

Report of **Audit & Finance Subgroup Chair** in relation to the meeting of:

9th February 2022

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

Key agenda items discussed:

- ESIF Update Briefing Paper
- Q3 21-22 DRAFT LEP Finance Dashboard
- Q3 21-22 LEP Performance Reports (CD/LGD/GBF)
- Consolidated Risk Register & Issues Log
- 21-22 Core Budget Forecast & Draft 22-23 Budget
- Growth Hub Report January 2022
- Interim Contracts Mapping
- Local Assurance Framework Audit Report

Notable changes, successes or risks

Q3 21-22 DRAFT LEP Finance Dashboard

Key points to note:

- Mitigation is in place to ensure GBF Grant remains 'on course' to be fully drawn down by 31st March 22. 61% of the revised £18.65m GBF Grant allocation has been spent to date.
- GBF Grant slippage is estimated at c£2.58m. SSLEP will utilise its 'Freedoms & Flexibilities' allowable under the grant's t&c's to switch fund against SCC Capital Programme and return the funding back to the LEP in Q1 22-23. This allows the 3 GBF Grant funded schemes to be completed by the 30th June 22 deadline set by SPMG.
- The Creative Lab (Staffs University) has now completed their drawn down of their GBF Grant allocation.
- The EV DfT Retained scheme has completed its draw down its £18.5m LGD Grant by Q3 21-22.
- Further GPF Loan 'Open Calls' are currently on hold until the National LEP Review outcomes are known.
- BEIS has now awarded the 2nd tranche of £0.250m Core Fund Grant. There is, however, a risk of uncertainty regarding future years Core Fund Grant funding which can initially be mitigated, in the short term, by sufficient levels of estimated LEP Reserves held of c£1.570m as at 31st March 22.

Risk and Issue Log - Brought to Executive Board for review.

Key changes to note:

- **Strategic Risks** have been reviewed and rationalised to reflect a more updated position. Audit & Finance Committee approved a draft proposal to close some of the older Strategic risks and incorporate them in more relevant, newly-worded ones. This has been implemented and the revised risk log circulated to Board.
- **Drakelow Park:** the transfer agreement has been completed and the £5.05m GBF funding has been transferred to D2N2 LEP/Derbys CC. The risk has been CLOSED as the scheme is now de-risked for SSLEP as we are not responsible for delivery (the transfer agreement includes conditions to protect SSLEP's interests).
- **Blythe Park:** A revised business case has been independently appraised. The Board Delegated Authority Sub-group met on 21/12/21 and would like to report to Board that they have APPROVED the revised scheme. Further clarification points have also been approved by the subgroup. An LGF Funding agreement variation and a new GPF loan agreement are currently being drafted.

Decisions and/or Ratifications

1. Request for public sector member to join A&F to ensure compliance with Assurance Framework

Appendices

1. ESIF Update Briefing Paper
2. Q3 21-22 DRAFT LEP Finance Dashboard
3. Consolidated Risk Register & Issues Log 09.02.2022
4. Core Budget Forecast – briefing note
5. 21-22 Core Budget Forecast & Draft 22-23 Budget
6. Local Assurance Framework Audit Report

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