



Greater Lincolnshire LEP Finance & Audit Committee

5th March 2020

The Bentley Hotel, Newark Road, south
Hykeham, Lincoln, LN6 5NH

Minutes

Welcome and Introductions

Present:

Andy Orrey (Chair), Ian Knowles, Stephen Deville

Apologies:

Robert Griffiths, Kate Storey, Laura Spittles

LEP Executive:

Ruth Carver, Linsay HillPritchard, Louise Higham, Sue Groves (Note Taker)

Declarations of Interest -

There were no declarations of interest.

Minutes & Matters Arising (Paper 1)

The minutes from the Finance & Audit Committee meetings held on 16th October 2019 were accepted as a true record with one amendment.

Matters Arising:

- No matters arising.

Action List updated

- Louise Higham attending this meeting as per the Action Log
- Growth Hub minutes circulated
- LHP amended the reserve figure on Accountable Body
- KS reviewed and amended the numbers of the draft Terms of Reference
- Delegation limits to be part of the Policy Review

IK instigated a discussion regarding Climate Change and what role the LEP would have. RC responded by stating that an Energy Strategy is in the process of being produced and would be part of a Green Action Plan. IK believed this subject good for the LEP to lobby MPs. RC agreed that she would generate a discussion the LEP Board meeting.

RC updated the Finance & Audit Committee regarding the new members to the LEP Board:

- ❖ Pat Doody confirmed as the Chair (previous Vice Chair)
- ❖ Alison Ballard from BAE Systems
- ❖ Yvonne Adam from Youngs Seafood
- ❖ Air Commodore Suraya Marshall as a co-opted member for a year

LEP Financial Year End Interim Report (Paper 2)

The financial year end process is currently being implemented and the audit will take place on the 18th to the 20th May 2020, which will be carried out by Duncan and Toplis Accountants. A query was raised whether Accountants were given a two year term. It was confirmed that quotes had been requested covering a 2 year period and whilst it was not formally contracted, it was recommended that Duncan and Toplis be engaged for the 19/20 audit. Following this audit, a further procurement exercise will take place to cover the LEP audits for the next 2-3 years. The audit this year will focus on one project and LHP will check which project was chosen, believed to be Lincoln Transport Hub.

To meet sign off targets and timetables a rolling plan has been devised which was agreed by Committee members. It was also agreed that financial information be sent to Committee members through written procedures for approval if the GLLEP Board requires an update earlier.

LHP is currently working on the end of year report which needs to be published by the end of June (Government deadline).

Future dates of Finance & Audit Committee to be confirmed by Laura.

Actions

- LHP to check that Lincoln Transport hub was the chosen project for the audit walkthrough.
- LS to confirm future dates of Committee Meetings

Budget Setting (Paper 3)

Committee members were given an outline budget for the financial year 2020/21. The Committee recommended that the GLLEP Board approve the outline budget as presented, subject to the Delivery plan being approved in March 2020.

The Delivery Plan will focus on the LEP programme of activities and projects and will include the strategic objectives, project forecasts and milestones for the coming year. These are agreed with local partners and the Ministry of Housing, Communities and Local Government and are due to be submitted in June 2020.

RC stated that the Defence Sector in Lincolnshire is growing quickly to respond to issues.

Regarding the deficit forecast for 2020/21, it was accepted and if necessary could be covered by reserves.

Due to the unresolved geography of the LEP, negotiation is ongoing for the release of £100,000 by Government for capacity to implement the LEP Review. As not all of the expenditure identified is committed, further recommendations would be made during the year to reduce the gap by either reducing activity or by sourcing additional funding from partners. This is an ongoing situation as devolution may be discussed in the future.

LEPs have been positively encouraged to work on their Local Industrial Strategy for the area, which develops the long term vision of the economy. The LEP network is lobbying national government for additional resources to build capacity for both the implementation of the LIS and preparation for the UKSPF, the successor funding to European funding. It is important to lobby for items in the LIS and could be dependent upon the comprehensive spending review.

The Committee accepted the recommendations for the budget of 2020/21 and the position for future years.

LEP Governance and Policy Review (Paper 4)

The following two policies were reviewed:

- 1 LEP Financial Interest Policy - needs amendments
 - Calculation of interest needs reference to past auditors test cases
 - Grants need to be flexible for other uses
 - SLGF - projects should provide robust claims
 - Core Funding - words need amending
- 2 LEP Financial Reserves Policy
 - Identification Process - authority to use reserves - suggested the use of the scheme of delegation aligned to the Delivery Plan and any significant change would need to be reported to the Board.

- Proposed Reserve Funds - Retention of 75%(?) to ensure that the LEP can operate for one year.

The committee agreed that the budget was affordable with the appropriate use of reserves to cover the current deficit in the identified Expenditure and Income. It was recommended the budget be agreed with the following considerations:

- The budget is fully aligned to the agreed delivery plan
- The current deficit (85k) is funded from the LEP Core reserve unless other contributions come forward
- The core reserve is built up to its current level in the years preceding 20/21.

Greater Lincolnshire Growth Fund (Paper 5)

An update on the Greater Lincolnshire Growth Fund was given, which is a fund managed and delivered through Business Lincolnshire and administered through a contract with Greenborough Management Ltd.

The fund was created to support private sector businesses operating one of the LEP's priority sectors and to add value to other existing funding streams. Currently there is just over £1m available for funding as funding of almost £2m has been granted to 6 projects, two of which are near to completion, Tong Engineering Ltd and SDG Access Ltd.

So far, there have been 51 jobs created and 20 jobs safeguarded.

LH gave a more detailed overview of one project, Wolds Manufacturing Ltd, which has been operating since 2013. The company are manufacturers of fine fragrance and have expanded to 22 staff during the first 5 years of trading.

They are building a new facility which has already created 7 new jobs with a further 9 in the future.

There have been 70 enquiries for the remainder of the fund, some of which are taken to the Investment Committee for approval.

Date of next meeting

9th June 2020 at 10.00am - venue to be confirmed.

Actions

LHP to check that Lincoln Transport hub was the chosen project for the audit walkthrough.
LS to confirm future dates of Committee Meetings