

Open

Title: Sub-Group Update Reports

Purpose: To provide members with updates from the recent Finance & Audit, Capital Programme and Remuneration and Nominations (RemNom) Sub-Groups to enable the recommendations from the Sub-Groups to be implemented.

To request that the terms of reference for the Sub-Groups to be amended to provide greater delegated authority in decision making.

Recommendation:

That Board members note the updates from the Sub-Groups and endorse the following recommendations: -

- i. Finance & Audit Sub-Group – Approve the MOU between Buckinghamshire LEP and Buckinghamshire Council and approve the updated LEP Risk Register.
- ii. Capital Programme Sub-Group – Approve the request of Buckinghamshire Council to amend in year eligible expenditure items for the Eastern Link Road South.
- iii. Approve an additional £30k LGF capital grant for the building works as part of the Bucks Creates @ Pinewood LGF project.
- iv. Delegate to the Capital Programme Sub-Group the authority to oversee negotiations with the University of Buckingham relating to the delivery of the Centre for Computing and Artificial Intelligence.
- v. RemNom Sub-Group – That Martina Porter be invited to join as a member of the LEP Board.
- vi. That the terms of reference of the 3 Sub-Groups be strengthened to provide delegated authority to approve financial commitments in line with their individual terms of reference under the oversight of the LEP Board.

Impact on Risk Register: **The Audit and Finance Committee have oversight of the corporate risk register and have requested that the register be amended to make the distinction between internal and external risks.**

1 At the beginning of 2020 three Sub-Groups to BLEP board were established covering the areas of Finance & Audit, Capital Programme and Remuneration and Nominations. All 3 groups have been operating effectively and we are now seeking that the terms of reference be extended to provide greater decision-making powers for the Sub-Groups under the oversight of the main board.

This change would ensure that operational decisions can be made more swiftly under delegation and without the need for formal endorsement by this board. The oversight to any decision made by the Sub-Groups remains with the LEP Board that would retain the ability to review any decision that it felt needed wider scrutiny.

2 **Audit & Finance Sub-Group**

The Audit & Finance Sub-Group last met on November 12th, a copy of the minutes from this meeting are attached as **Appendix 1** to this report. The meeting considered the current financial dashboard for the LEP, which is considered to be good, and also reviewed a draft of a MOU between the LEP and Buckinghamshire Council in its role of accountable body and in delivering financial management support for the LEP. As part of the transition process, a Finance and Governance Officer will be appointed by the LEP, until such time Buckinghamshire Council will continue to provide accountancy support for all LEP services with the exception of the LEP Skills Budget which will be delegated and managed by Buckinghamshire Business First on behalf of the LEP.

These transition arrangements are now incorporated in the final MOU which is attached as **Appendix 2** to this report for the board to endorse.

The Sub-Group also considered the risk register which had been updated to incorporate the overall risk profile as suggested by this board at its meeting on September 18th. It was requested that the risk register be separated into internal and external risks and that the risks relating to any contractual arrangements with BBF & the Skills Hub be also included. An updated register incorporating this feedback is attached as **Appendix 3** to this report.

3 **Capital Programme Sub-Group**

The Capital Programme Sub-Group last met on November 13th to review the Local Growth Fund and Getting Building Fund investment programmes, the minutes from this meeting are attached as **Appendix 4** to this report.

The Sub-Group considered the implications of the current delay of the Woodlands Planning Application for the £9.96m LGF grant for the Eastern Link Road South Scheme. As a result of the delay in planning approval, Buckinghamshire Council has been unable to meet the terms of the existing LGF Grant offer (23 May 2018), and following decision at Informal Cabinet Meeting on 4th November is requesting change to the terms of the offer to ensure the LGF capital grant is spent by 31 March 2021. A formal request has been submitted by letter dated 12th November, and further details contained in the Council report shared with the Capital Programme Sub-Group.

The Council's proposal is to use the money as follows:

- a) ***Reimburse Bucks Advantage's planning promotion costs;***
- b) ***Land acquisition directly relating to delivery of ELR(S); and***
- c) ***Funding Woodlands Roundabout (Bucks Advantage 30% contribution).***

The Sub-Group agreed to support this request, subject to clarification that land acquisition costs do not include the cost of buying the land on which to build the road. A copy of this request, clarifying the above point is attached as **Appendix 5** to this report.

The Sub-Group also heard how positive progress had been made in the discussions relating to the Bucks Creates @Pinewood project allowing both parties to concentrate on different elements of the training provision for the film sector for the Higher and Further Education sectors. To expediate this project the Sub-Group supported a recommendation to this board for £30k grant to be allocated from LGF headroom for a contribution towards the cost of building works in return for increased outputs.

Over the past week, and following the Capital Programme Sub Group meeting, we have been alerted to a likely delay into the completion of the University of Buckingham Centre for Computing and Artificial Intelligence due to cashflow restrictions being encountered by the University brought about by the Covid crisis. A copy of a letter outlining the University position is attached as **Appendix 6** to this report. The University have confirmed that they remain committed to this project but will not be able to complete in the originally specified timeframe and are now likely to complete this project in 2023/24. This project has been awarded a total of £4.75m including £2.75m of Local Growth Funding (incorporating a £750k) loan and £2m Getting Building Fund investment.

This project remains of strategic importance for the LEP and as such we would like the opportunity to continue to work with the University and explore options that progress this initiative on a revised timescale whilst ensuring that LEP expenditure commitments are met in line with departmental expectations. As such we would like to recommend continued support, on condition that University of Buckingham confirm expenditure commitment of LGF funds prior to March 2021 and agree to charge over land, to the value of LGF grant, to be exercised by March 2025 should the faculty building not complete by this date.

We will also be speaking to the Cities and Local Growth team to seek clarity around the use of the Getting Building Find investment. We ask that the LEP Board delegate to the Capital Sub-Group the authority to progress negotiations with the University of Buckingham.

4 RemNom Sub-Group

The RemNom Sub-Group last met on November 16th a copy of the minutes is attached as **Appendix 7** to this report. The primary focus of this meeting was for interviews for replacement LEP board members. As a result of these interviews, the Sub-Group would like to recommend the approval of Martina Porter from a Chesham based creative industries training provider to join this board with immediate effect. The Sub-Group felt that Martina would be able to provide valuable insight from a skills delivery perspective in this key sector to support Board discussion and decision making. Additional board recruitment will continue to address outstanding vacancies.

The Sub-Group also endorsed the request to commence recruitment for a full-time Finance and Governance Officer within the LEP and to progress with recruitment consultant support for the new Chair Recruitment to be concluded in 2021.

Board members are asked to:

Note the updates from the Sub-Groups and endorse the following specific recommendations:-

- i) Finance & Audit Sub-Group – Approve the MOU between Buckinghamshire LEP and Buckinghamshire Council and approve the updated Risk Register.**
- ii) Capital Programme Sub-Group – Approve the request of Buckinghamshire Council to amend in year eligible expenditure items for the Eastern Link Road South.**
- iii) Approve an additional £30k capital grant for the building works as part of the Bucks Creates @ Pinewood LGF project.**
- iv) Delegate to the Capital Programme Sub-Group the authority to oversee negotiations with the University of Buckingham relating to the delivery of the Centre for Computing and Artificial Intelligence.**
- v) RemNom Sub-Group – That Martina Porter be invited to join as a member of the LEP Board.**
- vi) That the terms of reference of the three Sub-Groups be strengthened to provide delegated authority for financial commitments in line with their individual terms of reference under the oversight of the LEP Board.**