

# Audit Finance and Governance Panel

DRAFT Minutes of the meeting held on Tuesday, 22nd November 2022 via Microsoft Teams  
Paper A

## Attendance

### Board Members

Stephen Savage (Audit, Finance and Governance Chair)  
Mark Pearson-Kendall (Andrew Jackson Solicitors)  
James Newman (Chair HEY LEP)

### Secretariat

Andrew Hewitt HEY LEP

### Guests

Teresa Chalmers (HEY LEP)

## 1. Welcome Apologies and Declarations of Interest

Stephen Savage welcomed the members to the panel. The minutes of the last meeting were approved as a true record, arising items were covered in today's agenda.

JN declared an interest in discussions on EU funding cessation.

Apologies were received from Daffyd Williams (ABP) and Richard Frostick (Ernst & Young)

## 2. Panel Membership Review

A discussion was held on AFG Panel Membership. Richard Frostick had given notice that due to his Hull office closing down that he would be stepping down from the panel. The Panel thanked Richard for his hard work. Potential replacement members were discussed and JN volunteered to approach one to ascertain their interest in joining the Panel.

**Action:** JN to approach prospective panel member.

## 3. LEP and Devolution Update

JN provided an update on Devolution. The two LA leaders are actively progressing a 'County Deal' proposal, with either an elected chair or a revolving chair. Recent turmoil in government has hindered progress and it is unlikely that any deal will be signed before the local election next May. This impacts on the LEP as they will have to remain in place

until any deal is signed and combined authority formed. For 2023/24 this puts great importance upon the BEIS funding settlements for LEPs.

#### **4. BEIS Mid-Term Review**

A report was provided from the BEIS Mid Term Review which took place on Wednesday 16<sup>th</sup> November 2022. The Mid-Year Review are only being held with LEPs which BEIS consider to be either in danger of non-delivery or under financial stress. The HEY LEP was invited to participate due to the lack of financial reserves, therefore falling into the latter category. This review provided an opportunity to review the various programme strands the LEP is leading on and discuss wider issues of ongoing programme delivery.

BEIS were pleased with the progress of LEP programme delivery in the year thus far. In terms of governance however colleagues had some very minor elements of updating on the website which they required to be undertaken in order for the LEP to be fully compliant with the National Assurance Framework. These elements are now in hand and being addressed by the LEP team.

The meeting also outlined the requirement to update the Local Assurance Framework, which is covered in a later agenda item.

The Mid Term Review was also an opportunity for the LEP to raise the requirement of BEIS to make an early commitment of funding to avoid the situation that occurred this year when the funding agreement was announce a day before the new financial year. Due to the LEP reserves it is likely that if surety of funding was not given early in the 2023 calendar year, then this would require the board to carefully consider the future viability of the LEP.

#### **5. UK SPF Update**

Following the report from the last meeting, both Local Authorities submitted their UKSPF investment plan proposals to UK Government ahead of the 1<sup>st</sup> August submission date. At the time of writing no feedback or approval has been received following these submissions.

##### **Hull City Council UK SPF Shadow Partnership Board.**

The Hull City Council UK SPF Shadow Partnership Board met on the 13<sup>th</sup> October 2022.

This meeting included an update on Hull CC's plans for progressing UK SPF followed by discussions around future governance arrangements and Partnership Board Terms of reference.

Hull CC have made the decision to continue with an application process 'at risk' to inform delivery of the Investment Plan. The application process for Year 1 projects was opened on the 24<sup>th</sup> of October 2023 for projects which would be completed by the 31<sup>st</sup> March 2023.

Hull CC has been allocated £1,046,984 for projects up to 31 March 2023, with a further £7,681,788 to be spent between April 2023 and March 2025.

The Fund has three overall investment priorities -

### **Community and place**

- strengthening our social fabric
- fostering a sense of local pride and belonging
- building resilient and safe neighbourhoods

### **Supporting local businesses**

- creating jobs and boosting community cohesion by supporting local businesses
- promoting networking and collaboration and stimulating innovation and growth
- targeted support to help businesses growth

### **People and skills**

- boosting core skills and supporting adults to progress in work
- supporting disadvantaged people to access the skills they need
- funding local skills needs and supplementing local adult skills provision
- Reducing level of economic inactivity and supporting those furthest from the labour market

The Hull CC year one application window closed on 21<sup>st</sup> November 2022 and is scheduled to reopen in January for years 2 & 3.

The HEY LEP submitted an application for Year 1 activity to deliver support for companies looking to explore export opportunities in the Hull area. This was supported by DIT.

### **East Riding of Yorkshire Council UK SPF Shadow Partnership Board**

The East Riding of Yorkshire Council UK SPF Shadow Board met on Wednesday, 12 October 2022.

The meeting covered similar topics to the Hull meeting with the addition of an update on the update on the Rural England Prosperity Fund (REPF), which was announced in September by the government.

The REPF supports the aims of the government's Levelling Up White Paper and Future Farming Programme. It will fund capital projects for

small businesses and community infrastructure in order to strengthen the rural economy and rural communities in 2023-2024 and 2024-2025. The REPF is integrated into the wider UKSPF and supports activities that address the particular challenges that rural areas face, including lower productivity rates, poorer connectivity and poorer access to key services.

The East Riding has been allocated £1.8 million from the REPF. In order to draw down this allocation, East Riding of Yorkshire Council must submit an addendum to its UKSPF investment plan, As with UKSPF and Multiply, the council is expected to consult with relevant stakeholders on the development of the REPF submission. This consultation was undertaken in October 2022.

The East Riding's delivery model for the key UK SPF allocation is different to the Hull CC model. No direct application process for projects has been held at this point, however East Riding directly delivered activity is due to commence at risk.

East Riding are placing a high priority upon Community & Place activity to cement regeneration activity which has already been in operation in the area.

## 6. LEP Delivery Plan 23-24

AH introduced the paper on the Delivery Plan for 23/24. The Plan has been produced in a period of uncertainty for LEP finances and as such an attempt has been made in the initial section to lay out the potential resource scenarios which could impact upon future delivery.

Within the bulk of the document the assumption has been made that a level government funding we receive in 2023/24 will be consistent with that received in 22/23. If an increase in funding did appear the Plan included joint work with the Greater Lincolnshire LEP in areas such as food and digital. Greater Lincolnshire LEP has also included this reference within their own Delivery Plan.

At the LEP mid-term review meeting an update was received from BEIS colleagues which suggested the optics which LEPs delivery plans would be judged may be altering, however this information has not been received from the BEIS local team at this stage.

The Panel thanked AH for his work on the Plan and were happy to endorse the Delivery Plan from a governance and finance perspective.

**Action** – Following completion of the Delivery Plan letter to be sent to BEIS informing them of its availability but not to send the document until clarity from Government of its required metrics have been received.

7. **Draft Local Assurance Framework 2022/23**

AH outlined that during the BEIS Mid-Term review the LEP had been informed that they were required to update the draft Local Assurance Framework for 22/23 and publish this on the LEP website.

This is at odds with the previous advice which indicated a delay of completion of this document until the new National Assurance Framework had been completed. There is currently no timeframe for the completion of the National Framework and as such the advice to LEPS has been recently amended verbally (no letter sent).

Following this update, the LEP team have completed a refresh of the HEY LEP Assurance Framework which was circulated to the AFG. This Assurance Framework will be presented to the LEP Board at its January meeting for approval. Due to the short timeframe between circulation of the documents and this meeting, it was resolved that extra time be provided to the AFG Board to review the document and return any comments.

**Action** – AFG members to review HEY LEP Assurance Framework and return any suggested amendments to Andrew Hewitt by **Friday 9<sup>th</sup> December**.

8. **Careers Hub Expansion Plan and Local Skills Improvement Plans (LSIPs)**

TC noted that much good work was being undertaken by the Careers Hub team with private investment being recently secured from two major industrial partners to expand the number of schools which could benefit from the Careers Hub activity by employing an additional Enterprise Coordinator to support these schools. This would give full coverage to all schools in the HEY region.

TC also updated on the latest development of the Local Skills Improvement Plans, led by the Hull and Humber Chamber of Commerce. The steering group had met for the first time with the framework discussed but as yet no actual plan of delivery had been seen by members as this was still in negotiation with the Chamber and the DfE. The LEP and Chamber have agreed on the final SAP research funding which will include an updating of the Local Skills Report Core Indicators, a new employers survey focussing on skills demands, a refresh of the Skills Dashboard (add link), the regional use

of the Adult Education Budget, Apprenticeships, Digital Skills analysis, and a refresh of the Economic Impact analysis

### **Any Other Business**

TC noted that the next meeting of the board will take place at the beginning of February – date and time TBC.

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