



**Cheshire and Warrington Local Enterprise Partnership
Overview and Scrutiny Committee
Note of Informal Meeting – 6 December 2018**

A formal meeting of the Overview and Scrutiny Committee had been planned for this date, but the meeting was not quorate. Accordingly, those present discussed the programmed agenda items on an informal basis.

Present: Councillor J B Powell (Chair) and A Boyd (Deputy Chair)

Also In Attendance: M Livesey, Deputy Chief Executive, Cheshire and Warrington LEP (for Agenda Item 12 and Items 5, 7 and 10 in part), and J Joinson, Principal Democratic Services Officer, Warrington Borough Council for the Cheshire and Warrington LEP

1. Apologies

Apologies for absence were received on behalf of Councillors H Davenport and J Kerr-Brown and from G Butler

2. Declarations of interest

The Chair declared an interest in Agenda Item 12, as he had previously been a Member of the Marketing Cheshire Board.

3. Minutes

Minutes of the Meeting held on 7 June 2018 would be submitted for ratification at the next formal meeting.

4. Notes

The Notes of the informal Meeting held on 6 September 2018 would be submitted for consideration at the next meeting.

5. General Governance/Constitutional Matters

Terms of Reference

A report was provided which set out draft revised Terms of Reference for the Committee, based upon the decisions made at the meeting on 7 June 2018 and subsequent correspondence with the Deputy Chair. The revisions included the following:-

- The procedure for clearing draft agendas and minutes in advance of publication;
- The use of complaints and other stakeholder feedback to inform the Committee's work programme;
- The introduction of a 15 minute public question time at meetings, publicised via social media; and
- The possible introduction of a 15 minute formal question time with the Chief Executive of Cheshire and Warrington LEP (or his representative).

Membership

The report reminded Members of the resignation of Carol Thompson from the Committee, which left five remaining members and one vacancy. It was noted that the Appointment and Remuneration Committee had not yet considered recruitment to the vacancy.

Members discussed the matter of the quorum, which had been an issue at the last two scheduled meetings of the Committee. Four members were required to be present, but the Committee currently had only five appointees to the six seats. The quorum for local authority Committees was typically one third or one quarter. However, it was not proposed to reduce the quorum below 4, as a smaller group would not be sufficiently representative. Ideas were put forward to promote better attendance at future meetings, which include the appointment by each of the local authorities of two substitute Members, as was the case for scrutiny at Transport for the North (TfN). Where a substitute attended a meeting, it was hoped that the ordinary representative would fully brief him/her in advance.

Members accepted that the Scrutiny Committee was newly established and that it was not yet fully developed. It was noted that the Committee must be seen to be effective for Members to commit to attendance. That was particularly important for private sector representatives whose time was valuable. Ms Boyd suggested the inclusion of representatives from private sector intermediary groups, such as the Chamber of Commerce, Institute of Directors (IoD), the Business Exchange (provided by Warrington & Co), Development Boards, Business Improvement Districts and the Federation of Small Businesses (FSB) and Business Network International (BNI). Those groups actively engaged with businesses and might provide a degree of independence of thought on the Committee, as well as a useful interface between the LEP and the business community. Representatives from that sector should also be keen to engage as part of their core responsibilities. It might be an advantage to choose intermediary groups that specifically covered three different sizes of businesses, such as Development Boards (large); Chambers of Commerce (medium) and FSB or BNI (small/micro).

It was noted that the LEP would have more funding available from March 2019. The Government saw engagement as an important role of the LEP and could challenge those LEPs who had not engaged with all sectors.

Members also discussed the term of office of appointees, which was currently 18 months. That was felt to be too short, since it barely gave sufficient time for representatives to become familiar with the subject matter. A point had been made at the first meeting about the length of appointment enabling terms of offices to be staggered, but in effect that was

not what would happen since all of the current terms expired at the same time. The time period also did not fit well with the annual appointment cycle of local authority members to outside bodies.

The Chair commented that he did not intend to stand for re-election in May 2019, thereby automatically creating a need for a new appointment. He would invite the proposed new appointee to attend the next meeting of the Committee, to introduce him/her to its work. However, there was a need to provide greater continuity of membership and corporate memory beyond July 2019.

Decision –

- (1) To request the Chief Executive of the LEP to arrange to fill the private sector vacancy as soon as possible.
- (2) To clarify the ownership of the Committee's Terms of Reference, as either by the LEP Board or by the Committee itself.
- (3) To request the Scrutiny Support Officer to consult the other Members of the Committee via e-mail, as soon as possible, on the following proposals:-
 - (a) That the quorum should remain at four;
 - (b) That the number of representatives on the Committee be increased from six to nine;
 - (c) That the additional three representatives to be included on the Committee be drawn from business intermediary groups and that the groups chosen should represent the three sizes of business – large, medium and small/micro;
 - (d) That the date of meetings the Committee be more close aligned to the timetable for significant LEP activity such as budget development, the production of key plans and strategies and the monitoring of major programmes;
 - (e) The three local authorities be invited to nominate two substitute Members each for the public sector appointments;
 - (f) That local authority representatives be requested to brief any substitute required to serve, as necessary;
 - (g) That the terms of office of appointees be lengthened;
 - (h) That appointees may, if they so wish, serve for a period of two consecutive terms of office, subject to the usual appointment arrangements; and
 - (i) That representatives who are unable to attend for two consecutive meetings without reasonable cause should be disqualified.
- (4) Subject to the clarification at (2) and to the views of the Committee Members at (3) above, to authorise the Chair to discuss the proposals at 3(a) to (i) with the Chief Executive of the LEP and to seek their implementation via the appropriate route.

6. Public Participation

No public questions had been received.

7. Review of Engagement

A report was provided on progress as to the Review of Engagement.

On 13 September 2018, an Invitation to Tender (ITT) document had been submitted to 5 potential bidders, comprising a mixture of academic and consultancy organisations, who it was envisaged might be in a position to tender for the research project. However, no submissions were received in response. The names of the prospective research organisations were provided to Members at the meeting on a confidential basis. The reasons for the lack of interest were not fully understood, but it might be a combination of the shortened timetable and existing workloads, competing academic priorities, or limited experience in the type of research being sought.

The original timetable for the project envisaged a three months research project commencing early in November 2018, with a final report submitted by 22 February 2019 and consideration by the Committee at its meeting on 7 March 2019. Under the circumstances, that timescale had now slipped. Accordingly, Members were invited to consider how to take forward the review project. Options might include:-

- Attempting a second tender exercise with a revised list of tenderers;
- Utilising local authority contacts to see if any of the constituent councils could assist in carrying out the necessary research;
- Approaching a trusted partner organisation directly;
- Carrying out a less comprehensive research exercise from within existing scrutiny resources.

Ms Boyd indicated that it was important to obtain some baseline information about engagement. The LEP could not operate effectively if businesses did not know of its existence. Without appropriate baseline information there was limited evidence about where engagement was good and where it was not. Members commented that they had observed a step up of engagement activity by the LEP, but without any baseline information it was difficult to map the improvements.

The following approach was suggested:-

- (a) Connect to the wider Marketing Cheshire proposal to obtain the bigger picture on engagement, since that organisation was already carrying out awareness raising and promotion.
- (b) Map the 'absolutes' against the market segments using existing data for large, medium and small businesses. Overall it was believed that the LEP engaged well with the 'usual suspects'. It might, therefore, be possible to do a relatively simple exercise to identify which businesses had attended various LEP events

and to note the size of those businesses. It was also felt that the mapping exercise should capture, in particular, any engagement with the growth industry sectors.

It was suggested that the research activity could be carried out in-house via the newly appointed Communications and Marketing Director. It was understood that a Stakeholder Communications Plan had already been developed and that the new post would be responsible for designing and implementing the LEP's Stakeholder Engagement Strategy. It was also understood that the new Director had access to some funding to carry out the task. The Deputy Chair would be willing to work with the Communications and Marketing Director to carry out any research activity.

Members were reminded that the Chair, Deputy Chair and Mr Butler had agreed to form a Task Group to oversee the Review of Engagement. It was hoped that the Task Group could commence its work in January 2019.

Members referred to the numbers of businesses mapped against the various segments as set out at Paragraph 2.5 of the ITT document. There were 150 large, 590 medium, 3,365 small and over 32,000 micro enterprises in Cheshire and Warrington. Members considered whether the data on the numbers of local businesses was robust and queried how it had been compiled. For example, if the figures had been based on HMRC data, they might not show all businesses if one owner had multiple businesses.

Members noted the assumptions made about good engagement in Paragraph 2.12 of the ITT document, but were keen to find evidence of the baseline in order to be able to measure improvement. The Chair added that a personal business contact had indicated that he had felt unable to network with other businesses via the LEP. Awareness-raising of the LEP was the first step to improving engagement.

Decision –

To note the update on the Review of Engagement and to endorse the approach identified at paragraphs (a) and (b) above for further discussion with the LEP's Chief Executive.

8. LEP Budget Update

It was agreed not to consider this item.

9. Mid-Term Evaluation of Projects

It was agreed not to consider this item.

10. Work Programme

A copy of the current Work Programme was provided. The following item was proposed for the next meeting:-

- Update as to progress on the Review of Engagement.

Members discussed the overall approach to work programming. It was suggested that the next meeting should also include:-

- A review of the Committee's progress and achievements for 2018/19 and any areas for improvement (which could be in the format of a Chair's Annual Report);
- Work programming - to include key items planned for scrutiny in 2019/20;
- Hot topics arising.

The Chair indicated that a balanced work programme might include known business (80%) and space for emerging issues (20%). The Committee might also learn from best practice around scrutiny within other bodies. For example, TfN's Scrutiny Committee meetings were supported by a range of senior staff. Cheshire West and Chester's Overview and Scrutiny Committee was chaired by an Independent councillor. The March meeting could be used annually to develop the work programme. A maximum of two programmed review topics per year was envisaged.

Members also commented that the practice of holding an informal meeting when the Committee was not quorate might lead to the perpetuation of a situation where meetings continued to be inquorate. It was suggested that harder stance be taken. The need for formal scrutiny meetings was important from the point of view of providing the necessary assurance around the activities of the LEP Board. The proposals emerging from today's meeting would help to build a strong foundation for the future operation and work of the Committee.

Decision –

- (1) To note the updated work programme and proposed refinements to the work programming process, including the improved timetabling of meetings.
- (2) To agree that when a meeting is not quorate, the business should not normally be taken forward for discussion on an informal basis by those Members present.

11. Future Meeting Dates

The next meeting was due to take place on 7 March 2019.

Mr Livesey, Deputy Chief Executive, was in attendance for the following matters.

12. General Governance/Constitutional Matters (continued)

Members outlined to Mr Livesey their recommendations from the discussions held earlier in the meeting (Minute 5. refers). Mr Livesey provided further information about the on-going review of the LEP; the timetable for new appointments to the LEP and its Committees (January 2019); changes caused by the Growth Hub being managed in-house; Government

targets on Board diversity; Local Growth Fund monies; and the timetable for budget reports (anticipated in January/February 2019, but usually available in December). Ms Boyd suggested that an early meeting of the Committee after the LEP's Annual Conversation with MHCLG would be useful.

13. Work Programme (continued)

The Chair commented that when the Committee had been set up it had been given a 'free rein' to conduct scrutiny as it saw fit, but on reflection further advice was required from the LEP Board to help the Committee to identify key issues. Receipt of that support, should not compromise the Committee's ability to provide robust challenge. Mr Livesey confirmed that the Board wanted the Committee to be genuinely independent, but it was accepted that some guidance as to key issues would be useful. Ms Boyd added that guidance about where the Committee could add value and at what time, should help to set the Agenda for each meeting.

14. Review of Engagement (continued)

Members outlined to Mr Livesey their recommendations from the discussions held earlier in the meeting (Minute 7. refers).

15. Commercial Engagement with Marketing Cheshire

The LEP Board, at its meeting on 14 November 2018, had agreed to a proposal that Marketing Cheshire should become a subsidiary of the LEP. Legal completion would not be until later in December, and prior to that, the Board had requested that the proposal be reviewed by the Scrutiny Committee.

Members considered a copy of the confidential report which had been provided to the LEP Board. Mr Livesey, provided further information at the meeting. The two organisations already worked closely together and the LEP purchased a range of support from Marketing Cheshire via a service level agreement. There were now increasing synergies between the work of the two organisations and it was proposed to strengthen the relationship between the two through a merger, which would be to the mutual benefit of both organisations.

Members discussed a number of aspects of the detailed report, including the proposals in relation to the position of Chief Executive of Marketing Cheshire; key Members serving on both Boards; the retention of two separate legal entities; separation of income; and the timing of the due diligence exercise.

Decision – To note the proposal for commercial engagement with Marketing Cheshire and to commend the following advice to the LEP Board:-

- That members of the Marketing Cheshire Board be required to sign up to the Nolan Principles to align the ethics of all Board Members across the two organisations and that a time limit be applied to that sign up.

- That the separation of income between the two organisations should not be so rigid as to prevent its lawful use across the organisations in appropriate circumstances.
- That any new appointments to the respective Boards should meet the objectives of achieving Board diversity.