

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

Tuesday 06th July 2021 (13:00 – 15:00)

Virtual Meeting via Zoom Video Conferencing

PRESENT:

| | | |
|------------------------|------|---|
| Chris Walklett (Chair) | (CW) | Partner, Bishop Fleming |
| Tony King | (TK) | Private Sector Representative |
| Stuart Laverick | (SL) | Heart of Worcestershire College |
| Steph Simcox | (SS) | Worcestershire County Council |
| Gary Woodman | (GW) | Worcestershire Local Enterprise Partnership |

APOLOGIES:

| | | |
|----------------|------|---|
| Cllr Karen May | (KM) | North Worcestershire Political Representative |
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IN ATTENDANCE:

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|---------------|------|---|
| Luke Willetts | (LW) | Worcestershire Local Enterprise Partnership |
| Phoebe Dawson | (PD) | Worcestershire Local Enterprise Partnership |

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| 1. Welcome and Apologies | | |
| 1.1 | The Chair welcomed the FAR Committee. Apologies were received from Karen May. Phoebe Dawson from Worcestershire Local Enterprise Partnership was welcomed ahead of her slot later in the agenda. | |
| 2. Declarations of Interest / Conflicts of Interest | | |
| 2.1 | The Chair asked the Board if there were any declarations of interest. | |
| 2.2 | No 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 | LW added all actions have been addressed and the Growth Hub has been invited as part of this agenda. LW also confirmed that BetaDen issues discussed at FAR's last meeting will be covered in the next Worcestershire Local Enterprise Partnership Board meeting later this month on 28 th July. | |
| 4. 2021 / 2022 Quarter 1 Financial Report | | |
| 4.1 | SS presented the 2021/2022 Quarter 1 financial report to FAR. | |

- 4.2 SS flagged a concern re: annual budget due to core funding for LEP not being received yet, despite being more than one full quarter into the new financial year.
- 4.3 A reserve of £122k is being managed in the LEP's funding, however large proportion of that figure (£108k) is allocated to manage any potential risk of redundancies for LEP executive team.
- 4.4 LGF is no longer being reported on, due to successful 100% defrayal of this funding programme at end of 2020/21.
- 4.5 Unable to report on Q1 spend profile for GBF programme due to meeting being held so close to end of Q1 and exercise not yet being completed, however not expecting any major concerns based on Y1 profile being met. This will follow for LEP Board.
- 4.6 The Growth Hub annual grant is expected to spent in line with budget profile across 2021/22, this has been received from BEIS.
- 4.7 SS updated FAR that Debra Goodall has now left WCC and WLEP have a new finance contact in SS team, Sofia Mahmood.
- 4.8 Chair invited questions from the board. None were raised and agreed for report to be submitted to WLEP Board, noting updates on core funding and GBF Q1 to be incorporated accordingly. LW to update WLEP Board in July due to SS on annual leave. **LW**

5. Risk Register

- 5.1 LW led a review of the Risk Register and FAR updated the rankings of risks according to mitigation and an assessment of the impact/probability of the risk.
- 5.2 As a result of the review, there are now 18 live risks identified on the WLEP Risk Register with the following changes to the risk profile:
- 2 risks were 'down-graded' i.e. a reduction in their probability and/or impact values
 - 12 risks had no change to their overall scores
 - 4 risks were 'up-graded' i.e. an increase in their probability and/or impact values
 - In addition, 3 risks were closed or consolidated to reduce duplication
- 5.3 As a result of the changes made, the risk profile of the WLEP Risk Register is now:
- Green – 4 risks
 - Amber/Green – 8 risks
 - Amber/Red – 4 risks
 - Red – 2 risks

- 5.4 FAR Committee acknowledged the uncertainty surrounding the National LEP Review and felt this should be reflected in the Risk Register, hence the risk profile identified.
- 5.5 During discussion on risks and changing Government policy on economic development funding, SL asked about the Skills White Paper and queried if any clarity on LEP role in the development of local plans, linked to the overlapping geography issue. GW confirmed still no clarity on this currently or steer nationally as to whether this will impact on LEP Review.
- 5.6 LW to update the Risk Register and provide a report to WLEP Board escalating the two red risks and seek views on mitigation strategy. **LW**
- 6. Growth Hub Business Plan 2021 / 2022**
- 6.1 PD outlined key points from her report to the FAR Committee.
- 6.2 PD provided an update to her previous report to FAR at the end of Q4 2020/21 and wanted to highlight progress made since the transition of the Growth Hub to the LEP.
- 6.3 The Growth Hub team transferred in January 2021.
- 6.4 Government are looking at the Growth Hub model nationally as a positive and therefore likely that there will be more ongoing support in the future as a vehicle for delivering consistent business support in localities.
- 6.5 The existing team lacked project management skillset, and this has been addressed in part through recent recruitment. These project roles have been bought into the Growth Hub team as a resource, however, the LEP team will make use of these too as additional capacity.
- 6.6 The Growth Hub team is working well with the DIT. Figures have been provided from Government, which GW will share with FAR and WLEP Board to provide further context on performance. **GW**
- 6.7 Core funding has increased for the Growth Hub in this financial year to match the Core and Supplementary funding of 20/21. This has enabled the Growth Hub to scale up and procure additional support, including the Specialist Business Advisor programme.
- 6.8 The Growth Hub is in a healthy position currently.
- 6.9 The Chair invited questions and received the following:
- TK asked if FAR will receive quarterly accounts from Growth Hub, and indeed whether it was necessary. PD added that she can provide full oversight to provide assurance but felt due to the bureaucracy of the claim forms that including further management information in the LEP financial report may be a more pragmatic **SS/PD**

solution. SS added this can be included as a feature to FAR/WLEP Board for the Growth Hub claims on a quarterly basis.

- SL raised a query about the nature of demands from companies and are they being met. PD confirmed that the procurement of a new diagnostic tool will support the team to understand and deliver on this.
- CW added he would like to see more info and detail on the KPI's for Growth Hub performance. PD agreed to add this in to the draft business engagement strategy but acknowledged KPI focus may change per quarter if Government request it.
- CW also interested in support/advice being provided as lockdown restrictions look to be lifted on 19 July. Is this a cause for concern for businesses? PD stated that this intelligence is shared with BEIS but at the moment businesses seem to be comfortable with the solution they have put in place over the last 12 months and will review if necessary once government make final announcement. PD also confirmed that the GH website and that of partners will continue to link to most up to date Government guidance on gov.uk.

6.10 Chair asked if any further questions and closed on this and thanked PD for the informative presentation and work undertaken.

7. Summary of Key Messages and Reporting to WLEP Board

7.1 FAR Committee update to LEP Board in July to consist of reports on the following areas:

- 2021/22 Quarter 1 Financial Report – by LW
- Risk Register escalation – by LW

LW

7.2 FAR Chair to also note the key messages from FAR discussion today:

- Growth Hub Review
 - Acknowledgement of the positive progress being made
 - Be realistic when setting KPIs for future Growth Hub performance monitoring

8. Forward Plan for Next Meeting

8.1 FAR Committee agreed to defer to LW to advise on suggested items for the next meeting of FAR. Following meeting LW suggested:

- 2021/22 Q2 financial report
- WLEP 2021/22 report to OSPB feedback
- Risk Register

9. AOB

9.1 No other issues were raised.

10. FAR Meeting Dates for 2021

16th November 2021 (Q2 2021/22) 13:00 - 15:00