

4.0 WLEP BUDGET REPORT – Q2 2023/24

FAR COMMITTEE RECOMMENDATIONS

That the FAR Committee notes and recommends to WLEP Board:

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

4.1 Purpose of the Report

To provide the Committee 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 budget for 2023/24 is **£534,960**. For a further breakdown of this please see appendix 1.
- 4.2.2 Current expenditure levels indicate that the WLEP budget is forecasting a £30k overspend for the financial year 23/24 this is due to an additional increase in project costs and a £55k contribution from Midland Cyber which was budgeted for but will now not materialise. WLEP have mitigated some of the overspend from a reduction in supplies & services. A further £30k contribution from reserves over and above the budgeted £125k use of reserves will be required to cover these additional costs. A summary of the financial position can be found in **Appendix 1**.
- 4.2.3 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.
- 4.2.4 Following approval at the WLEP Board meeting on 20 May 2022, £260k of the reserves has been allocated for additional specialist support for the business community (Option 4 as per the WLEP Board report in May 2022). As such, the closing balance on the reserve, including an amount for potential redundancy payments, is forecast to be £298k. As shown in **Appendix 2**.
- 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 for Betaden, leaving £1.085m available for use. Within this there is an allocation remaining relating to Project Development of which £15k has been utilised for 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 services in lieu of cash payments.

4.4 Growth Hub

- 4.4.1 The Growth Hub budget for 2023/24 is made up of an annual grant of £261k from the Department for Business and 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.
- 4.4.2 An additional £260,000 funding was approved by WLEP Board in May 2022, from WLEP reserves, to support 200 businesses via the specialist professional business advisor support, enable recruitment to a further 3 roles (2 navigators, 1 Account Manager) and fund 2 business surveys and development of an online business support portal. The WGH Specialist Professional Business Advisor Programme began 1 August 2022 after a successful procurement exercise.

Stephanie Simcox – Deputy Chief Finance Officer - Worcestershire County Council

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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	192,421
UKSPF - WGH (Yr 2)	419,000	419,000
KAM Contract (DIT)	57,000	57,000
UKSPF - Betaden (Yr 2)	361,100	361,100
Growing Places - Betaden	145,100	145,100
Midlands Cyber	55,000	-
Skills Match	14,000	14,000
Use of Reserves	125,960	125,960
Total Income	1,970,581	1,915,581
Expenditure		
Staffing, Oncosts, Expenses and Training	1,156,887	1,156,887
Premises	110,219	105,219
Event Delivery	118,000	98,000
Services & Supplies	352,500	352,500
External Support	113,948	113,948
Subscriptions	23,027	23,027
Grants	96,000	96,000
Total Expenditure	1,970,581	1,945,581
Expenditure Over Income	-	30,000

Appendix 2 - WLEP Forecast Reserve Statement.

**WLEP Forecast Reserve Statement
As at 30th September 2023**

WLEP Core Opening Reserve position 1st April 2023

Forecasted excess of expenditure over income

Budgeted Use of Reserves

Specialist Support For The Business Community (Option 4)

**Forecast WLEP Reserve Balance as at 31st March
2024**

**WLEP
Core
Reserve
£**

714,000

-30,000

-125,960

-260,000

298,040