

**Cheshire and Warrington Enterprise Partnership**

**Finance & Audit Committee Board Meeting Minutes**

**25 February 2016 at Richmond House, Gadbrook Park**

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| **Present:**Martin Ashcroft (Chair)Nigel Schofield Tim WheelerPeter Bates, Section 151 Officer, CEC |  |
| **Apologies:** Peter Bates, Section 151 Officer, CEC **In attendance:**Philip Cox, Louise Towers and Paul Goodwin representing CEC |

**Agenda Item 1: Welcome, Introductions and Apologies**

MA opened the Committee meeting; apologies were received from Peter Bates.

Paul Goodwin was welcomed to the Committee meeting to represent CEC.

**Agenda Item 2: Minutes of the last meeting (16 October 2015)**

The minutes were agreed as a true record of the meeting and all actions are progressing or have been met. Additional updates were provided for:

BIS Audit visit as part of NAO review

Paul Goodwin confimed that the audit had happened, but informed committee that the report would go to DCLG not to individuals LEPS. A discussion followed on how the LEP ensured the management of programs in line with assurance framework through the P&I committee with skilled and capable program managers. NS asked that any issues with projects are reported to the full Board by exception.

**Agenda Item 3: Q3 Management accounts - LT**

LT took the Committee through the Q3 accounts. Main points:

* The year to date forecast is showing a deficit of £420k vs. a budget of £409k. However, with only 6 weeks to go to the year-end the contingency of £35k has not been used.
* At the year-end any work commenced and not invoiced will be accrued in line with accounting standards. Work contracted but not commenced will be clearly ring fenced in the year-end Management accounts.
* Remuneration is over budget by £32k. This relates to redundancy and pension payment for Aidan Manley, and the recruitment fee for a new Deputy CEO of LEP. PC informed committee that both items had been approved by Remuneration committee. It was also confirmed that the Payment in lieu of Notice was taxable and a settlement agreement signed.

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| **The Committee:*** **Agreed to a virement of budget to remuneration to cover this expenditure**
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* The subscription expenditure to date is for £5k to LEP Network and £7.5k for contribution to sub-regional program office. Further expected expenditure includes £12.5k possible contribution to devolution team, £10k to Mipim rebranding and £5k to Agritech consultancy.

**Action: LT to add Narrative to future Management accounts to show major components of spend and variances.**

**Agenda Item 4: 2016-17 Budget**

PC talked through the budget report narrative explaining the various sources of revenue that totals £1.3m.

Paul Goodwin informed committee that whilst all 3 Local authorities were providing a cash match totalling £250k this year, it couldn’t be guaranteed for 17/18. PC explained that without this cash match there would also be a loss of £250k income from BIS. This might not be an issue if combined authority comes into force in tie for 17/18 but it was agreed that the Board should be made aware of this issue and that the LA’s should be approached regarding 17/18 funding before the 16/17 statutory accounts are approved.

Before Enterprise Zone costs the expenditure equals the income including £50k contingency. The major component of the cost is £900k relating to staff remuneration. This includes Marketing Cheshire staff time used plus the addition of new post of transport co-ordinator.

The budget includes lump sum payment 3 of 3 of £31,000 to the pension fund to reduce liabilities. A FRS 17 pension report is expected after March 2016 when the pension deficit can be reviewed. It was confirmed that the three local authorities have agreed to underwrite the pension liability.

Enterprise Zone

PC explained that the Enterprise Zone (EZ) is being launched from 1 April 2016. The EZ will generate income from business rates but it is not yet clear how this income will be distributed by central government. The income stream is not likely to start until after the launch costs have been incurred. The local authorities have agreed that the launch costs will be the first call when revenue is received. However the LEP need to incur the costs now.

The budget including these EZ costs shows a deficit of approx £55k which would take reserves below their usual level to £36K. However reserves to include a booked pension liability of £139k and so cash is available to do this.

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| **The Committee:*** **Agreed that the budgets be recommended for sign off at the next LEP Board meeting and that board should be made aware of comments from CE regarding 17/18 funding.**
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**Agenda Item 5: Auto-enrolment pension**

LT talked through paper on auto-enrolment .

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| **The Committee:*** **Confirmed they were happy to use NEST as pension provider for auto-enrolment and that an Employer contribution of 3% should be made from outset.**
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**Action: LT set up NEST as pension provider**

**Agenda Item 6: Review Financial Scheme of Delegation**

LT had replaced Aidan Manley as signatory on the Financial Scheme of Delegation.

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| **The Committee:*** **Approved changes to Financial Scheme of Delegation**
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**Agenda Item 7: AOB**

None.

**Agenda Item 8: Date/time/venue of next meeting**

LT to confirm the next meeting date and venue.