



Cheshire and Warrington Local Enterprise Partnership Overview and Scrutiny Committee

Date: Thursday 7 March 2019

Time: 3.00pm

Venue: Wyvern House, The Drummer, Winsford, CW7 1AH

Chair: Councillor Ben Powell (Cheshire West and Chester Council)

Membership: Anne Boyd (Deputy), Guy Butler, Councillor John Kerr-Brown (Warrington Borough Council), Councillor Harold Davenport (Cheshire East Council) and one (private sector) vacancy.

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AGENDA

Agenda Item	Lead	Timings
Open Meeting - Items during the consideration of which the meeting is expected to be open to members of the public (including the press)		
1.	Apologies for Absence	Chair 3.00pm
2.	Declarations of Interest	Chair 3.00pm
3.	Minutes of the Meeting held on 7 June 2018	Chair 3.05pm
4.	Notes of the Informal Meeting held on 6 September 2018	Chair 3.05pm
5.	Notes of the Informal Meeting held on 6 December 2018	Chair 3.05pm
6.	Feedback on the actions following the last meeting to invite Philip Cox, Chief Executive Cheshire & Warrington Local Enterprise Partnership to provide feedback, including providing a copy of the advert for Board and Committee members (including new Scrutiny Committee members) and consideration of committee members views about the structuring of the new committees and how new members are being appointed.	Chair 3.10pm
7.	General Governance/Constitutional Matters:	Chair 3.25pm

	<ul style="list-style-type: none"> • Terms of Reference • Membership (Report and Email attached)		
8.	DRAFT Local Industrial Strategy to consider a progress report by the Chief Executive and Andy Hulme	Chair	3:40pm
9.	<p>Public Participation</p> <p>To receive questions from members of the public in accordance with Governance Procedure Rule 6. A total period of 15 minutes will be allocated for members of the public to speak at Panel meetings. Each member of the public shall be limited to a period of up to 5 minutes speaking.</p> <p>Members of the Public may speak on any matter relating to the work of the Committee. During public speaking time, members of the public may ask questions of the Committee and the Chairman in responding to the question may answer the question, may decline to do so, may agree to reply at a later date or may refer the question to an appropriate person or body.</p> <p>Questions will be asked and answered without discussion. In order for officers to undertake any background research, members of the public who wish to ask a question at a Committee meeting should submit the question at least a day before the meeting.</p> <p>Members of the public are to be able to put questions direct to the Committee via social media platform Twitter: @candwlep</p>	Chair	3.55pm
10.	Work Programme – Attached	Chair	4.10pm
11.	<p>Future Meeting Dates (3pm at Wyvern House)</p> <p>Provisional Dates for 2019/20</p> <p>6 June; 5 September; 5 December 2019; and 5 March 2020</p>	Chair	4.00pm
Part II - Matters to be discussed in private			
12.			

Agenda Item 3



Cheshire and Warrington Local Enterprise Partnership Overview and Scrutiny Committee 7 June 2018

Present: Councillor B Powell (Chair), A Boyd, G Butler and Councillor J Kerr-Brown

Also In Attendance: B Magan, Head of Democratic and Member Services, Warrington Borough Council providing support for the Cheshire and Warrington LEP

9. Apologies

Apologies for absence were received on behalf of Cllr H Davenport and C Thompson.

10. Declarations of Interest

11. Minutes

The minutes of the meeting of the Scrutiny Committee held on the 1 March 2018 were received as a correct record

Task Group Members agreed to review the Terms of Reference and Quorum which is currently set at 4 members

12. Issues arising from the Training Session held on 16 April 2018

Task Group Members welcomed the training session – it was thorough and added value and helped raise awareness and understanding of the workings of the LEP and the potential role of the Scrutiny Committee.

Task Group Members discussed the agenda setting process for the Scrutiny Committee and AGREED that -

- (1) Future draft agenda and minutes be cleared by the clerk through the Chair and Deputy Chair for all future meetings in advance of distribution;
- (2) Without circumventing existing LEP procedures in relation to complaints, the TOR of the Committee be reviewed to potentially include a role around encouraging and receiving and dealing with feedback and suggested items for the work programme;
- (3) Future Scrutiny Committee meetings include
 - a facility to receive public questions and feedback within a 15 minute open session (a minimum period of notice being required of the questions to allow

enough time to answer the question and use of the LEP's existing Twitter and social media accounts to facilitate this process);

- a formal question and answer session with the Chief Executive, Cheshire and Warrington LEP and any other officer as appropriate within a 15 minute open session

13. Review of Private Sector Engagement – Scoping Document

Task Group Members commented that the content and proposed approach detailed in the report was thorough and sensible and AGREED that

- (1) the scope should read 'Review of Engagement' to ensure that the process was holistic

(Note: In this respect Task Group Members expanded the scope of the review as detailed in paragraph 6.1 to be proportionate across various sectors and include public sector and partners organisations and not limit it to private sector business which will ensure that the review has depth and breadth of engagement)

- (2) a Task Group consisting of Councillor B Powell, A Boyd and G Butler oversee the work of the project;
- (3) the Task Group will commission an external organisation (university research teams) to undertake the review which will require an approved budget
- (4) the lines of inquiry and methodology to include 2 case work studies with the output to the report being published as public output and transparent highlighting any improvement areas;
- (5) the amended scope of the review was to be signed off by the chair and deputy chair; and
- (6) the timescales as detailed in paragraph 10 be adjusted to 6 December 2018

(Note: in making the decisions above the Task Group Members noted that this review will add value to the LEP's future work programme of developing a stakeholder communication plan through its soon to be appointed PR and Communications Manager as detailed in paragraph 5.3 to the report)

14. Work Programme

The Scrutiny Committee received and considered a work programme report and AGREED

- (1) The Action Plan from MHCLG Performance Letter item could be covered in any future QA sessions as part of the new structure and format of meetings (Note: In discussing this matter members identified the need to access any comparable data and analysis and for this LEP to be in a position to voluntarily publish its own letter resulting from the Annual Conversation).
- (2) The Dashboard Item was to be removed from the work programme

15. Future Meeting Dates

Decision – To note the following schedule of meetings, commencing at 3.00pm, at Wyvern House (subject to availability)

- 6 September 2018
- 6 December 2018
- 7 March 2019

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Agenda Item 4

Cheshire and Warrington Local Enterprise Partnership Overview and Scrutiny Committee Note of Informal Meeting – 6 September 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 Kerr-Brown

Also In Attendance: P Cox, Chief Executive, Cheshire and Warrington LEP, 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 Councillor B Powell (Chair), A Boyd, (Deputy Chair) and G Butler

2. Declarations of interest

There were no declarations of interest made.

3. Minutes

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

4. 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 previous meeting. 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 introduction of a 15 minute formal question time with the Chief Executive of Cheshire and Warrington LEP (or his representative).

Membership

The report advised Members about the resignation of Carol Thompson from the Committee, which left five remaining members and one vacancy. Mr Cox confirmed that the Appointment and Remuneration Committee would consider recruitment to the vacancy in the near future.

5. Public Participation

No public questions had been received.

6. Question and Answer Session with the Chief Executive, Cheshire and Warrington LEP

Philip Cox, Chief Executive, C&WLEP, provided brief update on the following issues and key areas of LEP business:-

Growth Hub

The Growth Hub is a service funded by the LEP which provides advice and support to new and growing businesses in the region. The advisers from the Hub visit clients to discuss their business needs and then put them in touch with relevant experts or funding streams. The Service is currently being provided on behalf of the LEP by Blue Orchid, but the plan is to bring the service in-house with effect from 1 October 2018.

C&WLEP is currently viewed by its peers and Government, as an excellent strategic body. It is important that, once the Growth Hub is delivered directly by the LEP that it matches the high standards the LEP is achieving in the other parts of its work. Consultants had been engaged to oversee the transition process, including an experienced former Chief Executive of the Cornwall LEP

The new service would see a significant increase in the staffing structure of the LEP Team from 10 to around 20 staff. The key to the success of venture was its leadership, and recruitment would be at a level and remuneration commensurate with the importance of the role. It was likely that one member of Blue Orchid staff would transfer under TUPE to the in-house team, with the rest of the new team recruited via an open recruitment process. The first of these has already been appointed. In addition, for an interim period the LEP will continue to pay for the use of some of the IT systems currently in use by Blue Orchid.

The Growth Hub will be combined with a 'Skills and Careers Hub', matching young people, colleges and employers with courses and jobs. This has already attracted funding from ESF, Bank of America and the Careers and Enterprise Company.

ERDF/ESF Funding

The LEP had access to around £60m of European ERDF/ESF funding, which the government had agreed to honour provided that it was fully committed before 29 March 2018, the date of Brexit. C&WLEP was on track to allocate that funding, although some minor delays had been caused in dealing with DWP. Notification had subsequently been received from the Government that the deadline had been extended to 31 December 2020, which coincided with the original date on which the European structural funds were due to end.

NP11

NP11 was the name for the partnership of all 11 LEPs in the Northern Powerhouse area, which had been coined by Jake Berry MP, Minister responsible for the Northern Powerhouse. He had expressed his vision for the NP11 LEPs to work more closely together and perhaps to deliver a single unified programme. That vision compared closely to the Midlands Engine structure, chaired by Sir John Peace, where related programmes were channelled through a single overarching body.

However, it was likely that the NP11 would adopt a somewhat different approach, given that within its footprint Transport for the North (TfN), Core Cities and Northern Mayors all had strong existing identities. NP11 will work with those partners, rather than seeking to usurp their powers.

A meeting of NP11 had taken place two days ago, at which some initial thoughts were discussed, for example the development of a single Northern Energy Strategy based on the concentration of nuclear and hydrogen fuel industries in the North. No firm decisions had been taken yet, but the LEPs would continue to meet monthly and to develop ideas. The Chair of NP11 was Roger Marsh (from Leeds City Region LEP) and Christine Gaskell (C&WLEP) was Vice- Chair. NP11 would arrange to meet Sir John Peace to see what could be learned from the Midlands approach.

UK – China Regional Leaders Summit

During the state visit of Chinese President Xi Jinping to the UK in 2015, the two countries agreed to improve commercial links between each other by participating in a series of annual Regional Leaders Summits. Since then, business leaders had undertaken reciprocal visits, which included Sheffield in 2015, Shanghai in 2016 and Northern Ireland in 2017. The location for the 2018 Summit would be Dalian, China, from 15 to 17 October 2018. The NP11 had been invited to be part of the delegation in 2018. Representatives from Tees Valley and Sheffield were keen to participate, but there was more concern in Cheshire and Warrington about the potential for negative press and adverse conclusions being drawn by the public about the nature of the visit. Liverpool City Region leaders did not wish to be involved on this occasion, as they already had well established links with Shanghai.

A useful role for the Overview and Scrutiny Committee might be to emphasise the importance of promoting the C&W economy on an international stage, particularly in the

immediate aftermath of Brexit. The Committee could promote a positive message to the public in view of the likely benefits to businesses and the local economy.

Councillor Kerr-Brown commented on the difficulties experienced by public officials in justifying trips abroad, due to public perceptions of wastefulness.

7. Review of Engagement

A report was provided which reminded Members that, at its June meeting, the Committee had agreed the scope of a review of effective engagement with private sector stakeholders by C&WLEP. The latest report presented the Invitation To Tender (ITT) document and proposed timeframe for the research project.

The planned timetable was as follows:-

06.09.18	Scrutiny Committee Approval for research project
28.09.18	Deadline for submissions
12.10.18	Panel shortlist meeting
19.10.18	Interview (if required)
02.11.18	Appoint Research team/consultants
09.11.18	Inception Meeting
10.11.18	Commence project (normally 3 months – extended due to Christmas holiday period)
06.12.18	Officer Report to Scrutiny Committee
22.02.18	Research team final Report to be submitted to C&WLEP Scrutiny Committee 'Clerk' for publication into Agenda Papers in public domain
07.03.19	Scrutiny Committee Meeting discusses report and final presentation and recommendations in public domain

Mr Joinson undertook to circulate the ITT documents under separate cover and to seek approval from Members of the Committee by e-mail to their formal issue. A preferred list of tenderers had been discussed by officers prior to the meeting and would be shared with Members as part of that correspondence.

8. Strengthened Local Enterprise Partnerships

A report was provided which introduced the Ministry of Housing, Communities and Local Government document *Strengthened Local Enterprise Partnerships*, issued in July 2018, following the Government's review of LEPs. The main document set out the role and

responsibilities of LEPs in driving local growth. It also set out how Government and LEPs would work together to strengthen leadership and capability, improve accountability and manage risk, and provide clarity on geography.

Up to £20 million of additional funding between 2018-19 and 2019-20 would be available to support the implementation of the changes identified in the document and embed evidence in Local Industrial Strategies.

The most significant changes proposed were:-

- The redrafting of boundaries, so that LEP areas did not overlap each other. Areas would need to be defined by 28 September 2018. The change was not an issue for C&WLEP, which already had a distinct and individual footprint.
- All LEPs would need to adopt a formal legal personality. In some areas the LEP remained an informal partnership arrangement, with financial and legal issues being undertaken on its behalf by the relevant local authority. The change was not an issue for C&WLEP, which had been incorporated as a company limited by guarantee for several years.

Other changes proposed included:-

- The need for a minimum representation on the LEP Board by women of one third by 2020 and for 50% representation by 2023. C&WLEP was already close to the first target with 4 out of 15 Members female.
- The need for a greater balance of representation on the Board of those persons with protected characteristics under equalities legislation, such as ethnicity.
- The need to formalise delivery plans at the start of each year and an evaluation report at the end of the year. C&WLEP already provided business plans to the Board at the start of the year and produced an annual report at year end. It was felt that this process could be tailored to meet the new reporting requirements.

C&WLEP would need to confirm its geography to MHCLG by 28 September 2018 even though no change was proposed. All LEPs were being asked to clearly set out how they would adopt the wider changes in the review document by 31 October 2018.

Councillor Kerr-Brown asked about the term of office for Board Members. Mr Cox reported that C&WLEP followed the Nolan Principles. Appointments were made following a process of open competition. There was a two stage interview process, first with the consultants, then with the Appointments and Remuneration Committee. In the last such exercise David Frost CBE (Chair, Stoke-on-Trent and Staffordshire LEP) served as an independent chair on the latter committee. Board Members served for a three year term and could be passported to a second three year term. Members would normally be asked to step down after a second term, but in exceptional circumstances could be permitted to apply for a third and final term by applying through the open competition. A number of Members were due to retire in 2019 and some senior Members would reach the end of their third term in around 18 months time.

9. Developing Cheshire and Warrington's Local Industrial Strategy Evidence Base

Mr Cox provided a verbal update in relation to the Government's Industrial Strategy which aimed to boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK with investment in skills, industries and infrastructure. The government was currently working with three 'trailblazer' areas – Greater Manchester, the Oxford-Milton Keynes-Cambridge corridor and the West Midlands – to co-design and develop the first Local Industrial Strategies (LIS) and aimed to agree these by March 2019. C&WLEP would be in the second wave.

The Government had indicated that it would publish some guidance for LEPs on their role in developing a LIS in the summer 2018, but the guidance had not yet been received. C&WLEP was due to meet representatives of BEIS on Tuesday 11 September 2018 and might receive some more information at that time.

It was hoped to be able to provide a timetable to the LEP Strategy Committee at their next meeting on 19 September 2018. The aim was to finalise the LIS by summer 2019. However, there was a concern that the timeframe would clash with the all-out elections for the two 'Cheshire' Unitary authorities. It might therefore be necessary to put back the completion date to ensure compliance with purdah rules.

As part of the process of developing the Strategy, C&WLEP needed to strengthen its evidence base. Productivity in the region was strong, but the reasons for that strength were not fully understood. Accordingly, consultants had been commissioned to look into the evidence base.

C&WLEP was not starting from scratch in the development of its LIS, since a number of elements of the Strategy were already in place within the Strategic Economic Plan. However, there was a need to reframe that information into the language of Government, which should include reference to the Grand Challenges (AI and data; ageing society; clean growth; and future of mobility) and specific Sector Deals.

10. Work Programme

A copy of the current Work Programme was provided. Items proposed for the next meeting on 6 December 2018 were as follows:-

- Update as to progress on the Review of Engagement; and
- Mid Term Evaluation of Projects.

The latter report might help to inform the proposed Work Programme item on Agility of Decision Making.

11. Future Meeting Dates

Future meetings were due to take place on 6 December 2018 and 7 March 2019.



**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.



**Cheshire and Warrington Local Enterprise Partnership
Overview and Scrutiny Committee**

Title: General Governance / Constitutional Matters

Agenda Item: 5

Prepared by: Julian Joinson, Principal Democratic Services Officer, Warrington Borough Council for the Cheshire and Warrington Local Enterprise Partnership

Date of Report: 07.03.19

A. Executive Summary

At the meeting of the Scrutiny Committee held on 7 June 2018, members agreed to review and revise the Terms of Reference (see Minute 12 (2) & (3) meeting 7 June 2018 agenda item 3). This report presents the amended TOR document for approval by the Committee. The amendments are highlighted and reflect the discussion at the previous meeting and subsequent correspondence received from the Deputy Chair. The structure and content of the agenda has also been amended to reflect these changes.

The Scrutiny Committee is also informed that Carol Thompson has, due to other commitments, resigned from her position as member of the Committee. The LEPs Appointment and Remuneration Committee is due to consider the filling of this vacant position.

B. Recommendations /Actions Requested

1. To approve the amended TOR document at Appendix 1, subject to certain clarifications requested; and
2. To note that the LEPs Appointment and Remuneration Committee is due to consider the filling the vacant position on this Committee, following the resignation of Carol Thompson.

C. Details

1. Terms of Reference

- 1.1 The TOR for the Scrutiny Committee was amended at the Scrutiny Committee

meeting held on 7 June 2018 meeting (minute 12 (2) & (3) refers). Subsequently, correspondence dated 28 August and 11 September 2018 has been received from the Deputy Chair, seeking clarification about whether the intention of members was to provide a formal question and answer session with the Chief Executive at each meeting, or simply to hold a pre-meeting to receive an update on key issues/opportunities arising that the Committee may then wish to consider further.

1.2 The attached TOR document has been amended to reflect the discussion and agreement at the 7 June meeting. Section 6 relating to procedures at meetings is highlighted (in yellow) to identify the changes and amendments to practice. The text highlighted (in red) is the proposed amendment which is subject to further clarification. The agenda for this meeting has been adjusted to reflect these amendments.

1.3 The correspondence from the Deputy Chair has also suggested two other matters which the Committee may wish to consider, which could also be built into the term of reference:-

- How might the Committee ensure that there is check and challenge around the decision-making process? The agility of decision-making sits with the work plan later in the year. However, bearing in mind that there were discussions regarding a project that was funded some time ago that perhaps didn't have full assurance around planning prior to the investment decision, how might the Committee ensure that the latest round of £4m+ investment factors in such assurances?
- Should provision be made to highlight any questions from Committee members to the Chief Executive in advance of the meeting to enable him to prepare a comprehensive response? Such provision might aid the preparation and flow of the meeting.

2. Membership

2.1 The resignation of Carol Thompson from the Committee leaves a vacancy and five remaining members. The Committee is asked to note the procedure for filling this vacant position.

2.2 An appropriate induction programme should be provided when the vacant position is filled.

2.3 In considering the appointment of a replacement member, it is worth noting that in accordance with the TOR each member will be appointed for a period of 18 months (Note: Council members are normally appointed annually within the constitutional terms of their local authority procedures and practices). Given that existing Committee members started in March 2018, their term of office is due to expire in September 2019. Appointments made out-of-step with the initial appointees might offer an ideal opportunity to stagger terms of office, which will enhance the ability to

retain skill and experience and knowledge and provide continuity when future vacancies arise on the Committee.

2.4 The Committee is asked to note that the quorum for holding a meeting is four members.

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Agenda Item 5 - Appendix 1

C&WLEP Scrutiny Committee Terms of Reference

1. Membership

It is proposed that the committee has a membership of six, made up of three Local Authority representatives and three private sector representatives. These must not be board members of the LEP.

Chair: To be a representative from a Local Authority on an annual rotating basis

The Chair will be appointed at the first meeting of the committee for a period of one year. After this time a new chair should be appointed every year.

The Members of the committee

are:

~~Carol Thompson~~

Guy Butler

Anne Boyd

Councillor John Kerr-Brown Warrington Borough

Council Councillor Harold Davenport - Cheshire East Council

Councillor Ben Powell - Cheshire West and Chester Council

Each member will be appointed for a period of 18 months (Note: Council members are normally appointed annually within the constitutional terms of their local authority procedures and practices).

2. Overview of the Role of the committee:

The Scrutiny Committee's function is to increase transparency of the decisions made by the LEP and to give further assurance by providing an independent committee that is able to explore and interrogate the rationale for decisions made. The Committee will not have the power to delay or refer back the LEP's decisions, but it will be able to

publicise its conclusions and make recommendations for improvements to the LEP's decision making processes. Its remit will therefore be very similar to the Public Accounts Committee. The committee will be able and make recommendations for improvements to the decision-making process if appropriate.

The Agenda for the committee should be broadly set at the beginning of each year and will consist of long-term review of LEP programmes but will also allow enough flexibility and time for a review of other significant decisions as they arise in the year.

The terms of reference will be reviewed annually to ensure they align with government policy around accountability and transparency.

3. Objective of the Scrutiny Committee

The objective is to make positive recommendations for how future decisions of the LEP can be effectively implemented.

All the deliberations of the committee will be held in public and made public in order to help transparency with regard to how and why decisions have been made by the LEP board and committees.

4. Terms of Reference

The Scrutiny Committee is specifically charged with:

- Review the decision making of each of the sub-committees and Board of the LEP to ensure due process has been followed and there is a transparent audit trail.
- Review the progress of the programmes that the LEP manages including but not limited to: Local Growth Fund, Growing Place Fund, European Programme and the Growth Hub. The committee should identify and/or consider issues raised, promote best practice and make recommendations for improvement if appropriate.
- Review the implementation of the Strategic Economic Plan and identify opportunities for improvement.
- Review the output and outcome information of the programmes to ensure that the LEP activities are having a beneficial impact on the economy of the LEP area.
- To make recommendations for consideration to the Board and or committee with respect to the discharge of any functions.
- Review and advise the LEP board on matters of transparency, ensuring that the LEP is meeting the highest standards of transparency and, in particular, the required standards as set down by the Central Government.
- To commission and review mid-term and end of term evaluations of programmes

and projects.

- To liaise with other LEPs over the development and dissemination of best practice.

5. Reporting

The committee will report to the LEP board and sub-committees with recommendations as appropriate.

6. Meetings

The committee will meet quarterly and the meetings will be open to the public. The minutes of the meeting and Agenda will be published on the LEP website.

Draft agenda and minutes to be cleared by the clerk through the Chair and Deputy Chair for all future meetings in advance of distribution.

Without circumventing existing LEP procedures in relation to complaints, the TOR of the Committee include the potential role around encouraging and receiving and dealing with feedback and suggested items for the work programme.

Future Scrutiny Committee meetings include

- a facility to receive public questions and feedback within a 15 minute open session (a minimum period of notice being required of the questions to allow enough time to answer the question and use of the LEP's existing Twitter and social media accounts to facilitate this process);
- a formal question and answer session with the Chief Executive, Cheshire and Warrington LEP and any other officer as appropriate within a 15 minute open session.

7. Conflicts of interest

Conflicts of interest should be declared at the start of each meeting and will be dealt with in accordance with the LEP's Conflicts of Interest Policy.

8. Quorum

The meeting will require four members to be present to be quorate.

Last amended by Julian Joinson 28.11.18

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AGENDA ITEM 8

Overview and Scrutiny Committee - Work Programme 2018/19

Subject	Details	Comments	Date
7 June 2018			
Engagement	To include details of the Engagement Plan, who did LEP engage with, how often, how could that be strengthened and what stakeholders were not sufficiently engaged	Scoping document provided	7 June 2018 ✓
6 September 2018			
Review of Engagement	To consider the Invitation to Tender (ITT) documentation for consultants to undertake research in support of the review		6 September 2018 ✓
Strengthened Local Enterprise Partnerships	To consider the Ministry of Housing, Communities and Local Government's document issued in July 2018 following the policy review of LEPs and any consequential implications for Cheshire and Warrington		6 September 2018 ✓
Developing Cheshire and Warrington's Local Industrial Strategy Evidence base	To consider a report on C&WLEP's intention to seek to appoint consultants to update the evidence base for the sub-region to support development of a Local Industrial Strategy, and support the development of thinking around that strategy and engagement with key stakeholders.	Verbal update from Philip Cox	6 September 2018 ✓
6 December 2018			
Terms of Reference	Minor amendments to Terms of Reference	Some minor amendments to the Committee's terms of reference are proposed in an e-mail from the Deputy Chair	6 December 2018

		dated 11 September 2018	
Review of Engagement	Update as to progress on the research	No expressions of interest were received to the invitation to tender document. Accordingly, the Committee may wish to hold a discussion about how to take this matter forward	6 December 2018
Budget Update/Amendments	To consider the LEP Board's update of its Budget for 2018/19	This item, originally planned for 6 September 2018, was deferred, because a report on the Budget was not due to be presented to the LEP Board until October 2018.	6 December 2018
Mid-Term Evaluation of Projects	To receive an overview of the Mid-Term Evaluation of Projects, which is due to be considered by the LEP Performance and Investment Committee later in December 2018	This item will be subject to relevant information being available, as the P&I Committee is not due to meet until 19 December 2018	6 December 2018
Marketing Cheshire	The LEP Board on 14 November 2018 considered and agreed a proposal to make Marketing Cheshire a subsidiary of the LEP	A request has been received from the LEP Board for the Scrutiny Committee to review the proposal prior to finalisation.	6 December 2018
7 March 2019			
Terms of Reference	Minor amendments to Terms of Reference	Some minor amendments to the Committee's terms of reference are proposed in an e-mail from the Deputy Chair dated 11 September 2018	7 March 2019
Local Industrial Strategy	Draft	for consideration	7 March 2019
Review of Engagement	Final report and presentation from the research and consideration of initial recommendations to C&WLEP	This item may need to be amended in the light of any decisions taken on 6 December 2018	7 March 2019
6 June 2019			
Enterprise Zone Funding			
5 September 2019			
Growth and Skills Hub – Impact and Effectiveness			

5 December 2019			
5 March 2020			
Standard Items			
General Governance / Constitutional Matters	To keep under review the Committees membership and Terms of Reference		As appropriate
Public Participation	To receive questions from members of the public in accordance with governance procedure rule 6	15 minutes open session. Individual public speakers limited to 5 minutes each.	All Meetings
A formal Question and Answer Session	To submit questions to the Chief Executive, Cheshire and Warrington LEP and any other officer as appropriate.	15 minute open session (Committee members only)	All Meetings

Not Yet Allocated to a Specific Meeting			
Agility of decision-making	To include the balance between making investment decisions in a timely way, while maintaining standards of good governance		TBA
Board Diversity	To monitor compliance with gender targets and the balance of skills of members appointed to the Board	A number of Members of the Board are due to stand down in 2019	TBA

Deleted Items from Previous Version

Nil

Version 4 – 27 February 2019

From: Joinson, Julian
Sent: 21 December 2018 13:57
To: DAVENPORT, Harold (Councillor); Guy Butler; Kerr-Brown, Councillor John
Cc: Anne Boyd; POWELL, Ben (Councillor); Philip Cox; Mark Livesey
(Mark.Livesey@871candwep.co.uk); Magan, Bryan
Subject: C&WLEP SCRUTINY COMMITTEE
Attachments: CWLEP OS Minutes - 06.12.18 - Draft.docx

Hello Scrutiny Members,

Would you please note the last planned meeting of the LEP Scrutiny Committee on 6 December 2018 did not proceed formally, as the meeting was not quorate. However, the Chair and Deputy Chair were present and a useful debate took place about some of the Agenda issues and, in particular, the Committee's Terms of Reference. The Members present proposed a number of recommendations in respect of the Committee moving forward, and have asked me to seek the views of the full membership before these are pursued further. The recommendations were made with a view to making the Committee more sustainable in future.

Members agreed as follows:-

- (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.

I would be grateful for any comments you may have by no later than 11 January 2019.

The draft notes of the meeting are also attached for your information.

Thanks

Julian

Julian Joinson
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**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.