

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

Wednesday 19th January 2022 (10:00 – 12:00)

Virtual Meeting via MS Teams Video Conferencing

PRESENT:

Chris Walklett (Chair)	(CW)	Partner, Bishop Fleming
Cllr Karen May	(KM)	North Worcestershire Political Representative
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:

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 their first meeting of the new calendar year. No apologies were noted, with all members attending.
- 1.2 SS advised FAR that a new finance support officer (Roxanne Small) would be invited to join the meeting later in agenda to introduce them to FAR members ahead of commencing new role supporting LEP and FAR in February 2022.

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.
- 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 the FAR's discussion last meeting about WLEP's annual report to OSPB and the FAR suggestion that OSPB membership is extended to co-opt business and education representatives. The Committee agreed that this would be undertaken by the Council's Scrutiny team should this be required for 2022

- 3.3 LW referenced context of concern was that OSPB were at risk of moving into priority setting for LEP whereas the role of OSPB as set out by KM was more retrospective and to ensure decisions made by WLEP were sound and provided VfM etc.
- 3.4 CW queried FAR's role in OSPB and the appropriateness for FAR Chair to attend. SS advised that OSPB was performing a WCC 'function' and whilst WLEP FARC does not play a role in shaping the scrutiny function(s) of WCC, there is a standing invitation for WLEP FAR Chair to attend WLEP items.
- 3.5 SS updated that provisional date for WLEP's Annual Report to OSPB in 2022/23 is scheduled for May 2022 and committed to raising with Legal & Democratic Services the suggestion from FAR re: business and education representation at OSPB.
- 3.6 KM suggested that WCC Leader, Cllr Simon Geraghty, should attend future WLEP items at OSPB.

SS

4. 2021 / 2022 Quarter 3 Financial Report

- 4.1 SS presented the 2021/2022 Quarter 3 financial report to FAR, and referenced the local workforce context at the County Council which has seen a huge turnover across the finance workforce and an ongoing challenge to successfully recruit permanent replacements.
- 4.2 SS highlighted that remaining 50% (£250k) of 2021/22 core grant funding for LEP previously with-held by Government has now been released and received by Accountable Body. This issue had applied to all 38 LEPs nationally.
- 4.3 However, future funding certainty for LEPs does not exist beyond 31 March 2022 and is subject to the outcome of the National LEP Review and Levelling Up White Paper.
- 4.4 To take back some control and provide some certainty locally, WLEP are proposing to allocate £500k of GPF funds for use in 2022/23 if Government decide to no longer provide the Core Funding Grant for LEPs in the next financial year or another external funding stream. This would underwrite WLEP operations to the value of the Core Funding and enable the LEP to transition from its current operation, respond to nationally imposed decisions, whilst maintaining momentum on a 2022/23 programme of delivery.
- 4.5 FAR Committee supported the proposal and felt it was a wise use of resources given the current uncertainty and desire to maintain momentum and delivery on key local priorities. TK queried eligibility of GPF to be utilised this way and SS outlined that the proposed GPF funding is eligible for this use, having been issued as capital investments initially, but having received revenue returns of circa £1.5m from projects including Redditch Gateway and Hoobrook Link Road in the last 12-18 months.

4.6 Despite the staff turnover issues affecting the finance workforce, SS assured FAR that WLEP is forecasting an estimated break-even budget for 2021/22. At this point, SS introduced Roxanne (RS) to meet FAR and introductions were made. RS commences in role to support WLEP as well as the rest of E&I on 1 Feb 2022.

4.7 Chair invited questions from the board. No additional questions were raised but SL voiced his personal support for proposal, citing added value provided by WLEP across the skills agenda, in particular.

4.8 FAR agreed for report to be submitted to WLEP Board, supporting all recommendations. SS to update WLEP Board for the January Board . **SS**

5. Risk Register

5.1 LW outlined the comprehensive review of Risk Register undertaken by FAR in Q1 and drew FAR attention to 3 x risk in particular:

- Risk 6 – Political change in LEP remit and responsibilities
- Risk 8 – Staff resources and risk of insufficient funding
- Risk 12 – Lack of government support or funding results in poor delivery of strategy

5.2 FAR agreed to reduce risk ranking for these risks subject to WLEP Board approval to WLEP transition funding plan referenced in previous item, as this would provide sufficient mitigation.

5.3 GW flagged a couple of risks that could be removed to keep the Risk Register manageable. TK commented that he would be comfortable with rationalising and removing some of the green and low amber risks to ensure we are focusing on the key risks. KM supported this proposal.

5.4 LW agreed to circulate an updated Risk Register post-WLEP Board decision with updated and rationalised list, highlighting the proposed list of risks to merge/remove for FAR endorsement. **LW**

5.5 CW queried how the Risk Register connected to WLEP Exec Team. LW and GW responded by confirming it is not used daily but is referenced at regular intervals by the Management Team and when liaising with BEIS. The team undertake activities which are driven by the risk register as part of the mitigation strategies.

6. Summary of Key Messages and Reporting to WLEP Board

6.1 FAR Committee update to LEP Board in January on discussions had, to include the

- 2021/22 Quarter 3 Financial Report – by SS **SS**

6.2 CW invited FAR to comment on the key messages from FAR discussion today, summarised as follows:

- Finance Report
 - Complimentary about the work undertaken by SS and her team in preparing the financial report(s)
 - Supportive of all recommendations in paper including the LEP transition proposal to allocate £500k GPF funds
- Feedback from WLEP Annual Report to OSPB
 - Useful discussion and debate on scrutiny arrangements to clarify role of OSPB

7. Forward Plan for Next Meeting

7.1 FAR Committee discussed proposed business for next meeting of FAR in context of transition proposal. Outline agenda suggested as:

- 2021/22 Q4 financial report
- Risk Register
- Stock take of where we are following National LEP Review / Levelling Up White Paper outcomes
- Review WLEP 2022/23 agreed programme and prioritise areas of interest for FAR review during 2022/23

8. AOB

8.1 No other items raised

9. FAR Meeting Dates for 2022

9.1 12 July 2022 (Q4 2021/22) @ 10am-12pm
 14 September 2022 (Q1 2022/23) @ 10am-12pm
 8 November 2022 (Q2 2022/23) @ 10am-12pm

9.2 FAR to review dates and advise LW of any clashes so alternative FAR meeting dates can be considered. **ALL**