

# **Overview and Scrutiny Committee**

## **Terms of Reference**

**July 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:
  - o Leading the smooth and effective operation of the Committee.
  - o 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.
  - o To ensure timely advice and reporting to the Dorset LEP Board relating to the work of the Committee.
  - o 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 have the casting vote.
- 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 three times per year. 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 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.