

29 January 2021

## REPORT SUMMARY SHEET

### LOCAL ENTERPRISE PARTNERSHIP (LEP) REVENUE BUDGET SETTING REPORT 2021-22

#### Purpose

This report asks the committee to consider and approve the budget in respect of the Local Enterprise Partnership (LEP) for 2021/22.

#### Summary

This report includes the following key information:

\* **Appendix 1** sets out the detail of the proposed Local Enterprise Partnership budget for 2021/22.

\* The core running costs of operating the LEP in terms of furnishing the Joint Committee, operating the LEP Board and applying for, receiving, and managing various grant streams has been circa £1.1m for several years now. Savings have been enacted where possible; however, such opportunities are limited due to the need to retain a two-committee structure within the region. With increments and staff pay awards, the core costs for 2021/22 amount to £1.039m which are funded by:

- a core (LEP capacity) grant of £500k which is approved on a year by year basis and;
- match funding contributions from the four West of England unitary councils.

\* Activities covered by the LEP have significantly expanded over the last 18 months due to successfully attracting numerous grants into the region. Despite this, we have retained the core staffing levels, and costs at a relatively steady state.

\* WECA and the LEP continue to be successful in expanding our activities through attracting a number of new specific funding streams to the region. From a relatively low base in 2019/20 of £1.8m, specific grant funding of £5.7m was generated in 2020/21, and £4.9m for 2021/22 as detailed in Figure 2.

\* Overall LEP grant funding that has been attracted is now £16m over the medium term financial period. We will continue to focus our attention on attracting further grant funding into the LEP, maintaining confidence that the income figures currently stated for 2022/23 and beyond, will significantly increase over the coming months.

\* **Appendix 2** sets out the LEP (including Invest Bristol & Bath) forecast revenue out-turn for the 2020/21 financial year based on actual information as at the end of December 2020 which shows spend of £7m against an original budget of £6.6m. The difference of £0.4m is mainly due to the receipt and phasing of spend for government grants. Overall, there is a forecast net underspend of £104k which is due to a surplus in treasury management.

#### Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on, or are addressed through, this report are as follows:

There is a potential impact on 2021/22 revenue budgets as activity is re-prioritised and focused on supporting economic recovery. Activity, and corresponding budgets, will be kept under regular review.

## Recommendations

The Joint Committee is asked to:

- a. approve the LEP Budget for 2021/22 as set out in Appendix 1.
- b. approve a 2021/22 contribution of £110k per each West of England Unitary Authority (to be reviewed for 2022/23 onwards) as match funding to attract the government's LEP capacity funding.
- c. approve a £160k drawdown from the LEP general reserve to fund the shortfall in 2021/22 LEP operating costs;
- d. note the forecasted LEP revenue outturn for 2020/21 as set out in Appendix 2.

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