

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 & Dunyeats	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
Mary Anning Wing	56,250

Project Name	Total expenditures to date
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	845,297
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	1,125,572

Net Surplus**£2,055,733**

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.

