



GREATER LINCOLNSHIRE LOCAL ENTERPRISE PARTNERSHIP LIMITED

(A COMPANY LIMITED BY GUARANTEE)

Registered number: 09223395

ANNUAL FINANCIAL SUMMARY
FOR THE YEAR ENDED 31 MARCH 2022

COMPANY INFORMATION

DIRECTORS (at year end)

Pat Doody (Appointed as Chair 01 March 2020)
Colin Davie
Rob Waltham
Debbie Barnes
Dean Fathers
Craig Leyland
Debbie Barnes
Zoe King (Nee Easey)
Sarah Louise Fairburn
Gary Headland
Nick Worboys
Alison Ballard
Phillip Jackson
Darren Cunningham
Julian Free
Oliver Hemsley
Andrew Hunter
Mandy Watson
Andrew (Chas) Dickens

COMPANY SECRETARY

Wilkin Chapman LLP
The Maltings,
11-15 Brayford Wharf E,
Lincoln
LN5 7AY

ACCOUNTABLE BODY

Lincolnshire County Council
County Offices,
Newland, Lincoln,
LN1 1YL

REGISTERED NUMBER

09223395

REGISTERED OFFICE

Greater Lincolnshire LEP
County Offices,
Newland, Lincoln,
LN1 1YL

Auditors

Duncan & Toplis
4 Henley Way
Doddington Road
Lincoln LN6 3QR

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Introduction

The purpose of the Greater Lincolnshire LEP is to improve the lives and opportunities of communities and businesses in Greater Lincolnshire and Rutland. The LEP is a partnership of public, private and education leaders from across Greater Lincolnshire who lead and support economic growth. This important role is to champion Greater Lincolnshire's economic potential, as a leader, catalyst, and convener, to enable powerful collaborations and to support a dynamic, sustainable, and growing economy. To find out more visit www.greaterlincolnshirelep.co.uk

This financial report is intended to provide an overview from the Accountable Body of the audited Greater Lincolnshire transactions for the 2021/2 financial year.

The LEP continue to operate a number of reserves allowing them to respond to operational pressures and deliver against their agreed business plan priorities.

The responsibilities on the Accountable Body for proper use of all Government grant monies discharged to the LEP are significant, and as such we have ensured that governance and decision making arrangements (via the LEP's Local Assurance Framework) are sound and that respective responsibilities and accountabilities of the LEP and the Council are clear.

The LEP received over £15million of funding within the year including its core funding allocation of £500k and the Last tranche of £12.9 million of Getting Building Fund. Expenditure amounted to £14.7 million seeing an increase in the year end cash balance.

The LEP Annual Report 2021-22 will incorporate a Financial Reporting section. Therefore the key highlights, progress and activity will be reported fully in this report which will be available for the LEP Conference/ AGM.

In the 2021-22 financial year, the LEP Board prioritised four areas; (1) our four **Game-changing sectors** outlined below; (2) **Strengthening the LEP**; (3) Continued **economic recovery**; and (4) **international trade and profile**.

Across Greater Lincolnshire they have significant sector opportunities and during 2021-22 energy and resources have been focused on four game-changing priorities; namely the **Humber Freeport**; **clean energy** across carbon capture and storage, and offshore wind and hydrogen; a **defence and security** cluster; and a **UK Food Valley**. Cross cutting all growth sectors is the comprehensive work on the skills agenda and this year the LEP have been successful in gaining Career Hub status. Skills investment is critical to drive productivity and deliver an integrated pipeline for talent, skills, and progression at all levels. This year the Government also undertook a review of the future role of LEPs and concluded the value and impact of LEPs is vital and will be realigned to support the Levelling Up agenda.

This year they successfully launched the UK Food Valley and are developing a core team to drive this forward. They have submitted a full Humber Freeport business case to Government and are chairing the Humber Freeport Innovation Board. They have implemented a Defence Board and launched the Greater Lincolnshire Defence and Security

Network. And we have secured a HPO in Offshore Wind with a Ports Hub being developed with DIT.

The Visitor Economy Board was re-established and revitalised and cross-sector groups established to drive efficiencies and growth. The UK Food Valley has been supporting key investments into the cluster including an exponential rise in glasshouse innovation and development and published a suite of investment opportunities.

As detailed above the LEP will be publishing the Greater Lincolnshire LEP Annual Report shortly which provides a comprehensive overview of the LEP or please visit www.greaterlincolnshirelep.co.uk for more information on LEP activity.

INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL SUMMARY 2021/22

<i>INCOME</i>	<i>Note</i>		<i>21/22</i>		<i>20/21</i>
Core Funding	1	£	535,500	£	575,000
Other Core contributions	1	£	323,503	£	564,387
Invest and Grow	3	£	775,933	£	242,511
Business Investment Fund	5	£	-	£	126,242
Single Local Growth Fund	6	£	-	£	18,492,802
Getting Building Fund	7	£	12,900,000	£	12,900,000
Growth Hub	8	£	573,250	£	246,000
EU Transition/Peer Network/Uplift	8	£	-	£	769,819
Interest Received	9	£	48,862	£	110,001
Total Income		£	15,157,048	£	34,026,762

<i>EXPENDITURE</i>	<i>Note</i>		<i>21/22</i>		<i>20/21</i>
Core Funding	1	£	443,826	£	595,494
Other Core contributions	1	£	531,984	£	462,213
Invest and Grow	3	£	-	£	-
Feasibility	4	£	-	£	24,286
Business Investment Fund	5	£	92,127	£	262,856
Single Local Growth Fund	6	£	183,097	£	22,092,197
Getting Building Fund	7	£	12,900,000	£	12,900,000
Growth Hub	8	£	573,250	£	246,000
EU Transition/Peer Network/Uplift	8	£	-	£	769,819
Total Expenditure		£	14,724,284	£	37,352,865

BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2022

The closing year cash balances (Note 10) as per the agreed policy are:

	<i>Note</i>		<i>21/22</i>		<i>20/21</i>
Core Reserve	1	£	887,599	£	794,364
Other cash balances	1	£	1,341,816	£	1,468,434
Invest to Grow Fund	3	£	5,045,014	£	3,360,309
Business Investment Fund	5	£	525,220	£	1,499,541
Single Local Growth Fund	6	£	-	£	183,097
Interest Received	9	£	48,863	£	110,001
Total		£	7,848,512	£	7,415,746

Long term loan investments	£	3,500,000	£	4,085,228
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

- Net spend on the account is £

	£
Core Cost net spend	(91,674)
Other Core contributions	208,481
Invest To Grow payback	(775,933)
Business Investment Fund drawdown	92,127
SLGF	183,097
Gross Interest	(48,863)
Net spend	(432,764)

The following notes provide more detail on the values shown on page 1.

Note 1: Core Funding

Within year £859k of Income and £975k Expenditure as detailed below:-

AREA - DESCRIPTION	INCOME (£)	ACTUAL SPEND (£)
Core	535,500	443,826
Skills Employment Manager	0	28,996
Greenborough Management Fee	0	35,000
Skills Advisory Panel	75,000	47,962
EM Ambassador Network Grant	52,000	15,807
Enterprise Co-ordinator	36,111	58,431
Career Kickstart/Sustainability	0	22,932
Career Hub	160,392	129,884
EM Manufacturing Grant	0	48,480
Future Proofing Coastal Tourism	0	144,493
TOTAL	£859,003	£975,810

Note 2: Match funding

There is a requirement for the LEP to match fund £250,000 of the core budget with a further £250,000 of match funding. Analysis has shown that a minimum match funding of £446,831 has been achieved supporting the delivery of the LEP core function.

These costs are made up of:-

- LCC officer support (Non Accountable Body) £ 381,355

- Research and skills £ 36,275
- Board Member time £ 29,201

Note 3: Invest and Grow

The balance as at 1st April 2021 was £4,269,081 (with applied interest).

Loan interest received in period was £190,705. A loan repayment of £585,228 was made by Lincolnshire Bomber Command.

This resulted in an increase of the loan fund (not including cash balance interest) to £5,045,014

Within the year The LEP Board agreed to use part of the fund for 2 programmes that will launch in 22/23 and a core reserve transfer. These are:-

- Clean Growth Accelerator - £2million
- Labour Market -£1.7million
- Core reserve transfer - £500K

This leaves £845,014 of flexible funds within the reserve.

Long term investment Loans as at 31st March 2022 amounted to £3,500,000 as follows:

- £3,500,000 - Chestnut Homes - Boston Quadrant

Note 4: Feasibility Pot

The feasibility fund closed in 20/21 and underspends and uncommitted grant totalling £201,580 was transferred to contribute to a Covid recovery Fund.

Note 5: Business Investment Fund

The Greater Lincolnshire Growth Fund was launched in October 2017 and was promoted through the Greater Lincolnshire website and administered through a contract with Greenborough Ltd (Business Growth and Project Management service). At the beginning of the financial year £617,347 was held on account and grant payments were made to the sum of £92,127 leaving £525,220 on the balance at year end.

Within 2021/22 the programme held 7 projects contracts:

Company	Location	Project Summary	Grant
Tong Engineering Ltd	Spilsby	To create a new production facility, enabling the company to consolidate their two existing sites in to one; safeguarding the future of the company by ensuring the business meets its growth aspirations.	£500,000

SDG Access Ltd	Navenby	To build a new bespoke business premises, enabling the company to consolidate their two existing sites in to one; safeguarding the future of the company by enabling the company to deliver against their growth aspirations	£151,346
Wolds Manufacturing Services Ltd	Louth	To build a new manufacturing facility, enabling the company to significantly improve production efficiency ensuring they have the capacity to meet increasing customer demand and deliver against future growth plans.	£327,653
WISE Software Ltd	Saxilby	The company will develop a 'goods to picker' warehouse automation system, a new robotics arm to their software business.	£218,806
PackAcre Limited	Hemswell Cliff	To build a new warehouse facility and the development of an Innovation centre at Hangar 2, Caenby Corner Industrial Estate.	£500,000
Genfrost UK Limited	Boston	The project is to get Genfrost ready for expansion and growth and be primed ready to exploit new market opportunities. The project is split in to 2 elements. Element 1 involves developing the office block to take on more staff and element 2 sees the investment in significant capital equipment to ramp up manufacturing.	£340,000
Total grant award			£2,037,805

To date £1,683,828 of grant has been paid out to the above contracts.

- Tong Engineering Ltd - £500,000 - **Complete**
- SDG Access Ltd - £151,346 - **Complete**
- Wolds manufacturing Services Ltd - £327,653 - **Complete**
- Wise Software Ltd (Orderwise) - £218,806 - **financially complete but outputs still to achieve**
- ParkAcre - £15,123 - **On-going and under review for contract change**
- Genfrost - £299,658 - **on-going**
- SBS Ltd - £131,242* - **Contract withdrawn**

*There is currently a process in place to reclaim the project grant proportion of this money (£126,242) due to non-completion of contract. The money has been accrued again in this financial year.

The programme is currently closed for applications and has a further expected spend of £525,220 however ParcAcre is under review, and this may reduce spend in 22/23.

Note 6: Single Local Growth Fund

The table below shows the total programme in year spend of £23.9million and how this was distributed across the growth deal projects.

PROJECT NAME	Single local Growth Fund
Grantham Southern Relief Road	£4,200,000
Unlocking Rural Housing	£60,000
Skegness Gateway	£71,132
Northern Junction Roundabout	£104,379
Sleaford Growth Project 2	£910,570
Advanced Engineering R and D Centre	£958,282
A46-A15 Riseholme roundabout	£44,994
Huttoft	£113,279
Sleaford Growth Project 1	£132,751
Europarc Food Enterprise Zone	£138,378
DTLA	£21,645
Borderville	£53,415
Due diligence costs	£58,840

The programme this year has been paid for by £0.183m of repaid monies and £6,684,568 of offset.

Note 7: Getting Building Fund

PROJECT NAME	Contracted Grant	Total spent to date	Expected 22/23 Spend
South Lincolnshire FEZ Phase 2	£ 6,367,839	£ 4,129,810	£ 2,238,029
Centre of Rural Health	£ 1,300,004	£ 1,300,004	£ -
Skills Capital Investment Programme	£ 7,899,175	£ 5,890,294	£ 2,008,881
Killingholme Marshes Drainage Scheme	£ 4,328,032	£ 1,987,259	£ 2,340,773
Lincoln Science and Innovation Park PH 2	£ 3,430,090	£ 1,952,451	£ 1,477,639
Greater Lincolnshire Cycle Programme	£ 2,216,860	£ 1,461,924	£ 754,936
Management Fee	£ 258,000	£ 258,000	£ -
Freedom and flexibility		£ 8,820,258	-£ 8,820,258
Total Programme	£ 25,800,000	£ 25,800,000	£ -

Within the year £14,243,159 has been paid out on project grant. This used the Second tranche of £12.9Million and £1,343,159 of the freedom and flexibility. £8.8million is forecast to be spent in 22/23.

Note 8: Growth Hub

The Greater Lincolnshire LEP secured £573,250 of revenue funding from BEIS to continue the operation of the Growth Hub (GH) service during 2021-2022. The main focus for the Business Lincolnshire Growth Hub in 21/22 has been the continued support of a wide range of businesses within greater Lincolnshire. The Business Lincolnshire Growth Hub has provided:

- a service that meets the identified needs of businesses
- align business support offers
- Developing greater intelligence to deliver an added value offer
- Develop and implement a segmented service offer

Activity has included:

- Scale-up support
- Peer networks
- Manufacturing Transformation Programme
- Supply Chain improvement programme
- Greater Lincolnshire Manufacturing Network
- Building Business Resilience
- Exporting support
- Fit for business
- Made smarter East Midlands and many more...

A detailed report on Growth Hub activity will be submitted to government on the in June 2022 and more information on individual programme activity can be found on www.businesslincolnshire.com

Note 9: Interest

All interest has been applied as per the cash balance and interest policy.

Any deposits held within the Council's cash balance, that it holds on a daily basis, on behalf of another body or party is allocated interest at a daily average yield rate, compounded quarterly over the year.

Cash Balance 1	Core Funding, Reserves and other cash balances	£6,383
Cash Balance 2	Growing Places Fund (Invest to grow)	£12,948
Cash Balance 3	Single Local Growth Fund	£29,532

Note 10: Cash Balances

As recommended by the Finance and Audit Committee and agreed by LEP board the Accountable Body will hold three distinct cash balances on account. The table below shows the closing cash balances for the year 21/22 (this includes the interest from above)

Cash Balance 1	Core Funding, Reserves and other cash balances	£2,235,798
Cash Balance 2	Growing Places Fund (Invest to grow)	£5,583,182
Cash Balance 3	Single Local Growth Fund	£29,532

The total cash balance as at 31st March 2022 held on behalf of the LEP by the Accountable body is £7,848,512.

END