Report of **Audit & Finance Subgroup Chair** in relation to the meeting of **13 October 2021**

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

**Key agenda items discussed:**

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| * Q2 21-22 LEP Finance Dashboard * Consolidated Risk Register and Issues Log * LEP Accounts 2020-21 - Update * Hatch: Interim Contracts Mapping – Update * Task & Finish Group – Update *(postponed until next Audit & Finance meeting 10/11/21*) |

**Notable changes, successes or risks**

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| * Q2 Finance dashboard:   Notable points to raise from the Finance dashboard:   * + GBF Grant remains on course to be fully spent by 31st March 22. 49% of the £18.65m GBF Grant allocation has been spent to date   + The 4 Skills Equipment Fund 3 projects, plus the Centre for Heath Innovation scheme have now completed their drawn down of their respective GBF Grant allocations.   + 2 GBF Grant funded schemes/projects still awaiting Funding Agreements.   + The EV DfT Retained scheme will complete its draw down of its £18.5m LGD Grant by 31st March 22.   + BEIS has awarded an initial 6-month Core Fund Grant of £0.250m up front with the 2nd tranche of £0.250m grant subject to the outcome of the LEP Review process. The risk of uncertainty surrounding both current and future years Core Grant is mitigated by the current levels of SSLEP Reserves held - £0.844m as at 31st March 21.   + The 21-22 LEP Core Budget has not yet been signed off by A&F and the Executive Board.   Risks   * + Risk Strategic 11: Board gender targets; we are currently hitting targets but in the New Year we will dip below the target.   + Risk CDGD 27 and linked Risk GPF5: an LGF scheme is failing to progress. Update papers/recommendations will be brought to Board by both Growing Places Fund Panel and by SPMG.   + Risk GBF 4: Drakelow - pending drafting of a legal assurance agreement to ensure SSLEP conditions are met. This de-allocation de-risks the scheme for SSLEP.   + ESIF: No changes to report, although the lack of up to date programme management forms from government prevents the programme manager from reporting the latest position to the AFC and LEP Board.   + Risk GPF1: both schemes allocated funding in Round 15 have subsequently withdraw. One scheme from round 14 is progressing in the loan process. * LEP Accounts 2020-21: A meeting was held on 12/10/21 between SCC (the Accountable Body) and Audit & Finance to review the Accounts and discuss any queries. The 2020-21 Accounts will be brought to the November Board meeting and will be formally approved at the AGM.. * Contract mapping (Hatch): following research into many other LEPs, Hatch presented a comparison of different LEP models, looking at which are predominantly contracted out, which are “hybrid” and which are in-house. Audit & Finance have asked Hatch to map sources of funding on the diagrams. Hatch will bring updated diagrams to the next Audit & Finance (10/11/21) and provide a report which will be brought to Board in November. |

**Decisions and/or Recommendations**

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| * Addition of the following risk to the Risk Register:   + New: GBF Risk 9: There is a risk that liquidation/insolvency of contractors, sub-contractors or suppliers may cause significant disruption and delays to a scheme. Delays due to a need to repeat tender processes or where there are long lead in times for supplies/materials could significantly impact on the ability of a scheme to deliver to timescale and to spend by the grant deadline and also could increase costs. * Closure of the following risk:   + Strategic Risk 12: Audit & Finance feel that this risk will be picked up under wider levelling up and LEP Review and can be closed. * **Risks escalated to Executive Board**:   + Risk GPF5 – scheme in receipt of GPF loan; linked with Risk CDGD27 – scheme in receipt of LGF grant.     - A paper is being brought to Board by the Growing Places Fund Panel.     - A paper is being brought to Board by SPMG (*assuming the postponed SPMG meeting can be rearranged prior to the Board meeting).* |

* + **Appendix 1:** SSLEP Risk and Issue Log 13.10.2021

Full details of the meeting including agenda pack, presentations and minutes can be requested from [john.broad@staffordshire.gov.uk](mailto:john.broad@staffordshire.gov.uk)