

# Heart of SW LEP CIC F & R meeting

## Paper 4a. June 2018

**Report title:** Scrutiny – Funding request

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**Report theme:** F & R

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### **Purpose of the report**

To appraise F & R on a funding request to support the administrative costs of the HotSW Local Authorities in respect of scrutiny of the LEP.

### **Recommendations**

F & R views are sought on the request and confirmation that the CEX should respond to the request along the lines:

1. The LEP welcomes the scrutiny proposals under development by the HotSW Local Authorities
2. The LEP is keen to see these arrangements as being successful and will support their implementation through LEP officer time in helping prepare programmes and briefings (and thereby reducing the costs of scrutiny administration)

### **Background**

#### **1) The request**

- 1.1 As F & R will be aware, in our Annual Conversation, the LEP was marked as 'needing improvement in its governance' due to the absence of Local Authority scrutiny of the LEP – this being seen as an important route for democratic accountability of the LEP.
- 1.2 Following the feedback from our Annual Conversation HotSW Local Authorities have been working on a plan to remedy this weakness. Scrutiny councillors and supporting officers from the county and unitary councils met on the 30<sup>th</sup> May to discuss an officer proposal for the establishment of a Joint Scrutiny Committee for the LEP. The session went well and the basis of a formal proposal has been developed to put to the 4 councils over the June to July period. Therefore, we remain on target to establish the Committee on the timeframe discussed previously – namely Autumn 2018.
- 1.3 The members were really helpful in shaping the detail of the proposal and were supportive of the approach proposed. We will share the full proposal

with the F & R as soon as it is written up.

- 1.4 There is one issue that the councillors asked to be raised formally with the LEP on 1 June. Obviously, a Council will have to be identified to administer the Committee and this carries resource implications for that Council. The Committee arrangements that will be recommended are intended to minimise the resources needed to support the Committee.
- 1.5 The LEP CEX was previously approached as to whether there was any possibility of a financial contribution from the LEP to support the scrutiny arrangements. It was stated that this wasn't an option. This was discussed at the meeting and the members asked for a formal approach to the LEP to ask for this request for support to be considered – hence this paper.
- 1.6 The Local Authorities feel that a contribution from the LEP would be justified on the basis that LEP funding originates from the Government and some is used to support the LEP's governance arrangements. They feel that this additional scrutiny requirement now being asked of the local authorities is effectively part of the LEP governance arrangements.
- 1.7 We have been advised that further work is needed on the likely resource requirement but an undertaking from the LEP at this stage that some funding could be made available towards these costs would be much appreciated by the members.

## **2) Our response to the request**

- 2.1 On receipt of the request, the LEP CEX:
  - Approached our accountable body to see if meeting the scrutiny costs of LAs would be an allowable cost for use of our core funding
  - Approached neighbouring LEPs to see if other LEPs funded scrutiny
- 2.2 The first of these points was also raised in a meeting with our 151 Officer on 4 June. We hope feedback may be available at the F & R meeting but suspect that the grant determination letter for our core funding will be silent on this issue and so will not provide clear guidance
- 2.3 To date 5 neighbouring LEPs have responded to our request on their practices. All 5 have confirmed that they do not fund LA costs in respect of administering scrutiny; though several highlighted they helped the LA team with their work. It is hoped further responses will be available by the time of the F & R meeting

## **3) Recommendations**

- 3.1 Subject to further feedback received and the views of F & R members, it is recommended:

- a)** The LEP welcomes the scrutiny proposals under development by the HotSW Local Authorities
- b)** The LEP is states that it is keen to see these arrangements as being successful and will support their implementation through LEP officer time in helping prepare programmes and briefings (and thereby reducing the costs of scrutiny administration)
- c)** No offer of further funding is made unless clear precedents in a number of other LEPs are identified.