



## **MINUTES OF CUMBRIA LEP SCRUTINY PANEL MEETING**

**30<sup>th</sup> November 2016, Eden District Council, Mansion House, Penrith**

**Present:** Chris Holmes (chair), David Beeby, Martin Ward, Colin Glover, Giles Archibald, Heather Bradley, Suzanne Caldwell (minutes)

### **1. APOLOGIES FOR ABSENCE AND INTRODUCTION**

Apologies had been received from Alan Smith. Chris welcomed everyone to the meeting.

### **2. MINUTES OF PREVIOUS MEETING**

Minutes of the previous meeting were agreed. There were no matters arising not dealt with elsewhere in the agenda.

### **3. STRUCTURE OF THE SCRUTINY PANEL**

Colin explained that following the conflict of interest discussion at the last meeting Heather Bradley, Portfolio Holder for Economy, Environment & Housing would be taking over his place on the Scrutiny Panel. He advised that he was happy to attend any meeting if needed.

There was discussion of whether it was right for past/future LEP Board members to be part of the Panel. It was agreed that no one should scrutinise their own decisions but there was not a problem with potential future Board members, indeed the Scrutiny Panel could be a good grounding. Rotation of District Leaders on the Board is therefore an issue but it was agreed that there is a need for their involvement because of the seriousness of issues that District Leaders have an understanding of. It was suggested that Leaders bring issues and then delegate someone else to take these forward.

It was agreed that the main concerns to be tackled by the Scrutiny Panel are processes, governance, transparency and effectiveness.

### **4. RESULT OF DISCUSSIONS WITH CURRENT & PAST BOARD MEMBERS AND WITH MPs**

Chris reported that he had held meetings with a number of current and past LEP Board members and with MPs and would feed views into relevant parts of the discussion. All are dissatisfied with and concerned about the operation of the LEP.

### **5. IS THE LEP FIT FOR PURPOSE?**

As the letter expected from the Districts had not yet been received, Giles shared key points from the draft. These were:



- Decisions being made on the basis of consensus but with no definition of consensus and the Chair not agreeing to votes.
- Subgroups not working as originally intended and concerns over the way groups are set up and managed, with lack of clarity around decision making, particularly by the Investment Panel.
- Issues around the behaviour of the County Council as accountable body. It appears to take decisions on revenue spend rather than act in an audit role.
- Concerns around representation with a view that Carlisle as the region's city should be permanently represented. The Districts' view is that rotating the Districts on the Board does not work so they suggest increasing the size of the Board to include all Districts and an equivalent number of additional private sector members, which would also allow better sector representation.
- Lack of clarity and a strong audit trail of decision making on finances, including around reprofiling of spend after decisions have been made. An example is reprofiling of spend away from cycle paths in South Lakeland to reinstating County Council buildings in Portland Square.
- Lack of clarity on decision making, particularly the Investment Panel, with gaps in the information published and money being moved around without a clear audit trail of decision making.
- A view that the LEP is under performing but with difficulty measuring this as it is not clear what performance should be measured against.

There was discussion of the above points.

It is apparent from talking with people who have been on the Board that they feel it has been a waste of time and effort, with decisions made by the Leader of the County Council and the Chair irrespective of the view of the wider Board (for example the blocking of CoNE when others were in support, with a belief that the minutes are not entirely accurate around that). The LEP is supposed to be a 50/50 public/private sector partnership, private sector but the private sector view is that the private sector Chair bows to the public sector Vice Chair and LEP Director.

Concerns were fed in from the Private Sector Advisory Panel, which is made up of the private sector partners in the LEP. These include:

- Unhappiness that there is a push to change to the make-up and governance of the Advisory Panel and a desire to know why and who from.



- Concern as to where the subgroups are coming from, how they operate, who appoints members and through what process, plus accountability and representation. Partners are being lobbied on how people get on groups, lack of visibility of who group members are, how groups can be lobbied and what the roles of the groups are.

There was discussion as to how the Growth Deal plans had been selected and how they would now be prioritised.

There are issues around how conflict of interest are dealt with. Some Board/subgroup members are asked to leave the room because of conflicts of interest, while others, specifically the County Council, are not.

The MOU between the LEP and the County Council regarding its accountable body status was reviewed and it appears that that the County Council is not operating in line with that.

There was discussion of how other LEPs are set up and structured. Some are set up as a company limited by guarantee and can therefore handle their own money.

It was agreed that Cumbria does not speak with one voice and is disadvantaged by this. The Districts want to form a Combined Authority but the County is refusing to play ball. It was explained that a Combined Authority is a partnership of those already at the table, working together in an integrated fashion to benefit Cumbria. It would have an elected chair, or, if enough money was on the table from government, an elected mayor.

It was agreed that:

- The LEP is not fit for purpose and there needs to be a full and proper review of objectives, structure, processes and governance.
- Suzanne would circulate the Leaders' letter (received by email during the meeting).

**Action: SC**

- Comments would be sent to Suzanne by the end of next week, giving David time before then to meet with Susan and Rory and, by-elections permitting, Giles to speak with Tim.

**Action: All**

- Comments would be pulled together and recirculated for agreement 12<sup>th</sup>/13<sup>th</sup> December with a conference call or quick meet as needed. This consolidated document needs to make it clear that the LEP is not just about getting money from government.

**Action: SC/CH**



- George and Graham to be invited to a meeting Friday 13<sup>th</sup> am, 10am at Redhills, or 18<sup>th</sup> am if not, with topics to be shared with them 2 days before (“These are the areas in which we have questions...”). This should include a specific enquiry into Portland Square, when the decision was made, criteria for the investment decision, Investment Panel decision making, terms of reference of Investment Panel and how it operates.

**Action: SC/CH**

- LEP Board papers for Friday’s meeting to be circulated (in line with prior agreement, although have not generally been receiving).

**Action: SC**

- A list of who is employed by the LEP, how and how much they are paid to be obtained, including both previous and current salary for Graham.

**Action: SC**

- Chris to be provided with Ian Hanley’s contact details (BEIS) and contact Ian.

**Action: SC/CH**

- Invitation to attend the Annual Review with BEIS on 14<sup>th</sup> December as an observer to be requested. David is happy to attend if available.

**Action: SC/CH**

## **6. ANY OTHER BUSINESS**

There was no other business.

## **7. DATE OF NEXT MEETING**

Telecon or brief meeting to be arranged if needed to discuss the consolidated document.