

## **Cabinet – 23 January 2013**

### **Local Enterprise Partnership Core Funding**

**Portfolio:** Councillor Adrian Andrew, Deputy Leader, Regeneration

**Related Portfolios:** None

**Service:** Regeneration

**Wards:** All

**Key decision:** Yes

**Forward plan:** No – Details received late in the process, and approval required in January 2013 to ensure that payments can be made to the Black Country Local Enterprise Partnership as required.

#### **1. Summary**

- 1.1 In October 2012, Central Government, by the Minister of State for Housing, in exercise of powers conferred by section 31 of the Local Government Act 2003 made a determination for a grant to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them, as core funding for Local Enterprise Partnerships ('LEPs'), to allow LEPs to drive forward their regional growth priorities.
- 1.2 Up to £625,000 of the above funding is being made available to each LEP, for which Central Government will contribute:
  - (i) £125,000 for this financial year (2012/13) with no matched contributions from local authorities; and
  - (ii) up to £125,000 for each of the next two financial years (2013/14 and 2014/15), provided that this is matched by local authorities.
- 1.3 The above grant payments are/will be unringfenced, but one of the Black Country local authorities needs to act as accountable body for these resources on behalf of the other Black Country local authorities and the Black Country LEP so as to ensure that the Black Country LEP uses the matched core funding for delivering its growth and jobs priorities.

#### **2. Recommendations**

- 2.1 That Cabinet approves Walsall Council acting as the grant recipient and subsequently acting as the accountable body for the grant programme known as the Local Enterprise Partnerships Core Funding Grant Determination (2012/13),

whereby up to £625,000 of matched core funding ('the core funding') will be made available to the Black Country Local Enterprise Partnership over the three-year period from 2012-13 to 2014-15, to be used by the Black Country Local Enterprise Partnership to drive forward the regional growth and jobs priorities.

2.2 That Cabinet delegates authority to the Executive Director – Regeneration, in consultation with the Regeneration Portfolio Holder, to:

2.2.1 authorise decisions to allocate the core funding to the Black Country Local Enterprise Partnership or its appointed body as appropriate; and

2.2.2 agree the form of:

- (i) the funding agreement for the core funding with Central Government;
- (ii) collaboration agreement(s) with the other three Black Country local authorities including their contributions to the core funding; and
- (iii) the grant agreement or similar by which the core funding will be made available for use by the Black Country Local Enterprise Partnership.

2.3 That Cabinet approves Walsall Council's matched contributions to the core funding to be considered as maintenance of its existing annual contributions towards the Black Country Consortium (which currently acts as secretariat to the Black Country LEP), throughout the period from 2012/13 to 2014/15, amounting to a total contribution by Walsall Council of at least £62,500, which represents one quarter of the total match core funding requirement of £250,000.

### **3. Report detail**

3.1 On 17 September 2012 the Department for Business Innovation and Skills ('BIS') announced unringfenced core funding for LEPs to drive forward their regional growth priorities.

3.2 This core funding covers three financial years from 2012/13 to 2014/15 and Central Government's contribution will be made in equal contributions from BIS and the Department for Communities and Local Government.

3.3 £125,000 is available to the Black Country region this year (2012/13), with up to £250,000 for each of the following two years. Central Government will require its £250,000 core funding for 2013/14 and 2014/15 to be match funded by each LEP, with details to follow.

3.4 The four Black Country local authorities currently make annual contributions towards the Black Country Consortium, which acts as secretariat in support of the LEP; and these existing and continued contributions will act as the match core funding required for this proposal, thus requiring each Black Country local authority to contribute a minimum of £62,500 across the 2012/13 and 2014/15 financial years.

- 3.5 One of the Black Country local authorities is required by Government to act as accountable body for the core funding received, the proposal is that this will be Walsall Council.
- 3.6 This grant and the role proposed by Walsall Council as accountable body held within this report for Core Funding is separate to other government proposals that may come forward, that award or allocate future additional funding to LEP's.

#### **4. Council priorities**

- 4.1 LEPs are voluntary partnerships between local authorities and businesses. In helping to determine local economic priorities and lead economic growth and job creation the Black Country LEP contributes positively towards Walsall Council's 'Economic' priority as set out in Walsall Council's Corporate Plan 2011/12 – 2014/15.
- 4.2 This proposal also reflects the Marmot principle from the review - Fair Society, Healthy Lives (2010) - of helping to create fair employment and good work for all.

#### **5. Risk management**

##### **Risk 1 – The relevant criteria are not met for the match funding.** (Medium Level Risk)

Although the grant is unringfenced, Central Government have attached some criteria to it. The initial payment of £125,000 is to provide immediate support, but the following allocations of up to £250,000 will be fully dependent on: (i) match funding from local partners; and (ii) LEPs sharing with government their draft priorities by Christmas 2012.

Central Government has not yet set out future conditions, but these will apply to the future funding (in 2013/14 and 2014/15), but not to the £125,000 funding that will be allocated in this financial year (2012-13.)

In its role as accountable body, Walsall Council will ensure that all required steps are taken to meet the criteria set out by Government once known. As accountable body Walsall Council will be liable for any repayment of funds.

#### **6. Financial implications**

- 6.1 Walsall Council will be the accountable body for the grant, but the grant and match funding will be within the Black Country LEP, so unless there are issues with fulfilling the grant criteria there should be no costs to Walsall Council.
- 6.2 The initial £125,000 grant payment is unringfenced revenue funding but is intended for the Black Country LEP. As long as the money is passed to the Black Country LEP there should be no financial impact on Walsall Council.

- 6.3 Further details are pending from Government about any conditions for future years.
- 6.4 The match funding required will be up to £250,000. This will require funding of up to £62,500 from each of the four Black Country local authorities if split evenly. Recommendation 2.3 (above) suggests guaranteeing this contribution to help ensure the Black Country LEP gets the match funding. This will be as part of the existing annual contributions that Walsall Council makes to the Black Country Consortium, as part of that organisation's role in support of the Black Country LEP.
- 6.5 Walsall Council will set into place collaboration agreements with all match funding contributors to ensure that it's in place and secured for the duration of the programme.

## **7. Legal implications**

- 7.1 Legal Services will continue to work closely with officers to ensure that all necessary legal processes will be in place to minimise the risk to Walsall Council of being the accountable body, whilst ensuring that the process is not onerous.
- 7.2 A grant or similar agreement will be drawn up for the Black Country LEP to draw down the core funding and to ensure that the Black Country LEP complies with any applicable procurement regulations when spending the core funding and any necessary indemnities are in place.
- 7.3 A collaboration or similar agreement(s) will be drawn up to set out the mutual obligations (to each other and to Central Government) of the four Black Country local authorities to contribute match funding.

## **8. Property implications**

None for Walsall Council

## **9. Staffing implications**

The Executive Director for Regeneration will be the nominated accountable body officer for this grant funding programme.

## **10. Equality implications**

As accountable body we will work with the LEP to ensure that their policies and services are efficient, effective, appropriate and accessible to all.



## 11. Consultation

The proposal for Walsall to act as accountable body was made in consultation with the Executive Director for Regeneration. Initial consultation has been held with Legal and Finance officers and will continue throughout the preparation and delivery of the programme.

### Background papers

None

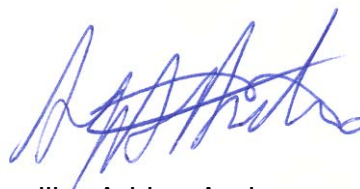
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23 January 2013



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