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Report to: Overview and Scrutiny Committee
Date: 4 January 2018
Subject: Update and review of new governance arrangements

1 Purpose

- 1.1 Following a request from the Chair of the Overview and Scrutiny Committee, to update Overview and Scrutiny Committee on
- the implementation of the new governance arrangements approved at WYCA's annual meeting, of effect from 1 September 2017, and
 - proposed new constitutional arrangements for the LCR LEP (Leeds City Region Local Enterprise Partnership),
- and review the arrangements in terms of their impact on transparency and accountability.

2 Information

- 2.1 Significant governance changes were implemented in September 2017, when LEP Panels were integrated into WYCA as advisory committees (with the Investment Panel appointed as an advisory sub-committee to the Investment Committee, and now named the Business investment Panel). All of WYCA's Panels and Committees are chaired by LEP Board members, of whom 3 are private sector representatives, and through this mechanism report to and remain accountable to the LEP Board, as well as WYCA.
- 2.2 The strengths of the current LEP governance structure (with a separate LEP Board, and Panels with private sector representatives integrated into WYCA) are:
- streamlined decision making,
 - direct private sector involvement in the heart of WYCA decision making,
 - hugely improved accountability and transparency resulting from statutory requirements now applying to individual Panel members (Code of Conduct) and Panel meetings (access to information), and
 - enhanced communication and links between the LEP Board and WYCA due to overlapping memberships.
- 2.3 The governance changes are the first step in a phased review which will consider:
- membership of WYCA Panels/committees to further embed the public/private partnership,
 - the remit and number of WYCA Panels/committees, potentially allocating budgets and delivery responsibilities, and
 - any necessary changes further to any agreed move to a Mayoral CA.

- 2.4 In relation to transparency, all voting co-opted Member on the Panel, (which includes private sector representatives) are now subject to the statutory **Code of Conduct** adopted by WYCA. They complete a detailed register of interests which is published on WYCA's web-site, and are required to declare interests at meetings. A breach of the Code is potentially a criminal offence. Currently there are over 30 private sector representatives who are members of either the LEP Board, a WYCA Panel or both, with all but 2 LEP Board members now either a WYCA Member or co-opted WYCA Member and therefore subject to WYCA's Members' Code of Conduct.
- 2.5 All Panels are now subject to the **access to information** statutory provisions, requiring
- agenda and reports to be published 5 clear days before a meeting, and
 - meetings to be open to the public,
- subject to exceptions for exempt or confidential information.
- 2.6 In April 2017, the DCLG asked Mary Ney, a Non-Executive Director on the DCLG Board, to review national LEP governance and transparency. The findings of the review were published on 26 October, and are available on the following [Link](#). Best practice guidance on a number of issues, including conflicts of interest, is to be issued by DCLG further to the Ney report. However, the Ney recommendations have already resulted in an increased focus on governance and transparency during the 2017 annual performance conversation between WYCA/the LCR LEP and the Department for Communities and Local Government (DCLG), (a key element of the DCLG's assurance system for funding to LEPs), which took place on 29 November. In particular, WYCA's Managing Director and the LCR LEP Chair were required to submit a formal annual assurance statement prior to the Annual Conversation 2017. A copy of the statement is attached to this report as an appendix. Positive feedback was received during the Annual Conversation about the continuous improvements to transparency and accountability made to date.
- 2.7 The LCR LEP Board at their meeting in January 2018 will be asked to consider revised LCR LEP constitutional documents, including LCR LEP Board Procedure Rules, an LCR LEP Board members' Code of Conduct, and an allowances and expenses scheme. These will reflect Ney recommendations, as well as updating existing documentation to incorporate improvements already made during 2017, such as aligning access to information provisions with that of WYCA. The LCR LEP Board will also be asked to consider an updated local assurance framework (previously considered by Overview and Scrutiny Committee's working group) which will reflect governance changes.
- 2.8 On 15 December the Commons Select Committee published its report 'Effectiveness of local authority overview and scrutiny committees.' It is proposed that the findings and recommendations of this report are considered, along with the changes set out in the above paragraphs, to form part of a report back to a future meeting of this Committee on the accountability and transparency processes that WYCA and the LEP have in place.

3 Financial Implications

3.1 None

4 Legal Implications

4.1 None

5 Staffing Implications

5.1 None

6 External Consultees

6.1 None

7 Recommendations

7.1 To note the update on

- the implementation of the new governance arrangements approved at WYCA's annual meeting, of effect from 1 September 2017, and
- proposed new constitutional arrangements for the LCR LEP (Leeds City Region Local Enterprise Partnership) to be considered by the LEP Board on 16 January 2018,

in particular in terms of their impact on transparency and accountability.

8 Background Documents

8.1 None