



Dorset Local Enterprise Partnership Overview and Scrutiny Statement

Background

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 £12 billion of public funding and are the mechanism for channelling the Local Growth Fund and other funding to localities.

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 Ministry of Housing, Communities and Local Government (MHCLG) 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.

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.

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. 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.

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.

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.

The outcome of a Review of Local Enterprise Partnership Governance and Transparency, led by Mary Ney, Non-Executive Director, MHCLG 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.

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.

Effective Scrutiny

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.

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.

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.

Future Meeting Dates

12th March Borough of Poole

We will work with the two new authorities to schedule a programme of work over the coming year.