



CONFIDENTIAL

BUCKINGHAMSHIRE LEP (BLEP) AUDIT AND FINANCE SUB GROUP MEETING

Held Tuesday 25 August 2020 from 3pm via Teams

- Present:** Hiren Gandhi (Chair) (HG)
 Lucy Edge (LE)
 Cllr Martin Tett (MT)
- In attendance:** David Harvey, Buckinghamshire Council, S151 Representative (DH)
 Ian Barham (IB)
 John Rippon (JR)
 Sarah Fraser (SF)

MINUTES

ACTION

1 MINUTES OF THE MEETING HELD ON 5 MAY 2020

The minutes of the meeting held on 5 May 2020 were agreed as an accurate record; the actions arising had been completed or were covered on the agenda.

2 MEMORANDUM OF UNDERSTANDING

Further to the paper provided, it was reported interim arrangements are currently in place governing the relationship between BLEP and Buckinghamshire Council with respect to financial management support.

An updated Memorandum of Understanding, with a detailed Service Level Agreement, reflecting the newly incorporated status of the LEP and changed arrangements within Local Government, will be completed and shared with the Sub Group by end September 2020 and thereafter with the main BLEP Board at its meeting on 4 December 2020.

IB

It was noted the desire is for the LEP to become more independent of the Council in financial arrangements, drawing on best practice observed around the rest of the country but recognising BLEP does not currently have a dedicated in-house financial resource. The aim will be to seek to minimise any overlap in services whilst acknowledging that Buckinghamshire Council will continue to be closely involved with the LEP, particularly in large capital funded projects, as the LEP’s accountable body.

3 CAPITAL PROGRAMME CONTRACT ARRANGEMENTS

JR outlined the provisions, clauses and protections contained within current standard contract documents being used in respect of grant and loan funding awarded by the LEP.

The Sub Group noted the current standard contract conditions, asking the executive:

IB/JR

- To ensure there is consistency going forward across all standard contract negotiation/documentation, acknowledging that historically there have been some inconsistencies in arrangements with project sponsors.
- To ensure that all applicants are aware early in the process of the standard conditions they will need to 'sign up to' in entering into a contract with the LEP.
- To ensure that applicants are aware there may be additional conditions attached to funding, proportionate to the risk involved, if required.
- To ensure additional benefits arising from LEP supported schemes are captured, reported and shared.

4 FINANCIAL SUMMARY UPDATE

IB shared details of the current financial position and the level of current and predicted future reserves, including predicted returns from the Enterprise Zones and net gainshare from the Broadband contracts (noting that gainshare returns can be used unencumbered at the end of the contract periods, or prior to the end of contract periods can be reinvested into Connected Counties or digital roll out work).

It was confirmed the aim is to build and hold approximately £5m in reserves to enable the LEP to provide emergency support in future if required (similar to the Buckinghamshire Recovery Investment Fund provided in recent months) but also to provide capacity for reinvestment.

Reserves currently held and future income from the Enterprise Zones and end of contract Broadband gainshare payments will all be 'clean' funding for the LEP to use as it sees fit to meet capital or revenue requirements.

It was agreed:

- **IB will share an updated financial summary chart with Sub Group members outlining the current reserves position and how this might grow over time.**

IB

5 RISK REGISTER

Sub Group members noted the updated Risk Register previously circulated, reviewing those items producing the greatest risk to BLEP (delivery partner failure; failure to secure Aylesbury Woodlands planning in December 2020; loss of key member(s) of the executive or Board) and the measures put in place to help mitigate these risks.

Recognising the importance to the LEP of key individuals, in terms of knowledge and experience, and key relationships, it was agreed:

- **HG will speak to the Remuneration and Nomination Sub Group chair (Andrew Smith) regarding the possible appointment of a Deputy Chief Executive.**

HG

6 ANNUAL PERFORMANCE REVIEW

IB undertook to share a review of progress against the LEP's 2019/20 Delivery Plan, and a copy of the draft Delivery Plan for 2020/21 once completed.

IB

It was confirmed the Annual Performance Review mid-year assessment will likely be held in October 2020 and will, again, be structured around Delivery, Strategy, and Governance.

7 ANY OTHER BUSINESS

Nothing of note.

8 DATE OF NEXT MEETING

➤ Thursday 12 November 2020, 11am-1pm, via Teams