

Finance Strategy 2019-2021

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Introduction

Purpose of the document

The purpose of this document is to set out our finance strategy for the next 2 years, to allow our stakeholders and the public to understand our current and planned operation. Furthermore, this Finance Plan will allow for careful management of the available resources and provide a baseline for financial scrutiny by our partners and wider stakeholders.

This document is part of a suite of documents focused on our how we operate and our governance structures, which includes the Local Assurance Framework (LAF) which establishes the ways in which our partnership is governed, how decisions are taken and the principles upon which we develop, appraise and manage our programme of economic development activity.

This suite of documents is available on our website: <https://www.llep.org.uk>, as part of our continued effort to exemplify good governance and transparency. These documents, read in conjunction, enable everyone to understand the activity, opportunities, challenges and risks we are managing as part of our operations and how we plan to use the resources available to achieve the aims of our governing economic strategy; driving growth and creating economic prosperity for Leicester and Leicestershire.

As this document illustrates the LLEP operates a wide investment programme including funds from European, National, and Local sources. This plan is based on current activity and known sources of funding, and provides the most accurate forecast possible based on information available. However, we are in a period of change with the review of the role of LEPs, Brexit and the replacement to European funding sources and the emergence of pan-regional vehicles like the Midlands Engine. We must be vigilant for opportunities and flexible in our approach so that we may best facilitate the development and growth of the economy. In being so, our finance strategy will need to be reactive to emerging opportunities. This strategy is not a fixed document but one to be updated and kept alive so that we can ensure that our financial strategy enables us to deliver against our plans for making Leicester and Leicestershire a key contributor to the prosperity and earning power of the Midland and UK economies.

Role of the Accountable Body

Funding is devolved to the LLEP from Government and the member councils and is received and managed by the Leicester City Council as Accountable Body to the LLEP. As part of this process Leicester City Council gives assurance on the financial transparency, administrative functions and accountability of the LLEP, through the role of the S151 Officer (the Director of Finance).

The Accountable Body duties are set out in the Local Assurance Framework, together with rules and guidance issued by central government, CIPFA and other regulatory bodies from time to time.

The Section 151 Officer and her appointed Head of Finance, work closely with the LLEP on all operational and investment decisions.

The audit of the use of LLEP funds will be part of the internal and external audit programmes of the Accountable Body, and will be at least equivalent to those in place for Leicester City Council's own spending. Specific audits relating to particular funding streams or activities may also be undertaken at the request of the Board or the Government.

This Finance Plan has been developed jointly with the Accountable Body for the LLEP – Leicester City Council.

Structure of the plan

This Finance Plan is split into three main areas:

1. Operational Budget
2. Project Funds i.e. projects directly delivered by the LLEP
3. Programme Funds

The Operational Budget details the revenue available for the delivery of the core operations of the LLEP including its staffing, communications, strategy, programme management and support services costs.

Project funds are also revenue budgets but these are captured separately to show the individual costs of specific, defined project activity. These are based on external funding streams. Should these funding streams cease then the activity also ceases. Projects include the Business Gateway, Enterprise Zone and the Enterprise Advisor Network (EAN).

That notwithstanding, the LLEP operates a model which maximises its operational budgets to best effect utilising staff to draw down additional match funding e.g. ESIF Technical Assistance, to enhance and expand the service offer, that contributes to delivering the core objective of the LLEP: creating economic prosperity across Leicester and Leicestershire. In these circumstances there are no separately defined budgets for this overarching programme of activity.

Finally, Programme Funds are funds that the LLEP administer and manage, but the delivery is performed by another organisation e.g. a Business, a University or a Local Authority. These programme funds are reported by programme to their agreed financial completion date. Programmes include Local Growth Fund (LGF), Growing Places Fund (GPF), Business Rates Pool (BRP) and Enterprise Zones (EZ).

Operational Budget

A 2-year budget plan has been developed, based on the best available information. As with any forecasts these are subject to change and will be updated appropriately.

It is desirable that the LLEP should retain a minimum working balance/reserve of circa £1m, as described on page 6.

	2019/20 (£)	2020/21 (£)
Income		
Grants (core funding and capacity building)	700,000	500,000
Local Authority Contributions (Business Rates Pool)	250,000	250,000
National & Local Project Income	945,000	854,000
Fees, Interest & Other Income	505,000	498,000
Total Income	2,400,000	2,102,000
Expenditure		
Staffing	946,000	964,000
Running Costs	479,000	303,000
Accountable Body Costs	135,000	135,000
Project Delivery Costs	812,500	630,100
Total Expenditure	2,372,500	2,032,100
Net Surplus / (Deficit)	27,500	69,900
Actual / Estimated reserves at start of year	1,758,000	1,785,500
Estimated reserves at end of year	1,785,500	1,855,400

Core funding is issued by the Government to all LEP's to cover overheads and running costs. The additional capacity building funds expected to be awarded in 19/20 are to recognise the associated costs of LLEP incorporation and the production of the local industrial strategy. In addition to the core funding LEP's are required to produce locally matched funding, currently this is expected to be sourced through the Business Rates Pool.

Fees, Interest & Other Income cover the agreed 2.5% management fee to cover the cost of running programmes such as LGF and Business Rates Pool, these figures also includes interest generated through the capital receipts held by the Accountable Body and interest received through the repayment of the GPF loan scheme.

The staffing costs cover a core team of 17 members, including on-costs and ancillary expenses.

Running costs in year 19/20 cover the additional one-off costs associated with the LEP review implementation, skills advisory panels and production of a local industrial strategy.

Service level agreements are being prepared for support services provided by the accountable body, which will include a review of charges. The £135k shown above is therefore a provisional sum at the time of writing.

There is a small budget for communication and marketing, in addition to producing an evaluation of the LGF programme.

Reserves

The level of reserves are considered adequate by the Accountable Body, and sufficiently cover the working balance requirement.

These reserves are based on the estimated costs of winding up the partnership and other liabilities, should it be required. These liabilities include a sum for staffing costs and potential liability for additional pension costs.

A further £200k is to be set aside should any taxation liabilities that may arise due to the LLEP's incorporation. A minimum balance of circa £1m is recommended for these.

A further £315k is ring-fenced for income in advance received in 2018/19 that to be spent in future years. This includes provision for contract compliance monitoring on previously allocated funds, which are liable for clawback if not properly tracked

Overall therefore, of the £1.758m LLEP reserve at April 2019, approximately £1.4m can be specifically accounted for, leaving circa £0.4m as a non-earmarked working balance.

Breakdown of LLEP reserves	
Staff Redundancy	800,000
Pension Liabilities	100,000
Tax Liabilities	200,000
Income in advance	315,000
	1,415,000

Project funds (direct delivery by the LLEP)

In addition to the core service the LLEP receives project funding to manage specific projects. These funding streams will come with strict criteria, as to what and how the funding can be spent. In some instances these require us to recruit additional staff, other than the core team.

It is envisaged that all the projects are self-sustaining, and do not draw on LLEP reserves, however, this can vary from year to year.

The table below shows the income and expenditure budget for each project. The totals tie back to the lines in the Operational Budget summary table earlier.

	2019/20 (£)	2020/21 (£)
Project Income		
Careers and Enterprise Company	265,000	118,400
Business Gateway Growth Hub	410,000	466,000
Enterprise Zones	100,000	100,000
European Structural and Investment Funds (ESIF) Technical Assistance	170,000	170,000
Total Income	945,000	854,000
Project Expenditure		
Careers and Enterprise Company	312,800	122,500
Business Gateway Growth Hub	377,800	384,000
Enterprise Zones	121,900	123,600
European Structural and Investment Funds (ESIF) Technical Assistance	0	0
Total Expenditure	812,500	630,100

Careers and Enterprise Company

The purpose of the local Enterprise Advisor Network (EAN) is to create powerful, lasting connections between local businesses, schools and colleges in the area. Enterprise Advisors are volunteers who work directly with the leadership of individual schools and colleges, helping these institutions to develop effective employer engagement plans. The network of Enterprise Advisors (EA) is supported by a team of Enterprise Coordinators who effectively bring the network of schools, colleges and EA's together recruiting, matching and facilitating the effective relationship between the partners to simplify and stimulate more employer engagement with education.

The programme is part-funded by the Careers and Enterprise Company (CEC), an employer led organisation set up by Government to inspire and prepare young people for the fast-changing world of work. The CEC has provided the LLEP with a Funding Agreement up to August 2020 (since the project works to academic years), funding approximately half the costs of the project. The remaining funding is sourced locally through bids to the Business Rates Pool and other sponsorships.

The next table provides an indicative project spend profile over the next 2 years:

	2019/20 (£)	2020/21 (£)
Income		
National Grants (CEC)	152,000	54,400
Local Contributions (BRP)	100,000	50,000
Sponsorship	13,000	14,000
Total Income	265,000	118,400
Expenditure		
Staffing	242,900	101,600
Marketing & Advertising	5,000	4,000
Running Costs	64,900	16,900
Total Expenditure	312,800	122,500

No future funds are committed beyond August 2020, and the profile accounts for the project ending without successfully securing additional sources of funding. The project may of course receive further funding, and hence continue.

The figures are based on the existing team structure of a Careers Hub Coordinator and four Enterprise Coordinators providing 100% coverage of all eligible schools and colleges across Leicester and Leicestershire. The high running costs relative to income shown in 2019/20 reflect income received in 2018/19 to be defrayed in 2019/20.

The development of the project will be carefully monitored by the LLEP Management Team to ensure that if the bids are not successful the project is scaled to ensure the appropriate delivery structure based on the funding available.

LLEP Business Gateway Growth Hub

The LLEP Business Gateway is the Growth Hub for Leicester and Leicestershire. Growth Hubs are Government initiatives which were set up to simplify access to business support, to inspire enterprise and drive economic growth. There are 38 Growth hubs covering the whole of the UK.

The Growth Hub is a single point of access across Leicester and Leicestershire, to which businesses and support providers can turn when they have a business need that they do not know how to meet. It is the single point of access for all national and local schemes working with a broad network of providers from the public and private sector, to encourage the take-up of business support and help maximise the growth potential of our businesses.

The Business Gateway offers information, advice and guidance through a variety of platforms including website, telephone and intensive one to one support via a small team of specialist advisors. In addition, the Growth Hub runs a varied and engaging programme of events including

workshops and masterclasses on specific business topics ranging from access to finance, recruitment, innovation and marketing.

The table below provides an indicative project spend profile over the next 2 years:

	2019/20 (£)	2020/21 (£)
Income		
National Grants (BEIS & ERDF)	360,000	416,000
Local Contributions (BRP)	50,000	50,000
Total Income	410,000	466,000
Expenditure		
Staffing	182,600	186,000
Marketing & Advertising	39,000	38,000
Running Costs	156,000	160,000
Total Expenditure	377,800	384,000

Growth Hubs receive an allocation of funding from the Department for Business, Energy & Industrial Strategy (BEIS), supplemented by European Regional Development Fund (ERDF) Funding.

Since 2015 the Business Gateway has been in receipt of ERDF funding. Due to delays with the managing authority, income that was expected in previous financial years have not materialised, although it is anticipated that all outstanding claims would be paid in 2019/20. As part of a collaborative partnership with Leicester City Council and others, the Growth Hub has submitted an ERDF bid, which is currently at the appraisal stage. This will change the scope of the service, enhancing it to meet current business demand and drive productivity and business to scale up. The success of the ERDF bid has been assumed within the profile above; the expenditure and income profiles may change, if unsuccessful. The development of the project will be carefully monitored by the LLEP Management Team to ensure that, should the bid not be successful, the project is scaled to ensure the appropriate delivery structure based on the funding available.

Enterprise Zones

Enterprise Zones are a 25-year designation for a specific site in which 100% of rates uplift above a baseline is kept by the local area to fund future economic growth. Zones are exempt from the normal Government rules that allow retention of business rates growth only until the next "reset" date. Given that rates growth retention is guaranteed for a period of 25 years, this provides a financing tool to support prudential borrowing to accelerate the development of the sites as well as supporting other economic priorities. Businesses within the zones can also benefit from up to five years of rates relief and simplified planning.

There are two EZs in the LLEP area, namely MIRA Technology Park Enterprise Zone and the newer Loughborough and Leicester Science and Innovation Enterprise Zone. Up to and including 2018/19, the investment supported by Business Rates uplift generated / expected to be generated from the EZ's totalled over £1m.

We will identify the labour market needs of businesses in the key sectors for the Loughborough and Leicester EZ to highlight the current and future skills requirements and work with local providers to ensure the local provision addresses any gaps. Working closely with our public sector partners we will facilitate investment to drive forward development and undertake activities to support the marketing and inward investment programmes.

In addition, we will work with partners to strengthen the capture of performance data to monitor the impact of our interventions, and highlight opportunities for further activities to facilitate continued development.

The table below provides an indicative project spend profile on EZ development over the next 2 years; it does not include any infrastructure investment that may be agreed:

	2019/20 (£)	2020/21 (£)
Income		
LLEP reserves / business rates uplift	100,000	100,000
Total Income	100,000	100,000
Expenditure		
Staffing	90,700	92,500
Marketing & Advertising	10,000	400
Running Costs	21,200	30,700
Total Expenditure	121,900	123,600

The identified revenue income is an annual £100,000 from the business rates uplift which is expected to be made available to the LLEP to manage the programme with the sites and government. The availability of this funding is dependent on the Business Rates Agreement with the Billing Authorities being concluded. This funding is underwritten from LLEP reserves.

Over their life, the EZs could generate £300m of additional business rates and support the delivery of over 25,000 jobs. The agreement for the Loughborough and Leicester Zone will provide for the proportion of the uplifts to be retained by the authorities as their own "no worse off" share, the proportion available for investment in to the zone, and (initially) the proportion available to repay any LLEP investment into the Zone.

European Structural and Investment Funds (ESIF) Technical Assistance

European Structural and Investment Funds (ESIF) are the European Union's main source of funding for supporting growth and jobs across EU member states. ESIF is composed of three main programmes that combined provide around £6 billion of support over the 2014 to 2020 period.

Like all LEPs, we have been provided with a notional allocation of around £112 million of European Regional Development Fund (ERDF), European Social Fund (ESF) and European Agricultural Fund for Rural Development (EAFRD).

Through our ERDF and ESF Technical Assistance projects, we will continue to develop and promote call specifications and encourage and support the submission of applications to the ESIF programme. The LLEP will also work with ERDF and ESF project providers to coordinate the delivery of local European funded activity through the organisation of quarterly provider forums.

The table below provides an indicative project income profile over the next 2 years. Note that no direct expenditure is shown, as staffing and other costs are part of the LLEP operating budget:

	2019/20 (£)	2020/21 (£)
Income		
ERDF	70,000	70,000
ESF	100,000	100,000
Total Income	170,000	170,000

Programme Funds

Local Growth Fund

	Grant	Leverage
LGF	£126m	£190m

The LLEP, through its Accountable Body, signed a Growth Deal with the Government in 2014. This ultimately secured £100.3m through the Local Growth Fund (LGF) in relation to Growth Deals 1 and 2. A further Growth Deal was signed with government for £25.87m in December 2017, increasing the total to £126m

The investment of £126m investment into Leicester and Leicestershire area will bring forward at least £190m of additional investment from local partners and the private sector. Combined together this will create a total new investment package of £316m for the LLEP

This funding, matched by a range of other resources, is supporting economic growth in the area through the provision of infrastructure such as transport, employment and education/training facilities

The allocation for 2019/20 is £12.9m and for 2020/21 (the final year) is £17.9m. These are fully committed to projects, although the profile of schemes is subject to change, managed through our Programme Board and in accordance with the LLEP's Local Assurance Framework (LAF). The major schemes still to incur LGF spend include the M1/J23 and A512 highways improvements, the A50 transport corridor, River Soar flood risk management, DOCK 2 workspaces and the National Space Academy.

Project Name	Total Allocation	Total Claims to Date	Allocation Balance	Forecasted Spend 2019/2020	Forecasted Spend 2020/2021
A50/A6 - Leicester North West Major Transport Investment Corridor	£16,200,000	£10,214,118	£5,985,882	£2,200,000	£3,785,882
Skills Training Centre (MTI)	£9,500,000	£9,500,000	£0	£0	£0
Leicester Waterside Regeneration Area Programme	£20,000,000	£20,000,001	-£1	£0	£0
Leicester College - Skills and Innovation Village	£3,270,000	£3,270,000	£0	£0	£0
Great Central Railway – Bridging the Gap	£1,000,000	£1,000,000	£0	£0	£0
Local Sustainable Transport Fund (LSTF) Hinckley	£3,640,000	£3,640,000	£0	£0	£0
North City Centre Access Investment Programme	£8,960,000	£8,960,000	£0	£0	£0
Superfast Leicestershire	£3,100,000	£3,100,000	£0	£0	£0
River Soar Corridor Improvements	£7,500,000	£5,021,652	£2,478,348	£702,202	£1,776,146
A511 Growth Corridor	£4,640,000	£4,640,000	£0	£0	£0
Lubbesthorpe Strategic Employment Site (SES) access improvements	£3,250,000	£3,250,000	£0	£0	£0
Connecting Leicester Wave 2 (Market Area)	£7,200,000	£7,200,000	£0	£0	£0
Melton Mowbray Livestock Market: Phase 1	£3,500,000	£3,500,000	£0	£0	£0
Developing Commercial Workspace - Pioneer Park	£2,614,000	£386,052	£2,227,948	£900,000	£1,327,948
Coalville Workspace Project	£2,367,494	£2,367,494	£0	£0	£0
Market Harborough Line Speed Improvement	£3,000,000	£3,000,000	£0	£0	£0
National Space Centre: Vision 2025	£1,149,712	£39,587	£1,110,125	£420,000	£690,125
Space Park/Pioneer Park Infrastructure	£5,000,000	£5,000,000	£0	£0	£0
Space Park Leicester (phase 1)	£8,175,160	£1,148,543	£7,026,617	£3,710,000	£3,316,617
M1 Junction 23 and A512 Improvements	£12,000,000	£0	£12,000,000	£5,000,000	£7,000,000
	£126,066,366	£95,237,448	£30,828,918	£12,932,202	£17,896,717

As per the terms of our LAF, the LLEP retains a 2.5% management fee on project spend to operate the programme.

Growing Places Fund

The Growing Places Fund (GPF) is a loan scheme put in place specifically to assist stalled transport and infrastructure projects that will boost the local economy, or for development proposals which can be accelerated with an injection of GPF loan capital for infrastructure.

The LLEP was granted £12.6m from Government to operate the GPF loan scheme. These monies were allocated to eight projects over four rounds with a focus on accelerating the building of homes, office and commercial development space. These projects have helped to facilitate the delivery of 1,650 jobs, created 11,000m² of commercial floor space and 371 homes.

All but one of these loans have been repaid, with the final loan repayment due as the associated site is built out. Of the original £12.6m budget, three projects received grant funding totalling £300k for feasibility and development, meaning that the total GPF available to support loans now stands at £12.3m. A further loan was made in early 2019 to support development of a manufacturing facility.

Therefore through successfully managing the repayments, we are able to offer loans of up to £10.8m in 2019. Some potential expressions of interest have been received, or are expected.

The fund now operates on a rolling basis to be more responsive to demand. The GPF programme is a useful tool to enable the LLEP to continue to promote economic development and provides flexibility such as for underwriting other investments which are subject to strict funding conditions that would put the project at risk.

At present there is currently a healthy pipeline of projects interested in utilising the GPF funds.

Business Rates Pool

	Grant	Leverage
Round 1	2,000,000	4,645,100
Round 2	3,326,300	18,320,000

In 2015 the nine local authorities in Leicester and Leicestershire and the fire authority agreed to form a business rates pool which would allow the local area to retain the proportion of growth in business rates across the LLEP area, that would otherwise be payable to the Government. This would create funding, to be administered by the LLEP, to support the delivery of priority projects and functions to deliver against the priorities of the prevailing economic strategy, driving productivity and growth of the Leicester and Leicestershire economy.

Up to and including 2016/17 funding (formally approved in February 2019), the LLEP has supported circa 50 projects with an investment of £5.3m, addressing the demand for development/feasibility, capital and revenue projects. This will deliver a wide variety of outputs and leverage over £23m of investment from other sources, both local and national.

In 2017/18 the balance received was just over £6m, and the 2018/19 and 2019/20 sums are each expected to be around £7m. The future of the pool beyond 2019/20 is dependent on a government review of local authority funding, hence is currently unclear.

The LLEP administers this fund on behalf of the members of the Pool. As per the terms of our LAF, the LLEP retains a 2.5% management fee to operate the programme.

The use and function of the unallocated and future years' business rates pool monies are under discussion by the pool members at the time of publishing this strategy. The LLEP operational budget assumes that the Pool will continue to fund the £250k annual local authority contributions to LLEP operating costs.

Enterprise Zone

As noted above, over their life, the EZs could generate £300m of additional business rates and support the delivery of over 25,000 jobs. The business rates provide a financing tool to support

prudential borrowing to accelerate the development of the sites, as well as supporting other economic priorities.

Issues and Risks

The following is an overview of current key strategic financial issues and risks, these risks form part of a wider LLEP owned risk assessment, which is managed by the LLEP secretariat.

LLEP operating costs and funding 2020/21 onwards – As part of the government review into the role of LEPs there is consideration of longer-term funding for LEPs. If Government funding were not to continue beyond the currently confirmed figures, our income and reserves would be sufficiently impacted by 2021 to require consideration of the future of the LLEP for 2021/22 and beyond. Any costs arising from downsizing or reorganising the LLEP team (principally staff severance costs) are mitigated by maintaining a core reserve as previously described.

Taxation - All LLEP funding is received by the Accountable Body and defrayed by it; as such expenditure is by a local authority and hence subject to full VAT recovery under Section 33 of the VAT Act 1994. We need to be mindful that the position of HMRC is such that VAT may however no longer be recoverable, as the LLEP became a legal entity from April 2019 (albeit as a dormant company, with no financial transactions flowing directly through it). Other taxation risks may also come to light following incorporation. This risk is mitigated by maintaining a reserve of £200k.

Income projections not achieved on projects - e.g. ERDF Gateway is not successful / failure to maximise the draw-down of the available Careers and Enterprise Company funding. This will have the impact of being met by reserves. This will be mitigated by a quarterly reconciliation of income achieved versus targets and ongoing discussions with project managers. Any necessary actions will be put in place, working within the principle that wherever possible projects should not be a drain on LLEP reserves. This will be reported through the quarterly finance updates provided to the Executive.

BREXIT - there are potential implications for the LLEP in areas such as staffing, future funding opportunities and for partners drawing down capital funds, as well as legislation such as data protection, procurement and state aid. An economic downturn might postpone or delay infrastructure investment in projects, impacting the LLEP's ability to drive growth and draw down management fees and other income. Legislative changes in areas such as procurement and state aid will create instability and uncertainty, whilst the impact of such changes are measured.

Climate Change - there is a potential risk that that future funding is tied into climate change mitigation / reduction. The LLEP will need to ensure that all programme funding requests can adapt and show mitigating considerations in the project pipeline, failure to do so could lead to the LLEP and its area losing out on national funding.

s278 Agreement for improvements to the A5 - In 2013, the City Council (acting as accountable body to the LLEP) entered into an agreement to facilitate improvement works to the A5 in connection with the MIRA EZ. The City Council underwrote payments to the Government of up to £1.81m in respect of commuted lump sums which Hinckley and Bosworth Borough Council will be

required to pay if MIRA does not. The primary obligation upon the LLEP is to retain sufficient funds that could offset any crystallisation of the City Council's obligations to HBBC.

Funding development of the MIRA EZ – since 2014, a total sum of £1.1m has been spent by the City Council on behalf of the LLEP to fund market research and key projects to support the development of the MIRA EZ. The majority of this has been repaid from associated rates growth; however, £430k remained outstanding at the time of writing.

LGF profile – The LGF profile is consistently monitored via the Accountable Body and quarterly meetings of the Programme Board. There is a risk to the current profile in the final year of the programme (2020/21), however discussions have begun with Leicester City Council and Leicestershire County Council to manage the cash flow requirements as the remaining major delivery partners.

Closed programmes and the risk of clawback – There is the potential for clawback on closed programmes, with Regional Growth Fund (RGF) closing early in 2018/19 and the ERDF programme for the Business Gateway. This is an unknown risk at this point, however early indications of any perceived irregularities will be flagged early by the respective managers to the Management Team and subsequently with the Accountable Body. The liabilities set out here would initially fall to the City Council as Accountable Body, which would seek to back them off to the LLEP. The LLEP plans to have sufficient funds becoming available to meet any such liabilities, for example GPF. However, no clawback is currently expected.

Future funding there are potentially several opportunities in the terms of future funding, such as UK Shared Prosperity Fund, which is designed to ensure that local areas receive flexible funding based on local needs following the UK's departure from the EU; and Stronger town funds which aim to create new jobs, help train local people and boost growth within towns.

Political instability due to the current national political climate there is inevitably a degree of instability around LEPs and long-term future funding.

** End **