

Meeting date:	3 August 2023				
Agenda Item:	Item 9				
Item Subject:	Finance update				
For:	Discussion		Decision		Information x

Purpose of the Paper:

To update the board on the LEP's current financial position

Summary of Recommendations:

To note the contents of the report.

Main points:

The headline figures for 22/23 were as follows:

Core Income: £698,993

Core expenditure: £752,885

Net loss: £53,892

While the LEP made a loss it was almost a third of last year's loss of £151,614 and reflected the efforts to reduce overheads over the last 12 months. This was also against a reduction in core grant of £125k, to £375k.

The LEP continues to have a reasonable level of reserves despite the loss and carried forward £1.14m into this financial year.

As previously reported the core grant has been reduced by a further £125k to £250k for this year. The LEP will continue to trade at a loss but expects to have a minimum of £485k of reserves to carry forward into next year. This excludes the £450k that the LEP has ringfenced for potential wind-up costs.

£134k was received in interest, higher than anticipated earlier in the year so the corporation tax bill for the year is £28,582.

The Growth Hub and KAM programmes - spent all their allocated funding and received support from the wider LEP team.

Marches Investment Fund – the uncommitted funds balance is £698k. The energy projects have yet to claim any funding so there is still £3.45m committed to these projects earning interest which, with interest rates being so high is worth noting. Interest earned on the funds will be transferred to the core budget.

Telford Land Deal Fund uncommitted fund balance - estimated to be £818k after the corporation tax bill of £95k is paid.

The LEP remains solvent and is deemed a going concern as we can still meet costs for the next six months.

Income expected in 23/24

The only income the LEP can be sure of in 24/25 is the Shell Store Loan repayments of £100k per year and the Herefordshire Enterprise Zone receipts of £100k. Coupled with interest expected to be earned and expected reserves, the LEP could continue to trade for another 12 months.

The accounts have been prepared and sent to the auditors and will be ready for the 2023 AGM in the autumn.

Financial implications:

The LEP remains solvent and is deemed a going concern as we can still meet costs for the next six months.

Legal implications:

n/a

Risks, opportunities and impacts:

There is a need to spend the Telford Land Deal funding on capital activity before March 25 otherwise the current agreement states it needs to be returned.

Equality implications:

n/a

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