

LEP FINANCE UPDATE

1. ISSUE

1.1 Updating the LEP Scrutiny Board on LEP's financial position.

2. RECOMMENDATION

2.1 That the LEP Scrutiny Board note this report and raise any issues in relation to it.

3. BACKGROUND

2022/23 Income

3.1 When the management accounts provided at Annex A were prepared at the end of December 2022, CLEP's outstanding funding related to the residue of Skills Bootcamp funding; the outstanding Careers and Enterprise Company management costs for the period July 2022 onwards, the Quarter 3 and 4 funding for the BEIS Growth Hub; the CEC:HIP funding of £61,500; the recently announced £19,500 Teacher Encounter Fund and the 2023/24 CEC Programme funding. The outstanding DiT KAM payments were also to be progressed.

3.2 The most substantive outstanding funding relates to the Skills Bootcamp programmes, with the funding for this to be drawn down in line with agreed triggers. Currently the advance, is still to be fully utilised. Significant work has gone into progressing the programme to ensure effective delivery.

3.3 Currently, there are an additional two income lines that need to be added to both the income and expenditure lines the Barrow Business Support Programme and the Cumbria County Council transfer of CIF funding for the Innovating for Success grant funding, given that appraisal of grant applications is now underway. Once the details are finalised, the management accounts will be updated to include this income and expenditure line.

2022/23 Expenditure

3.4 Expenditure is currently in line with expectations and at this point there are no budgets that are causing particular concern. Although, the Board has agreed that £25,000 of funding should be vired from professional services into the communications budget and this will be included in the forecast outturn in the next management accounts.

3.5 CLEP despite best efforts has not been able to identify additional eligible expenditure that could be defrayed on the EPSRC project and as such has agreed to return the remaining £7,016 of funding. This has no material impact as it was a ring-

fenced budget and the project itself was delivered very efficiently, with EPSRC highly complimentary about the quality of the work delivered.

3.6 The budget for the 2022/23 financial year continues to show an operating surplus of £78,271. This means that unrestricted income and expenditure reserves of £591,331 are forecasted to be carried forward into the 2023/24 financial year.

2023/24 Budget

3.7 At this point it has not been possible to construct a provisional budget for 2023/24 as clarity has yet to emerge on the 2023/24 core funding, Growth Hub and DIT KAM funding. This will be produced as soon as greater funding certainty is available.

Cumbria Arts and Culture Network (CACN)

3.8 LEP Scrutiny Board members are aware that the LEP hosted the Cumbria Arts and Culture Network until the organisation could establish itself as a company. The LEP Board asked that this process was concluded by the end of December 2022.

3.9 A process was put in place to achieve this with a Deed of Termination signed between the parties with the hosting arrangements ceasing on 31 December 2022. The funds held on behalf of CACN were transferred to the new company alongside a record of expenditure.

3.10 LEP Scrutiny Board members are invited to note this report and raise any issues in relation to this.