21/22 Overview of Finances



Summary

- 1. Uncertainty over future funding from Government means increased reliance on reserves and Growing Placed interest
- 2. Reduced income matched to reduced expenditure 22/23
- 3. Reserve position + future Growing Places interest means LEP can fund future operation through 23-24



Income & Expenditure

	2020-21		2021-22		
	£m	£m	£m	£m	
Income					
Grant from Government	0.588		0.500		
Local area match funding	0.150		0.150		
Additional local area contributions	1.148		0.162 1		
Cashflow interest	0.176		0.038		
Enabling Fund Repayment	-		0.085 3		
Draw from reserves	0.469		2 1.188		
In-year draw from reserves	-		0.253		
		2.531		2.376	
Expenditure					
Salaries & Expenses	0.504		0.506		
Admin & office costs	0.088		0.087		
Service level agreements	0.738		0.738		
Governance	0.020		0.029		
Enabling Fund	0.064		4 0.087		
Operational delivery	0.232		0.309		
		1.646		1.756	
Surplus of (Deficit) for the year		0.885	<u> </u>	0.620	

- 1. Capital programme topslices now largely complete so significant drop in income from this source
- 2. Corresponding increase in funding from LEP reserves: planned over several years
- 3. Enabling Fund loans to Enterprise Zones 2019-20 now starting to be repaid.
- 4. Support to local authorities to help develop Shared Prosperity Fund pipelines. Operational delivery included e.g. inward investment support
- 5. Surplus transferred to LEP reserves as per previous years support future operation



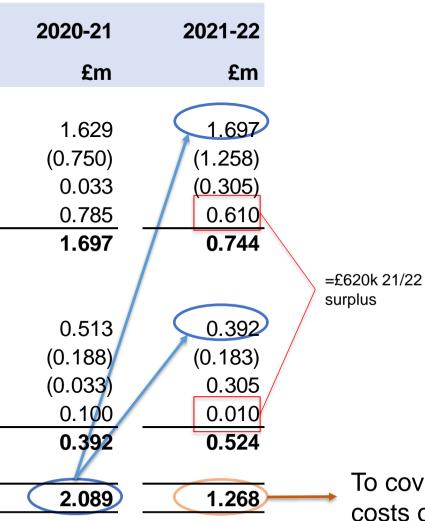
Reserves

General reserves

as at 1st April
Transfer between reserves
Surplus/ Deficit for the year
As at 31st March

Earmarked reserves as at 1st April Transfer between reserves Surplus/ Deficit for the year As at 31st March

Total reserve as at 31st March



- 'General reserves' providing future running costs of the LEP (see next)
- 'Earmarked reserves' specific activity being delivered by funding through the LEP, e.g. IT, redundancy contingency

To cover future running costs of the LEP and earmarked projects



Future Expenditure

- 1. Surplus from higher income vs budget through topslice, interest & reserves plus reduced expenditure largely from reduced Service Level Agreements
- 2. Government grant was not confirmed until end July 2022 therefore not provisioned for in budget
 - £375k eventually confirmed
- 3. With no further topslice, income from reserves and Growing Places loan Fund interest make up difference Total reserve £1.268m of which £524k for Earmarked reserves, £744k for LEP operations: 22/23 budget requires £883k draw but final Govt grant, reduced requirement for Growth Hub underwriting + GPF interest means LEP meets going concern criteria

e		2021-22 original budget		2021-22 Actual		2022-23 Budget	
	£m	£m	£m	£m	£m	£m	
Expenditure							
For operations							
Salaries & Expenses	0.568		0.506		0.511		
Admin & office costs	0.094		0.087		0.130		
Provision for revenue exchange	0.017		0.000		0.000		
Enabling Fund	0.120		0.087		0.000		
		0.799		0.680		0.641	
For delivery							
Thought Leadership & Delivery	0.053		0.047		0.075		
Opportunities Delivery	0.177		0.237		0.000		
Inward Investment Delivery	0.017		0.025		0.012		
Business, People & Place delivery capacity	0.824		_ 0.738		0.547		
Transparency & governance	0.028				0.025		
		1.099		1.076		0.659	
Total planned expenditure		1.898	/ =	1.756	_	1.300	
Funding			/				
22/23 Funding assuming no core grant from Govt ar	nd giving LEP one y	ear forward	<u>funding</u>				
Operating core grant	0.500	/	0.500		0.000		
Area annual contributions	0.150		0.150		0.000		
Enabling fund repayment	0.060	/	0.085		0.145		
Enabling fund repayment	0.000	0.710	0.000	0.735	0.000	0.230	
Additional area contributions	0.000		0.162		0.000		
Cashflow interest	0.000	1	0.102		0.000		
Use of reserves	1.188		1.441		0.000		
Growing Places Revenue	0.000		0.000		0.883		
Glowing Flaces Neverlue	0.000	1.188	0.000	1.641	0.107	1.070	
Funding surplus/ (shortfall)		0.000		0.620	_	0.000	
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