**STOKE ON TRENT & STAFFORDSHIRE**

**LOCAL ENTERPRISE PARTNERSHIP**

**EXECUTIVE BOARD MEETING**

**27 February 2020**

**SSLEP Core Budget 2020-21**

1. Background

Under the SSLEP Scheme of Delegation, set out in the SSLEP Assurance Framework, the Executive Board is required to formally approve the SSLEP Core Budget annually. Core budget expenditure is reported quarterly to the LEP Executive Board as part of the Finance Dashboard.

1. Core Budget 20/21

The detailed Core Budget for 2020-21, which has been produced and agreed by the Audit & Finance Committee on 20th February 2020, is attached at Appendix 1. A summary of the proposed budget is set out in the table below:-

|  |  |  |
| --- | --- | --- |
|  | Note | Proposed Budget 20/21  £ |
| ***Expenditure*** |  |  |
| Staffing – SSLEP Secretariat | a | 385,108 |
| Operational Costs | b | 158,250 |
| Business Engagement and Support |  | 37,500 |
| Strategic Planning – LIS Development |  | 100,000 |
| Project and Programme Development |  | 49,500 |
|  |  |  |
| ***Gross Expenditure*** |  | **730,358** |
|  |  |  |
| ***Income*** |  |  |
| Core Fund Grant 2020/21 | c | 500,000 |
| Core Fund Grant 2019/20 c/fwd | c | 37,474 |
| SSLEP Reserves – Local Growth Deal top-slice | d | 98,337 |
| SCC Direct Funding | e | 81,547 |
| Chamber of Commerce Funding | f | 13,000 |
|  |  |  |
| ***Total Revenue funding*** |  | **730,358** |

Notes

1. The SSLEP Secretariat costs include the posts shown in the staffing structure set out in Appendix 2. The structure has been amended since it was last discussed at the Board in September 2019. The SSLEP Chief Executive Officer post and the Strategy & Governance Manager post have been combined into a single position. This is because SSLEP operates with significantly less cash match than all other LEPs. While the 2019 finance review and rationalisation exercise did free up sufficient Core Funds to meet the secretariat structure agreed by the Board in July 2019 and minimal running costs, there would be no annual funding available for LIS project & programme development work.
2. The operational costs budget includes a provision for a potential VAT liability, as no firm guidance has still been received on possible liabilities in this area. It is therefore considered prudent to budget for this potential cost. If this is not required it is proposed the funds be diverted into other areas of activity, as directed by the LEP Board. The budget also includes a provision to create a redundancy reserve to meet any future liabilities in respect of exit costs of the SSLEP secretariat.
3. The Core Fund Grant is not currently guaranteed beyond 2020-21 and is still subject to formal approval by MHCLG (Ministry of Housing Communities and Local Government following the Annual Performance Review and completed S151 Assurance letter, although it is not anticipated there will be any issues which would prevent payment of the grant. The MHCLG letter on this is expected in the next few days.
4. This funding stream is specifically to pay for the Secretariat costs relating to the business case approval and programme and management costs relating to the Local Growth deal. Grant awards are top-sliced to provide the funding stream for these costs.
5. Staffordshire County Council have committed to continue to provide funds towards the CEO / Operations Director position which also forms part of the match funding requirement referred to in paragraph 3 below.
6. The Chamber of Commerce has committed to provide support of 40% towards the cost of the Business Engagement Officer post for an initial 18 month period.
7. Match Funding

As part of the payment of Core Fund Grant, each LEP is required to identify a minimum of £250k of local match. The table below shows the level of estimated match in 2020-21.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Staffordshire County Council  £ | Stoke on Trent City Council  £ | Staffordshire Chamber of Commerce  £ | Total  £ |
| Cash contributions to SSLEP Secretariat costs (per table above) | 81,547 | 0 | 13,000 | 94,547 |
| Officer time e.g. finance, admin, audit | 90,327 | 105,420 | 0 | 195,747 |
|  |  |  |  |  |
| Total | 171,874 | 105,420 | 13,000 | 290,294 |

1. Recommendations

That Board Directors approve the draft Core Budget for 2020-21 and the revised structure set out in Appendix 2 of this paper.

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