**STOKE ON TRENT & STAFFORDSHIRE**

**LOCAL ENTERPRISE PARTNERSHIP**

**COMPANY EXECUTIVE BOARD MEETING**

**14 May 2020**

**2019-20 Final Outturn LEP Finance Dashboard Briefing Note**

**Local Growth Deal**

**LGD Programme funding is £98.3m over 6 years (2015-16 to 2020-21) and is funded by an annual Local Growth Fund Grant allocation. The LGF Grant is profiled over 6 years and is allocated to the LEP in accordance with the BEIS approved LGD1, 2 & 3 LGD Investment Programme.**

* 2019-20 LGD spend was **£0.907m** net in total – ***14%*** of the **£6.37m** LGF Grant funding for the year, the balance being carried forward.
* There currently remains **£0.384m** of LGF Grant funding unallocated.
* As at the 31st March 2020, ***97.2%*** of the **£98.3m** total LGD funding has been contractually committed.
* At the 31st March 2020, there were **8** LGD contracts still outstanding, **3** of which have since been signed, leaving **5** remaining. It is a priority to get these remaining Funding Agreements in place as soon as possible.
* Overall, LGD has an **AMBER** Rag Rating due to the on-going delays in getting the remaining Funding Agreements in place which may lead to failure to deliver all schemes by the 31st March deadline – the final year of the current 6 year LGD Programme.

**City Deal**

**SoTCC is the Accountable Body for the City Deal Programme. Only 2 schemes remain funded – DHN & Keele SEND – which are both due to be completed by 2020-21. City Deal funding is paid by the AB to the approved Investment Programme and then is reimbursed to the local authority by Government.**

* Keele SEND scheme has now fully spent its City Deal funding.
* Stoke on Trent District Heat Network spent **£2.667m** of its 2019-20 City Deal allocation. Carrying forward **£0.856m** to 2020-21. The DHN is expected to fully spend its remaining **£6.150m** by the 31st March 2021.

**Enterprise Zones**

**SoTCC is the Accountable Body for the EZ Programme. The Initial EZ Investment Programme is funded by local authority borrowing and financed from future business rates. 100% of business rates are retained by the local authorities and are to be invested by the LEP once borrowing has been repaid post 2024.**

* Current Total CVEZ planned investment is **£13.2m**.
* Anticipated Business Rates on completion of the investment are expected to be **£5.282m** per annum. To date, **£0.594m** of Business Rates have been secured.
* CVEZ expected business rates surplus by 2025-26, although economic impact of Covid 19 is likely to impact on this.
* I54 anticipated business rates surplus by April 2024, first £10m of which is committed to I54 Western Extension.

**Growing Places Fund**

**The Growing Places Fund (GPF) was set up, via Government funding, in 2013 to support local businesses (SMEs) to access 2 year interest free loans following the credit crash. Flexibility of this funding has enabled the LEP to invest some of its GPF funding as grants for specific large scale local economic development schemes, e.g. Etruria Valley, the Smithfields site development and Bericote (Phase 2).**

* Since 2013-14, **3 grants** totalling **£7.855m** plus **13 SME loans** totalling **£6.545m** have been awarded by the SSLEP – a **£14.398m** total investment to date, leveraging over **£76m+** of Private Sector Investment.
* As at 31st March 2020, the GPF Loans Fund currently holds a balance of **£3.38m**. After taking into account of all outstanding contractual loan payments and repayments the available ‘rolling balance’ stands at **£2.921m**.

**ESIF Programme**

**The ESIF Programme consists of 3 European grant funding streams – ERDF; EAFRD & ESF – which allocates grants to SME projects/schemes bids and is managed via the ESIF Committee. The LEP evaluates ESIF bids against specific funding criteria; conducts appropriate due diligence and makes recommendation to the MHCLG who pay the grant directly to the successful bidders. No ESIF funding is directly held by the LEP.**

* Total ESIF funding is **£156.33m.**
* As at 31st March 2020, **£143.12m** (***91.5%***) of the total ESIF Programme grant funding had been committed to date.
* **£104.43m** (or ***75.1***% of committed funds) had been claimed.
* **£13.21m** of ESIF funds has yet to be committed in the final year of funding.
* There is **a high level of confidence** that the balance of ESIF funding is ‘on course’ to meet the grants commitments deadline (31st March 2021) and the grants payments (30th June 20201) deadline, subject to any government national review of uncommitted ESIF funding being undertaken to potentially redirect available financial resources to deal with the current Covid-19 pandemic.

**LEP Revenue**

**Core Fund / Activities**

**The Core Fund Grant is an annual grant awarded to the LEP to fund the LEP’s overall operations (i.e. Marketing; Communications; Office Accommodation; Insurance; Auditing Fees; Business Engagement Events & the Board’s operating expenses including Board member recruitment); funds its Secretariat capacity and is spent** **in accordance with an approved CLGU Annual Spending Plan. This grant can only be used for this purpose.**

* Total Core Fund spend was **£0.306m** in 2019-20or ***50.5%*** of the **£0.606m** total funding available.
* After making a provision for a potential **£0.104m** VAT liability (Core Fund & Growth Hub Grant), and adding interest earned on LEP balances, **£0.224m** is available to support future years running costs. **£0.037m** of this carry forward sum has been approved to support the 1920-21 core budget**.**

**Growth Hub**

**The Growth Hub Grant is an annual grant awarded to the LEP to fund its Growth Hub’s operational costs and is spent** **in accordance with an approved CLGU Annual Spending Plan. This grant can only be used for this purpose.**

* Total Growth Hub spend was **£0.269m** in 2019-20, which was funded from the annual £0.205m Growth Hub grant and two ‘one off’ grants (Preparation for Brexit) of **£0.031m** (BEIS) and **£0.033m** (West Midlands Growth Hub Cluster).
* All revenue Growth Hub grants were fully spent in 2019-20.

**LEP Review Implementation**

**A ‘one off’ BEIS grant awarded to the LEP in 2018-19 that has been used to set up the SSLEP as a company 'legal entity'; develop the LIS and to review, reform and grow the current Executive Board structure & its Secretariat capacity. This grant could only be used for these purposes.**

* Total LEP Review Implementation net spend was **£0.131m** in 2019-20 which was funded from the balance of the LEP Review Implementation Grant (£0.080m) and the balance from the Core Fund (£0.051m).

**SAP Grant**

**This grant was awarded to the LEP to increase local Skills Panels’ analytical capabilities to support the development of the Local Industrial Strategy (LIS). A Project Plan to spend this grant was approval at the 18th July 2019 LEP Executive Board. This grant can only be used for this purpose.**

* The **£0.075m** grant has been fully spent in 2019-20.
* A further **£0.075m** SAP Grant has been awarded to the LEP for 2020-21.

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