Report of **Audit & Finance Subgroup Chair** in relation to the meeting of **07 July 2021**

**For:** (I) Information (R) Ratification (D) Discussion and decision

**Key agenda items discussed:**

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| * Q1 21-22 LEP Finance Dashboard
* Consolidated Risk Register update
* Hatch commission – mapping of contracts
* LEP VAT note
* Reserves Policy
* Items routed via T&F Group for information following Board decision to approve Phase 1 activities
	+ Business case: extension of staff contract
	+ Insight Commission
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**Notable changes, successes or risks**

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| Notable points to raise from the Finance dashboard * £0.539m Unallocated GBF Grant pot has been reallocated to 4 contingency schemes + additional other LEP funding of £0.524m.

Risks* On-going delays with 3 approved GPF loans currently awaiting Funding Agreements to be signed off.
* Core Fund Grant letter has not yet been received from BEIS
* 21-22 LEP Core Budget has yet to be finalised
* Lack of visibility of SSLEP responsibilities and accountabilities, including governance, management roles and funding routes. A mapping exercise is being undertaken to provide visibility of contracts. The LEP Review will offer opportunity to build a strong foundation for the future.

 * Risk mitigation plan being progressed for Drakelow Park, involving formal deallocation of funds from SSLEP and reallocation to D2N2 to improve efficiency
* Careers & Enterprise Grant – awaiting business case. Funding deadline has been extended to August.
* Reserves policy to be identified to help to manage expectation regarding funding requests.
* Acknowledgement of budget implications for Board decision to proceed with Phase 1
	+ Extension of staff contract
	+ Insight commission
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**Decisions and/or Recommendations**

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| * Addition of the following risks to the Risk Register:
	+ RISK: Growth Hub Manager – change of key personnel due to new role last year.

Mitigation: SSLEP CEO will work with current Growth Hub Manager to draw up a JD and recruit to the role. In the meantime, the Growth Hub Manager has agreed to cover until replacement sourced.* + RISK: Careers Enterprise Hub - risk of lack of future funding. A request for funding has been received on 10/06/21 with a deadline of 16/07/21 (now extended until August). Late notice of match funding required places service and staff at risk.

Mitigation: Working with Make It Stoke Staffs to identify alternative sources. * + RISK: Risk of strategic changes in relation to existing contracts and services delivered by SSLEP. Risk of impact on governance arrangements, contracts and delivery.

Mitigation: Mapping of contracts to enable us to risk assess against available funding streams. Hatch have been commissioned to carry out a contracts mapping exercise. Results will be taken to Audit & Finance in September.* + RISK: Core Fund. SSLEP has not yet received the annual Core Fund offer letter from BEIS.
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* + **Appendix 1:** 2021/22 Q1 LEP Finance Dashboard
	+ **Appendix 2:** SSLEP Risk and Issue Log 07/07/2021

Full details of the meeting including agenda pack, presentations and minutes can be requested from john.broad@staffordshire.gov.uk