



REPORT TO GROWING MID WALES BOARD

17th February 2023

TITLE:	Proposed 2023/24 revenue budget for Growing Mid Wales Board.
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1. Purpose of the Report

1.1. To consider the 2023/24 revenue budget.

2. Decision(s) Sought

2.1. To approve the Annual Budget for 2023/24.

3. Background and Relevant Considerations

3.1. Since the formal establishment of the Growing Mid Wales (GMW) Board via Inter-Authority Agreement in December 2019, development activity to date on the Mid Wales Growth Deal has largely been funded through spot contributions by the two Local Authorities and external grant funding (Welsh Government). The Board operates under the Inter-Authority Agreement (IAA3) between Powys and Ceredigion Councils, with the Finance (Accountable Body function) falling under Ceredigion County Council.

3.2. Additional revenue support was received in February 2021 from the Welsh European Funding Office (WEFO) for an element of revenue costs to help establish a Portfolio Management Office for the period up to July 2023, as part of wider regional working via Growing Mid Wales. As this grant funding is covered under a separate grant funding agreement it does not form part of the GMW Board budget. This funding is currently supporting 7 posts.

3.3. The Strategic Portfolio Business Case v2.0 (SPBC v2) has been drafted and is currently undergoing consultation. When the document has been updated it is the intention to table it for GMW Board approval, along with the Private Sector Investment Strategy at the meeting scheduled during March 2023. The documents will then be issued to both Governments for consideration at the Welsh Cites & Growth Deal Implementation Board meeting on 29th March 2023.

3.4. Subsequently it is anticipated that this will result in the issuing of the Grant Award Letter for the Growth Deal which should release the capital funding on an annual basis for delivering the Deal. This amounts to the following profile, via Welsh Government (incorporating UK Government’s contribution):

2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
£9,166,667	£9,166,667	£9,166,667	£9,166,667	£9,166,667	£9,166,667	£9,166,667	£9,166,667

2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38
£9,166,667	£9,166,667	£3,666,667	£3,666,667	£3,666,667	£3,666,667	£3,666,667

3.5. The release of capital funding on an annual basis (10 year profile from UK Government of £55m, and 15 year profile from Welsh Government for their £55m) will allow the region to top slice the funding to support the costs of administering the Growth Deal.

3.6. The amount of top slice requested for this purpose is assumed to be 4%, and would be consistent with other funding programmes from Government (e.g. UKSPF).

3.7. The request for the Award of Funding/Grant Offer Letter from Welsh Government for the Growth Deal will be made by Ceredigion County Council, as the Accountable Body set out in the Inter-Authority Agreement.

4. 2023/24 Revenue Budget

4.1. A proposed revenue budget for 2023/24 for the GMW Board totalling £592,000 is outlined in Appendix 1 to this report.

4.2. The proposed budget assumes that the Portfolio Management Office costs from August 2023 onwards will be included, as the WEFO grant funding referenced in paragraph 3.2 ceases at the end of July 2023. This would continue to support the following posts:

- Growth Deal Operations Manager
- Programme Manager: Sites & Premises
- Programme Manager: Digital
- Portfolio Analysis & Support Officer
- ESF Project Manager (*subject to review*)
- GMW Communications officer
- GMW Energy Lead (*subject to review*)

4.3. Resourcing requirements will be kept under review. The PAR (assurance review) currently being undertaken will provide a view on team resourcing, and

there will be a shift as the Deal moves from Development to Delivery. Specific roles noted above are also subject to change.

- 4.4. The WG draft 23/24 and 24/25 Capital Budgets include the sum of £9.167m pa against the Mid Wales Growth Deal. This represents of £5.5m pa from UK Government (£55m for 10 years) and £3.667m from WG Government (£55m over 15 years). Reviewing and mapping Programme / Project delivery profiles against this funding profile will be critical as the Growth Deal moves to delivery phase.
- 4.5. The proposed 23/24 Budget assumes revenue funding of £367,000 which is a 4% top slice of the anticipated Year 1 Growth Deal Funding from both governments during 2023/24. This is subject to the full Growth Deal approval.
- 4.6. The £100,000 funding is proposed to continue each from both Powys and Ceredigion County Councils.
- 4.7. The proposed budget for 2023/24 is a holding position prior to the anticipated award of the Growth Deal Funding. A resource review, in readiness for moving from the development to delivery phase of the Growth Deal, will need to be undertaken during quarter one of 2023/24 which may result in the need for the Board to consider a revised Budget during 2023/24. This review could conclude that either higher, lower or broadly the same level of resources is required for the next phase. In addition, core expenditure beyond the proposed Council contributions totalling £200k should not be incurred until the Growth Deal is formally secured, as the 4% top slice does not exist until that is in place and a grant offer letter is received.

5. Recommendations

- 5.1. The GMW Board approves the Annual Budget for 2023/2024 of £592,000 as outlined in Appendix 1, which includes a £100,000 contribution each from both Ceredigion County Council and Powys County Council.
- 5.2. The GMW Board notes the intention for a Resources review to be undertaken in readiness for the next stage of the Growth Deal.
- 5.3. The GMW Board notes that core expenditure should not exceed £200,000 during 2023/24 until the Growth Deal has been secured and the associated WG Grant offer letter has been received and accepted.

6. Legal Implications

- 6.1. Local Government and Finance Act 1972

7. Human Resources Implications

7.1. There are no HR implications arising from this report.

8. Financial Implications

8.1. As outlined in the report.

9. Appendices – Appendix 1 Revenue Budget 2023/24