

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

Executive Board 18th November 2021

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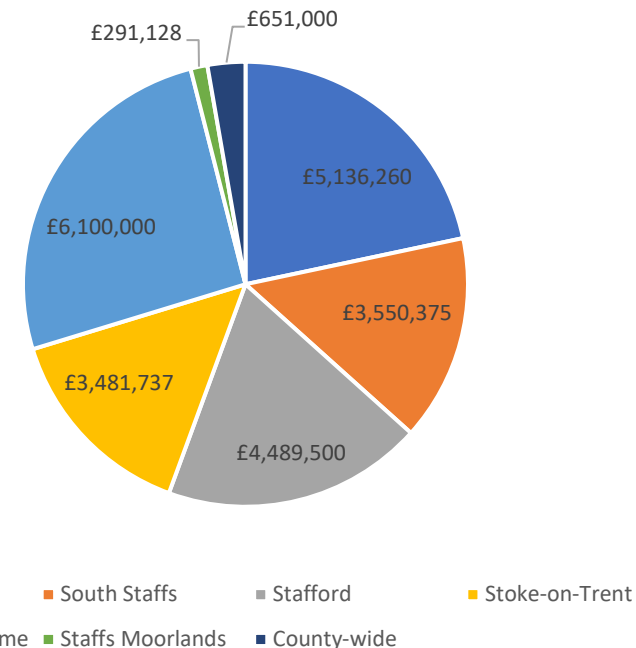
Getting Building Fund Position

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%
	£23,700,000	100.0%

SSLEP GBF - regional spread



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

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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- 1 was withdrawn before drawing down any grant;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-scoped (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- 4 contingency schemes were added to the programme to utilise the funding no longer required by the withdrawn scheme and the re-scoped scheme.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.

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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.

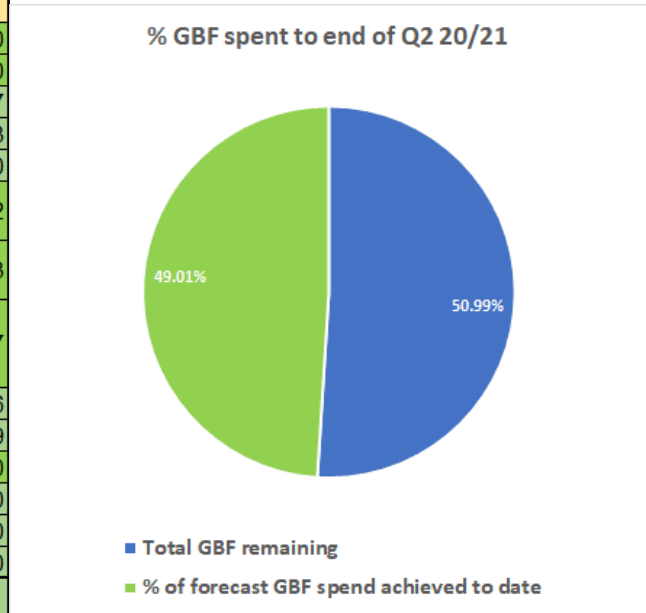
Note: 2 schemes have also been impacted by the liquidation of contractors - one was severely impacted (the main contractor went under just as they were about to start work on the scheme); one was slightly impacted (a supplier went under). Increasing costs are also an issue.

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GBF Projects - Timeline								
GBF grant spend	GBF schemes	2020/21		2021/22				Value of GBF grant
		Q3	Q4	Q1	Q2	Q3	Q4	
	Drakelow Park							deallocated
KEY to progress	The Centre for Health Innovation							£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-scoped)							£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

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GBF grant spend				
Match funding reported to date	Q1 2020/21	Total scheme budget	SSLEP GBF grant per scheme	Total GBF spend reported to date
Drakelow Park (D2N2 to claim outputs)		£0	£0	
The Centre for Health Innovation		£5,779,000	£2,889,500	£2,889,500
i54 Western Extension (reported through LGF)		£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
		Total schemes: budget	GBF allocation:	GBF actual spend to date:
		£58,700,226	£18,650,000	£9,140,257



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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

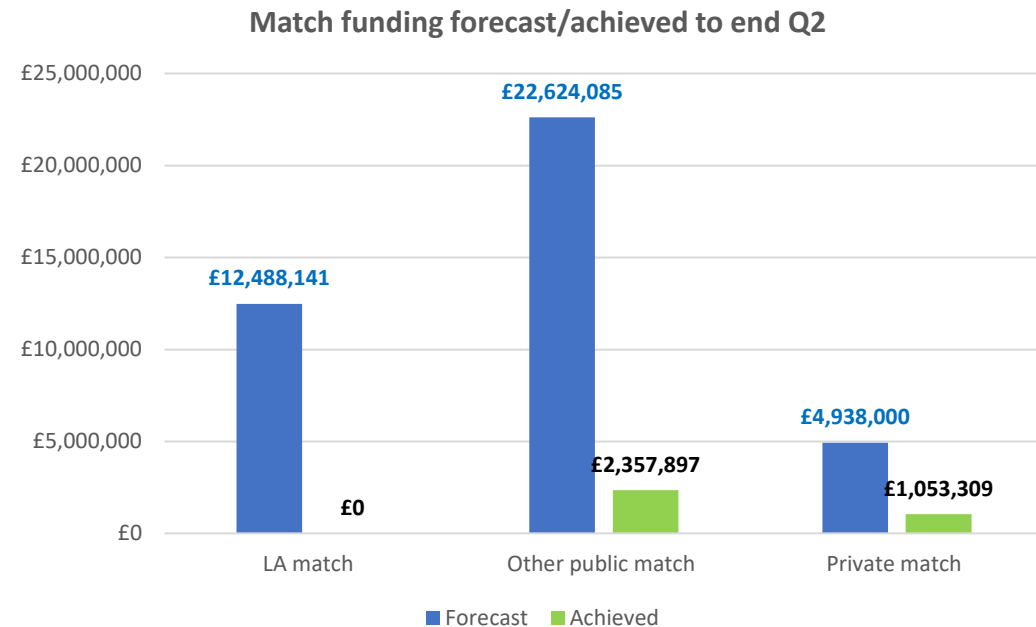
Match spend (to deliver the scheme)

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.



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Projects - Outputs

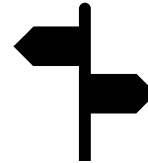
Outputs will be reported as they are delivered.

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

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Forecast Outputs

GBF schemes - Forecast Outputs (includes those to be reported in the BEIS return + future years)	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 (D2N2 to claim outputs)	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 (RE-SCOPED)	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
Totals	938	104	40	18,945	30	203	3.6	3,184	749	23

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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. 170m2 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.

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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.

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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:
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