

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

Wednesday 14<sup>th</sup> September 2022 (10:00 – 12:00)

Bishop Fleming Offices, 1-3 College Yard, Worcester, WR1 2LB

### PRESENT:

Chris Walklett (Chair)	(CW)	Partner, Bishop Fleming
Tony King	(TK)	Private Sector Representative
Steph Simcox	(SS)	Worcestershire County Council
Gary Woodman	(GW)	Worcestershire Local Enterprise Partnership

### APOLOGIES:

Cllr Karen May	(KM)	North Worcestershire Political Representative
Stuart Laverick	(SL)	Heart of Worcestershire College

### IN ATTENDANCE:

Luke Willetts	(LW)	Worcestershire Local Enterprise Partnership
Roxanne Small	(RS)	Worcestershire County Council
Nicola Millar	(NM)	Worcestershire Local Enterprise Partnership

- 1. Welcome and Apologies** **ACTION**
  - 1.1 Chris Walklett welcomed the FAR Committee to the meeting. Apologies were noted from Cllr Karen May and Stuart Laverick.
  - 1.2 NM advised that Stuart Laverick had previously announced intention to step down from FAR Committee commitments from Summer 2022. Need to confirm this and resolve WLEP Board representative to take Stuart's place on FAR. **LW**
- 2. Declarations of Interest / Conflicts of Interest**
  - 2.1 The Chair asked the Board if there were any declarations of interest.
  - 2.2 CW declared that WCCC and Select Research, two recipients of Growing Places Fund loans awarded by WLEP, are clients of Bishop Fleming. CW also sits on Herefordshire and Worcestershire Chamber of Commerce Board.
  - 2.3 No other interests or conflicts were declared by the board.
- 3. Minutes and Actions from Previous Meeting**
  - 3.1 Minutes from last meeting agreed as an accurate record.
  - 3.2 Chair noted length of time since previous meeting (Jan 2022) and invited review of actions.

- 3.3 LW confirmed all actions have been completed.
- 3.4 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. Update on National LEP Review outcome**

- 4.1 LW updated FAR on outcome of the National LEP Review as have not formally met since this was communicated from Government on 31 March 2022.
- 4.2 LW outlined key points around Government policy intention to retain LEPs and see them more closely aligned with local democratic institutions. Three pathways were described, and where devolution deals or county deals are in place/underway, then LEP functions will be transferred to relevant MCA or UTLA.
- 4.3 GW added that Worcestershire's current political position is not to seek a devolution deal so Worcestershire are on Pathway 2 – LEP to remain.
- 4.4 Local interpretation of the Government letter and agreement of LEP and WGH roles (Delivery, Convenor, Strategic, Business Voice/Intel) were highlighted, informed by the stakeholder engagement carried out with Local Authorities.
- 4.5 LW highlighted that LEP and Growth Hub funding allocations from Government had been reduced for 2022/23 nationally. 25% reduction for LEPs and 50% reduction for Growth Hubs.
- 4.6 In providing FAR with an update on National LEP Review outcome, LW also updated on some local updates for wider context:
- Mark Stansfeld has now stepped down as LEP Chair after coming to end of his term and Julie Snell now standing in as interim Chair.
- 4.7 Chair thanked LW on his informative update.

#### **5. 2022 / 2023 Quarter 1 Financial Report**

- 5.1 SS presented the 2022/2023 Quarter 1 financial report to FAR.
- 5.2 SS reiterated the reduced budget envelope that both LEP and WGH are operating within in 2022/23 due to reduced Government settlements this year nationally. However, a balanced budget had been signed off by LEP Board and included the use of circa £21k from reserves, approved by LEP Board in May 2022.
- 5.3 SS advised FAR that LEP Exec Team and Accountable Body continue to review planned and actual expenditure to identify further opportunities for rationalisation. Work continues in this area, but early forecasts indicate a broadly breakeven budget position at end of 2022/23.

- 5.4 LW added some examples of spend review including liaising with the Chamber on on-cost charges for services supplied to LEP, as well as a revised model to business engagement which will see the LEP annual conference event replaced with a series of smaller business engagement events held across the county throughout the year.
- 5.5 SS updated FAR on recent meetings held with GW and the Worcestershire County Cricket Club (WCCC) on their GPF loan repayment plan. Two options have been put forward by WCCC to restructure the repayment of loan. FAR Committee supported Option A which involved higher interest repayments and shorter payback period.
- 5.6 TK and CW recognise the need for the WLEP to be a supportive partner, but would exercise caution in continually restructuring loan(s). WLEP is a partnership and not a charity. Continuous flexibility risks undermining our credibility.
- 5.7 WLEP and Accountable Body to continue negotiations with WCCC before preparing a recommendations paper for WLEP Board in November. **GW / SS**
- 5.8 SS noted recommendation from FAR on the options advised for repayment.
- 5.9 Chair invited further questions from the board. No additional questions were raised.
- 5.10 FAR agreed for Q1 report to be submitted to WLEP Board, supporting all recommendations. LW to update WLEP Board at Sept meeting. **LW**
- 6. WLEP Annual Report to OSPB 2022**
- 6.1 LW advised FAR that WLEP's annual report to Accountable Body's scrutiny panel (OSPB) is scheduled for 29 September 2022.
- 6.2 OSPB have requested a specific focus on Energy Strategy updates.
- 6.3 LW will circulate final report to FAR Committee for information. **LW**
- 7. WLEP Risk Register**
- 7.1 FAR Committee reviewed the risks in context of the National LEP Review update provided earlier and evolving fiscal conditions across UK and globally.
- 7.2 Suggested updates were noted and agreed that a Risk Register report should be submitted to WLEP Board in September to note de-escalation of 2 net red risks. LW to develop and present. **LW**
- 7.3 FAR agreed for a further review of the updated Risk Register at the next meeting in November.
- 8. Summary of Key Messages and Reporting to WLEP Board**

8.1 FAR Committee update to LEP Board in September, to include the

- 2022/23 Quarter 1 Financial Report – by LW
- Risk Register update – by LW

**9. Forward Plan for Next Meeting**

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

- 2022/23 Q2 financial report
- Risk Register review
- OSPB feedback

**10. AOB**

10.1 No other items raised

**11. FAR Meeting Dates for 2022**

11.1 8 November 2022 (Q2 2022/23) @ 10am-12pm