



## Lancashire Enterprise Partnership Limited

**Private and Confidential: No**

**Date:** Wednesday, 21 June 2023

### **LEP Budget and Business Plan 2023/24**

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#### **Executive Summary**

This report sets out the intended use of the LEP's income and reserves to provide a budget for activity in 2023-24.

The proposed figure for spend in 2023/24 after staffing, running and accountable body costs are met is £1.294m. This is a significant increase on the £210,000 of discretionary funds that the LEP deployed in 2022/23 as we are now fully able to access monies via the Accountable Body Agreement with LCC.

It is noted that there remains a strong likelihood, this will be the last year of LEP operation, but the Chair and CEO believe the proposed levels of spending and the priority activities pursued, strikes a balance between delivering continued progress on key projects and preserving sufficient resource to ease the integration of the LEP's responsibilities into local democratic structures.

This spend level represents an amount which can be properly and productively deployed by the LEP in the remainder of this financial year but will leave a balance of £1.5m in reserves to support the future integration and closure of the LEP and the staff dependent in whole or part on LEP funding.

#### **Recommendation**

LEP Board Members are recommended to endorse the budget proposals and business planning priorities for 2023/24 as set out in the report and to work with officers to detail and effectively deploy this resource.

#### **Background and Advice**

Whilst it is likely that 2023/24 will be the last year of the LEP as currently constituted, the previous board meeting and a subsequent business planning workshops have expressed a clear ambition that the LEP will remain an active player



in terms of influencing, commissioning, and delivering activity which will advance the performance of the Lancashire economy.

The proposed discretionary revenue budget of circa £1.3m will allow the LEP to remain "open for business" and to deliver activity and projects which are well aligned with the emerging Lancashire 2050 framework and discussions on devolution to advance a shared economic vision for the county.

This ambition is balanced both against what it is practicable to deliver in the remaining nine months of the year and need to lead a buffer in reserves to support the transfer of responsibilities, integration of staff and development of alternate platforms to sustain a strong private sector voice in local policy development. These matters are further described in other papers on the agenda.

The significant increase in budget derives both from establishing a clear position on the use of reserves and in securing monies via the Accountable Body Agreement with Lancashire County Council both retrospectively improving the 2022/23 budgetary position and adding to funds in the current year.

### **Priorities for LEP Revenue Spend in 2023/24**

Reflecting the priorities of the Board, sub-groups and working groups, the main changes to the budget are summarised below.

1. Income
  - a. DCLG grant income is down to £250k not the £375,000 shown.
  - b. AB agreement income (interest on NCF) is up
  - c. Local authority match remains the same
2. Staffing looks like a roll forward but this will change as follows:-
  - a. LEP co-ordinator cover (3 part-time secondees)
  - b. Additional research capacity 1 FTE now fully charged to LEP
  - c. 2 x Additional Interns on Business Finance and Internationalisation
  - d. Additional Grade 8 Project Officer / CEO support role
3. Core running costs
  - a. Accommodation costs reduced with move to CHOB
4. Continued Discretionary spend on projects
  - a. Strategic Framework Delivery £21,592
  - b. Project Support £154,908
  - c. Marketing £77,019
  - d. Conf and Events £8075
  - e. Restructuring £33,659
5. **Additional Priorities**
  - a. **National Cyber Force - £425,000 (pays for development of Innovation Hub concept £350k, Industry Engagement £75k)**



*This work will build on a initial scoping piece for an Innovation Hub to be developed adjacent to the new NCF Headquarters at Samlesbury. The initial study conducted by cyber specialists Plexal, identified a strong rationale for such a facility to act as a touchpoint for local industrial collaboration both with NCF and their supply chain. It also considered the options to co-locate with other anchor tenants and amenity uses for NCF.*

*This additional commitment of funding, will allow further phases of work to bring the plans for this building to full, "Green Book" business case and with sufficient detail for initial planning consideration (albeit that the EZ remains subject to streamline planning via a Local Development Order).*

- b. Inward Investment and Internationalisation - £150k (pays for Capabilities mapping £50k, External Marketing Proposition £50k, refresh Invest in Lancashire web £25k, Internationalisation Intern £25k)**

*The LEP's role in leading and supporting Lancashire-level inward investment and internationalisation initiatives seems uncontested, effective and well-received. This work will allow Lancashire to streamline and agree its outward facing propositions, building this from a in-depth knowledge of where our capabilities lie and how these dock into emerging opportunities and sectors.*

- c. Sector work development - £180k (pays for, Bid awareness and writing £120k, AEM support £60k)**

*The LEPs sector groups have been a real driver for activity in the last two years. At their workshop they identified a need for capacity to spot funding opportunities and an ability to access specialist bid-writing skills. This resource will allow this to take place.*

- d. Lancashire Data Observatory - £200k**

*Working alongside our local authority partners, LEP resource will help catalyse the concept of a Lancashire Data Observatory, to understand what existing and novel data sources tell us about the current and future trends within the Lancashire economy, to monitor performance of existing thematic activity and to develop business cases for activity as a devolution deal develops.*

- e. Interim staffing £60k (pays for Grade 8 support £30k, Business Finance intern £25k, Staff training £5k)**

Despite the difficult of attracting good staff into temporary roles, it is clear the remainder of the financial year will need more staffing capacity to deliver both this work programme and integration plan. This resource will cover this outlay.



**f. Devolution / CCA Project Development £109,416**

The balance of the LEP's revenue budget will be applied to the process of influencing and supporting the development of Lancashire's initial and subsequent rounds of devolution deals, landing the policy development work and private sector work of the Board within this landscape.

**List of Background Papers**

Paper	Date	Contact/Tel
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None		
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Reason for inclusion in Part II, if appropriate

N/A



## Appendix A

### Lancashire Enterprise Partnership

#### Operating budget

#### Income

	Forecast outturn <b>2022-2023</b>	Budget <b>2023-2024</b>
Grants	562,500	437,500
Interest	656,370	420,000
Contributions	10,000	

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	1,228,870	857,500
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#### Operational expenditure

Staffing	412,774	426,737
Running costs	143,909	88,399
Marketing and Comms	85,094	70,000
Professional and consultancy fees	71,757	63,000

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	713,534	648,136
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#### Net operating surplus/(deficit)

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	515,336	209,364
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#### Project and programme expenditure

Project support	21,592	590,000
Strategic Framework	154,908	475,000
Restructure	33,659	109,416

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	210,159	1,174,416
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#### Net P & L surplus/(deficit)

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	<b>305,177</b>	<b>-965,052</b>
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Reserves b/f	2,159,875	2,465,052
Contribution to/(from) reserves	305,177	-965,052

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<b>Reserves c/f</b>	<b>2,465,052</b>	<b>1,500,000</b>
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