4.0 WLEP BUDGET REPORT – Q3 2023/24

WLEP BOARD RECOMMENDATIONS

The Board notes the following:

1. the current forecast position in respect of the 2023/2024 WLEP revenue budget, including balance of reserves
2. the current position in respect of the Growing Places Fund
3. the current position in respect of the Growth Hub

4.1 Purpose of the Report

To provide the Board with a position statement relevant to the:

- Forecast outturn position in respect of the 2023/24 WLEP Revenue Budget;
- current position in respect of the Growing Places Fund;
- current position in respect of the Growth Hub.

4.2 2023/24 WLEP Revenue Budget

4.2.1 The LEP's Core budget for 2023/24 can be found in appendix 1.

4.2.2 Current expenditure levels indicate that the WLEP budget is forecasting an underspent position of £117k for the financial year 23/24. Any underspend or overspend will be transferred to/from WLEP reserve at the end of the financial year. Since Q1 WLEP have held vacancies and reduced events by using a social value agreement to improve the financial position. A summary of the financial position can be found in **Appendix 1.**

4.2.3 UKSPF funding agreements for both BetaDen and Worcestershire Growth Hub projects are now signed with all Local Authority partners. These are intended to be fully aligned with forecast budget income contributions for 2023/24.

4.2.4 Any underspend or overspend on the WLEP budget in 2023/24 would result in a transfer to/from the WLEP reserve at year-end. The opening balance of WLEP reserves for 23/24 is £714k. Included in this reserve is an amount needed to be maintained to cover any potential redundancies for the Executive Team employed by the Chamber of Commerce and the team currently employed by the County Council and Worcester City Council to support the Growth Hub.

4.2.5 Worcestershire County Council, as the Accountable Body for WLEP, includes all transactions undertaken and managed by the WLEP, within the financial ledger and its sub ledgers which are subject to both internal and external review on an annual basis.

4.3 Current position regarding Growing Places Fund (GPF)

4.3.1 Following successful use of the GPF over the last 5 years, the amount remaining on the balance sheet as at the end of 2022/23 was £1.403m. Of the £1.403m, £318k has been approved for use over the next year for Betaden, leaving £1.085m available for use. Within this there is an allocation remaining relating to Project Development of which £15k has been allocated towards recruitment of the WLEP Chair and £35k to support Shrub Hill Quarter SPD development. An investment of £40k has also been approved by WLEP

Board to support a feasibility study for a River Severn heat network project which provides local match funding to investment secured from central government.

4.3.2 One loan allocated from the original GPF is still outstanding to be repaid to WLEP, from Select Research, and work remains ongoing to agree a repayment option.

4.3.3 Following approval by WLEP board a second loan originally paid to Worcestershire County Cricket Club has now been transitioned into a social value agreement, enabling WLEP, WCC, District Councils and other partners/businesses with access to various service in lieu of cash payments.

4.4 Growth Hub

4.4.1 The Growth Hub budget for 2023/24 includes an allocation of an annual grant of £261k from the Department for Business & Trade (DBT), paid out to WLEP on a quarterly basis, £432,000 from UKSPF and £57k from DBT. The Growth Hub grant is expected to be fully spent by the end of 2023/24 in line with planned expenditure profile submitted to DBT.

Stephanie Simcox – Deputy Chief Finance Officer - Worcestershire County Council

Roxanne Small – Finance Business Partner - Worcestershire County Council

Appendix 1 – WLEP Budget 2023/24

	Budget	Forecast
	£	£
Income		
LEP Core Funding (BEIS)	-250,000	-250,000
Local Government Contribution (LEP)	-90,000	-90,000
WGH Core Funding (BEIS)	-261,000	-261,000
UKSPF - WGH (2022/23 Yr 1 C/F)	-192,421	-184,186
UKSPF - WGH (Yr 2)	-419,000	-432,200
KAM Contract (DIT)	-57,000	-57,000
UKSPF - Betaden (Yr 2)	-361,100	-334,100
Growing Places - Betaden	-145,100	-145,100
Midlands Cyber	-55,000	0
Skills Match	-14,000	-14,000
Use of Reserves	-125,960	0
Total Income	**-1,970,581**	**-1,767,586**
Expenditure		
Staffing, Oncosts, Expenses and Training	1,156,887	982,474
Premises	110,219	99,216
Event Delivery	118,000	88,000
Services & Supplies	352,500	247,304
External Support	113,948	113,948
Subscriptions	23,027	23,027
Grants	96,000	96,000
Total Expenditure	**1,970,581**	**1,649,969**
Expenditure Over Income	**0**	**-117,617**

Appendix 2 - WLEP Forecast Reserve Statement.

WLEP Forecast Reserve Statement	**WLEP Core Reserve £**
WLEP Core Opening Reserve Position 1st April 2023	**714,000**
Forecast transfer to reserves	117,617
Forecast use in 24/25 for committed spend	-115,000
Forecast WLEP Reserve Balance as at 31st March 2024	**716,617**