

**CONFIDENTIAL**

**BUCKINGHAMSHIRE LEP (BLEP) AUDIT AND FINANCE SUB GROUP MEETING**

Held Thursday 12 November 2020 from 11am via Teams

**Present:** Hiren Gandhi (Chair) (HG)  
Richard Harrington (RH)  
Cllr Martin Tett (MT)

**Apologies:** Lucy Edge

**In attendance:** Claire Hunter, Buckinghamshire Council S151 Representative (CH)  
Ian Barham (IB)  
Sarah Fraser (SF)

## MINUTES

### ACTION

#### 1 MINUTES OF THE MEETING HELD ON 25 AUGUST 2020

The minutes of the meeting held on 25 August 2020 were agreed as an accurate record; the actions arising had been completed or were covered on the agenda.

#### 2 FINANCIAL SUMMARY UPDATE

The Sub Group reviewed the financial performance dashboard previously circulated noting that the LEP continues to “run lean” in terms of revenue funding, with an increasing need to source revenue outside the LEP’s core contract with Government (eg utilising Enterprise Zone receipts).

In terms of the capital programme, delivery continues well, with the programme being monitored on a daily basis to ensure the LEP achieves 100% defrayal by year end.

The LEP achieved a rating of ‘Good’ on governance at the last Annual Performance Review. However, in the last few months, private sector resignations from the Board have resulted in the LEP no longer complying with Government’s public/private sector balance requirements. It was hoped to address this following interviews for additional private sector directors on 16 November, applications being received from a broad spread of people reflective of the Buckinghamshire economy, and acknowledging the need for Board members with experience of Whitehall and operational in sectors that are transformative for the economy. It was noted that following the current recruitment drive attention will be focussed on the process to recruit a new Chair.

With regards to reserves, it was reported reserves currently held for the Growth Hub and Skills will move under Buckinghamshire Business First’s (BBF) control, as they will be managing these workstreams; the LEP will retain control of LEP management, GPF and LGF reserves.

It was confirmed the intention is to retain 1 year's operating budget in terms of LEP management reserves to meet 'going concern' requirements (this figure will be reviewed with the Section 151 Officer to ensure it is sufficient); the company looking to retain GPF reserves to provide leverage against new programme funds.

It was confirmed a paper will be prepared for the LEP Board on the LEP's financial situation, looking forward at a suggested revenue and capital strategy for the coming 5 years, building in financial projections for expected income from Enterprise Zones etc.

Within this, it was suggested it would be useful to consider acquiring a permanent base for the LEP, housing the LEP, Growth Hub and Skills Hub teams, providing raised profile for the LEP and, ideally, a connection to place. **It was suggested preparing a paper for the Board outlining the estimated quantum required to achieve this ambition.**

RH

The Sub Group acknowledge the need to grow reserves in line with staff growth.

### 3 MEMORANDUM OF UNDERSTANDING (MoU)

Further to discussion at the last meeting and to the document circulated, the Sub Group reviewed the draft MoU between Buckinghamshire LEP and Buckinghamshire Council, amended to reflect the LEP's newly incorporated status, the local government restructure within the county, and to ensure transitional arrangements are in place to support the Section 151 function.

In order to provide appropriate oversight, it was noted the executive will recommend to the Remuneration and Nominations Sub Group the appointment of a Finance and Governance role to:

- Manage the day to day financial management of the LEP.
- Prepare financial accounts and updates.
- Support reports/submissions to Government.
- Provide oversight of governance and assurance arrangements.

This role would be employed directly by the LEP but seconded to Buckinghamshire Council, enabling access to the council's financial systems and information; this being more cost effective than implementing a completely new financial system for the LEP, and offering the additional benefit of offering clear Section 151 oversight. It was confirmed the MoU provides for any GDPR issues.

As above, in line with reporting arrangements, it was noted Buckinghamshire Business First will be overseeing Skills financial management and detail on this section of the MoU will be added shortly.

It was confirmed the LEP is establishing a bank account to run operational day to day expenses.

Further to discussion it was agreed to include an annex alongside the MoU providing greater detail on individual financial codings, where/how reserves are held and how oversight is managed, etc.

With the above adjustments, the Sub Group endorsed presenting the MoU to the main LEP Board for approval at its next meeting.

IB/RH

#### 4 RISK REGISTER REVIEW

Further to discussion at the last Sub Group and the last Board meeting, the Risk Register had been amended to include an overall organisation risk. Sub Group members noted reduced risk ratings around loss of key personnel, and achievement of planning on the Woodlands site (the latter still a high risk but now more secure).

As above, the Sub Group noted the risk re current non-compliance on Governance, but acknowledged this is being addressed and will be monitored going forward.

With the decision to withdraw from the Arc, some amendment had been made to individual risks, reflecting the need for consistency in messaging when working with neighbouring LEPs/partners.

It was suggested considering the inclusion of something around contractual relationships with Buckinghamshire Business First and the Skills Hub as assets and management responsibility for these assets are transferred.

IB

The Sub Group suggested grouping the register under 'internal' and 'external' risks.

IB

It was agreed to bring the revised Risk Register incorporating the above changes to the full LEP Board at its meeting on 4 December.

IB

#### 5 ANNUAL PERFORMANCE REVIEW UPDATE

It was reported the date of the next Annual Performance Review is yet to be confirmed; the LEP Executive will be requesting a date end February/early March, and will confirm the outcome once this has been finalised.

RH

In the meantime, the Executive will be working to provide evidence to support excellent ratings in the areas of Delivery and Governance at review (Strategy being a simple 'Pass/Fail'); Delivery previously being 'Excellent' and Governance 'Good'. It was anticipated the appointment of a Finance and Governance role will provide much needed resource in the team to be able to meet governance requirements around reporting etc. Additionally, LEP Board membership will be brought back to full strength following interviews planned shortly from the pool of appointable candidates who have applied in the recent recruitment drive.

It was suggested a key topic for discussion at the review will be Buckinghamshire's withdrawal from the Arc and work is being undertaken to prepare a clear narrative around what Buckinghamshire is doing and why.

The Sub Group noted the feedback from the mid year review circulated.

#### 6 ANY OTHER BUSINESS

Nothing of note.

#### 7 DATE OF NEXT MEETING

- 26 January 2021, 2-4pm (may change once Annual Performance Review date final)

ALL