

MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD REMOTELY ON FRIDAY 13 NOVEMBER 2020

Present:

Cllr Peter Harrand (Chair)	Leeds City Council
Cllr Stephen Baines	Calderdale Council
Cllr James Baker (Deputy Chair)	Calderdale Council
Cllr Paul Davies	Kirklees Council
Cllr Stephen Fenton	City of York Council
Cllr Dot Foster	Calderdale Council
Cllr Andrew Hollyer	City of York Council
Cllr David Jenkins (Substitute)	Leeds City Council
Cllr David Jones	Wakefield Council
Cllr Christine Knight	Leeds City Council
Cllr Rachel Melly	City of York Council
Cllr Sarfraz Nazir	Bradford Council
Cllr Betty Rhodes	Wakefield Council
Cllr Olivia Rowley	Wakefield Council
Cllr Rosie Watson	Bradford Council
Cllr Geoff Winnard	Bradford Council

In attendance:

Khaled Berroum	West Yorkshire Combined Authority
Ian Pegg (Minute 26 only)	West Yorkshire Combined Authority
Ben Still	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority

19. Apologies for absence

Apologies for absence were received from Councillors Jacob Goddard, Yusra Hussain and Richard Smith.

Councillor David Jenkins attended as a substitute on behalf of Councillor Goddard.

20. Declarations of Disclosable Pecuniary Interests

There were no declarations of disclosable pecuniary interests.

21. Possible exclusion of the press and public

There were no items requiring the exclusion of the press and public.

22. Minutes of the meeting held on 11 September

Resolved: That the minutes of the last meeting held on 11 September 2020 be approved.

23. Chair's update

The Committee noted a verbal update by the Chair in which he thanked members for their contributions to scrutiny this year and noted the value in scrutiny continuity provided by the rollover of membership due to the pandemic. The Chair offered to write to the constituent authorities and suggest that membership roll over again for the first year of the new mayoral authority.

The Chair also invited the Combined Authority's Managing Director to provide a brief verbal update on devolution. The Committee was told that:

- There was a slight delay on the Secretary of State's side due to departmental resources shifting to work on COVID-19 lockdown situation.
- The full council votes have been pushed back two weeks with the final sign off expected on 27 November 2020. No further obstacles are expected and it is understood a date in December has been set for the Mayoral Order to be laid before Parliament.
- The MCA Ready Programme is continuing in the meantime as normal – including further work on reviewing the governance and scrutiny structures, in particular on Adult Education Budget (AEB) decision making and accountability arrangements.

Following questions and discussion, the Committee also noted that:

- The Mayoral Order doesn't give the non-constituent council of York automatic voting rights, but the Combined Authority is able to grant the York representative voting rights. This is the case currently and is expected to continue in the future – pending the conclusion of an ongoing local government reorganisation in North Yorkshire.
- New non-mayoral functions come into effect from the date the Order is given ascent – expected in early 2021. Interim governance arrangements would then apply until a mayor is elected, even in the event that the 2021 elections are cancelled again for any reason. Only the elected mayor can exercise the mayoral functions.
- Even if the mayor chooses to appoint a 'cabinet' of portfolio holders from amongst the Combined Authority members, the Order does not allow portfolio holders to exercise any functions as individuals. They would have strategic, policy or service responsibilities but any decisions must be voted on.

Resolved:

- i) That the Chair and Managing Director's verbal updates be noted.

- ii) That members raise any further questions on devolution or the Mayoral Order at the scrutiny members workshop scheduled for 25 November 2020.
- iii) That a note explaining the rules and process for the appointment of the deputy mayors by the elected mayor be sent to scrutiny members.

24. Governance and Scrutiny Working Group report

The Committee considered a report of the Governance and Scrutiny Working Group, presented by the Deputy Chair of Scrutiny, asking the Committee to consider recommendations on methods for scrutinising the mayor directly, a governance review and one of three possible models for scrutiny:

- Option 1** One enhanced select committee
- Option 2** Three committees divided thematically
- Option 3** Two committees divided by function

Following questions and discussion, the Committee voted to recommend the model in **Option 1 – ‘one enhanced select committee’**.

The Committee agreed, regardless of the model chosen, that:

- scrutiny must look, feel and operate differently
- success depends on commitment from scrutiny members to dedicate the time to fulfilling their duties.
- more scrutiny officers and resources are necessary to support members fulfil their duties and manage a much-expanded scrutiny function expected to scrutinise a vastly expanded mayoral combined authority with greater powers and spending.

Other comments and suggestions included:

- An increase of the number of meetings per year should be considered to give members more time and opportunities to scrutinise issues in more depth.
- An overarching committee is necessary to maintain consistency and coordinate all scrutiny activity. Having too many co-equal committees might lead to silo thinking / working between committees.
- Terms of reference need to be flexible and not limit scrutiny’s remit. The issue with competition with other committees and panels, such as the Transport Committee and advisory panels, must be resolved.
- The emphasis on ‘big picture’ and strategic scrutiny is welcome, as is the emphasis on permanent sub-groups to oversee neglected areas of scrutiny such as public engagement and pre-decision scrutiny.
- However, an emphasis on big picture and strategic scrutiny shouldn’t detract scrutiny from making a demonstrable impact and always being relevant to the day to day activity of the Combined Authority.
- If member role profiles are being considered, then the size of the committee could also be reconsidered to ensure that all members are doing equal work and working well as a team together.

Resolved:

- i) That Option 1 (one enhanced select committee) be chosen as the recommendation to the Combined Authority as the scrutiny model for a mayoral combined authority.
- ii) That a report be made by the Scrutiny Chair and Officer, on the Committee's behalf, to the Combined Authority outlining the recommended scrutiny model.
- iii) That the Director of Corporate Services and Scrutiny Officer consult on the budget implications of the extra staff and resources required to implement the chosen scrutiny model, ahead of the Combined Authority's consideration of the draft 2021/22 budget in December 2020.
- iv) That a further report be submitted to a future committee meeting outlining a more detailed trackable action plan to implement the chosen model.
- v) That the chosen model be revisited within 18 months (by May 2022) with an option to revisit it earlier if necessary.
- vi) That Scrutiny consider the new constitution prior to its approval.
- vii) That a review of governance be undertaken, if possible, with the involvement of scrutiny and the mayor, and that this topic be added to the committee's work programme for 2021/22.
- viii) That the working group's statement on governance (paragraphs 2.12 – 2.17) be circulated to members for further comment before submission to the Combined Authority.

25. Corporate planning and performance

The Committee considered a report of the Director of Corporate Services presenting the current position on corporate performance including progress against corporate plan priorities, risk management and budget position.

Following questions and discussion, the Committee noted:

- Ideally, the budget would be set over three-year plans but the nature of how the Combined Authority is funded does not allow for this. The Combined Authority does determine a three-year financial strategy instead.
- The government provided a one off £250,000 grant in the devolution deal to support the Combined Authority in the initial 'set up' of 'mayoral operations'. These include elections, the new mayoral office, any additional support staff, and a compulsory election booklet to every West Yorkshire Household.
- In the absence of further funding provided by the government to fund these elements, and due to the pressures on the revenue budget imposed by COVID-19, the only available pot of money is likely to be the £38m Gainshare fund.

- Election costs could be around £3m (to be paid to partner authorities). This would constitute around 8% of the annual £38m Gainshare fund and is an expense that would occur every four years – not withstanding a by-election.
- It is still to be determined whether this would be funded from revenue or capital side of the Gainshare fund. The revenue option is uniquely available to West Yorkshire – all other combined authorities' gainshare is capital only.
- The necessity of using at least 8% of Gainshare for elections, and even more for the mayoral office, should be communicated to residents as many would expect that the £38m Gainshare funding was secured for services and projects only.
- The size of mayoral office itself is still to be determined. It is likely to be proportionate and streamlined but its composition and structure is ultimately up to the elected mayor to decide. In any case the Combined Authority's wage structure ensures all staff are paid the living wage.
- Police Commissioner staff will be funded from the police budget and will not affect wider Combined Authority finances.
- A statutory requirement commits the Combined Authority to prepare, print and distribute a hard copy election booklet (financed from existing budgets) explaining the mayoral combined authority and outlining the mayoral candidates to every household in West Yorkshire.
- There were concerns that the exercise would be expensive and not environmentally friendly, especially if the booklet reaches over 20 pages as reported.
- On balance, a one-off leaflet informing all West Yorkshire residents on major changes to the region's democratic structure and elections is justifiable.

Resolved:

- i) That the report be noted and the Committee's comments considered further.
- ii) That the Finances & Corporate Working Group consider the draft budget before the next meeting and advise the Committee.

26. Assurance Framework Review 2020

The Committee considered a report of the Director of Delivery providing an update on progress related to changes proposed to the Assurance Framework arising from the establishment of a mayoral combined authority.

The following points were made:

- The Assurance Framework is a critical document and is reviewed every year with the involvement of scrutiny, which also scrutinised the original document when it was first adopted.

- As the amount of money the Combined Authority will manage is due to increase significantly with mayoral devolution, a strong assurance process was even more important.
- The focus of this year's review was to make it compliant with mayoral functions and single pot funding arrangements and streamlining the system at partners' request while ensuring the rigour of assurance is maintained.
- Although the West Yorkshire Combined Authority's assurance framework is seen as an exemplar document the government, the review is never treated as formality and all effort is being undertaken to ensure compliance with national guidance.
- Any comments from the government regulators will be reported to scrutiny.

Resolved:

- i) That the report be noted.
- ii) That any changes requested, or comments made, by the central government on the Assurance Framework be reported to scrutiny.

27. Scrutiny Work Programme 2020/21

The Committee considered a report of the Scrutiny Officer outlining the 2020/21 Work Programme.

The Committee discussed the agenda for the next meeting and next steps for existing and paused working groups. The 'Finances & Corporate Working Group' intended to look at the budget at an appropriate time in late December / early January and members asked that the working groups from last year that were paused due to COVID-19 be revisited soon.

Resolved:

- i) That the work programme and agenda for the next meeting be noted.
- ii) That the working group updates be noted.
- iii) That the forward plan of upcoming key decisions be noted.

28. Date of the next meeting – 22 January 2021