

Audit Finance and Governance Panel

Minutes of the meeting held on Tuesday, 13th July 2021 via Microsoft Teams

Attendance

Board Members

Stephen Savage (Audit, Finance and Governance Chair)
Daffyd Williams (ABP)
Mark Pearson-Kendall (Andrew Jackson Solicitors)
Richard Frostick (Ernst & Young)
James Newman (Chair HEY LEP)

Secretariat

Stacey Alexander
Caroline Sansam

Guests

Graeme Smith (HCC)
Andrew Hewitt HEY LEP)
Laura Barley (HEY LEP)
Teresa Chalmers (HEY LEP)

1. **Welcome & Introductions**

Stephen Savage introduced the members to the first meeting of the Audit, Finance and Governance Panel explaining that this was an independent group set up to ensure the HEY LEP enacted its business according to the National and Local Assurance Frameworks. Each member gave a brief introduction of themselves.

2. **Apologies**

No apologies were given.

3. **Terms of Reference for the Audit, Finance and Governance Panel**

SS explained that the draft document had been based on the Humber LEP previous Audit Committee and Finance and Remuneration TOR. These have been further developed to reflect the requirements of the Hull and East Yorkshire Local Enterprise Partnership (HEY LEP).

SS – In terms of remuneration, the agreement to pay the Chair and Deputy Chair was previously and therefore there is no need to have a remuneration discussion straight away. JN suggested that the best time to consider this may be when SP steps down, explaining that the deputy

role was appointed for an initial 12 month period; thought this can be reviewed.

SS stated that any recommendations arising from this AFG Panel will go to main LEP Board for ratification.

Action agreed: Members to adopt the AFG Panel TOR

4. **Budget**

TC stated that the LEP budget is very tight this year. GS presented the figures and informed the Panel that the LEP has not yet received any of the government funding and as so the LEP is operating at risk. GS explained that the Hull City Council and East Riding are the organisations jointly sharing the risk. SS mentioned the decision on funding is with e Government and that all LEPs are in the same place. JN stated that everyone is aware, and it appears that the sign off is sitting with Treasury. JN reminded the Panel that this is regarding the 2021/2022 date, ie this financial year; which is the first new LEP's government's allocated resources. JN reiterated TC' comment earlier regarding the budget is tight and will need to be carefully managed. The Panel acknowledged the paper and thanked GS for his input.

5. **Assurance Framework and LEP Delivery Plan 2021/22**

TC introduced the National Assurance Framework and how this fits with the Local Assurance Framework which is the overall governance document for LEPs. LB provided an overview of the Assurance Framework, its purpose and contents. The Assurance Framework is vital to demonstrate that there are robust systems and processes in place locally to ensure resources are spent with regularity, propriety and value for money. All LEPs must have an Assurance Framework in place in order to maintain compliance with the Department for Business, Energy and Industrial Strategy (BEIS) requirements.

LB stated that the new Assurance Framework was developed based on the previous Humber LEP document and updated to reflect the new LEP governance structures, processes and systems. The Assurance Framework is a 'live' document which will continue to be updated. Any substantive changes will be taken back to the AFG Panel for review.

LB then introduced the HEY LEP Delivery Plan 2021/22. This is a public document which outlines how the LEP will deliver the various activities and strands of investment over the forthcoming financial year.

Members asked for clarity on the role of the ESIF Committee. LB explained that the Humber ESIF Sub-Committee was established by the Ministry for Housing, Communities and Local Government to oversee the Humber's

European Structural and Investment Funds Programme. Regular reports on progress and activities on the Humber ESIF Programme have been provided to the Humber LEP and will continue to be provided to the HEY LEP. JN stated that the ESIF Committee is chaired by Isobel Mills who has been Chair since the start of the programme in 2014.

SS asked members if they are content to adopt both the Assurance Framework and the Delivery Plan, making recommendations for the LEP board to do so.

Action agreed: AFG Panel recommends that the LEP Board to adopts the HEY LEP Local Assurance Framework and Delivery Plan 2021/22.

6. Policies

TC introduced the draft policies and explained that these were needed to be in place as part of the overall Assurance Framework; again, these have been drawn from the former Humber LEP documents and updated to meet the requirements of the HEY LEP. TC stated that if any further significant changes needed to be made on any policies, they will come back to this group first. SS asks if there are any new policies needed, particularly for future activities. DW raised that a Dignity at Work policy may be useful for the LEP. JN mentioned considering a Covid/economic shock policy for the future. Note: this would likely fall under the business continuity plan.

Action agreed: The AFG Panel agreed to make recommendations to the Board to adopt the Policies as presented.

7. LEP Board, Terms of Reference.

JN presented the draft TOR for the LEP Board and sub boards to date explaining that each board would have the opportunity to tweak these if required. The Innovation and Transformation sub-Board TOR would follow later in the year as this is still in discussion. JN mentioned that further tweaks will be required to ensure that each are consistent in terms of headings etc. JN mentioned that any arising conflicts of interests from discussions would come to this Panel for further input.

Action agreed: The AFG Panel agreed to make recommendations to the Board to adopt the current TOR as presented.

8. HEY LEP Economic Strategy

AH presented the work to date on the new LEP Economic Strategy proposal, with the working title the 'Growth and Wellbeing Strategy'. AH invited Panel members to comment on the plans for development and that any further thoughts arising following the meeting would be welcomed. The

Panel discussed the proposal and the evidence base that would support the strategy.

Agreed action: The AFG Panel to provide further feedback to AH following the meeting to help the LEP develop the approach.

DRAFT