

## 6.0 WLEP BUDGET REPORT – Q1 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

### **6.1 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.

### **6.2 2023/24 WLEP Revenue Budget**

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

6.2.2 Current expenditure levels indicate that the WLEP budget is forecasting a £35k underspend for the financial year 23/24. This is in part due to the LEP successfully negotiating a reduction in overhead costs from the Herefordshire and Worcestershire Chamber of Commerce, combined with carrying existing vacancies in the staffing structure. Any underspend will be transferred to WLEP reserve at the end of the financial year. A summary of the financial position can be found in **Appendix 1**.

6.2.3 UKSPF funding agreements are now in the process of being signed with all Local Authority partners. These are intended to be fully completed by end of July 2023 to align with forecast budget income contributions for 2023/24.

6.2.4 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.

6.2.5 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.

### **6.3 Current position regarding Growing Places Fund (GPF)**

6.3.1 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 was invested to support recruitment of the WLEP Chair and £35k has been earmarked to support Shrub Hill Quarter SPD development. An investment of £40k has also been

approved by WLEP Board to support development of a feasibility study for a River Severn heat network which provides local match funding to investment secured from central government.

6.3.2 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.

6.3.3 Following approval by WLEP Board at a previous meeting, a second loan originally paid to Worcestershire County Cricket Club is now being 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.

#### **6.4 Growth Hub**

6.4.1 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. The Growth Hub grant is expected to be fully spent by the end of 2023/24 in line with planned expenditure profile submitted to BEIS.

6.4.2 The other key income stream for the Growth Hub involves securing UKSPF from all six District Councils. This funding is subject to Funding Agreements, which are currently in the process of being signed off. These are intended to be fully completed by end of July 2023 to align with forecast budget income contributions for 2023/24.

**Stephanie Simcox – Deputy Chief Finance Officer - Worcestershire County Council**

**Roxanne Small – Finance Business Partner - Worcestershire County Council**

## Appendix 1 – WLEP Budget 2023/24

	<b>Budget</b>	<b>Forecast</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
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	55,000
Skills Match	14,000	14,000
Use of Reserves	125,960	-
<b>Total Income</b>	<b>1,970,581</b>	<b>1,844,621</b>
<b>Expenditure</b>		
Staffing, Oncosts, Expenses and Training	1,156,887	980,554
Premises	110,219	110,219
Event Delivery	118,000	118,000
Services & Supplies	352,500	367,500
External Support	113,948	113,948
Subscriptions	23,027	23,027
Grants	96,000	96,000
<b>Total Expenditure</b>	<b>1,970,581</b>	<b>1,809,248</b>
<b>Income Over Expenditure</b>	<b>-</b>	<b>- 35,373</b>

**Appendix 2 - WLEP Forecast Reserve Statement.**

<b>WLEP Forecast Reserve Statement</b>	<b>WLEP Core Reserve £</b>
<b>WLEP Core Opening Reserve Position 1<sup>st</sup> April 2023</b>	<b>714,000</b>
Budgeted use of reserves	-125,960
Specialist Support For The Business Community (Option 4)	<u>-260,000</u>
<b>Forecast WLEP Reserve Balance as at 31st March 2024</b>	<b><u>328,040</u></b>