

WEST OF ENGLAND JOINT COMMITTEE

19 JULY 2019

REPORT SUMMARY SHEET

LOCAL ENTERPRISE PARTNERSHIP AND INVEST BRISTOL AND BATH BUDGET OUTTURN – APRIL - MAY 2019

Purpose

To present the forecast revenue outturn budget monitoring for the West of England Joint Committee for the financial year 2019/20 based on actual data for the period April 2019 to May 2019. This report covers the Local Enterprise Partnership (LEP) and Invest in Bristol and Bath (IBB) revenue budgets.

Summary

This report includes the following key information:

- The West of England Combined Authority acts as the Accountable Body for a range of funding streams on behalf of the West of England Councils and LEP. The WECA financial regulations requires regular reports on the financial monitoring position of these funds
- Appendix 1 details the LEP Budget forecast revenue position for the 2019/20 financial year based on actual information to the end of May 2019. This shows the current projection is £1.346m higher than the original budget, largely due to new projects that are fully funded by new grant approvals from government
- Appendix 2 details IBB's forecast revenue position for the 2019/20 financial year based on information to the end of May 2019. This shows the current forecast is for spend to breakeven with budget.

Recommendations

Members of the Joint Committee are asked to:

1. Note the LEP budget monitoring forecast as set out in Appendix 1.
2. Approves the inclusion within the LEP budgets of an additional spend of £1.346m to be fully funded by additional grants and reserves brought forward from 2018/19.
3. Note the IBB Budget as set out in Appendix 2.

Contact officer: Malcolm Coe

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REPORT TO: WEST OF ENGLAND JOINT COMMITTEE

DATE: 19 JULY 2019

REPORT TITLE: LEP AND IBB BUDGET OUTTURN APRIL – MAY 2019

DIRECTOR: MALCOLM COE, DIRECTOR OF INVESTMENT AND CORPORATE SERVICES

AUTHOR: MALCOLM COE

Purpose of Report

- 1 This report presents the forecast revenue outturn budget monitoring for the West of England Joint Committee for the financial year 2019/20 based on actual data for the period April 2019 to May 2019. This report covers the Local Enterprise Partnership (LEP) and Invest in Bristol and Bath (IBB) revenue budgets.

RECOMMENDATIONS:

The Joint Committee:

- a) **Notes the LEP budget monitoring forecast as set out in Appendix 1;**
- b) **Approves the inclusion within the LEP budgets of an additional spend of £1.346m to be fully funded by additional grants and reserves brought forward from 2018/19;**
- c) **Notes the IBB Budget as set out in Appendix 2.**

Background / Issues for Consideration

- 2 The West of England Combined Authority acts as the Accountable Body for a range of funding streams on behalf of the West of England Councils and LEP. The WECA financial regulations requires regular reports on the financial monitoring position of these funds.

The LEP

- 2.1 **Appendix 1** details the LEP Budget forecast revenue position for the 2019/20 financial year based on actual information to the end of May 2019. This shows the current projection is **£1.346m** higher than the original budget, largely due to new projects that are fully funded by new grant approvals from government. Details of this spend are as follows:

Low Carbon Challenge Fund +£605k

2.1.1 This grant is to help decarbonise the West of England economy, including improving energy efficiency in SME's, implementing small scale projects using renewable sources, and improving the efficiency of public sector housing and other buildings. The total grant is £2.1m which is phased over three years. £605k has been forecast for 2019/20 which will be spent on £103k of staff costs and £502k of direct project spend.

One Public Estate 6 & 7 +£557k

2.1.2. New grant funding has been made available to support and deliver land initiatives with government and other public sector partners through the One Public Estate (OPE) initiative. The LEP have been allocated **£282k** for OPE6 and **£275k** for OPE7. These amounts are included in the forecast project spend and the forecast grant income lines in Appendix 1.

WIDJET +£238k

2.1.3 The WIDJET project aims to provide at least 350 women with new digital skills that will enable them to find work in digital roles, covering a range of content from taster sessions through to intensive software developer programmes. The government have allocated the LEP **£238k** for this project.

Other New Grants +£242k

2.1.4 The LEP has been successful in attracting other additional grant funding including Careers Hub Wave 2 of **£128k**, Skills Advisory Panel funding of **£56k**, and Central Careers funding of **£50k**. These additional amounts are now included in the budget forecasts within Appendix 1.

Local Industrial Strategy +£217k

2.1.5 The underspend on the Local Industrial Strategy of **£217k** in 2018/19 has been transferred to a reserve, and is now added to the 2019/20 budget to enable the continuation of the work.

Creative Scale Ups –(£650k)

2.1.6 This project will provide a targeted package of support to 100 creative sector businesses over the next two years to maximise their growth potential and investor readiness. The total £1.3m budget was originally wholly included in the 2019/20 budget, but has now been re-phased over the 2 years, to reflect expected delivery. This has resulted in a reduction to the 2019/20 budget of **£650k**, which will now be included in the 2020/21 budget.

Energy Hub +£137k

2.1.7 WECA also administers other funding streams, acting as an agent, on behalf of the LEP and partners, including the Energy Hub. Additional grant has been approved of £565k for the Energy Hub with £137k phased in 2019/20, which is reflected in the forecast position.

Invest in Bristol and Bath (IBB)

2.2 **Appendix 2** details IBB's forecast revenue position for the 2019/20 financial year based on information to the end of May 2019. This shows the current forecast is for spend to breakeven with budget. The main point to note is:

2.2.1 Funding for IBB is secured by way of an annual grant, (for five years from 2015/16 to 2019/20), from the Economic Development Fund. As previously reported, 2019/20 is the final year of EDF funding and options will need to be considered over the coming months for the future funding of this service.

Consultation

3 Consultation has been carried out with the Chief Executives, S151 Officers across the region and the Monitoring Officer.

Other Options Considered

4 None.

Risk Management/Assessment

5 This report forms a core part of the WECA's governance and risk management process. The forecast budgets presented in this report take account of known financial risks and their potential impact on the outturn financial position. The West of England Office agreement underpins the LEP; with a Memorandum of Understanding between the four West of England Unitary Authorities underpinning the IBB service. These agreements deal with the risk sharing mechanisms between the four West of England councils. For all other WoE budgets administered by the WECA, it acts as "agent" with a straight pass through of funding and related costs.

Public Sector Equality Duties

6 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

6.1 The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

- 6.2 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.
- 6.3 There are no specific public sector equalities issues arising from this report although budget managers are reminded to consider how they could positively contribute to the advancement of equality and good relations.

Finance Implications, including economic impact assessment where appropriate:

- 7 The financial implications are contained within the body of the report. The LEP and IBB functions support the economic growth and vitality of the region.

Advice given by: Malcolm Coe, Director of Investment & Corporate Services

Legal Implications:

- 8 This report monitors how the Local Enterprise Partnership (LEP), and Invest in Bristol and Bath (IBB) revenue budgets are performing against the financial targets set in February 2019 through the Budget setting process.

Advice given by: Shahzia Daya, Director of Legal Services

Human Resources Implications:

- 9 These are set out in the body of the report, including the use of interim staffing resources and the proposals for the on-going WECA staffing resources.

Advice given by: Alex Holly, Head of Human Resources

Appendices & Background papers:

Appendix 1: Revenue position LEP

Appendix 2: Revenue position IBB

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird / Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 3 Rivergate, Temple Way, Bristol BS1 6ER; email:

democratic.services@westofengland-ca.gov.uk

APPENDIX 1

LEP April to May 2019/20			
	Budget £'000s	Forecast £'000s	Variance £'000s
EXPENDITURE			
Staff	1,916	2,119	203
Supplies & Services			
Premises Services	141	161	20
Support Services	142	162	20
Supplies & Services	62	63	1
Project Spend	2,429	3,531	1,102
Total Supplies & Services	2,774	3,917	1,143
Total Expenditure	4,690	6,036	1,346
INCOME			
UA contributions	440	440	0
Government Grant	3,206	4,327	1,121
DCLG Core & Capacity Grant	500	500	0
Interest on Balances	400	400	0
Use of Reserves	144	369	225
Total Income	4,690	6,036	1,346
NET TOTAL - Under / (Over) Spent	0	0	0

APPENDIX 2

IBB April to May 2019/20			
	Budget £'000s	Forecast £'000s	Variance £'000s
EXPENDITURE			
Staff	528	528	0
Supplies & Services			
Premises Services	41	41	0
Support Services	41	41	0
Supplies & Services	0	0	0
Project Spend	390	390	0
Total Supplies & Services	472	472	0
Total Expenditure	1,000	1,000	0
INCOME			
EDF Grant	1,000	1,000	0
Total Income	1,000	1,000	0
NET TOTAL - Under / (Over) Spent	0	0	0