

OVERVIEW AND SCRUTINY PERFORMANCE BOARD 29 SEPTEMBER 2022

WORCESTERSHIRE LOCAL ENTERPRISE PARTNERSHIP (WLEP) ANNUAL REPORT (2022/23)

Summary

1. This report has been written to provide Worcestershire County Council's (the Council) Overview and Scrutiny Performance Board (OSPB) with an annual update on the achievements of the Worcestershire Local Enterprise Partnership (WLEP) over the last 12 months and to outline strategic objectives for 2022/23. The OSPB has requested a particular update on the WLEP Energy Strategy.
2. The Interim Chairman and Chief Executive of the WLEP, the Leader of the Council (who is also Vice-Chairman of the WLEP Executive Board and Local Authority Representative of the WLEP) and the Deputy Section 151 Officer have been invited to the Meeting.
3. In addition, District Councils have been invited to nominate a Councillor representative to attend the Meeting.

Background – What are Local Enterprise Partnerships?

4. Local Enterprise Partnerships (LEPs) are partnerships between local authorities, further and higher education and local businesses. They were set up in 2011 by the Department for Business, Innovation and Skills, and are recognised by central government as the primary vehicle to help determine local economic priorities and lead economic growth and job creation within the local area.
5. There are 38 LEPs nationally and their role has developed considerably since inception. In September 2021, WLEP published their refreshed economic strategy for the county the *Worcestershire: Plan for Growth (2020-2040)*.
6. The Plan for Growth supersedes the Worcestershire Strategic Economic Plan, which was originally published in March 2014. WLEP continues to strive to achieve several ambitious objectives by 2025. These are to:
 - Create 25,000 jobs
 - Increase Gross Value Added (GVA)¹ by £2.9billion; and
 - Contribute towards the delivery of 21,500 new homes.
7. As part of the LEP's Local Assurance Framework and continued commitment to robust governance, it is agreed that WLEP will submit a report to OSPB on an annual basis to outline achievements and a forward look for the next 12 months.

¹ Gross value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy.

8. The OSPB is asked to note and acknowledge the outgoing WLEP Chairman, Mark Stansfield, for his outstanding leadership and commitment during his time in office with the LEP. Mark came to the end of his term of office in May 2022, after 7 years of service. A recruitment process is underway, but until its conclusion, the WLEP Board appointed Julie Snell as Interim Chairman in July 2022.

National LEP Review outcome

9. In the Chancellor's Budget Statement in March 2021, central government announced a National LEP Review to focus on the evolution of LEPs; which coincided with a shift in Government policy to route major capital funding for local economic development schemes via Local Authorities.

10. Originally intended to present recommendations to Ministers prior to Summer recess in 2021, the National LEP Review over-ran and eventually concluded on 31 March 2022, when Neil O'Brien MP and Paul Scully MP wrote a joint letter to LEP Chairs from the Department for Levelling Up, Housing & Communities (DLHUC) and Department for Business, Energy & Industrial Strategy (BEIS) respectively, copying in all Local Authority Leaders and Chief Executives.

11. Receipt of the letter was welcomed, in formally drawing a conclusion to the National LEP Review, which had caused considerable uncertainty over the previous 12 months for LEPs, their staff and local partners. It also set out Government's expectations for even closer integration between LEPs and local democratic institutions.

12. The letter confirmed a core funding allocation for LEPs and locked in certainty for delivery in 2022/23. However, the funding allocation was at a reduced rate (a 25% reduction on the previous year i.e., £375k, reduced from £500k in the previous year).

13. Finally, it articulated Government's intentions to ensure that businesses outside devolution areas could continue to access the support, insights, and representation that LEPs provide and to ensure that an independent business and stakeholder voice continues to play its vital role supporting growth in all parts of England.

14. Receipt of a similar letter coincided with this, outlining Government funding allocations for Growth Hubs, but again at a reduced rate (in this case a 50% reduction from the previous year i.e., £231k, reduced from £462k).

15. Following local interpretation of the Government correspondence and engagement with local partners, the role of the LEP and Growth Hub has been categorised into four parts, with the overarching principle of acting as the local convenor of the private, public and education sectors to support economic growth and prosperity. These four roles are as follows:

- Economic Strategy
- Business Voice and Intelligence
- Convenor
- Delivery.

16. The Economic Strategy role involves carrying out strategic economic planning in partnership with local government and other key stakeholders including business. Key functions within this part of the role involve acting as a central repository for economic data and intelligence, providing reports to partners and stakeholders to support their work. A timely example of this has been the support given to District Councils with the evidence base to inform their proposed UK Shared Prosperity Fund Investment Plans. There are also responsibilities around ensuring delivery and reporting of capital programme investments.

17. The Local Business Voice and Intelligence role will embed a strong, independent, and diverse local business voice into local democratic institutions and regional/national fora. This will primarily be carried out by the Growth Hub team. Again, data and intelligence captured is routinely shared with local partners and stakeholders using the Customer Relationship Management (CRM) system and we continue to manage the relationships with several foreign-owned businesses within the county on behalf of the Department for International Trade (DIT).

18. The Convenor role is crucial in continuing to facilitate collaboration between local business, education and training providers and local government partners. This is about supporting private sector partnerships and economic clusters for example around key themes such as Net Zero, Skills and Innovation. There is also a role to connect local employers with education and training providers to ensure skills delivery is aligned to local economic need. Coordination of Business Representative Organisations like the Chamber of Commerce, Federation of Small Businesses (FSB), National Farmers Union (NFU) and others will also be important to share insights, challenges and distribute key messages across respective networks.

19. Finally, there is a Delivery role, which ensures the effective delivery of defined impactful economic functions on behalf of the WLEP Board, local partners and central Government departments. Existing examples include BetaDen, the county's commercial technology accelerator, and currently BetaDen North, a cleantech bootcamp spin-off being delivered in partnership with Wyre Forest District Council via the Community Renewal Fund (CRF). There are also national delivery commitments, for example the Careers Hub contract and Local Skills Analysis on behalf of the Department for Education (DfE).

20. Clearly, with the recent appointment of a new Prime Minister and subsequent Ministerial appointments, effectively signalling a new Government, there will be renewed questions about the future direction of economic policy in the UK, including the future role and responsibilities of LEPs and Growth Hubs.

Looking back – WLEP key local achievements

21. WLEP has always prided itself on its track record for successful delivery, within approved budgets.

22. Despite the lack of clarity at a national level during the National LEP Review, the WLEP Board consistently provided a steer to ensure continued focus on local and regional delivery, recognising the importance of meeting existing commitments and delivering against the Plan for Growth, on which there is local consensus amongst partners and stakeholders.

23. As a result, the last 12 months are no exception, and there are a significant number of achievements, from across the partnership to celebrate:

- Successfully launched the refreshed economic strategy following extensive engagement and consensus from partners and stakeholders, the *Worcestershire: Plan for Growth (2020-2040)*
- The Worcestershire 5G Testbed project has successfully spun out into a new commercial entity, nexGworx, working with businesses across Worcestershire and the Midlands region
- BetaDen continues to deliver and is building a thriving technology community within the county – over 30 Worcestershire-based technology businesses/entrepreneurs have been supported to date, creating new jobs, leveraging significant third party investment into the county, and winning contracts with high profile clients including Royal Mail, HS2, National Rail and others
- BetaDen is also receiving national recognition, having been shortlisted as a finalist at the UK Business Tech Awards 2022 event in the ‘Best Tech Accelerator’ category – results to be announced on 20 October 2022
- BetaDen North bootcamp has been delivered in Wyre Forest supporting 6 innovators with clean-tech ideas – an extension has been granted to extend the cohort and delivery programme for the period September to December 2022
- WLEP has led on launching a new Midlands Cyber brand on behalf of Midlands Engine, hosting three regional cyber technology focused events in 2022 with over 200 attendees in total
- Midlands Cyber continues to strengthen relationships across the region, exhibiting at three international expos in the last year (Cardiff and London) and attracting international delegations from India and the United States to Worcestershire
- Midlands Cyber has also formed a new international Memorandum of Understanding (MoU) partnership with Nord France Invest/ Euratechnologies in Lille
- WLEP and the Council worked with STEMWorks to deliver the Primary and Middle School STEM Challenge to 65 schools helping to inspire the county’s next generation of engineers
- A virtual event was recorded to showcase the Apprenticeship Awards to champion the valuable role of apprenticeships across the county, and was well received, attracting over 600 views across three days
- Linked to this, apprenticeship delivery has returned strongly following the pandemic with 20% more young people accessing them than during the pandemic, with key sectors returning to pre-pandemic recruitment levels demonstrating commitment from businesses to talent growth in 2022.
- The Local Skills Report for Worcestershire was successfully developed and published, outlining the strategy for the county to meet the needs of its businesses around employment and skills with practical action plan asks for the county’s stakeholders
- In 2021/2022, 89% of all young people in education under the Careers Hub initiative within Worcestershire received one or more employer encounters, supported by their education establishment and the Careers & Enterprise Company

- WLEP Careers Hub performance remained high with education partners and the Council delivering an average of 6.6 Benchmarks to a National Average of 5.3 benchmarks met
- WLEP and partners successful recruited over 600 placements with local employers for young people on the national Kickstart initiative, supporting 16-24 year olds back into work
- The Worcestershire Jobs website has listed over 10,000 vacancies since it was launched to provide a matching service for residents and employers seeking employment
- WLEP, working with the Council, opened its first physical space drop in for young people to access careers advice and support with the Department for Work and Pensions (DWP) in Worcester under its Worcestershire Careers brand
- WLEP launched its Bootcamp programme in July 2022, accelerating careers into vocational areas of Information and Communications Technology (ICT), Construction, Care and Nursing to support the need for workforce in these sectors. The target is to get 75% of the participants into careers in the sectors – so in one year this would be approximately 190 individuals
- Active Travel improvements were completed on the A38, funded by WLEP
- The Getting Building Fund (GBF) project at Vale Business Park in Evesham which delivered 10 new industrial units totalling 2,295 sq. m of new commercial floor space has successfully let all units
- First phase of the Redditch Gateway gamechanger employment site successfully completed with Amazon taking up tenancy
- Construction works commenced on the GBF-funded Burcot Lane housing scheme, delivering 61 energy efficient housing units in Bromsgrove
- The University of Worcester got the green light to a new health, wellbeing and inclusive sports centre campus, supported through the WLEP by GBF investment
- WLEP is also on track to exceed their targets for both the number of new broadband connections and number of businesses supported via the GBF-funded Rural Gigabit Connectivity project
- Two GBF-funded highways improvement schemes have also been completed in the north of the county – Hoobrook Island and Hagley Road, safeguarding 14 jobs and creating 38 construction jobs
- Successful funding announcements for Wyre Forest (£17.9m) and Bromsgrove (£14.5m) through the Levelling Up Fund
- 260+ businesses have now accessed the Worcestershire Growth Hub's Specialist Advisor Support Programme in response to Brexit and COVID-19 issues
- 150+ businesses have accessed the Government-funded Peer Network programme via the Worcestershire Growth Hub (WGH) growing their business and taking advantage of peer collaboration opportunities
- A series of strategic business events have been facilitated by WLEP and WGH including a Sustainability focused event at Morgan Motors, supporting the local MP (50 delegates), as well as a dedicated trip to The Manufacturing Technology Centre in Warwickshire, with Worcestershire manufacturers

- New business office space has been launched in the county, including 'The Pillar' in Wychavon
- WLEP are assessed as the joint-top performing area in Midlands Engine area by DIT for our delivery against the Key Account Management (KAM) contract, engaging and supporting foreign-owned companies in the county
- Several net-zero events were supported county-wide, raising awareness and providing advice and support to local businesses around the 2021 United Nations Climate Change Conference (COP26), including beating off stiff competition from other Midlands areas to host the COP26 bus in the county – with videos and media produced to support and complement the event
- The Visit Worcestershire Tourism Awards showcased the best tourist organisations in the county
- In May 2022, WLEP launched a 'state of the nation' style report on the Worcestershire Economy, which monitors progress against targets and indicators identified in the *Worcestershire: Plan for Growth (2020-2040)*.

24. This is by no means an exhaustive list but provides a flavour of the range and scale of the initiatives that WLEP has identified as part of a wider partnership for the future economic prosperity of Worcestershire.

25. Further examples of successes and achievements are published in WLEP's 2021/22 Annual Report.

Focus on the Worcestershire Energy Strategy

26. In response to the OSPB's request for an update on WLEP's Energy Strategy, the following progress report outlines key headlines.

27. WLEP launched the Energy Strategy for Worcestershire in Spring 2019, three months ahead of the Government's amendment to the Climate Change Act (2008), committing the UK to the legally binding net zero emissions target by 2050.

28. The Worcestershire Energy Strategy was developed by WLEP in partnership with the Council and was informed by an extensive stakeholder engagement programme including input from businesses, local authorities, and education and training providers.

29. Since 2020, the WLEP's Energy Strategy has been adopted by the Council and acknowledged by all local authorities in Worcestershire.

30. WLEP has developed a dashboard which tracks some of the KPIs and targets outlined in the Energy Strategy, to monitor progress. This can be seen at Appendix 1.

31. The Strategy outlines the vision to create a thriving low-carbon economy across Worcestershire by 2030, which will support the creation of high value jobs, and stimulate investment and clean growth across the county. It sets out three key delivery measures/ targets:

- Reduction in carbon emissions by 50% on 2005 levels by 2030,

- Double the size of the low carbon sector between 2016 and 2030, and
- Tripling energy production from renewable generation by 2030.

32. Since October 2018, the WLEP has hosted an officer from the Midlands Net Zero Hub ((MNZH), previously the Midlands Energy Hub), appointed as a Worcestershire representative, to proactively assist the development and delivery of energy projects identified in the Energy Strategy.

33. In the lead up to the 26th United Nations Climate Change Conference of the Parties (COP26), the WLEP and the WGH coordinated a local business breakfast event on 20 September 2021, providing details of the support programmes available across the county to help businesses to decarbonise. The WLEP successfully won the bid, developed at short notice, to host a COP26 event and the Government's Net Zero tour bus, working in collaboration with the University of Worcester and Worcester City Council.

34. WLEP produced videos and supporting media for the event to include the coordination of Carbon Stories/Case Studies from across the Worcestershire business community for the Net Zero tour bus event. Over the COP26 quarter, the WLEP ran a series of activities focusing on green energy across Worcestershire.

35. The Government published the UK Hydrogen Strategy in August 2021. In September 2021, the WLEP convened a workshop in partnership with FAUN Zoeller, a German-owned Refuse Collection Vehicle (RCV) manufacturer based in Redditch to explore the potential for a Hydrogen Economy in Worcestershire. The Hydrogen Consortium developed a proposal to develop hydrogen fuel-cell and EV Refuse Collection vehicles to decarbonise the County's Waste Services.

36. Unfortunately, the proposals have not been adopted to date, primarily due to lack of investment. However, conversations have continued between FAUN Zoeller and some Local Authorities responsible for waste collection in Worcestershire to explore the potential for mapping routes to understand energy requirements and understand the energy vectors needed to meet those requirements.

37. Consultation with key businesses and HE/FE providers, as part of the WLEP's local Hydrogen Taskforce has also identified the potential for hydrogen to decarbonise public transport and logistics, industrial processes and residential heating.

38. The LEP and WGH continue to engage with high-energy business users across the county to understand their challenges and to identify opportunities and signpost into suitable national and regional programmes of support. For example, the Industrial Energy Transformation Fund, a £315m national programme managed by BEIS which supports the development and deployment of technologies that enable businesses with high energy use to transition to a low carbon future.

39. It is important to note that the LEP is technology-agnostic and is not wedded to promoting one energy source or solution above others. The LEP understands that the energy challenges posed across transport, industrial processes and heating will require a combination of different energy solutions and technologies to address them.

40. The LEP has been involved in working with partners and stakeholders on a range of projects and initiatives which support delivery of the Energy Strategy. A list of some of these is included in Appendix 2.

41. Working regionally, as part of the Midlands Net Zero Hub (MNZH), WLEP supported a commission by the MNZH to better understand the Low Carbon Environment Goods and Services (LCEGS) sector across the Midlands, broken down into LEP geography areas. This report was developed by kMatrix Data Services Ltd.

42. The report provided some insightful headlines into the Worcestershire LCEGS sector as follows:

- The LCEGS sector in Worcestershire employs 11,331 employees
- There are 703 LCEGS sector-based companies in Worcestershire
- The majority of LCEGS businesses in 2019/20 were Small to Medium Enterprises, accounting for 50% of the LCEGS sector
- The LCEGS sector has grown year on year since 2017/18. In 2017/18 total sales in the sector were worth £1.4bn and reached £1.5bn in 2019/20.

43. Looking forward, WLEP in its role as local convenor has developed a guiding coalition to help Worcestershire better prepare for the energy system transition through the development of Local Area Energy Plans for local priority areas within the county.

44. The Local Area Energy Planning Group (LAEPG) is led by the WLEP's Energy Lead, Non-Executive Director and includes representatives from the Council's Sustainability, Planning and Waste Services Teams and the MNZH.

45. Since inception in late July, the LAEP Planning Group has engaged with the County's main Energy Distributors, Western Power Distribution (WPD) and Cadent Gas, with the aim to:

- Identify energy constraints and pinch-points that present a barrier to economic growth/inward investment
- Identify opportunities for alternative energy solutions, to include renewables
- Foster good working relations with Energy Distributors to share information & data and participate in local area energy planning.

46. Consultation with Energy Distributors forms an essential preparatory stage to determine which local priority areas would benefit from a whole systems based approach to local area energy planning.

47. All seven Worcestershire Local Authorities have declared a Climate Emergency, however, the recently published Distributed Future Energy Scenarios (DFES 2022) produced for the six District Councils by Western Power Distribution shows that only one local council is on target to meet net zero by 2050.

48. Through local stakeholder engagement in local area energy planning, the WLEP aims to improve the visibility of local area information and data, to assist the Energy

Distributors to develop informed and accurate forecasts for energy demand and generation.

49. To date, this work has surfaced constraints in the current electricity grid capacity (at 11kV substation level). Details have been circulated to Local Planners to identify how the constraints will impact on consented/planned developments in Local Plans and the proposed allocations in emerging plans.

50. Work is also underway to share localised knowledge on the high energy users / industrial clusters in the county to inform the Hydrogen Valley Feasibility Study for the Midlands, currently being developed by Cadent Gas.

51. The LAEP Group are due to meet with Wales & West, the Energy Distributor responsible for smaller areas of the county and will also consult with Cadent Gas and Severn Trent's Biomethane Teams before this LAEP preparatory stage is expected to conclude by circa end October.

52. By the late Autumn, the LAEP Group aim to produce a rationale with key findings, to help determine the local priority area/s that could benefit from a whole systems-based approach to local area energy planning.

53. Further to the identification of the local priority area, the LAEP Group are looking to host a Local Area Energy Summit, to engage with the Local Planning Authority, Energy stakeholders and Skills and Training providers to identify local area energy planning priorities.

54. WLEP is well positioned to facilitate the development of Local Area Energy Plans, via the WLEP Energy Lead, Non-Executive Director; and the MNZH Regional Net Zero Officer, who is also a member of the Energy Systems Catapult LAEP Board.

55. Other live projects in the pipeline include:

- Bromsgrove Heat Network and green energy production
- Worcester City River Heat Network
 - River Severn Partnership (RSP) exploring this as a potential Pathfinder Project.
- Grid Capacity
 - Review of sub-station capacity and assessment against demand of new developments to inform Electricity DNO.

Looking Forward – WLEP key priorities for 2022/23 and beyond

56. The activity of WLEP is guided by the overarching economic strategy published in Autumn 2021, the *Worcestershire Plan for Growth: 2020-2040*.

57. The focus for the next 12 months is outlined below, in line with the three areas of focus set out for LEPs by Government.

Strategy

58. WLEP will monitor KPIs of the Worcestershire economy as identified in the *Worcestershire Plan for Growth: 2020-2040*.
59. WLEP will collaborate with Local Authority partners and stakeholder organisations on developing funding applications for the Levelling Up Fund and UK Shared Prosperity Fund.
60. WLEP will continue to execute the BetaDen Business Plan and identify a future operating model for our commercial technology accelerator, supporting entrepreneurs, businesses and attracting inward investment to the county.
61. WLEP will develop and implement a Digital Skills strategy for Worcestershire.
62. WLEP will also act as the voice of business, conducting research and producing reports into the challenges and opportunities facing businesses.

Delivery

63. In line with the five foundations of productivity framework established in the Plan for Growth (2020-2040), WLEP's delivery priorities for the next 12 months are as follows:

Ideas

- Deliver the BetaDen North bootcamp initiative, supporting clean-technology acceleration, in partnership with Wyre Forest District Council
- Deliver the remaining funded cohorts of technology entrepreneurs via BetaDen
- Develop a funding application to support a feasibility study into exploring the potential for an energy innovation zone in Worcestershire to support net-zero ambitions
- Support local businesses to access national funding programmes / initiatives that stimulate innovation and improve productivity

People

- Continue to work with education establishments in Worcestershire to reach the eight Gatsby Benchmarks and support young people to understand the careers of the county's employers
- Deliver the Careers Hub contract on behalf of the Careers & Enterprise Company
- Continue to promote Apprenticeship opportunities within the county – and launch an access fund to support young people to access their apprenticeship
- Launch the Department for Education (DfE) Bootcamps programme into Worcestershire
- Open the Youth Hub in Worcester City to add a physical space to the Careers Worcestershire brand
- Work with the DfE in Worcestershire to support the building of the Local Skills Improvement Plan (LSIP)
- Develop a digital skills strategy for the county, mapping the current offer and future needs

Infrastructure

- Complete the Malvern Technology Park infrastructure works to enable first development plot to come forward to market
- Complete the Construction and Automotive Skills Centre in partnership with Kidderminster College
- Complete the Low Carbon Housing scheme in Bromsgrove, a new housing development of 61 dwellings

Business Environment

- Establish a framework of Specialist Business Advisors to support Worcestershire businesses via the Worcestershire Growth Hub
- Deliver the Key Account Management contract on behalf of Department for International Trade (DIT), working with local Foreign-owned businesses
- Lead, manage and deliver a range of business engagement events across the county to capture business views on key topics
- Provide local business intelligence to local and national partners to inform future policy
- Coordinate insights and activity with other Business Representative Organisations (BROs) operating within the county e.g. NFU, Chamber of Commerce, FSB etc.

Place

- Support Redditch Borough Council with their Towns Deal investment programme for Redditch town centre
- Support Worcester City Council with their Future High Street and Towns Deal investments for Worcester city
- Support Wyre Forest District Council with their Future High Streets Funding and Levelling Up Funded programme in Kidderminster
- Support Bromsgrove District Council with their Levelling Up Funded programme for Bromsgrove town centre
- Support all Local Authority partners with their investment plans and applications for Government funds

Governance

64. WLEP remains committed to continuous improvement and will review and refine its Local Assurance Framework in line with any future revisions made to the National Assurance Framework and will continue to learn from best practice across the LEP Network.

65. WLEP's governance objectives for 2022/23 include undertaking an open and transparent recruitment process to appoint a new WLEP Chairman following the end of term for the previous Chairman.

66. WLEP will also continue to review and enhance private sector representation across WLEP Board and all sub-boards in 2022/23.

WLEP Financial Summary

67. Worcestershire County Council acts as the Accountable Body for WLEP and they support the budget monitoring, forecasting and control working with the WLEP

Executive, providing financial challenge to the Board. The Deputy Chief Finance Officer attends the WLEP Board, as an observer, on behalf of the Chief Financial Officer, and has a valued input into all Board reports prior to despatch and holds the Board to account on financial issues.

68. In October 2020, WLEP was successful in being awarded £12m as part of the national Getting Building Fund (GBF). This was subsequently invested into a programme of twelve capital projects across the county for delivery by end of 2021/22.

69. At the close of the financial year 2021/22, a small proportion of the allocation was unspent due to delays on three of the funded schemes. Using the Financial Freedoms and Flexibilities powers, the Accountable Body set aside the underspend amount of £1,037,067 to fund the completion of the three schemes in 2022/23.

70. Malvern Technology Park, Redditch Transport Interchange and the Construction & Automotive Skills Centre will fully defray their GBF allocations in 2022/23. Change control documentation has been completed for each of these schemes and the expenditure in 2022/23 is being monitored as per the agreement between WLEP, the Council & delivery partners.

71. The operational budget for LEPs nationally is determined by central government on an annual basis. The LEP's Core revenue budget for 2021/22 was £650k, comprising:

- i) DCLG income of £500k, and
- ii) Local authority income of £150k.

72. A full overview of WLEP's end year financial accounts for 2021/22 is published in the Annual Report 2021/22. The final position in 2021/22 was £29.2k (rounded up) excess of income over expenditure budget, which was transferred to the LEP reserve.

73. As outlined earlier in the report, the LEP's budget for 2022/23 is lower due to a reduced core funding allocation from central government. The LEP's core revenue budget for 2022/23 is £535k, comprising:

- i) DLUHC income of £375k,
- ii) Local authority income of £150k, and
- iii) Other income of £10k.

74. Current expenditure levels indicate that the WLEP budget is forecasting a broadly breakeven position following the agreed transfer from reserves of circa £21k which was approved by WLEP Board in May 2022 to utilise some of the surplus carried forward from 2021/22.

75. Quarterly financial monitoring reports are available as part of WLEP Board papers, which can be found on the website.

Purpose of the Report

76. WLEP welcomes the opportunity to report progress to the Overview and Scrutiny Performance Board of the Accountable Body and is proud to outline the positive impact that WLEP and the wider partnership is having on the county's economy, despite the obvious challenges currently presented.

77. WLEP trusts that the OSPB members will recognise the progress made to date and are assured about WLEP's ambitious plans to further enhance the future economic prosperity of Worcestershire as we embark on delivering on our refreshed economic strategy for the county, working with partners, local stakeholders and central government to deliver on our vision of 'building a connected, creative and dynamic economy for all'.

78. The OPSB is asked to:

- (a) Acknowledge Mark Stansfeld's time in office as WLEP Chairman, which concluded in May 2022, and to welcome Interim Chairman, Julie Snell, who was appointed in July 2022
- (b) Review and note the progress made by WLEP, including the publication of a refreshed economic strategy for the county in Autumn 2021
- (c) Note the conclusion of the National LEP Review and WLEP's continued collaboration with Local Authorities on key funding opportunities (e.g. Levelling Up Fund and UK Shared Prosperity Fund) and proposed project interventions
- (d) Review and note the positive progress made by WLEP and partners on the delivery of significant programmes and project interventions outlined, contributing towards the objectives of the economic strategy
- (e) Review and note the successful financial performance of WLEP and the ability to broadly operate within its financial envelope despite the 25% reduction in core revenue funding allocation from central government in 2022/23
- (f) Note the progress update on the Worcestershire Energy Strategy implementation and proposed areas of future focus
- (g) Note the planned programme of activity for 2022/23; and
- (h) Invite WLEP to provide a further Annual Report to OSPB in 2023/24.

Supporting information

Appendix 1 – WLEP Energy Strategy data dashboard

Appendix 2 – List of energy projects that WLEP have supported / delivered with partners

Contact Points

Samantha Morris, Overview and Scrutiny Manager, Tel: 01905 844963

Email: scrutiny@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Democratic Governance and Scrutiny Manager) the following are the background papers relating to the subject matter of this report:

- WLEP Annual Delivery Plan 2022/23: <http://www.wlep.co.uk/resources/document-library/>
- WLEP Plan for Growth (2020-2040): <https://www.wlep.co.uk/wp-content/uploads/WLEP-Plan-for-Growth-2020-2040-FULL-VERSION.pdf>
- WLEP Plan for Growth (2020-2040) – exec summary: <https://www.wlep.co.uk/wp-content/uploads/WLEP-Plan-for-Growth-2020-2040-EXEC-SUMMARY.pdf>
- WLEP Energy Strategy: <https://www.wlep.co.uk/wp-content/uploads/P3695-Worcestershire-Energy-Strategy-Strategy-with-glossary.pdf>

[All agendas and minutes are available on the Council's website.](#)