



**28<sup>th</sup> March 2013**

**Agenda Item: 5**

**REPORT OF THE CHAIRMAN OF ECONOMIC DEVELOPMENT COMMITTEE  
CONTRIBUTION TO D2N2 LEP CORE FUNDING COSTS**

**Purpose of the Report**

1. To request Committee approval for a financial contribution of £62,500 pa to be made to the D2N2 Local Enterprise Partnership (LEP) in 2013/14 and 2014/15, which will enable the LEP to draw down 'core funding' from central government.

**Information and Advice**

2. In the 2012 Budget, the Government announced the allocation of 'core funding' to each Local Enterprise Partnership. £125,000 was made available to each LEP in 2012/13, with no requirement for match funding. For 2013/14 and 2014/15, £250,000 per annum is available to each LEP, subject to a pound-for-pound match from local sources.
3. The core funding is primarily to enable LEPs to establish executive staffing teams to support the delivery of growth objectives and to allow it to be as responsive as possible to local issues and the needs of local businesses. It also recognises the fact that Government is expecting LEPs to lead and deliver on a wide range of strategic and complex initiatives, including:
  - i. Enterprise Zones
  - ii. Growing Places Fund
  - iii. Regional Growth Fund
  - iv. Local Transport Boards
  - v. Trade and investment
  - vi. Economic research and intelligence
  - vii. Skills provision
  - viii. European funding
4. The Heseltine Review ("No Stone Unturned" October 2012) recommended that the role and function of LEPs be further strengthened by additional Government support but also by giving LEPs control over funding streams related to skills provision and other previously centralised funding streams. These will be combined into a 'single pot' to be managed by LEPs. LEPs will also have primary responsibility for European funding streams for the 2014-20 programme period.
5. The D2N2 LEP has recently recruited a Chief Executive, David Ralph, who will be attending the March meeting of this Committee, to outline his perspective on the D2N2 LEP's ambition for the area. Plans are being progressed by the LEP for the recruitment of

additional posts to support these project development, management and delivery requirements and to enhance the LEP's communications and outreach work. These will all be funded through the core funding allocation.

6. Core funding expenditure will be aligned with the proposals contained D2N2 LEP Growth Plan, with Derby City Council acting as the Accountable Body for the funding.

### **Request for financial contribution**

7. The D2N2 Board has approached the four principal authorities with a request for them to collectively contribute to match the core funding and enable it to be drawn down from Government. The Leaders and Chief Executives of the four Councils have discussed this and given in principle support to the request. This would mean each Council offering the LEP £62,500 in 2013/14 and £62,500 in 2014/15.
8. As the work of the D2N2 LEP is in the remit of Economic Development Committee, it is a decision of this Committee as to whether to make these contributions towards the D2N2 LEP's core costs.

### **Other Options Considered**

9. The Committee could decide not to meet the request from the D2N2 LEP. Were this to be the case, the LEP would not be able to draw down £62,500 pa of its core funding allocation, with potential implications arising with the other three Councils and the wider LEP Board.

### **Reason/s for Recommendation/s**

10. The D2N2 LEP has to provide evidence to Government of match funding commitments by the end of March 2013 in order to access the core funding allocation.

### **Statutory and Policy Implications**

11. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described in the report.

### **Financial Implications**

12. Economic Development Committee has approved its budget for 2013/14. The additional expenditure of £62,500 in both 2013/14 and 2014/15 will be funded from contingency.

## **RECOMMENDATIONS**

13. It is recommended that Committee approve a contribution of £62,500 per annum over 2013/14 and 2014/15 to the D2N2 LEP to enable the core funding allocation to be drawn down.

### **Report of Group Manager, Corporate Strategy**

**For any enquiries about this report please contact: Matt Lockley, ext 72446**

**Constitutional Comments (NAB 13.3.13)**

14. The Economic Development Committee has authority to approve the recommendation set out in this report.

**Financial Comments (SEM 15/03/2013)**

15. The financial implications are set out in the report.

**Background Papers**

None

**Electoral Division(s) and Member(s) Affected**

All