & **£0.104m** of partner funding contributions, has been agreed & set. At this early stage of this academic year, it is expected that the 22-23 CEC budget will be fully spent this year. Both the Local Hub Fund & the carried forward balance of the Kickstart funding are also expected to be spent in year.

The Skills Advisory Panel (SAP) Grant - £0.055m Allocation) : £0.021m (38.5%) 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. LSIPs need to be grounded in broad and 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	5,985	5,000	-	
Data & Skills Analyst Contribution	15,000	15,000	15,000	-	
ERB Skills Study Tender	35,000	-	35,000	-	Survey to commence in early January 23 and is to be completed by May 23.
Total 22-23 SAP Grant Budget	55,000	20,985	55,000	-	

- * The DfE SAP Programme Team granted, on the 4th Nov 22, approval for the Skills Team to accrue any remaining SAP Grant balance given that the Skills Study Survey is expected to be completed in May 23.
- * 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.