

**Minutes of the Cheshire and Warrington Local Enterprise Partnership**

**Performance and Investment Committee Meeting**

**Held on 26th April 2023 at 1600 via Teams**

**In attendance:** Chris Hindley (Chair), Nichola Newton (Deputy), Ian Traynor, Alex Thompson, Ian Brooks, Rebecca Luck, Peter Skates (from agenda item 6)

**Apologies:** Perran Baragwanath, Stewart Brown

**Presenters:** N/A

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| **Item No.** | **ITEM** | | |
| 1 | **Welcome, Introductions and Apologies**  Chair welcomed the committee and noted the apologies. | | |
| 2 | 1. **Conflicts of interest**   NN acknowledged a conflict of interest with the Programme Manager Report (Skills Bootcamp programme), based on WVR recently putting in an application to run a Skills Bootcamp in Cheshire & Warrington.   1. **Minutes**   Minutes from 29th March were confirmed to be an accurate reflection of the meeting. | | |
| 3 | **Actions arising**   * RL highlighted that John Adlen has requested updated outputs from the EZ schemes, and will share the updated cumulative outputs when available. John is also incorporating the steer from P&I regarding inclusion of sustainability outputs, and exploration of any applicable Government funding EV schemes. * As a response to the query regarding the A51 RL shared a recent A51 corridor study, supported by the business case fund, Cheshire East Council and Cheshire West and Chester Council. The report which has recently been published, looks to produce a new baseline of the corridor (which included the LGF scheme) and identify recommendations for any future interventions. Pick up more detailed questions on A51 and pick up Roy Newton. * The chair noted the distribution of the paper, but reflected that the committee’s wishes is to better understand the traffic impact of the LGF scheme, and that the shared current study doesn’t provide sufficient detail. * All other actions arising are to be picked up in core agenda items below. | | |
| **Actions** | **Owner** | **By When** |
| (Rollover) Share updated cumulative EZ outputs | JA | May 23 |
| Pick up with R.Newton the A51 request, and explore available studies/data that directly describes the traffic impact of the LGF scheme.  Any further or specific questions of the committee in relation to this scheme are to be shared with RL. | RL  All | May 23  May 23 |
| 4 | **Corporate Risk**  RL took the committee through the Risk paper and a summary of the escalated issues and risks.  RL highlighted that the corporate risk register is reviewed on a monthly basis, between RL, IB and PC. In a meeting on Monday, in addition to the mitigating actions and risks as described in the paper shared with the committee, RL noted that there was an agreement to explore an interim governance solution. An interim solution was suggested as many committees had been wound down, and with member recruitment having been on pause for over a year, many committees if they were to meet were at increasing risk of not being quorate.  IB highlighted that any interim solution would seek S151 steer and approval.  IB also recognised that in order to further mitigate the staff flight risk, there is a need to gain certainty from local authorities early (ideally this side of the summer).  CH highlighted that our financial position is better than we had previously hoped or planned for, so there was therefore sufficient wiggle room to find/utilise interim resources if required. CH also noted that the compliance and interim governance issue is in our hands, and with F&A and P&I having some shared membership and previously intended to merge, that a practical and pragmatic approach would need to ensure we retain checks and balances, with consideration of our resources. Particularly where a key role remains in providing suitable challenge in the corporate risk register while going through a transfer.  IT raised the moral implications of the Chancellor’s statement and period of uncertainty that it presented, outside the control of the LEP, particularly the inability to give clarity to staff, and the void of information that it creates. IT also queried the impact on the LEP’s liabilities & assets, noting that any transfer would have to satisfy three different local authorities, all of whom may have different views.  CH agreed level of complexity on transfer is very high, and raised that another LEP had previously formed a community interest company, and they had found it was technically easier to transfer to another charitable organisation in India than the local authority.  IB that a deadline of the 19th May was set by the Government to provide a response to the request to consult on any LEP transfer. It therefore provides an opportunity for both the local authorities and LEP to highlight concerns and opportunities regarding a transfer. Government have indicated that they would respond before the end of the Summer.  IB confirmed that the executive have retained lawyers, who have been approached to talk through legal & HR implications of various potential options. IB noted that as the LEP is a company limited by guarantee there is no mechanism to distribute assets back to its members, but it can transfer to organisation’s of similar principles, with a local authority being considered a similarly principled organisation. IB also noted that the local authorities have to lead the decision, and while we are hopeful they can find a consensus on how the LEP activities will continue, the LEP is considering the risks if that isn’t the case.  IT noted with a local election coming up, and the differing views on devolution, would further compound transfer discussions.  CH stated that the LEP has strong relationships with the local authorities, a strong leadership team and have a strong financial base, which has enabled the ability to confirm roles and funding to April 2024. | | |

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|  | **Actions** | **Owner** | **By When** |
| An interim governance solution to be identified by the executive team, and implemented. | IB | May 23 |
| 5 | **LGF & GBF Ongoing Monitoring**  RL noted that for both LGF and GBF Government have an expectation that we continue to provide bi-annual returns up to the end of 24/25, despite the LEP’s future beyond April 24 being unknown.  RL would still be sharing a summary of current outputs to close out the financial year 22/23, which is then due to Government on the 26th May.  The LEP have previously raised with the CLGU the challenge of continuing to monitor both legacy schemes, particularly with no management charge being available, and with our core funding being cut for the second year in a row. In addition, it was queried whether the reports being submitted were being monitored or any actions being taken from Government  Furthermore based on the LEP’s reality this year, and urgent priorities and constrained resources, there was further challenge in being able to monitor the LGF or GBF schemes.  It is a risk in not complying, however the impact is considered to be low.  AT noted a risk is that the money that was invested is misappropriated, and therefore advised an assessment, scheme by scheme, if there are any that might have a higher risk, i.e. any non-local authority schemes, where the asset the LEP invested in could be sold.  NN agreed with the approach, acknowledging an assessment be made if there are any areas/schemes that the LEP should continue to focus on.  CH also agree with the pragmatic approach being raised, and to continue light touch monitoring of any of those highlighted schemes. | | |
| **Actions** | **Owner** | **By When** |
| Assessment of risk of individual LGF and GBF schemes, to advise if any warrant continued monitoring. | RL | June 23 |
| 6 | **Programme Manager Report (Skills Bootcamps)**  RL highlighted the challenge of implementing Wave 4, with the future of the LEP beyond April 24 unclear. We have therefore appointed the initial Wave 4 grant offers with training providers, to deliver milestone 2 by the end of September and milestone 3 by the end of February. We have also committed to review the training providers allocations at to points within the year (month 3 and 6), to reward those providers that are meeting their intended delivery plans (both in terms of scale and timing). This approach therefore gives us some time to determine how the scheme can be monitored to September 24, which is the latest a Wave 4 milestone 3 claim can be drawn down.  IT checked, and RL agreed, that a milestone 3 payment can of course be made earlier than February 24, providing the training provider can evidence the outcome.  CH and NN both recognised that this is a real-world representation of the impact and need for early decision-making with the LEP transfer. NN highlighted that it would be a shame of the Bootcamp programme was impacted by the LEP transfer, and that clarity would be needed to provide certainty for future funding rounds.  RL highlighted, that the most successful W3 bootcamps had been both short,sharp in nature and with close employer connections. Only the most successful bootcamps were continuing into Wave 4.  IT queried if there was a financial incentive of this scheme, as it’s a lot of work. IB confirmed we do receive a management charge of approximately 15%, but noting that the work is not-for-profit, and that the programme overall remains a steep learning curve for training providers, for us and DfE. | | |
| **Actions** | **Owner** | **By When** |
| N/A |  |  |
| 7 | **P&I Meeting Frequency & Areas of Focus**  CH noted that there was a need to retain a check and balance on investment decisions, and significant role in management of corporate risk, especially important in a period of uncertainty. However, we were previously minded to merge F&A and P&I, due to the nature and membership of those committees.  RL highlighted we were therefore seeking support and endorsement to merge F&A and P&I, if this was the preferred interim governance solution.  IT stated if there was a merger it would be important to have a stake in the ground of our roles and activities, to ensure unclear inheritance.  NN raised concerns about bringing in more change, in a period of uncertainty.  CH agreed that if a merger at this time should only be considered if essential, but need to acknowledge that there is a risk that the LEP runs into governance issues in the very near term, and that the ratification role and compliance role must remain functional.    IT noted that he would rather do it now, than when resources may already be constrained.  AT stated that the proposal makes sense, because it made sense before, though only question is whether we have insufficient capacity.  IT raised that if we do move forward that we have a special meeting to bring new/full membership up to speed, rather than impacting the forward agenda of the new committee. Equally need to be clear as to roles that do transfer and those that wouldn’t. | | |
| **Actions** | **Owner** | **By When** |
| Subject to the preferred interim governance solution, a special meeting to take place between F&A / P&I | RL/IB | June 23 |
| 8 | **AOB**  No further items were raised. | | |
| **Actions** | **Owner** | **By When** |
| N/A |  |  |