

## Annual Assurance Statement 2017/18

The following Assurance Statement from the S151 Officer and LEP Chair & LEP Chief Executive was supplied as part of the Hertfordshire LEP Annual Conversation with BEIS that was held on the 5<sup>th</sup> December 2017.

### Annex B: Section 151/73 Assurance Statement

The Section 151/73 Officer should here provide a report to the Annual Conversation on their work for the LEP over the last twelve months and their opinion with a specific requirement to identify any issues of concern on governance and transparency. In particular, you should focus on any particular issued raised in Annex A. **(max 500 words)**

I am a member of the LEP's Programme Management Committee (PMC) and have attended two LEP Board meetings in the last year. I have agreed with the LEP Chairman that I will attend all future Board meetings. I have signed off the Assurance Framework by the 28th February deadline following revised guidance issued in November 2016. I have approved the applications for Core Funding and for the Growth Hub, the agreement for 2017/18 and the quarterly claims. I have signed off the new reporting arrangements for the Local Growth Fund following the LOGASnet replacement.

I have led the HCC finance team to engage with the LEP management team both routinely and on specific projects. The breadth of the following activities demonstrates the close working demonstrated in the last year:

- 2016/17 year end accounts for publication on the LEP website
- Monthly reports including transactions listing and a written commentary report
- Treasury Management advice regarding interest rates, due diligence, interest receivable calculations and cashflow forecasting
- Worked on the data required for the LOGASnet replacement including forecasting expenditure to 2021
- Work looking at the recovery of programme management costs through LGF and exploring the capitalisation of front end staff costs
- Research and proposal of a loans scheme funded through LGF
- Assisted with creating a schedule of projects for Stevenage First for the duration of the GDI and II programmes
- Drafted an SLA between HCC Finance and the LEP to clarify finance services being provided
- Assisted with audits of LGF, Growth Hub and Assurance Framework
- Assisted with securing outputs monitoring for Highways schemes
- Worked with the LEP to monitor the operational budget, make ledger corrections and monitor reserves more effectively
- Assisted with ERDF bid for SME finance
- Assisted with Growth Hub quarterly claims
- Support the Enterprise Zone through membership of Partnership Board, Project Team, Finance & Legal working group and produced an ongoing I&E forecast
- Assisted with eligible capital expenditure at the project application stage

- Clarified across HCC and the LEP the values of major projects being supported by LEP funding

Managing major multi-year capital projects within a strict annualised funding profile is challenging. BEIS support to achieve additional flexibility with funding allocations would be much appreciated, including attempting to avoid unexpected changes in funding allocation profiles. Operational planning is also very difficult when core funding is only confirmed annually.

The effectiveness of the working relationships was demonstrated during the year. HCC/LEP engagement identified a project that did not appear to have satisfied the necessary Assurance Framework processes. After dialogue between HCC and the LEP it has been agreed that this project should not be taken forward and the applicant has been notified.

### Section 151/73 Sign-off:

Signed: Owen Mapley

Name: Owen Mapley

Position: Director of Resources (s151 Officer) Hertfordshire County Council

Date: 24 November 2017

### Annex C: Governance Assurance Statement

The LEP Chair and Chief Executive should here provide a brief formal assurance statement on the status of governance and transparency. In particular, you should focus on any issues raised in Annex A. This statement should also be published on the LEP's website following conclusion of the Annual Conversation process (in April 2018). You should cover any Overview and Scrutiny function undertaken by the Accountable Body. **(max 500 words)**

Following two previous years of successful delivery, whereby the LEP delivered over 90% of its Single Local Growth Fund allocation, the Board took the decision in early 2017 to review existing governance arrangements, the result of which included revising Terms of Reference and management information to ensure that there is consistency of information being provided to all levels of governance.

In addition, the LEP is reviewing executive capacity and roles to ensure that there is sufficient resource applied to undertake the increasing roles it has undertaken in recent years.

The LEP has worked proactively with its Accountable Body to ensure that the LEP benefits from external scrutiny as part of our approach to continuous improvement. An audit on the application of our Assurance Framework is currently underway by the Hertfordshire Shared Internal Audit Service and the role of the LEP will be subject to Hertfordshire County Council Overview & Scrutiny Committee in early 2018.

Whilst 2017/18 has been challenging, with two of our largest schemes being subject to uncertainty due to external factors out with the control of the LEP, this has been proactively addressed with the establishment of pipeline schemes and a recent call for projects to ensure the LEP has a firm handle on programme management.

The two schemes in question, MLX and the Stevenage element of GD3 require urgent resolution if private investors are not to lose confidence. The LEP will continue to work with stakeholders to lobby, but would appreciate prompt Government intervention so that these issues do not drag into fiscal 2019 with no outcome in sight.

Significant work has taken place in establishing a new website which has enabled the LEP to highlight key information in a much clearer, timely and transparent manner.

Our Strategic Economic Plan was refreshed in mid-2017 following a consultation exercise and provides a firm foundation for the LEP to progress a Local Industrial Strategy.

However, in order to fully realise a Local Industrial Strategy, it is imperative that HMG provides firm backing for LEPs with sufficient, long term funding to ensure the LEP has sufficient capacity to carry out its duties. At the time of writing this is unclear and requires a swift resolution on behalf of Government.

**Chair & Chief Executive Sign-off:**

Signed:

Name: Mark Bretton

Position: Chairman

Date: 28/11/17

Signed:

Name: Neil Hayes

Position: Executive Director

Date: 28/11/17