

## MINUTES OF WLEP FINANCE, AUDIT AND RISK (FAR) COMMITTEE

Tuesday 8<sup>th</sup> November 2022 (10:00 – 12:00)

Virtual online meeting via MS Teams

### PRESENT:

|                             |      |                                 |
|-----------------------------|------|---------------------------------|
| Stuart Laverick (sub-Chair) | (SL) | Heart of Worcestershire College |
| Tony King                   | (TK) | Private Sector Representative   |

### APOLOGIES:

|                        |      |   |
|------------------------|------|---|
| Chris Walklett (Chair) | (CW) | Partner, Bishop Fleming                       |
| Cllr Karen May         | (KM) | North Worcestershire Political Representative |
| Steph Simcox           | (SS) | Worcestershire County Council                 |
| Gary Woodman           | (GW) | Worcestershire Local Enterprise Partnership   |

### IN ATTENDANCE:

|               |      |   |
|---------------|------|---|
| Luke Willetts | (LW) | Worcestershire Local Enterprise Partnership |
| Roxanne Small | (RS) | Worcestershire County Council               |

- |  |   | <b>ACTION</b> |
|--|---|---------------|
| <b>1. Welcome and Apologies</b>                            |   |               |
| 1.1  | Stuart Laverick deputised as Chair in Chris Walklett's absence, owing to keynote speaking commitments, at another event.  |               |
| 1.2  | Apologies were noted from Cllr Karen May, Chris Walklett, Steph Simcox and Gary Woodman.  |               |
| 1.3  | SL acknowledged group were not quorate but as there are no decisions to be taken, meeting could proceed to enable financial and risk reporting responsibilities to continue in preparation for WLEP Board meeting on 24 November. |               |
| <b>2. Declarations of Interest / Conflicts of Interest</b> |   |               |
| 2.1  | The Chair asked the Board if there were any declarations of interest.   |               |
| 2.2  | SL declared that he sits on a panel(s) at Local Authority level deciding on UKSPF allocations. Not covered on agenda today but noted for future reference.  |               |
| 2.3  | No other interests or conflicts were declared by the board.   |               |
| <b>3. Minutes and Actions from Previous Meeting</b>        |   |               |
| 3.1  | Minutes from last meeting agreed reviewed.  |               |
| 3.2  | LW confirmed all actions have been completed and/or are on agenda for discussion.   |               |

3.3 Chair asked if FAR were happy to accept minutes as accurate. These were agreed and the minutes were signed off as a true record.

#### **4. FAR Membership**

4.1 At the last FAR meeting, there was a question about Stuart Laverick's term of office on FAR committee. Stuart has kindly agreed to remain on FAR Committee until August 2023, at which point he will be stepping down from Principal role at HoW College.

4.2 However, the group had a conversation about membership more broadly, and ensuring governance arrangements are routinely refreshed accordingly. TK highlighted that he has served on FAR for several years and whilst he remains happy to support the LEP, it may be appropriate to consider recirculating elsewhere within the organisation.

4.3 LW agreed and acknowledged that WLEP Local Assurance Framework (LAF) has not been updated for a couple of years, in part due to the national uncertainty resulting from National LEP Review and anticipated updates to the National Growth Local Assurance Framework (NGLAF) for Mayoral Combined Authorities (MCAs) and LEPs.

4.4 LW also noted that terms of office were closely monitored at WLEP Board level for Non-Exec Directors, and that this should flow to sub-boards too.

4.5 Agreed there was a need to refresh WLEP LAF, if only for the board and sub-board membership element. LW to produce a first draft for comment/review by FAR in January 2023.

**LW**

#### **5. 2022 / 2023 Quarter 2 Financial Report**

5.1 RS presented the 2022/2023 Quarter 2 financial report to FAR in Steph Simcox's absence.

5.2 RS highlighted that Q2 report was indicating a forecast underspend of £26k at the end of the financial year due to a reduction in spend on services and supplies, event delivery and small income from District Councils for services provided on UKSPF Investment Plan development.

5.3 RS also flagged the risk associated with underspend of GBF on the Constructions and Automotive Skills Centre (CASC) project. LW added that WLEP have formally written to Kidderminster College to seek assurances on ability to defray funding by 31 March 2023. A meeting has been set up later in November between WLEP and Kidderminster College to discuss this issue.

5.4 LW updated that the Growth Hub have commenced recruitment following approval with Worcester City Council (accountable body for Growth Hub). This has not been straight-forward, and labour market is competitive which is adding to the challenge. Team remains positive about recruiting high calibre individuals to augment core WGH offer.

- 5.5 SL thanked RS for presentation of the report and acknowledged sound work of the team to achieve cost savings, alongside continuing to deliver quality events using virtual/hybrid models. Reaching audience via digital methods is critical.
- 5.6 SL queried use of resources being provided to the Chamber of Commerce to develop the Local Skills Improvement Plan (LSIP). Chamber will receive £500k over 3 years but will undoubtedly need the support of the partnership to deliver successfully.
- 5.7 LW advised that several conversations are underway involving key partners including the Chamber, LEP, Growth Hub and County Council with a view to resolving this issue. LW advised will bring back an update on LSIP position and use of resources to next FAR meeting. **LW/GW**
- 5.8 SL welcomed this and was also keen to stress that HoW College are keen to support and be a part of the LSIP development too. The available resourcing needs to be shared across the partnership to deliver a successful outcome.
- 5.9 FAR agreed for Q2 report to be submitted to WLEP Board, supporting all recommendations. SS to update WLEP Board at November meeting. **SS**
- 6. Growing Places Fund loan repayment update**
- 6.1 At the last meeting, the FAR Committee noted a clear recommendation that the GPF loan to Worcestershire County Cricket Club (WCCC) should not be written off, if this can be avoided.
- 6.2 WLEP and the Accountable Body met yesterday (7 Nov) to continue negotiations with WCCC to outline position and explore creative solutions to ensure value is retained.
- 6.3 Outcome will be reported to FAR and WLEP Board once a proposal has been agreed by all parties. **GW/SS**
- 7. WLEP Annual Report to OSPB 2022**
- 7.1 LW advised FAR that WLEP's annual report to Accountable Body's scrutiny panel (OSPB) took place on 29 September 2022.
- 7.2 OSPB had some key lines of enquiry around the Energy Strategy, including hydrogen, geothermal heat sources in the county, and potential district heat network opportunities, which were all dealt with to their satisfaction.
- 7.3 OSPB were content with report provided and acknowledged continued great work of the LEP on behalf of the county. LW will circulate final minutes and webcast link to FAR Committee for information once published. **LW**

## **8. WLEP Risk Register**

8.1 LW updated FAR Committee on changes made following review undertaken at the last meeting and advised it would be appropriate to escalate the funding risk to red again, in the context that funding certainty from Government nationally for LEPs and Growth Hubs is unclear beyond March 2023.

8.2 FAR accepted this proposal and supported escalating this to WLEP Board. **LW**

8.3 TK commented that mitigating action information in register is lengthy and for exec summary should just provide latest information on mitigating actions in place.

8.4 LW agreed and advised list of mitigating actions retained for audit purposes, but an exec version will be produced for FAR which lists latest mitigating actions only. **LW**

## **9. Summary of Key Messages and Reporting to WLEP Board**

9.1 FAR Committee update to LEP Board in November, to include the

- 2022/23 Quarter 2 Financial Report – by SS
- Risk Register update – by LW

## **10. Forward Plan for Next Meeting**

10.1 FAR Committee discussed proposed business for next meeting of FAR. Outline agenda suggested as:

- 2022/23 Q3 financial report (including WCCC GPF loan update)
- Risk Register review
- LSIP update on resource usage across partnership
- Local Assurance Framework draft update (board/sub-board membership and term of office etc.)
- Update on Government funding streams e.g. UKSPF and LUF

## **11. AOB**

11.1 SL asked if any substantive updates relevant to LEP following Government's 'mini budget' event on 17 November, to circulate virtually rather than waiting for next FAR meeting.

## **12. FAR Meeting Dates for 2023**

12.1 Thurs 19 January 2023 (Q3 2022/23) @ 10am-12pm  
Weds 5 July 2023 (Q4 2022/23) @ 10am-12pm  
Weds 13 September (Q1 2023/24) @ 10am-12pm  
Weds 8 November (Q2 2023/24) @ 10am-12pm