



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

19th December 2019 Wyvern House, Winsford

Present:

Tim Wheeler (Chair)
Chris Hindley
Stephen Kinsey

In attendance:

Ian Brooks, Paul Goodwin (CEC)

Apologies:

Philip Cox

Agenda Item 1: Apologies and Introductions

1.1 Tim Wheeler welcomed members and attendees to Committee meeting.

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 24th September 2019

3.1 The minutes were accepted.

Agenda Item 4: Matters Arising

4.1 IB confirmed that the analysis of financial risks and therefore the associated level of reserves would be discussed as part of the budget setting process.

4.2 Committee members were aware that changes to the bank mandate had been approved by the Board at its October meeting and IB confirmed that the bank had been notified accordingly.

Agenda Item 5: Management Accounts October 2019 and Full Year Forecast 2019/2020

5.1 IB highlighted the key points illustrated in the paper.

5.2 The Committee asked a series of questions to understand the causes underlying the main variances in the accounts to date and the full year forecast, for which IB provided explanations.

5.3 IB confirmed that the LEP produces management accounts on a monthly basis, typically within two weeks of the month end, and monitors the cash position closely, including balances held by Cheshire

East Council on behalf of the LEP. IB was able to assure the Committee that there are no causes for concern in the short to medium term regarding the levels of reserves or general solvency of the LEP.

5.4 The committee noted the report and the explanations provided accordingly.

Agenda Item 6: Draft Budget 2020/2021

6.1 IB presented a detailed paper covering income and expenditure for the “core” policy and strategy functions of the LEP and income and expenditure for the delivery programmes. While both parts make up the combined budget of the LEP, each is planned and budgeted to operate in a financially balanced way. The Committee noted how, since setting the budget for 2019/20, the range and overall scale of delivery programmes has increased as a proportion of the LEP’s activities, changing the operational dynamics and risk profile of the LEP.

6.2 The Committee made detailed enquiries into why income and cost budgets are changing between the forecast position for 2019/20 and the budget 2020/21. IB referred to explanations previously outlined in the paper adding detail where appropriate.

6.3 There was recognition that MHCLG Additional Funding is assumed to stop in 2020/21, but that an underspend from the prior two years will carry forward to provide some support to the LEP operating costs in the coming year. Similarly, there is a carry forward of some BEIS core funding to support further strategy work.

6.4 Recognition was also given to 2020/21 being the final year of the LGF programme and from which the LEP receives a management fee and supplementary grant (arising from interest earned by CEC) of up to £200,000 per annum.

6.5 In examining the use of retained business rates, the committee noted the revised expenditure forecast in 2019/20 for £350k of on Business Cases and that budget provision had been made for £500k to be used in 2020/21, which includes £400k for business cases and £100k for “place” marketing. The committee also noted how the proposed EZ loan and interest would impact on the EZ fund and the LEP reserves.

6.6 The committee noted the report and supported that the draft budget be presented to the full board in January’s discussion forum, before final approval at the February Board Meeting.

Agenda Item 7: Review of Risk Register

7.1 The committee reviewed the Corporate Risk Register placing particular emphasis on those risks with the highest risk scores and the associated mitigating actions.

Agenda Item 8: Any Other Business

8.1 IB proposed a forward plan of Agenda Items for meetings during 2020, to which items can be added throughout the year, which was supported by the committee.

Date of Next Meeting

March (date and time to be confirmed)