

OPEN

Cheshire and Warrington Joint Committee

29 November 2024

**Enterprise Cheshire and Warrington
Finance Report**

**Report of: Growth Directors of Cheshire West and Chester Council,
Warrington Borough Council and Cheshire East Council**

Report Reference No: CWJC/06/24-25

Significant/Key Decision?	Yes / No
Cheshire West and Chester	No
Warrington	No
Cheshire East	No

Purpose of Report

- 1 This report summarises the financial statements, for the Enterprise Cheshire and Warrington Group (ECW and MC) for the year ended 31 March 2024 for note.

Executive Summary

2. At the meeting of Enterprise Cheshire and Warrington Board of Directors on 4th November 2024, the Directors (one officer from each of the LAs, plus the Chief Executive of ECW) agreed the annual statement of accounts. ECW is required to table the accounts at a meeting of the JC in its role as it's shareholder.

RECOMMENDATIONS

The Joint Committee is recommended to:

1. Note the accounts as approved by ECW Board of Directors.

4. Background

4.1 The accounts presented are Marketing Cheshire and ECW consolidated position. They have been through a rigorous external audit process and have been reviewed and approved by their respective Boards.

4.2 The principal activity of ECW continues to be the promotion of economic activity and growth in Cheshire and Warrington. Grant levels and the nature of the programmes ECW delivers are set each year by central government departments and local authorities and can vary in line with policy objectives and budget settlements.

4.3 Central Government grant funding for ECW is paid to Cheshire East as accountable body. As a result, many of the grant payments for ECW programmes are made direct by Cheshire East on ECW's behalf. The ECW company accounts do not cover the full scope of ECW's activity as they only cover those transactions that require a separate legal entity, such as the employment of staff, and some elements of the Enterprise Zone.

5 Report Highlights

5.1 Performance for the year was largely as anticipated.

5.2 At the year-end 23/24 the ECW group reported a loss, which is reflected in the balance sheet. This is a paper loss only and arises from the necessary accounting treatment of one of the grants awarded by the LEP, from its 2014 allocation of the Government's Local Growth Fund. Most LGF funds were given as a grant for capital projects and were therefore made by Cheshire East on the LEP's behalf. One of the conditions of the Local Growth Fund grant from the Government was that £10 million should be used to set up a Life Sciences Fund (LSF1) to support the growth of life science businesses at Alderley Park. As with all grants, the funds were not allocated with the intention of recuperating the contribution but the vehicle by which they were allocated, means they could deliver long term gains as the businesses invested in start to thrive, with any gain re-invested into a follow-on Life Sciences Fund 2.

5.3 In common with many other venture capital funds, the value of LSF1 has declined over the past couple of years. As the investment in LSF1 was merely a grant received and paid out a total loss of the investment would not impact ECW's viability, especially as if LSF1 fails to deliver a return, ECW's commitment to invest in LSF2 will be met from a ring-fenced portion of its Growing Places Fund. In the meantime, the businesses in which LSF1 has invested are growing, upskilling

employees and contributing towards a growing and vibrant life science sector in Cheshire and Warrington

6. Comments from the Business Advisory Board

6.1 The statutory accounts cover a period before the Business Advisory Board was established and have therefore not been discussed with it.

7. Reasons for Recommendations

7.1 The consolidated accounts have been through a rigorous audit process and scrutiny by the Board of Directors and external audit. Marketing Cheshire accounts followed a similar process.

8. Other Options Considered

8.1 These are statutory accounts required by law

9. Other Consultation and Engagement

9.1 These are statutory accounts and have been externally audited.

10. Implications and Comments

Legal implications

10.1 The accounts meet legal requirements.

11. Finance implications

11.1 The accounts confirm that ECW is a going concern and presents no financial issues for the LAs. Cheshire East's Deputy s.151 Officer was present at the ECW Board meeting that signed off the accounts.

12. Sustainable, inclusive, healthy & growing economy and climate implications

None

13. Risk Management

No implications

14. Equality, Diversity and Inclusion

None.

Access to Information

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Appendices:	Appendix 1: Annual statement of accounts
Background Papers:	None