

## WEST OF ENGLAND JOINT COMMITTEE

4 October 2019

### REPORT SUMMARY SHEET

#### LOCAL ENTERPRISE PARTNERSHIP AND INVEST BRISTOL AND BATH BUDGET OUTTURN – APRIL - AUGUST 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 August 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 August 2019. This shows the current spend projection is £1.76m higher than the original budget. This is £414k more than last reported to committee due to the inclusion of estimated spend against Planning Delivery Grant. The overall net budget position is balanced with all spend being matched with increased grant funding received and approved use of reserves.
- Appendix 2 details IBB's forecast revenue position for the 2019/20 financial year based on information to the end of August 2019. This shows the current forecast is for spend to breakeven with budget.

##### Recommendations

Members of the Joint Committee are asked to agree:

- a) That the LEP Budget as set out in Appendix 1 is noted.
- b) To the inclusion within the LEP budgets of an additional spend of £1.76m to be fully funded by additional grants received and reserves brought forward from 2018/19 as detailed in paragraph 2.1.
- c) That the IBB Budget as set out in Appendix 2 is noted.

**Contact officer:** Malcolm Coe

**Position:** Director of Investment and Corporate Services

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**REPORT TO: WEST OF ENGLAND JOINT COMMITTEE**

**DATE: 4 OCTOBER 2019**

**REPORT TITLE: LEP AND IBB BUDGET OUTTURN APRIL – AUGUST 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 for the West of England Joint Committee for the financial year 2019/20 based on actual data for the period April 2019 to August 2019. This report covers the Local Enterprise Partnership (LEP) and Invest in Bristol and Bath (IBB) revenue budgets.

### **RECOMMENDATIONS:**

**That the Joint Committee agrees:**

- a) The LEP Budget as set out in Appendix 1 is noted.
- b) To the inclusion within the LEP budgets of an additional spend of £1.76m to be fully funded by additional grants received and reserves brought forward from 2018/19 as detailed in paragraph 2.1.
- c) The IBB Budget as set out in Appendix 2 is noted.

### **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 require that it regularly reports on the financial monitoring position of these funds.

### **The LEP**

- 2.1 **Appendix 1** details the LEP Budget current forecast revenue position for the 2019/20 financial year based on actual information to the end of August 2019. This shows the current projection is **£1.76m** higher than the original budget, largely due to new projects fully funded by new grant approvals from government. The forecast variance is detailed in figure 1

Figure 1: Variations in spend on Specific Projects

Project Spend	£000s
Low Carbon Fund.	605
One Public Estate	557
WIDJET	238
Local Industrial Strategy	217
Creative Scale Ups	-(650)
Energy Hub	137
Planning Delivery Fund	414
Other Grants	242
<b>Increase in Project spend budget</b>	<b>1,760</b>

2.1.1 All of the variations detailed in Figure 1 are consistent with those as detailed and reported to the Joint Committee in July 2019 with the exception of the Planning Delivery Fund which is a new addition to this reporting cycle.

#### Planning Delivery Fund - £414k

2.1.2 This relates to Government Grant Funding that was approved in January 2018 which has, to date, remained largely unspent. The objectives are to identify the infrastructure needed to deliver the Housing Deal, Housing Infrastructure Fund etc alongside identifying wider opportunities to lever in additional investment into the region.

#### Interest on Balance

2.1.3 At this stage, investment interest achieved is forecasted to be on line with budget. However, as spend escalates on Local Growth Fund projects, and cash balances reduce, this income target will become more challenging over the coming months.

#### Invest in Bristol and Bath (IBB)

2.2 **Appendix 2** details IBB's current forecast revenue position for the 2019/20 financial year based on information to the end of August 2019. This shows the current forecast is for spend to breakeven with budget. 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 (EDF). 2019/20 is the final year of EDF funding and options are currently being considered for continuation of funding from 2020/21 onwards.

#### Consultation

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

### Other Options Considered

- 4 Value for Money and appropriate use of resources are constantly considered when monitoring and managing all revenue and capital budgets.

### 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; a Memorandum of Understanding between the four West of England UAs underpins 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 Quay, Bristol BS1 6EW; email: [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)

## APPENDIX 1

LEP April to August 2019/20			
	Budget £'000s	Forecast £'000s	Variance £'000s
<b>EXPENDITURE</b>			
<b>Staff</b>	<b>1,916</b>	<b>2,144</b>	<b>228</b>
<b>Supplies &amp; Services</b>			
Premises Services	141	161	20
Support Services	142	162	20
Supplies & Services	62	63	1
Project Spend	2,429	3,920	1,491
<b>Total Supplies &amp; Services</b>	<b>2,774</b>	<b>4,306</b>	<b>1,532</b>
<b>Total Expenditure</b>	<b>4,690</b>	<b>6,450</b>	<b>1,760</b>
<b>INCOME</b>			
UA contributions	440	440	0
Government Grant	3,206	4,741	1,535
DCLG Core & Capacity Grant	500	500	0
Interest on Balances	400	400	0
Use of Reserves	144	369	225
<b>Total Income</b>	<b>4,690</b>	<b>6,450</b>	<b>1,760</b>
<b>NET TOTAL - Under / (Over) Spent</b>	<b>0</b>	<b>0</b>	<b>0</b>

## APPENDIX 2

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