



**Dorset Local Enterprise
Partnership CIC**

Overview and Scrutiny Policy

March 2019

1. Background & guidance

- 1.1. Dorset LEP is committed to ensuring that clear governance arrangements and decision making processes are in place which enable effective and meaningful engagement with local partners and the public.
- 1.2. Dorset LEP is committed to operating transparently, thereby giving the public confidence that decisions made are proper, based on evidence, and capable of being independently scrutinised.
- 1.3. The National Framework¹ sets out that 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. MHCLG 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.
- 1.4. The outcome of a Review of Local Enterprise Partnership Governance and Transparency², led by Mary Ney, Non-Executive Director, MHCLG Board, in October 2017, reinforced the importance and value of independent scrutiny.
- 1.5. 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.
- 1.6. 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.
- 1.7. 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.
- 1.8. CfPS has previously identified four Effective Scrutiny Principles, in that it:

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/768356/National_Local_Growth_Assurance_Framework.pdf

² <https://www.gov.uk/government/publications/review-of-local-enterprise-partnership-governance-and-transparency>

- 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.

2. Dorset LEP's risk management

- 2.1. Dorset LEP ensures that effective programme management processes are in place to manage risk.
- 2.2. Each project delivery team maintains a risk register as part of project monitoring. Where delivery exceeds agreed risk tolerances for time, cost, quality or reputation, then an exception report must be produced for the Dorset LEP Board. Where there is also a steering group, then the exception report must also be considered by that group.
- 2.3. If a project exception leads to a need to change an aspect of delivery, then a change request report must be produced. The change request must be considered by the relevant project steering group and then put to the Dorset LEP Board for consideration.
- 2.4. The Dorset LEP Board has sole responsibility for approving any project changes, ensuring clear and transparent accountability for public funds.
- 2.5. Dorset LEP Director holds a risk register for high level risks relating to Dorset LEP Strategy, Governance and Delivery.
- 2.6. The high level risk register is presented at the Dorset LEP Board meeting as a standard agenda item under governance.
- 2.7. As appropriate, these high level risks will form the basis for overview and scrutiny and audit to provide assurance to the Dorset LEP Board and the Section 151 Officer at appropriate points throughout the year.

3. Dorset LEP's Overview & Scrutiny and Audit

- 3.1. Dorset LEP is a regular participant in the existing Dorset Local Authorities Overview and Scrutiny committees to provide checks and balance in the operation of Dorset LEP and to ensure accountable and transparent decision making within Dorset LEP.
- 3.2. Local Government Reform and a revised assurance framework in April 2019, emerging best practice, will provide the opportunity to review Dorset LEP's current scrutiny process.
- 3.3. Dorset LEP will establish its own overview, scrutiny and audit group and will work with the two new authorities (Bournemouth, Christchurch & Poole Council and Dorset Council) wider board, and explore options for external private sector recruitment.
- 3.4. We will schedule a programme of overview, scrutiny and audit meetings for the forthcoming year, likely to be held once a quarter.
- 3.5. The first meeting will define the topics for overview.
- 3.6. The dates and meeting minutes will be published on the website.
- 3.7. Dorset LEP will provide an update of these arrangements in the annual performance review.

4. Dorset LEP's audit

- 4.1. Dorset LEP has been subject to a number of governance and process audits through the Accountable Body since its inception.

In 2018/19:

- 4.2. In April 2018, the internal auditors of the Accountable Body (South West Audit Partnership) focused their audit on 3 governance arrangements and there were no resulting recommendations.
- 4.3. Dorset LEP's business support function 'Dorset Gateway' will be audited through the same route.

In 2019/20

- 4.4. Dorset LEP's business support function 'Dorset Gateway' will be audited through the internal auditors of the Accountable Body.

Future

- 4.5. As set out in the National Assurance Framework guidance, Dorset LEP will approach an external audit through the Accountable Body procedures based on risk. This may mean that an audit not every year.
- 4.6. At the present time, Dorset LEP is a dormant company. Should this ever change then Dorset LEP would ensure appropriate external audit arrangements are in place, in line with the incorporation model.