

**Cheshire and Warrington Enterprise Partnership
Finance & Audit Committee Meeting Minutes**

14th December, 2021 by MS Teams

Present:

Chris Hindley(Chair), Tony Bochenski

In attendance:

Ian Brooks, Paul Goodwin (CEC), Michael Todd (CEC), Mike Benson (Murray Smith), Nicola Tucker (Murray Smith)

Apologies:

Stephen Kinsey, Alex Thompson (CEC)

PART A – Public Session

Agenda Item 1: Apologies and Introductions

1.1 CH welcomed members and apologies were noted as above.

Agenda Item 2: Conflicts of Interest

2.1 No conflicts of interest were declared in relation to Agenda Items.

Agenda Item 3: Minutes of the Meeting 14th September 2021

3.1 The minutes were accepted.

Agenda Item 4: Actions and Matters Arising

4.1 The budget scenarios were subject of a separate paper to be discussed at the meeting.

4.2 IB advised that the “on the spot verification” audit of the C&W Development Fund, mentioned in the September minutes, had been completed satisfactorily.

Agenda Item 5: Review of the Management Accounts to 31st October 2021

Management Accounts

5.1 IB presented a paper covering the first seven months of financial activity for the LEP. The committee was reminded that the budget for the year anticipated a deficit and that after seven months the actual deficit of £59k was less than the plan of £101k deficit.

5.2 IB explained that all other things being equal, the change in recognition of income and the decision, taken at the previous meeting to reduce the amount drawn from retained business rates towards operational support, would have reset the budget deficit for the year at £557k. The forecast outturn is however, significantly better with a projected deficit of £395k. The forecast reflected cost savings on staff expenditure, operating costs and a reduced deficit on the Accelerate Project. This outturn would leave operational reserves close to £500k, considered to be a prudent level in the current climate.

5.3 The delay to receiving core income has led to a prudent approach within the LEP towards expenditure, but the committee welcomed that the second tranche of core funding was now being released by DHLUC/BEIS.

5.4 IB provided the committee with a verbal update on the changes to the Accelerate project now agreed by the University of Chester and DWP. The project has been scaled back and will run for a shorter period than originally planned. The LEP remains committed to provision of £600k of grants towards training and a contribution towards the operating costs. ESF funding will effectively double the LEPs investment.

5.5 Noting that costs were expected to increase for the EZ programme, TB asked for clarification regarding the treatment of costs of developing projects. It was agreed to take the question to the Growth Corridors Sub-board and IB would brief John Adlen.

ACTION: IB

5.6 In response to a question from CH, IB explained that following their request CWaC are paying the costs associated for the LEP to relocate within Wyvern House. Further, that the temporary space and terms offered would yield some small rent savings this financial year.

5.7 The committee noted the report.

Review of Programme Funds

5.8 IB presented an overview of the position with respect to capital programme funds. He mentioned that an independent review of the LGF was expected to be conducted next year, with the scope due to agreed by P&I. Decisions regarding the small remaining balance of LGF funds would await the outcome of the review.

5.9 IB explained that for the Getting Building Fund, which Government has targeted to be spent by 31 March 2022, some challenges are emerging. The projects are being monitored closely.

5.10 Regarding the GPF loan to Cheshire Green, IB reported that two plot sales are being progressed with a possibility that some funds will be returned before the financial year end.

5.11 The general account for Retained business rates is expected to receive payments from CEC and WBC before the end of the financial year. Drawdown of project loans to repay GPF are also expected before the year end.

5.12 The committee noted the positions with respect to capital programme funds.

Agenda Item 6: Progress Report against Internal Audit Plan 2021/22

6.1 MT provided a verbal update on progress.

6.2 Most of the audit work tends to take place in Q1 and Q4 for each financial year. MT confirmed that scoping work has commenced to support the s151 officer's assurance statement on compliance with the Accountability Framework.

Agenda Item 7: Review of Corporate Risk Register

7.1 IB reported that since the last meeting of the committee, Rebecca Luck, the recently recruited programme manager, has started to review risks in detail. CH commented whether it was premature to close the risk relating to the LEPs response to Covid. IB explained that the risk was inserted when the pandemic began and it was now generally felt that the LEPs response over the past two years had enhanced, not damaged, its reputation with local businesses. We are not complacent about on-going Covid waves to the LEPs reputation with business, but any criticism regarding the level of support provided to business has generally been targeted on central government.

Agenda Item 8: Any Other Business.

8.1 There was no other business.

PART B

Agenda Item 9: Budget Scenarios 2022-23

9.1 IB presented a paper on budget scenarios explaining that the delay to publication of the LEP Review and White Paper on Levelling Up until the New Year continued the uncertainty regarding planning for next year.

9.2 The committee accepted IB's assurances of the LEP's continued solvency for the medium term.

Date of Next Meeting

15th March 2022, 10.00-12.00 Location TBC.