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## Corporate Overview and Scrutiny Committee

## PLEASE NOTE TIME OF MEETING

Thursday 6 January 2022

**15:30**

Council Chamber, County Buildings, Stafford

**NB.** The meeting will be webcast live and can be viewed here -

<https://staffordshire.public-i.tv/core/portal/home>

John Tradewell  
Director of Corporate Services  
29 December 2021

## A G E N D A

### PART ONE

1. **Apologies**
2. **Declarations of Interest**
3. **Scrutiny Review of Stoke-on-Trent and Staffordshire Local Enterprise Partnership 2020-21** (Pages 1 - 54)

Report of Chair, Stoke-on-Trent and Staffordshire Local Enterprise Partnership

4. **Exclusion of the Public**

The Chairman to move:-

"That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of Local Government Act 1972 indicated below".

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### PART TWO

(All reports in this section are exempt)

Nil

### Membership

Charlotte Atkins  
Tina Clements  
Mike Davies

Jeremy Pert  
Bernard Peters  
Bob Spencer

Colin Greatorex (Chairman)	Samantha Thompson
Gill Heath (Vice-Chairman)	Conor Wileman (Vice-Chairman
(Scrutiny))	(Overview))
Jeremy Oates	Mike Worthington
Kath Perry, MBE	

## Note for Members of the Press and Public

### Filming of Meetings

The Open (public) section of this meeting may be filmed for live or later broadcasting or other use, and, if you are at the meeting, you may be filmed, and are deemed to have agreed to being filmed and to the use of the recording for broadcast and/or other purposes.

### Recording by Press and Public

Recording (including by the use of social media) by the Press and Public is permitted from the public seating area provided it does not, in the opinion of the chairman, disrupt the meeting.

**Scrutiny and Support Officer:** Jonathan Lindop Tel: (01785) 276147

<b>Local Members Interest</b>
Nil

## **Corporate Overview and Scrutiny Committee – Thursday 06 January 2022**

### **Scrutiny Review of the Stoke-on-Trent and Staffordshire Local Enterprise Partnership 2020-21**

#### **Recommendation(s)**

I recommend that:

- a. Members consider the information contained in the report to hold to account the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) for the delivery of its objectives in 2021.
- b. Members note the wider uncertainty regarding the future of LEPs and the impact that this has had on SSLEP.
- c. Consider lessons learned for the delivery of economic growth in the SSLEP geographic region and how this might help shape this area of work, and in particular cooperation among partners, in the future.

#### **Report of Alun Rogers, Chair - Stoke-on-Trent and Staffordshire Local Enterprise Partnership**

#### **Summary**

##### **1. What is the Overview and Scrutiny Committee being asked to do and why?**

- 1.1 The primary purpose of the meeting is for Councillors to explore the work the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) has undertaken over the last year. It is an opportunity to question the LEP Chair and hold them to account for the delivery of outcomes set out in the SSLEP Annual Delivery Plan, which is produced with reference to the various strategic documents that govern the LEP's work and is attached at Appendix 1 to this report.
- 1.2 The Committee may also wish to make recommendations as to how the work of the LEP is progressed in the future. As such it is important for Members to note that Government are currently conducting a national review of LEPs (initially announced in Spring

2020 and now likely to conclude and report early in 2022). More details regarding the review are contained within the report.

## Report

### 2. Background

- 2.1 The Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP) was formed in 2011, with a remit to bring together local public sector authorities, businesses, and other bodies to work together to drive economic growth and prosperity within the region. The SSLEP was established as a company limited by guarantee (rather than an unincorporated partnership) in April 2019, as required by Government. The Company Board, which is the LEP's main decision-making authority, comprises 18 Directors, currently 10 from the private sector and 6 from the public sector. Both Staffordshire County Council (SCC) and Stoke-on-Trent City Council (SOT) are represented on the Board, as well as representatives from the District and Borough Councils within Staffordshire.
- 2.2 All LEPs are required to agree and publish Assurance Frameworks setting out their governance arrangements, and which are in line with the National Local Growth Assurance Framework (NLGAF) published by Government. The national framework states that "the LEP should participate in relevant Local Authority scrutiny arrangements to guarantee the effective and appropriate democratic scrutiny of their investment decisions". The SSLEP's Assurance Framework sets out that this scrutiny will be carried out annually by a joint meeting of relevant Local Authorities (including representation from District and Borough Councils), which will be hosted on a rotating basis by Staffordshire County Council (SCC) and Stoke-on-Trent City Council (SOT). This is the third of these sessions, with the previous session being hosted by Stoke-on-Trent City Council in November 2020. Minutes of that meeting can be accessed here:

[City Renewal Overview and Scrutiny Committee Minutes](#)

### 3. Strategic Framework

- 3.1 Since 2011 the LEP has produced, as directed by Government, several strategic documents setting out its ambitions for the region and designed to drive its approach to economic development. The Strategic Economic Plan was initially agreed in 2014 and refreshed in 2018. The current SEP can be viewed here.

### SSLEP SEP

- 3.2 The LEP's central ambition as outlined in the SEP is to grow the economy by 50% and generate 50,000 new jobs by 2024 (10 years on from first publication of the SEP).
- 3.3 As of October 2018, 50,000 new jobs had been created, however, the types of jobs created had not enabled the economy to grow by 50%. The revised SEP recognised that increasing productivity and supporting the creation of a greater proportion of high-value, high-wage job opportunities, while ensuring residents could take advantage of those opportunities, would be vital to the continued development of the economy.
- 3.4 In December 2018 Government required all LEPs to lead the development of a Local Industrial Strategy (LIS) for their area. These were long term plans, aligned to the National Industrial Strategy. The SSLEP LIS was developed with local business and local authority leaders, Keele and Staffordshire Universities, and local colleges and was agreed in March 2020. The full LIS and an Executive Summary can be accessed online.

### SSLEP LIS

- 3.5 In March 2021 Government announced the replacement of the National Industrial Strategy with a renewed vision articulated in a Plan for Growth. This was followed, in June 2021, with an announcement that the role and function of LEPs would be reviewed at national level.
- 3.6 This review may impact the geographical boundaries of LEPs, their membership and / or their role and function. It may also result in the functions currently carried out by LEPs being undertaken by other new or existing bodies. It is likely the results of the review will be reported late 2021 / early 2022, alongside or close to the publication of the 'Levelling Up' White Paper. As such, the SSLEP is planning for scenarios in which it will be required to adapt and develop its overall strategic direction or wind down and handover delivery of ongoing programmes once these announcements are made. In the meantime, SSLEP remains fully committed to delivering against its current strategy and contractual commitments, whilst undertaking developmental work to prepare for future change.

## **4. Governance**

- 4.1 The SSLEP Company Executive Board is the primary decision-making body for the LEP, comprised of 18 Directors from the public and private sectors. The SSLEP Board may delegate powers to various sub-groups. With the migration of LIS into Plan for Growth the work of the current thematic sub-groups, which were aligned to the LIS, is largely paused. A task and finish group has already been established to oversee strategic structural change following the LEP review.
- 4.2 Our Strategic Programme Management Group (SPMG) and Audit and Finance Committee continue to oversee delivery of the existing portfolio of projects and financial and risk management processes respectively.
- 4.3 SSLEP's overall performance, both in relation to delivery and governance is overseen at national level by the Department for Business, Energy and Industrial Strategy (BEIS). BEIS reviews LEP's annually, including their overall governance arrangements, and SSLEP is compliant with national standards. The outcomes of our most recent Mid-Year Performance Review (MYPR) were reported to our Executive Board and are available on the SSLEP website as part of that agenda.

[Mid-Year Performance Review \(November 18<sup>th</sup> Board Agenda\)](#)

- 4.4 The Scrutiny Committee may wish to note the following points from the MYPR.
  - Following the resignation of a Board Member in summer 2021, the SSLEP currently has vacancies for 3 private sector board members, which impacts compliance with private / public sector ratio guidance. One of these vacancies is being recruited to, however, the other vacancies will remain until the future of LEP and its function is confirmed by the Cities and Local Growth Unit (CLGU), this has been agreed with BEIS.
  - The LEP has commissioned external agency Hatch to undertake a review of all existing LEP accountabilities, demonstrating its commitment to continuous improvement.
  - The LEP has a reserve balance projected at c.£1m at year end demonstrating significant financial probity. The Board has recently worked on and agreed a reserves policy to ensure best use of reserves.
  - SSLEP has commissioned a new economic Situation Report (SITREP) to help further understand the dynamics of the local

economy and, more importantly the needs of local businesses. The LEP is working with two specialist companies to both speak directly with local businesses and to analyse that and other data to provide a granular level insight into the local economy. Developing this level of local insight is a top priority given the disruption to the economic landscape from the Covid-19 pandemic and Brexit.

- 4.5 The outcome of the national LEP review will undoubtedly impact governance arrangements, however, SSLEP is well placed, particularly with the external review of our existing accountabilities near completion, to adapt and develop our governance arrangements once the review is complete.

## 5. Operational Delivery

- 5.1 Following the appointment of new CEO Anne Boyd in April 2021, the Board agreed a new Delivery Plan in 2021/22, (Appendix 1) is reviewed at each Board meeting. The Delivery Plan sets out how the LEP intends to balance existing delivery whilst implementing change and improvement. The Delivery Plan directly informs the work programmes of staff and supports the prioritisation of financial resources. Progress against the Plan is shared monthly via the CEO's report to the Executive Board.
- 5.2 Within the context of the wider LEP review the CEO and Board agreed the following priority work:-

### Governance:

- Board Recruitment (although paused subject to outcome of LEP review);
- Review of Sub-Group structures (commenced but paused subject to outcome of LEP review);
- Alignment of Growth Hub;
- Full review of Assurance Framework following LEP review.

### Operations

- Ongoing programme management (see details of programmes below);
- Review of financial and human resources;
- Review of existing accountabilities (Hatch Review);
- Insight Commission (to develop a local SITREP, including an extensive business survey, increasing the voice of business and providing granular level insight into the local economy, with a

view to this becoming an ongoing commission managed by the LEP or alternative body in the future, providing valuable insight to all local partners concerned with economic growth.

### Stakeholder Engagement

- A significant element of the LEP's current role is to build mutually beneficial relationships at a local/regional/national level whilst amplifying the voice of business and the brand of our place;
- Our Delivery Plan provides detail of the extensive stakeholder engagement undertaken throughout the year and planned till March 2022.

## 6. Programme Delivery

### 6.1 Local Growth Deal and Getting Building Fund

- 6.1.1 The SSLEP is responsible for the delivery of a range of (primarily) capital projects. The two most significant programmes are the Local Growth Deal (LGD) and Getting Building Fund (GBF). The second of these being launched by Government after the initial COVID-19 outbreak specifically for 'shovel ready' schemes that could deliver outcomes swiftly to support economic recovery in the aftermath of the pandemic.
- 6.1.2 The Strategic Programme Management Group receives quarterly updates on LGD and GBF (these quarterly updates are also submitted to BEIS) so there is substantial oversight at both local and national level.
- 6.1.3 The quarter 2 summary reports for both programmes (as received by SPMG) are attached at Appendix 2 and Appendix 3. With further detailed information available on the SSLEP website as part of the SPMG agenda.

[SSLEP SPMG Agendas and Minutes](#)

### 6.2 The City Deal

- 6.2.1 The LEP also maintains oversight of two projects funded through 'City Deals' which were agreed at the time of LEP's creation, BEIS maintains direct oversight of both projects. And in the case of the District Heating Network funding goes directly to Stoke-on-Trent City Council. However, SPMG receives regular updates on both projects, given their links with the SSLEP. The latest position on

both these projects was most recently reported to the SPMG in November and is available on the website.

[City Deal Quarter 2 Update \(SPMG agenda 29<sup>th</sup> November 2021\)](#)

### **6.3 European Funding**

- 6.3.1 An update report on the latest position in relation to European funding in the LEP area is attached at Appendix 4.

### **6.4 Growing Places Fund**

- 6.4.1 The Growing Places Fund (GPF) is a revolving fund providing loans to businesses that can demonstrate that they will generate economic growth in a short space of time with the right infrastructure in place. It is managed by Sarah Simpson, External Funding Officer at Staffordshire County Council on behalf the LEP. Sarah provides updates to the SSLEP Executive Board. The most recent report is available below, within the agenda pack for the Executive Board meeting.

[SSLEP EB GPF Update](#)

- 6.4.2 Further to that report, a brief additional update is provided below to appraise Members of the most recent position.

- 6.4.3 The GPF is currently paused, pending the LEP review, so no further calls are being issued. As of Quarter 4 2021/22, there is a surplus of £59,761, so a call would not usually be issued with such a small balance in any event. This balance does take account of £1.4m currently ringfenced for Blythe Properties. This project is under review due to a re-design of the infrastructure scheme originally approved. The revised scheme is being considered by a LEP sub-group, with Mohammed Ahmed representing the GPF.

- 6.4.4 Two loans are due for repayment in Quarter 1 2022/23 being £370k Middleport Pottery and £483.101k Dunston Business Village, which would increase the GPF balance available to £912.862k at end of Quarter 1 2022/23, assuming timely repayments are made.

- 6.4.5 During the lifetime of GPF (ten years) only one project has defaulted on their repayment – that being London House with a loan value of £450k. The beneficiary has been paying default interest charges on the loan from March 2019, and has paid £56.5k in interest charges to date. A revised Funding Agreement has recently been issued to the beneficiary which incorporates a commercial

mortgage, with repayments of £15k per quarter committed in the Agreement. Interest charges will continue to be made and the balance will be settled in full in the event of a sale of the commercial asset or any other property in the group portfolio. To date we are awaiting sign off of the revised Funding Agreement on the part of the beneficiary.

6.4.6 The total fund available to GPF should all loans be repaid in full, and no further loans issued is £2,559,901. The revenue balance for delivery currently stands at circa £311k.

## 6.5 Ceramic Valley Enterprise Zone

6.5.1 Enterprise Zones are geographically defined areas, hosted by Local Enterprise Partnerships in which commercial and industrial businesses can receive incentives to set up or expand. Businesses locating to an Enterprise Zone before 31 March 2018 are entitled to a Business Rate discount of up to 100% over a five-year period (worth up to £275k per business) as well as Enhanced Capital Allowances for the purchase of machinery and equipment. All Business Rates growth generated within an enterprise zone will - for at least 25 years - be kept and used by the relevant Local Enterprise Partnership and Local Authorities to reinvest in local economic growth. The following website provide further information regarding Enterprise Zones.

[Enterprise Zones - House of Commons Library \(parliament.uk\)](#)

6.5.2 Since its launch in 2015, Ceramic Valley Enterprise Zone (CVEZ) has consistently contributed to Stoke-on-Trent and Staffordshire's continued economic growth, driving our move to high-value added sectors and raising productivity. By championing tirelessly the benefits of locating in the heart of the UK, CVEZ has become one of the most successful EZs in the country.

6.5.3 Comprising six key sites along the strategic A500 corridor totalling 140 hectares, five are in Stoke-on-Trent ie:- (i) Tunstall Arrow; (ii) Highgate Ravensdale; (iii) Cliffe Vale; (iv) Etruria Valley and; (v) Chatterley Valley East. In addition, a further site, Chatterley Valley West, in Newcastle-under-Lyme. CVEZ has enabled redundant and neglected brownfield sites to be developed. Economic outputs achieved to date so far include:-

- 77% in six years of 2025 target of 3.7m sqft industrial space completed, under construction and planning approved;
- 34 new businesses; and
- 4,500 jobs created and in pipeline (including construction jobs)

- £32.13m GVA increase.

## 6.6 Growth Hub

- 6.6.1 The SSLEP is accountable for the area's Local Growth Hub (GH) and has worked hard with partners in recent months to strengthen governance arrangements to ensure SSLEP's direct leadership is maintained, in line with contractual arrangements between the SSLEP and BEIS.
- 6.6.2 The Chair of the LEP is now the Chair of the GH Steering Group and he is working with the LEP CEO and the delivery team on updating and improving the use of data collected for insight management and reporting purposes. The GH provides regular financial and performance reports to the LEP to ensure appropriate high levels of scrutiny. Reports are provided to the LEP Board, Sub-Committees, and Accountable Body on progress towards Key Performance Indicators. A Job Description for the new Head of Growth Hub role has been approved by the Board and recruitment will take place once the LEP review is concluded. The most recent report is available here as part of the SSLEP EB agenda for the 16 December meeting.

### [SSLEP Growth Hub Update 16<sup>th</sup> December Agenda](#)

- 6.6.3 The GH Steering Group constitutes a LEP board member, the LEP CEO and key partners including:- (i) Staffordshire County Council; (ii) Stoke on Trent City Council and; (iii) Staffordshire Chambers of Commerce. It is also supported by a wider group of business partners such as the Department for International Trade, Universities, Federation of Small Businesses and Skills Hub who attend to discuss current issues and future plans as they are closely involved in the operation of the Growth Hub and local business support system.

## 7. Link to Strategic Plan

- 7.1 The work of SSLEP directly impacts SCC's Strategic Priority that the people of Staffordshire be able to access more good jobs and feel the benefits of economic growth.

## 8. Link to Other Overview and Scrutiny Activity

- 8.1 As stated above, the LEP was last scrutinised by Stoke-on-Trent and SCC Scrutiny Committees in November 2020.

## **List of Background Documents/Appendices:**

Appendix One – SSLEP Delivery Plan  
Appendix Two – Getting Building Fund Q2 Report  
Appendix Three – Local Growth Deal Q2 Report  
Appendix Four – European Funding Update

### Background Documents

Stoke-on-Trent City Renewal Overview and Scrutiny Committee Minutes  
SSLEP Strategic Economic Plan  
SSLEP Local Industrial Strategy  
SSLEP Notes from Mid-Year Performance Review

### Contact Details

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## Appendix One

# SSLEP Delivery Plan 2021/22

### Introduction

2021/22 is a significant year of change, for those that we serve, post-pandemic and Brexit, and for the LEP itself, as we undergo a systematic review led by Government.

SSLEP remains fully committed to delivering against its current strategy and contractual commitments, whilst undertaking developmental work to prepare for future change. By 2022 we will have migrated from our current LIS, building upon its strong foundation to define our future Plan for Growth. We will ensure that partnerships, resources and structures are in place to deliver against our ambition to be a region that *thrives and succeeds based on a progressive, diverse and inclusive economy led by our innovative and creative mix of digital, energy and advanced manufacturing, making Stoke-on-Trent and Staffordshire the best place to live, learn, work and do business.*

As an organisation and partnership dealing with uncertainty, we will endeavour to add-value through our wide range of existing programmes, embrace and lead change positively and continue to champion and promote place.

This document is not an outward-facing strategy, but a delivery plan that sets out our roadmap to balance existing delivery whilst implementing change and improvement. We aim to position Stoke-On-Trent and Staffordshire region as a community that works collaboratively, embraces innovation and 'gets things done', thus highly investable.

### Objectives:

1. **Governance:** continue to drive strategic change through evidenced-based, ambitious strategy underpinned by robust governance; a platform for future growth
2. **Operations:** continue to progress local projects and initiatives, demonstrating high-impact delivery of capital schemes and test-bed projects, whilst developing granular-level insight to support policy and investment decisions.
3. **Stakeholder engagement:** building mutually-beneficial relationships at a local/regional/national level whilst amplifying the voice of business and the brand of our place.

## Appendix One

### SSLEP Delivery Plan 2021/22

Objective	Qtr 1: Apr-Jun	Qtr2: Jul-Sep	Qtr3: Oct-Dec	Qtr 4: Jan-Mar
<b>Governance</b> <i>Ongoing work programme</i>	<p>NED recruitment</p> <p>Fulfilment of (LEP actionable) improvement Plan/APR actions:</p> <ol style="list-style-type: none"> <li>1. Private sector NED recruitment</li> <li>2. City Deal Carbon Emissions Reduction Targets reported to SPMG</li> <li>3. LGF Evaluation Plan implementation and quarterly data returns to CLGU</li> <li>4. Monthly meetings between CLGU Area Lead, LEP CEO &amp; S151</li> </ol>	Mid-Year review	<p>AGM + formal appointment of new NEDs</p> <p>Induction of new NEDs</p>	<p>Annual Performance Review</p> <p>NED recruitment</p> <p>Development of Business Plan and Budget 2022/23</p>
<b>Governance</b> <i>New developments</i>	<p>Development of new T&amp;F Group to oversee strategic change</p> <p>Alignment of Growth Hub (Governance and Operations)</p>	<p>Sub-group strategic review</p> <p>Reserves Policy development</p> <p>Review and risk assessment of LEP accountabilities</p>	<p>Strategy review/refresh</p> <p>Structural review</p> <p>Review of Governance and of associated Assurance Framework</p> <p>Implementation of any recommendations emerging from:</p> <ul style="list-style-type: none"> <li>• review of accountabilities</li> <li>• Mid-Year Review</li> </ul>	<p>Launch of SSLEP Strategy 2022+</p> <p>Implementation of any recommendations emerging from:</p> <ul style="list-style-type: none"> <li>• Review of Governance and of associated Assurance Framework /any newly released guidance</li> <li>• review of Sub-groups</li> <li>• structural review</li> </ul> <p>Review/conclusion of T&amp;F (Strategic Change)</p> <p>Development of Marketing Strategy and Stakeholder Engagement Plan</p>

## Appendix One

### SSLEP Delivery Plan 2021/22

Objective	Qtr 1: Apr-Jun	Qtr2: Jul-Sep	Qtr3: Oct-Dec	Qtr 4: Jan-Mar
<b>Operations</b> <i>Ongoing work programme</i>	Appointment and onboarding of CEO  Programme Management/M&E of grant programmes incl LGF / GBF / GPF / EZ's / ESIF / City Deal	Programme Management/M&E of grant programmes incl LGF / GBF / GPF / EZ's / ESIF / City Deal	Programme Management/M&E of grant programmes incl LGF / GBF / GPF / EZ's / ESIF / City Deal	Programme Management/M&E of grant programmes incl LGF / GBF / GPF / EZ's / ESIF / City Deal
<b>Operations</b> <i>New developments</i>	Review of existing human and financial resources	Insight Commission to develop local SITREP, increase 'voice of business' and provide granular-level insights locally and nationally	Recruitment of Growth Hub lead  SITREP modelling/testing Incl.new economic briefing notes developed for local leaders  Business Support Review Commission	Appointment and onboarding of Growth Hub Lead  SITREP mainstreamed with review cycle  Business Support Review

# Appendix One

## SSLEP Delivery Plan 2021/22

Theme	Qtr 1: Apr-Jun	Qtr2: Jul-Sep	Qtr3: Oct-Dec	Qtr 4: Jan-Mar
<b>Stakeholder engagement</b> <i>Ongoing work programme</i>	New CEO Intro meetings and PR Video case studies Thought leadership: Local Gov/MJ articles Monthly 121 with all LA Leaders/CEOS Covid response task force Network of Networks event Strategic engagement with local initiatives and working groups to accelerate growth Championing the interests of SOT/Stiffs through strategic engagement with Midlands Engine/LEP Network/Peers/ Government	Annual report 20/21 video/press promo highlighting impact of investment Monthly 121 with all LA Leaders/CEOS Covid response task force Network of Networks event Strategic engagement with local initiatives and working groups to accelerate growth Championing the interests of SOT/Stiffs through strategic engagement with Midlands Engine/LEP Network/Peers/ Government	Monthly 121 with all LA Leaders/CEOS Covid response task force Network of Networks event Strategic engagement with local initiatives and working groups to accelerate growth Championing the interests of SOT/Stiffs through strategic engagement with Midlands Engine/LEP Network/Peers/ Government	Monthly 121 with all LA Leaders/CEOS Covid response task force Network of Networks event Strategic engagement with local initiatives and working groups to accelerate growth Championing the interests of SOT/Stiffs through strategic engagement with Midlands Engine/LEP Network/Peers/ Government
<b>Stakeholder engagement</b> <i>New developments</i>		Economic Insight forum launch to share existing insights and support the development of new SITREP	Business engagement: test-bed survey launch Thought leadership: series of round table events - economic changes/recovery/net zero etc Strategy refresh consultation	SSLEP Strategy Launch event SITREP disseminated locally Business engagement: ongoing surveys Thought leadership: series of round table events - economic changes/recovery/renaissance

# SSLEP Getting Building Fund (GBF) report Q2 - 2021-22

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Executive Board 18<sup>th</sup> November 2021

Report author: Sharon Palphreyman, SSLEP Programme Manager

# SSLEP Getting Building Fund (GBF) report Q2 - 2021-22

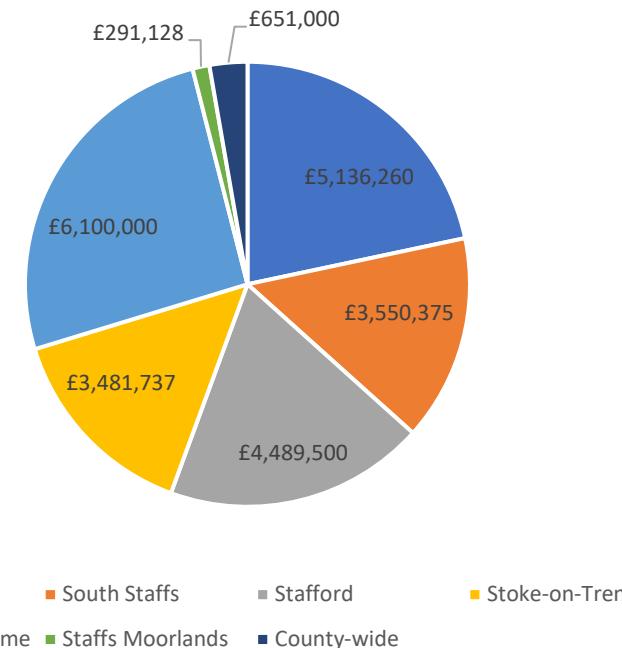
## Getting Building Fund Position

This report provides a summary of outputs and match funding reported during **Q2**, programme highlights and issues reported in Q2, and the progress of the live schemes.

The deadline for GBF spend is March 2022.

District	Allocation	%
East Staffs	£5,136,260	21.7%
South Staffs	£3,550,375	15.0%
Stafford	£4,489,500	18.9%
Stoke on Trent	£3,481,737	14.7%
Newcastle-u-Lyme	£6,100,000	25.7%
Staffs Moorlands	£291,128	1.2%
County-wide	£651,000	2.7%
	<b>£23,700,000</b>	<b>100.0%</b>

SSLEP GBF - regional spread



Note: Figures above include Drakelow Park as SSLEP remains a co-investor in the scheme.

# SSLEP Getting Building Fund (GBF) report Q2 - 2021-22

## **GBF programme – programme changes**

12 schemes were originally offered GBF grants. However, subsequent programme changes were approved by MHCLG in June 2021:

- 1 was withdrawn before drawing down any grant;
- 1 was re-scope (reducing the funding required).
- 4 contingency schemes were added to the programme to utilise the funding no longer required by the withdrawn scheme and the re-scope scheme. In order to progress all four of these schemes, SSLEP matched the GBF allocation with funding from SSLEP reserves.
- Also, SSLEP requested that the SSLEP GBF allocation for Drakelow Park be de-allocated from SSLEP and reallocated to D2N2. This de-risks the scheme for SSLEP and allows D2N2, who are managing the scheme, greater efficiencies in that just one LEP will now be controlling the scheme. A legal assurance agreement between SSLEP and D2N2 is pending.

The revised programme now includes 14 schemes.

# SSLEP Getting Building Fund (GBF) report Q2 - 2021-22

GBF - contractual position			
GBF schemes contractually committed:	13 schemes contracted	Value	£18,358,872
Pending contract	1 scheme - contract pending	Value	£291,128
		Total	£18,650,000

## Projects status in Q2

The programme changes were approved by MHCLG in June 2021, so although the deadline for GBF spend is the end of March 2022, some projects are still in the early stages or not yet started:

- 3 schemes have already completed (SEF C, SEF F and SEF H)
- 7 schemes are in progress (of which 3 are expected to complete in Q3). 2 of these schemes have reported slight slippage (briefing papers taken to SPMG) but mitigation is in place and the scheme sponsors remain confident of delivery/spend within timescale.
- 3 schemes completed contracts at the end of Q2 and are pending start.
- 1 scheme has not yet been contracted

Some slippage is due to the impact of Covid, particularly on the availability/lead-in time for materials/supplies.

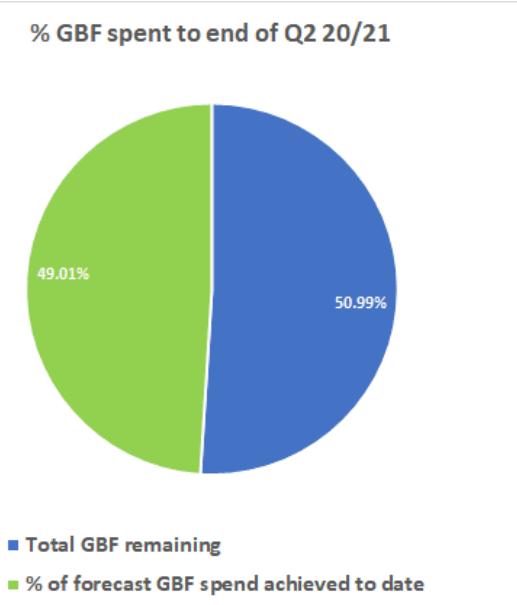
Note: 2 schemes have also been impacted by the liquidation of contractors - one was severely impacted (the main contractor went under just as they were about to start work on the scheme); one was slightly impacted (a supplier went under). Increasing costs are also an issue.

# SSLEP Getting Building Fund (GBF) report Q2 - 2021-22

GBF Projects - Timeline							
GBF grant spend	GBF schemes	2020/21		2021/22			Value of GBF grant
		Q3	Q4	Q1	Q2	Q3	
	Drakelow Park						deallocated
<b>KEY to progress</b>	The Centre for Health Innovation	Q3	→				£2,889,500
Scheme completed/ OR SSLEP GBF spend completed	i54 Western Extension (GBF funded element)	→					£3,000,000
Scheme started/on schedule	Keele Innovation Centre 7			→			£6,100,000
Contracted. Pending start	New Enterprise Collaboratory		→				£500,000
Pending contract	Powering Up Enterprise (re-scaled)				→		£2,450,000
	SEF C - Digital Skills Academy (South Staffs College)	→					£550,375
	SEF F - Creative and Digital Industries project phase 2			→			£250,000
	SEF H - Construction Industry Digital Technologies (CIDT) (Stoke on Trent College)			→			£120,000
	Shire Hall regeneration project			→			£1,600,000
	Staffordshire Local Sustainable Transport Package		→				£651,000
	SEF G - JCB Automation and Robotics Suite			→			£86,260
	Church Street Gaming Hub				→		£97,042
	Cornhill Small Business Units				→		£291,128
	Cleveland Future Skills Hub				→		£64,695
					Total		£18,650,000

# SSLEP Getting Building Fund (GBF) report Q2 - 2021-22

GBF grant spend				
Match funding reported to date <b>Q1 2020/21</b>	Total scheme budget		SSLEP GBF grant per scheme	Total GBF spend reported to date
Drakelow Park ( <i>D2N2 to claim outputs</i> )	£0		£0	
The Centre for Health Innovation	£5,779,000		£2,889,500	£2,889,500
i54 Western Extension ( <i>reported through LGF</i> )	£27,262,000		£3,000,000	£3,000,000
Keele Innovation Centre 7	£14,400,000		£6,100,000	£1,521,157
Creative Lab (New Enterprise Collaboratory)	£721,600		£500,000	£379,743
Powering Up Enterprise	£3,666,295		£2,450,000	£0
SEF C - Digital Skills Academy (South Staffs College)	£1,213,775		£550,375	£550,262
SEF F - Creative and Digital Industries project phase 2 (Stoke on Trent College)	£350,000		£250,000	£249,523
SEF H - Construction Industry Digital Technologies (CIDT) (Stoke on Trent College)	£165,000		£120,000	£119,757
Shire Hall regeneration project	£2,000,000		£1,600,000	£92,266
Staffordshire Local Sustainable Transport Package	£859,000		£651,000	£251,789
SEF G - JCB Automation and Robotics Suite	£272,710		£86,260	£86,260
Church Street Gaming Hub	£450,000		£97,042	£0
Cornhill Small Business Units	£1,309,846		£291,128	£0
Cleveland Future Skills Hub	£251,000		£64,695	£0
	<b>Total schemes: budget</b>		<b>GBF allocation:</b>	<b>GBF actual spend to date:</b>
	<b>£58,700,226</b>		<b>£18,650,000</b>	<b>£9,140,257</b>



# SSLEP Getting Building Fund (GBF) report Q2 - 2021-22

## Wider scheme finances

### Forecast budget:

- The total forecast budget for delivery of the schemes receiving GBF grant is: **£58.7 million**
- Of which £18.65m million is GBF grant
- Of which **£40.05 million** is match funding

### Match spend (to deliver the scheme)

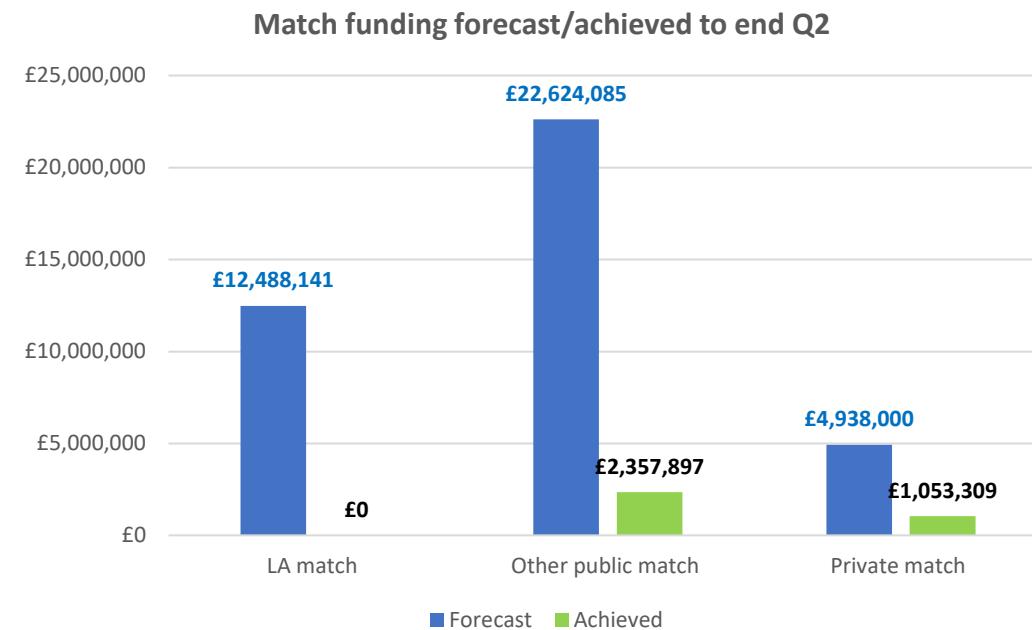
Schemes are being encouraged to spend GBF grant prior to drawing down sources of match funding, to mitigate against delays in spend during the very limited timescale of the GBF programme. However, match spend is now being reported.

### Actual match spend reported to end of Q2 20/21

(rounded):

- Total match funding reported to date: **£3.4 million**
  - Of which Local Authority match is: £0
  - Of which "Other Public" match is £2.36 million
  - Of which private match is: £1.05 million

**8.5%** of the total forecast match funding has been spent by the end of Q2.



# SSLEP Getting Building Fund (GBF) report Q2 - 2021-22

## Projects - Outputs

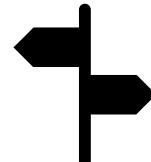
Outputs will be reported as they are delivered.

The first few outputs have already been reported:

- 17 construction jobs  
(Q1 – Keele IC7)
- 1.1Km footpath/cycle path  
(Q1 – LSTP)
- 770 sqm learning/training floorspace  
(Q2 – SEF C 600 sqm; SEF F 170 sqm)
- 147 sqm commercial floorspace  
(Q2 – Creative Lab)



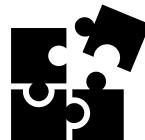
Digital and construction skills



Sustainable transport



Supporting business enterprise and jobs



Innovation

# SSLEP Getting Building Fund (GBF) report Q2 - 2021-22

## Forecast Outputs

GBF schemes - Forecast Outputs <i>(includes those to be reported in the BEIS return + future years)</i>	Jobs created	Construction jobs	Jobs safeguarded	Sqm Commercial floorspace	Sqm R&D Floorspace	Businesses assisted	Km walking/ cycleways	Sqm Learning/ Training space	New learners assisted	Sqm public realm created or improved
Drakelow Park ( <i>D2N2 to claim outputs</i> )	0	0	0	0	0	0	0	0	0	0
The Centre for Health Innovation	115	0	0	0	0	0	0	1,230	500	0
i54 Western Extension	0	0	0	0	0	0	0	0	0	0
Keele Innovation Centre 7	174	53	34	2,696	0	0	0	0	0	0
Creative Lab (New Enterprise Collaboratory)	44	0	0	147	30	22	0	0	0	0
Powering Up Enterprise ( <a href="#">RE-SCOPED</a> )	339	37	0	3,097	0	70	0	0	0	0
SEF C - Digital Skills Academy (South Staffs College)	57	0	0	0	0	43	0	600	32	0
SEF F - Creative and Digital Industries project phase 2 (Stoke on Trent College)	30	0	5	0	0	5	0	170	66	0
SEF H - Construction Industry Digital Technologies (CIDT) (Stoke on Trent College)	60	0	1	0	0	5	0	0	50	0
Shire Hall regeneration project	60	14	0	12,000	0	21	0	0	0	0
Staffordshire Local Sustainable Transport Package	0	0	0	0	0	0	3.6	0	0	0
SEF G - JCB Automation and Robotics Suite	31	0	0	0	0	30	0	0	36	0
Church Street Gaming Hub	5	0	0	290	0	0	0	0	20	0
Cornhill Small Business Units	23	0	0	715	0	7	0	0	0	23
Cleveland Future Skills Hub	0	0	0	0	0	0	0	1184	45	0
<b>Totals</b>	<b>938</b>	<b>104</b>	<b>40</b>	<b>18,945</b>	<b>30</b>	<b>203</b>	<b>3.6</b>	<b>3,184</b>	<b>749</b>	<b>23</b>

# SSLEP Getting Building Fund (GBF) report Q2 - 2021-22

## Highlights reported in Q2 – (page 1)

- **SEF C - Digital Skills Academy** (South Staffs College) has completed.  
All GBF spent. Forecast outputs are for KPIs at September 2022. 600 sqm training/learning floorspace delivered.
- **SEF F - Creative and Digital Industries project** phase 2 (Stoke on Trent College) has completed.  
GBF and match spend complete. Awaiting details of project launch. 170m<sup>2</sup> of training/ learning floorspace delivered.  
Forecast outputs are for KPIs at September 2022.
- **SEF H - Construction Industry Digital Technologies** (CIDT) (Stoke on Trent College) has completed.  
GBF and match spend complete. Awaiting details of project launch. Forecast outputs are for KPIs at September 2022.
- **SEF G - JCB Automation and Robotics Suite**  
Scheme is progressing well, GBF is fully spent and 30% of forecasted match has already been spent
- **Health Innovation Centre.**  
The new completion date will now be moved to the last week of November 2021 subject to delivery and progress on-site. The building was watertight as of 30th August 2021. A business case for the development of the staffing infrastructure for the Centre for Health Innovation is being developed to ensure the delivery of the university and LEP KPI's. A suite of short courses and CPD are being developed along with masters level courses that will play to the key strengths of CHI as well as meet several of the KPI targets.
- **Creative Lab**  
The construction, networking and digital infrastructure for this space is now complete. All equipment and furniture have been procured and the majority is now installed. The Creative Lab is fully operational with its first event hosted on 14/09/21.
- **Staffordshire Local Sustainable Transport Package**  
The programme is on track for delivery. The Uttoxeter, Eccleshall and Tamworth schemes are complete and detailed design and consultation is progressing on the Burton upon Trent, Biddulph and Burntwood schemes.

# SSLEP Getting Building Fund (GBF) report Q2 - 2021-22

## Issues reported in Q2

### 1. Shire Hall regeneration project

- The main contractor went into liquidation just as the works were due to commence in September. The scheme provided a briefing note to SPMG on 18/10/21. An alternate contractor who is on the SCC Framework and has extensive experience of heritage projects is to be put in place, subject to the tender meeting the project specifications and cost parameters. Reprofiling indicates that the scheme is still confident of being able to draw down the £1.6m Getting Building Fund contribution in full by the end of March 2022, with the balance of match funding from SCC being fully expended by the end of June 2022

### 2. Keele Innovation Centre 7:

- Project is progressing well overall. There have however been slight programme delays due to:
  - Tenderers for the main works contract asking for a two week extension to their tender preparation timescale due to the impact of the latest lockdown and the construction cost is also higher than originally envisaged (for which a mitigation strategy is in place).
  - Inclement weather
  - The movement of badgers into the site exclusions zone and the discovery of a third sett which has necessitated re-sequencing of the car park works resulting in a minor level of under investment against the £1.5m predicted for Quarter Two.
  - There is also an emergent risk of a delay to completion of the steel frame which is currently being discussed with the contractor.

The scheme lead assures the LEP that these programme delays will not impact detrimentally on full GBF investment in 2021/22 financial year.

# SSLEP Getting Building Fund (GBF) report Q2 - 2021-22

## **For further details regarding GBF schemes:**

- Please see **Appendix – GBF Progress dashboard Q2 2021 v1**

Further information for each GBF scheme can be provided on request by the SSLEP Programme Manager:  
[sharon.palphreyman@staffordshire.gov.uk](mailto:sharon.palphreyman@staffordshire.gov.uk)

# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

Page 27

Executive Board 18<sup>th</sup> November 2021

Report author: Sharon Palphreyman, SSLEP Programme Manager

# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

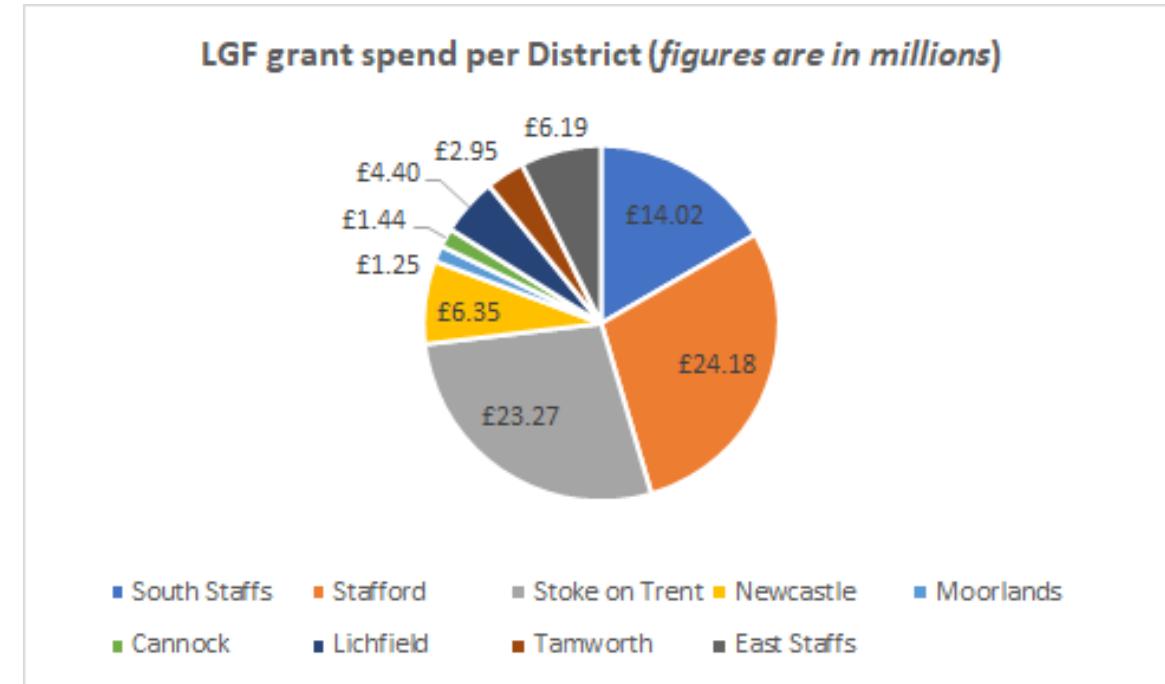
## Local Growth Deal Position

This report provides a summary of outputs and match funding reported during **Q2**, programme highlights and issues reported in Q2, and the progress of live schemes.

March 2021 was the end of the LGD grant spend period; the full amount of grant has been spent: **£98.27m**.

LGF per district:		
	£ Millions	% of total LGF
South Staffs	£14.017	14.3%
Stafford	£24.180	24.6%
Stoke on Trent	£23.265	23.7%
Newcastle	£6.350	6.5%
Moorlands	£1.250	1.3%
Cannock	£1.438	1.5%
Lichfield	£4.404	4.5%
Tamworth	£2.954	3.0%
East Staffs	£6.190	6.3%
	<b>£84.048</b>	<b>85.50%</b>

**NOTE:** The remaining £14.17m (14.5%) was spent on county-wide schemes or schemes that cross more than one area, such as LSTP, SME expansion programme and Economic Regeneration programmes.



Note: Figures above do not include County-wide multi-location schemes such as Local Sustainable Transport Programme or SME Expansion Programme.

# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

## LGD programme – current position

A total of 37 schemes were offered LGD grants; 4 were withdrawn before drawing down any grant and the funding was reallocated to new schemes during the grant period. Of the **33** that received LGD grant:

- **2** schemes were funded for preliminary work only (now being progressed outside LGD timescales). Match funding is being reported
- **11** schemes have totally completed – scheme complete, outputs delivered
- **13** schemes have physically completed but still have some or all outputs to deliver. Outputs and match funding will continue to be reported.
- **7** schemes are still active/in progress. The remaining work will be funded via match funding pledged to the scheme. Progress, outputs and match funding will continue to be reported.

# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

## Wider scheme finances

### Forecast budget:

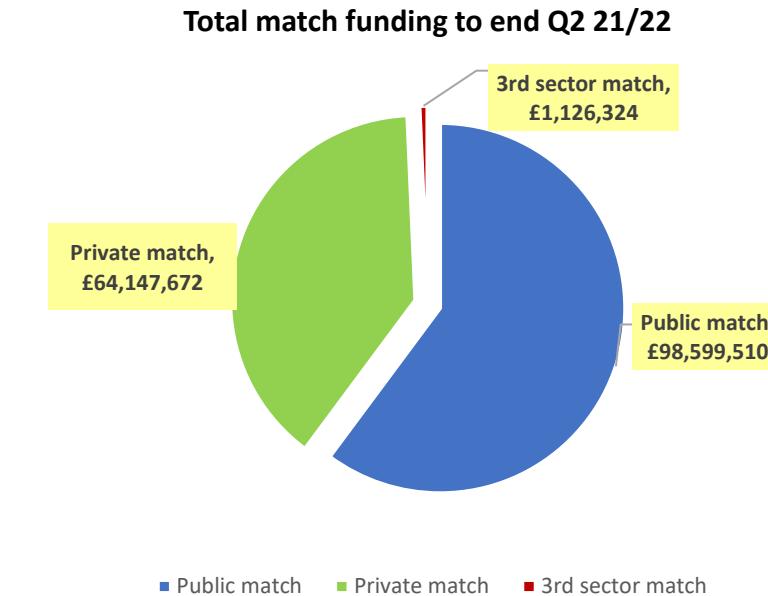
- The total forecast budget for delivery of the schemes receiving LGD grant is: **£298.8 million**
- Of which £98.3 million is LGD grant
- Of which **£200.5 million** is match funding

### Match spend (to deliver the scheme)

#### Actual match spend reported to end of Q2 20/21 (rounded):

- Total match funding reported to date: **£164 million**
  - Of which public match is: £99 million
  - Of which private match is: £64 million
  - Of which 3<sup>rd</sup> sector match is: £1 million

**82%** of the total forecast match funding has been spent by the end of Q2.



# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

## Leverage - resulting from the LGF enabling schemes

This will be calculated annually. To the end of year 2020/21, **£185.37million private investment** is calculated to have been invested in the area as a result of the SSLEP LGD programme of schemes.

It is estimated that, as outputs are realised and schemes mature, forecast total private investment leverage will be in the region of **£1.25 billion**.

**Forecast** is based on figures provided as part of business cases (which would have been subject to, and part of, the appraisal process), and detailed in contracts, based on the approximate number of homes to be built and sqm of commercial land to be developed.

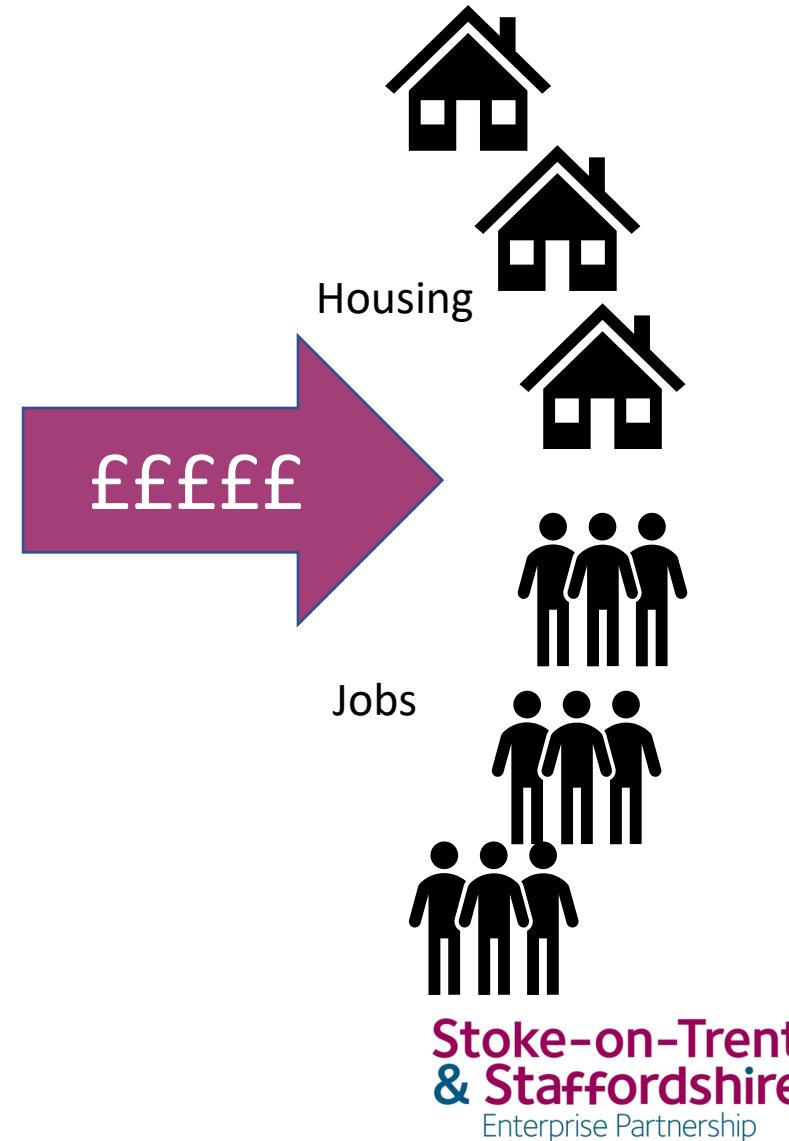
The leverage **Outputs** are based on the following calculations:

### Industrial

- Calculated using a build cost calculation of £70 per square foot (attributed to Bericote, Meaford and Lichfield Park), although the £110m estimate at Bericote for Gestamp also includes fit out and equipment investment)

### Residential

- Calculated using a (conservative) build cost calculation of £90 per square foot (this is a number SCC reported seeing in viability appraisals in April 2020) and a conservative assumption that each house is approximately 1,000 sq ft, giving a very crude leverage of approx. £90,000 leverage per house  
(There is extra leverage from items like estate roads, utility provision, dealing with abnormal costs etc. but sponsors don't have the resources to unpick those).



# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

## LGD programme – Outputs to date – Housing units

- SSLEP target: 1,000 houses
- Houses delivered in Q2: 49
- Total housing units achieved by September 2021: **554**
- % of target achieved to date: **55%**
- Overall forecast total of houses to be delivered as a result of the LGD grant-aided schemes: 6,167
- % of overall forecast achieved to date: 9%
- We expect to meet the 1,000 housing target in year 2022/23



## Q2 - headlines

- Branston Locks – build completion numbers should escalate as a further 2 developers are set to join the 2 developers already on site. One of the new developers has reserved matters approved subject to s106/s278 approval; the other is under contract and Reserved Matters to be submitted shortly. (*See slide 10 for details*)
- SWAR – Taylor Wimpey are progressing at Burleyfields, building is well underway.
- Victoria Park (St Modwen at the old Stoke City Football ground) – building is now underway with first residents in place in July.

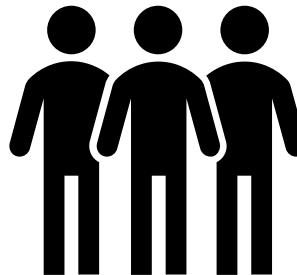
# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

## LGD programme – Outputs to date –

### Jobs created

*Jobs count includes jobs created and full apprenticeships*

- SSLEP target: 5,000 jobs
- Jobs delivered in Q2: 18
- Jobs achieved by September 2021:  
**2,889**
- % of target achieved to date: **58%**
- Overall forecast total of jobs to be created in the area as a result of the grant-aided schemes: 14,686
- % of overall forecast achieved to date: 20%
- We expect to meet the 5,000 jobs target in year 2023/24



## Q2 – headlines

In Q1 and Q2 there has been considerable movement on some of the larger infrastructure schemes which had been initially slow to gain ground, negatively impacting on outputs realisation. We hope to see job outputs climb significantly over the next 6 months:

- Liberty Park, Lichfield – first end user on site
- Four Ashes, Bericote – a further unit has recently been let

*The jobs recently delivered by the 2 schemes above have not yet been added to the outputs reporting as we are awaiting confirmation of job numbers (estimated to be in excess of 500 jobs in total).*

- Branston Locks – commercial site - a start on site has now been made. The first phase of speculative units is due to complete in Feb/March 2022, so there is potential for at least part to be available for occupiers in early 2022. A further planning application has been approved.

# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

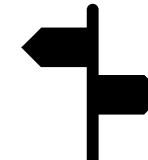
## LGD programme – Outputs to date – Other

*Jobs count includes jobs created and full apprenticeships*

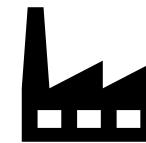
- **3,559** learners assisted to a qualification
- **6.5 km** road resurfaced
- **5 km** newly built road
- **26 km** cycle/walking paths and improvement to enable sustainable transport
- **7,531 m<sup>2</sup>** of new or improved learning/training space
- **115,197 m<sup>2</sup>** of commercial floorspace created
- **300,000 m<sup>2</sup>** of land with reduced flood risk (reducing flood risk in 114 homes and 159 commercial)



Skills and learning



Infrastructure and sustainable transport



Enabling commercial development



Flood alleviation

# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

## Highlights reported in Q2 – (page 1)

- i54 Western Extension: [News - i54 \(i54online.com\)](#)  
Main Earthworks component was completed in August 2021.  
There are already some very exciting opportunities at an advanced stage of negotiation for interested end users of the site. Discussions are ongoing with Modern Methods of Manufacturing company, Elements Europe. Advanced discussions are also taking place with another international manufacturing business which would occupy the remainder of the Western Extension site.
- SWAR: Current planned works completion date: 01/11/2021 (this would have been several weeks earlier but the completed road cannot be opened until safety fencing has been installed on the road over the river viaduct (supplier delays).
  - Website: [Stafford Western Access Route - Staffordshire County Council](#)
  - 2021 August SWAR drone footage link: [SWAR August 2021 - YouTube](#)
  - Housing: outputs are being reported quarterly
    - Bellway at Mallard Walk is completed – 174 homes.
    - Taylor Wimpey at Burleyfields: over 2,000 houses forecast. Phase 1 in progress - 427 homes. (71 built to date).  
[Burleyfields · New homes in Stafford · Taylor Wimpey](#)
- City Centre Access Programme, Stoke on Trent: scheme completed 27/07/21. The scheme remodelled the main gateway to the City Centre so that it can better meet the needs of all users, including vehicles, pedestrians and customers and to reduce congestion at key pinch points to stimulate economic activity and attract investment.
- City East Link Road, Stoke in Trent: Scheme completed 27/09/21. Road layout improvements. Housing outputs will be reported in due course.

# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

## Highlights reported in Q2 – (page 2)

- Lichfield Park: First end user on site - a company called AX Fleet. Awaiting confirmation of number of employees.  
<https://www.logisticsmanager.com/fleet-management-firm-secures-midlands-warehouse/>
- Four Ashes, Bericote: A further unit has recently been let - awaiting confirmation of job numbers.
- Branston Locks:
  - Commercial site: employment development. A start on site has now been made so there is potential for at least part to be available for occupiers in late 2021 or early 2022.
  - Residential site: progressing well, several developers on site:
    - Cameron Homes Lawnswood phase 1 - all 70 units are completed and occupied  
[New homes for sale at Lawnswood, Tatenhill by Cameron Homes](#)
    - Cameron Homes The Saplings phase 1: 58 units under construction (10 completed/occupied)  
[The Saplings at Lawnswood | Cameron Homes \(camerongalliers.co.uk\)](#)
    - Cameron Homes The Saplings phase 2 - circa 200 homes expected in total
    - Taylor Wimpey - 201 units in progress (91 completed/occupied)  
[The Coopers · New homes in Branston · Taylor Wimpey](#)
    - Lovell (Shobnall Rd end) – 196 – Reserved Matters approved and awaiting s106 / s278 approval [East Midlands Projects Announced | Lovell Partnerships](#)
    - Crest Homes – 300 units – under contract and Reserved Matters to be submitted shortly
- Victoria Ground: Scheme completed 31/07/21. St Modwen Homes. First housing occupants have now moved in ( 8 completed homes reported in Q2) [Victoria Park, Stoke-on-Trent - St Modwen Homes](#). Phase 2 (70 homes forecast)
- Cannock & Silverdale Enterprise Centres:
  - At Cannock the units are all allocated/let; 18 jobs are in place
  - At Silverdale, the first 3 jobs are in place.

# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

## Issues reported in Q2

### 1. An LGD scheme has failed to start/progress or meet contract conditions.

- Start of works on site was planned for September 2021 but this has been delayed due to legal issues and design issues.
- SSLEP Executive Board have delegated authority to a subgroup of Board members (SSLEP Chair, SSLEP SPMG Chair and SSLEP Audit & Finance Chair) to progress the scheme and mitigate the risk to the LGD programme.

### 2. Stoke on Trent Railway Station:

- A number of weeks were lost on the programme due to a transition period between NR sponsors, award of contract, and no Project Engineers within NR to approve the E&P Design. Further delay has been added due to negotiations re the cable route across the Car Park and also equipment lead in times.
- a funding gap due to increased materials and suppliers costs was reported but AWC have since confirmed that they will bridge most of the funding gap from their own budgets.

### 3. Liquidation of contractors/subcontractors:

- Etruria Valley Link Road reports that a main Sub-contractor for all Steel on the project went into liquidation in July; a replacement sub-contractor has now been appointed. This has caused a delay to the overall programme by 3 months. Specialist Contract advice has been sought in order to understand and mitigate future risks associated with this.
- [The issue of contractors or subcontractors going into liquidation has also impacted on the GBF programme].

# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

## LGD Audit report: recommendations

The recommendations re the SSLEP website have been implemented:

- Project information has been updated
- A summary of expected programme outputs has been added to the website

A programme of work to redesign the website will follow, in line with the outputs of other wider website redesign work, once the LEP Review has completed and the future direction of the LEP is known..

# SSLEP Local Growth Deal (LGD) report Q2 - 2021-22

## **For further details regarding LGD schemes:**

- Please see **Appendix – LGD Progress dashboard Q2 2021-22 v1**

Further information for each GBF scheme can be provided on request by the SSLEP Programme Manager:  
[sharon.palphreyman@staffordshire.gov.uk](mailto:sharon.palphreyman@staffordshire.gov.uk)



## APPENDIX 4

### Update report on the Stoke-on-Trent and Staffordshire LEP's ESIF Programme

#### Background

#### European Regional Development Fund

ERDF forms the largest element of the programme with £90M of EU funds available over the life of the programme across the LEP Geography. This is managed through a National Programme which guides on eligibility and project management to ensure the successful delivery of the programme. Under ERDF there were a number of "Themes" which the funding can support. At the outset of the ERDF programme the total LEP allocation was split and fixed into these themes, these are as follows:

ERDF Theme	Notional Allocation	Allocated to Projects	% Contracted Allocations
Innovation	£25.17M	£24.37M	96.8%
Broadband and ICT	£0.53M	£0.50M	93.0%
Business Support	£46.14M	£39.88M	86.4%
Low Carbon	£15.01M	£14.57M	97.0%
Flood Mitigation	£0.94M	£0.94M	100%
Biodiversity	£3.06M	£2.61M	85.5%
Total	£90.84M	£82.88M	91.2%

The ERDF Programme underwent a final round of calls for projects in the Autumn of 2019, this led to the LEP being able to allocate £83.5M to Stoke-on-Trent and Staffordshire Projects. This equates to 92% of the LEP's ERDF programme with a residual amount of £7.34M being returned to a National Reserve Fund.

#### National Reserve Fund

As noted in the above table, SSLEP, like all LEP's were unable to allocate the full 100% of the ERDF Programme funds. The residual £7.34M, with the outbreak of the pandemic, Government took the decision to make direct awards utilising this National Reserve. To date we have seen Local Authorities benefiting from Re-opening the High Street Safely funding along with direct awards made to each Growth Hub, in the SSLEP's case, £2.1m to aid business recovery. It is possible that there will be further awards moving forward as a small element of the National Reserve Fund still remains.

#### Output Delivery

Within the ERDF Programme, each project is contracted to deliver a range of outputs, depending upon what is being delivered. Each of the six themes has a key output which is used to monitor progress against the programme. The table below identifies the programme key output targets and the current total. As can be seen from the table four themes are likely to vastly exceed their targets, one is likely to fall just short and one is going to underperform. The LEP are awaiting an update (January) on the figures within the Table below as due to the pandemic, Government Officers have not had the capacity to provide regular updates on the whole programme across the LEP area.

Theme Key Output	Programme Target based on funding allocation	Total Estimated based on project Business Cases	Delivered to date	Variance Based on profile
Innovation – enterprises receiving support	712	1316	579	93%
Broadband & ICT – enterprises receiving support	102	500	0	0%
Business Support – enterprises receiving support	4065	3831	1,448	78%
Low Carbon – Reduction in tonnes of Co2	6577	44660	1,186	114%
Flood Mitigation – Commercial properties with reduced flood risk	105	6	0	0%
Biodiversity – Hec with improved conservation status	55	133	14	54%

Although the key output for each theme aims to measure performance, clearly projects have within them a broader range of outputs which are delivered as a result of the specific project being implemented.

## European Social Fund

The SSLEP's European Social Fund Programme was launched back in 2015 and is built primarily on a co-financing model. With limited local public sector resource for employment and skills activity it was decided early in the programme that the offers of the requisite 40% match funding from national organisations would be seized.

The Department of Work and Pensions, The Education and Skills Funding Agency along with The National Lottery (formally the Big Lottery) all offered to provide the match funding both to maximise their own investment value and the broaden out their scope in terms of activity. The LEP then assisted in developing the specifications and also the monitoring of performance through tripartite meetings. Although this proved to be "testing" initially, projects have now been in delivery for 4 years with extensions confirmed for the ESFA and National Lottery projects until 2023. The programme did enable a Redundancy Task Force to be established early and in response to the pandemic with the aim of mitigation job losses across the LEP.

## Outputs (Awaiting Update\*)

Key Output	Number to date
New learners	25,000
Individuals entering paid employment	1,000
Apprenticeships	250

^ An update on overall outputs is awaited at the end of the calendar year)

The performance of contracts has been impacted during 2020 with face-to-face delivery having to cease during lockdown, however providers ensured that learning and support continued where possible either on-line or over the telephone. Face-to-face delivery reopened in July and has been able to continue.

## **European Agricultural Fund for Rural Development (EAFRD & LEADER)**

Funding under the European Agricultural Fund for Rural Development is much smaller (3.2m) but provides support for businesses in rural areas across manufacturing, tourism and food and drink sectors EAFRD programme. This fund is largely committed and is supplemented by the LEADER programme (£1.9m) providing direct support to rural businesses across farming, tourism, forestry and food and drink sectors.

Through rounds 1 and 2 of EAFRD, 8 projects have been contracted across Staffordshire's rural areas with a value of £2.7m. Round 3 has differed from Round 1 and 2 as it is a national funding pot rather than a local allocation. The application window closed on 16th February 2020 and Nationally a significant number of applications were received including over 50 from Staffordshire applicants. The DEFRA/RPA Rural Delivery team are currently completing assessments and it is likely that with a number of projects being approved, the SSLEP area allocation will be exceeded.

In addition, the LEADER programme has supported 60 Staffordshire projects and has fully allocated £1.9m creating over 86 jobs and attracting £3.6m in private sector investment.

### **Summary**

As can be seen from the data contained in the report, there has been significant effort by partners in developing and delivering a key programme across the LEP Geography. The previous EU programme totalled £12M, so the increase to £170M has been a significant challenge, particularly at a time of fiscal restrictions.

The breadth of support offered through the ESIF Programme, particularly around business support and employment and skills cannot be overemphasised and we head towards 2023, when the ESIF Programme ends, it is anticipated that the UK Shared Prosperity Fund will be launched next year but details are still awaited.

It is hoped that the United Kingdom Shared Prosperity Fund will have a parallel scope and scale to enable continued delivery on growth and the levelling up agenda and it is recommended that there is ongoing dialogue with Government on the establishment of UKSPF at the earliest opportunity.



## European Union

European Regional  
Development Fund

ANNEX 1

<b>KEY ERDF PROJECT &amp; PROGRAMME INTERVENTIONS - DECEMBER 2020</b>				
<b>PROJECT NAME</b>	<b>APPLICANT</b>	<b>PROJECT/ACTIVITY DESCRIPTION</b>	<b>ERDF (£)</b>	<b>KEY OUTPUTS</b>
<b>PA1 INNOVATION</b>				
<b>The Smart Concept Fund (Including continuation to 2023)</b>	University of Wolverhampton	Cross LEP Proof of Concept grant to support new product development	<b>553,524</b>	C1 - SMEs supported
<b>Staffordshire Business Innovation &amp; Incubation Support 3 (SBIIIS3) (Including continuation to 2023)</b>	Staffordshire & Black Country Business Innovation Centre Ltd	Incubation support and advice with grant support to encourage innovation and innovative products	<b>3,845,559</b>	C1 - SMEs supported C2 - SMEs receiving grants C28 & C29 - SMEs supported to introduce new products to market C8 - Employment increased in SMEs
<b>Keele Research &amp; Innovation Gateway</b>	Keele University	Supporting R&D in SMEs through access to University academic and research resources	<b>1,351,708</b>	C1 - SMEs supported C2 - SMEs receiving grants C28 & C29 - SMEs supported to introduce new products to market C26 - SMEs co-operating with research entities
<b>Keele University Science &amp; Innovation Park Smart Innovation Hub (Continuation to 2023)</b>	Keele University	New facility providing accommodation for the Keele Business School with incubation and growth space for new & developing SMEs including Revenue support.	<b>10,210,395</b>	C1 - SMEs supported C28 & C29 - SMEs supported to introduce new products to market C26 - SMEs co-operating with research entities C8 - Employment increased in SMEs

<b>Innovative Product Support Services</b>	University of Wolverhampton	Cross LEP programme to develop new products and processes in SMEs	<b>85,334</b>	C1 - SMEs supported C28 & C29 - SMEs supported to introduce new products to market C26 - SMEs co-operating with research entities C8 - Employment increased in SMEs
<b>EBRI: Business Investment in Research - Successor Project (Continuation to 2023)</b>	Aston University	Cross LEP Bio energy R&D Institute and programme	<b>603,880</b>	C1 - SMEs supported C28 & C29 - SMEs supported to introduce new products to market C26 - SMEs co-operating with research entities C8 - Employment increased in SMEs
<b>Staffordshire Digital Innovation Partnerships (Including continuation to 2023)</b>	Staffordshire University	Developing digital platforms and supporting greater digital practice within SSLEP area SMEs through technological transformation data intelligence and academic research.	<b>1,059,069</b>	C1 - SMEs supported
<b>Smart Factory Hub (SmartFub) Continuation</b>	University of Birmingham	Cross LEP programme to support the development of new & improved products & processes via SmartFub Demonstrator & Facilities	<b>735,791</b>	C1 - SMEs supported C28 & C29 - SMEs supported to introduce new products to market C26 - SMEs co-operating with research entities C8 - Employment increased in SMEs
<b>CALMERIC Composite and Additive Layer Materials Engineering</b>	University of Wolverhampton	Cross LEP programme supporting Advanced Materials manufacturing for the Aerospace sector	<b>278,103</b>	C1 - SMEs supported C25 - Number of researchers working in improved research facilities C29 - SMEs supported to introduce new products to market C26 - SMEs co-operating with

				research entities C8 - Employment increased in SMEs C4 - SMEs receiving non-financial support
<b>MRDC Revenue Phase 3 (Business Bridge) (Continuation to 2023)</b>	Keele University	Supporting capital & revenue investment supporting innovation led growth in SMEs from the medical technologies sector.	<b>1,639,912</b>	C1 - SMEs supported
<b>Aerospace Unlocking Potential</b>	University of Nottingham	Advanced manufacturing support for the Aerospace sector	<b>1,385,528</b>	C1 - SMEs supported C2 - SMEs receiving grants C28 & C29 - SMEs supported to introduce new products to market C26 - SMEs co-operating with research entities C8 - Employment increased in SMEs C4 - SMEs receiving non-financial support C6 - Private investment matching grant
<b>Enhanced Export for Growth Project (EEGP)</b>	West Midlands International Trade LLP	National Programme to support SME's growth through enhanced international trade opportunities & exporting.	<b>95,400</b>	C1 - SMEs supported
<b>Staffordshire Advanced Manufacturing &amp; Technology Prototyping &amp; Innovation Demonstrator</b>	Staffs University	Facility that will offer dedicated innovation support to the ceramics industry and other manufacturing areas, including energy generation, aerospace and automotive sectors.	<b>1,022,177</b>	C1 - SMEs supported C28 & C29 - SMEs supported to introduce new products to market C26 - SMEs co-operating with research entities C4 - SMEs

				receiving non-financial support C5 - Number of new SMEs supported
<b>Science in Industry Research Centre (SIRC)</b>	University of Wolverhampton	Cross LEP programme to support the Science in Industry Research Centre (SIRC) to support companies across in the West Midlands to develop new science based products.	<b>168,851</b>	C1 - SMEs supported C2 - SMEs receiving grants C28 & C29 - SMEs supported to introduce new products to market C26 - SMEs co-operating with research entities C4 - SMEs receiving non-financial support C5 - Number of new SMEs supported C25 - Number of researchers working in improved research facilities C6 - Private investment matching grant
<b>Advanced Materials Characterisation and Simulation Hub (AMCASH)</b>	University of Birmingham	Cross-LEP programme providing specialist support for SMEs involved in advanced materials production	<b>672,010</b>	C1 - SMEs supported
<b>Connected and Intelligent Mobility Innovation Accelerator (SCIMIA)</b>	Staffordshire University	SME support programme involving academic experts & innovation consultants working with SMEs to develop new products in the intelligent mobility sector	<b>1,286,337</b>	C1 - SMEs supported

<b>DEMAND Hub (Stoke-on-Trent and Staffordshire LEP)</b>	University of Birmingham	Cross-LEP programme providing specialist support for medical & technological & digital SMEs introducing new systems including AI	<b>389,210</b>	C1 - SMEs supported
<b>PA 2 ICT</b>				
<b>Information Technology Business Enhancement Programme (ITBEP)</b>	Staffordshire County Council	Providing support from digital advisors & a digital health report to expand & enhance SME's digital capacity	<b>500,000</b>	C1 - SMEs supported
<b>PA3 SME SUPPORT</b>				
<b>be inspired Staffordshire University+ (biSU+)</b>	Staffordshire University	Graduate into enterprise support & grants programme programme	<b>1,600,039</b>	C1 - SMEs supported C2 - SMEs receiving grants C5 - Number of new SMEs supported C8 - Employment increased in SMEs P11 - Potential entrepreneurs assisted to be enterprise ready
<b>Stoke-on-Trent and Staffordshire Growth Hub (Including continuation to 2023)</b>	Staffordshire County Council	Single point of contact for SME support services, events and small grants programme	<b>4,359,265</b>	C1 - SMEs supported C2 - SMEs receiving grants C4 - SMEs receiving non- financial support C6 - Private investment matching grant C8 - Employment increased in SMEs P13 -Enterprises receiving information diagnostic & brokerage support

<b>Keele Institute for Entrepreneurship , Innovation &amp; Leadership (KIEIL)</b>	Keele University	Revenue support to develop innovation & leadership skills in SMEs across a wide range of growth sectors Addresses distinctive organisational and leadership challenges for innovation-led, knowledge-intensive businesses across the SSLEP area	<b>826,051</b>	C1 - SMEs supported C28 - SMEs supported to introduce new products to market C4 - SMEs receiving non-financial support C5 - Number of new SMEs supported C8 - Employment increased in SMEs P11 - Potential entrepreneurs assisted to be enterprise ready
<b>SME International Growth Project</b>	West Midlands International Trade LLP	National Programme to support SME's growth through enhanced international trade opportunities & exporting.	<b>455,821</b>	C1 - SMEs supported C2 - SMEs receiving grants C5 - Number of new SMEs supported C8 - Employment increased in SMEs C4 - SMEs receiving non-financial support
<b>Better Off in Business ( BOIB Stoke &amp; Staffs ) phase 3</b>	Prince's Trust	Cross-LEP programme to support young people to start their own business	<b>455,821</b>	C1 - SMEs supported C5 - Number of new SMEs supported C8 - Employment increased in SMEs P11 - Potential entrepreneurs assisted to be enterprise ready
<b>Business Growth Programme (BGP)</b>	Birmingham City Council	Cross-LEP SME grant programme supporting business growth, innovation & supply chain opportunities	<b>2,766,358</b>	C1 - SMEs supported C2 - SMEs receiving grants C6 - Private investment matching grant C8 - Employment increased in SMEs

<b>Manufacturing Growth Programme ii (MGP) (Including continuation to 2023)</b>	Oxford Innovation Services Ltd	Cross-LEP programme aimed at identifying & removing barriers to SME growth in the manufacturing sector	<b>2,065,856</b>	C1 - SMEs supported C2 - SMEs receiving grants C28 & C29 - SMEs supported to introduce new products to market C26 - SMEs co-operating with research entities C4 - SMEs receiving non-financial support C8 - Employment increased in SMEs C5 - Number of new SMEs supported C6 - Private investment matching grant
<b>Stoke on Trent and Staffordshire Grants for Growth (Including continuation to 2023)</b>	Stoke-on-Trent City Council	Larger grants programme supporting capital investment by SMEs for property, machiner & equipment	<b>5,291,892</b>	C1 - SMEs supported C2 - SMEs receiving grants C6 - Private investment matching grant C8 - Employment increased in SMEs
<b>Midlands Engine Investment Fund (3)</b>	Department for Business, Energy & Industrial Strategy	Contribution to £100m investment fund involving 4 separate equity & financial funds to accelerate & stimulate growth	<b>10,000,000</b>	C1 - SMEs supported C3 - Enterprises receiving financial support other than a grant C28 & C29 - SMEs supported to introduce new products to market C4 - SMEs receiving non-financial support C8 - Employment increased in SMEs C5 - Number of new SMEs supported C7 - Private investment matching public support to enterprises (non-grants)

<b>Midlands Engine Export Grant Scheme</b>	Department for Business, Energy & Industrial Strategy	Specific grant programme for SMEs to identify & exploit new exporting opportunities	<b>1,233,000</b>	C1 - SMEs supported C2 - SMEs receiving grants C6 - Private investment matching grant C8 - Employment increased in SMEs
<b>Mentoring Growth Service (Including continuation to 2023)</b>	Staffordshire Chambers of Commerce & Industry Ltd	Mentoring & advisor support programme using local business professionals to help SMEs develop & grow	<b>1,528,751</b>	C1 - SMEs supported C5 - Number of new SMEs supported C8 - Employment increased in SMEs C4 - SMEs receiving non-financial support
<b>Rural Enterprise Programme</b>	Staffordshire County Council	New build & renovation grants for properties located across Staffordshire's rural areas to create new business space for SMEs	<b>655,662</b>	C1 - SMEs supported C2 - SMEs receiving grants C4 - SMEs receiving non-financial support C6 - Private investment matching grant C8 - Employment increased in SMEs
<b>Staffordsheer Excellence</b>	Staffordshire County Council	Bespoke support programme for tourism & visitor economy SMEs	<b>507,570</b>	C1 - SMEs supported C5 - Number of new SMEs supported C8 - Employment increased in SMEs C4 - SMEs receiving non-financial support
<b>Innovation Centre Seven</b>	Keele University	Creation of a 7th innovation centre at Keele University Science Park providing accommodation with support for SMEs from the AI, machine learning & digital sectors	<b>7,952,996</b>	C1 - SMEs supported
<b>PA4 LOW CARBON</b>				

<b>Keele University Smart Energy Network Demonstrator (SEND)</b>	Keele University	World class demonstrator for SMART Energy technologies accompanied by academic research & development	<b>12,100,959.53</b>	C1 - SMEs supported C2 - SMEs receiving grants C29 - SMEs supported to introduce new products to market C26 - SMEs co-operating with research entities C4 - SMEs receiving non-financial support C5 - Number of new SMEs supported C34 - Estimated annual decrease of GHG.
<b>Low Carbon Business Evolution Programme - Continuation (LCBEP)</b>	Staffordshire County Council	Diagnostic support & small grant intervention to help SMEs reduce their carbon use through energy efficient equipment processes & low carbon technologies	<b>1,952,524</b>	C1 - SMEs supported C34 - Estimated annual decrease of GHG.
<b>PA5 CLIMATE CHANGE</b>				
<b>Fowlea Brook Regeneration Programme</b>	Stoke-on-Trent City Council	Flood management scheme to protect & increase land supply in the ceramic valley enterprises	<b>940,085</b>	P6 - Businesses & Properties with reduced flood risk
<b>PA6 ENVIRONMENT</b>				
<b>Trent Sunrise (Stoke &amp; Urban Newcastle Rediscovering It's Secret Environment)</b>	Stoke on Trent City Council	Extensive regeneration programme on key sites to re-introduce & increase biodiversity in the River Trent & its tributaries across the North Staffs area	<b>2,113,370</b>	C22 - Total surface area of rehabilitated land C23 - Surface area of habitat supported in order to obtain better conservation status
<b>Environmental Technologies and Resource Efficiency Support Service (EnTRESS) extension</b>	University of Wolverhampton	Cross-LEP knowledge & expertise transfer between university & SMEs to support an increase resource efficiency & recycling	<b>640,160</b>	C23 - Surface area of habitat supported in order to obtain better conservation status



