

**Welcome and Apologies**

**Present**

Ian Knowles (IK) Acting Chair

Robert Griffiths (RG)

**Officers** - Ruth Carver (RC), Linsay Hill-Pritchard (LHP), Laura Spittles (LS), Caroline Illingworth (CI)

**Guests** - Halina Davies (LEP)

**Apologies:**

Stephen Deville (SD)

No declarations of interest were declared.

There is still an outstanding action to launch a campaign to recruit new F&A Members as well as a new Chair. Now that the LEP Levelling up White Paper has been released this action can now be progressed.

The minutes from the previous minutes were agreed and signed off by the Committee.

**Financial Report**

LHP presented the Board with an overview of the current LEP financial position and detailed income and expenditure for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> December 2021.

An interim budget was presented to the Directors Board in March 2021. The overall core budget was estimated at £1.171million. This was to be funded by a combination of core funding, earmarked reserves, re-purposed funds, grant income, fee income and interest. This was revised in May 2021 with proposed increases for the Career Hub and other activities to support LEP activity. At the end of December 2021, the expected outturn for 21/22 was £1.316 Million. This equates to 63% of the budget already spent, 32% of the budget committed and 5% uncommitted.

Through the year the LEP have received £13.717 million within the year including the £500,000 Core Funding allocation and the £12.9 million for the Getting Building Fund.

The majority of the projects under the Single Local Growth Fund programme are now financially complete. Further Project claims have been submitted for the Q3 period and these have now been processed by the team. The LEP are expected to make payments of £717,000.

All the SLGF money has been paid out and the LEP now using the freedom and flexibilities created in previous years to complete the remaining projects. £8.5million of freedom and flexibility budget remains to be spent with a revised figure of £6.8 million expected in 21/22. £1.7 will be paid in 22/23 and this includes £0.8m underspend which will be included as part of the Growth Accelerator fund.

£7.072 million has been released to projects to date on the GBF programme following the first 2 claim submissions. A further £4.057million will be released following completion of the Q3 claims. Utilising this fund has been challenging throughout the pandemic by the projects have managed to keep within the proposed time frames for completion milestones.

The LEP currently hold £15,715,163 in reserves although these have been earmarked for certain areas (further details under LEP Chief Executive Update). The LEP holds several reserves to allow a response to operational pressures and deliver their agreed business plan priorities - a few which are required to be accessed in this financial year.

The LEP recently invited four companies to quote to undertake the LEP Audit for the next 3 years. Out of these four companies we have two submissions in. RG reviewed these quotes on behalf of the LEP and concluded that the most suitable option was the proposal from Duncan & Toplis. IK was happy to support RG recommendation to go with Duncan & Toplis and this option will be taken to the Directors Board for final approval.

### **Risk Management Plan**

As part of an internal review of LEP governance and assurance processes, a new Risk Management Plan has been created, clarifying risk definitions and scoring, and setting out reporting and escalation procedures.

The LEP Risk Register has been revised to comply with these new definitions, with the addition of inherent and residual risk scoring to enable better targeting of mitigation actions.

Going forward there will be more consistency in scoring risks and undertaking assessments. The Committee were shown a full version of the new Risk Register but at future meetings a lighter touch version will be presented that shows the main points and a status report.

The Committee approved the new Risk Management Plan and Register.

### **Local Assurance Framework**

This document sets out how the Greater Lincolnshire LEP uses public money and how it operates transparently, with accountability, and provides value for money. It has been developed following the release of the Government's revised National Local Growth Assurance Framework and informs Local Enterprise partnerships (LEPs) on what should be included within their local assurance framework. The full version can be read here - [Local Assurance Framework | Greater Lincolnshire LEP](#).

### **LEP Chief Executive Update**

The LEP currently hold £15.7 million in reserves. A proportion of this will be used as offset for the Single Local Growth Fund and the Getting Building Fund. The reserves reviewed in autumn 2021 and some money from this was reassigned for projects. The first of these projects is the Clean Growth Accelerator Fund for which £2 million has been set aside. This call asks for projects ideas that will accelerate clean growth and align to the LEP's Economic Plan for Growth 2021 and the Government's Ten Point Plan for Green Industrial Revolution, helping to meet the net zero challenge and contributing to economic revival.

The second project is the Labour Market Challenge Fund. The LEP Team has gathered intelligence by meeting with sector boards and large businesses to sense check what is already known about the challenges and to discuss possible solutions. The team is using this intelligence to inform the design of a £1.7m call, funds which have been identified by the LEP Board to support solutions that address labour market shortages.

The LEP Futures Group reported to the Directors Board regarding the challenges faced in terms of the everyday running of the LEP. The LEP Board agrees to underwrite the costs of running the LEP until 31st March 2023 to the maximum value of £557k, if required.

The Directors Board have asked the LEP Team to develop a delivery plan and agree with partners for 2022/2023 with three funding scenarios, no core funding, 50% core funding (£250,000) or 100% core funding from government (£500,000)

The LEP have recently undertaken the Annual Performance Review which was extremely positive. There have been thorough checks carried out to make sure the LEP is meeting the criteria set. This then goes into full national moderation to decide the outcome of funding streams.

### **New F&A Members**

Outstanding action to advertise for new F&A members. CI will work closely with Kate Storey to move this forward.

### **Freeports**

Halina Davies gave a presentation on what the Humber Freeports means for Greater Lincolnshire. The region's ports have successfully won a bid to become established as a collective Humber-wide freeport, and now for both the Greater Lincolnshire and Humber & East Yorkshire (HEY) LEPs, plans shift towards meeting priority sector targets in green energy, job creation and retention, and UK supply chain logistics.

The Humber currently accounts for 23% of all goods travelling through English ports, adding £7.6 billion GDA to the UK, and supports around 35,000 regional jobs. It is therefore vital to the country's logistics sector that the ports of Goole, Grimsby, Hull, and Immingham continue to thrive. With freeport status, these four combined areas will be able to encourage more businesses to use the Humber as their dedicated logistics port for customs processing, with the incentives of paying reduced VAT, employment tax, discounted business rates, and a reduction in stamp duty.

It is hoped that the Humber Freeport will be operational from Spring 2022.

**A.O.B**

None

**Next meeting**

A short meeting will be arranged in March for the Committee to approve the 22/23 Budget.

The next F&A Committee meeting will be held in July 2022 to discuss the end of year finances for 21/22 and the Q1 finances of 22/23.