

Annex D: Section 151/73 Assurance Statement

The Section 151/73 Officer should here provide a report to the Annual Performance Review 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)**

There are no financial or governance concerns that I need to raise regarding the operation of the Heart of the South West LEP.

To the best of my knowledge, the LEP continues to operate within its exemplar local Assurance and Accountability Framework, previously agreed by all upper tier authorities. SCC has an experienced, qualified corporate accountant as a voting member on the Finance and Resources Committee and attending the Strategic Investment Panel, ensuring compliance with the Framework. We have seen evidence of robust challenges and informed decision-making on individual projects, the setting of gateways to the Marsh Barton project with the possibility of reallocating funding; rescoping the 4G project around Value For Money against reputation, and finding funding solutions for Exeter Science Park for the first two years.

Key controls remain in place. As Accountable Body, we retain the final decision on whether projects go forward and can veto individual business cases. Neither of these powers have needed to be exercised.

During 2018, we have:-

- Considered the LEP budget for 2018/2019 and the challenges presented with its limited revenue resources.
- Responded to the CIPFA consultation on the role of the s151 officer following the Ney review.
- Responded to Grant Thornton (SCC's external auditor) on transactions related to LEP activity contained within the SCC Accounts.
- Seen the smooth transition with the new CEO, and the change of emphasis making budget-holders more accountable rather than a LEP-wide approach, with budget reporting aligning against key priorities and outcomes.
- Signed off the quarterly dashboard returns and used these opportunities to question staff supporting the LEP on progress and any issues.
- Reviewed final business cases as they arose and approved for legal completion.
- Responded formally and provided assurance to the LEP's concerns about SCC's financial position and the LEP funds should Somerset issue a s114 notice.
- Instigated project audits from the independent South West Audit Partnership (SWAP), reviewing a sample of project claims in considerable detail.

- Provided advice to the LEP on allowable spend (e.g. capitalisable).

Regarding Annex A, whilst not directly s151 matters, I note several positives re governance and transparency, not least the emphasis that the LEP places on such matters. We have previously reported the positive response to the SWAP Governance audit, and there has been strong engagement with SCC's Monitoring Officer and Governance team. Specifics include the publishing of agenda and minutes of meetings, published conflicts of interests and a comprehensive risk register in place and maintained. The HotSW Joint Committee moved from shadow to full existence in 2018. A Joint Scrutiny hosted by Devon County Council is in place with agreed Terms of Reference.

Looking forwards, key issues that will need s151 involvement include the financial position when future operations grants are confirmed; providing financial advice on structural changes being considered by the LEP in response to Strengthened Local Enterprise Partnerships and reviewing the necessary supporting arrangements to the LEP about a single accountable body. I would also want to include conversations with the LEP about future audit plans.

Signed:

Name: Martin Gerrish

Position: Strategic Manager, Deputy Section 151 Officer, Somerset County Council

Date: