

Finance & Audit Committee			Paper 0
<b>Date and Time:</b> 23 <sup>rd</sup> February 2021 at 10:00am <b>Venue:</b> <a href="#">Click here to join the meeting</a>			
<i>Item No</i>	<i>Item and Brief Description</i>	<i>Lead</i>	<i>Additional Information</i>
1 5mins	<b>Welcome and Introductions</b> <ul style="list-style-type: none"> <li>Apologies for Absence and Declarations of Interest</li> <li>Matters arising</li> <li>Actions update</li> </ul>	Chair - Andy Orrey	Paper 0.1
2 5mins	<b>Draft F&amp;A Minutes</b> <ul style="list-style-type: none"> <li>October 2020 - For approval and publication</li> </ul>	Chair - Andy Orrey	Paper 1
3 30mins	<b>Q3 Update and FYE</b> <ul style="list-style-type: none"> <li>Update on Q3 spend to date and FYE projections</li> </ul>	Accountable Body - Linsay Hill-Pritchard	Paper 2
4 15mins	<b>Budget Planning</b> <ul style="list-style-type: none"> <li>Context for 2021-22 budget setting</li> </ul>	Linsay Hill Pritchard, Accountable Body	Paper 3
5 20mins	<b>Local Industrial Strategy and Recovery Plans</b> <ul style="list-style-type: none"> <li>Overview and update</li> </ul>	James Baty - LEP Policy Manager	Verbal
6 5 mins	<b>Risk Review</b> <ul style="list-style-type: none"> <li>Update on risk and new register</li> </ul>	Laura Spittles - LEP	Paper 4
7 5 mins	<b>AOB</b>	Chair - Andy Orrey	Verbal

**Confirmed:** Andy Orrey, Stephen Deville, Ian Knowles, Robert Griffiths

**LEP Officers:** Ruth Carver, Kate Storey, Linsay HillPritchard, Laura Spittles, James Baty,  
Louise Higham

**Apologies:** None

**Additional Papers:**

- Investment Board Minutes: see papers and minutes on the website at:  
<https://www.greaterlincolnshirelep.co.uk/about/boards/investment-board/>

**Welcome and Apologies**

**Present**

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

**Officers** - Ruth Carver (LEP Director), Lindsay HillPritchard (LHP), Louise Higham (LH), Laura Spittles (LS)

**Guests** - James Baty (LEP Policy & Research Manager)

**Apologies:**

Kate Storey

AO welcomed the F&A Meeting.

**F&A Committee Minutes of Previous Meeting**

Action List updated and approved.

Draft minutes from July 2020 approved.

AO - declared an interest in any housing projects that the LEP are funding.

**Economic Overview - James Baty**

James Baty presented the Committee with an update regarding the current economic overview of the Greater Lincolnshire area.

The presentation showed that the UK economy still has to make up a significant chunk of GDP lost since the start of the pandemic. Certain sectors are struggling more than others to recover effectively such as the Manufacturing and Construction Sector.

The Universal Claimant rate has 105% more claimants than in September 2019; and 81% more than in February 2020 although at 6% in total is still lower than the UK average of 6.6%.

Local Businesses in the Greater Lincolnshire area have seen a vast amount of support and have

received almost £600m in loans.

James also explained the Recovery and Restart Plans that the GLLEP are currently working on. This involves the production of a medium term recovery plan which will outline the strategic objectives for our place over the coming 3-5 years. This strategic plan, which is currently in development, will link strongly to the Local Industrial Strategy objectives and identify priorities to drive recovery across the area.

AO requested that any further updates for this are forwarded on to the Committee.

### **FYE Financial Update**

Linsay HillPritchard provided an overview of the financial position of the Greater Lincolnshire LEP and summarised the financial income and expenditure covering the period 1st April 2020 - 30th September 2020 (Quarter 2).

A revised budget of £975,000 for expenditure was submitted to the LEP Board recently for the financial year 2020/21. As this was set before the effects of the Covid pandemic were fully understood the LEP Board have since agreed to re-purpose existing funds. The Board agreed a reallocation of £2.4m, with a contingency amount of funding for flexibility purposes of up to £500,000 for future use. The LEP Board agreed that an immediate allocation of £700,000 of additional resources should be placed in core funding to cover various tasks / projects.

As this is still a substantial amount to be spent before year end work is currently on-going between the Accountable Body and the LEP to identify the best way to utilise these funds.

£12 million was received earlier in the year against the Single Local Growth Fund. A further £6 million was held by Government to be released on the basis of a successful mid-term review. This money has now been received which is very positive news for GLLEP. There is currently still a challenge around ensuring the £34 million left to spend on projects between now and the end of March is achieved. It has been estimated that a certain amount of spend may be in the early part of next financial year. It has been agreed with Board and Government that we can use the freedom of flexibilities to extend this due to Covid-19 restrictions.

The LEP have been received £25.8 million to fund 6 new schemes under the Getting Building Fund. This is a huge achievement for GLLEP and great news for the local area. The projects selected are currently going through due diligence process. £12.9million to be spent by March 2021 and there is scope to extend the criteria of certain projects should the need arise.

The LEP currently holds approx. £39.4 million in reserves. This is allocated between 3 different Cash Balance Accounts.

The F&A Committee are happy to propose this paper to go to the main LEP Board.

### **Auditor Selection**

The audit of the LEP finances has been undertaken by Duncan and Topliss for the last 2 years. Their term has come to an end following a procurement exercise undertaken in 2018/19 and a discussion took place regarding procuring a new Auditor. The F&A Committee have been extremely pleased with the Audits carried out by Duncan & Topliss and so asked if an extension could be looked into for procuring their services for another year.

Under the LCC Procurement Rules it would be possible to secure a Single Source Order this this.

#### **Verbal update - Ruth**

RC provided the Committee with an update regarding geography. A letter has been received from the new Minister after appeal from Humber LEP. As things stand Humber LEP will cease to exist on 1<sup>st</sup> April 2021 and a new LEP will be created. Work is currently on-going between the GLLEP and the current Humber LEP to look at staffing resources, contracts etc.

The GLLEP will also take over Growth Hub in the Humber LEP from April as well as the Inward Investment and Marketing. RC will update further information as soon as it becomes available.

#### **Risk Register and Terms of Reference**

The Risk Register has been updated to include any risks from the Covid pandemic. This includes staffing and resources issues for the LEP. This is currently being managed well but as the pandemic is still on-going this will remain on the register.

It was discussed about the Loss of Funding Risk now being in the likely category. Ruth explained that this could be due to cuts in Government funding going forward due to the pandemic.

AO requested that the LEP Geography / Humber LEP merger be added as a risk to the register. This includes looking at the likelihood of any current liabilities that lie with the Humber LEP being transferred to GLLEP.

The F&A Terms of Reference are now to be checked annually to help maintain good governance practice. SD raised the query of what Financial Policies they should be reviewing as a Committee. RC stated that these were the Financial Interest Policy and Financial Reserves Policy. RC also stated that the Scheme of Delegation should also be reviewed by this Committee. These policies are due to be reviewed at a future meeting.

The TOR will be updated to say that these are Independent Policies of the LEP and that other generic LCC Policies are followed.

F&A Committee agreed that they are happy for the TOR to be altered to include this text.

#### **A.O.B**

RC informed the Committee that a vacancy had been advertised this week for another F&A Committee Member.

LHP asked for any recommendations going forward with the Finance Reports. If there is anything different that the Committee would like to see or reports with more detail then email with suggestions.

AO suggested that James Baty is invited to the next meeting to provide a further Economic update.

**Date of Next Meeting**

February 2021

DRAFT

Actions list from previous meetings	Actioned/ Update
<ol style="list-style-type: none"> <li>1. Member of Growth Hub will be invited to a future meeting</li> <li>2. Further invites will be scheduled to increase the knowledge of the committee in the various work areas of the LEP</li> <li>3. Simon Murphy (Growth Hub - China Business Relationship) to be invited to a future meeting</li> <li>4. Andrew Brooks (LCC - Energy &amp; Utilities) to be invited to a future meeting</li> <li>5. LHP to review the scheme of delegation limits</li> <li>6. James Baty to be invited to another meeting to provide a further economic update</li> </ol>	<ul style="list-style-type: none"> <li>• LHP provided an update last year but we will seek to invite GH again in 2021</li> <li>• On-going</li> <li>• Will take place at 2021 meeting</li> <li>• Will take place at a 2021 meeting</li> <li>• This will be actioned as part for the policy review scheduled for May Board - Postponed due to COVID.</li> <li>• Will take place at February 2021 meeting</li> </ul>
<b>Previous Action Log - Completed</b>	
<p>KS to re-draft Policies and TOR's as per points raised in minutes</p> <p>LHP to add a column onto the project spread sheet to show the outputs of the projects</p> <p>LHP to report the average intervention rate on the Growth deal programme</p> <p>The risk register will be updated with Job role and current named person responsible</p> <p>LHP to look into more provision to commit reserves for Core Funding</p> <p>KS to look into wording on Risk Register for Target Level</p>	

KS to provide a list of suitable topics and guests to keep the Committee informed of relevant items

LHP to liaise with Andrew Brooks regarding the Broadband Bid details and put him in touch with Ian Knowles

LHP to provide a detailed report on what has been allocated and spent by SLGF Projects

KS to alter Risk Register colours to make it more clear

KS to investigate whether the LEP are aware/looking at the Civil Society Strategy

KS to provide the LEP Structure Chart

Louise Higham (Accountable Body) to be invited to a future meeting

The issue of spend on projects is still challenging and some projects could be swapped with more achievable ones - possibly housing schemes. DD to raise at next Board meeting with support from Nick Worboys

LHP to send Growth Hub report

LHP to amend Reserve figure on AB report prior to board submission

KS to review and amend Member numbers on draft TOR's

LHP to produce a table showing what percentage of Feasibility Fund Projects went on to receive full funding

Board training was completed in September with Directors Board.

## Paper 2 - 2020/21 Budget Update and Expenditure to January 2021 Overview

Publication	Public Paper (published)					
Meeting date:	23 <sup>rd</sup> February 2021					
Agenda Item:	3					
Item Subject:	2020/21 Budget Update and Expenditure to January 2021 Overview					
Author:	Linsay Hill Pritchard					
For:	Discussion	X	Decision		Information	X

### 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 1<sup>st</sup> April 2020 - 31<sup>st</sup> January 2021.
- 1.2 **Recommendations: The F and A committee is asked to:**
- Note the updated budget for 20/21 following a review by the LEP team.
  - Note the position in relation to Income and expenditure
  - Note the progress on the appointment of Auditors as recommended at the previous Finance and Audit committee to cover the 20/21 accounting period.

### 2 Summary Budget for Financial Year 2020/2021

- 2.1 A revised budget for 2020/21 was proposed to the LEP board in November identifying core expenditure to amount to £975k and a proportion of the COVID Recovery budget of 456k. The first year activity and the contingency funds were incorporated into an ambitious main budget giving a revised core budget of £1.432Million for the 20/21 period. This was to be funded by a combination of Core funding, earmarked reserves, re-purposed funds, grant income, fee income and interest.
- 2.2 Following continued reviews by the LEP team the estimated core budget use for the year 20/21 is £1.054M. As identified in the November report this is in line with expectation where we estimated a budget between £970K and 1.2Million with much dependence on recruitment and procurement timeframes.
- 2.3 Much of the reduced budget is around the recovery fund. Progress and spend has been made in the following areas:
- An economic recovery plan £20,000
  - An Online events platform for recruitment fairs, Skills and LEP virtual conferences license and resource for a year during Recovery £20,000
  - Allocate funding towards the proposal to inform a Greater Lincolnshire and Humber LEP Joint Freeport bid to government £10,000
  - Resilient Lincolnshire - Digital Wall for business inspiration on resilience - £10,000
  - Communications Intern to support the new programmes and grow the external communication with the business community, develop social media, the website, and facilitate engagement with the top 100 businesses. £9,000.



## Paper 2 - 2020/21 Budget Update and Expenditure to January 2021 Overview

### 3 LEP Finances - Spend overview April - January 2021

3.1 The LEP have received £32.597million of funding within the year including its core funding allocation of £500k and the 5<sup>th</sup> tranche of £18 million of Single Local Growth Fund following a successful annual conversation sign off. The table below shows the income and expenditure from the period to January 2021.

Area	Income to January 2021	Expenditure to January 2021	Forecast Income to year end	Forecast Expenditure to year end
LEP Operation Core	£575,000	-£334,654	£833,000	-£620,476
LEP Core Repurpose	£0	-£49,744	£0	-£68,850
Enterprise Co-ordinator	£107,986	-£107,808	£142,378	-£144,417
Skills and Employment Manager	£0	-£34,757	£0	-£46,757
EM Ambassador Network	£21,000	-£8,376	£21,000	-£11,978
LEP Review	£0	-£5,010	£0	-£5,010
Skills Advisory Panel	£75,000	-£16,754	£75,000	-£29,063
Future Proofing Coastal Tourism	£286,290	-£36,574	£286,290	-£50,000
Career Learning(balance)	£0	-£28,273	£0	-£28,273
EM Manufacturing	£0	-£50,000	£0	-£50,000
<b>Sub total</b>	<b>£1,065,276</b>	<b>-£671,950</b>	<b>£1,357,668</b>	<b>-£1,054,824</b>
Feasibility Fund	£0	-£24,286	£0	-£24,286
Business Investment Fund	£0	-£208,117	£0	-£976,475
Invest to Grow Loan Fund	£139,469	-£164,772	£275,227	-£164,772
Single Local Growth Fund	£18,492,802	-£7,604,812	£18,492,802	-£18,492,802
Getting Building Fund	£12,900,000	£0	£12,900,000	-£12,900,000
<b>Sub total</b>	<b>£31,532,271</b>	<b>-£8,001,987</b>	<b>£31,668,029</b>	<b>-£32,558,335</b>
<b>TOTAL</b>	<b>£32,597,547</b>	<b>-£8,673,937</b>	<b>£33,025,697</b>	<b>-£33,613,159</b>

## Paper 2 - 2020/21 Budget Update and Expenditure to January 2021 Overview

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

Core Operational Budget	<p>£575k was received in year. Spend to January 21 is £335K broken down as £184k LEP core staffing and other company expenditure £151k.</p> <p>The spend reflects 67% of the standard core budget received.</p> <p>Despite the dramatic impact of Covid-19, a significant percentage of LEP activity was successfully progressed or completed regardless. Here are some of the key highlights along with some of most notable changes:-</p> <p>Pre-COVID planned activity:-</p> <ul style="list-style-type: none"> <li>• Majority of SLGF projects progressed and back on track</li> <li>• EAN co-ordinator activity exceeding targets following move to online provision</li> <li>• LEP Geography transition on track and nearing completion within government timescales (end March 21) and governance updated to reflect (Articles of Understanding)</li> <li>• Acceleration of the Holbeach Food Enterprise Zone and UK Food Valley concept and proposals</li> <li>• Pipeline projects received and under review</li> <li>• Town Deals progressed</li> <li>• Local Industrial Strategy adjusted and nearing completion</li> <li>• LEP Stakeholder Engagement work progressed with messaging and plans evolving</li> <li>• Team Lincolnshire Ambassador programme flourishing following move to online seminars and provision</li> <li>• Staff restructure and pay re-grades progressing</li> </ul> <p>COVID-related re-purposed activity:</p> <ul style="list-style-type: none"> <li>• Increased business support and Lincolnshire Resilience Forum (LRF) activity utilising existing and redeployed staff within an emergency planning context</li> <li>• Recovery plans commissioned and nearing completion</li> <li>• Online events platform purchased and 3/12 online LEP Jobs and Careers Fairs successfully developed and delivered</li> </ul>
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## Paper 2 - 2020/21 Budget Update and Expenditure to January 2021 Overview

	<ul style="list-style-type: none"> <li>• Significantly increased support to the food sector to include additional communications, awareness raising and regular LEP Food Security briefings and engagement with the industry</li> <li>• Completion and submission of a strong Freeport bid to government in partnership with the Humber LEP</li> <li>• LEP communication intern recruited and began in post 1<sup>st</sup> February 2021</li> <li>• Economic statistician recruited and in post since January 2021</li> <li>• Resilient Lincolnshire Digital Wall for business inspiration on resilience seminars delivered and website progressing in partnership with University of Lincoln Business School</li> </ul>
Core Other	<p><b>1.0 LEP Enterprise Advisor Network / Skills and Employment manager</b> The programme continues to deliver and £108k has been received in grant income payments following submission of activity claims. To date £108k has been spent on the Enterprise Co-ordinator initiative and £35k following the successful recruitment of the skills manager.</p> <p><b>2.0 Future Proofing Coastal Tourism</b> £286k has been received in income with 37K expended to September. The programme manager has requested an extension to the program due to COVID and it has been agreed that any unspent grant will be ring fenced for 21/22.</p> <p><b>3.0 East Midlands Ambassador Network</b> A small amount of spend £8k against the 50K reserve has been expended. A further 21k has been received for additional activity.</p> <p><b>4.0 Skills Advisory Panel</b> 75k of income has been received and there has been a small amount of spend to date. The Economic Analyst is now in post and we will see expenditure increase by year end with money secured to help fund the post in 21/22.</p>
Feasibility Fund	This initiative is now closed and the balance of £201,580 forms part of the COVID Recovery Fund.
Greater Lincolnshire Business Investment	Within 2020/21, 1 project has been approved and contracted to a total value of £340,000.

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Fund	<p>A management fee of £25K (Greenborough) and project payments to the value of £183k have been made in the period. This sees the financial conclusion of the contract for Tong Engineering and the first claims paid for Genfrost and ParcAcre</p>
SLGF	<p>Project claims have been submitted for the October to December period and these have now been processed. The Quarter 3 Dashboard is due to be submitted to government on Friday 26<sup>th</sup> February.</p> <p>£7.6 m had been expended to December 2020 accounting for project claims covering the period from April to September. For the period October to December 2020, a further £7.4 m has been released following full claims assessment.</p> <p>The programme has seen continued success with the financial completion of projects and many of the other projects remain on track to deliver SLGF spend fully by 31 March 2021. The assessment overall sees a risk rating of Amber/Green.</p> <p>The last reporting period identified 5% of our total programme grant will be spent post March 21 and it was agreed that this would be covered by Offset. 4 projects were identified with SLGF spend post 21 to be covered by offset:</p> <ul style="list-style-type: none"> <li>• The Bridge - £1.782million</li> <li>• Grantham Southern Relief Road - £4.2million</li> <li>• Sleaford Growth Phase 2 - £900K</li> <li>• Unlocking Rural Housing - £380K</li> </ul> <p>Following the Quarter 2 claim submission and updated project profiles the programme level changed. The projects detailed above showed that the programme would spend the SLGF yearly allocation of £18million and the repaid monies of £5.9million, however the 4 projects identified further movement on the SLGF spend which impacted on the Offset used in each year.</p> <p>The biggest adjustments occur with 2 projects and an updated on progress is provided below:</p> <p><b>Grantham Southern Relief Road</b> - Phase 1 works are complete and Phase 2 works will be completed in September 21 (1 month</p>

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	<p>behind previous schedule).</p> <p>LCC has recently agreed to accept the target price submitted by Galliford Try for Phase 3 of the project. Final contract documents are in the process of being prepared with the aim of commencing the Phase 3 contract at the beginning of April.</p> <p>The next key milestone is the technical approval from Network Rail of the proposed works over and adjacent to the East Coast Mainline.</p> <p>Members may have seen in the news the installation of the final bridge beams on the A1 as part of the Phase 2 works being completed last week. Other works are progressing well. The NR approval is more of a formality than an obstacle and this should be concluded by late February, well in advance of the April start date. Project is now in the full swing of mobilising sub-contractors to make that start in April.</p> <p><b>Advanced Engineering R and D Centre - (The Bridge)</b> - As per previous update, it was hoped that 2 large pieces of equipment; (Transmission Electron Microscope (TEM) and Scanning Electron Microscope (SEM)), could be purchased and installed by March 22. They have since taken further advice from the supplier who has advised the importance of coordinating the installation of both of these pieces of kit once the building is fully complete due to risk of damage and sensitivity to dust. The project has therefore profiled this expenditure into the first quarter of 22/23 and this aligns with the ERDF contact (which has now been released from the ERDF team - January 21). The project Manager has advised that they continue to work with both the contractor and supplier and will look at any opportunity to bring spend forward and reduce the delivery/installation timeframe.</p> <p>Although many of the projects are still profiling to complete by March 21 there was slippage on costs on the forecasts for the Q2 and Q3 claims. The latest position does identify the potential for some further slippage as follows:</p> <ul style="list-style-type: none"> <li>• Grantham Southern Relief Road - £1.8 million(dependent on Phase 3 contract)</li> <li>• Unlocking Rural Housing - £60K</li> <li>• A46/A15 - £500K</li> <li>• Europarc FEZ - £114k</li> <li>• Skegness Gateway - £120k</li> <li>• Huttoft - £50k</li> <li>• Borderville - £41k</li> <li>• Sleaford Phase 1 - 15k</li> </ul> <p>Taking the above analysis the increase in slippage could amount</p>
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## Paper 2 - 2020/21 Budget Update and Expenditure to January 2021 Overview

	<p>to a further 2.7 million. This would take the overall impact of post 21 spend to £10.59Million. This is slightly over the agreed limit with Investment Board, however there is the potential to reduce if we use some freedom and flexibility.</p>
Invest and Grow Loan	<p>Long term investment Loans are currently £4,085,228 as follows:</p> <ul style="list-style-type: none"> <li>• £3.5m - Chestnut Homes - Boston Quadrant</li> <li>• £585,228k - The Lincolnshire Bomber Command Memorial.</li> </ul> <p>We have received 50K in loan repayment back from IBCC and the balance of interest related to period to £4,888. The figures above have also been adjusted following the decision to convert £164,772 of Loan into grant for IBCC. A further interest payment of 89K was received from Chestnut homes in October 20.</p> <p>£1,908,428 is available for Loan. MHCLG have confirmed that we have greater flexibility with the Loan Funding but it must be for capital purposes. £1,582,180 had been identified as available for grant/flexibility and this will form part of the wider COVID Recovery Fund once business cases have been received. (£393K Transferred to date)</p> <p>A further £98k of interest payments is estimated from projects by year end.</p> <p>The LEP have continued to promote the loan fund via the website and through wider marketing activities. This generated 12 enquiries but only one of these converted to an actual Expression of Interest application which the board approved, but ultimately the project did not require a loan.</p> <p>The LEP has also specifically targeted high priority and high/medium priority projects in the GLLEP Project Pipeline, contacting them directly with details about the availability of the loan fund. None of these projects have submitted an Expression of Interest, generally because they are seeking grant and not loan funding.</p>

### 4 Reserves

- 4.1 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:

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Name of Fund	Balance at 31st January 2021
Cash Balance 1 - Core Funding, Reserves and other cash balances (committed)	£2,125,320
Cash Balance 2 - Growing Places Fund ( Invest to Grow)	£4,523,033
Cash Balance 3 - Single Local Growth Fund (committed)	£27,564,754
<b>Total</b>	<b>£34,213,107</b>

- 4.2 Funds in Cash balance 1 and 3 are committed. Cash balance 2 has a combination of committed funds and uncommitted but as identified above these will change when the next phase of re-purposing is undertaken.

### 5 Getting Building fund

- 5.1 The LEP have been awarded £25.8 million for six schemes under the Getting Building fund with government expectation that £12.9million will be spent by March 2021. Although the programme is proceeding at pace with decisions made on 4 schemes and contracts in negotiation it has been identified that that the 50% spend target will not be possible without consideration of freedoms and flexibilities.
- 5.2 £11million of funding is within the final stages of contracting for Centre of rural Health, Holbeach FEZ and Lincoln Science Park. A further £2.2million for the cycle scheme is at pre contract stage awaiting confirmation of pre-contract conditions being achieved from NELC.
- 5.3 The Killingholme scheme with a provisional allocation of £4.3million is nearing the end of the Due diligence process and the skills programme is progressing well with 3 projects to the value £3.1million being put forward today at the Investment Board.
- 5.4 There is currently no spend on the programme however we do expect spend on quarter 4 claim submissions. The team are currently looking at options around the Freedom and flexibilities that can be utilised and will report to the Investment Board in February.

### 6 2020/21 External Audit

- 6.1 The External Audit will look at the financial report that is produced on all funds held by the Accountable body on behalf of the LEP. This report will be agreed in draft by the F and A committee and is recommended to board following the audit.
- 7.2 At the previous meeting covering Quarter 2 expenditure the F and A Committee considered the procurement route to the audit and recommended that given the quality of work undertaken by Duncan and Toplis that they were to be approached again to complete the audit for 20/21 if a similar pricing could be agreed. Following correspondence with the

## **Paper 2 - 2020/21 Budget Update and Expenditure to January 2021**

### **Overview**

auditors the same day rate from last year has been agreed and we have moved to draw up and agreement and finalise audit dates.

- 7.3 The Annual General Meeting in February approved the accounts for 19/20 (delayed due to COVID 19), and changes to the Articles of Association, and agreed the appointment of auditors for 20/21



# Paper 3 - Greater Lincolnshire LEP Finances 20/21

Publication	Public Paper (published)					
Meeting date:	23 <sup>rd</sup> February 2021					
Agenda Item:	4					
Item Subject:	Greater Lincolnshire LEP Finances 21/22					
Author:	Kate Storey					
For:	Discussion	Yes	Decision	No	Information	Yes

## 1 Summary

- 1.1 Providing context for setting the 2021-22 LEP operating budget and provision of indicative income and expenditure.
- 1.2 The committee is asked to:-
- Discuss the contents of this paper
  - Agree to an extraordinary meeting in March 21 to formalise the budget

## 2 Budget Planning

- 2.1 The LEP Board is meeting on 26th February to discuss and set the revised strategy and business plans which will be developing across March. This is subject to LEP government funding being announced and confirmed, and which remains pending.
- 2.2 Standard core activity is likely to continue and the budget is expected to be in line with previous years. COVID-19 has impacted hugely on budget changes through 20/21 and will continue to have an impact in the next financial year as we continue with our recovery phase.
- 2.3 In October 2020, the LEP Board agreed the reallocation of £2.4m, with a contingency amount of funding for flexibility purposes of up £500,000 for future use and agreed that an immediate allocation of £700,000 of additional resources should be placed in core funding for the following broad activity:-
- Recovery plan £20,000
  - Online events platform for recruitment fairs, Skills and LEP virtual conferences license and resource for a year during Recovery £20,000
  - Digital Skills Post x 2 years £86,000 to explore and develop and lead a digital skills partnership
  - Sector development lead to co-ordinate LEP activity with our sectors, VE, Manufacturing, Visitor Economy, Food, Defence. £86,000 over 2 years
  - Support to the Manufacturing Board of £60,000 over 2 years
  - Support for the newly formed Defence Board £40,000 over two years
  - Allocate funding towards the proposal to inform a Greater Lincolnshire and Humber LEP Joint Freeport bid to government (£26,221)
  - Allocate funding for 3 years towards resources for the Holbeach Food Enterprise Zone in Partnership with Lincolnshire County Council, South Holland District Council and the University of Lincoln, enabling the delivery of the FEZ work programme, supporting our

## Paper 3 - Greater Lincolnshire LEP Finances 20/21

agri-food sector and driving forward the vision for the 'UK food Valley' (recommended investment £132,500). Food Board Recommendation.

- Resilient Lincolnshire - £10,000 - UOL - Digital Wall for business inspiration on resilience
- Communications Intern x 2 years circa £40,000 to support the new programmes and grow the external communication with the business community, develop social media, the website, and facilitate engagement with the top 100 businesses.
- Flexible fund of £180,000 to respond to a fast paced agenda.

2.4 As detailed in Paper 2, some key actions in this have been completed or are underway and any remaining activity remains in LEP Reserves and Cash Balances for use in 2021/22/23 and will be detailed in the full projected budget in due course.

2.5 It is recommended that we call an additional adhoc F and A committee to review the budget once the LEP Board have agreed the priorities for 21/22 and core funding has been approved by government.

### 3 Annual General Meeting (AGM)

3.1 The LEP held its annual AGM on Monday 12<sup>th</sup> February reporting on the previous years' reporting period (April 2019 - March 2020). This is ordinarily held in the Summer/ Autumn of the same year but with much of the LEP activity and resource being focused on the Covid response and recovery planning, it was agreed that a short delay was advisable due to circumstances.

3.2 It is the LEP's intention to revert to hosting the 2020-21 AGM within previous reporting timeframes again, if possible.

3.3 Pat Doody provided an overview of the year along with Covid context and forward plans and opportunities. Ruth Carver gave a short overview of the finances for the period and the three resolutions were ratified:-

1. To re-appoint the accountants of the company for the financial year 2020-21
2. To receive and adopt the accounts of the company for the accounting period from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020
3. To adopt the amended Articles of Association

3.4 Click [here](#) to view the LEP published Annual Report 2019-20.

### 4 Audit

4.1 Further to the F&A Committee's recommendation to undertake a direct procurement with the existing auditors in light of the Covid-19 pandemic, this was agreed and finalised in December with Duncan and Toplis directly contracted to carry out the LEP audit during May 2021.

## Paper 3 - Greater Lincolnshire LEP Finances 20/21

- 4.2 the D&T proposal is to continue the process on a similar basis to the previous two years' at a day rate of £675. The total time spent undertaking the financial review and assurance procedures last year was 5 days (£3,375), which included 3 additional grant certificates for Brexit Advisor Support, Brexit Intel and Cluster and Growth Hub.
- 4.3 The anticipated worst case scenario if the additional grant certificates in 2020/21 required more work, either due to complexity or volume of transactions, than those named above in 2019/20, this would result in 1 extra day carrying out this work, to a total of 6 days (£4,050).

## LEP Strategic Programme - Risk Register

17-Feb-21

Ref	Category / Theme	Description	Consequences	Current likelihood	Current impact	Overall level	Mitigating actions	Owner	Residual likelihood	Residual impact	Residual level	Status	Next review
	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)	Medium (3)	Amber	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.	<b>Ruth Carver</b> Chief Executive	Unlikely (2)	Medium (3)	Amber	Open	15-Jan-21
	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)	Medium (3)	Amber	Early decision on boundaries.  Early assessment of funding implications.	<b>Clare Hughes</b> Skills Manager	Unlikely (2)	Medium (3)	Amber	Open	08-Nov-20
	Resources	New developments, particularly the pandemic place a significant pressure on the small teams ability to maintain the running of the LEP and deliver on the strategy for the Board.	Missed deadlines.  Lack of compliance.  Unable to draw down funding.	Likely (4)	Major (4)	Red	Use the programme plan to identify gaps and pinch-points.  Use capacity funding to buy in specialist capacity and expertise.  Secure temporary support where possible.  Re-allocate tasks to ease pressure on the core team.	<b>Ruth Carver</b> Chief Executive	Unlikely (2)	Minor (2)	Green	Open	08-Nov-20
	Performance	Annual Performance Review results in a Requires Improvement (RI) rating	Enhanced scrutiny during 2019/20  Additional effort required to evidence improvement  Funds held back.	Possible (3)	Medium (3)	Amber	Agree improvement plan with government.  Bolster arrangements around the RI elements	<b>Ruth Carver</b> Chief Executive	Unlikely (2)	Minor (2)	Green	Open	01-Feb-21
4	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)	Major (4)	Amber	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.	<b>Ruth Carver</b> Chief Executive	Possible (3)	Minor (2)	Amber	Open	15-Dec-20
8	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)	Major (4)	Amber	Maintain and oversee contract with IT provider.  Ensure compliance with regulations.  Provide, where possible, adequate backup systems.  Utilise technology to lessen risk	<b>Kate Storey</b> Comms and Ops Manager	Highly Unlikely (1)	Medium (3)	Green	Open	08-Nov-20
10	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)	Minor (2)	Green	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.	<b>Ruth Carver</b> Chief Executive	Highly Unlikely (1)	Medium (3)	Green	Open	08-Nov-20

## LEP Strategic Programme - Risk Register

17-Feb-21

Ref	Category / Theme	Description	Consequences	Current likelihood	Current impact	Overall level	Mitigating actions	Owner	Residual likelihood	Residual impact	Residual level	Status	Next review
1	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)	Major (4)	Amber	Ensure relationship with partner is good.  Identify high and low risk partnerships.  Operate systems to maintain relationships  To learn from good partner relationships	LEP Board  <b>Ruth Carver</b> <i>LEP Director</i>	Unlikely (2)	Medium (3)	Amber	Open	08-Nov-20
7	LEP Delivery	Loss of confidence in LEP delivery .	Factors such as reduced staff capacity or loss of funding lead to a lack of delivery of LEP programmes and targets	Likely (4)	Major (4)	Red	Ensure LEP is focused on a particular range of deliverable actions and critical success factors.  Utilise overarching strategies to set clear objectives and targets for the LEP.	<b>Halina Davies</b> <i>Programme Manager</i>	Highly Unlikely (1)	Medium (3)	Green	Open	08-Nov-20
15	Growth Deal programme support withdrawn/reduced by government	Central Government have limited obligations beyond 2015/16 with the Growth Deal and funding allocations currently only cover one year at a time.	Pipeline 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.  Autumn Spending Review announcements may impact on existing growth deal allocations..  Potential value engineering by project leads.	Unlikely (2)	Major (4)	Amber	Key government policy is to grow the economy and encourage greater productivity – Growth Deals therefore remain a high priority for delivery	<b>Halina Davies</b> <i>Programme Manager</i>  Cathy Jones <i>Housing Adviser</i>	Unlikely (2)	Medium (3)	Amber	Open	08-Nov-20
19	External impacts on the Growth Deal Programme	Retained Growth Deal Programme schemes will be determined by DFT and for Greater Lincolnshire this currently applies to £13m of its overall £82.3m growth Deal allocation.  Factors such as Judicial reviews can result in potential time delays and thus have a knock on effect on delivery of the Programme.	Projects withdrawn or delayed. Substantial levels of reforecasting required.	Highly Unlikely (1)	Major (4)	Amber	Forward planning of programme delivery to identify which contracted/pipeline schemes can be brought forward if necessary.  Development of a priority list for appraisal should initial mitigation, measures not be possible.	<b>Halina Davies</b> <i>Programme Manager</i>  Cathy Jones <i>Housing Adviser</i>	Highly Unlikely (1)	Medium (3)	Green	Open	08-Nov-20
21	VAT	VAT advice changes to suggest the LEP is required to pay VAT on transactions	Reduced overall core funding available.	Highly Unlikely (1)	Major (4)	Amber	Continue to monitor how transactions occur and relationship with accountable body.  Maintain professional advice from Accountants.	<b>Kate Storey</b> <i>Commissioning Officer</i>	Highly Unlikely (1)	Medium (3)	Green	Open	08-Nov-20
	Formal documentation	Annual delivery Plan and/or LIS not fit for purpose	Lack of compliance  Additional effort required  Funds held back	Highly Unlikely (1)	Major (4)	Amber	Track trailblazers and emerging guidance.  Close liaison with government colleagues to maintain correct focus.	<b>Ruth Carver</b> <i>LEP Director</i>	Highly Unlikely (1)	Minor (2)	Green	Open	08-Nov-20
	Other concerns	Delivery is king, a key performance criterion, but the LEP doesn't directly deliver anything.	Adverse assessment in annual performance review.  Funding withheld.  Overly-conservative programming.	Likely (4)	Medium (3)	Amber	Maintain close working relationship with BEIS reps.  Agree improvement plan.  Maintain regular and robust engagement with projects.  Provide robust evidence of performance against improvement plan targets.	<b>Halina Davies</b> <i>Programme Manager</i>  Cathy Jones <i>Housing Adviser</i>	Unlikely (2)	Minor (2)	Green	Open	08-Nov-20

## LEP Strategic Programme - Risk Register

17-Feb-21

Ref	Category / Theme	Description	Consequences	Current likelihood	Current impact	Overall level	Mitigating actions	Owner	Residual likelihood	Residual impact	Residual level	Status	Next review
5	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)	Medium (3)	Amber	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.	<b>Ruth Carver</b> <i>LEP Director</i>	Unlikely (2)	Minor (2)	Green	Open	08-Nov-20
14	Growth Deal Project Slippage	Delays in growth deal project delivery.	This would impact on delivery of our Strategic Economic Plan and affect our reputation for delivery, which in turn could affect future growth deal funding.	Possible (3)	Medium (3)	Amber	Using risk and performance committee to manage Growth Deal projects.  Working with projects to overcome barriers to delivery.  Reallocate funding to other projects on the project pipeline.	<b>Halina Davies</b> <i>Programme Manager</i>  Cathy Jones <i>Housing Adviser</i>	Possible (3)	Minor (2)	Amber	Open	31-Oct-20
17	Individual Growth Deal project failure	Individual projects fail to deliver within the mix.	Overall programme forecasts are affected.  Funding allocated to the scheme is withheld by LCC until a decision can be made in terms of meeting the forecast expenditure for the scheme	Possible (3)	Medium (3)	Amber	Work with delivery partners to ensure ongoing spend profiles/delivery and outcomes along with Assurance Framework security.	<b>Halina Davies</b> <i>Programme Manager</i>  Cathy Jones <i>Housing Adviser</i>	Unlikely (2)	Minor (2)	Green	Open	31-Oct-20
20	Succession Planning	Staff are recruited elsewhere or move through own decision to other roles	Expertise and knowledge lost.	Possible (3)	Medium (3)	Amber	Ensure a clear and adequate software library and systems and include procedures for regular saving and easily located retrieval.  Maintain strong links with Accountable Body re staffing/ budget and restructure proposals.  Regular appraisals with staff to maximise motivation and job satisfaction	<b>Ruth Carver</b> <i>LEP Director</i>	Unlikely (2)	Medium (3)	Amber	Open	31-Dec-20
	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)	Medium (3)	Amber	Engage with neighbouring LEPs to identify options.  Submit proposals to government.	<b>Ruth Carver</b> <i>LEP Director</i>	Unlikely (2)	Medium (3)	Amber	Open	30-Nov-20
	Evidence	LIS requires a long-term view, but forecasting that far ahead can be Difficult with some datasets	Lack of compliance  Additional effort required  Funds held back	Possible (3)	Medium (3)	Amber	Gather data from multiple sources to give a broad perspective  Engage a range of experts in interpreting data, trends and forecasts.  Carry out structured horizon-scanning sessions with relevant experts	<b>James Baty</b> <i>Policy &amp; Research Manager</i>	Unlikely (2)	Minor (2)	Green	Open	08-Dec-20
	Evidence	Evidence base judged by government to be insufficient to develop targets & milestones	Lack of compliance  Additional effort required  Funds held back	Unlikely (2)	Medium (3)	Amber	Use in-house research & policy expertise.  Engage an external economist to provide assurance.	<b>James Baty</b> <i>Policy &amp; Research Manager</i>	Unlikely (2)	Minor (2)	Green	Open	31-Dec-20
	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)	Medium (3)	Amber	Identify data requirements.  Map data sources and gaps.  Identify actions required to plug gaps.	<b>James Baty</b> <i>Policy &amp; Research Manager</i>	Unlikely (2)	Minor (2)	Green	Open	08-Dec-20

# LEP Strategic Programme - Risk Register

17-Feb-21

Ref	Category / Theme	Description	Consequences	Current likelihood	Current impact	Overall level	Mitigating actions	Owner	Residual likelihood	Residual impact	Residual level	Status	Next review
2	Loss of Funding	A withdrawal of funding from bodies providing the finance for LEP operations and programmes.	<p>LEP not able to deliver the financial commitments made to partners and businesses.</p> <p>LEP operations reduced or cease due to lack of finance to cover costs.</p> <p>A loss of funding continuity which would be detrimental to LEP activities</p>	Likely (4)	Minor (2)	Amber	<p>Be mindful of party political activity approaching election, referendum and other political events.</p> <p>Maintain high quality financial management.</p> <p>Utilise funding within timescales provided for its allocation.</p> <p>Ensure LEP lending is protected.</p> <p>Identify thresholds of financial risk.</p> <p>Maximise income opportunities.</p>	<b>Kate Storey</b> Comms and Ops Manager	Unlikely (2)	Minor (2)	Green	Open	08-Nov-20
	Resources	LEP staff being pulled into non-LEP work	<p>Additional pressure on staff</p> <p>Missed deadlines</p>	Possible (3)	Minor (2)	Amber	<p>Signpost where possible.</p> <p>Look for alternative / interim capacity to share the load</p>	<b>Ruth Carver</b> <i>LEP Director</i>	Unlikely (2)	Minor (2)	Green	Open	08-Nov-20
	Programme management	Failure to fully understand and effectively manage the complex landscape	<p>Duplication of effort.</p> <p>Missed opportunities</p> <p>Missed deadlines</p>	Possible (3)	Minor (2)	Amber	<p>Produce a visual map of all the components and how they hang together.</p> <p>Group exercise to identify interdependencies, opportunities and risks.</p> <p>Co-production of the project plan covering all workstreams.</p> <p>Single programme manager with oversight of all workstreams.</p>	<b>Kate Storey</b>	Unlikely (2)	Minor (2)	Green	Open	08-Nov-20
	Programme management	Failure to effectively manage the diverse specialisms within the core team	<p>Sub-optimal knowledge-sharing.</p> <p>Potential for missed opportunities.</p> <p>Lack of resilience</p>	Possible (3)	Minor (2)	Amber	<p>Co-production of the project plan covering all workstreams.</p> <p>Group exercise to identify interdependencies, opportunities and risks.</p> <p>Introduce mechanisms to routinely share intelligence.</p>	<b>Kate Storey</b> <i>Commissioning Officer</i>	Unlikely (2)	Minor (2)	Green	Open	08-Nov-20
	Programme management	Failure to maintain proper version control on documents	<p>Confusion and mis-information.</p> <p>Wasted effort</p> <p>Loss of credibility / reputation</p>	Possible (3)	Minor (2)	Amber	<p>Establish a shared workspace on a suitable collaboration site (e.g.. SharePoint, IMP)</p> <p>Hold all master versions of draft and final documents in shared workspace.</p> <p>Share links to master versions rather than emailing as attachments.</p>	<b>Comms and Ops Manager</b>	Unlikely (2)	Minor (2)	Green	Open	08-Nov-20
	Scrutiny & assurance	Pete Moore (s151) is key to LAF assurance and sign-off, but he retires in July - the new incumbent may want a different way of working.	<p>Additional effort required to establish a new relationship and agree ways of working.</p> <p>New structures and processes may be required.</p>	Possible (3)	Minor (2)	Amber	<p>Ensure that there are sufficient handover sessions between Pete and the new incumbent to agree the way forward.</p> <p>Linsay to provide the new incumbent with a full briefing / induction.</p>	<b>Linsay Hill-Pritchard</b> <i>Principal Officer</i> <i>Accountable Body</i>	Unlikely (2)	Minor (2)	Green	Open	08-Nov-20



# LEP Strategic Programme - Risk Register

17-Feb-21

Ref	Category / Theme	Description	Consequences	Current likelihood	Current impact	Overall level	Mitigating actions	Owner	Residual likelihood	Residual impact	Residual level	Status	Next review
3	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)	Medium (3)	Green	Maintain good communication and processes between LEP and Accountable Body which minimise any risk in the financial managements process.	<b>Kate Storey</b> <i>Comms and Ops Manager</i>  Justin Brown <i>Head of Economic Development</i>	Highly Unlikely (1)	Minor (2)	Green	Open	08-Nov-20
6	Reputation and Brand	Loss of Brand Quality and Reputation.	Poor brand and communication management leads to loss of good profile.  Leads to less finance being secured by the LEP.  LEP fails to utilise communication opportunities.	Highly Unlikely (1)	Medium (3)	Green	Develop a Communications Strategy  Promote good communication both internally and externally as a mitigation factor for all other risks.	<b>Kate Storey</b> <i>Commissioning Officer</i>  Jez Ashberry <i>Optima</i>	Highly Unlikely (1)	Minor (2)	Green	Open	08-Nov-20
9	Data Protection	Protection of Data is compromised.	The LEP breaks Data Protection Laws and becomes liable to legal challenge over malpractice.	Highly Unlikely (1)	Medium (3)	Green	Maintain strict adherence to all aspects of recommended Data Protection Act measures and other relevant legislation and processes.	<b>Kate Storey</b> <i>Comms and Ops Manager</i>	Highly Unlikely (1)	Medium (3)	Green	Open	08-Nov-20
11	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)	Medium (3)	Green	Maintain the risk register.  Identify a risk management cycle including risk identification, assessment and reporting to the Board.	<b>Kate Storey</b> <i>Comms and Ops Manager</i>	Highly Unlikely (1)	Minor (2)	Green	Open	08-Nov-20
13	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)	Medium (3)	Green	Processes need to be put in place to mitigate the impact of a delay in loan repayments or non-repayment of loan.	<b>Cathy Jones</b> <i>Housing Adviser</i>	Highly Unlikely (1)	Minor (2)	Green	Open	08-Nov-20
16	Loss of control over delivery of Growth Deal programme	Local authority projects can be controlled and delivered within known tried and tested methodology whereas greater risk exists with private sector delivery partners	Project delays on site and outputs not achieved within agreed timeframes as a result.	Highly Unlikely (1)	Medium (3)	Green	Finalise individual project contract frameworks based on conditional offers and ensure legal services input.  Ensure clarity around clawback obligations.	<b>Halina Davies</b> <i>Programme Manager</i>  Cathy Jones <i>Housing Adviser</i>	Highly Unlikely (1)	Minor (2)	Green	Open	08-Nov-20
	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)	Medium (3)	Green	Active engagement with the business community to demonstrate the value of the LEP and encourage candidates to come forward.	<b>Ruth Carver</b> <i>Chief Executive</i>	Highly Unlikely (1)	Medium (3)	Green	Open	08-Nov-20
	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)	Medium (3)	Green	Continuous improvement of the recruitment process and communications.  Consider the use of local head-hunters.	<b>Ruth Carver</b> <i>Chief Executive</i>	Highly Unlikely (1)	Medium (3)	Green	Open	08-Nov-20



LEP Strategic Programme - Risk Register

17-Feb-21

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	Board composition	Recruitment & appointment process becomes protracted.	Lack of compliance with government requirements	Highly Unlikely (1)	Medium (3)	Green	Revised Local Assurance Framework introduced a new process which can deliver in much shorter timescales.	<b>Ruth Carver</b> <i>LEP Director</i>	Highly Unlikely (1)	Medium (3)	Green	Open	08-Nov-20
	Board composition	Defined term limits - Failure to agree appointments	Lack of compliance with government requirements  Additional effort required to recruit replacements	Highly Unlikely (1)	Medium (3)	Green	Appointments committee to make recommendations to the LEP Board if necessary.	<b>Ruth Carver</b> <i>LEP Director</i>	Highly Unlikely (1)	Medium (3)	Green	Open	08-Nov-20
	Scrutiny & assurance	Failure to agree the revised Articles	Lack of compliance  Funds held back  Additional time, effort & cost required to get them rewritten and approved.	Highly Unlikely (1)	Medium (3)	Green	Engage Legal advice to help rewrite the Articles and provide assurance.	<b>Ruth Carver</b> <i>LEP Director</i>	Highly Unlikely (1)	Minor (2)	Green	Open	08-Nov-20
	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, effort & cost required to secure a solution	Highly Unlikely (1)	Medium (3)	Green	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	<b>Ruth Carver</b> <i>LEP Director</i>	Highly Unlikely (1)	Medium (3)	Green	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, effort & cost required to secure a solution	Highly Unlikely (1)	Medium (3)	Green	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	<b>Ruth Carver</b> <i>LEP Director</i>	Highly Unlikely (1)	Medium (3)	Green	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)	Medium (3)	Green	Establish an officer working group to ensure that there is ongoing discussion on roles and responsibilities.	<b>Ruth Carver</b> <i>LEP Director</i>	Highly Unlikely (1)	Minor (2)	Green	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)	Medium (3)	Green	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.	<b>Linsay Hill-Pritchard</b> <i>Principal Officer</i> <i>Accountable Body</i>	Highly Unlikely (1)	Medium (3)	Green	Closed	
	Local Assurance Framework	LEP Board rejects roles & responsibilities	Lack of compliance	Highly Unlikely (1)	Medium (3)	Green	Ensure that roles & responsibilities align with NAF	<b>Ruth Carver</b> <i>LEP Director</i>	Highly Unlikely (1)	Medium (3)	Green	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, effort & cost required to secure a solution	Highly Unlikely (1)	Minor (2)	Green	Secure early Board agreement to LCC continuing as the accountable body.	<b>Ruth Carver</b> <i>LEP Director</i>	Highly Unlikely (1)	Medium (3)	Green	Closed	