

Annual Financial Statement



heart of the
south west

local enterprise partnership

Income & Expenditure

	2018-19		2019-20	
	£m	£m	£m	£m
Income				
Grant from Government	0.700		0.700	1
Local area match funding	0.135		0.150	
Additional local area contributions	1.000		0.661	2
Cashflow interest	0.337		0.358	
		<u>2.172</u>		<u>1.869</u>
Expenditure				
Salaries & expenses	0.522		0.469	3
Admin & office costs	0.119		0.171	
Service level agreements	0.540		0.671	
Governance	0.007		0.014	
Enabling fund	0.000		0.150	4
LEP review	0.019		0.119	
Operational delivery	0.238		0.307	
		<u>1.172</u>		<u>1.901</u>
			5	
Surplus of (Deficit) for the year		<u><u>0.727</u></u>		<u><u>- 0.032</u></u>

1. Govt grant included additional £200k to respond to LEP Review
2. Growth Deal topslice towards LEP running costs
3. Salaries reduction through 18/19 having overlapping CEX costs
4. Enabling Fund introduced – accelerating Enterprise Zone delivery
5. Draw on reserves

Reserves

	2018-19	2019-20
	£m	£m
General reserves		
As at 1 st April	1.343	1.796
In year draw from reserve	(0.010)	0.000
Transfer between reserves	0.000	0.019
Surplus/Deficit for the year	0.463	-0.208
As at 31st March	1.796	1.607
Earmarked reserves		
As at 1 st April	0.347	0.519
In year draw from reserve	(0.124)	(0.163)
Transfer between reserves	0.000	(0.019)
Surplus/Deficit for the year	0.296	0.176
As at 31st March	0.519	0.513
Total reserve as at 31st March	2.315	2.120

- ‘Earmarked reserves’ – specific projects being delivered by funding through the LEP, e.g. nuclear supply chain project
- ‘General reserves’ – providing future running costs of the LEP (see next)

Future Expenditure

1. No long term certainty over core funding from Govt – budget prepared to with (2a) and without (2b)
 - 20/21 core funding since confirmed by Govt

2. In reality 21/22 shortfall shown would be eliminated by either
 - a) adjusting 21/22 expenditure, or
 - b) receipt of core grant in 21/22

	2020-21		2021-22	
	£m	£m	£m	£m
Expenditure				
For operations				
Salaries & expenses	0.504		0.504	
Admin & office costs	0.109		0.097	
Provision for revenue exchange	0.072		0.000	
Enabling Fund	0.150		0.000	
		0.835		0.601
For delivery				
Thought Leadership	0.053		0.053	
Opportunities delivery	0.195		0.195	
Inward Investment delivery	0.017		0.017	
Business, People & Place delivery – capacity	0.764		0.738	
Transparency & governance	0.038		0.038	
		1.067		1.041
1 Total planned expenditure		1.902		1.642
Funding				
2a. Funding - assuming 1x core funding from Govt and giving LEP 2 year forward funding				
Operating core grant	0.500		0.000	
Area annual contributions	0.165		0.165	
Interest	0.200		0.090	
		0.865		0.255
Additional area contributions	0.769		0.000	
Use of reserves	0.268		0.907	
		1.037		0.907
1 Funding shortfall (surplus)		0.000		0.480
2b. Funding - assuming no core funding from Gov't				
Operating core grant	0.000		0.000	
Area annual contributions	0.165		0.165	
Interest	0.200		0.090	
		0.365		0.255
Additional area contributions	0.769			
Use of reserves	0.768		0.407	
		1.537		0.407
Funding shortfall (surplus)		0.000		0.980



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