

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

Thursday 19th January 2023 (10:30 – 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

APOLOGIES:

Cllr Karen May	(KM)	North Worcestershire LAs Representative
Steph Simcox	(SS)	Worcestershire County Council
Gary Woodman	(GW)	Worcestershire Local Enterprise Partnership
Stuart Laverick	(SL)	Heart of Worcestershire College

IN ATTENDANCE:

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

- | | ACTION |
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| 1. Welcome and Apologies | |
| 1.1 Chris Walklett welcomed attendees to the meeting. | |
| 1.2 Apologies were noted from Cllr Karen May, Stuart Laverick, Steph Simcox (with Roxanne Small acting as substitute) and Gary Woodman. | |
| 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 were reviewed. | |
| 3.2 LW confirmed all actions have been completed and/or are on agenda for discussion with one exception. The WLEP Local Assurance Framework (LAF) has not been updated due to team working on other priorities including WLEP Chair recruitment and APR preparation. | |
| 3.3 WLEP LAF is being prioritised in Q1 and will come to the next FAR meeting – to support a discussion. | LW |

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. 2022 / 2023 Quarter 3 Financial Report

4.1 RS presented the 2022/2023 Quarter 3 financial report to FAR in Steph Simcox's absence.

4.2 RS highlighted that Q3 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.

4.3 LW highlighted some of the mitigating actions undertaken to address the risk associated with underspend of GBF on the Construction and Automotive Skills Centre (CASC) project. The Exec Team have now met with Kidderminster College to seek assurances on ability to defray funding by 31 March 2023. The College have now agreed lease terms on the building, meaning that they have the necessary assurance to invest the capital funding into equipment and the fit-out which will utilise the GBF allocation.

4.4 LW also added that the Project Development Fund allocation within Growing Places Fund has recently had successful calls upon it, including £35k to support development of a Supplementary Planning Document for Shrub Hill Quarter regeneration scheme, and £15k to support the recruitment of a WLEP Chair. A further application for £35k will be considered at WLEP Board in February, linked to a potential heat network in Worcester City using the River Severn as a heat source.

4.5 CW thanked RS for presentation of the report and FAR noted the additional points raised on GBF and GPF as above.

4.6 FAR agreed for Q3 report to be submitted to WLEP Board, supporting all recommendations. SS to update WLEP Board at February meeting.

SS

5. Growing Places Loan Repayment Fund Update – WCCC

5.1 CW excused himself for this item of agenda due to potential conflict of interest, as WCCC are a client of Bishop Fleming. LW advised that discussions remain underway between WLEP (WCC as accountable body) and Worcestershire County Cricket Club with regards to the proposals for the outstanding GPF loan repayments.

5.2 FAR Committee maintain the view that every attempt should be made to avoid writing off the debt and look at all potential opportunities available to ensure to gain value from the agreement.

5.3 FAR requested a formal detailed update on progress and proposals at the next meeting.

**GW /
SS**

6. WLEP Chair recruitment update

- 6.1 LW referenced the paper provided to WLEP Board in November 2022 which set out context for requirement to seek a new WLEP chair, and subsequent agreement from Board to allocate £15k budget to support this activity.
- 6.2 Following WLEP Board in November, WLEP Exec Team have drafted a requirement spec and sought quotations from four external agencies to support. Following three high quality responses, WLEP have appointed an agency to support this activity.
- 6.3 Agency were appointed on 17 January 2023, and overarching programme involves putting advert live at end of Jan, with shortlisting and interviews to take place end of Feb, with a view to appointing a new chair in March 2023.
- 6.4 FAR Committee noted the update and confirmed they were content with progress being made and associated timescales set out.

7. BEIS Annual Performance Review (APR) 2022/23

- 7.1 LW advised that HMG issued guidance to all LEPs prior to Xmas on the APR process for 2022/23.
- 7.2 This year, prior to APR, Government have sorted all 38 x LEPs into two 'tiers' based on their existing assessment of LEP's performance this year. As a result, the intensity of the APR process will be determined by which tier we are in.
- 7.3 BEIS has advised the Exec Team that WLEP have been categorised in the 'lower' tier (this is good) and therefore the APR process will be a relatively light-touch approach as a result, because they have no significant concerns about our performance – this is based on previous APR outcomes, capital programme performance on spend and outcomes, governance arrangements in place etc.
- 7.4 WLEP issued final submission to BEIS on Friday 13 January, which was signed off by Vice Chair and CEO, and was forward to FAR and WLEP Board for information.
- 7.5 The Exec Team will be meeting with Ian Smith (BEIS) immediately after our WLEP Board meeting on 3 February to complete the APR process for this year. The final outcome will be reported to the FAR Committee and WLEP Board once it is received from BEIS.

LW

8. Update on Government Funding Streams

- 8.1 LW updated that WLEP have submitted UKSPF applications to all six District Councils in Worcestershire for two projects:
- BetaDen

- Worcestershire Growth Hub (WGH)

8.2 Discussions are positive and WLEP remain hopeful of securing funding for both projects. WGH is seeking funding for all three years (2022/23 – 2024/25) whereas BetaDen is seeking funding for years two and three of the UKPSF programme.

8.3 Governance arrangements differ slightly for each Local Authority but WLEP are in discussions with each Local Authority and impressing on them the importance of contracting sooner rather than later to provide the certainty and assurance required to enable mobilisation so that delivery and associated outputs can be achieved.

8.4 FAR noted the update and agreed with Exec Team attempts to agree funding agreements asap to provide certainty and enable delivery.

8.5 LW updated FAR on the Government announcements re: outcome of the LUF Round 2 applications. In Worcestershire, only MHDC was successful, and was awarded £19m+ to support improvements to the Malvern Theatres,

9. **WLEP Risk Register**

9.1 FAR Committee reviewed the Risk Register and updated latest mitigating activity on a number of risks. However, no changes to risk assessments made.

9.2 LW to reflect additions made and re-issue Risk Register.

LW

10. **Summary of Key Messages and Reporting to WLEP Board**

10.1 FAR Committee update to LEP Board in February, to include the

- 2022/23 Quarter 3 Financial Report – by SS
- Risk Register update – by LW

11. **Forward Plan for Next Meeting**

FAR Committee discussed proposed business for next meeting of FAR.

Outline agenda suggested as:

- 2022/23 Q4 financial outturn report
- WCCC GPF loan repayment proposal update
- Local Assurance Framework draft update (board/sub-board membership and term of office etc.)
- Risk Register review
- APR 2022/23 outcome

12. **AOB**

12.1 No items of AOB raised

13. **FAR Meeting Dates for 2023**

13.1 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