

Finance & Audit Committee		Paper 0	
Date and Time: 12 th October 2021 at 10:00am			
Venue: Via MS Teams			
<i>Item No</i>	<i>Item and Brief Description</i>	<i>Lead</i>	<i>Additional Information</i>
1 5mins	Welcome and Introductions <ul style="list-style-type: none"> • Apologies for Absence and Declarations of Interest • Matters arising • Actions update 	Chair	Paper 0.1
2 5mins	Draft F&A Minutes <ul style="list-style-type: none"> • June 2021 - For approval and publication 	Chair	Paper 1
3 20mins	Financial Report <ul style="list-style-type: none"> • Overview of the 6 month finances for 21/22 	Linsay Hill Pritchard, Accountable Body	Paper 2
4 5 mins	Risk Review <ul style="list-style-type: none"> • For review 	Laura Spittles - LEP	Paper 3
5	LEP Reserves <ul style="list-style-type: none"> • Overview 	Ruth Carver - LEP	Verbal
6 20 mins	UK Food Valley <ul style="list-style-type: none"> • Presentation from Martin Collison 	Martin Collison - Agri Food Consultancy Expert	
7 5 mins	AOB	Chair	Verbal

Confirmed: Stephen Deville, Ian Knowles, Rob Griffiths,
Ruth Carver, Kate Storey, Linsay HillPritchard, Laura Spittles, Louise Higham,

Apologies: None

Additional Papers:

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Welcome and Apologies

Present

Andy Orrey (AO) - Chair
Ian Knowles (IK)
Stephen Deville (SD)

Officers - Ruth Carver (RC), Linsay HillPritchard (LHP), Kate Storey (KS), Laura Spittles (LS)

Guests - Tim Godson (TG), Michael Lewis (ML) - Duncan and Toplis, Natalie Poole (NP) - LEP Skills Delivery Manager

Apologies:

Rob Griffiths (RG)

No declarations of interest were declared.

The minutes from the previous minutes were agreed and signed off by the Committee.

Audit Report 2020/21

Tim Godson and Michael Lewis presented the Committee with their findings from the recent audit of the LEP 2020/21 Finances. The audit was carried out by Duncan and Toplis over recent weeks via a remote process as last year due to the current Covid restrictions that are still in place.

The scope of the work included a review of the annual financial reports for the year ended 31 March 2021, a review of the company wide processes of the GLLEP to ensure they align with LCC policies and other associated regulations and a walkthrough of a recent LEP Project - The Lincoln Medical School.

Five income streams were audited and through reviewing these no significant errors were highlighted.

All controls and procedures are in place and used effectively by the LEP.

The Accountable Body identified a difference in the reported cash balance figures and those held on the accounting system. This will be investigated by the Accountable Body and it was agreed

that the Audit report would be updated and that this would be signed off by the Chair and LEP CX.

There is an amount due to be recouped by the LEP for a grant given to a Business that didn't meet the requirements of the original grant agreement. The most appropriate way to recoup this money is currently being investigated.

The F&A Committee made the recommendation to sign off the audit once the cash balance discrepancy has been rectified.

Financial Report

LHP provided the Committee with the summary financial report of the LEP finances from 2020/21.

Throughout the 2020/21 period the LEP received around £34 million of funding for activity. In this amount was the last payment of just over £18 million of Single Local Growth Fund following a successful Annual Conversation with BEIS. Also received was the first of two payments against the Getting Building Fund of £12.9 million. Of this amount approximately a quarter of it was released against upcoming projects with the remainder to be used by March 2022.

The yearly £500,000 of core funding was received as usual and there is a requirement for the LEP to match fund £250,000 of that which has been achieved. A total of £274,754.57 was attributed to match funding.

The balance as at 1st April 2020 on the Invest to Grow Fund was £3,511,023. Throughout the 20/21 period a further £192,511 of loan interest was received. A loan repayment of £50,000 was made by a project to adjust a loan agreement. Just over £390,000 of this loan fund was repurposed to form part of the Covid Recovery Fund.

Over the past year a total of 12 projects were awarded grants through the feasibility fund. This fund has now been completed.

The final payment for the Single Local Growth Fund has been received. The majority of the projects are almost financially complete. The Accountable Body Team is looking to produce a report highlighting the success of these projects.

The Committee approved the recommendations from the report.

LEP Priorities and Budget Overview

RC presented the Committee with the 21-22 LEP Priorities and an overview of the draft budget for 21-22. The priorities included work on new various sector plans, work on international trade post Brexit, Economic Growth post Covid and strengthening the LEP as a whole.

The Committee were also presented with a draft 3 year basic outline plan for the Budget.

LEP Skills Agenda - Natalie Poole

NP provided the Committee with a brief update on the Online Jobs Fairs that have been running monthly since November 2020. Since this start date the series has welcomed nearly 5,000 visitors

to the live events, and over 150 exhibitors (a mixture of local employers, education and training providers and support services). In between live events, the website has attracted 10,000 individual users, who are able to browse the virtual exhibition stands, watch videos and access helpful information about jobs, careers and employment support. NP will circulate details regarding the next fair.

NP also provided an update regarding the Enterprise Adviser Network. Since the pandemic the Programme has grown substantially with supporting career leaders and head teachers in school. There are now many Businesses acting as Enterprise Advisors and supporting students with preparing for the world of work.

Risk Review

The Risk Register has been updated to provide a more simplified version which is easier to track and control.

The outstanding actions are currently being updated and will be sent to the F&A Committee via email for approval in the w/c 28th June.

Date of Next Meeting

12th October 2021

Paper 2 - Greater Lincolnshire LEP Finances 21/22

Publication	Public Paper (published)					
Meeting date:	12th October 2022					
Agenda Item:	3					
Item Subject:	Greater Lincolnshire LEP Finances 21/22					
Author:	Linsay Hill Pritchard					
For:	Discussion	Yes	Decision	Yes	Information	Yes

1 Summary

1.1 This report provides an overview of the financial position of the Greater Lincolnshire LEP and summarises the financial income and expenditure covering the period 1st April 2021 - 30th September 2021.

1.2 The committee is asked to

- Review and approve the contents of the report
- Recommend the information is included on the agenda for the quarterly performance meeting of the Greater Lincolnshire LEP Board on the 26th October.

2 Summary Budget for Financial Year 2021/2022

2.1 A revised core operating budget for 2021/22 will be proposed to the LEP board in October identifying expenditure to amount of £1,538m. This will be funded by a combination of Core funding, earmarked reserves, grant income, fee income, interest and partner contributions.

2.2 The breakdown is as follows:

LEP OUTLINE BUDGET		21/22
Staffing permanent		£ 254,645
Staffing Secondees		£ 5,000
Staffing fixed term		£ 215,507
Staffing Business Support		£ 2,500
Staff sundries		£ 13,000
	<i>Sub Total</i>	£ 490,652
Company (board/ insurances/ audit/misc.)		£ 14,250
Legal services		£ 5,000
Est. Accountable Body Costs		£ 45,000
	<i>Sub Total</i>	£ 64,250
Subscriptions/ contributions		£ 28,000
On-going supplier delivery		£ 228,460
Targeted activity		£ 175,000
Sector Development		£ 72,247
	<i>Sub Total</i>	£ 503,707
Skills Advisory Panel		£ 54,429
Skills kickstart/sustainability		£ 45,153
	<i>Sub Total</i>	£ 99,582

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East Midlands Ambassador Network	£	9,000
	<i>Sub Total</i>	£ 9,000
Enterprise Co - Ordinator activity (includes staff fixed term)	£	50,612
Career Hub (includes Staff Fixed term)	£	110,655
	<i>Sub Total</i>	£ 161,267
LCC Core Committed Staffing Permanent	£	140,389
LCC Core Committed Other	£	35,000
Research	£	25,000
Skills (ESB)	£	10,000
	<i>Sub Total (LCC Core)</i>	£ 210,389
Total Core Expenditure Revenue Committed		£ 1,538,847

2.3

3 LEP Finances - Spend overview April - September 2021

3.1 The LEP have received £13.383million of funding within the year including a core funding allocation of £250k and the 2nd tranche of £12.9 million of Getting Building Fund. The tables below shows the income and expenditure from the period April to September 2021.

LEP

Area	Income to September 2021	Expenditure to September 2021
LEP Operation Core	£271,000	£125,614
Enterprise Co-ordinator	£2,940	£73,191
Career Hub	£37,500	£9,375
Skills and Employment Manager	£0	£15,436
EM Ambassador Network	£2,000	£5,350
Skills Advisory Panel	£75,000	£18,929
Future Proofing Coastal Tourism	£0	£41,460
Business Investment Fund	£0	£86,881
Invest to Grow Loan Fund	£95,554	£0
Single Local Growth Fund	£0	£393,431
Getting Building Fund	£12,900,000	£2,315,616
TOTAL	£13,383,994	£3,085,284

LCC Partnership

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Area	Income to September 2021	Expenditure to September 2021
Employment and Skills Board	£0	£6,481
Economic Research	£0	£5,900
LCC Commissioning	£0	£158,595
TOTAL	£0	£170,976

3.2 Expenditure for the period to September amounts to £3.274million. The budget has been recently scrutinised, and the revised core budget and expected outturn is £1.539million. On the capital programme side the budget remains at £31.764.

Progress against the budget is:

AREA	Budget	Actual to date	% spent
Core Revenue Budget	£1,538,847	£418,871	27.22%
Revenue Programme Budget	£269,516	£58,960	21.87%
Capital Programme Budget	£31,764,367	£2,795,929	8.80%
Total	£33,572,730	£3,273,760	9.75%

Although the % spend appears low this correlate to pervious years where spend is lower in the first 2 quarters, especially around the capital programme where the figures above do not account for project expenditure that will not be paid against until October.

3.3 The table below provides a summary on the main LEP finances:

£271k was received in year. This included £250K tranche of core funding and 21k of repayment following resolution of the judicial review on Northern Junction Roundabout.

Core Operational Budget

LEP specific Spend to September 2021 is £125K with a further 158k expended from partner contributions. The majority of spend has been on staffing costs.

Core Other

Enterprise co-ordinator activity ceased under the existing contract in August 21. A new Career Hub contract has been taken forward delivering the same activity with additional enterprise co-ordinators.

This work is overseen by the skills manager who is paid from an identified LEP reserve under Cash balance 1.

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	<p>The Future Proofing Coastal Tourism work is now progressing with £41k having been spent in the last 6 months. A full report on this activity will be provided at the next committee.</p>
Feasibility Fund	<p>This fund concluded in 20/21</p>
Greater Lincolnshire Business Investment Fund	<p>No further project have been contracted and the programme is closed to new applications.</p> <p>A management fee of 17.5K (Greenborough) and project payments to the value of £69,381 have been made in the period to 2 projects; Parc acre and Genfrost.</p> <p>Further project spend of just under 600K is expected by year end.</p>
SLGF/GBF	<p>Many of the projects under the SLGF programme are completed or near completion. Further Project claims have been submitted for the April to June period and these have now been processed by the team. £393k was released in this quarter. All SLGF has been paid out and we are now using the freedom and flexibilities created in previous years to complete the remaining projects. £8.3million of freedom and flexibility budget remains to be spent with 7.24 million expected in 21/22.</p> <p>£2.3 million has been released to projects on the GBF programme following the first claim submissions. The claims process took slightly longer as many of the projects were new to the reporting structure. Full support has been given and we are confident that all projects have been fully trained in preparation for the next claim cycle expected 11th October.</p>
Invest and Grow Loan	<p>Long term investment Loans are currently £4,085,228 as follows:</p> <ul style="list-style-type: none">• £3.5m - Chestnut Homes - Boston Quadrant• £585,228k - The Lincolnshire Bomber Command Memorial. <p>We received £95.5K in interest payments from both projects in quarter 2.</p> <p>Boston Quadrant have approached the LEP to discuss the loan position and a paper will be tabled for the next Investment Committee.</p>

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4 Highlight on funding areas

Single Local Growth Fund

- 4.1 Single Local Growth Fund is near completion with most projects having completed in the last year. There remains a handful of projects still delivering grant spend into 21/22 and 22/23.
- 4.2 The 7.8 million forecast to be released in this financial year May reduce to 7.4million with the bulk of this spend in quarter 4.
- 4.3 There's less spend than expected on the projects identified to deliver purely match funded spend and therefore we will be scheduling risk monitoring meetings to understand the full impact of this reduction. Many of the projects have reforecast the spend to the later stages in 21/22.
- 4.4 In our work in finalising the expenditure on contracts some projects have identified slight underspends on their original contracts with GLLEP. All grants have been drawn down from the government as of March 2021, but some offset and match funding still remains to be claimed for a few projects as per agreed freedoms and flexibilities. The overall potential underspend figure is between £300,000 and £500,000.
- 4.5 Work continues the transition requirements and we have held several meetings with her partners at Hull City Council to identify the projects that will come over to Greater Lincolnshire LEP having been financially completed and therefore output delivery only. We expect the projects identified to be transferred no later than October 21.
- 4.6 As the committee will be aware there is an ongoing commitment to report on the core outputs as identified in the LGF returns. The next LGF return is expected in November 21 and we will again capture financial and output data to report our successes. The table below provides the board with the latest submission to government and we can see from the data that all outputs are achieving apart from area of new learners space which you will see has caught up in the first quarter of 21/22.

Output	LGF Forecast to 31 Mar 2021	Achieved to 31 Mar 2021	Achieved Q1 2021/2022
Jobs & Apprenticeships Created FTE	933	977	30.3
Housing Created - units	550	593	0
Are of new/improved learning/training floorspace (m2)	14,551	13,081	1,900
Learners Assisted	2,609	2,711	0
Length of newly built RD (KM)	0	285	0

- 4.7 Although this positive we are mindful of the low % against contracted outputs overall and projects are highlighting to us delays in output delivery.
- 4.8 Many of the projects have highlighted the impact of Covid-19. Building projects have raised problems including:

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- Contractors having to work in bubbles, having to be socially distanced, or bubbles having to self-isolate has slowed progress.
 - Projects have been unable to have several building trades working together, as they would normally do.
 - Obtaining building materials has also been a challenge.
- 4.9 This has affected the timescales for delivering outputs. Most projects will still achieve the forecast outputs, but later than anticipated.
- 4.10 Projects with learner outputs have managed to continue in some form, by teaching online. Some have been delayed whilst waiting for buildings to be completed, and this has delayed the start of some college programmes until the new academic year in Sep 2021.
- 4.11 Many of the outputs from 2021/22 onwards are lumped together in a “Future Years” column to align with the reporting requirements from BEIS when submitting LGF returns. We have been waiting to receive confirmation of any changes to the reporting framework and in preparation have been asking projects to break down output delivery quarterly for the next 2 financial years. This exercise will be completed as part of the quarter 2 monitoring and was postponed allowing projects to fully identify potential delays in delivery due to Covid.
- 4.12 Project Managers, have until recently been clearly focussed on seeing their project physically completed; the financial aspect completed, and grant claimed. Whilst this is expected in the early stages of the project lifecycle reminders have been sent on the importance of shifting focus onto output delivery.
- 4.13 There are many projects that achieve additional outcomes as a result of receiving SLGF. It is important that these are viewed and considered alongside the core outputs we report to Government. These help us quantify and record the added value of each project and can often show the greater benefit of the project to a local area.

Additional Outcomes Achieved by SLGF Projects	Actual to Date
Jobs Safeguarded	50
Employment Floorspace (m2)	7,417
New Businesses Created/Safeguarded	49
Businesses Supported/Assisted	607
Businesses Expanded	25
Construction Jobs	129
Land Reclaimed/Brownfield Land Redeveloped (ha)	9.1
Commercial Floorspace	18,491
Provision of new junction/roundabout	1
Land Area rehabilitated to provide ecological habitat	38.9
Number of brand new curriculum/training courses	4

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Updated/modernised curriculum courses	7
Learners with enhanced understanding of opportunities in priority sectors	2,100
Km of New Road	1

4.14 The Accountable Body propose the following actions:

- Fully identify any programme underspends.
- A discussion is needed with each project, to determine an updated profile for their outputs going forward e.g. Quarterly for 2021/22, 2022/23 and potentially 2023/24 and thereafter, yearly. This will enable more accurate monitoring to be carried out.
- Variations will need to be considered for several projects, after the revised profiles are received.
- Project Managers need to be reminded again of their responsibilities to achieve and evidence the outputs stated in their contract/latest variation.
- Project Managers need to be aware of where the expected outputs are to come from, and if these are direct or indirect outputs e.g. who is responsible for creating jobs and where? This mainly applies where there has been a change of project manager.
- Are there any other outcomes/added value that we should be capturing? To be included as part of the discussion with projects.
- Assess whether updates on case studies are needed and information for inclusion on the LEP Website.

Getting Building Fund

4.14 The GBF programme is fully contracted and must be delivered by March 2022 with all grant funding having been drawn down by the 31 March 2022. Total project costs are likely to be £36.5m and £12.9m of the £25.8m programme was drawn down in March 2021 (some freedoms and flexibilities were applied).

4.15 An update on scheme and programme progress is provided in the table below:

Scheme	Applicant	Grant Allocation (not including GLLEP fees)	RAG	Status
Centre for Innovation in Rural Health	UOL	£1,300,004	Green	This project is financially complete. The construction fit-out has now been complete for 2-3 months and users have been getting familiar with their new home as far as restrictions are allowing. The early feedback is very encouraging. <u>Q1 Monitoring</u> We now move to the output monitoring stage and

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				<p>for this project.</p> <ul style="list-style-type: none"> 29 businesses assisted to improve performance due to be achieved in 2024/25.
Holbeach FEZ Phase 2	LCC	£6,367,839	Amber	<p><u>Cluster Hub Building</u> Works on the main Superstructure of the building started before the end of August. LCC are anticipating some delays with building materials, which has pushed the completion date from 7th March 2022 to 20th March 2022, but LCC are constantly monitoring the situation with the contractors involved and mitigating where possible.</p> <p><u>Infrastructure Works</u> Phase 1b road has been constructed and is completed.</p> <p><u>Phase 2 Land Acquisition</u> Legal contracts were completed 31st March.</p> <p><u>Masterplan</u> A masterplan refresh has been undertaken for the entire FEZ site via Pick Everard. Not part of the project itself, but important for the Board to note in terms of future site layout and design.</p> <p><u>Q1 Claim</u> We had expected the project to spend £3.859m in total costs to date but the actual spend to date is £3.107m - therefore an underspend of £0.752M (19.48%). The project has submitted a revised construction programme and has forecasted to be on track to deliver by March 22. Given the level of underspend the project has been given an Amber risk rating.</p> <ul style="list-style-type: none"> Amber risk rating - initiated a project monitoring visit. Regular updates required on spend to ensure no further slippage.
Killingholme Marshes Drainage Scheme (KDMS)	NLC/ Able UK	£4,328,032	Green/ Amber	<p><u>Killingholme Marshes Drainage Scheme</u> The project mobilisation began 12th April 2021 with the compound being fully established 27th May 2021. Works have been undertaken to connect the project compound to utilities with on-going works for pumping station final connections. The cofferdam installation commenced 2nd June 2021. Earthworks commenced in mid-April and the pump supplier has commenced manufacturing the pump system. Work has started to construct the</p>

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				<p>headwall in early August.</p> <p>It is worth noting that in the current climate (specifically Covid 19) projects of this type face unusual challenges. The impacts, to a degree, compromise working practices and elements of delay have been caused by staff either having been infected or being in periods of isolation. Furthermore, there are indirect consequences in terms of the supply (and upward price pressure) on a number of items and particularly in respect of the cost (and timely delivery) of steel and concrete. As such the project has been delayed but increasing manpower will contribute towards mitigation along with alternative working methods.</p> <p><u>Q1 Claim</u></p> <p>The project was expected to spend £2.809m in total costs but the actual spend to date is £0.339 - therefore an underspend of £2.47m (87.93%). Part of the underspend is due to a discrepancy in the retrospective costs. The contract states £1.292m of retrospective costs were due to be claimed for the period 1st July 20 - 25th February 21. However, the project confirmed in July 21 that the £1.292m figure given should have actually been £900k of which approx. 350K would qualify within the eligible period for claims (1st July 2020 onwards). Given that the overall scheme cost amount of £9,511,251 would remain the same and the unclaimable retrospective costs amount to 5% of the total contract costs it is recommended that a contract variation is actioned to include the 550k of costs as an amount levered output.</p>
Cycle Programme	GLLEP	£2,216,860	Amber	<p><u>A180 Westgate between Lockhill Roundabout and Westgate Roundabout</u></p> <p>The project was started earlier than planned (22/3/21). The eastbound cycleway works are substantially complete. Due to Covid-19 a delay on the steel delivery for the proposed bridge parapet extension has occurred. This delay pushed the completion date to August 2021.</p> <p><u>A1173 Immingham Town Centre to Stallingborough Industrial Site, via the Kings Road</u></p> <p>This scheme is delayed due to resourcing and the project leads are negotiating and coordinating with National Power Grid (NPG) as they have planned a new connection in the same area. Works need to be aligned to ensure no abortive costs.</p> <p><u>Hobson Way between the South Humber Bank</u></p>

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				<p><u>Link Road and the junction with South Marsh Lane</u></p> <p>The construction works commenced on 1/6/21. This start date was later than programmed due to NPG emergency works in the same location, however, the works have been completed ahead of programme on 2/7/21.</p> <p><u>Q1 Claim</u></p> <p>The project was expected to spend £0.963m in total cost but the actual spend to date is £0.317 - therefore an underspend of 0.646m (67.08%). This has been explained within the progress report with Hobson Way delayed by 3 months and A1173 by 4 months. This has impacted on the spend profile but the project is still on track to complete by March 22 according to submitted profiles. The programme is scheduled to come in on budget.</p>
Skills Capital Fund Programme	GLLEP	£7,899,175	Amber	<p>Programme is fully contracted with six schemes being supported overall. One project is looking like it may complete beyond March 2022 due to delays, however with freedoms and flexibilities being applied to intervention rates this can be mitigated if necessary.</p> <p><u>Q1 Claims</u></p> <p>The programme was due to spend £2.7million overall but was underspent by £1.4million however this was mainly due to one project not submitting a claim in time.</p> <ul style="list-style-type: none"> • Individual meetings to be held with higher risk projects within the programme. • Analysis of retrospective costs within the individual projects to assess understanding and claiming. • Review of barriers to delivery given delays on some projects.
Lincoln Science & Innovation Park Phase 2	LSIP	£3,430,090	Green	<p><u>Defence R&D Building</u></p> <p><u>Design</u> - Redesign on the existing building has been completed and amendments were approved by the Planning Authority and approved on 5th March 21.</p> <p><u>Procurement</u> - RG Carter have been appointed to construct the building.</p> <p><u>Activities on Site</u> - An early works package has now been completed with significant additional sub-surface structures discovered but no significant contamination. As such, the demolition has been completed and the piling mat prepared for principal construction to begin.</p> <p><u>Commercial Progress</u> - LSIP have agreed Heads of Terms and Agreement for Lease with inward</p>

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				<p>investment defence technology business SRC UK Limited. This is anticipated to create more than 100 high-value jobs in Lincoln in the defence supply chain over the next 5-years.</p> <p><u>Infrastructure Project</u></p> <p><u>Design</u> Detailed designs for the infrastructure works have been completed and were submitted to City of Lincoln Planning Authority for Reserved Matters consent. These include utilities infrastructure, hard landscaping, highways alterations, soft landscaping, drainage and site services. Reserved matters consent should now be in place.</p> <p><u>Procurement</u> Due to the ground risks (both additional unknown contamination and sub-surface structures), an early works package was commissioned to remove the existing slab and dig out any obstructions discovered. Total Reclaims Demolition were appointed.</p> <p><u>Activities on Site</u> A ten week demolition process has now completed with the entire site excavated, the concrete crushed into graded material and laid across the site in preparation for the main works. One additional site of hydrocarbon contamination was discovered but no more significant issues (such as asbestos). In agreement with the Environment Agency, on-going monitoring of groundwater has continued and LSIP will be bringing on specialist remediation contractors to remove hydrocarbon contaminated soil.</p> <p><u>Commercial Progress</u> LSIP is currently handling enquiries for c. 80,000 sqft of design and build developments on Phase II that, if agreed, would begin between 2022 and 2024 with completions between 2024 and 2025.</p> <p><u>Q1 Claim</u> No concerns the project is on track and has submitted a claim ahead of schedule for a small amount of retrospective costs. The project remains on track to deliver by February 22.</p>
Fees 1%	GLLEP	£258,000	Green	Applied at programme level
		£25,800,000		

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- 4.15 Good progress continues to be made across the programme despite the tight timescales provided, however as can be seen in the table above some Q1 claims have been lower than forecast.
- 4.16 In order to meet the full £12.9m GBF spend target for 31 March 2022 freedom and flexibility options based on risk assessment and past performance may need to be considered for the schemes. This will be fully reviewed on the claim submission in October. The majority of projects remain on target to complete by the government's overall programme deadline.
- 4.17 The following outputs have been agreed to be delivered within the programme:

Output	Value	Achieved to date	% Achievement
Direct Jobs Created	2,520	-	-
Construction Jobs Created	140	-	-
Jobs Safeguarded	330	-	-
Commercial Space Unlocked (sqm)	2,350		
New Learning Space Unlocked	3,800	-	-
New Learners Assisted	1,110	40	3.6%
Businesses Assisted	80	-	-
Roads/Cycle Lanes/Walkways Unlocked (km)	9	-	-
R&D Floorspace (sqm)	695	-	-

- 4.18 As expected, the output levels are low at this stage. The table above shows achievement against outputs within the offer letter from government and we will update the board regularly on this basis. Projects are contracted to deliver elements of the outputs detailed in our GBF offer letter and also project specific outputs that we will capture and report in the coming quarters

5 Reserves

- 5.1 The LEP holds a number of reserves to allow a response to operational pressures and deliver their agreed business plan priorities - a number of which are required to be accessed in this financial year. The table below shows the amounts of reserve that are currently held in each of the 3 identified classifications:

Name of Fund	Balance at 31st September 2021
Cash Balance 1 - Core Funding, Reserves and other cash balances	£2,351,783
Cash Balance 2 - Growing Places Fund (Invest to Grow)	£4,912,600

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Cash Balance 3 - Single Local Growth Fund	£10,584,384
Total	£17,848,767

- 5.2 The Investment Board received a paper on the uncommitted capital reserves in September. This included identification of available resources on Cash Balance 2 and any underspends on Cash Balance 3 as a result of project contract reviews.

GREATER LINCOLNSHIRE LEP RISK REGISTER

PROJECT / AREA	RISK DESCRIPTION	CONSEQUENCES OF RISK	CURRENT PROBABILITY	MITIGATING ACTION	IMPACT AFTER ACTION	REVIEW DATE	OWNER	COMMENTS	STATUS
LEP Review	Time scale that Review is undertaken and outcome	GLLEP reduced influence locally, loss of staff/Boards Directors and a model that is sub optimal for Greater Lincolnshire	Possible (3)	Monitoring the policy closely through local partners and stakeholders	Medium (3)	September 2021	Ruth Carver	Review again in 3 months	Open
GL LEP Delivery	Loss of confidence in LEP delivery	Factors such as reduced staff capacity or loss of funding or partner contribution lead to a lack of delivery of LEP programmes and targets	Likely (4)	Ensure LEP is focused on a particular range of deliverable actions and critical success factors Delivery Plan 2021 Utilise overarching strategies to set clear objectives and targets for the LEP.	Medium (3)	December 2021	Halina Davies	New LEP vacancies advertised. Review again at end of year	Open
Growing Places Fund	Loan not being repaid by projects	A loan not being repaid impacts on GLLEP's ability to fund other projects through the Growing Places Fund - which has a knock on effect on project delivery.	Highly Unlikely (1)	Processes need to be put in place to mitigate the impact of a delay in loan repayments or non-repayment of loan.	Minor (2)	December 2021	Halina Davies	Pinch-points identified and discussions underway to secure interim capacity. Some re-balancing of responsibilities in place. Framework contracts in place for recurring specialist support. Bids in for additional specialist support.	Open
Risk Management	Lack of risk management has consequences for the LEP.	Lack of risk management leads to a lack of identification of issues in the strategic and operational planning of the LEP and consequent reduction in the delivery of programmes.	Highly Unlikely (1)	Maintain the risk register. Identify a risk management cycle including risk identification, assessment and reporting to the Board.	Minor (2)	December 2021	Kate Storey	Pinch-points identified and discussions underway to secure interim capacity. Some re-balancing of responsibilities in place. Framework contracts in place for recurring specialist support. Bids in for additional specialist support.	Open

Growth Deal/Getting Building Fund Programme support withdrawn/reduced by government	Central Government may look at unallocated programme funds nationally in the Autumn comprehensive Spending Review but could potentially also consider contracted schemes	Contracted projects would need to be notified of funding changes and would need to consider whether the schemes can be revised and proceed without support, or if the project has to be delayed/not go ahead. Potential value engineering by project leads.	Unlikely (2)	Key government policy is to grow the economy and encourage greater productivity - Growth Deals and Getting Building fund schemes therefore remain a high priority for delivery and all projects legally contracted	No Impact (1)	December 2021	Halina Davies	Regular contact with BEIS on existing programmes would highlight if this risk is likely to increase	Open
Staff Capacity	Staff resources are not adequate to deliver the LEPs remit	Reduced or inadequate staffing levels cause reduced productivity of the LEP and a failure to meet targets.	Possible (3)	Maintain a planned and focused LEP delivery and resource allocation through the Operations Plan. Manage staff and HR in a professional manner to benefit staff conditions. Outsourcing is fully assessed and used when necessary. Maintain good relationships and resource provision arrangements with Local Authorities.	Minor (2)	December 2021	Ruth Carver	Additional finances identified by LEP Board for LEP core and new staff posts are soon to be advertised. Review again at the end of the year	Open
Funding	Changes to LEP boundaries reduces the amount of ESFA funding available (as it is linked to ESF / ILRs)	Unable to draw down funds until geography issue resolved. Future funding is reduced.	Unlikely (2)	Early decision on boundaries. Early assessment of funding implications.	Medium (3)	December 2021	Clare Hughes	Review at end of year	Open
Growth Deal/Getting Building Fund Project Slippage	Delays in project/programme delivery.	This would impact on delivery of our economic recovery plan and affect our reputation for delivery, which in turn could affect future grant/loan funding.	Possible (3)	Using risk and performance committee to manage existing programmes and projects if necessary Working with projects to overcome barriers to delivery. Reallocate funding to other projects on the project pipeline.	Medium (3)	December 2021	Halina Davies	Robust planning and prioritisation can reduce the impact. Consistent monitoring of projects in place Strong Pipeline of projects in place	Open
Covid-19 Pandemic and other economic shocks	Effect of Pandemic on LEP resources and workload	Additional workload for LEP staff with no extra resources, LEP Staff being asked to assist in other areas, current priorities being pushed back due to pandemic	Likely (4)	LEP Team all working together to cover all workload demand Review of Financials to respond to impacts of Pandemic Partnership working with Key stakeholders	Major (4)	December 2021	Ruth Carver	New posts within LEP Team are being advertised to help with pressures. Review again at the end of the year	Open

Equality and Diversity	Ensure that the Equality and Diversity Action Plan is fully embedded into all LEP Activity.	Lack of compliance could result in poor representation of the company in the public and business community and also not providing equal opportunities for existing staff, new recruited staff and board members and visitors	Unlikely (2)	Reviewing the Equality and Diversity plan regularly and making any changes promptly	Minor (2)	February 2022	Ruth Carver	Integrated programme plan has helped identify pressure-points, and additional temporary capacity has been secured. N and NE Rutland and Lincolnshire to form Greater Lincolnshire. Transition plan being discussed - first meeting held with Humber LEP CX and their Accountbale Body	Open
Future of LEPs and funding models/scenarios	The future of LEP's becomes uncertain and funding compromised	Lack of funding could jeopardise programmes and projects	Possible (3)	Extensive budget planning to maximise current assets	Minor (2)	March 2022	Ruth Carver		
IT System	Loss or reduction of IT systems	Complete failure or reduction of IT system would make LEP operations extremely difficult as all systems are IT based.	Possible (3)	Maintain and oversee contract with IT provider. Ensure compliance with regulations. Provide, where possible, adequate backup systems. Utilise technology to lessen risk	Medium (3)	July 2022	Kate Storey	The impact is Major if it happens, but it is Highly Unlikely if we maintain current practice and discipline.	Open
Change of National Policy	A political change in policy caused by election or other political event at both national and local level provides difficult circumstances for LEP operation.	Change in policy leads to diminished support and finance available for LEPs	Possible (3)	Embedding LEP activity into national and local political landscape and economic environment. Planning ahead to predict and respond to the changes. Maintain a reflection of national policy in LEP programmes.	Minor (2)	July 2022	Ruth Carver	It is always possible, so the best we can do is track it and have contingency plans up our sleeve.	Open

Stakeholder and Partner Risk	Partnership breakdown - lessened engagement and support from a wide range of stakeholders.	LEP becomes less effective in achieving its objectives through a partnership approach.	Unlikely (2)	<p>Ensure relationship with partner is good.</p> <p>Identify high and low risk partnerships.</p> <p>Operate systems to maintain relationships</p> <p>To learn from good partner relationships</p>	Minor (2)	July 2022	Ruth Carver		Open
Formal documentation	Annual delivery Plan and/or LIS not fit for purpose	<p>Lack of compliance</p> <p>Additional effort required</p> <p>Funds held back</p>	Highly Unlikely (1)	<p>Track trailblazers and emerging guidance.</p> <p>Close liaison with government colleagues to maintain correct focus.</p>	Minor (2)	July 2022	Ruth Carver		Open
Reputation and Brand	Loss of Brand Quality and Reputation.	<p>Poor brand and communication management leads to loss of good profile.</p> <p>Leads to less finance being secured by the LEP.</p> <p>LEP fails to utilise communication opportunities.</p>	Highly Unlikely (1)	<p>Develop a Communications Strategy</p> <p>Promote good communication both internally and externally as a mitigation factor for all other risks.</p>	Minor (2)	July 2022	Kate Storey	Core team are all specialists in their own field, so participation / attendance in the various working groups tends to be fragmented / individual	Open
Other concerns	Delivery is king, a key performance criterion, but the LEP doesn't directly deliver anything.	<p>Adverse assessment in annual performance review.</p> <p>Funding withheld.</p> <p>Overly-conservative programming.</p>	Possible (3)	<p>Maintain close working relationship with BEIS reps.</p> <p>Agree improvement plan.</p> <p>Maintain regular and robust engagement with projects.</p> <p>Provide robust evidence of performance against improvement plan targets.</p>	Medium (3)	July 2022	Halina Davies	Important to understand if covid or brexit impacts on project delivery will be taken into account by government	Open

Relationship with Accountable Body	The relationship between LEP and Accountable Body becomes difficult.	Less effective management of LEP finances and in worst case a failure to release funds for LEP operations, Financial processes and release of finances cannot be agreed.	Highly Unlikely (1)	Maintain good communication and processes between LEP and Accountable Body which minimise any risk in the financial managements process.	Minor (2)	July 2022	Kate Storey	Programme plan now captures all workstreams & main tasks, plus the dependencies between them. Additional capacity brought in to help with ADP, Annual Report, project pipeline, comms & engagement. Some rebalancing of tasks to give core staff a clear run at key times. Duplications now better understood, and tasking clarified.	Open
Programme management	Failure to maintain proper version control on documents	Confusion and mis-information. Wasted effort Loss of credibility / reputation	Possible (3)	Establish a shared workspace on a suitable collaboration site (e.g.. SharePoint, IMP) Hold all master versions of draft and final documents in shared workspace. Share links to master versions rather than emailing as attachments.	Minor (2)	July 2022	Kate Storey		Open
VAT	VAT advice changes to suggest the LEP is required to pay VAT on transactions	Reduced overall core funding available.	Unlikely (2)	Continue to monitor how transactions occur and relationship with accountable body. Maintain professional advice from Accountants.	Minor (2)	July 2022	Kate Storey		Open
Evidence	Failure to secure sufficient data of the right quality to carry out meaningful analysis (e.g.. businesses, skills)	Lack of compliance Additional effort required Funds held back	Unlikely (2)	Identify data requirements. Map data sources and gaps. Identify actions required to plug gaps.	Minor (2)	July 2022	James Baty	We can't change the likelihood, but we can have alternative plans in place to reduce the local impact.	Open

LEP Mergers	Loss of independence through LEP merges.	That merger with other LEPs leads to a decrease in the economic benefits that Greater Lincolnshire currently receive through the existing GLLEP structure.	Unlikely (2)	Maintain a leading role and good profile with government to ensure best positioning. Maintain open and positive dialogues with neighbouring LEP Partners to ensure good relationship exists to build upon if merger occurs.	Minor (2)	July 2022	Ruth Carver		Open
Data Protection	Protection of Data is compromised.	The LEP breaks Data Protection Laws and becomes liable to legal challenge over malpractice.	Highly Unlikely (1)	Maintain strict adherence to all aspects of recommended Data Protection Act measures and other relevant legislation and processes.	Minor (2)	December 2022	Kate Storey		Open
Accountable Body	Chosen accountable body refuses to take the role	Lack of compliance, funds held back, additional time, efforts and cost required to secure a solution	Highly Unlikely (1)	LEP to work closely with the preferred body to address any potential barriers. LEP to identify others suitable options that may be willing to operate as accountable body.	Minor (2)	N/A	Ruth Carver	Legal personality issue resolved.	Closed
Accountable Body	LEP Board refuses to accept the proposal that LCC continues as the single accountable body.	Lack of compliance, funds held back, additional time, efforts and cost required to secure a solution	Highly Unlikely (1)	Secure early Board agreement to LCC continuing as the accountable body.	Minor (2)	N/A	Ruth Carver	Agreed by the Board on 25th January	Closed
Local Assurance Framework	LEP Board rejects roles & responsibilities	Lack of compliance	Highly Unlikely (1)	Ensure that roles & responsibilities align with NAF	Minor (2)	N/A	Ruth Carver	Review and sign off by S151 Officer	Closed
Local Assurance Framework	Delays to publication of National Assurance Framework delay sign-off and implementation of LAF	Puts additional pressure on staff when other priorities are pressing.	Highly Unlikely (1)	As soon as NAF is published, extract all actions to the programme plan. Commission an Internal Audit review of compliance and produce a RAG-rated action plan.	Minor (2)	N/A	Linsay HillPritchard	Roles & responsibilities will be in line with NAF	Closed
Local Assurance Framework	LEP and accountable body cannot agree on roles & responsibilities in line with the new NAF.	Lack of compliance, funds held back, additional time, effort & cost required to get it rewritten and approved.	Highly Unlikely (1)	Establish an officer working group to ensure that there is ongoing discussion on roles and responsibilities.	Minor (2)	N/A	Ruth Carver	NAF published and all requirements logged on the programme plan. Internal Audit review completed and RAG-rated action plan supplied	Closed

Legal Personality	Accountable Body and LEP fail to agree on the transfer of staff, or staff are not willing to transfer across to the incorporated body.	Lack of compliance, funds held back, additional time, efforts and cost required to secure a solution	Highly Unlikely (1)	Establish a working group to explore the options and make recommendations. Take Legal advice on the pros & cons of each option and advise on the best way forward	Minor (2)	N/A	Ruth Carver	Legal personality issue resolved	Closed
Legal Personality	Working Group or Board fail to agree the direction of travel in the options paper.	Lack of compliance, funds held back, additional time, efforts and cost required to secure a solution	Highly Unlikely (1)	Establish a working group to explore the options and make recommendations. Take Legal advice on the pros & cons of each option and advise on the best way forward	Minor (2)	N/A	Ruth Carver	Legal personality issue resolved	Closed
Scrutiny and Assurance	Failure to agree the revised Articles	Lack of compliance, funds held back, additional time, effort & cost required to get it rewritten and approved.	Highly Unlikely (1)	Engage Legal advice to help rewrite the Articles and provide assurance.	Minor (2)	N/A	Ruth Carver	Agreed by the Board on 25th January	Closed
Board Composition	Defined term limits - Failure to agree appointments	Lack of compliance with government requirements, additional effort required to recruit replacements	Highly Unlikely (1)	Appointments committee to make recommendations to the LEP Board if necessary.	Minor (2)	N/A	Ruth Carver	New arrangements agreed	Closed
Board Composition	Recruitment & appointment process becomes protracted.	Lack of compliance with government requirements	Highly Unlikely (1)	Revised Local Assurance Framework introduced a new process which can deliver in much shorter timescales.	Minor (2)	N/A	Ruth Carver	New arrangements agreed	Closed
Board Composition	Insufficient candidates with the right gender mix are interested in joining the LEP Board.	Lack of compliance with government requirements, additional effort required to recruit replacements	Highly Unlikely (1)	Continuous improvement of the recruitment process and communications. Consider the use of local head-hunters.	Minor (2)	N/A	Ruth Carver	New arrangements agreed	Closed
Board Composition	Insufficient volume of private sector candidates of the right calibre.	Lack of compliance with government requirements, additional effort required to recruit replacements	Highly Unlikely (1)	Active engagement with the business community to demonstrate the value of the LEP and encourage candidates to come forward.	Minor (2)	N/A	Ruth Carver	New arrangements agreed	Closed
Resources	LEP staff being pulled into non-LEP work	Additional pressure on staff Missed deadlines	Possible (3)	Signpost where possible. Look for alternative / interim capacity to share the load	Minor (2)	N/A	Ruth Carver	Integrated programme plan has helped identify pressure-points, and additional temporary capacity has been secured.	Closed
Geography	Failure to achieve a timely resolution to the LEP transition issue	Lack of compliance with government requirements Unable to draw down funds	Possible (3)	Focus on areas of collaboration and joint working to achieve common objectives. Bring in additional resource to develop appropriate governance structures. Acknowledge all scenarios until decision made.	Medium (3)	N/A	Ruth Carver	Level reduced from previous submissions. Successful AR in 2020 followed by another mid-term review that saw the release of Funds - LEP Geography now determined	Closed
Board Composition	Unable to appoint candidates because of uncertainty over geographical boundaries	Lack of compliance with government requirements Additional effort required to recruit replacements	Possible (3)	Engage with neighbouring LEPs to identify options. Submit proposals to government.	Medium (3)	July 2021	Ruth Carver	Geography now determined	Closed

