

Stoke on Trent & Staffordshire Local Enterprise Partnership Finance Dashboard - Q2 21-22

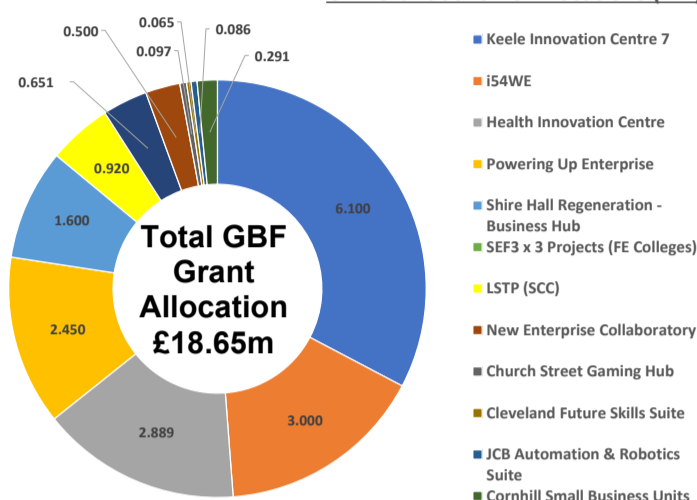
LEP CAPITAL FUNDING

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

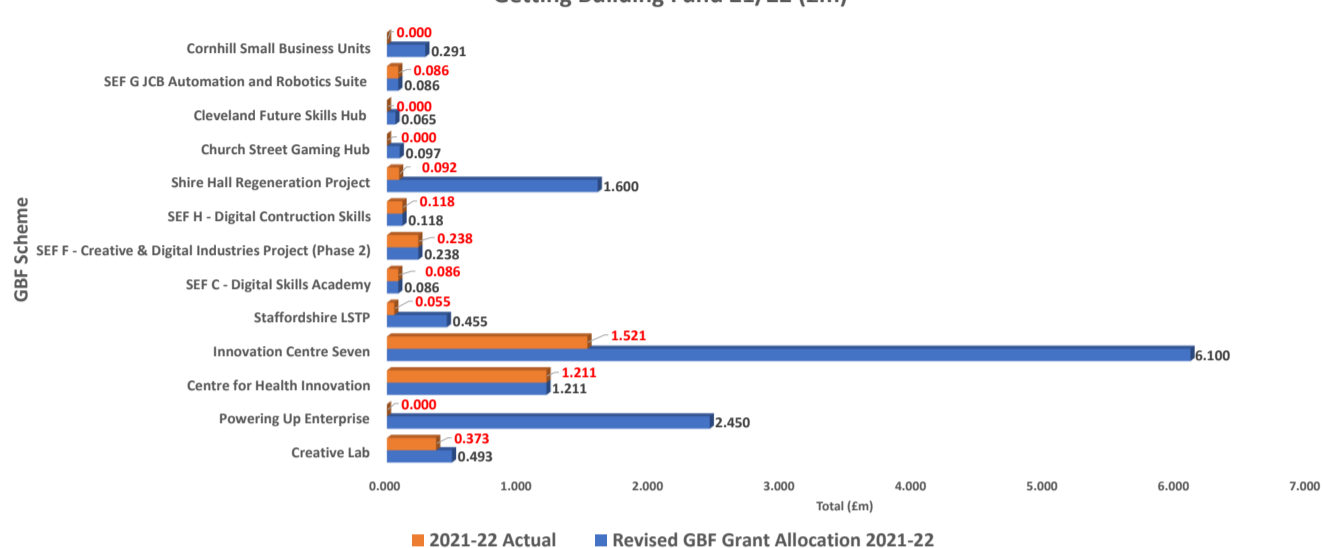
| | Total Grant Allocation (£m) | Spend to Date (£m) | % Spend To Date | Funding Remaining (£m) |
|--|-----------------------------|--------------------|-----------------|------------------------|
| Local Growth Deal <i>Programme Funding Completed</i> | £98.275 | £98.275 | 100% | £0.000 |
| The City Deal <i>(as @ Q2 21-22)</i> | £24.750 | £20.634 | 83% | £4.116 |
| Getting Building Fund <i>(as @ Q2 21-22)</i> | £18.650 | £9.141 | 49% | £9.509 |

Getting Building Fund

GBF Grant Scheme Allocations (£m)



Getting Building Fund 21/22 (£m)



* The deadline for spending the total GBF Grant allocation is the **31st March 22**.

* The SSLEP was initially successful in securing **£23.7m** of new GBF to invest in 'shovel ready' schemes. Following this award of the GBF Grant allocation, the **£5.050m** Drakelow Park allocation is shortly to be transferred to D2N2, so reducing the SSLEP's total GBF Grant allocation down to **£18.65m**. The SSLEP will however continue to maintain oversight of the scheme's progress and will be recognised as a major contributor to the scheme.

* To date, of the now **12** BEIS approved schemes, **10** GBF business cases have been SPMG approved to a value of **£18.293m** (or **98% of the total allocation**) & contracted with the remaining **2** business cases totalling **£0.356m** (or **2%**) are currently pending contract completion.

* The 2 GBF Funding Agreements that have yet to be approved are as follows:

| | GBF Grant £m. | Other LEP Funding £m. | Total Alloc'n £m. | Contract Status |
|---|------------------|--------------------------|----------------------|--|
| Cornhill Small Business Units | 0.291 | 0.284 | 0.575 | Pending HOTS & drafting of contract. |
| Cleveland Future Skills Suite | 0.065 | 0.061 | 0.126 | Awaiting completion of Funding Agreement |
| Total Grant Allocation (GBF & Other) | 0.356 | 0.345 | 0.701 | |

* As at Q2 21-22, **£3.781m** (or **21%**) of GBF has been spent to date and the following approved schemes/projects have now fully drawn down their respective GBF Grant allocations:

| | £m. |
|---|--------------|
| Centre for Health Innovation | 1.211 |
| Creative & Digital Industries SEF3 Project | 0.238 |
| Digital Construction Skills SEF3 Project | 0.118 |
| Digital Skills Academy SEF 3 Project | 0.086 |
| JCB Automation & Robotics Suite SEF 3 Project | 0.086 |
| Total GBF Grant Allocation Drawn Down | 1.739 |

JCB is to draw down its Other LEP Grant allocation (£0.86m) to complete the LEP Funding Agreement

AMBER The GBF Programme currently has an overall **AMBER** RAG rating due to the tight timeframe to spend the grant & the timing of getting the remaining 3 Business Cases approved & Funding Agreements in place.

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 Q2 21-22, the Etruria Valley DFT Retained scheme has now reviewing its schedule of works & revised its 21-22 quarterly grant spend profile for the year. To date, the scheme has spent **£9.555m** or **70%** of the remaining DFT funding.

GREEN No Issues Arising - The Etruria Valley Dft Retained scheme is expected to 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. Since Q1, the scheme has reprofiled its total quarterly planned spend to **£3.045m** in 21-22 and its remaining £1.275m balance of funding in 22-23.

* At Q2 21-22, the DHN has to date spent **£0.204m** (or **7%**) of its reprofiled **£3.045m** City Deal Grant funding.

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 | 2.466 |
| Interest Paid on Borrowings | 0.235 |
| Total Cumulative Expenditure to Date | 9.144 |
| Less, Total Business Rates Income | -4.129 |
| Deficit Balance (as @ 30-09-2021) | 5.015 |

* **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 incurred with the delivery of the Etruria Valley Link Road.

* 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 the end of 20-21. For 21-22, a total of **£4.129m** in business rates uplift is currently forecasted.

* Total SIP **CVEZ Capital Investment** in prior years currently stands at **£19.5m**. At Q2 21-22, actual spend to date is **£7.761m** against a planned 21-22 spend profile of **£30.460m**. Against this profiled spend, **£17.003m** is currently forecasted to be spent in this year.

* Total CVEZ jobs target is estimated at **7,328** in total. Of these, **1,207 jobs (16.5%)** have been delivered to date & a forecast target of **1,215 jobs** in total (or **16.6%** of the total CVEZ jobs target) has been set for 21-22.

* 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

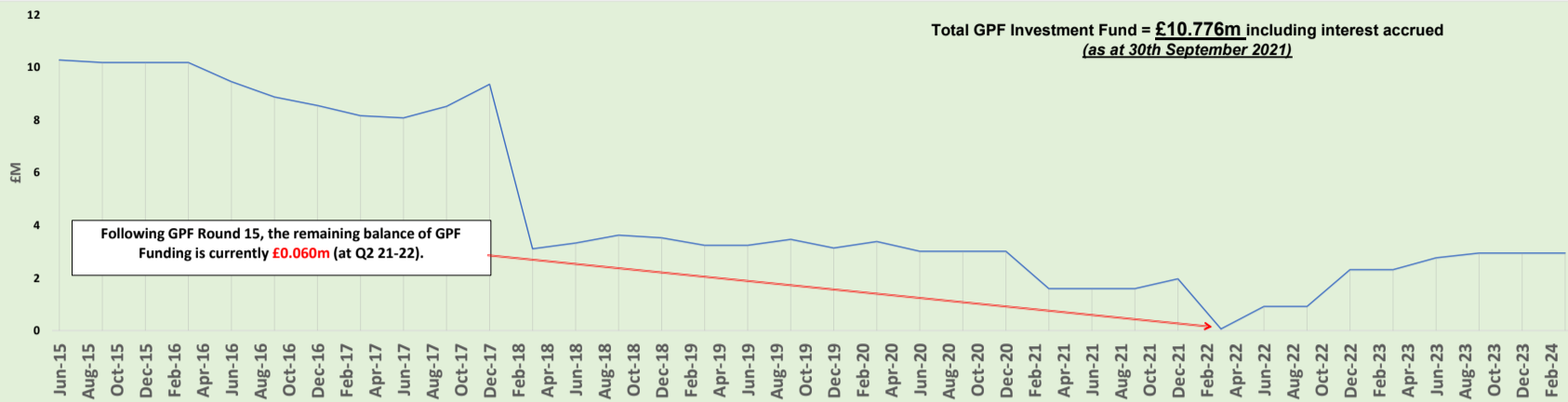
* The initial borrowing to deliver the i54 Western Extension EZ development, which is currently **80%** occupied, is expected to be fully repaid by **April 25**. The SSLEP had agreed to invest up to **£10m** in developing the i54WE. The latest latest forecast suggests this amount will be **£8.19m** due to underspend on the scheme. **£6.537m** has already been invested by SSLEP utilising LGD/GBF Grant, and the balance paid using future i54 EZ business rates. The value of i54 business rates in 25-26 is currently forecasted to be **£2.56m pa**. Of which, **50%** or **£1.28m pa** of this surplus will be available to SSLEP from **27-28** (once all match funding commitments to the scheme are funded) **up to 35-36** when the Enterprise Zone business rates retention scheme ends.

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 so far 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 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** & in respects to current GPF Revenue funding there is currently a balance of **£0.311m** (as at 31st March 21) available.
- * The total value of GPF loans currently outstanding, i.e. in circulation, is **£3.325m**. Of this sum, a **£0.3m** GPF loan is due to be repaid in Q3 21-22.
- * The repayment of the known **£0.450m** defaulted GPF loan which should have been repaid in Q2 21-22, is currently with Legal Services awaiting resolution with the applicant. To mitigate risk, a repayment plan arrangement of **c£0.015m** per quarter has been agreed with the GPF loan recipient to begin to reduce the balance of the principal loan debt until the building asset (student accommodation) has eventually been sold. Furthermore, a legal charge currently remains in place against the saleable asset, so that the LEP has 'first call' on the capital receipt to ensure repayment of the loan.

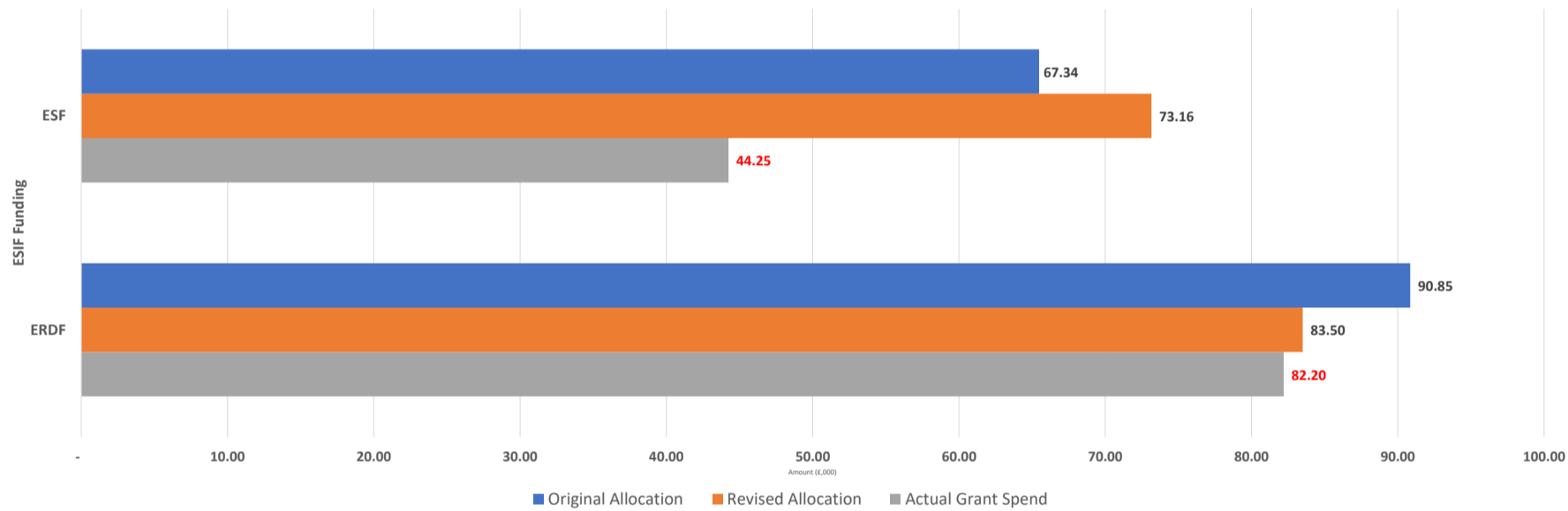


- * At Q2 21-22, Meta Additives has now withdrawn its GPF loan application due to the business being sold, leaving only the 1 Stage 2 approved GPF loan for Dog & Bone Ltd (£0.050m) currently awaiting finalisation of its GPF loan Funding Agreement.
- * Given the LEP's current Contracts Mapping exercise & the Government led review of LEPs nationally, it has been agreed by the CEO & the GPF Panel that further GPF Loan Open Calls is to be paused until the national LEP Review outcomes have been fully considered by SSLEP.

AMBER There is currently 1 GPF loans nearing completion of its GPF Loan Funding Agreement which is now expected to be 'signed off' during Q3 21-22. Future GPF loan Open Calls are to be paused, until further notice, until the outcomes of the LEP's Contracts Mapping exercise are published & have been fully considered by the SSLEP Executive Board.

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

ESIF Allocation & Actual Grant Spend - ERDF & ESF



NO ESIF GRANT COMMITMENTS & GRANT SPEND REPORT UPDATE IS AVAILABLE THIS QUARTER.

- * All ESIF budget allocations; grant commitments & actual grant claimed figures are as per the latest position as at **30th May 21**. The ESIF Committee has since queried the May 21 reported figures for both grant commitments & actual grant claimed to date and is currently awaiting a response back from the MHCLG: DWP & DEFRA.
- * 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, **£67.3m** or **91.9%** of this has now been committed. Decisions on the extensions to DWP and Big Lottery National Programmes and the SSLEP Skills Hub have yet to be determined.

ERDF - European Regional Development Fund

- * Of the **£90.85m** ERDF allocation, **£82.1m** or **90.3%** is now committed with many projects now contracted and 'in delivery'.

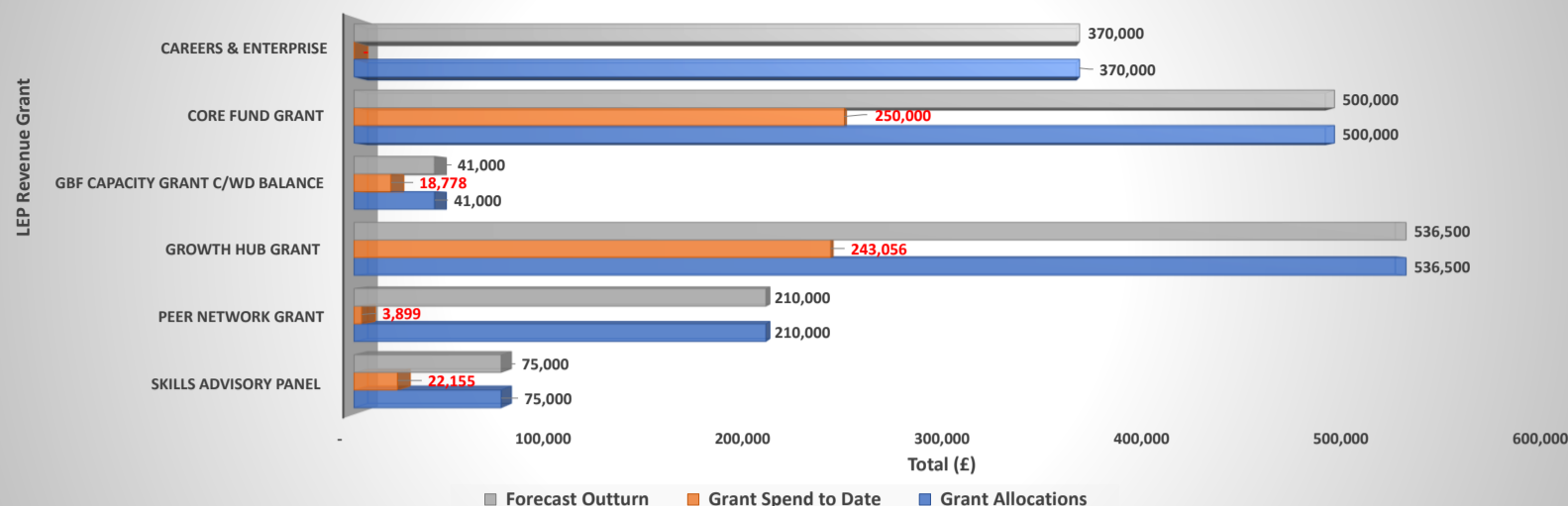
EAFRD - European Agricultural Fund for Rural Development

- * 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 **£7m** from the SSLEP area) have been returned to support the Government's **National COVID Recovery & Response Programme**. Allocations of **£1.1m** and **£0.84m** have been made from this returned sum to the SSLEP Area for the **Reopening the High Streets Safely & SME Restart** and **Kickstarting Tourism**. Both Programmes have now ended committing over half of this allocation to over **220 businesses**.
- * 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 any unallocated grant funding returned to Gov't.
- * 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 updates are now expected towards the end of 2021.

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

LEP REVENUE GRANT FUNDING

LEP Spend Compared to Revenue Grants Q2 2021-22



DRAFT LEP Core Fund Budget (£0.799m in total - £0.5m is Core Fund Grant funding) : £0.260m or 32.5% Spend to Date

* The 21-22 LEP Core Budget has not yet been formally approved by the LEP Executive Board due to current national LEP Review being undertaken by Gov't.

* Notification was received on 27th July 21 in respect of the 21-22 LEP Core Fund Grant allocation which confirmed that an initial 6 months (£0.250m) will be provided, subject to a 50% match of £0.125m. Core funding for the 2nd half of 21-22 will be determined as part of the LEP Review process & will include a review of further financial data on the LEP's performance. The SSLEP formal grant application was subsequently submitted & the 6 month match contribution funding of £0.144m confirmed. The notification letter also confirmed that the future Core Fund Grant funding of the LEP's Core Budget will be determined as part of the Spending Review & the Levelling Up White Paper.

* The issue of uncertainty regarding current & future Core funding is included on the SSLEP Risk Register & previously discussed at the Executive Board. The immediate financial risks surrounding this uncertainty are mitigated by the current level of Reserves held by the SSLEP (£0.844m as at 1st April 21) & it is also expected that there will be a significant underspend on the current 21-22 LEP Core Budget which will further increase Reserves & help mitigate this risk.

* The 21-22 LEP Core budget, as detailed below, has been set on a full year basis, based on the assumption that the 2nd half year £0.250m Core Fund Grant is expected to be paid. To date, the 21-22 LEP Core budget is anticipated to underspend by **£0.60m** this year

| | Budget (£.) | Actuals (£.) | Variance (£.) | Forecast (£.) |
|--|------------------|------------------|------------------|------------------|
| Staffing - SSLEP Secretariat | 360,010 | 176,542 | - 183,468 | 343,210 |
| LEP Premises Costs | 21,300 | 10,650 | - 10,650 | 21,300 |
| LEP Operational Costs | 417,900 | 72,479 | - 345,421 | 375,200 |
| Gross Expenditure | 799,210 | 259,671 | - 539,539 | 739,710 |
| Funded by: | | | | |
| Core Fund Grant (incl. 20-21 GBF Capacity Grant c/fwd) | - 500,000 | - 290,632 | 209,368 | - 500,000 |
| Funding Contributions (Partner Contributions) | - 179,500 | - 90,310 | 89,190 | - 179,500 |
| SSLEP Reserves Funding | - 119,710 | - 27,873 | 91,837 | - 119,710 |
| Total Income Funding | - 799,210 | - 408,815 | 390,395 | - 799,210 |
| Net Core Budget Budget & Spend | - | - 149,144 | - 149,144 | - 59,500 |

* Any 21-22 unspent Core Fund Budget will be transferred to the LEP's Core Fund Reserve at the year-end to support future Strategy & Programme development.

AMBER At this stage, the 21-22 Core Budget budget has not been formally agreed by SSLEP due to the on-going LEP Review & uncertainty regarding current & future Core funding. The financial risk surrounding the uncertainty is currently mitigated by the current level of Reserves held by SSLEP.

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' non ring fenced revenue grant to the SSLEP. Of this sum, £0.039m was spent last year and the remaining £0.041m balance of grant was carried forward to the 21-22 LEP Core Budget.

* The remaining £0.041m grant c/fwd is to be spent on the Hatch Rengeris consultancy contract that supports & advises on the LEP's current GBF Programme. As at Q2 21-22, £0.019m of this c/fwd sum has been spent to date leaving a balance of £0.022m to be spent on the contract. 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) : £0.243m (or 45.3%) Spend to Date

* This Grant is used to support the further development of Growth Hubs to aligned to the Gov't's commitment to ensure that businesses across have access to high quality advice & guidance via Growth Hubs and to further simplify access to Business support. The 21-22 Growth Hub Grant Spending Plan was approved by the BEIS in April 21.

* 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 the former GH Supplementary Grant to give a £0.537m grant allocation for 21-22.

* To date £0.243m (or 45.3%) of this year's grant has been spent to date and claimed at Q2 21-22.

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

Careers & Enterprise Grant (£0.370m) : £0.m (or 0%) Spend to Date

* The CEC Budget & final grant spend for the **Sept 20 - August 21 Academic Year** is as follows:

| | Grant £m. | Match Funding £m. | Total Budget £m. | Outturn £m. | Variance £m. | |
|--------------|--------------|-------------------|------------------|--------------|----------------|--|
| Staffing | 0.333 | 0.138 | 0.470 | 0.452 | - 0.018 | Remaining Allocation balance is retained by Govt. |
| Central I | 0.086 | 0.000 | 0.086 | 0.068 | - 0.018 | £18k balance carried forward to 21-22 Academic Year. |
| Sustaina | 0.030 | 0.000 | 0.030 | 0.000 | - 0.030 | £30k balance carried forward to 21-22 Academic Year. |
| Total | 0.448 | 0.138 | 0.586 | 0.520 | - 0.066 | |

* The approved CEC Grant for the **new Academic Year (Sept 21- Aug 22)** is **£0.370m** in total consisting of £0.305m Staff Funding & £0.065m Local Hub Fund funding. £0.166m of matched funding was identified to secure this new year grant award. Q1 21-22 CEC Grant spend (Sept 21 - Dec 21) will be reported on the Q3 21-22 LEP Finance dashboard.

GREEN No issues arising. The 20-21 Academic Year CEC Grant has been fully spent in accordance with the approved Grant allocation Spend Plan.

Peer Network (£0.210m) : £0.003m (1.9%) Spend Claimed to Date.

* In 21-22, the SSLEP secured a further allocation of £0.210m in Peer Network funding which is expected to be fully spent by the **31st March 22**.

* The SSLEP is currently utilising this grant funding to recommission (extend) the current Peer Network contract with the Staffordshire Chamber of Commerce at a contract value of £0.188m and the remaining £0.022m balance of funding is expected to be levied as an admin fee to cover operational & contracting costs. This renewed Chamber of Commerce contract is expected to support **14** Peer Network cohorts at £0.015m per cohort during the course of 21-22.

* The Grant's guidance stipulates that claims are to be made monthly in arrears and the LEP will begin to submit claims in the **remaining 6 months** of the year once sufficient sessions have started to be delivered, invoiced and paid against the newly commissioned Staffordshire Chamber of Commerce contract.

* At Q2 21-22, a nominal £0.003m (or 1.9%) has been spent to date on legal fees for the new Peer Network contract & will be reclaimed when the 1st grant claim is due.

GREEN No issues arising. The Peer Network Grant is expected to be fully spent in 21-22.

The Skills Advisory Panel Grant (£0.075m) : £0.022m (29.5%) Grant Spend Claimed to Date.

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

* An annual SAP Plan and Memorandum of Understanding (MOU) has been set by the SAP Panel and was formally approved by the Dept for Education (DoE) on the **16th August 21** and the full £0.075m revenue grant has since been paid to the SSLEP. The 21-22 SAP Spend Plan consists of £0.005m to be spent on software licences; £0.015m on the SAP Analyst post & £0.055m to procure and deliver a Skills Business Survey by 31st March 22.

* At Q2 21-22, £0.022m (or 29.5%) of grant has been spent to date funding the Q1 spend of the SAP's Data & Skills Analyst post & EMSI Skills Analysis software licenses.

GREEN No issues arising. The Skills Advisory Panel Grant is expected to be fully spent in 21-22.