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West of England Combined Authority WECA Overview & Scrutiny Committee

Tuesday, 3 May 2022, Times Not Specified
Council Chamber, Bristol City Council, College Green Bristol BS1 5TR
3 Rivergate, Bristol BS1 6ER

Present:

Cllr Winston Duguid, Bath and North East Somerset

Cllr Hal MacFie, Bath and North East Somerset Council

Cllr Geoff Gollop, Bristol City Council

Cllr Ed Plowden, Bristol City Council

Cllr Jonathan Hucker (as substitute for Cllr Steve Smith)

Cllr Brenda Massey, Bristol City Council

Cllr Steve Pearce, Bristol City Council

Cllr Andrew Varney, Bristol City Council

Cllr Brian Allinson, South Gloucestershire Council

Cllr Tristan Clark (as substitute for Cllr James Arrowsmith)

Cllr Paul Hughes (as substitute for Cllr John Ashe)

From North Somerset Council

Cllr Huw James

Cllr Mike Bird

Cllr Marcia Pepperall (as substitute for Cllr Peter Crew)

Also in Attendance

Metro Mayor Dan Norris

Cllr Toby Savage, Leader, South Gloucestershire Council

Richard Bonner, Chair Local Enterprise Partnership Board

Officers In Attendance:

Patricia Greer, Chief Executive, West of England Combined Authority

Stephen Gerrard, Monitoring Officer, West of England Combined Authority

Ben Moseley, Executive Officer, Bristol City Council

Jack Latkovic, Scrutiny Manager, West of England Combined Authority

Tim Milgate, Democratic Services Officer, West of England Combined Authority

Apologies:

Cllr James Arrowsmith, South Gloucestershire Council (Cllr Tristan Clark attended as substitute)

Cllr John Ashe, South Gloucestershire Council (Cllr Paul Hughes attended as substitute)

Cllr Steve Smith, Bristol City Council (Cllr Jonathan Hucker attended as substitute)

Cllr Peter Crew, North Somerset Council (Cllr Marcia Pepperall attended as substitute)

Minutes

1	<p>Welcome and voting arrangements for this meeting</p> <p>The Chair welcomed everyone to the meeting.</p> <p>The Chair informed the meeting that on advice from Interim Monitoring Officer, and with unanimous agreement from Overview & Scrutiny Committee, North Somerset Council Members which sit on this Committee would be entitled to vote at this meeting.</p>
2	<p>Apologies for absence</p>

	<p>Apologies for absence had been received from Cllr John Ashe, Cllr James Arrowsmith, Cllr Steve Smith and Cllr Peter Crew.</p> <p>Cllr Tristan Clark attended as substitute for Cllr Arrowsmith.</p> <p>Cllr Marcia Pepperall attended as substitute for Cllr Crew.</p> <p>Cllr Jonathan Hucker attended as substitute for Cllr Smith.</p> <p>Cllr Paul Hughes attended as substitute for Cllr Ash.</p>
3	<p>Declarations of Interest under the Localism Act 2011</p> <p>There were none.</p>
4	<p>Consideration of Call-in</p> <p>The Chair informed everyone present that this part of the meeting would run in accordance to Call In order which was circulated in advance of the meeting and attached as Appendix 1 to these minutes.</p> <p>The Chair invited Cllr Geoff Gollop to address the meeting as the lead Call-In Councillor.</p> <p>Cllr Geoff Gollop read out a statement (attached as Appendix 2 to these minutes) where he highlighted a background to the Joint Committee Governance Review decision, reasons for the Call In, and what he felt the decision failed to address. Cllr Gollop concluded that these concerns were of cross party and cross authority view.</p> <p>The Chair invited Cllr Toby Savage to address the meeting as a member of the West of England Joint Committee.</p> <p>Cllr Toby Savage stated that he welcomed the opportunity to address the Overview and Scrutiny Committee and said that the main purpose of the original report was to review Joint Committee governance arrangements reflecting the fact that it had been a number of years since this was last done. Cllr Savage recognised that the Overview & Scrutiny Committee did not get a meaningful opportunity to review the Joint Committee governance report in advance of its consideration. Cllr Savage added that the governance review highlighted confusion around roles and responsibilities that had occurred around decision making during 2021. The secondary purpose of the report had been to welcome and support the working group initiated by the LEP Board. He denied that any funding for the Joint Committee would be put at risk by this decision and it would be fully compliant with the existing assurance framework having been passed by all four unitary councils' Monitoring Officers and Chief Executive prior to its original publication. He stated that the Government's guidelines on the LEP Boards allowed for a local solution where geographical boundaries did not exactly align and further details of this could be brought forward to the next meeting. He stated that this report had provided a positive way forward for the working relationships. He also stated that he believed that this would enhance collaborative working as it was difficult to identify who was accountable for Joint Committee matters currently. He stated that even if LEP was subsumed into the Mayoral Authority there would still be a positive role for the Joint Committee in determining matters of historical funding, especially in the next three years in the run up to the next Mayoral election when a decision on whether North Somerset would be joining the Authority would be known.</p> <p>Richard Bonner, Chair of the Local Enterprise Partnership was invited to speak. He stated that working together to shape the future of the LEP Board was paramount and a working group had been set up to formulate a view as to future expectations. Each year the Chair of LEP and the CEO of LEP had to sign a declaration that funds had been spent appropriately and through the right processes. Richard Bonner stated that he was supportive of the direction of travel indicated by the Government as to the future of LEP Boards being aligned to mayoral authorities. He also reiterated the importance of 'getting in early' with the proposal to government (the first tranche would be submitted to the Government by 29 July 2022).</p> <p>Patricia Greer, the CEO of the West of England Combined Authority and the Local Enterprise</p>

Partnership stated that the Government guidelines were clear on the future of LEPs, which would be brought under Combined Authorities but have partnership arrangements with neighbouring authorities if necessary. As the Joint Committee's purpose was to oversee LEP funding it would need to be made clear what the future purpose of that body would be. She confirmed that if the assurance framework was to be changed then it was part of her duty to inform the Government.

Metro Mayor Dan Norris addressed the meeting. He stated that he found it hard to understand what was attempting to be solved by this report and that all monies in the region needed to be used wisely. He did not want (potentially £600m) to be put at risk or a situation where decision-making was made more inflexible. The Government had made it clear that it wanted strong regional mayors. He urged the importance of having a flexible approach. The region would be better equipped to reach its potential if it moved with the government's planned direction. He felt that the Joint Committee would not be needed when the government's changes had been implemented and that it was better that the government's guidelines and rules were followed.

Patricia Greer reiterated that the LEP Board had set up a sub-group that was working through the government's guideline options with a view to making a proposal to government in the first tranche by end of July 2022.

Cllr Savage in summing up stated that he did not believe that the Joint Committee could be wound up and a bespoke solution could be found for the LEP. He believed that the proposal would speed up decision-making and cut down on disagreements.

The following views were expressed by the Committee:

- The Authority needed to show the Government it was serious about funding for the region and there appeared to be a lot of common ground. Scrutiny asked that relationships be improved between the Authority and the UAs;
- The LEP action was welcomed;
- There were several good examples of collaborative working within the Authority such as the transport sub-Committee;
- There was a danger of lessening democracy and losing money for the region;

Cllr Savage proposed that he felt a task and finish group could be convened to examine the proposals in more detail.

Cllr Gollop proposed that the Joint Committee be asked to reconsider the original decision. This was seconded by Cllr Allinson. Upon the vote this was agreed by 12 members of the Committee with 2 abstentions.

Upon this agreement the Committee then debated whether it wished to make any further recommendations. It was felt that a task and finish group consisting of members of the Overview & Scrutiny Committee examine the 9 points made in Cllr Gollop's statement (Appendix 1) and come forward with recommendations for the Joint Committee. The timeline for this work to be agreed by the Chair in consultation with the Chief Executive. It was further agreed that the task and finish group be representative of the four UAs.

RESOLUTION

The West of England Combined Authority Overview & Scrutiny Committee, together with Overview & Scrutiny representatives from North Somerset Council **AGREED to UPHOLD** the Call In and asked West of England Joint Committee to reconsider the decision 'Joint Committee Governance Review'.

The Overview & Scrutiny Committee made following reasons for their decision:

- There was lack of Scrutiny engagement before the decision was taken.
- The amended recommendations were presented shortly before the start of the West of England Joint Committee meeting. The Chair of the Overview and Scrutiny Committee did not have authority to contribute and respond to amended recommendations on behalf of the Committee.
- The relevant information was not made available to the public, there was no reference to the Ministerial letter of 31st March regarding the integration of the LEP into the combined authority. and no reference was made to the need to resolve decision making and constitutional issues relating to the non-co-terminous boundary between WECA and the LEP.
- The proposal gave no indication of the potential cost of splitting out the Joint Committee meeting separately from the Committee.
- The West of England Combined Authority Chief Executive made a statement that the proposal would put at risk £600m of funding.
- The Scrutiny Committee specifically indicated that priority be given to the integration of the LEP and that nothing in the recommendations should be used to justify a delay in fast track integration into the CA.

The West of England Joint Committee were asked to consider -

1. The Overview & Scrutiny Committee understand that the LEP has already established a working party to propose a preferred course of integration into the Combined Authority. The Overview & Scrutiny Committee request a report from the Unitary Authorities outlining the actions needed and the timeline to achieve the quickest possible integration of the LEP.
2. Providing a timeline for responding to the issues raised and the tabling of the revised constitution and standing orders.
3. A report of the potential revenue costs of the proposal to split out the meetings as well as including ongoing admin, communications and support and an indication of how these would be funded.
4. To receive a detailed report from the Chief Executive explaining the threat to £600m of funding.
5. To receive a response from the unitary authorities advising how that threat can be avoided.
6. The proposals depend on the detail of the constitution and standing orders which would need to be drafted and presented to scrutiny before going to Joint Committee.
7. A detailed explanation of how these proposals interact with the levelling up White Paper and the Ministers' letter of 31st March.
8. A constitution and standing orders cannot force joint working where one or more of the parties does not want it. It is imperative that the funding body -WECA -and the recipient UAs establish a reliable and workable joint working process. All parties need to agree a basis for decision making that leaves the accountable body responsibilities clear, without putting funding in jeopardy, but which does not prevent the constituent UAs from determining spending on projects within their boundaries. Putting a lot of work into drafting a constitution without resolving this is futile. Each member of the Joint Committee needs to agree to genuine collaborative working.
9. A request for WECA and the UAs to agree a timeline and provide this information by 31st May to enable scrutiny to review in June, before approval so that earliest possible integration of the LEP is possible.

The Overview & Scrutiny Committee also **AGREED** to set up a Task & Finish Group to

	<p>oversee the delivery of recommendations and requests made by the Overview & Scrutiny Committee on 3rd May 2022.</p> <p>The matter will be re-considered as soon as practicable by the decision taking committee in order that the decision taking committee can consider their final decision on the matter. That final decision cannot be “called-in.”</p> <p>The meeting closed at 16:26pm.</p>
	<p>Next meeting - Monday, 27 June 2022, 10.00 am, TBC</p>

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Minute Annex

<p>1. Explanation of why the call-in was requested by the Chairs of Scrutiny and Audit.</p> <p>Any points of clarification from the JC</p> <p>Questions to Cllr. Gollop.</p>	<p>Cllr. Geoff Gollop, Chair of Audit (10 minutes)</p> <p>Joint Committee members (5mins)</p> <p>Scrutiny Committee members (5 minutes)</p>
<p>2. Response by Joint Committee as to why the decision was taken and respond to the issues raised by the Call-in originator.</p> <p>Opportunity for Cllr Gollop to respond</p> <p>Members of the Scrutiny Committee to ask questions.</p>	<p>Ben Mosley, Cllrs. Davies, Savage, Guy and Mayor Rees (20 minutes)</p> <p>Cllr Gollop (5mins)</p> <p>Scrutiny Committee members (20 minutes)</p>
<p>3. Possible effects on WECA and the LEP</p> <ul style="list-style-type: none"> • How proposed changes could affect the operations of WECA and the LEP. • How could this be received in Whitehall? <p>Questions to Patricia Greer and Mayor Dan Norris.</p> <p>Opportunity for the Joint Committee to respond</p>	<p>Patricia Greer and Mayor Dan Norris (15 minutes)</p> <p>Scrutiny Committee Members (20 minutes)</p> <p>Joint Committee (5 mins)</p>
<p>4. Discussion by Scrutiny Committee and conclusion of either no further action or that the Joint Committee be asked to reconsider the decision taken. If the latter, the Scrutiny Committee must state their reasons and also make any further recommendations that they feel the Joint Committee should take into account in reviewing their decision.</p>	<p>Chair to chair discussion (30 minutes)</p>

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WECA Call-in 3 May 2022

Joint Committee Governance Review

I am going to deal with

1. Background
2. Reasons for the call in
3. What the decision fails to address

1 Background

There have been difficulties in reaching decisions between the Unitary Authority Leaders and the Metro Mayor.

This problem exists within WECA itself, where decisions are taken by the WECA committee but also within the Joint Committee which includes North Somerset and relates to funds devolved to the Local Enterprise partnership, funding from 2012 City Deal, a number of one off funded projects and much more and decisions relating to the Joint Transport Plan and Joint Spatial strategy

There has been a long history of co-working which established a process of officers and leaders working up proposals and detailed papers which were agreed in detail before a final paper was presented for endorsement at the Committee/Joint Committee.

This process no longer works, so the Unitary Authority Leaders commissioned a report from their monitoring Officers to review governance. The meeting to consider this was scheduled as a special meeting for 31st March, but this was cancelled at relatively short notice and rescheduled to be convened after the WECA meeting.

The Joint Committee meeting on 8th April agreed to move forward with the report with a new constitution being presented to the next Joint Committee meeting at the end of June.

The WECA Mayor asked for the chair of WECA Scrutiny and Audit to be involved in the process.

Members who are not on audit committee should be aware that the WECA External auditors are currently investigating the frictions that exist in decision making as part of their audit and are aiming to report in June.

2. Reasons for call in

Most specifically this report was not capable of being scrutinised before the decision was taken. This was for the simple reason that the agenda for the Joint Committee was published 4 days after the agenda for scrutiny, and no one had informed the scrutiny committee that it was on the agenda. As a result, no one was invited to speak to scrutiny about the proposals.

The WECA Chief Executive (who also holds the role of LEP Chief Executive) presented a set of new recommendations shortly before the start of the Joint Committee meeting. These could not be scrutinised as we were unaware of them, and impossible to follow watching online.

Secondly, the chairs of the 2 committees have no authority to contribute an opinion, other than through the call-in process.

In addition, relevant information was not made available with the public papers. Most particularly there was no reference to the Ministerial letter of 31st March regarding the integration of the LEP into the combined authority and no reference was made to the need to resolve decision making and constitutional issues relating to the non-co-terminous boundary between WECA and the LEP.

The decision to proceed failed to address the biggest governance issue of all. If the constituent members continue to fail to work together in a constructive and collaborative way, the new constitution will also fail.

The proposal gave no indication of the potential cost of splitting out the Joint Committee meeting separately from the Committee

The Chief Executive made a statement that the proposal would put at risk £600m of funding

3 Issues that need addressing

I believe the Joint Committee needs to urgently consider the following items

1. A detailed report outlining the actions needed and the timeline to achieve the quickest possible integration of the LEP
2. To provide a timeline for responding to the issues raised and the tabling of the revised constitution and standing orders
3. A report of the potential revenue costs of the proposal to split out the meetings and an indication of how this would be funded
4. To receive a detailed report from the Chief Executive explaining the threat to £600m of funding
5. And to receive a response from the unitary authorities advising how that threat can be avoided
6. The proposals depend on the detail of the constitution and standing orders. These need to be drafted and subject to scrutiny before going to joint Committee. What is the timescale for this process?
7. A detailed explanation of how these proposals interact with the levelling up White Paper and the Ministers' letter of 31st March.
8. A constitution and standing orders cannot force joint working where one or more of the parties does not want it. It is imperative that the funding body -WECA -and the recipient UAs establish a reliable and workable joint working process. All parties need to agree a basis for decision making that leaves the accountable body responsibilities clear, without putting funding in jeopardy, but which does not prevent the constituent UAs from determining spending on projects within their boundaries.

Putting a lot of work into drafting a constitution without resolving this is futile. Each member of the Joint Committee needs to agree to co-operative working

9. It is not for callers-in or scrutiny to determine the exact dates, but we urge WECA and the UAs to agree a timeline and provide this information by 31st May to enable scrutiny to review in June, before approval so that earliest possible integration of the LEP is possible.