

Executive Decision Report

**Agreement for Council act as accountable body for
the City Deal Programme on behalf of the Leicester &
Leicestershire Enterprise Partnership**

Decision to be taken by: City Mayor
Decision to be taken on: 10 July 2014
Lead director: Frank Jordan



City Mayor

Useful information

- Ward(s) affected: All
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- Report version number: 1

1. Summary

Leicester City Council acts as the accountable body for the Leicester and Leicestershire Local Enterprise Partnership (LLEP).

In March 2013, Leicester and Leicestershire formally signed a City Deal with Government awarding the LLEP £16m for 3 discrete projects:

£10m - Business Growth Hub and Grant Programme (RGF4 funding)

£4m - Leicester & Leicestershire to Work Programme

£2m - Loughborough University Science & Enterprise Parks (LUSEP)

It is a requirement of the Council's Constitution that where the Council is to act as an accountable body in relation to any project or funding programme in excess of £100,000 that the City Mayor approves this decision. The City Mayor has previously approved the decision for the City Council to act as accountable body for the RGF grant (£10m). The funding for the Leicester and Leicestershire to Work Programme is held by the Government and does not fall to the Council to manage as accountable body.

This report therefore seeks approval for the Council to act as LLEP accountable body for the £2m LUSEP Programme.

2. Recommendations

It is recommended that the City Mayor:

- (i) Approves for the City Council to act as accountable body for the £2m LUSEP funding awarded to the LLEP as part of the City Deal
- (ii) Agrees that the funding to be added to the capital programme
- (iii) Delegates authority to the Strategic Director for City Development and Neighbourhoods, in consultation with the Director of Finance to agree the terms of the grant to Loughborough University.

3. Supporting information including options considered:

In establishing Local Enterprise Partnerships (LEPs) the Government required that a local authority would act as the accountable body for the administration of grant and

other funding received on behalf of the LEP. The City Council has acted as such since April 2011.

In March 2013, Leicester and Leicestershire formally signed a City Deal with Government awarding the LLEP £16m for 3 discrete projects. £2 million of this funding will be provided by Government in 2014/15 to support expansion at Loughborough University Science and Enterprise Parks (LUSEP). The funding will provide critical enabling infrastructure that will unlock employment space for knowledge intensive businesses that wish to expand at the science parks.

In addition, the scheme will also provide enabling infrastructure for an Advanced Technology Innovation Centre. This centre will support the growth of small and medium enterprises and Leicester and Leicestershire's university "spin outs". As a result of this investment 8 hectares of employment land will be made available and the development of a new Advanced Technology Innovation Centre will proceed. The innovation centre will be completed by 2015 and by 2020 development of both the centre and the employment sites is predicted to create 755 new jobs, safeguarded 400 jobs and unlocked follow-on investment of £50 million.

4. Details of Scrutiny

None

5. Financial, legal and other implications

5.1 Financial implications

As the LLEP is not a legal entity, the Cabinet has previously agreed that the City Council should act as accountable body. This report seeks agreement for the Council to receive the £2m LUSEP funding as part of the City Deal, as the LLEP accountable body. Thus the Council becomes responsible for ensuring that the funding is deployed in accordance with the grant conditions set by the Government and that the Council's usual financial and governance standards are met. As the Council is effectively receiving and then passing on the funding in this instance, the Council's responsibilities and Government conditions will be reflected in the grant agreement with the University..

Colin Sharpe, Head of Finance, ext. 37 4081

5.2 Legal implications

The legal Implications are contained in the attached annex. These legal implications are confidential as they contain exempt information as defined in Part 1 of Schedule 12A of the local Government Act 1972 (as amended)

Beena Adatia – Principal Solicitor (Commercial, Contracts and Capital)

5.3 Climate Change and Carbon Reduction implications

No climate change implications

5.4 Equality Impact Assessment

The Programmes in the City Deal are designed to ensure the equal provision of business support and employment support to organisations and individuals across Leicester & Leicestershire.

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

No other implications

6. Background information and other papers:

None

7. Summary of appendices:

None

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

Yes.

10. If a key decision please explain reason

Capital expenditure of over £1m is to be committed on a scheme that has not been specifically authorised by Council.