

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

Executive Board 18th November 2021

Report author: Sharon Palphreyman, SSLEP Programme Manager

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

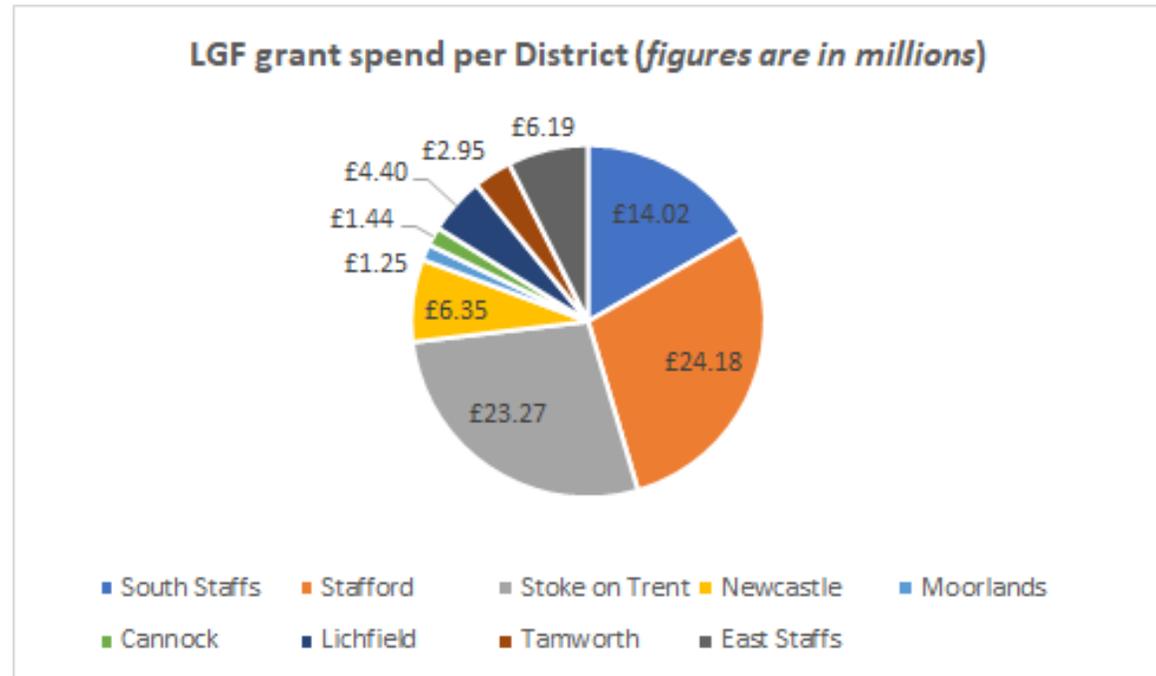
Local Growth Deal Position

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%
	£84.048	85.50%

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A total of 37 schemes were offered LGD grants; 4 were withdrawn before drawing down any grant and the funding was reallocated to new schemes during the grant period.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

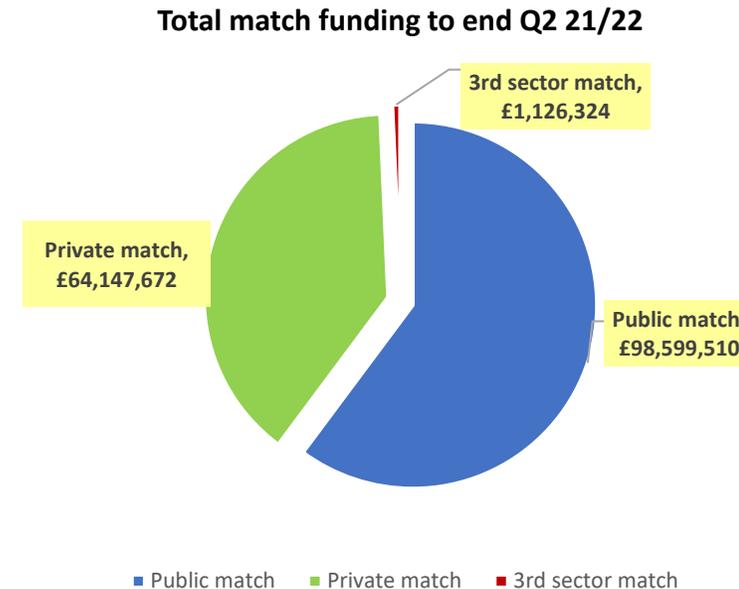
- The total forecast budget for delivery of the schemes receiving LGD grant is: **£298.8 million**
- Of which £98.3 million is LGD grant
- Of which **£200.5 million** is match funding

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 3rd 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.

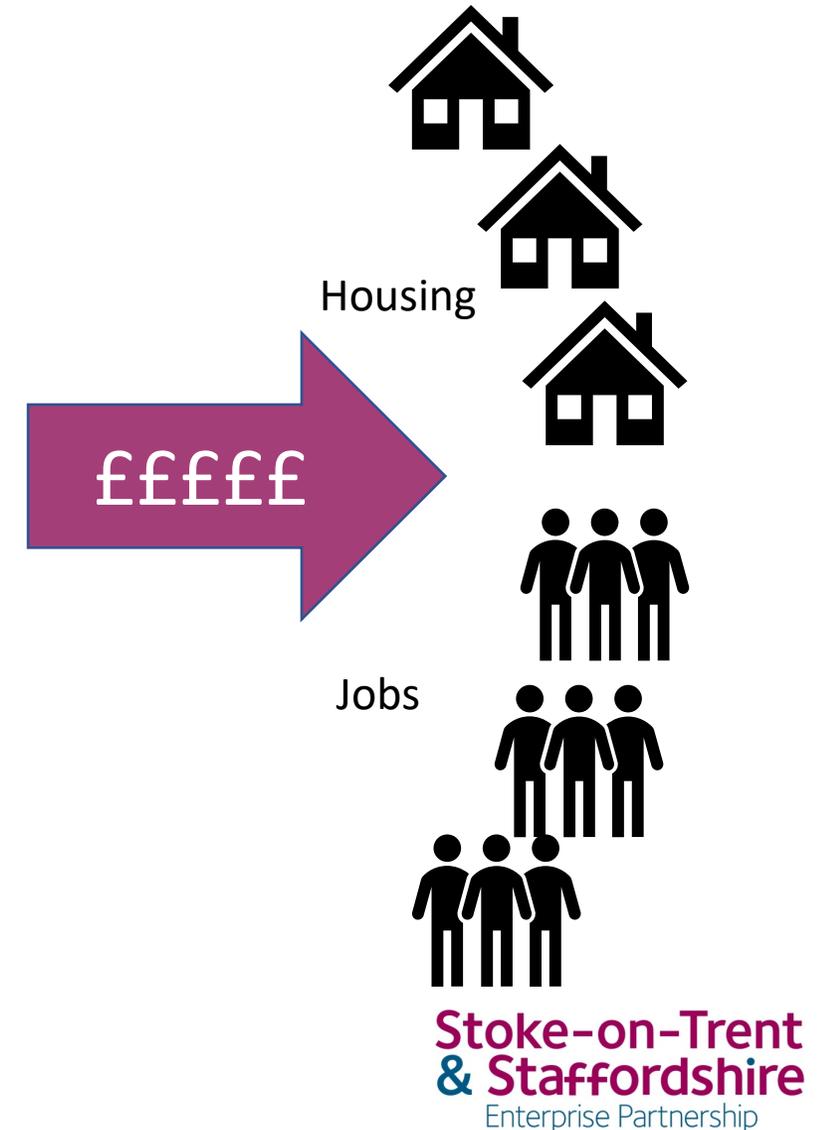
The leverage **Outputs** are based on the following calculations:

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

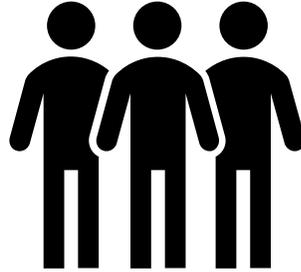
- Branston Locks – build completion numbers should escalate as a further 2 developers are set to join the 2 developers already on site. One of the new developers has reserved matters approved subject to s106/s278 approval; the other is under contract and Reserved Matters to be submitted shortly. (*See 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

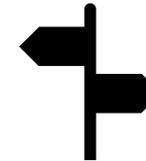
LGD programme – Outputs to date – Other

Jobs count includes jobs created and full apprenticeships

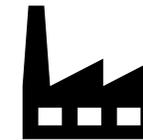
- **3,559** learners assisted to a qualification
- **6.5 km** road resurfaced
- **5 km** newly built road
- **26 km** cycle/walking paths and improvement to enable sustainable transport
- **7,531 m2** of new or improved learning/training space
- **115,197 m2** of commercial floorspace created
- **300,000 m2** 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