

# HEY LEP Board

## Paper D - HEY LEP Budget 23/24

Report to the Board, June 2023

Joint Report from the HEY LEP Chief Operating Officer and Hull City Council (HEY LEP Accountable Body).

### 1. Summary

- 1.1 This report requests the LEP Board to approve the core budget for 23/24 and updates the Board on other funding sources.

### 2. Recommendations

- 2.1 That the budget be approved.

### 3. Summary Position

- 3.1 As the Board will be aware funding of £250,000 is due for the year 23/24 (a reduction from £375,000 in 22/23) with the Government stating that they are minded to consider this as the last year of LEP Core Funding. In addition, both Local Authorities contribute £50k each to core funds. A letter from DLUHC & DBT received earlier this year is appended to this report setting out the Government's position.
- 3.2 The outturn position for 22/23 is presently being worked on but it is expected that there will be around £½m of free reserves available, of which £102k was intended for transport projects (but is not ringfenced). This paper will come to the next LEP board.
- 3.3 This reserve is calculated after funding has been retained to accommodate the latest estimate of potential redundancy costs.

### 4. Core Funding

- 4.1 The minimum budget has been assessed as below, and this allows for the employment of existing core staff only, with the support Services Assistant due to return from secondment in October.

	<u>Total</u>	<u>Comments</u>
0001 - Pay - Basic	£266,439	
0008 - Pay - Employers National Insurance	£26,926	
0009 - Pay - Employers Superannuation	£46,676	Now 19.9%
0009 - Pay - Employers Superannuation - additional	£5,224	Now 2.2%
0380 - Apprenticeship Levy	£1,332	
0073 - Holiday Pay - Overtime	£1,018	
	£347,616	

	<u>Total</u>	<u>Comments</u>
2600 - Vehicle Allowances	£1,200	
4153 - Professional/Consultants Fees	£2,500	Inc £60 ICO renewal
4810 - Officer Subsistence Payment	£1,000	
4902 - Subscriptions	£3,500	LEP Network
5250 - Internal Expenditure	£1,378	Trustees Indemnity Insurance
	<hr/> <hr/> <b>£357,194</b>	
Income		
7002 - Government Grants	£250,000	BEIS
7082 - Other contributions	£100,000	Hull & ER
	<hr/> <hr/> <b>£350,000</b>	
Shortfall	<hr/> <hr/> <b>£7,194</b>	

4.2 This budget allows for only minimal spend on non-pay items.

## 5. Other Funding

### Growth Hub

5.1 Growth Hub funding of £261,000 (22/23: £215,375) has been agreed. This will allow current **core** activity to continue, noting ERDF funding cessation.

### Careers

5.2 External Careers Hub funding covers the academic year with an increasing amount of employer funding being received in addition to that from the Careers Enterprise Company. Funding for the Hub from 1/9/23 is expected at this stage to continue.

### Local Digital Skills Partnership

5.3 Funding of £59k covering the year from 1/9/22 to 31/8/23 has largely been received.

### Net Zero

5.4 There are three funding streams connected with Net Zero:

- Funding covering a grade 9 post which is currently going through recruitment.

- c£25k from previous Net Zero Hub salary underspend to support costs associated with doing a combined Local Area Energy Plan.
- £30k from the Net Zero Hub for Hull City Council to procure consultants to investigate how internal carbon trading methods can be adopted within a local authority setting.

#### Key Account Management

- 5.5 A maximum of £58k is available to deliver the 2023/24 Key Account Management programme. The purpose of the Grant is for Hull and East Yorkshire LEP to deliver additional Foreign Direct Investment into the Northern Powerhouse, by enabling Hull and East Yorkshire LEP to identify and engage existing foreign investors in the Hull and East Yorkshire LEP area to generate reinvestment in the region. This programme is being managed by the LEP with delivery taking place in both local authorities.

#### Export Growth Grant Programme (Hull only)

- 5.6 Funded from the UK Shared Prosperity Fund, this project will provide match-funded grants to enable existing and new-to-exporting Hull-based SMEs across a range of key sectors to engage with new export markets for both goods and services, through exhibiting at international trade shows across the UK, Europe and beyond, aligning with an enhancing the wider offering from the Department for Business and Trade (DBT). This is valued at £99k over two years.

#### Inclusive Careers

- 5.7 We have received £300k covering the next two financial years from the Humber & North Yorkshire Integrated Care Board to develop a partnership to support HEY LEP residents of all ages to engage more effectively with the health and social care workforce.
- 5.8 The main objectives of this project are:
- Addressing skills shortage occupations within the health and care sector.
  - Raise the profile of careers in the health and social care sector including amongst people with additional needs, barriers to employment or who have experience disadvantage.

Skills Advisory Panel Funding

- 5.9 This funding has now ceased with final research pieces commissioned in partnership with the Hull and Humber Chamber of Commerce, acting as the Employer Representative Body for the Local Skills Improvement Plan.

**6. Financial and resource implications**

- 6.1 These are as set out in the report.

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