

OVERVIEW & SCRUTINY COMMITTEE MEETING

THURSDAY 30 JULY 2020

2.00 PM TO 4.00 PM

Invited Attendees:

- Chair: Sara Uzzell (DLEP Deputy Chair)
- DLEP: Lorna Carver (Director), David Lawrence (Governance & Skills), Corrina Osborne (Head of Governance & Operations), Martina Hanulova (Industrial Strategy Manager)
- BCP: Councillor Philip Broadhead, Councillor Paul Hilliard
- Dorset Council: Councillor Jon Andrews, Councillor Dave Bolwell
- Independent: Aaron Lawes

AGENDA

Item	Subject/ Title	Presenter	Actions / Recommendations	Documents
1.	Welcome Apologies and Declarations of Interest	Sara Uzzell	Record Declarations of Interest	-
2.	Agree TOR	David Lawrence	Discussion – Confirmation of ToR as circulated. Recommendation: 1. The Committee ratifies the ToR	Overview & Scrutiny Committee ToR
3.	Setting the Scene	David Lawrence	No action required.	Introduction to the Overview and Scrutiny Committee
4.	Programme and Projects report	Martina Hanulova	Review of the Programme and Project report in order to understand the activities of the Dorset LEP	Performance and Investment Committee
5.	Future Work Programme discussion	Sara Uzzell	To agree recommendations for areas of activity to review.	-
6.	Chair and Deputy Chair roles	Sara Uzzell	To agree timescales for nominations.	-
7.	Any other business	All		-

Overview and Scrutiny Committee

Terms of Reference

June 2020

1. Purpose

1.1. The Overview and Scrutiny Committee (referred to as the Committee hereafter) purpose is to:

- increase transparency of the decision made by Dorset LEP,
- give further assurance by providing an independent committee that is able to explore and interrogate the rationale for decisions made.
- make positive recommendations for how future decision of Dorset LEP can be effectively implemented or improved.

2. Role

2.1. The Agenda for the Committee should be broadly set at the beginning of each financial year and will consist of a long-term review of Dorset LEP programmes, but will also allow enough flexibility and time for review should matters arise throughout the year.

2.2. The Committee will not have the power to delay or refer decisions back to Dorset LEP.

2.3. The Committee will be able to publicise its conclusions and make recommendations for improvements to Dorset LEP's decision making processes. Alternatively issues may be referred to the Finance Audit and Corporate Risk Committee for consideration.

2.4. All business of the Committee will be conducted in accordance with the Nolan Principles of Public Life (see Appendix 3).

3. Objectives

3.1. The Overview and Scrutiny Committee objectives are to

3.1.1. Review the decision making of Dorset LEP's Board and sub-committees to ensure due process has been followed and there is a transparent audit trail;

3.1.2. Review the decision making in respect to funded programmes such as the Local Growth Fund etc.

3.1.3. Review the implementation of the Strategic Economic Vision and other relevant strategies and identify opportunities for improvement;

3.1.4. Review the output and outcome information of the programme to ensure that Dorset LEP activities are having a beneficial impact on the economy of Dorset (whilst taking account of the work of the Performance and Investment Committee).

3.1.5. To make recommendations for consideration to the Board or Committee with respect to the discharge of its functions;

3.1.6. Review and advise Dorset LEP on matters of transparency, ensuring the Dorset LEP maintains its requirements as set out in the National Framework.

3.1.7. To be proportionate and reasonable having regard to the work of the other committees of the LEP Board, particularly the;

- Finance Audit and Corporate Risk Committee
- Performance and Investment Committee

3.1.8. To liaise with other LEPs and Dorset LEP team over the development and dissemination of best practice.

4. Status

- 4.1. The Committee is established as Committee to the Dorset LEP Board
- 4.2. The Committee shall be fully accountable to the Dorset LEP Board and shall have limited Dorset LEP board member representation to ensure an objective view of issues.

5. Committee Membership

- 5.1. The Committee will consist of up to eight members; made up of four Local Authority representatives and up to four private sector representatives. The emphasis will be upon the appointment of individuals who are not Dorset LEP Board members.
- 5.2. The role of business sector members is to represent the views and interest of private and community/voluntary sector businesses, with reference to particular sectors, business size and geographic area, whilst always ensuring that decisions are taken in the best interests of Dorset's business community as a whole.
- 5.3. The role of local authority members is to represent in interests of citizens, whilst acting in the interests of Dorset as a whole.
- 5.4. The process for selecting representatives shall be determined by Board Recruitment Process.
- 5.5. The terms of office for Committee members will stand as follows:

Member category	Term of office	Replacement if vacancy arises
(Eg. Business)	Three years	Open Process by engagement with Dorset Chamber.
(Eg. Public Sector)	Three years	Appointment process by Unitary Councils.
(Eg. Other)	Co-options for a defined period or to review a particular issue. Maximum two years.	

- 5.6. The Committee may co-opt up to three additional people to serve as members, if there is a clear requirement for additional expertise and experience for the successful delivery of the Committee's responsibilities. Co-opted members may only serve a maximum of two years.

6. Chair

- 6.1. The Chair shall be appointed by the Committee from among its members. A Deputy Chair will be elected by the Committee from amongst its members.

Both positions will be subject to annual renewal.

- 6.2. Duties of the Chair will include:

- Leading the smooth and effective operation of the Committee;
- To ensure the Committee is operating effectively and within its mandate, that budgets are appropriately applied and that proper policies and processes are in place and observed;
- To ensure timely advice and reporting to the Dorset LEP Board relating to the work of the Committee.
- To undertake activity as required according to the delivery plan and strategy.

7. Representation and attendance

- 7.1. Committee members are expected to attend not less than 75% of meetings over a twelve month period.
- 7.2. There is no provision for committee members to be replaced by Deputies.

8. Decisions

- 8.1. The Committee shall operate on the basis of consensus.
- 8.2. In the event that a consensus cannot be achieved on a matter the Chair will refer the terms of the discussion to the Chair of the LEP Board and/or the LEP Director (as appropriate) for resolution.
- 8.3. There should be a quorum of 50% of the members of the committee.
- 8.4. If a recommendation needs to be made outside of the meeting, agreement can be sought via Written Procedure (Appendix 1). In such cases, the Secretariat shall write to each Committee member requesting agreement to a specified course of action. Committee members shall be given no fewer than five working days to respond to the Secretariat.
- 8.5. For a recommendation to be agreed by Written Procedure, the number of members participating and the composition of those members must be as required for a quorate meeting. Over 50% of members responding to the request must indicate agreement to the proposal.
- 8.6. All recommendations made via the Written Procedure shall be ratified at the next scheduled meeting.

9. Meetings and papers

- 9.1. Committee meetings shall be held on a bi-annual basis. A calendar of future meetings will be set for a year at a time although the minimum notice required for a meeting is two weeks, to ensure that all members are afforded the opportunity to attend.
- 9.2. The agenda and papers for meetings shall be approved by the Chair and issued at least 5 working days in advance of the meeting by the Secretariat.
- 9.3. Meeting minutes shall be approved in draft form by the Chair and disseminated to members no later than ten working days following the

meeting. Minutes shall remain in draft until approval by the Committee at the next meeting.

- 9.4. Meetings may be asked to consider confidential or sensitive information concerning personal data, contracts, procurement processes or commercially sensitive data. In these circumstances may be asked to sign a non-disclosure agreement.
- 9.5. Meetings may be held in two parts – an ‘open’ session (during which public access is encouraged) & a ‘closed’ session. The ‘closed’ session is to enable the consideration of commercially sensitive data. There should be ‘good reason’ for holding a closed session.
- 9.6. Minutes shall be made publicly available on the Dorset LEP website. Minutes will be redacted were they contain personal information about individuals or commercially sensitive data or for good legal reason.

10. Conflicts of interest

- 10.1. The Committee shall ensure that all conflicts of interest are fully disclosed.
- 10.2. The LEP executive team will maintain a Register of Members’ Interests and publish these on the Dorset LEP website. Members shall supply information to the executive team for inclusion in the register, or a nil return, on joining the Committee, in response to any request for an update and on becoming aware of any new interest. The LEP team will circulate a request for information about interests annually.
- 10.3. Should a member’s interests change, s/he shall inform the Secretariat at the earliest opportunity.
- 10.4. Should an issue be discussed by the Committee which presents a conflict of interest to a member, the member shall declare the conflict of interest, regardless of whether s/he has previously declared the interest in the Register of Members’ Interests. Such declarations shall be minuted.
- 10.5. Members shall not vote or participate in discussions on any issues on which they have registered an interest.

11 Performance Review

- 11.1 The Committee shall arrange for periodic reviews of its own performance and review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the LEP board for approval.

Appendix 1

Written Procedure

- A copy of the written resolution must be sent to every member of the committee together with a statement informing the member how to signify their agreement to the resolution and the date by which the resolution must be passed if it is not to lapse.
- A member of the committee signifies their agreement to a proposed written resolution when the Company receives from him or her an authenticated Document identifying the resolution to which it relates and indicating his or her agreement to the resolution.
- If the Document is sent to the Company in Hard Copy Form, it is authenticated if it bears the member's signature.
- If the Document is sent to the Company by Electronic Means, it is authenticated if it bears the member's signature or if it is from an email Address notified by the member to the committee for the purposes of receiving Documents or information by Electronic Means.
- A written resolution is passed when the required majority of eligible members have signified their agreement to it.
- A proposed written resolution lapses if it is not passed within 28 days beginning with the circulation date.

Appendix 2

Seven Legal Duties of a Company Director (*applies to those members of the committee who are also LEP Board Members*)

Extract from <https://companieshouse.blog.gov.uk/2019/02/21/7-duties-of-a-company-director/>

I. Duty to act within powers

A director of a company must—

- (a) act in accordance with the company's constitution, and
- (b) only exercise powers for the purposes for which they are conferred.

II. Duty to promote the success of the company

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company.

III. Duty to exercise independent judgment

IV. Duty to exercise reasonable care, skill and diligence

V. Duty to avoid conflicts of interest

VI. Duty not to accept benefits from third parties

VII. Duty to declare interest in proposed transaction or arrangement

(1) If a director of a company is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the company, he must declare the nature and extent of that interest to the other directors.

Appendix 3

Nolan Principles of Public Life

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

**Introduction to the
Overview and Scrutiny
Committee**

June 2020

1. Executive Summary

1.1 This report is intended to support the first meeting of the Dorset Local Enterprise Partnership (DLEP) Overview and Scrutiny Committee and provides background information to a number of items on the Committee's main Agenda, including:-

- 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.

2. Recommendations/ Actions Requested

2.1 To note the purpose of the Overview and Scrutiny Committee and to agree the core governance arrangements for the operation of the Committee.

3. Background

3.1 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 other funding to localities.

3.2 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.

3.3 The National Framework states that 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.

3.4 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 would strongly encourage 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.

3.5 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.

3.6 The Dorset Local Enterprise Partnership is committed to independent overview and scrutiny to provide checks and balance in the operation of DLEP and to ensure accountable and transparent decision making within DLEP.

3.7 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, but not all, 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.

3.8 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 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 public bodies carry out their business and more recent statutory constructs such as sub-national transport bodies, like Transport for the North, and combined authorities, must all have scrutiny arrangements built in.

4. Effective Scrutiny

4.1 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 local community would want. 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, such as how transparent it is.

4.2 The Centre for Public Scrutiny (CfPS) 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 and 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 local people.

4.3 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 governors who lead and own the scrutiny process; and
- Drives improvement in public services.

4.4 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.

4.5 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:-

- DLEP Board agendas and decisions;
- Other Committees' agendas and decisions;
- Performance Management and Budget monitoring information;
- Programme progress and outcomes;
- 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.

4.6 It should be noted that, as with all other models of scrutiny, DLEP'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 DLEP 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.

5. Appointment of Chair and Deputy

5.1 The Committee should to appoint a Chair and Deputy Chair from amongst its Membership for an annual term of office, which may include the first meeting and the whole year. Appointments will be made on an annual basis thereafter. The role of the Chair and in his/her absence the Deputy, will be:-

- 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.

6. Terms of Reference

6.1 A separate document comprising the draft Terms of Reference is available.

7. Training

7.1 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 DLEP;
- 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.

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

8. Work Programme

8.1 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, core DLEP 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.

8.2 Subject to the views of the Committee, the Chair and its officers will carry out work prior to the next meeting to develop a draft Work Programme for 2020/21. In the interim, the Committee is invited to identify any topics it wishes to consider for inclusion in its draft programme at this stage.

9. Future Meeting Dates

9.1 It is estimated that the Committee will need to meet regularly 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.