



ANNUAL
REPORT
2021-22



heart of the
south west

local enterprise partnership



Where Next?

Foreword from Karl Tucker – Yeo Valley and Chair of Heart of the SW LEP

As many of you will be aware, the last 12 months has been dominated by the increasing headwinds for business through inflation and challenges to the cost of living. Undoubtedly the challenges look set to continue for several years and it is even more important that there is a coherent and powerful plan for growth.

The much-trailed Levelling Up white paper was an important contribution to this. Finally published in February it set out how the Government sees Levelling-Up being delivered through 12 Missions and with it the Government’s vision that all places should have a ‘London style devolution deal by 2030’. Moreover, it proposes that Devon, Plymouth and Torbay would be considered in the first wave of these deals and that it should include ‘folding- in’ LEP functions into a new County Combined Authority.

“ **As a LEP, we support greater devolution to local areas as we believe simply it is more likely that local places understand their areas better than Whitehall and consequently should be best placed to direct increasingly scarce resources where they are most needed.**

This of course assumes a quality of local leadership e.g. looking to the long term not just the political cycle, and a willingness for local politicians to work in close partnership with business and other local stakeholders. After all, it will be business that

delivers future growth and business that will deliver levelling-up of the economy

Consequently, the LEP whilst supporting devolution, worked with other business organisations to identify a series of principles by which we would wish to see devolution progressing. These included evidence that devolution would make things better – either through offering new money, which seems unlikely, or through changing who has responsibility for assigning what looks in the future to be significantly less funding. Moreover, we asked that partnership is sustained and that whilst local political leaders would lead, business should be at the top table. We also asked that any devolution is based on the Levelling-Up missions and therefore sets clear evidence-based measurement on how things might and are getting better. Changing the personnel is not sufficient – to make a difference, devolution has to deliver a systems level step-change in approach and a renewed commitment to delivering prosperity through clean and inclusive growth.

A Combined Authority unambiguously creates another layer of local Government. Without a Mayor, and without unitarisation, we must be clear how it brings the leadership, partnership working - particularly with business - and clarity of purpose to develop increased prosperity and progress net-zero.

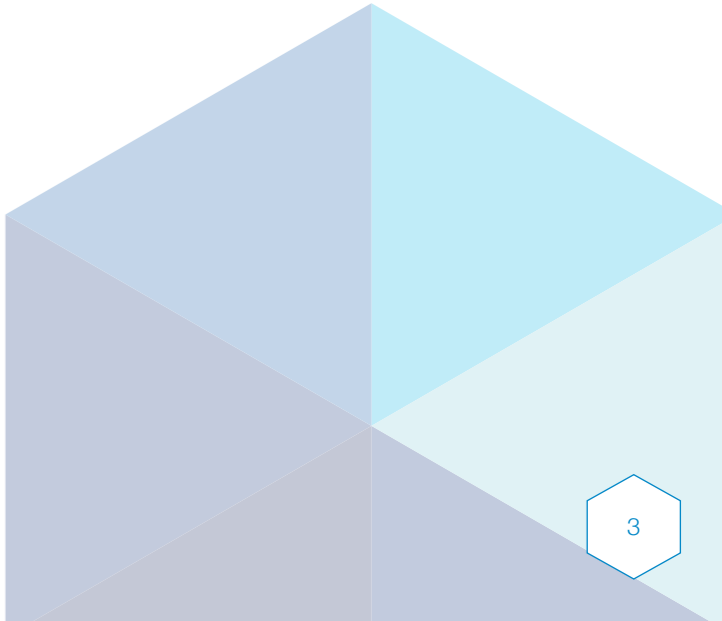
LEPs are not the only organisations to be evolving. The pandemic is and will continue to have fundamental impacts on the way we work and carry out our daily lives. Nationally, something like a million people have left the work force adding to labour market challenges particularly here in the south west; for white collar workers hybrid working is becoming an expectation particularly as the cost of commuting has increased. With the announcement that diesel cars will be phased out we have probably reached a tipping point with the implementation of electric vehicles and provision of charging infrastructure and I expect to see the south west at the forefront of electric vehicle production. The war in Ukraine may well increase funding to support the defence sector, energy security and the development of clean green energy. Our farmers too are facing huge changes with the introduction of Environmental Land Management Schemes and our tourism offer will constantly need to increase the quality and attractiveness of its product as well as the coordination of its marketing.

More broadly, the University of Exeter, supported by the LEP, published their report on social mobility – or lack of it – in the south west. This report reminded us this fundamental issue is systemic and requires sustained action over the long term.

“ **Notwithstanding the challenges, I think more than ever the Heart of the South West and the wider area have a really exciting series of opportunities.**

With our soils; geology, levels of sunshine, winds and access to sea we should and will through this natural capital, be at the forefront of delivering clean energy and local food production which could mean we will be front and centre of delivering the Government’s economic vision. However, to do so we must lean into systemic multi generational issues – working in partnership; tackling social mobility and poor underpinning infrastructure.

I would like to thank all our partners, the Board and the LEP team for their support and dedication through what has been a challenging and uncertain time and I look forward to continue to work together to make the Heart of the South West a better place to live and work.



2021-22 in Review

Introduction from David Ralph – HotSW LEP Chief Executive Officer

“ So what difference has the LEP made in the past year?

In 21/22 the LEP invested some £28.6m, with this and previous investment creating more than 1700 jobs, supporting almost 3000 businesses and providing 8,600 training opportunities in 2021-22 alone. Most of our funding is in capital projects through Getting Building Fund but we are also completing delivery of the Local Growth Fund (Growth Deals), advising Government on the conclusion of EU Structural Funds and continuing to deliver Growth Hubs, Careers Hubs, Enterprise Zones, supporting inward investment and developing key propositions set out in our Build Back Better plan on digital, ocean and high value manufacturing. Importantly during the year, the Plymouth and South Devon Freeport progressed through its business cases, the Skills Advisory Panel has developed its Local Skills Report and very recently we have secured with our partners in Cornwall and Dorset support from Government to progress the Great South West.

Future local growth capital programmes will be delivered through local authorities and many have been busy developing Town Deal and High Street propositions, Community Renewal and Levelling-Up Funds and most recently setting out plans for UK Shared Prosperity Fund. This devolution of funding may well perpetuate disaggregation and risks funding support for business as places and

local renewal are prioritised in the run-up to the next General Election.

Organisationally, we have consolidated and matured significantly - taking more time to effectively review both our successes and failures. Through a challenging period we have been blessed by continuity and a desire from all partners to be both efficient and effective and offer value for money and a clear return on investment.

“ We have worked hard to become a learning organisation with a stronger performance culture.

This is important in any organisation but particularly in partnerships where responsibility can sometimes be blurred and learning and applying these lessons regarded as less important. Partnerships at the best become communities of shared purpose with individuals and organisations giving to the cause- there remain too many who look to take what they can from a Partnership.

The LEP Board, our partners and staff have been fantastic in stepping up to regularly review actions to support responses to the pandemic and cost of living crisis, including through our resilience and opportunities group. Government announced a review of LEPs in June 2021 which didn't conclude until February 2022 and uncertainty has persisted since then, even growing over that time. This has made it a difficult time to corral common purpose

and shared priorities even though through the combination of post pandemic recovery and then into the cost of living crisis, many businesses and many communities have been really challenged. Many have received direct support through loans and grants but many are now increasingly indebted and we have lost significant numbers from the workforce particularly amongst over 50s. Fortunately the forecast unemployment figures from the pandemic didn't in the end materialise – indeed our labour market is tighter than ever and levels of closure amongst firms remained extremely low, suggesting the furlough and loan support schemes etc worked.

As we came out of the immediate period of the pandemic, we revised our Build Back Better priorities to further highlight the important challenges facing our rural communities whether it be stalled development (caused by high levels of phosphate and nutrients entering our pristine watercourses), the transition from Basic payments to ELMs or the importance of our land continuing to be prioritised for food production when it is also becoming increasingly in demand for carbon and nutrient sequestration or biofuels. The refreshed plan can be found at Build Back Better plan - Heart of the south west LEP (heartofswlep.co.uk/growing-our-economy/build-back-better-plan/) Whether it's our landscape or seascape, it is the future use of our natural capital and marrying that to clean growth and our response

to climate change that gives our area its greatest challenges and opportunities.

We are starting to talk more about the language of inclusive growth and some places are doing some really insightful and effective work; this will continue to grow in importance in the coming years.

So, progress but a lot more remains to be done. As an area we increasingly understand the productivity challenge and the need to upskill our people towards the higher value jobs of the future but have too few tools to make this happen. We have started to make some inroads into our strategic road, rail and digital infrastructure but risk being further left behind through lack of pace.

“ We have key assets in the clean growth agenda but as yet as a region we are still, in my view, prioritising what we have done previously rather than the environmental, social and economic needs of the future.

Making that change, moving from what may be familiar, what we have done in the past, into bold innovative new approaches that address the root causes of our longstanding issues, may not perhaps be comfortable, but it is essential.

The LEP has achieved or worked in partnership to support several notable achievements for the area which have included:

- Refreshed Build back Better plan setting out transformational programmes to deliver clean and inclusive growth in our area, supported by business, local government and education
- Invested £28.6 million in projects which will deliver long-term growth to the area
- Supported almost 3,000 businesses to access the advice, support and finance they need
- Continued delivery of the three Enterprise Zone sites, including completion of the vital access road to Gravity in November connecting the Smart Campus to the A39 and the wider UK motorway network. This milestone enhances the connectivity of the site, providing a safe and expedient route for traffic destined for the 616-acre Enterprise Zone
- ERDF inward investment soft landing programme awarded £487,000 to 4 businesses in advanced engineering, R&D company & photonics. 7 jobs confirmed to date with further 30 forecasted
- Exeter Science Park's new £5 million centre for maturing STEMM businesses opened its doors in January, providing bespoke laboratory and office space for 100 jobs. The Georgie Parker Bidder building was supported with £5m of the LEP's Getting Building Fund, boosting the local economy and contributing to our area's prosperity
- £1m from the Getting Building Fund supported the opening of a regional centre of health technology excellence at Plymouth Science Park. The Health Technology Innovation Hub will incubate and support health technology businesses and accelerate new technologies in the sector, and is set to support around 120 businesses and over 100 jobs
- The LEP supported and funded a new aerospace centre in Somerset dedicated to innovation, collaboration and sustainable aviation. The iAero Centre will contribute to local economic growth and high-value jobs, supporting the LEP's clean growth ambitions
- The world's first 5G marine-focused testbed opened in Plymouth this spring with support from the LEP's Growth Deal funding; an exciting moment for Plymouth and the wider region as the city establishes itself as a pioneer in marine and maritime innovation
- The LEP launched programme boards for the transformational opportunities bringing together business, academia and government to shape work programmes around these.



Heart of the South West in numbers

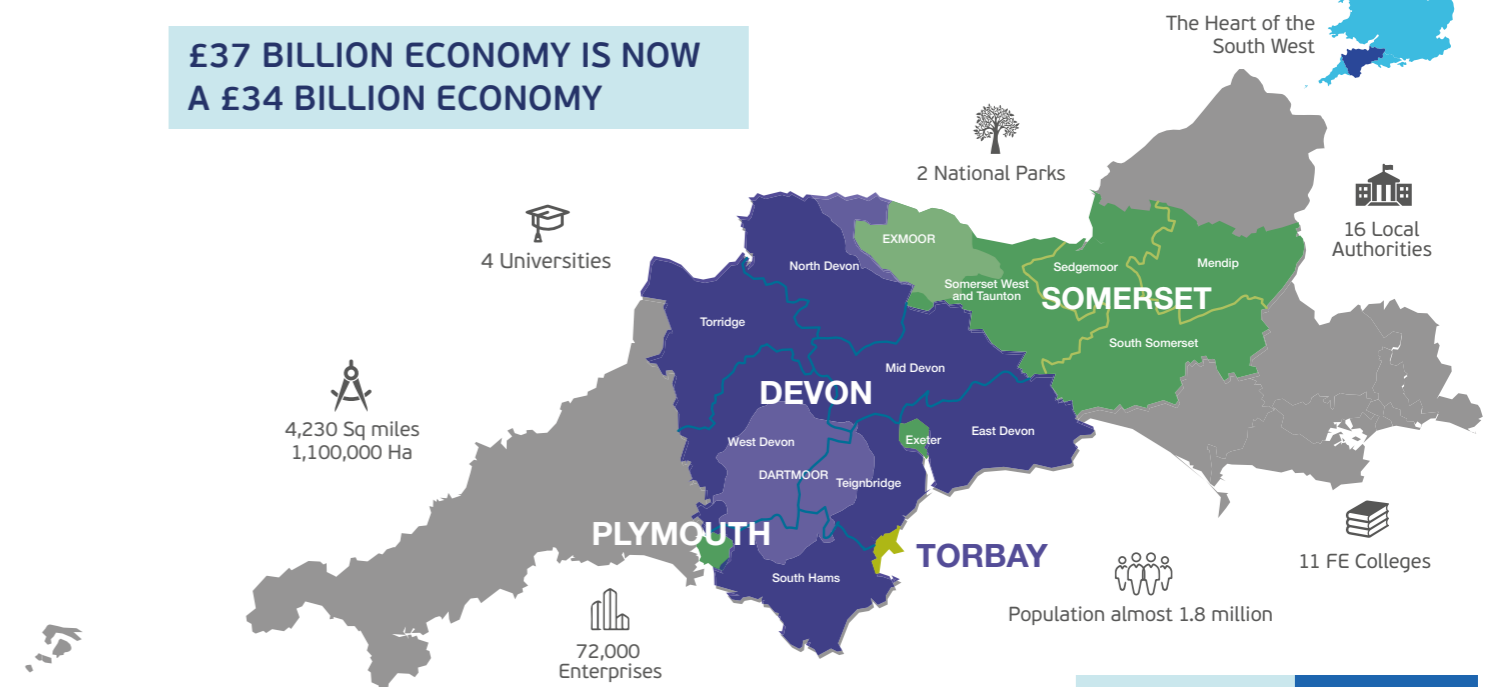
The Heart of the South West's £34bn economy and 1.8m population is equivalent to that of a major UK city.

Continuous growth since 2014 was reversed through the pandemic resulting in a £4.5 billion year on year reduction in the size of the area's economy. Over the period since 2014 this means the economy is now 4.3% smaller than it was in 2014 compared to the UK whose economy as a whole is 0.01% smaller than 2014. This shows the effect of the Heart of the SW's industry mix which resulted in the area being more exposed to the impacts of the lockdowns.

Early signs of recovery and a growth in business confidence in 2021-22 were doused by the accelerating increase in prices through autumn/ winter, a shortage of labour and, through the spring the added pressure on inflation resulting from the war in Ukraine.

Fortunately the support through the pandemic did not result in high levels of unemployment or business failure but long-standing structural challenges remain.

£37 BILLION ECONOMY IS NOW A £34 BILLION ECONOMY



- The impact of the furlough schemes mean that whilst employment has stayed relatively strong, the drop in output over the period means the productivity gap vs the UK has widened again after several years of positive growth
- Significant social mobility challenges persist across the area and the wider south west.

The LEP has continued to focus on the transformational opportunities set out in the Build Back Better plan in order to drive clean and inclusive growth for the future.

| | Heart of the SW vs 2014 | UK vs 2014 |
|---|--|--|
| Economy <small>Real GVA 2019 prices</small> | -4.3% | -0.01% |
| Population | +4.3% | +3.9% |
| Employment <small>Jobs full time equivalent</small> | +4.5% <small>(+5.8% 2014-19)</small> | +5.7% <small>(+7.7% 2014-19)</small> |
| Productivity <small>Current price GVA per hour worked</small> | +16.7% | +17.0% |
| Wages <small>Average earnings per week</small> | +18.4% | +17.8% |

heart of the south west
local enterprise partnership

96 projects
74 complete
17 underway



Heart of the South West Investment Programme

The total investment now stands at £953 million with Growth Deal, Getting Building Fund and Growing Places loan Fund are managed by the LEP. The LEP, along with other local partners, provides advice and guidance to the Government departments managing the European funds, to ensure these meet local priorities.

The three funds under LEP management have been invested in 96 projects with £46.7 million

remaining live into 2022-23. Of this, £19.9 million relates to the Growing Places loan Fund with repayments through to September 2029. Getting Building Fund is expected to complete spend in 2022/23, leaving £6.9 million Growth Deal anticipated to continue into 2023/24.

More details on specific projects can be found at Projects in our area Archive - Heart of the south west LEP (heartofswlep.co.uk)

| £ millions | Government Award | Match Funding | Total |
|-----------------------------|------------------|---------------|---------|
| Growth Deal ¹ | £197.8m | £274.4m | £472.2m |
| Getting Building Fund | £35.4m | £95.3m | £130.7m |
| Growing Places Fund | £19.9m | £48.4m | £68.3m |
| Rural Growth Network | £3.8m | £15.1m | £18.9m |
| Growth Hub | £3.8m | £1.2m | £5m |
| European Funds ² | £117m | £146.4m | £263.4m |
| TOTALS | £380.2m | £580.8m | £958.5m |

1. House of Commons library states HotSW total Growth Deal award of £239.1m, split £130.3m GD1, £65.2m GD2, £43.6m GD3. However GD1 amount included funding directly awarded to Plymouth City Council for Forder Valley Link Road and funding for loans to housebuilders which did not progress. The total reported by the LEP is therefore £197.8m

2. European Funds: the LEP along with other local partners, provides advice to the respective Government department managing the funds to ensure they meet local priorities. Investment decisions and project management are conducted by the relevant Government department

Growth Deal, Getting Building Fund, Growing Places loan Fund and European Funds have all been deployed across key drivers of productivity with investment themes shown below.

| | Growth Deal | Getting Building Fund | Growing Places Fund | Defra Rural Pilot | Growth Hub (inc. LEP match) | European Funds | Total |
|---------------------|-------------|-----------------------|---------------------|-------------------|-----------------------------|----------------|-------|
| Clean Growth | | 4.3 | | | | 5.5 | 9.7 |
| Innovation | 47.8 | 12.8 | 9.5 | | | 22.7 | 92.8 |
| Skills | 18.3 | 1.3 | | | | 43.4 | 63.0 |
| Digital | 17.6 | | 4.2 | | 5.0 | 5.0 | 26.9 |
| Business Support | 1.7 | 0.1 | | | | 13.3 | 20.1 |
| Workspace | 4.9 | 10.2 | 2.9 | | | 10.2 | 28.2 |
| Rural | | | | 3.8 | | 17.0 | 20.8 |
| Natural Capital | 13.0 | 0.6 | | | | | 13.7 |
| Transport & Housing | 93.4 | 5.5 | 5.9 | | | | 104.8 |
| Other | 1.1 | 0.5 | | | | | 1.6 |
| TOTALS | 197.8 | 35.4 | 22.5 | 3.8 | 5.0 | 116.9 | 381.4 |

The impact of the HotSW LEP's funding programmes

Although sizeable in absolute terms, the on-going structural challenges of the Heart of the SW economy require large and sustained investment to address. In 2023-24 the LEP will commission an independent economic impact study will be

conducted to understand the broader effect these investments have had on the local economy and the legacy they will leave for the future. This will be made available publicly for others to draw on.

Between 2014-2022 through our Growth Deal and Getting Building Fund, the LEP has:

By 2025, through its funding programmes, the LEP will have helped to:

Created **7,892**
new jobs and apprenticeships



Create **21,590**
new jobs and apprenticeships

Trained **29,104** people
The proportion of adults with Level 3 skills is 59.7% - closer to the national average of 61.4% than it was in 2014.
The proportion of adults with Level 4 skills has increased to 37.1% - still lower than the UK average of 43.1%.



Train **52,048** people

Connected **9,535**
businesses to superfast broadband



Connect **10,325** businesses
to superfast broadband

Supported **18,322** businesses



Support **25,318**
businesses, start-ups and
entrepreneurs

Unlocked the completion of
9,504 new homes



Unlock or complete the building of
23,391 homes

HotSW LEP's future focus

- Delivering against net zero & the area's transformational opportunities
- Delivering Growth Hub, increased innovation and tailored business support
- Delivering on the goal of inclusive growth
- Delivering the Growth Deal, Getting Building Fund and Growing Places legacy investments
- Supporting transition of local economic development.

Case studies

Plymouth East Corridor Strategic Cycle Network

£3.4 million of Growth Deal funding was provided by the LEP to support the shift to walking and cycling by improving connectivity. The new cycle paths link new housing and jobs to the centre, creating safe routes in the eastern part of the city. It will also include improved provision for cyclists and pedestrians within the city centre.



Widening the A382 at Newton Abbot

£6.7 million of Growth Deal funding was provided to widen the A382, which links Newton Abbot with the A38 Trunk Road at Drumbridges roundabout. The upgrade will improve safety and journey times to Newton Abbot, and enable people at the new housing development to cycle and walk the route as well as drive; supporting up to 1,000 jobs and 1,200 houses.



Smart Sound Connect

Smart Sound Plymouth is Britain's premier proving area for the development of cutting-edge projects for the marine sector. The Smart Sound Connect, launched in February 2022, incorporates a private 4G/5G marine network and offshore highspeed communications to the area. The LEP provided £3.94m of Growth Deal funding to support the project.



Gravity Smart Campus Link Road

The Gravity Smart Campus is a designated Enterprise Zone, delivering an immersive, intelligent and sustainable innovation campus focused on clean growth. The site will support a range of tenants who are focused on a cleaner global future, supporting a culture of wellbeing and innovation. The Heart of the South West LEP supported the site's link road with £3.94m of Growth Deal funding, connecting the campus to the A39 and the wider UK motorway network.



Case studies



Devon Sea Salt

www.devonseasalt.co.uk | Instagram: @devonseasalt

Devon Sea Salt use traditional techniques to produce 'proper honest and sustainable sea salt' from water collected from the South Devon coastline.

After more than five years of research and development, the team were excited to launch to the market. However, following the first national lockdown, the team at Devon Sea Salt were forced to rethink their business strategy.

With the help of the Growth Hub, they were able to get things back on track, and move their business forward.

Owner Chris Hambley said, **"the Growth Hub really enabled us to gain the expert knowledge we needed to move the business forward."** He added, **"The staff at the growth hub are fantastic, really helpful and friendly. No questions were left unanswered, and the advice was given freely. I really can't thank them enough for their assistance."**



More Growth Hub successes



SWIG Finance

As part of our Growth Hub Access to Finance package, run in partnership with SWIG Finance, businesses were supported to better understand finance options and to look at how they can use finance opportunities to grow their businesses.



Steel Brew

An expanding craft beer brewery based at the Royal William Yard in Plymouth, Steel Brew Co, benefitted from a £95,000 loan injection which helped it relocate to a new premises with larger brewing facilities.



Heart of the South West Growth Hub Make it Net Zero

As part of our Growth Hub Make it Net Zero support, delivered by SWMAS, businesses were supported to drive forward their journey to net zero.



EPS Services and Tooling

As a leading manufacturer of bandsaw blades for the timber processing industry in the UK, EPS were keen to begin their journey to a net zero goal. Through engaging with the Make it Net Zero initiative delivered by SWMAS, EPS has undertaken a carbon footprint analysis to establish a baseline and is implementing steps to deliver the identified carbon savings.



Ariel Motor

From designing and patenting the first Penny Farthing spoked bicycle wheel in 1871, through to the iconic vehicles we see today, this Somerset-based firm has always put design and innovation at the forefront. Ariel have a long-standing relationship with SWMAS and engaged with the Make it Net Zero support to create a net zero roadmap for their operations and facilities, ultimately to reach their net negative goal.

Round Up from the Leadership Groups

Business

The LEP's Growth Hub launched the Thrive programme in early 2022, using European funding to provide a package of business support around digital utilisation, leadership skills, finance, HR, innovation, marketing and business planning. A dedicated programme was also launched for the farming and agriculture sector. Both are proving very popular. No further funding was available to continue the peer network and scale up programmes so these drew to a close in March 2022.

The Business group commissioned a report into the challenges facing businesses accessing finance and off the back of that, the LEP is implementing one of the key recommendations around creating a finance platform to better link businesses and prospective funders. The platform is expected to go live in summer 2023 to coincide with the launch of the British Business Bank's £200 million SW fund.



People & the Skills Advisory Panel

The Local Skills Report was refreshed and published, setting out three key objectives for the period 2022-24 which lead to every individual and business being able to access the skills that they need to thrive. The three objectives set out in the report are:

1. **Ensuring that our skills and training environment is responsive and forward facing, meeting business and individual needs.**
2. **Ensuring that every individual can access the skills and training they need to achieve their own potential.**
3. **Ensuring that all skills and training investment and activity contributes to both improving our shared prosperity and collective productivity.**

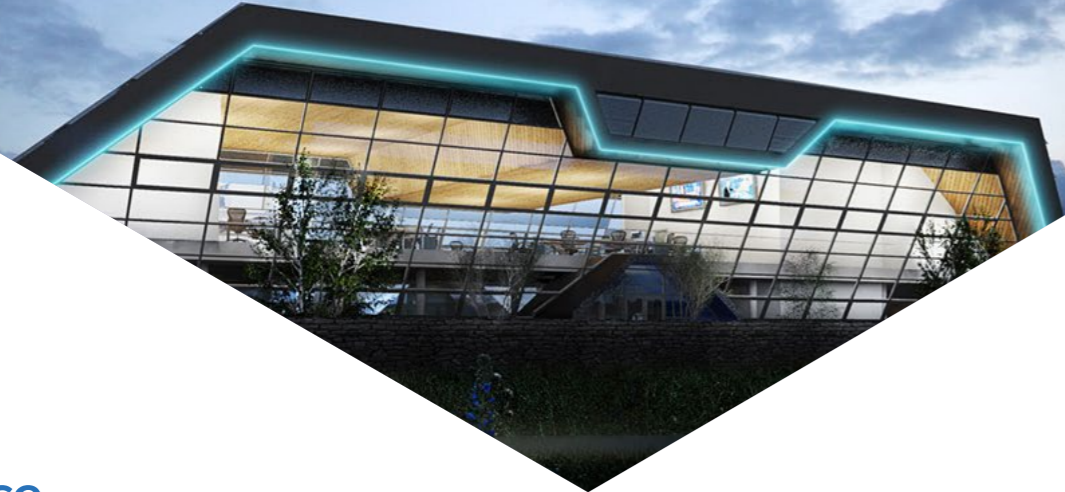
Through 2022-23 the SAP will be working to support the transition to Local Skills Improvement Plans.

Established in 2018, expanding in 2020, the Heart of the South West Careers Hub is now proud to work with a wide range of employers and every state funded school and college across Somerset, Devon, Plymouth & Torbay (169 establishments) – becoming one of the largest hubs in the

country. The aim is to help every young person find their best next step by working in partnership with employers and supporting schools and colleges to deliver modern, 21st century careers education.

Remit has grown beyond the Gatsby Benchmarks to deliver on 7 keys areas; amplifying vocational and technical routes, supporting young people most at risk through transition, removing barriers for disadvantaged young people in partnership with employers and ensuring careers education is part of local economic strategies identify as the priorities for patch moving forward.

The Digital Skills Partnership continued with Ash Roots, Head of Digital Transformation at the University of Exeter, replacing Julie Hawker, Co-CEO of Cosmic, who after being in the position since the DSP started, stepped down in March. Programmes through the DSP have been extensive including the Train4Tomorrow programme which has enabled 240 adults to train in Digital Marketing, Software, Swift, Cyber, IT. The DSP secured a further £1.9million of funding to continue the programme in 22/23.



Place

With the Growth Deal transport programmes completing, future capital funds largely going through local authorities and with programme boards taking forward much of the Place group's work on rural and natural capital, the decision was taken to cease operation of the group following completion of a study into the future of workspace. The LEP would like to thank all Place members, past and present, for their time, commitment and advice.

Innovation

The group has continued work on developing a compelling innovation proposition for the area, based on its world-class strengths in marine and environmental intelligence, and is now seeking funding to deliver this alongside a Technopole which would ensure innovation support is available across the LEP geography.

The Marine and Environmental Science Accelerator will deliver a sustainable transition to a net zero economy. Primarily led by the Universities of Exeter and Plymouth, it brings together businesses and stakeholders from across the region to ensure the UK capitalises on the vast new economic opportunities from a changing land and sea.



European Funding

Three European funding programmes are together worth £122m to Heart of the South West region. They cover innovation and business support (European Regional Development Fund), the development of skills (European Social Fund) and supporting development in rural areas (European Agricultural Fund for Rural Development). Each Fund is managed by a separate Government department and the LEP works with Government and local partners to ensure that funding which has been secured is invested in local priorities. All three programmes are in the final stages of delivery and further details are provided in the Annual Financial Statement.





ANNUAL FINANCIAL STATEMENT 2021-22



heart of the
south west
local enterprise partnership

Contents

| | |
|--|----|
| Introduction | 19 |
| 2020/21 LEP Activities summary | 20 |
| 2020/21 Core Operations Financial Report | 21 |
| 2020/21 Capital and Project Detail | 23 |
| European Structural and Investment Funds | 29 |
| Future Funding | 30 |

Introduction

Welcome to the Heart of the South West LEP's Annual Financial Statement for April 2021 – March 2022.

The Heart of the South West (HotSW) LEP is a strong and dynamic business-led partnership between the private sector, local authorities, universities and colleges. The LEP seeks to lead and influence economic growth, job creation and prosperity across the Heart of the South West area covering Devon, Plymouth, Somerset and Torbay.

Our vision is for a dynamic, highly prosperous region with high living standards and an outstanding quality of life and our mission is to raise productivity and ensure prosperity for all through clean and inclusive growth. The LEP does this through;

- influencing Government policy and decision-making to create the conditions for economic growth in Heart of the SW
- managing an investment portfolio of £258m of Government funds and working with Government to shape the investment of a further £122m of European Structural & Investment Funds in the area. Total investment across these programmes including match funding is over £950m.

This involves close working with a broad partnership across business, local authorities, universities, colleges and the National Parks. This support and contribution is highly valued.

More details of the LEP's investments, policies and governance can be found at <https://heartofswlep.co.uk/>

2021/22 LEP Activities summary

The following tables summarises the movement in year of the various funding streams and activity. Each of these funds are further explained in more detail throughout the report.

| LEP activities 2021/22 | | | | | |
|---|-----------------------------------|---------------------|-----------------------|---------------------|------------------------|
| | Operational activity and reserves | Growth Deal Funding | Getting Building Fund | Growing Places fund | HotSW Capacity Project |
| | £m | £m | £m | £m | £m |
| Fund opening balance | 2.089 | 0 | 13.495 | 22.486 | 0.216 |
| Reserve draw for budget | -1.188 | 0 | 0 | 0 | 0 |
| In year draw from reserves | -0.253 | | | | |
| Available balance for the year | 0.648 | 0 | 13.495 | 22.486 | 0.216 |
| Income | 2.376 | 0 | 17.700 | 0.044 | 1.548 |
| Expenditure | -1.756 | 0 | -31.195 | -0.514 | -1.526 |
| Fund carry forward | 1.268 | 0.000 | 0.000 | 22.016 | 0.238 |
| Of which funds lent out due for future repayment | 0.085 | 0 | 0 | 15.773 | 0 |
| Of which funds managed through freedoms & flexibilities | 0 | 16.130 | 10.703 | 0 | 0 |
| Funds/cash currently held by Somerset County Council on behalf of LEP | 1.268 | 0 | 0 | 6.243 | 0 |

- The operational fund comprises in year operational revenue activity, as detailed on page 4. There is use of reserves from funds built up over time or through funding exchanges made up of underspends or management overheads (top slice) from Growth Deal and Getting Build Fund project funds. The building of a reserve was a purposeful strategy to support the operational activity of the HOTSW LEP as government grant reduces, this is reflected in the forward budget assumption on page 12.
- Both Growth Deal and Getting Building Funds are capital grant funds that are allocated to specific projects. All funds are to be spent by 31/03/2021 and 31/03/2022 respectively, and as such the table above shows the funds fully committed as reported to Government. Funds are allocated and contracted with any timing differences being managed through the use of, Government allowed, Freedoms and Flexibilities; the project specific cash flows are detailed on pages 6-8.
- The Growing Places fund is the HotSW LEP's revolving loan fund. The majority of the fund is currently allocated with all loan repayments expected back by September 2029. A summary of activity and balances is reported on page 9.
- Capacity projects are in part funded from the LEP's core operational budget. Details of total project income and costs for live projects can be found on page 10.

2021/22 Core Operations Financial Report

The following table shows the income and expenditure for the year on the core operational budget held by the HotSW LEP.

| HOTSW LEP Core Operational budget | | | | | |
|-------------------------------------|---------|----|---------|----|-------|
| | 2020/21 | | 2021/22 | | Notes |
| | £m | £m | £m | £m | |
| Income | | | | | |
| Grant from Government | 0.588 | | 0.500 | | 1 |
| Local area match funding | 0.150 | | 0.150 | | 2 |
| Additional local area contributions | 1.148 | | 0.162 | | 3 |
| Cashflow interest | 0.176 | | 0.038 | | 4 |
| Enabling Fund Repayment | - | | 0.085 | | |
| Budgeted draw from reserves | 0.469 | | 1.188 | | 4 |
| In year draw on 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 | | 5 |
| Governance | 0.020 | | 0.029 | | |
| Enablling fund | 0.064 | | 0.087 | | 6 |
| Operational delivery | 0.232 | | 0.309 | | |
| | 1.646 | | 1.756 | | |
| Surplus of (Deficit) for the year | 0.885 | | 0.620 | | |

Notes to the accounts

- 1) The core revenue grant received was £500,000 with no additional capacity funding received in 2021/22.

2) As part of the grant offer from central government, there is a requirement to receive cash contributions from the local authorities within the LEP boundary, this is known as match funding.

3) The £162,000, relates to additional revenue contributions from Somerset County Council to go towards the running costs of the LEP. This is in response to the LEP supporting their capital programme from the Growth Deal and Getting Building Fund as part of funding exchanges.
- 4) Interest earned on Growth Deal and Getting Building Fund project funds held by the LEP. A downturn in market rates and reduced amount of surplus project funds held led to a reduction in interest earned.

5) The Local Authority Service Level Agreements deliver back office and project support.

6) Enabling fund – a repayable fund used since 2019/20 to accelerate delivery of the Enterprise Zones. Repayments started during 2021/22, as seen in the income section.

The following table details the movement in the core operational reserve. Between financial years. This reserve is held to fund the future running costs of the LEP (as detailed in the forward budget scenarios on page 32).

| HotSW LEP Operational Reserve | | |
|--|---------|---------|
| | 2020/21 | 2021/22 |
| | £m | £m |
| General reserves | | |
| As at 1 st April | 1.629 | 1.697 |
| In year draw from reserve | (0.750) | (1.258) |
| Transfer between reserves | 0.033 | -0.305 |
| Surplus/Deficit for the year | 0.785 | 0.610 |
| As at 31 st March | 1.697 | 0.744 |
| Earmarked reserves | | |
| As at 1 st April | 0.513 | 0.392 |
| In year draw from reserve | (0.188) | (0.183) |
| Transfer between reserves | (0.033) | (0.305) |
| Surplus/Deficit for the year | 0.100 | 0.010 |
| As at 31 st March | 0.392 | 0.524 |
| Total reserve as at 31 st March | 2.089 | 1.268 |

2021/22 Capital and Project Detail

A. Growth Deal

This statement shows the movement in the year on the Growth Deal funding held by the HotSW LEP. The following tables show only the LEP investment in projects, not the total cost which will include match funding. More details on individual projects are available at: <https://heartofswlep.co.uk/projects/>

| HotSW LEP Growth Deal Budget | | | | | | | |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|
| | 2015-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | Total |
| | £m | £m | £m | £m | £m | £m | £m |
| Income | | | | | | | |
| Grant from Government | 100.11 | 36.132 | 9.986 | 13.146 | 38.459 | 0 | 197.833 |
| Expenditure | | | | | | | |
| LGF | 52.357 | 31.403 | 26.413 | 28.811 | 35.070 | 7.649 | 181.703 |
| Surplus of (Deficit) for the year | 47.753 | 4.729 | -16.427 | -15.665 | 3.389 | -7.649 | 16.130 |

The total amount of the Growth Deal grant has been spent by 31st March 2021 in line with the grant conditions. Within the surplus total above, £15.411m is allocated to project and £0.7m for project headroom, continue to be managed through Freedoms and Flexibilities with Somerset County Council as accountable body. This allowed agreed projects (namely: Digital & Broadband, Taunton Toneway and Somerset Flooding) to spend into 2021/22 and 2022/23. Outputs on all projects will continue to be monitored by the Strategic Investment Panel (SIP).

Annual Financial Statements 2020/21

| HotSW LEP Growth Deal Budget | | | | | | | |
|------------------------------|--|---------|---------|---------|---------|---------|---------|
| | | 2015-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| | | £m | £m | £m | £m | £m | £m |
| Expenditure | | | | | | | |
| GD01 | Yeovil Western Corridor capacity upgrade | 0.471 | 1.619 | 3.863 | 0.000 | -0.280 | 0.000 |
| GD02 | Torbay Western Corridor | 2.496 | 4.018 | 1.735 | 0.000 | 0.751 | 0.000 |
| GD03 | Bridge Road, Exeter | 5.300 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD04 | Derriford Transport Scheme | 3.329 | 6.831 | 0.079 | 0.000 | 0.000 | 0.000 |
| GD05 | A382 widening, Newton Abbot | 0.503 | 1.438 | 0.894 | 2.367 | 1.498 | 0.000 |
| GD06 | Torquay Gateway | 1.237 | 0.068 | 0.014 | 0.000 | 0.636 | 0.081 |
| GD07 | Huntworth Roundabout Bridgwater | 1.910 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD08 | A361 Portmore to Landkey Stage 1 | 0.332 | 0.429 | -0.003 | 0.000 | 0.000 | 0.000 |
| GD09 | Derriford Hospital Interchange | 1.400 | 0.730 | -0.080 | 0.000 | 0.000 | 0.000 |
| GD10 | Taunton Rail Station Enhancements | 0.049 | 0.000 | 0.000 | 2.135 | 2.416 | 0.000 |
| GD11 | Torquay town centre access | 0.329 | 0.000 | 0.068 | 0.000 | 0.000 | 0.000 |
| GD12 | Roundswell Phase 2, Barnstaple | 0.293 | 1.345 | -0.005 | 0.000 | 0.000 | 0.000 |
| GD13 | A38 Deep Lane junction, Sherford | 2.000 | -0.016 | -0.074 | 0.000 | 0.000 | 0.000 |
| GD14 | A379 Newcourt junction, Exeter | 0.886 | -0.061 | -0.007 | 0.000 | 0.000 | 0.000 |
| GD15 | A39 Heywood Road junction, Bideford | 0.000 | 0.000 | 0.000 | 0.070 | 0.000 | 0.000 |
| GD16 | Marsh Barton, Exeter, New Railway Station | 2.295 | 0.742 | 0.024 | 0.184 | 1.161 | 0.000 |
| GD18 | Plymouth Northern Corridor traffic signals | 1.050 | 0.675 | 0.971 | 0.059 | 0.000 | 0.000 |
| GD19 | Plymouth Eastern Corridor cycle network | 0.394 | 0.701 | 0.801 | 0.424 | 0.984 | 1.116 |
| GD20 | Plymouth Charles Cross and Exeter Road | 0.000 | 0.000 | 1.082 | 1.018 | 0.000 | 0.000 |
| GD21 | Bridgwater College Hinkley Skills Capital | 5.146 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD22 | Plymouth College Stem Centre (City College) | 5.430 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD23A | HPTA - Bicton | 0.300 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD23B | HPTA - South Devon | 0.211 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD23C | HPTA - Petroc | 0.291 | 0.068 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD23D | HPTA – Exeter College | 0.961 | 1.039 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD23E | HPTA – National College for Nuclear | 0.000 | 2.102 | 0.856 | 0.040 | 0.000 | 0.000 |
| GD23F | HPTA – Yeovil College | 0.384 | 0.253 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD24A | Somerset Energy Innovation Centre Pt 1 (1b) | 1.343 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD24B | Somerset Energy Innovation Centre Phase 3 | 0.000 | 2.291 | 2.865 | 0.000 | 0.000 | 0.000 |
| GD25 | Exeter Science Park Environmental Futures Campus | 2.498 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD26 | Somerset College Centre for Engineering | 0.596 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD27 | Plymouth Science Park Phase 5 | 3.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD29 | Somerset Flooding | 5.423 | 1.056 | 1.687 | 1.337 | 2.172 | 1.374 |

| HotSW LEP Growth Deal Budget continued... | | | | | | | |
|---|--|---------|---------|---------|---------|---------|---------|
| | | 2015-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
| | | £m | £m | £m | £m | £m | £m |
| Expenditure | | | | | | | |
| GD30 | Growth Hub | 0.000 | 0.700 | 0.000 | 0.960 | 0.006 | 0.000 |
| GD31 | Broadband | 0.000 | 0.806 | 0.000 | 0.692 | 0.458 | 0.091 |
| GD32 | Electronics and Photonics Innovation Centre | 0.000 | 0.000 | 0.000 | 3.000 | 0.000 | 0.000 |
| GD33 | Oceansgate/South Yard Phase 1 | 1.500 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD34A | UGF - YIC2 | 0.000 | 0.289 | 0.152 | 0.000 | 0.000 | 0.000 |
| GD34B | UGF - Highbridge | 0.000 | 0.237 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD34C | UGF - Wiveliscombe | 0.000 | 0.057 | 0.007 | 0.446 | 0.000 | 0.000 |
| GD34D | UGF - Devonport | 0.000 | 0.000 | 0.130 | 0.367 | 0.000 | 0.000 |
| GD34E | UGF - Claylands | 0.000 | 0.000 | 0.000 | 1.213 | 0.827 | 0.000 |
| GD34F | UGF – Caddesdown | 0.000 | 0.000 | 0.000 | 0.179 | 0.000 | 0.000 |
| GD34G | UGF - Wells | 0.000 | 0.000 | 0.148 | 0.624 | 0.000 | 0.000 |
| GD34H | UGF - Pathfields | 0.000 | 0.000 | 0.075 | 0.147 | 0.000 | 0.000 |
| GD36 | Exeter Science Park Open Innovation Building Environmental Futures Campus | 0.000 | 0.000 | 0.000 | 0.734 | 4.356 | 0.390 |
| GD37 | Exeter Science Park - SPC Phase 2 | 0.000 | 1.851 | 2.647 | 0.000 | 0.000 | 0.000 |
| GD38 | J25 M5 at Henlade | 0.000 | 0.716 | 0.000 | 4.728 | 6.742 | 0.000 |
| GD40 | Tiverton Eastern Urban Extension | 0.000 | 0.386 | 0.808 | 0.000 | 0.000 | 0.000 |
| GD41 | Somerset Innovation Centre (Phase 3) | 0.000 | 0.000 | 0.000 | 0.000 | 2.502 | -0.002 |
| GD42A | Boosting Mobile Connectivity | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.336 |
| GD42B | Further Education Digital Accelerator Programme | 0.000 | 0.000 | 0.000 | 0.000 | 0.690 | 0.308 |
| GD42C | 5G Smart Sound, Plymouth | 0.000 | 0.000 | 0.000 | 0.000 | 0.625 | 0.905 |
| GD42D | Digital Business Utilisation Service | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD42E | The Digital Skills Series | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD42F | Technopole Platform | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD43 | Youth Construction Skills Project | 0.000 | 0.574 | 0.000 | 0.000 | 0.000 | 0.000 |
| GD44 | South Devon College Hi Tech Centre | 0.000 | 0.459 | 7.675 | 0.000 | 0.000 | 0.000 |
| GD45 | iAero (South) Centre | 0.000 | 0.000 | 0.000 | 2.009 | 1.824 | 0.000 |
| GD47 | Houghton Barton Package | 0.000 | 0.000 | 0.000 | 0.000 | 2.143 | 0.527 |
| GD48 | Taunton Toneway Corridor Capacity Improvements | 0.000 | 0.000 | 0.000 | 0.404 | 0.956 | 2.920 |
| GD49 | Huntspill Energy Park | 0.000 | 0.000 | 0.000 | 3.940 | 0.000 | 0.000 |
| GD50 | Plymouth Central Railway Station | 0.000 | 0.000 | 0.000 | 1.212 | 2.975 | 0.603 |
| GD51 | North Devon Innovation Centre Roundswell | 0.000 | 0.000 | 0.000 | 0.522 | 1.628 | 0.000 |
| GDX | Underspend Exchange | 0.000 | 0.000 | 0.000 | 0.000 | 0.156 | 0.000 |

B. Getting Building Fund

Getting Building Fund was a new grant issued by Government in September 2020, with the HOTSW LEP allocation being £35.4m. The grant condition attached to the fund requires the entire amount to be spent by 31st March 2022. This statement shows the amount spent in the year. The following tables show only the LEP investment in projects, not the total cost which will include match funding. As with the Growth Deal, unspent balances are held through the accountable body via the use of Freedoms and Flexibilities to be drawn down by projects during 2022/23, this amounts to £10.703m.

| HOTSW LEP Getting Building budget | | | |
|-----------------------------------|---|---------|---------|
| | | 2020/21 | 2021/22 |
| | | £ | £ |
| Expenditure | | | |
| GB01 | Torquay Gateway | 0.000 | 0.022 |
| GB02 | Concourse Phase 2, Brunel Plaza | 0.093 | 4.077 |
| GB03 | Firepool Junction | 0.080 | 0.086 |
| GB04 | Ilfracombe Watersports Centre | 0.000 | 1.474 |
| GB05 | Burrows Centre | 0.000 | 0.400 |
| GB06 | Exeter Bus Station | 0.800 | 0.000 |
| GB07 | Enhancement of Future Skills Centre at Exeter Airport | 0.481 | 0.519 |
| GB08 | Taunton Digital Innovation Centre (TDIC) | 0.000 | 2.000 |
| GB09 | Welding Centres of Excellence | 0.000 | 0.344 |
| GB10 | Exeter Science Park Grow-out Building | 0.976 | 4.024 |
| GB11 | ZEBCat 2 | 0.000 | 0.151 |
| GB13 | Green Homes | 0.073 | 0.173 |
| GB14 | EPIC | 0.467 | 0.533 |
| GB15 | iAero | 0.037 | 0.197 |
| GB16 | Torbay Business Centre | 0.000 | 0.182 |
| GB17 | Devon Work Hubs | 0.000 | 0.284 |
| GB18 | Bruton | 0.349 | 0.427 |
| GB19 | Plymouth's Business Parks | 0.271 | 1.906 |
| GB20 | Centre for Clean Mobility | 0.085 | 1.778 |
| GB21 | Health Tech Incubation Hub | 0.000 | 1.036 |
| GB22 | Smart Biosphere | 0.000 | 0.150 |
| GB23 | Plymouth Sound National Marine Park | 0.022 | 0.422 |
| GB24 | Unlocking East Quay Watchet | 0.000 | 0.564 |
| GB25 | Dunball Junction | 0.000 | 0.017 |
| GB26 | SME Resource Efficiency Programme | 0.000 | 0.000 |
| | | 3.734 | 20.964 |

C. Growing Places Fund

The Growing Places Fund is held by Somerset County Council, transferred from Devon County Council during 2020/21. This delivers against a priority from the 2018 LEP Review that LEPs should have a single accountable body. The purpose of the fund, held as a loans pool, is to create a sustainable revolving infrastructure fund for investment to unlock further economic development and leverage private investment.

The movement in the cash in the bank held for the Growing Places Fund in the year is as follows;

| 2021/22 | | | | |
|----------------------------|---------|---------|-----------------|------------|
| | Capital | Revenue | Total loan fund | Admin fund |
| | £m | £m | £m | £m |
| Opening balance 1st April | 4.892 | 0.621 | 5.513 | 1.145 |
| In year transactions: | | | | |
| Principal paid | - | - | - | 0.459 |
| Principal received | 0.025 | - | 0.025 | |
| Interest received | - | - | - | 0.019 |
| Closing balance 31st March | 4.917 | 0.621 | 5.538 | 0.705 |

The total Growing Places Fund balance considering the commitments and expected repayment profile is shown in the table below. The cash held is managed against the loan profiles which allows for reinvestment, the lowest point of capital loan cash held is £0.825m in 2022/23 with a large repayment expected in 2023/24 taking the balance back to £5.782m in that year. There also remains the revenue loan cash of £0.621m.

| Growing Places Fund – total balance | |
|---|---------|
| | £m |
| Debtors – project fund loans | 15.773 |
| Cash in the bank – project fund | 5.538 |
| Cash in the bank – admin fund | 0.705 |
| Fund balance at 31st March 2021 | 22.016 |
| Future commitments: | |
| Principal payment | (1.800) |
| Principal repayment | 1.800 |
| Grant payment | (4.145) |
| Admin – underwriting | (0.705) |
| Revenue fund | (0.621) |
| Estimated fund at 31st March 2032 (excludes any interest earned) | 16.545 |

The admin underwriting (£0.705m) and revenue fund (£0.621m) are allocated against underwriting and contribution commitments.

D. HotSW Capacity Projects

Capacity projects are in part funded from the LEP’s core operational budget; this statement shows the totals of those capacity projects’ budgets to date. Remaining funds will be invested in subsequent years.

| HotSW LEP capacity projects budgets | | | | |
|---------------------------------------|---------------------------|-------------------|------------------------|---------|
| | Previous carry forward | 2021/22 Income | 2021/22 Expenditure | Surplus |
| | £ | £ | £ | £ |
| Project | | | | |
| Enterprise Zone – EED | 0 | 0 | 0 | 0 |
| Enterprise Zone – Gravity | 13,831 | 0 | 0 | 13,831 |
| Enterprise Zone – Oceansgate | 0 | 0 | 0 | 0 |
| GSW and Rural Productivity Commission | 0 | 0 | 0 | 0 |
| Great South West | 0 | 50,000 | 17,326 | 32,674 |
| Transport Excellence Grant | 20,365 | 0 | 10,365 | 10,000 |
| Energy Strategy | 0 | 0 | 0 | 0 |
| Nuclear South West | -52,509 | 554,036 | 469,519 | 32,008 |
| Nuclear Skills Service | -11,407 | 101,115 | 59,997 | 29,711 |
| Inward Investment | 112,409 | 86,249 | 135,373 | 63,285 |
| South Coast Marine Cluster | 43,990 | 87,724 | 75,060 | 56,654 |
| Technical Assistance for ESIF | 0 | 0 | 0 | 0 |
| Growth Hub | 89,065 | 668,827 | 757,892 | 0 |
| | 215,744 | 1,547,952 | 1,525,532 | 238,164 |
| Digital Skills Partnership Catalyst | | 378,884 | 378,884 | 0 |
| Careers and Enterprise | | 2,026,670 | 2,026,670 | 0 |
| Skills Analysis Panels | | 346,000 | 346,000 | 0 |

E. European Structural and Investment Funds

The LEP, along with other local partners, advises Government on investment of £122m of European Structural and Investment Funds in the Heart of the South West area. Investment decisions and project management are conducted by the Government departments responsible for each of the three funds. Monies are to be spent by end December 2023 and are split across the European Regional Development Fund (ERDF), European Social Fund (ESF) and European Agricultural Fund for Rural Development (EAFRD).

All three funds are in the final stages with monies largely committed both withing HotSW area and nationally. In 2021/22, ERDF and ESF monies remaining in all LEP areas were absorbed into national reserve funds which existing projects could bid into for extensions. The LEP worked with the Government departments leading the projects and helped ensure that several projects in the HotSW area took advantage of this opportunity; the table below shows the position at end April and these additional awards are not reflected. EAFRD monies were fully allocated with HotSW securing additional funding beyond the original allocation.

| | European Regional Development Fund | European Social Fund | European Agricultural Fund for Rural Development |
|--|---------------------------------------|-------------------------|---|
| Total HotSW notional allocation ¹ | £62,097,723 | £44,318,182 | £15,540,333 |
| Contracted | £56,589,396 (91%) | £43,367,835 (98%) | £17,002,399 (109%) ² |
| Projects at assessment, appraisal or contracting stage | Nil | Nil | Nil |
| Total contracted + assessment/appraisal/contracting | £56,589,396 (91%) | £43,367,835 (98%) | £17,002,399 (109%) |

¹ ESIF monies are allocated in Euros so the £Sterling equivalent can alter with exchange rate changess

² Additional funds secured from the national EAFRD fund over and above the HotSW notional allocation

Future Funding

The HOTSW LEP has set out a one year forward budget. Given that Government funding for 2022/23 was not confirmed at the time of budget setting means no assumption has been made for future funding into 2023/24. The budget utilises all available funds including reserves and shows a balanced budget for the full year to ensure strategic goals are delivered and that activity fits within available funding.

| HotSW LEP Core Operational budget | | | | | | |
|---|-----------------|----|--------------|----|--------------|----|
| | 2021/22 | | 2021/22 | | 2022/23 | |
| | Original budget | | Actual | | 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 | 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 | | 0.728 | | 0.547 | |
| Transparency & governance | 0.028 | | 0.029 | | 0.025 | |
| | 1.099 | | 1.076 | | 0.659 | |
| Total expenditure | 1.898 | | 1.756 | | 1.300 | |
| Funding | | | | | | |
| Funding - assuming no core funding from Gov't and giving LEP one year forward funding | | | | | | |
| Operating core grant | 0.500 | | 0.500 | | 0.000 | |
| Area annual contributions | 1.150 | | 0.150 | | 0.145 | |
| Enabling fund repayment | 0.060 | | 0.085 | | 0.085 | |
| | 0.710 | | 0.735 | | 0.230 | |
| Additional area contributions | 0.000 | | 0.162 | | 0.000 | |
| Cashflow interest | 0.000 | | 0.038 | | 0.000 | |
| Use of reserves | 1.188 | | 1.441 | | 0.883 | |
| Growing Places Revenue | 0.000 | | 0.000 | | 0.187 | |
| | 1.188 | | 1.641 | | 1.070 | |
| Funding surplus / (shortfall) | 0.000 | | 0.620 | | 0.000 | |

Note - Total reserves available to the LEP are £1.268 (page 5). Of this £0.524m is earmarked leaving an available reserve position of £0.744 for the general budget. The above table notes a required reserve draw of £0.883m; Government has since confirmed £375k core LEP funding for 22/23 and along with the £744k available reserve, return of Growth Hub underwriting forecast in 22/23 and Growing Places interest the LEP is able to meet the criteria for a going concern.

