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**Report to:** Leeds City Region Enterprise Partnership Board (LEP Board)

**Date:** 24 February 2021

**Subject:** **LEP Budgets and Funding**

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## **1. Purpose of this report**

- 1.1 To provide the LEP Board with an update on funding secured by the LEP and the position going forward.

## **2. Information**

- 2.1 The revenue budgets for 2021/22 and indicative capital budget were approved by the Combined Authority on 4 February 2021. The budget approved is a consolidated one that includes funding secured by the LEP.
- 2.2 The Combined Authority works alongside the LEP in delivering its aims, with the LEP providing strong and strategic links to business across the region. The LEP was hugely successful in securing funding through the Growth Deal – the largest Growth Deal in the country - that has seen investments in new colleges, flood alleviation works, housing and regeneration and business support. At the time of writing it is understood that there is no similar successor fund and details of access to funds announced in the budget such as the Levelling up Fund are awaited. The lack of any such successor fund for LEPs continues to be brought to the attention of government officials and is a serious concern for LEPs in their support of the regional economic recovery. Many of the previous funding programmes covering that functional economic area cease in 2021 and a summary is attached at **Appendix 1** which shows the project, funding, end date and funding body.
- 2.3 The Combined Authority collectively continues to be successful in securing funds, building on the work considered / proposed by the LEP Board. However, the funding now being received is generally secured by the Combined Authority and is then spent on shared priorities that are informed by the views of the LEP.
- 2.4 MHCLG has now confirmed revenue funding for 2021/22, which is made up of £500k core funding (which is provided to all LEPs as a standard amount) as

well as £520k to support the growth hub. These sums have not increased for a number of years and there is no guarantee that this funding will continue to be paid in future years.

- 2.5 As the direct LEP funding is reducing, this presents a number of challenges, leaving some programmes incomplete. This includes the Enterprise Zone programme, where a number of sites have funding to be developed out but a number still remain. Government has recently written to LEP Chairs to explain that future FE skills capital funding will be the subject of a bidding process by colleges (letter attached as **Appendix 2**). This is extremely disappointing given the success of the LEP over the period of the Growth Deal in enabling a number of key projects in the region including Leeds City College.
- 2.6 On a positive note, many of the LEP priorities are carrying on through the Combined Authority and the funding secured in the devolution deal will ensure work on Economic Recovery Plans and Adult Education and Skills for example continue to be progressed. Early use of the first year of gainshare has been approved to progress two projects in support of the priorities emerging from the Economic Recovery Plan but there is no commitment from government to fund the identified programme.
- 2.7 The LEP Board is asked to consider the position and identify any actions it wishes to take.

### **3 Inclusive Growth implications**

- 3.1 None arising directly from this report.

### **4 Tackling the Climate Emergency Implications**

- 4.1 None arising directly from this report.

### **5 Financial Implications**

- 5.1 As set out in the report.

### **6 Legal Implications**

- 6.1 None arising directly from this report.

### **7 Staffing Implications**

- 7.1 None arising directly from this report.

### **8 External Consultees**

- 8.1 None.

**9. Recommendations**

9.1 That the LEP Board note the funding position and consider any actions.

**10. Background Documents**

10.1 None.

**11. Appendices**

Appendix 1 – LEP funding

Appendix 2 – FE skills funding letter.