

Report to: Overview and Scrutiny Committee

Date: 18 January 2019

Subject: **Governance changes**

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1 Purpose of this report

- 1.1 To inform the Overview and Scrutiny Committee of governance changes to Combined Authority committees which are of relevance to overview and scrutiny.

2 Information

New Chair of the Overview and Scrutiny Committee

- 2.1 At the 16 November 2018 meeting, the Committee was informed that the Chair, Councillor Robert Light, was stepping down both as Chair of the Committee and as a Kirklees councillor.
- 2.2 Councillor Elizabeth Smaje of Kirklees was confirmed as the Chair of the Overview and Scrutiny Committee at the 13 December 2018 meeting of the Combined Authority.

Substitute changes

- 2.3 At the last meeting, the Committee was informed that Councillors Albert Manifold and Harry Ellis (Wakefield) had replaced Councillors Faith Heptinstall and Martyn Ward as substitutes to Councillors Betty Rhodes and Glen Burton, respectively.
- 2.4 Councillor Rob Walker has stepped down as substitute to Councillor Marielle O'Neill and the Committee has been informed that a nomination is currently in progress.
- 2.5 There remains one other outstanding substitute vacancy to Councillor Elizabeth Smaje, which is currently being progressed.

Investment Committee becoming a decision making committee

Investment Committee's new delegated powers

- 2.6 At its 13 December 2018 meeting, the Combined Authority agreed, with immediate effect, to delegate new decision making powers to authorise the Investment Committee to make decisions on the Combined Authority's behalf.
- 2.7 The Investment Committee's terms of reference have been amended accordingly and are attached as **Appendix 1**, with highlighted changes.
- 2.8 Membership and voting arrangements for the Investment Committee remain unaltered, with voting members able to exercise one vote. The Chair and Deputy Chair of the Transport Committee, Cllrs Kim Groves and Eric Firth, also attend committee meetings as observers. The current [voting members are as follows](#):
- Cllr Peter Box, Chair – Combined Authority Member
 - Roger Marsh, Deputy Chair – Combined Authority Member
 - Cllr Barry Collins – Calderdale, Labour
 - Cllr Ian Gillies – York, Conservative
 - Cllr Denise Jeffrey – Wakefield, Labour
 - Cllr Richard Lewis – Leeds, Labour
 - Cllr Peter McBride – Kirklees, Labour
 - Cllr Alex Ross-Shaw – Bradford, Labour

Figure 1 – Assurance Process and Decision Points



- 2.9 All schemes are approved by the Combined Authority at decision point 2 (Approval of Expression of Interest) of the assurance process (see **Figure 1**, above) based on a recommendation from the Investment Committee, at which point the Combined Authority then approves a bespoke assurance pathway and approval route for each scheme.
- 2.10 Prior to the change, approval routes usually required the Combined Authority to make some subsequent decisions, for instance at decision point 4 (Final Business Case), further to a recommendation from the Investment Committee, while some decisions were delegated to the Managing Director.
- 2.11 While that approach was understood to provide strong transparency of decision making and political oversight of schemes, when Investment Committee and Combined Authority meeting dates were not closely aligned, it could result in a delay of up to 6-8 weeks before recommendations could be approved and projects progressed.

- 2.12 The change in delegations, made after feedback from partner councils and others, means that a bespoke assurance pathway and approval route for a scheme may now allow any decision subsequent to "decision point 2" to be taken by the Investment Committee instead of the Combined Authority (or through delegation to the Managing Director), provided that any financial approvals do not exceed the limits set out in the Investment Committee terms of reference (**Appendix 1 – footnote 3**), seeking to ensure that particular schemes could progress more quickly.
- 2.13 To further speed up decision making, the Investment Committee is also now meeting monthly instead of every two months as it did previously.
- 2.14 The Combined Authority maintains an oversight of the Investment Committee through the Chair and Deputy Chair of the Investment Committee being Combined Authority Members and reporting back frequently to meetings of the Combined Authority under the standing item covering all capital programmes. The minutes of the Investment Committee are also reported to each meeting of the Combined Authority.

Implications for Overview and Scrutiny

- 2.15 All decisions (subject to some exceptions) taken by the Combined Authority and Transport Committee are eligible for call-in. Scrutiny Standing Orders 13 (and footnotes 14 & 22) have been amended by the Head of Legal & Governance Services, under delegated authority, to clarify that call-in provisions extend to any decision now taken by the Investment Committee.
- 2.16 This means that the Head of Legal and Governance Services is obligated to publish a notice of decisions taken by a meeting of the Investment Committee within two days of the meeting, triggering the call-in period of five days and the process by which Overview and Scrutiny Members have the opportunity to call-in and ask the Investment Committee to reconsider any decision it makes – with the exception of governance decisions.
- 2.17 At its 16 November 2018 meeting, this Committee expressed support, in principle, of strengthening pre-decision scrutiny of major spending decisions and projects in future, with the possibility of a working group or subcommittee being explored to strengthen this function. This will be addressed as part of the wider ongoing work-stream related to revising the Combined Authority's scrutiny arrangements to ensure it is compliant with national government guidance and good practise.
- 2.18 An updated governance structure diagram for the Combined Authority and LEP is attached at **Appendix 2** for information.

3 Financial Implications

- 3.1 There are no financial implications directly arising from this report.

4 Legal Implications

- 4.1 The Head of Legal and Governance Services has delegated authority under the Combined Authority's Officer Delegation Scheme, to update governance documents where changes are required further to a decision of the Combined Authority.
- 4.2 Any proposed decision to be considered by the Investment Committee which is a Key decision will be published as such, in accordance with the Combined Authority's Access to Information provisions.

5 Staffing Implications

- 5.1 There are no staffing implications directly arising from this report.

6 External Consultees

- 6.1 No external consultations have been undertaken.

7 Recommendations

- 7.1 That the Overview and Scrutiny Committee notes the governance changes pertaining to Overview & Scrutiny since the last meeting.

8 Background Documents

Report: [\(Item 13\) Corporate Developments](#) – West Yorkshire Combined Authority, 13 December 2018.

[Scrutiny Standing Orders](#), amended 3 January 2019.

[Terms of Reference, West Yorkshire and York Investment Committee](#) - amended 3 January 2019.

9 Appendices

Appendix 1 – Terms of Reference, West Yorkshire and York Investment Committee (amended on 3 January 2019)

Appendix 2 – Governance structure diagram, West Yorkshire Combined Authority / Leeds City Region Enterprise Partnership (LEP).