

**Cheshire and Warrington Enterprise Partnership**

**Finance & Audit Committee Board Meeting Minutes**

**11th December 2018 Wyvern house, Winsford**

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| **Present:**Tim Wheeler (Chair)Stephen Kinsey Alex Thompson, s151 Officer CEC (Accountable Body)  |
| **In attendance:**Mark Livesey, Neil Taylor (CEC) |

**Agenda Item 1: Apologies and Introductions**

1.1 Tim Wheeler welcomed members 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: Draft Minutes**

3.1 The draft minutes circulated with meeting papers were agreed to provide a full and accurate account of the May meeting.

**Agenda Item 4: Management Accounts – September 2018**

4.1 Mark Livesey introduced the Management Accounts for September 2018, including the forecast for 2017/18. Key points were as follows:

* Additional MHCLG funding of £200,000 had been bid for (now agreed and received), which would be used to fund the Local Industrial Strategy and the new Finance Director post.
* Higher than budgeted interest due to rate rise and profiling of spend from Local Growth & Growing Place Funds.
* Staff Remuneration – increase due to funded post (see above).
* Growth Hub Consultancy – work on transition from Blue Orchid to in-house service. Some costs are claimable from BEIS.
* Recruitment costs – higher than budget due to a number of recruitments.
* Overall, the forecast for the year was currently a £96,674 profit, which when the £100,000 budgeted use of reserves was taken into account, meant a small deficit of just over £3,000 was anticipated for the year.

4.2 A general discussion on the figures followed, including the current interest rates, reassurance on the additional MHCLG funding (now agreed), Enterprise Zone income and any potential clawback (this would be via future income rather than existing LEP funds), the Local Industrial Strategy (including confirmed spend with Local Authorities) and the likely start date of the new Finance Director (April 2019 or just after).

**Agenda Item 5: Draft Budget 2019/20**

5.1 Mark Livesey took the Committee through the draft 2019/20 LEP budget. A number of income streams from 2018/19 would be ending in 2019/20 e.g. GPF revenue or reducing e.g. Interest, EU Technical Assistance, and therefore there would be an increase in the amount of Enterprise Zone income required to balance the operating budget; this was well within the (up to) £1 million amount that the LEP Board had agreed.

5.2 There was a discussion about the amount of EZ income required in the 19/20 budget. Mark Livesey explained that the figure of £451,600 was very much a worst case scenario, as there were other as yet not known amounts that would reduce the income required within the operating budget e.g. synergies with Marketing Cheshire etc. Future EZ income forecasts and use of income were also discussed and income was expected to increase quite significantly in the near future given several new occupiers. It was confirmed that the draft budget, and use of EZ income would be going to the full Board for their agreement.

5.3 Other items highlighted within the draft budget included the increase in staff remuneration (due to post funded by MHCLG monies), reduction in Consultancy (due to appointment of Transport Director), increase in Marketing (which now included amount previously in EZ budget) and an increase in the Contingency amount from £50,000 to £100,000. On the last point, the Committee agreed that the Contingency amount should stay at £50,000, thus enabling a balanced budget position.

5.4 The reserves strategy was also discussed and it was agreed that there were sufficient funds to wind up the company, if ever necessary, within the draft budget.

**Action LEP Executive: Update draft budget, as agreed and take to full board for approval**

**Agenda Item 6: Any other business**

6.1 It was noted in the minutes from the last meeting (para 6.3), that a programme of Internal Audit work would be brought before the Committee. Alex Thompson confirmed that he had just received the revised plan form CEC Internal Audit, and it was agreed that this would be circulated to the Committee.

**Action LEP Executive: To circulate Internal Audit plan**

6.2 In response to a query regarding the Corporate Risk Register, it was confirmed that this currently went to the Performance & Investment Committee. Following a discussion, it was agreed that the register should also come to the Finance & Audit Committee.

**Action LEP Executive: To include Corporate Risk Register on a future F&A Committee agenda**