

FINANCE, AUDIT & CORPORATE RISK COMMITTEE MEETING

2 November 2020 10-11:30am

Invited Attendees:

- Chair: Dr Richard Smith (Board Member)
- Independent: Nick Brook
- Dorset LEP Board Members
- Dorset LEP Staff
- Others: Aidan Dunn, Section 151 Officer, Dorset Council and Lee House, Service Manager (Finance), Dorset Council

AGENDA

Item	Subject/ Title	Presenter	Actions / Recommendations	Documents
1.	Welcome Apologies and Declarations of Interest	Dr Richard Smith	Record Declarations of Interest	-
2.	Overview of Responsibilities and Assurance Arrangements	Corrina Osborne & Aidan Dunn		
3.	Overview of Finance Reporting	Corrina Osborne & Aidan Dunn		<ul style="list-style-type: none"> • Annual Accounts 19/20 • 20/21 Accounts • Financial Report Board Paper (September 2020)
5.	Overview of Risk Management	Corrina Osborne		<ul style="list-style-type: none"> • Risk Management Framework
6.	Agree Terms of Reference	Dr Richard Smith	Discussion Recommendation: 1. The Committee agrees the ToR	<ul style="list-style-type: none"> • Finance, Audit & Corporate Risk Committee ToR
6.	Any other business	All		-



DORSET

Local Enterprise Partnership

**Finance, Audit and Corporate
Risk Committee**

Terms of Reference

September 2020

1. Purpose

1.1. The Finance, Audit and Corporate Risk Committee (referred to as 'the Committee' hereafter) has been established to have oversight of Dorset Local Enterprise Partnership finances, corporate risk and audit requirements and instruct, review and challenge as appropriate.

2. Objectives

2.1. Advise and make recommendations on any changes to the Best Practice Guidance on LEP Governance & Transparency to inform changes to Dorset LEP's Policies and Procedures.

2.2. Financial oversight:

2.2.1. Receive, review and comment on draft core budget prior to submission to the Board and provide advice and guidance as requested

2.2.2. Recommend the core annual budget to the Board

2.2.3. Receive annual accounts

2.2.4. Receive reports from external bodies related to the business of the committee, approve actions/ action plans and to address issues raised and monitor implementation.

2.3. The Committee shall review and challenge where necessary all material information presented with the financial statements, such as the business review/operating and financial review and the Governance Assurance Statement (insofar as it relates to the audit and risk management).

2.4. Keep under review the adequacy, integrity and effectiveness of the company's internal financial controls and internal control and risk management systems.

2.5. The Committee shall monitor and review the effectiveness of the Dorset LEPs audit function including

2.5.1. review and assess any annual audit plan for the Dorset LEP

2.5.2. review reports from external auditors to the Committee

2.5.3. review the findings of audits; this shall include:

- a discussion of any major issues which arose during the audit
- any accounting and audit judgements
- levels of errors identified during the audit
- the effectiveness of the audit.

2.6. Other Matters:

The Committee will:

- make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- produce regular papers for the Dorset LEP Board
- have sufficient resources to carry out its duties and
 - be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members
 - oversee any investigation of activities which are within its terms of reference

- arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

2.9 All business of the Committee will be conducted in accordance with the Company Directors Responsibilities (see Appendix 2) and Nolan Principles of Public Life (see Appendix 3).

3. Status

- 3.1. The Committee is established as Committee to the Dorset LEP Board.
- 3.2. The Committee shall be fully accountable to the Dorset LEP Board.
- 3.3. The Committee has the authority to:
 - Seek any information it requires from any employees of the company in order to perform its duties
 - Obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference
 - To call any employee to be questioned at a meeting of the Committee as and when required
 - oversee any investigation of matters of concern within the Terms of Reference
 - report any unresolved concerns to the Dorset LEP Board.

4. Committee membership

- 4.1. The Committee will consist of up to 4 members.
- 4.2. The Committee will be Chaired by a member of the Board.
- 4.3. The process for selecting representatives shall be determined by the Dorset LEP Board Recruitment Process.

5. Chair

- 5.1. The Chair shall be appointed by the Dorset LEP Board from amongst those Directors of the business sector members and who does not hold an alternative office within the Board and should be voice independent of the appointed officers of the Dorset LEP Board. A Deputy Chair will be elected from the Committee membership and both positions will be subject to a two year term.
- 5.2. Duties of the Chair will include:
 - 5.2.1. Leading the smooth and effective operation of the Committee
 - 5.2.2. To ensure the Secretariat is operating effectively and within its mandate, that budgets are appropriately applied and that proper policies and processes are in place and observed
 - 5.2.3. To ensure timely advice and reporting to the Dorset LEP Board relating to the work of the Committee and any key issues that arise
 - 5.2.4. To undertake activity as required according to the delivery plan and strategy.

6. Representation and attendance

- 6.1. Committee members are expected to attend all meetings over a twelve month period.
- 6.2. Deputies shall not attend Committee meetings.
- 6.3. The quorum necessary for the transaction of the business of the Committee shall be at least three Committee members (including the Chair).
- 6.4. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chair of the Board and Dorset LEP staff may attend all or part of any meeting.
- 6.5. At the request of the Committee, a representative of the Accountable Body shall attend meetings.

7. Decisions

- 7.1. The Committee shall operate on the basis of consensus.
- 7.2. In the event that a consensus cannot be achieved on a matter requiring decision, that decision shall be taken by vote and carried if it is supported by over 50% of those present.
- 7.3. In the event of a tied decision, the Chair of the meeting will cast the deciding vote.
- 7.4. There should be a quorum of three members.
- 7.5. If a decision needs to be made outside of the meeting, decision can be sought via Written Procedure (Appendix 1). In such cases, the Secretariat shall write to each Committee member requesting agreement to a specified course of action. Committee members shall be given no fewer than five working days to respond to the Secretariat.
- 7.6. For a decision to be taken by Written Procedure, the number of members participating and the composition of those members must be as required for a quorate meeting. Over 50% of members responding to the request must indicate agreement to the proposal.
- 7.7. All decisions made by Written Procedure shall be ratified at the next scheduled meeting.

8. Meetings and papers

- 8.1. Committee meetings shall be held approximately every four months, in line with the Dorset LEP Board meeting schedule. A calendar of future meetings will be set for a year at a time although the minimum notice required for a meeting is two weeks, to ensure that all members are afforded the opportunity to attend.
- 8.2. The agenda and papers for meetings shall be approved by the Chair and issued at least five working days in advance of the meeting.
- 8.3. Meeting minutes shall be approved in draft form by the Chair and disseminated to members no later than ten working days following the meeting. Minutes shall remain in draft until approval by the Committee at the next meeting.

8.4. Minutes shall be made publicly available on the Dorset LEP website. Minutes will be redacted were they contain personal information about individuals or commercially sensitive data or for good legal reason.

9. Conflicts of interest

9.1. The Committee shall ensure that all conflicts of interest are fully disclosed.

9.2. The Secretariat shall maintain a Register of Members' Interests and publish these on the Dorset LEP website. Members shall supply information to the Secretariat for inclusion in the register, or a nil return, on joining the Committee, in response to any request for an update and on becoming aware of any new interest. The Secretariat will circulate a request for information about interests annually.

9.3. Should a member's interests change, s/he shall inform the Dorset LEP Secretariat at the earliest opportunity.

9.4. Should an issue be discussed by the Committee which presents a conflict of interest to a member, the member shall declare the conflict of interest, regardless of whether s/he has previously declared the interest in the Register of Members' Interests. Such declarations shall be minuted.

9.5. Members shall not vote or participate in discussions on any issues on which they have registered an interest.

10. Review

10.1 The Committee shall arrange for periodic reviews of its own performance and review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Dorset LEP Board for approval.

Appendix 1

Written Procedure

- A copy of the written resolution must be sent to every member of the Committee together with a statement informing the member how to signify their agreement to the resolution and the date by which the resolution must be passed if it is not to lapse.
- A member of the Committee signifies their agreement to a proposed written resolution when the Company receives from him or her an authenticated Document identifying the resolution to which it relates and indicating his or her agreement to the resolution.
- If the Document is sent to the Company in Hard Copy Form, it is authenticated if it bears the member's signature.
- If the Document is sent to the Company by Electronic Means, it is authenticated if it bears the member's signature or if it is from an email Address notified by the member to the Committee for the purposes of receiving Documents or information by Electronic Means.
- A written resolution is passed when the required majority of eligible members have signified their agreement to it.
- A proposed written resolution lapses if it is not passed within 28 days beginning with the circulation date.

Appendix 2

Seven Legal Duties of a Company Director

Extract from <https://companieshouse.blog.gov.uk/2019/02/21/7-duties-of-a-company-director/>

Duty to act within powers

A director of a company must—

- (a) act in accordance with the company's constitution, and
- (b) only exercise powers for the purposes for which they are conferred.

Duty to promote the success of the company

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company.

Duty to exercise independent judgment

Duty to exercise reasonable care, skill and diligence

Duty to avoid conflicts of interest

Duty not to accept benefits from third parties

Duty to declare interest in proposed transaction or arrangement

(1) If a director of a company is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the company, he must declare the nature and extent of that interest to the other directors.

Appendix 3

Nolan Principles of Public Life

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Risk Framework

September 2020

Introduction

This document sets out Dorset Local Enterprise Partnership's (Dorset LEP) approach to risk management, the process and activities Dorset LEP will adopt for identifying and managing risk across corporate, programme and project level, as well identifying the roles and responsibilities for employees in active risk management.

Programme Managers for each funding tranche will be responsible for reporting risk on a bi-monthly basis to the Programme Management Officer, who is responsible for recording risks.

Dorset LEP is committed to deliver its strategic objectives whilst having a clear focus on the potential risks and opportunities that face our business activities on an ongoing basis.

The key purpose of the risk framework is to ensure that key risks to Dorset LEP's delivery are identified, managed, monitored and escalated effectively across project, programme and corporate levels.

Risk can be defined as the 'effect of uncertainty on objectives'. This effect can either be a positive or negative deviation from what is expected (ISO 31000).

The focus of good risk management is the identification, evaluation, control and review of risks and opportunities to enable the delivery of key objectives. This is a responsibility of all employees at Dorset LEP.

There is significant value in the effective management of risk, including:

- Informing decision-making at committee level.
- Enabling effective use of resources.
- Enhancing strategic and business planning.
- Overcoming threats impacting on delivery.
- Providing confidence in our ability to achieve our objectives.
- Making informed investment decisions
- Strengthening contingency planning.

Policy Statement

Dorset LEP will demonstrate a proactive approach to risk management based on the following key principles:

- Risk management activity will be aligned to corporate and programme aims, objectives and priorities.
 - It will encompass all strategic and operational areas that may prevent Dorset LEP from fulfilling its strategic aims.
 - It will anticipate and take preventative action to avoid risk rather than managing the consequences.
 - It will seek to realise opportunities that arise from the monitoring of risk.
- A consistent approach for the identification, assessment and management of risk will be embedded throughout the organisation.
- Risk control and mitigation strategies will be appropriate to the scale of risk.

- All employees are required to take responsibility for the effective management of risk throughout the organisation.
- Dorset LEP Executive Team are responsible for implementing this policy and for the escalation of risks to the Corporate Risk Register as required.

Risk Management Structure and Approach

Risk management is an integral part of Dorset LEP's performance reporting process as set out in Figure 1.

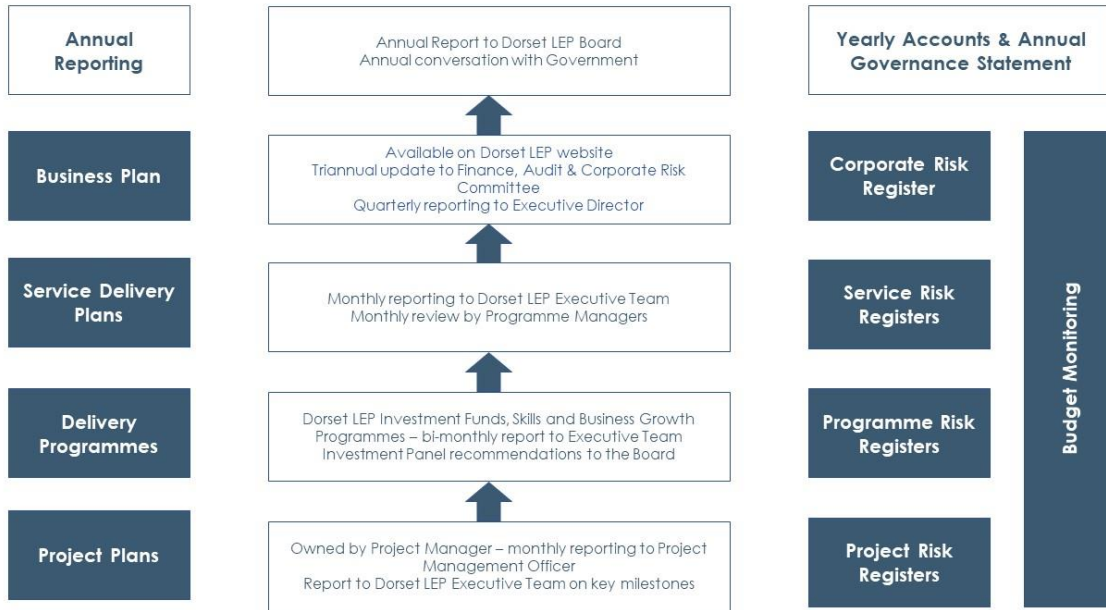


Figure 1: Dorset LEP's performance reporting process

Risk management is a cyclic process and activity to identify and manage risks, which is achieved through regular monitoring of progress against the objectives in the business plan and following the process illustrated in Figure 2.

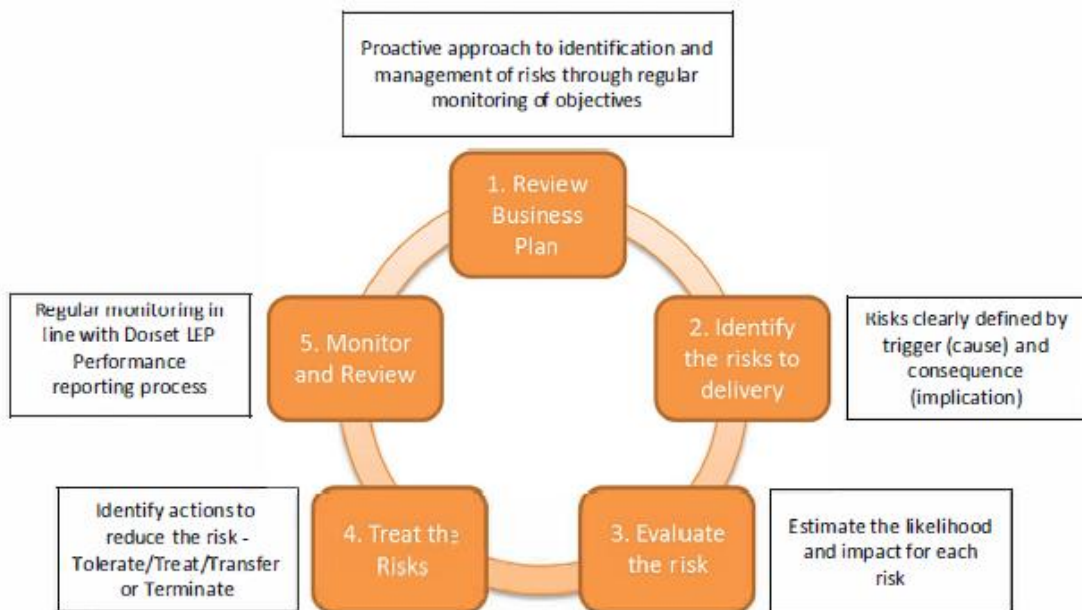


Figure 2: Dorset LEP's risk management process

Evaluation Criteria

Each risk is clearly defined by stating the cause and consequence of each risk. Five key risk categories have been identified that have the potential to create a significant impact onto delivery if not managed effectively. These are: Finance, Reputation, Delivery, Legal & Governance and Health & Safety.

The impact of each risk is evaluated on a five-point scale, with one representing a minimal risk and five a critical risk. Detailed criteria for each of the risk impact categories are provided in Appendix one.

The likelihood of each risk occurring is also evaluated on a five-point scale, where one indicates a very low likelihood of occurrence and five indicates a very high likelihood of occurrence.

Management of Risk

Once assessed, risks will be mapped using a scoring matrix to ensure Dorset LEP has a clear view of its overall risk profile. An overall 'risk score' is generated (multiplying the impact and likelihood scores) to help identify the key risks requiring immediate intervention. Risks will be recorded on a risk register which will capture the scoring for risks before and after proposed intervention (inherent and residual risks). The scoring matrix is set out in Figure 3.

5: Very high Highly likely to occur	5	10	15	20	25
4: High More likely to occur than not	4	8	12	16	20
3: Medium Could occur at some point	3	6	9	12	15
2: Low More likely not to occur	2	4	6	8	10
1: Very Low Very unlikely to occur	1	2	3	4	5
Probability Impact	1: Minimal	2: Minor	3: Significant	4: Major	5: Critical

Key for interventions:

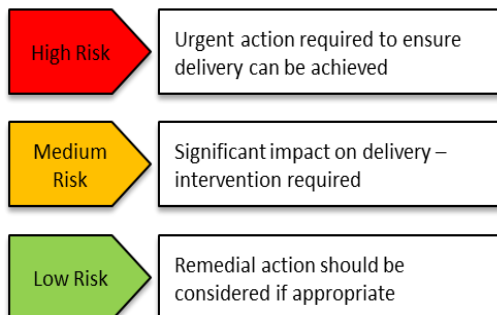


Figure 3: Dorset LEP risk scoring matrix

Once assessed and ranked, four strategic options are available to manage risks and these should be considered along with the cost/benefit of the proposed intervention:

Treat	Take direct action to reduce the level of risk to an acceptable level. Actions must be SMART (specific, measurable, agreed, realistic, timely) and allocated to individuals.
Tolerate	No additional actions taken.
Transfer	Transfer the risk to another organisation or partner to resolve.
Terminate	The risk may be so serious that withdrawal from the activity should be considered.

Roles and Responsibilities

The management of risk is captured within all areas of Dorset LEP's activity as set out below:

Role	Responsibility for Risk Management
Dorset LEP Board	Oversee effective delivery of the Dorset LEP's objectives and management of risk
Dorset LEP Finance, Audit and Corporate Risk Committee	Provide independent assurance of the risk management framework
Dorset LEP Scrutiny Committee	Provide scrutiny on progress to deliver the business plan
Dorset LEP Executive Director	Review progress towards delivery of the business plan
Dorset LEP Programme Leads	Advise on specific delivery risks
Dorset LEP Senior Executive Team	Accountability for delivery of the business plan and management of the risks affecting its delivery. Ownership of Corporate Risk Register and departmental risk registers
Programme Leads	Ensure the risk management process is promoted, managed and implemented effectively in the organization. Manage departmental risks
Programme and Project Boards	Own programme and project risk registers, escalating risks to the Dorset LEP Programme Leads/ Executive Director as appropriate
Employees	Identify and manage risk effectively in their jobs, liaising with their managers to identify new or changing risks
Internal Audit	Review the risk management process and provide assurance to officers and members on the effectiveness of controls

Risk Register

The latest version of the Risk Register is on the Dorset LEP Sharepoint site and historical copies can be found here: I:\Dorset LEP\Private\Governance\Policies & Procedures\Risk Management\Risk Register

Appendix 1: Risk Impact Scoring Criteria

Consequence	1: Minimal	2: Minor	3: Significant	4: Major	5: Critical
Financial	Minimal delay in the provision of funding.	Minor delay in the provision of funding.	Significant delay in the provision of funding.	Major delay in the provision of funding.	Critical delay in the provision of funding.
Legal & Governance	All constitutional and legislative requirements have been met and Dorset LEP is acting within its statutory powers.	There is potential for legal action but measures to mitigate against any action can be demonstrated and no legislation has been breached. Litigation, claims or fines up to £10K.	Discretionary opinion on the interpretation of legislation or contractual terms is applied to confirm Dorset LEP's ability to proceed with activities. Litigation, claims or fines up to £25K	Discretionary opinion is not followed and action taken contrary to advice of legal colleagues. Litigation, claims or fines up to £50k.	Failure to comply with legislation and contractual obligations leading to the possibility of a litigation, arbitration or adjudication claim being brought . Litigation, claims or fines up to £100K.
Delivery	Threat could have a minimal impact on the quality of, or delivery delays of up to 3 months .	Threat could have a minor impact on the quality of, or delivery delays of between 3 and 6 months .	Threat could have a significant impact on the quality of, or delivery delays of between 6 and 9 months .	Threat could have a significant impact on the quality of, or delivery delays of between 9 and 12 months .	Threat could have a critical impact on the quality of, non-delivery, or delivery delays of greater than 12 months .
Health & Safety	Known H&S threats effectively managed through appropriate control measures.	Potential for minor injury to occur that can be satisfactorily managed through Safety Management Systems.	Potential for moderate injury or dangerous occurrence to be sustained, possible reporting to the Regulatory body.	Potential for a breach in H&S rules resulting in likely intervention by the Regulatory body.	Severe injury or fatality likely to occur. Regulatory body intervention probable with threat of statutory enforcement or prosecution.

DORSET LEP COVER SHEET

Meeting Date	2 November	Item Number	N/A
Security Level:	Confidential <input type="checkbox"/>	Commercially Sensitive <input type="checkbox"/>	Unclassified <input checked="" type="checkbox"/>
Paper Title	Dorset LEP Audit Arrangements		
Recommendation	None – for information only		
Papers are provided for:	Decision <input type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input checked="" type="checkbox"/>

1. PURPOSE

This paper outlines the various ways in which the Dorset LEP activity is audited.

2. SUMMARY/BACKGROUND

Dorset LEP is frequently audited through a range of mechanisms, as outlined in this paper.

Financial Accounts

Dorset LEP accounts are held by the Accountable Body of Dorset Council and all transactions, payments and claims on third party grants are therefore monitored and recorded by Dorset Council staff.

When a local authority or combined authority acts as the accountable body for a Local Enterprise Partnership, the role of the relevant Section 151 Officer in overseeing the proper administration of financial affairs is extended to include those of the local enterprise partnership.

The [National Local Growth Assurance Framework](#) specifies 'Public funds managed by the Accountable Body will go through their external audit procedures, these will be risk-based which means that they may not receive an external audit every year' (p40). Dorset Council's Annual Audit is undertaken by Deloitte and includes consideration of the Dorset LEP's financial position. The level of scrutiny of the Dorset LEP accounts is based upon the level of materiality in the context of the whole expenditure of Dorset Council.

No general or specific concerns have been raised to the Dorset LEP nor any concern regarding risk and the final report for the 2019/20 account ending 31st March 2020 is scheduled to report during August 2020.

Additional audit requirements

The Dorset LEP receives grant monies and contractual payments from the following, all of which are paid into the Dorset LEP account held by Dorset Council

- Department for Business, Energy and Industrial Strategy (BEIS)
- Ministry of Housing Communities & Local Government (MHCLG)
- Department for Education (DFE)
- Careers and Enterprise Company (BEIS)

Dorset LEP is asked to report annually to the sponsoring Department BEIS on spend and outcomes, including a statement from the Council's Section 151 Officer regarding the quality of control and governance. This is in addition to regular monitoring.

Other Government Departments follow the same discipline requiring end of programme reports and evidence of spend, all of which is checked by Dorset Council officers. An example is the Dorset Gateway funding whereby BEIS requires annually the submission of a document detailing the financial spend, governance approach, detail on compliance with funding requirements, outputs and other key metrics.

The Careers and Enterprise Company operates to an academic year but still requires quarterly reports on expenditure, only paying the Dorset LEP on the basis of each claim. Each claim is checked and signed off by a Dorset Council finance officer and the Section 151 Officer.

Previous audits

Dorset Council published an Internal Audit Plan each year and this may consider issues of joint concerns to the Council and the Dorset LEP. For each case the audit process is agreed in advance and the reports/ findings are shared and the reports are actioned once agreed between the parties.

Examples of previous audits include that between Dorset Council and South West Audit Partnership in 2018. This was conducted to assess whether the existing governance arrangements ensured Dorset LEP identifies the correct projects to improve the economy of Dorset. There were no significant findings identified during the audit.

The Careers & Enterprise Company and Dorset Gateway are also subject to annual audit and no issues have been raised.

3. RECOMMENDATION

None – for information only.

Annual Accounts

2019/2020



FOREWORD

Dorset LEP was established in 2011. The LEP works in partnership with businesses, local government, education institutes and other industry and community organisations to drive economic growth, attract funding and investment, increase productivity, innovation and earnings across Dorset.

The main activities of Dorset LEP are governed by Dorset LEP Board supported by a number of Committees:

- Strategic Infrastructure Committee
- Skills Advisory Panel & Board
- Business Growth & Inward Investment Committee
- Enterprise Zone Committee
- Performance & Investment Committee
- Finance, Audit & Corporate Risk Committee
- Overview & Scrutiny Committee
- Nomination & Remuneration Committee
- LIS Working Group
- Connected Dorset Advisory Group
- Rural Enterprise Advisory Group
- Dorset Tourism Association Advisory Group

For 2015-2021 the LEP has successfully secured £98.5 million for Dorset through the government's Local Growth Fund to invest in economy-boosting projects focused on unlocking and unblocking key housing and employment sites, creating more highly skilled jobs, and supporting economic growth. We have also successfully launched projects via our Growing Places Fund loan scheme.

Dorset Council (DC) is the Accountable Body for Dorset LEP and provides financial, legal and technical assistance to support the LEP's programmes.

The LEP had opening balances of £25,953,379 on 1st April 2019, with in year expenditure exceeding income by £1,530,932 leaving a closing balance of £24,422,447 as at 31st March 2020. The summary statements include an Operational Income & Expenditure Statement as well as programme statements for the period between 1st April 2019 and 31st March 2020.

GOVERNMENT FUNDING RECEIVED

Dorset LEP undertakes a number of activities for which it receives specific funding from Central Government: Local Growth Fund; Growing Places Fund; Growth Hub (Dorset Gateway); and Careers & Enterprise Company, as shown in the table below:

	Opening Balance 01/04/2019	Income received in year	Expenditure in year	Closing balance 31/03/2020
Local Growth Fund	£17,824,905	£14,045,722	-£16,403,736	£15,466,891
Growing Places Fund	£6,792,725	£1,113,042	-£218,018	£7,687,749
Dorset Gateway	-	£316,302	-£316,302	-
Careers & Enterprise Company	£65,738	£126,540	-£144,459	£47,819
Dorset LEP Core	£1,270,011	£1,007,569	-£1,057,592	£1,219,988
Total Reserves	£25,953,379	£16,609,175	-£18,140,107	£22,422,447

Table 1. Government funding as at 31st March 2020.

LOCAL GROWTH FUND

This grant is received annually and is for projects agreed through the Growth Deals. 2019/20 funding received from the Ministry of Housing, Communities and Local Government (MHCLG) totaled £14,045,722. The total spend for each project is shown in the table below.

Project Name	Total expenditures to date (FY 2015-2020)
A338 Reconstruction	18,424,130
A338 Package: Blackwater Junction & A338 Widening	10,235,799
Cooper Dean	1,835,280
Wessex Fields	3,946,685
FWP (A348/A3049) Corridor	250,127
B3073 Chapel Gate	1,443,855
B3073 Hurn Roundabout	848,828
B3073 Parley West	30,000
South East Urban Mobility Strategy	118,103
Cabot Lane/Broadstone Way	21,049
Darby's Corner	11,089
Gravel Hill & Duneats	3,356,000
Hatch Pond	307,000
Poole Bridge	8,016,000
Townside Access	8,363,350
Boundary Roundabout	4,200
Gillingham Growth	415,495
Agri-tech Centre	900,000
Outdoor Adventure Centre & Estate Refurbishment	111,675
IT Infrastructure Upgrade	675
Centre of Excellence for Motor Vehicle Technology	251,296
Engineering Centre of Excellence	376,570
Centre of Excellence for Construction Skills	1,350
Engineering & Manufacturing Project	564,637
Finance & Business Services Project	1,998,054
Construction and Engineering	59,911
Digital Design	12,527
Digital and Enterprise Innovation Hub	675
Innovation Studio	603,922
LapSafe Learning Level 3	51,675
Orthopaedic Research Centre I	700,000
Orthopaedic Research Institute (ORI) Phase 2	715,241
Institute of Medical Imaging & Visualisation	1,401,275
Eden Portland	1,000,000
Jurassica	300,000

Project Name	Total expenditures to date
Mary Anning Wing	56,250
Shire Hall	56,250
Swanage Pier	56,250
Smart Place Pilot (5G)	44,606
Lansdowne Business District	1,688,930
Dorset Smart Place Investment Plan	4,000
Literary & Scientific Institute	56,250
Quadrant	600,000
Histopathology Diagnostic Hub for Dorset	1,350
Holes Bay	8,450
Western Growth Corridor	593,957
Stewart Agri-Tech Glasshouse	298,350
Governance and due diligence	73,577
TOTAL EXPENDITURE	70,214,693

Table 2. Local Growth Fund: Total expenditure for FY15/16 to FY19/20.

GROWING PLACES FUND

In 2012, Dorset LEP was awarded £9.7m from central government's Growing Places Fund (GPF) to provide short-term repayable loans to kick-start economic development projects across Dorset. From investment in business parks and business innovation to rail crossings and broadband, the GPF loan supports projects that might otherwise have stalled or not got off the ground in the first place.

During 2019/20, Dorset LEP generated £97,417 in interest loan payments and received £1,015,625 in capital loan repayments, allowing these funds to be reinvested to the economy in 20/21. The capital funds currently available for reinvestment are £6,852,042.

The total value loaned out as of 31 March 2020 is £2,594,375. Loan interest invoices continue to be raised monthly and tracked to ensure payment is received regularly, excluding to any organisation on a 'loan holiday' (agreed by the Performance and Investment Committee) due to the COVID-19 situation.

DORSET GATEWAY

This grant is received annually for the support of SME businesses in the area. Now in its third year of operation, Dorset Gateway is the central repository of information, advice and support for businesses within the county, offering a business support service and signposting to the most appropriate local or national commercial or public funded assistance available.

£205,000 was received during 19/20 from BEIS for Dorset Gateway services, and additional income of £111,302 was received for EU Exit Readiness.

Gateway expenditure totaled £316,302 during the financial year. The majority related to staff costs, £231,686 and associated activities, £62,470.

As per the grant requirements, an end-of-year audit is currently being conducted by South West Audit Partnership (SWAP).

CAREERS & ENTERPRISE COMPANY

Our funding is primarily staff costs for a Careers Hub. This is a group of secondary schools and colleges located in Dorset, working with universities, other education and training providers, employers and career guidance professionals to ensure the Gatsby Benchmarks are delivered in each school and college within the Hub and that careers outcomes are improved for all young people.

The carry forward balance from 18/19 was £65,738. Additional Funding of £126,540 was received during 19/20, which was offset by expenditure of £144,459 leaving a balance of £47,819 which has been carried forward into 20/21.

CORE OPERATIONAL INCOME & EXPENDITURE

Dorset LEP receives two elements of grant funding from the Ministry of Housing, Communities and Local Government (MHCLG) for its operational activities: core funding and strategy/capacity funding. Dorset Council and Bournemouth, Christchurch and Poole Council match funds the core funding element. The LEP also generates other sources of income including Local Growth Fund interest receivable generated by balances held in reserves by the Accountable Body (Dorset Council) on behalf of the LEP.

The LEP Board agree an annual operational budget each year which covers the running costs of the LEP's Boards, which includes staff salaries, office expenses, communications & marketing and professional fees.

Income	
Opening Reserve Balance (1)	2,076,319
Core Funding	250,000
Strategy Funding	250,000
Partner Matched Funding (2)	105,000
Additional Capacity Funding	200,000
Bank Interest (3)	299,986
Total Income	3,181,305
Expenditure	
Staff Costs	845,336
Sponsorship	13,217
Supporting Priority Sectors	5,932
Strategy Development	167,738
Legal / Insurance Fees	4,552
Marketing and Comms	16,743
Board Members Travel/Conference Expenses	4,075
Accountable Body (4)	35,000
Growing Places Fund Activity (5)	33,018
Total Expenditure	1,125,610
Net Surplus	£2,055,695

Table 3. Dorset LEP operational income & expenditure accounts as at 31st March 2020.

Notes on the core operational income & expenditure accounts:

1. The opening balance includes the total accumulated generated interest rates on GPF loans, GD programme and core funding, and underspend on previous years. Also included is £150,000 for an earmarked reserve to allow the LEP to meet its commitments should LEP funding discontinue.
2. Funding received from both Bournemouth, Christchurch and Poole Council and Dorset Council for their contribution to the LEP (£52,500 each).
3. Includes bank interest and interest generated on loans. Increase in bank interest received in 19/20 is higher than forecasted mainly due to Growth Deal. The Growth Deal had a carry forward balance into 19/20 of £17.8m and additional funds in the year of £14m. However, due to a combination of changes in EU base rate over the year (reduction) we have seen lower interest charges on existing loans and an early repayment of a Growing Places Fund loan.
4. Charge from Dorset Council for the Accountable Body support to the LEP.
5. This includes external due diligence costs on prospective Growing Places Fund loans.



DORSET

Local Enterprise Partnership