

Title & Lead: **LEP Core and Strategic Revenue Budget
Outturn Report 2016/17 and Update on 2017/18 Budget
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Item No.

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PURPOSE OF REPORT

The purpose of this report is to provide the revenue outturn position on the LEP's core and strategic funding spend for 2016/17.

The paper also provides an update on the 2017/18 Budget position as at 30 April 2017.

EXECUTIVE SUMMARY

The outturn position for the LEP Core funding as at 31 March 2017 is an underspend of £0.117m. For the Strategic Funding the position is a £0.026m underspend. Overall this results in an underspend position of **£0.143m** for the LEP in 2016/17. This is an increase of £0.045m from the underspend forecast of £0.098m as at 31 Dec 16 reported to the LEP Board in January 17.

This underspend will be carried forward into 2017/18 and the budget approved by the LEP Board in January 17 has been updated to reflect this position.

The revised potential underspend at the end of 2017/18 to carry forward into 2018/19 has now also increased by £0.45m to £0.114m.

RECOMMENDATIONS

The recommendation is as follows:

1. To note the outturn position for 16/17.
2. To note the updated forecast outturn position for 2017-18.

DETAIL

1. 16/17 Final Position

The outturn position for 16/17 is detailed in Appendix 1. Core spend was £0.402m leaving a carry forward of £0.117m. Strategic spend totalled £0.461m leaving a carry forward of £0.026m.

Additional expenditure against the various elements were approved according to the scheme of delegation and have been funded as planned from the carry forward balance.

There was an expectation that additional income of £0.015m would be achieved as a surplus in 16/17 from the running of Redhills Business Park. However a deficit was incurred of £0.005m (excluding the CCC Property Services Management fee).

The reason for the deficit was a lower income figure being received due to tenants vacating the business park. As per the management agreement this deficit has not been charged to the LEP nor has the annual management fee been charged. The costs have been incorporated into the County Council's outturn position.

The income reported against the conference centre/ incubator units line is the 2015/16 surplus received in 16/17.

2 Funding for 2017/18 update

The LEP receives funding from DCLG in the form of an annual S31 grant payable to the County Council who act as Accountable Body. This funding is to be used to fund the core and strategic activities of the LEP.

2.1 Core funding

The 'Core' funding is to be used by LEPs for capacity and resources to enable them to deliver activities in line with their agreed aims and objectives. This funding needs to be matched by local partners either financially or 'in kind'.

As this is public funding, LEPs are advised that they will need to demonstrate that they are acting appropriately and transparently in the use of these public funds.

The Core budget approved by the LEP Board for 17/18 includes £0.015m of income to be derived from the surplus of Redhills Business Park. Due to the deficit experienced in 16/17 this will be closely monitored.

2.2 Strategic funding

The 'Strategic' funding is to be used by the LEP to support the development and delivery of Single Local Growth Fund strategic plan and EU SI Fund Investment Strategy.

As with all LEP funding streams, the revenue spend is subject to an internal audit which is provided by the Accountable Body

3 2017-18 Forecast Outturn

The actual income brought forward from 2016-17 is £0.143m. Grant funding of £0.500m has been received for 2017-18 along with £0.100m of match funding from partners, with further partner invoices due to be raised to the sum of £0.028m. In addition surplus income from running of the Redhills site is budgeted to be £0.015m. This gives total funding for 2017-18 of £0.786m. Other match funding will be received from partners in kind.

The forecast expenditure position for 2017-18 (as at 30 April) is £0.672m leaving £0.114m to carry forward to 2018-19 as shown in Appendix 2.

Appendix 1 2016/17 final position

Appendix 2 2017/18 forecast outturn