

OVERVIEW AND SCRUTINY COMMITTEE

25 JANUARY 2018

18 REGENT STREET, BARNSELEY, S70 2HG

PRESENT Councillor B Steele (Chair)
Councillors: Z Naz, C Furness, P Innes, W Johnson and I Saunders

Observer: Councillor K Sarvent

Officers: R Adams, C Blackburn, F Boden, C Marriott, M McCarthy
and C Tyler

Apologies for absence were received from Councillors A Jones,
S Mohammed, G Morley, S Peake, J Shephard, P Short and A White

1 **WELCOME AND APOLOGIES**

In the absence of the Chair and Vice Chair, the Deputy Clerk sought nominations to chair the meeting, as per the protocol contained within the SCR Constitution.

Cllr Steele duly obliged.

Members' apologies were noted as above.

2 **VOTING RIGHTS FOR NON-CONSTITUENT MEMBERS**

It was agreed there were no agenda items for which Non-constituent district Members should not have full voting rights.

3 **URGENT ITEMS / ANNOUNCEMENTS**

None.

4 **ITEMS TO BE CONSIDERED IN THE ABSENCE OF PUBLIC AND PRESS**

None.

5 **DECLARATIONS OF INTEREST BY ANY MEMBERS**

None noted.

6 REPORTS FROM AND QUESTIONS BY MEMBERS

A question was received from Cllr Jones in his absence and read as follows:

“Due to the revelations about the expenses occurred by West Yorkshire Combined Authority; could SCR-Executive examine their level of expenditure and provide a report to this committee”.

Members were advised the question relates to a recent Yorkshire Post article.

R Adams informed Member that it has been agreed with the Chair (Cllr Shephard) to circulate a summary of the key concerns raised in relation to West Yorkshire Combined Authority expenses and to provide an assurance the SCR has appropriate mitigations in place to avoid potential issues. It was also noted R Adams would directly contact Cllr Jones to ascertain whether this response address his question in entirety. **Action (R Adams)**

It was noted the Yorkshire Post article also referenced the Chair of the West Yorkshire LEP Board being in receipt of a contract for activity, details of which had not been published, in addition to expenses. Members were advised the Chair of the SCR LEP Board only receives remuneration for travel, as per the LEP Expenses Policy and receives no additional payments.

It was confirmed R Adams would provide information in advance of the next meeting. **Action (R Adams)**

7 QUESTIONS FROM MEMBERS OF THE PUBLIC

None received.

8 MINUTES OF THE PREVIOUS MEETING HELD ON 26 OCTOBER 2017

RESOLVED, that the minutes of the meeting held on 26th October 2017 are agreed to be an accurate record.

9 SCR HOUSING FUND SCHEMES

A paper was received to set out the purpose of the SCR Pilot Housing Fund and to explain the processes undertaken in selecting successful schemes. The paper also outlined the next steps

It was noted the SCR's Strategic Economic Plan has a target for new housing that is unlikely to be achieved using the current raft of initiatives and projects. Consideration of this matter led to the creation of a £8.1m fund to accelerate and enable the delivery of new housing schemes.

It was noted the SCR Housing Fund was launched on 27 September 2017 and Expressions of Interest (Eoi) were invited from public and private sector housing providers, with a submission date of 15 November 2017. The launch of the SCR Housing Fund demonstrated a strong demand for housing scheme investment, with

SCR receiving 20 Eols, totalling more than £25m, from a range of organisations including Local Authorities, Housing Associations and Developers seeking both loans and grants.

Members were informed that following the initial assessment of the Eols submitted, 8 projects have been invited to complete a Full Business Case (FBC). A further 10 projects have been placed in a 'pipeline' programme and are able to develop their FBC at risk. The FBC process is due to conclude with bids being submitted to appraisal by 30 March 2018. These schemes will then be assessed in accordance with the SCR's Assurance Framework and following appraisal, successful schemes will progress through governance channels to receive a decision to invest.

It was requested a paper be presented in due course to confirm the locations and details of the schemes. **Action (C Blackburn)**

Cllr Furness asked whether associate member councils can apply. R Adams confirmed that as this initiative is part of the Local Growth Fund (LGF), under the control of the SCR LEP, all 9 SCR districts could apply.

Cllr Furness asked if there was any propensity for topping up the fund if it proves successful. R Adams confirmed that at the moment this was not possible for LGF funding as the LGF is almost fully committed. However, as there is an element of loan within the investments, this money will be returned and could be recycled as further investments. Moving forward the Fund could potentially be topped up from programme slippage in other areas. Consideration will be given to how the fund might be further funded going forward.

Cllr Furness asked whether community Land trusts could apply? R Adams noted that as per the terms and conditions of the funder (i.e. the government) as prescribed by national guidance, the application process is open and there is no means to restrict any applicant for LGF funding.

Cllr Furness noted the indication that over 50% of SCR investment made will be recovered and potentially recycled to fund additional schemes and asked how this process will be managed. R Adams confirmed the terms and conditions of each investment would be managed on a case by case basis, with repayments linked to agreed milestones.

Cllr Saunders cited recent events regarding the collapse of Carillion plc and sought an assurance that appropriate due diligence would be applied to all schemes to protect the SCR investment against this and similar potential industry failings. R Adams confirmed such matters were addressed by the SCR Appraisal Panel which benefits from standing legal representation.

Cllr Saunders asked if a further report can be presented in due course to comment on the risks to the SCR associated with potential industry failings. R Adams confirmed a report on the assurance and accountability framework was included on the Committee's forward plan and would address this matter.

RESOLVED, that the Committee notes support for the SCR Housing Fund protocols and procedures.

10 LOCAL GROWTH FUND – MID POINT REVIEW

A paper was presented to provide an oversight of the LEP LGF Capital Programme. The paper set out the profile of funding, composition of projects in delivery and development and performance of the capital programme to-date.

It was noted the LGF programme is funded by the three growth deals awarded to the city region's LEP and the geography of investment for this programme covers the whole of the region.

It was noted all activity resourced under this programme supports the delivery of the Strategic Economic Plan (SEP) aspirations and funds are managed by the Combined Authority on behalf of the LEP.

Members were informed 2017/18 marks the mid-point of implementation of the LGF Capital Programme timeframe and advised the paper provides an update on performance of the programme to date, actions taken to address programme slippage during the first three years and a forward plan to completion of delivery.

It was noted all projects delivered using this funding are developed to meet the requirements of the SCR Assurance Framework which provides a systematic approach to testing projects' strategic, economic, financial and commercial fit along with the projects ability to deliver to agreed time, cost and quality criteria. The Assurance Framework is currently being revised to adhere to national guidance. It was confirmed the Committee would receive the draft refreshed LGF Assurance Framework ahead of its adoption. **Action (R Adams)**

Information was provided in respect of each year of delivery since 2015/16.

Members were advised the current year is managing an anticipated underspend, but informed this is largely due to receipt of an unexpected additional allocation for which works had not been programmed at the start of the year. Discussions with government are ongoing to agree whether this funding can be defrayed to next year.

Cllr Saunders advised officers to ensure any agreements with government are received in writing.

It was noted a fuller report on spend at the end of quarter 3 of the current financial year would be going to the next meeting of the Combined Authority.

Cllr Saunders requested a full list of all schemes funding by the LGF. R Adams confirmed this would be provided to the Committee. **Action (R Adams)**

It was further noted that new transparency code regulations mean all scheme business cases must be publically published. These are currently being uploaded to the new SCR website to meet this requirement.

R Adams informed Members that 'post-Carillion', all scheme promoters were asked to confirm whether they had any agreements with the company that might impinge on scheme delivery. It was confirmed responses have indicated there are 2 schemes with Carillion involvement but assurances have been provided that no additional risks to delivery have arisen and new delivery partners have been appointed.

It was confirmed this information will be shared with the Committee. **Action (R Adams)**

RESOLVED, that the Committee notes the composition of the LGF capital programme and its performance to date.

11 MAYORAL ELECTION BUDGET AND ELECTION PROJECT PLAN

A report was received to provide an update on the preparatory work undertaken in relation to the SCR Mayoral election.

The report informed Members that with an election date presently set in legislation for the 3rd of May 2018 the SCR Combined Authority (CA) now has a legal duty to prepare for the election, prepare a detailed project plan and appoint a Combined Authority Returning Officer (CARO).

It was noted the CARO is personally responsible for the conduct of the election and must plan and prepare on the basis of the current legal position. The CARO has overseen each Constituent Local Authority's appointment of its own district Returning Officer

It was noted the CA must produce a mayoral address booklet. This will contain information on behalf of all candidates should they want this to be included.

Members were advised that in undertaking the preparatory work for this election, it is not intended to imply a settled policy position within the CA over the issue of the Mayoral election. It continues to be the case that the constituent members of the CA are divided between those who wish the election to go ahead and those who do not. The CARO is nevertheless required to plan and prepare for an election so long as this remains the legal position. Should the election be deferred then the CARO would act accordingly.

It was noted the key election dates are as follows: Notice of election will be published on the 27th March, nominations will open on the 28th March, nominations will close on the 6th April, the mayoral address booklet will be posted to all on the electoral roll from the 13th April, voter registration for the election will close on the 17th April, the mayoral election will take place on the 3rd May, the count of the votes cast in the election will take place on the 4th May and the Mayor will assume office on the 4th day after the election, Monday (the 7th May).

It was noted the SCR Audit Committee has requested additional information regarding potential key risks associated with delivering the election. It was confirmed a risk plan would be included within the election project plan. It was confirmed the project plan would be shared with members. **Action (F Boden)**

Cllr Furness asked if the SCR was still on track to receive the first £30m of the Gainshare fund. R Adams noted this is still predicated on the laying of an order before parliament to confirm the mayoral powers. However, this can't be progressed until the Leaders have agreement around this matter.

Cllr Naz requested more information regarding the contents of the mayoral address booklet. F Boden noted this would have 2 sections covering details of the election, including what the mayor will do, and information regarding the candidates.

Cllr Innes surmised that the as the constituent districts can't agree the details of the devolution deal, we will have a mayor but no money and suggested the government have got what they wanted, not the SCR.

RESOLVED, that the Committee notes the preparatory work underway for the Sheffield City Region Mayoral Combined Authority election on 3rd May 2018.

12 OSC MEETINGS DATES FOR 2018

Members were advised of the opportunity to provide input into Scrutiny Committee arrangements and propose any changes to how the work of the Committee might be improved.

Cllr Saunders suggested more Committee meeting dates should be pencilled into the diary, possibly monthly, and cancelled if required.

Members considered what an appropriate day of the week and time of the month might be to form the basis of a standardised meeting schedule. It was acknowledged there is no ideal time due to the lack of uniformity between the 9 districts' statutory committee diaries.

Cllr Furness proposed an 11am start time for meetings.

It was agreed Members should be consulted in more detail regarding potential changes to meetings' arrangements ahead of the next meeting. **Action (C Tyler).**

13 OSC WORK PLAN 2018

Associated with the previous agenda item, Members were provided with the opportunity to provide suggestions for the Committee's forward plan. It was confirmed suggestions would be sought ahead of the next meeting.

CHAIR