

28 January 2022

REPORT SUMMARY SHEET

LOCAL ENTERPRISE PARTNERSHIP (LEP) REVENUE BUDGET SETTING REPORT 2022-23

Purpose

This report asks the committee to consider and approve the budget in respect of the Local Enterprise Partnership (LEP) for 2022/23.

Summary

This report includes the following key information:

Appendix 1 details the proposed Local Enterprise Partnership budget for 2022/23.

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 are funded by:

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

Contributions for 2022/23 continue to be at the reduced rate of £110k per UA with the shortfall funded through use of reserves and one-off grant.

Activities covered by the LEP have continued to expand over the last 12 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.

Appendix 2 details the LEP forecast revenue out-turn for the 2021/22 financial year based on actual information as at the end of December 2021 which shows spend of £13.3m against an original budget of £5.9m. The difference is due to the timing of receipt and phasing of spend for government grants – especially the Green Homes and Energy Grants managed through the South West Energy Hub.

Overall, LEP revenue is forecasted to deliver a balanced budget at the end of the financial year.

Appendix 3 details various change requests in relation to projects funded through the Local Growth Fund and Getting Building Fund whereas **Appendix 4** details required change request for Economic Development Fund (EDF) projects. There is one new project seeking funding through the EDF being Thornbury High Street, upon the receipt of the Outline Business Case, with the corresponding Assessment Summary Table detailed in **Appendix 5**.

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 2022/23 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 2022/23 as set out in Appendix 1;
- b. Approve a 2022/23 contribution of £110k per each West of England Unitary Authority, (to be reviewed for 2023/24 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 2022/23 LEP operating costs;
- d. Notes the forecasted LEP revenue outturn for 2021/22 as set out in Appendix 2.
- e. Delegate the approval of the reallocation of funds through the Getting Building Fund, (GBF), and Economic Development Fund for schemes within the programme on an overall cost neutral basis, to the Combined Authority Chief Executive in consultation with the Chief Executives of the constituent Councils.
- f. Approve the Outline Business Case for Thornbury High Street and allocate £4.577m for the delivery of the scheme from the EDF, pending ongoing discussions about Investment Fund headroom, and where there is urgency to delegate the approval of the Full Business Case to the Combined Authority Chief Executive in consultation with the West of England Chief Executives.
- g. Approve the change requests for schemes within the Local Growth and Getting Building Fund programmes as set out in Appendix 3.
- h. Approve the change requests for schemes within the Economic Development and Revolving Infrastructure Fund programmes as set out in Appendix 4.

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