

London Economic Action Partnership

Section 127 Officer Assurance Statement 2019

The London LEP Board acts in an advisory capacity to the Mayor, which gives it a different role from that of most local enterprise partnerships. All decisions are subject to approval by the Mayor of London and, as such, must comply with the GLA's corporate governance, financial, legal and procurement frameworks and processes and are subject to the same audit and scrutiny. This means that the GLA's finance officers have a close oversight of LEAP programmes and budgets and input to all formal decisions, their financial consequences and subsequent monitoring.

Finance officer comments are included on all reports to the LEAP Board and its sub-groups. I personally attend the LEAP Board and am represented at senior manager level at LEAP Investment Committee, LEAP Programme Board and LEAP's Royal Docks Enterprise Zone Programme Board. The finance role encompasses oversight by senior staff of business case funding proposals, provision of advice on the financial deliverability of project proposals bidding for grant funding, and provision of financial due diligence required of proposed recipients across the range of programmes.

A Deed of Agreement with the London Borough of Newham governs the collection, management and application of business rates in the Royal Docks Enterprise Zone (EZ). This income is insufficient in the early stage of the development of the EZ to provide all the necessary investment required in the Zone, so supplementary forward funding will be required from the GLA. A £212 million delivery plan programme of expenditure was approved in summer 2018 and I am satisfied that sufficient business rates can be generated over the life of the EZ to fund this programme and any GLA borrowing. However, forecasts of the timing of business rates income will be kept under close review and expenditure commitments will need to be managed accordingly to minimise risk for the GLA.

Growth Deal funding is only provided as capital grant and it is not possible to deliver the overall programmes without revenue resources. I have been able to swap capital with GLA revenue resources internally to enable the programme to be developed, but this has added to the complexity of monitoring arrangements. Slippage in capital expenditure against budget or allocated funds remains a risk given the complexity of some funded projects with multiple partners; this issue is being addressed through a variety of measures, including the over-programming of new projects.

There is close liaison between my finance staff and the client teams responsible for programme expenditure and delivery. There are no issues I wish to raise regarding the governance and transparency of financial decision making and use of funds allocated to LEAP.

Martin Clarke

Section 127 Officer, LEAP and Executive Director of Resources, GLA
23 January 2019