

Hull & East Yorkshire LEP

Paper B – LEP Budget 2022/23

Report to the Audit, Finance and Governance Panel– 14th June 2022
 Joint report from Teresa Chalmers, Chief Operating Officer & Graeme Smith, Finance Business Partner, HCC (Accountable Body)

1. Summary

1.1. This report updates the Audit, Finance and Governance Panel (AFG) on setting of the LEP Core Budget for 2022/23. A detailed report on the 2021/22 outturn will be provided in due course but there are sufficient reserves available to fund the deficit outlined in this report.

2. Recommendations

2.1. That the AFG Board supports the LEP board’s approval of the budget in appendix 1.

3. Core Budget

3.1. The last report to the main LEP Board on 31st March talked about the lack of funding certainty at that stage, meaning it was not possible to set a budget given the material uncertainties surrounding the funding from BEIS. Subsequent to that meeting we have had confirmation that the core funding for 2022/23 represented a reduction from £500,000 to £375,000 (i.e. a 25% cut). This funding is subject to Business Plan approval by BEIS.

3.2. A proposed budget is included at Appendix 1. This reflects the BEIS Core Funding, Local Authority contributions and contributions from other programmes. The budget assumes a 2% pay rise for all staff, although the AFG and the Board should be aware that – especially in the present high inflation environment – this may not be the final settlement. Pay awards follow the National Local Government settlement.

3.3. There are presently a number of vacant posts, and it is proposed that the following action is taken

<u>Post title</u>	<u>Grade</u>	<u>Comments</u>
Office Manager	Grade 8	That this post is replaced. Without this post there would be no admin support for the LEP, including Board administration.
Communications and Engagement Officer	Grade 9	That the post is deleted and replaced with a 2 day per week SLA with HCC Communications and Marketing

<u>Post title</u>	<u>Grade</u>	<u>Comments</u>
Service Support Assistant (Staff member on secondment)	Grade 3	That for this year replacement recruitment to the post is put on hold and replaced with a 2 day per week SLA with HCC Economic Development.
Business Programme Manager	Grade 10 (3 days per week)	This post will not be filled.

3.4. These changes have been reflected in the detailed budget.

Use of Reserves

3.5. This budget assumes that there would be a call on reserves of £90k, which includes a £10k contribution towards marketing costs. Reserves will be available to accommodate this. The final outturn position will be reported to the next Board and AFG meetings.

4. Local Digital Skills Partnership (LDSP)

4.1. The cost of the Local Digital Skills Partnership function of the LEP is presently expected to be covered fully from 1st September, but only partially in the period 1st April 2022 to 31st August 2022, which requires a net contribution of (assuming a 2% pay rise) of £8,147.

5. Other funding

Growth Hub

5.1. Growth hub funding has been halved, with proposals being sent to BEIS as to how this can be accommodated.

Skills Funding

5.2. The LEP will receive £55,000 (21/22: £75,000) as part of the Skills Advisory Panel funding. £12,000 (21:22 £25,000) of this will be used to support Core staff salaries. Funding will cease at the end of the financial year.

Careers Funding

5.3. We have recently received assurance from the Careers & Enterprise Company that DfE will fund them between 1/9/22 & 31/8/23, with grant offer letters expected imminently.

Key Account Manager, Foreign Direct Investment

- 5.4. The Department for International Trade have offered a 6-month contract for this project.

6. Financial and resource implications

- 6.1. The financial implications are as set out in this report.
- 6.2. The LEP Board approved the budget in principle at the last meeting held on 26th May 2022.

Appendices

1. LEP Budget for 22/23

Appendix 1

Income

CLGU	£375,000
2 x LA	£100,000
Contribution from Skills Advisory Panel Funding	£12,000
Accommodation recharges	£10,000
	£497,000

	<u>staff</u>	<u>chair/ dep chair</u>	<u>total</u>
0001 Pay- Basic	£322,588		£322,588
0008 Pay- Employers National Insurance	£39,555	£1,775	£41,330
0009 Pay- Employers Superannuation	£84,196		£84,196
0021 Casuals Salary		£30,000	£30,000
0130 Employee Related Schemes	£900		£900
0380 Apprenticeship Levy	£1,613	£150	£1,763
Direct staff costs	£448,852	£31,925	£480,777
0007 Agency and Temp staff	£2,000		£2,000
0190 Statutory Maternity Pay	£3,000		£3,000
0250 Recruitment Fees			£0
0279 Learning and Development			£500
1100 Rent/Rates and Service Charge			£13,333
2460 Public Transport Costs			£3,500
2600 Vehicle Allowances			£3,000
3000 Consumables			£500
3225 Books, Publications & Newspapers			£500
3800 Room Hire and Catering			£4,000
4000 Stationery			£2,500
4020 Printing & Photocopying			£1,000
4292 General Legal Fees			£1,000
4310 External Contractors Fees			£1,000
4460 Postal Charges			£1,000
4507 Mobile and Broadband			£5,000
4509 Landline Calls			£1,500
4662 Other Communications Equipment			£1,000
4701 Computer Hardware & Maintenance			£1,000
4708 Computer Software & Consumables			£1,000
4800 Officer Conference/Seminar Expenses			£500
4810 Officer Subsistence Payment			£2,000
4902 Subscriptions (LEP Network)			£7,100
5250 Internal Expenditure (cleaning / electricity)			£6,250
			£542,960

Surplus/ (deficit) (£45,960)

Other costs

Marketing SLA - 2 days per week marketing support

£22,500

Admin SLA - 2 days per week admin support

£11,800

Marketing spend

£10,000

use of reserves b/f

£(90,260)