



DORSET

Local Enterprise Partnership

Introduction to Overview and Scrutiny

July 2019

Dorset Local Enterprise Partnership Overview and Scrutiny Committee

Summary

This note is intended to provide support to the members of the Dorset Local Enterprise Partnership Overview and Scrutiny Committee and provides background information.

- General background to the Committee
- The Committee's role and its governance arrangements
- Appointment of the Chair and Deputy
- Terms of Reference
- Training
- Work Programme
- Future Meeting Dates

1. Background

- 1.1 Local Enterprise Partnerships (LEPs) were established as locally-derived business-led partnerships between the private and public sector that would drive local economic growth. There are now 38 LEPs in England and their role has developed considerably since 2010. They now have responsibility for around £12billion of public funding and are the mechanism for channelling the Local Growth Fund and a range of other funding to localities.
- 1.2 As the role of LEPs has developed, the Government has reviewed the statement of arrangements it expects to see in place within each LEP. This is set out in the National LEP Assurance Framework issued by the Department for Communities and Local Government (DCLG) and is one element of the wider assurance system around LEPs. The National Assurance Framework sets out what government expects LEPs to cover in their Local Assurance Frameworks and the last revision was issued in November 2016. That revision strengthens the rules which LEPs must follow to ensure greater transparency and accountability on how public money is spent.
- 1.3 The National Framework states that it is important that LEPs have clear arrangements in place which enable effective and meaningful engagement with local partners and the public. LEPs are required to operate transparently, thereby giving the public confidence that decisions made are proper, based on evidence, and capable of being independently scrutinised.

- 1.4 The National Framework goes on to say that the LEP's local assurance framework must set out what (if any) independent scrutiny arrangements the LEP has in place and whether these are integrated into part of the local authority's arrangements or separate from them. DCLG strongly encourages LEPs to make use of independent scrutiny arrangements, for example by establishing an Overview and Scrutiny Committee to provide checks and balance in the operation of the partnership.
- 1.5 For those LEPs who already carry out independent scrutiny, the format for overview and scrutiny varies across the country. For example, in some areas joint overview and scrutiny committees have been established by their constituent local authority members to undertake externally based overview and scrutiny. In other cases the overview and scrutiny committee is a committee of the LEP itself.
- 1.6 The Dorset Local Enterprise Partnership (Dorset LEP) Local Assurance Framework, (recently reviewed 2019), confirms that Dorset LEP's commitment to establish an independent overview and scrutiny committee to provide checks and balance in the operation of Dorset LEP and to ensure accountable and transparent decision making within Dorset LEP. As the Local Enterprise Partnership is led by business interests Dorset LEP has ensured that business interests are represented on the Overview and Scrutiny Committee.
- 1.7 The outcome of a Review of Local Enterprise Partnership Governance and Transparency, led by Mary Ney, Non-Executive Director, DCLG Board, in October 2017, reinforced the importance and value of independent scrutiny. The review identified a number of key features of decision-making processes which promote assurance on good governance, including use of scrutiny arrangements to monitor decision-making and the achievements of the LEP. The Review Report goes on to recommend that local assurance frameworks should set out that all decisions must be subject to the normal business case, evaluation and scrutiny arrangements. The Report also notes that a number of LEPs, refer to the role of scrutiny in overseeing their performance and effectiveness. However, in the light of the different structures across LEPs, the Report did not believe it appropriate to specify any particular approach to scrutiny.
- 1.8 The concept of overview and scrutiny in the public sector is not a new one. At national level, 'Governmental Policy Decisions' and 'Issues of National Significance' are debated by Parliamentary Select Committees, which make recommendations to Government for action. At a local authority level, the Local Government Act 2000 provided for overview and scrutiny committees to be appointed by those authorities operating executive models of governance, to enable backbench councillors to review and scrutinise decisions of the executive or the Council itself. Scrutiny is now embedded into the way that all public bodies carry out their business.

2. Effective Scrutiny

2.1 Overview and scrutiny comprises both forward looking ('overview') and review ('scrutiny') elements. This means that work can be about influencing decision makers before decisions are taken, based on input from the stakeholders or from a sense of what the 'interest' communities would want (local or business). Work can also be reflective, looking at performance and the outcomes of previous decisions and programmes to see where improvements can be made for the future. Scrutiny can also have a focus on internal processes or the culture of an organisation.

2.2 The Centre for Public Scrutiny (CfPS) <https://www.cfps.org.uk/> is a charity which promotes and supports scrutiny in the public, private and not for profit sectors. CfPS, has identified three good governance principles, and see the role of scrutiny as ensuring:

- accountability
- transparency
- involvement

Their view is that the need for oversight and accountability is particularly urgently felt in the case of LEPs, because of the large amounts of public money available to invest to promote growth across the areas for which they have responsibility. CfPS also point to a more reflective governance environment amongst LEPs, at national and local level and an opportunity for scrutiny to find itself at the heart of securing a financially sustainable future for communities.

2.3 CfPS has previously identified four Effective Scrutiny Principles, in that it:-

- provides critical friend challenge to decision-makers;
- enables the voice and concerns of the public and its communities;
- is carried out by independent minded individuals who lead and own the scrutiny process; and
- drives improvement in public services.

2.4 Some key concepts for the Committee to consider are that Scrutiny should:-

- be a Member led process;
- be independent of the LEP Board;
- offer constructive challenge to prompt LEP Board reflection;
- be an honest broker;
- Make recommendations which are evidence based;
- be part of a wider web of accountability, which may include partners and the public;
- not unnecessarily duplicate other assurance activity;
- be appropriately challenging and use effective questioning techniques;
- ensure value for money; and
- provide high levels of assurance.

2.5 To enable the Committee to carry out its role effectively, Scrutiny will need to gather and filter intelligence from a variety of sources. The following information could potentially be used, however the list is not exhaustive:-

- Dorset LEP Board agendas and decisions;
- Other Committees' agendas and decisions;
- Performance Management and Budget monitoring information;
- Programme progress and outcomes;
- Strategic Economic Plan;
- Accountability Framework;
- Commissioned research;
- Officer reports and partners' reports;
- Government reports;
- Witness and stakeholder evidence;
- Reports from local authority overview and scrutiny committees;
- Hot topics (public and press); and
- Best practice/benchmarking.

2.6 It should be noted that, as with all other models of scrutiny, Dorset LEP's Overview and Scrutiny Committee is not a decision-making body. However, it will be able to publicise its findings and make recommendations to the Dorset LEP Board and its other Committees as to their decision making processes. All recommendations must be realistic and achievable in order for the Committee to make an impact and to be a credible voice within the assurance framework.

3. Appointment of Chair and Deputy

3.1 The Deputy Chair of the LEP Board will Chair the Overview and Scrutiny Committee. Appointments will be made for three years. The role of the Chair is to:

- To set the Agendas for meetings, having regard to the advice of support officers;
- To develop a draft Annual Work Programme, having regard to the advice of support officers;
- To facilitate the smooth running of each meeting;
- To ensure that Members of the Committee have an equal voice and an opportunity to discuss and debate items of interest;
- To ascertain the sense of the meeting and ensure realistic recommendations are developed;
- To resolve any dispute in meetings through the exercise of his/her powers;
- To be a point of contact for any press queries about overview and scrutiny;
- To lead the Committee in its role as critical friend; and
- To be a champion for the scrutiny role.

4. Terms of Reference

- 4.1 A document comprising the draft Terms of Reference is attached at Appendix 1, for approval.

5. Training

- 5.1 Members of the Committee may wish to consider what training needs they may have. This may include a range of needs, comprising both knowledge and skills development, such as:-

- Briefings on the Plans and Programmes of the Dorset LEP ;
- Skills based training, such as effective questioning techniques;
- Networking with other LEP scrutiny committees to share best practice;
- Access to key documents; and
- Attendance at formal training events or conferences.

- 5.2 Suitable training may be delivered in-house by officers of Dorset LEP, or its constituent local authorities, or could be available through external providers, such as the Local Government Association (LGA), CfPS, LEP Network and others. No specific budget provision has been made for training, so any expenditure for assessed development needs may require further approval.

6. Work Programme

- 6.1 Good practice suggests that the Committee should develop an Annual Work Programme of key topics it wishes to consider, commencing in 2020/21. This Work Programme can be developed from a mixture of sources, and it is suggested that initially this is based upon discussions between the Committee Chair, Dorset LEP Officers and scrutiny support staff. Items for the Work Programme might include:-

- Areas of high risk or low levels of assurance;
- Areas of significant expenditure;
- Areas of identified underperformance;
- Programmes which are reaching a milestone or completion;
- New plans or plans which are undergoing review;
- Thematic or cross-cutting reviews;
- Public or stakeholder concerns; and
- Existing areas of interest or concern, as identified by Committee members.

- 6.2 The Committee is invited to identify any topics it wishes to consider for inclusion in its draft programme for future at this stage.

7. Future Meeting Dates

- 7.1 It is estimated that the Committee will need to meet quarterly to fulfil its remit. The Committee is invited to discuss a suitable day, time and venue for its

quarterly meetings and to authorise the Chair to finalise a suitable schedule of dates.

7.2 A suggested programme of dates would be:

- 15 January 2020
- 15 March 2020
- 15 July 2019
- 15 October 2020