

DRAFT
Minutes of the
West of England Combined
Authority Committee Special
Meeting, Friday, 17 November 2022,
and reconvened on Friday 9
December 2022

Members Present:

Metro Mayor Dan Norris, West of England Combined Authority
Cllr Toby Savage, South Gloucestershire Council
Cllr Richard Samuel, Bath & North East Somerset Council (as substitute for Cllr Kevin Guy)
Cllr Kye Dudd, Bristol City Council (as substitute for Mayor Marvin Rees)

1	<p>EVACUATION PROCEDURE</p> <p>The evacuation procedure was noted.</p>
2	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence had been received from Cllr Kevin Guy (Bath & North East Somerset Council). Councillor Richard Samuel attended as substitute.</p>
3	<p>DECLARATIONS OF INTEREST UNDER THE LOCALISM ACTION 2011</p> <p>There were no declarations of interest declared under the Localism Act 2011.</p>
4	<p>CHAIR'S ANNOUNCEMENTS</p> <p>There were no announcements from the Chair.</p>
5	<p>CONSIDERATION OF THE COMMITTEE'S RESPONSE TO THE AUDIT FINDINGS</p> <p>This Special Meeting of the West of England Combined Authority had been called to consider the written recommendations made by the Combined Authority's auditors under the Local Audit and Accountability Act 2014. Those present were Metro Mayor Dan Norris (Chair), Mayor Marvin Rees (Bristol City Council), Councillor Toby Savage (South Gloucestershire Council) and Councillor Richard Samuel (Bath & North East Somerset Council, as substitute for Councillor Kevin Guy).</p> <p>The Committee was requested to consider the written recommendations of the Auditors VfM report on Governance issued by the Combined Authority's External Auditor. There were eight recommendations set out in the report.</p> <p>The Metro Mayor Dan Norris stated that there was currently no seconder for the recommendations and therefore the meeting would be adjourned to a later date.</p> <p>Meeting Closed 1315.</p> <p>[subsequent to this meeting it was arranged that the meeting would reconvene on 9 December 2022]</p> <p>The meeting was reconvened at 1pm on Friday 9 December 2022 at The Orchard Room at Bailey's Court Activity Centre, Baileys Court Rd, Bradley Stoke. Members of the Committee present were:</p> <p>Metro Mayor Dan Norris (Chair, West of England Combined Authority) Councillor Toby Savage (South Gloucestershire Council) Councillor Richard Samuel (Bath & North East Somerset Council, as substitute for Cllr Kevin Guy) Councillor Kye Dudd (Bristol City Council, as substitute for Mayor Marvin Rees)</p> <p>Also Present: Richard Bonner (Chair of the West of England Local Enterprise Partnership), Cllr Winston Duguid (Chair of the West of England Combined Authority Overview and Scrutiny Committee)</p> <p>External Auditors Present: Jon Roberts (Grant Thornton), Barrie Morris (Grant Thornton) and Tom Foster (Grant Thornton).</p>

The Chair opened the meeting and stated that he was pleased that Grant Thornton had been re-appointed by the PSAA as the Authority's External Auditors for the five years from March 2023. The Chair also stated that an enhanced action plan had been circulated which showed the shared ambition to which the Combined Authorities and Unitary Authority could take ownership. The Society of Local Authority Chief Executives (SOLACE) and been approached to act as intermediaries for any remaining points of disagreement.

Comments from the Chair of the Authority's Audit Committee had also been circulated to the Committee. The Chair stated that it was intended that the Audit Committee and Overview & Scrutiny Committee be asked to review the action plan on a regular basis. The Chief Executive of the Combined Authority would be the responsible officer for insuring that the action plan be implemented and updated (it was intended that the Action Plan was a living and dynamic document that could be updated on a regular basis).

Councillor Duguid, Chair of the Overview & Scrutiny Committee, stated that he had seen the revised Action Plan and welcomed the new attitude in collaborative working and said that there may be a new and different chemistry between the leaders following May 2023's local elections. As Mayoral Authorities would be competing for funds from central government it was important that the Combined Authority was as united as possible in this purpose.

Jon Roberts and Tom Foster, Grant Thornton (External Audit) were invited to address the Committee to set out the recommendations from the Auditors.

Jon Roberts explained that the report related to the 2020/21 External Audit of the West of England Combined Authority. During this work the external auditor (Grant Thornton) had determined that some issues had required further consideration. Grant Thornton's work focused on investigating those issues, the results of which were set out in their "VfM Report on Governance" attached to the report.

The report contained 9 recommendations, of which 3 had been identified as statutory recommendations. Statutory recommendations were written recommendations to the Combined Authority made by the Auditor under section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under Schedule 7 required the Combined Authority to discuss and respond publicly to the report. A discussion on this issue had previously taken place at the meeting of the Authority's Audit Committee on 17 November 2022.

These written recommendations were as follows:

Statutory recommendation 1: The Mayor and members of the Combined Authority represented by the Council Leaders, must commit to improving their working relationship and demonstrate that significant progress has been made within a reasonable timeframe to be determined by the Mayor and Combined Authority. This should include a role for independent mediation and the constructive consideration of advice arising from this process..

Statutory recommendation 2: A formal protocol should be agreed between member organisations within the Combined Authority to commit to consultation on key proposals, that they should define, at an earlier stage. Combined Authority members should engage effectively in this process, to help mitigate points of contention before they are published and debated in public. This should include a commitment to deliver proposals on a reasonable timetable.

Statutory recommendation 3: In future, in all circumstances, including where there is a

potential conflict of interest affecting individual statutory officers, adequate steps must be taken to ensure the statutory duties of these officers is effectively discharged.

Key recommendation 1: The future management structure of the Combined Authority should be reviewed in order to ensure it is fit for purpose in the context of new funding awards and strategic priorities and this must include appropriate consultation and agreement by the CA Committee.

Key Recommendation 2: The Constitution of the Combined Authority should be revised to define the conditions under which it is acceptable for other officers and members to seek independent legal advice, without reference to the Monitoring Officer and/or Head of Legal Services.

There were four further 'improvement recommendations' set out in the report.

Richard Bonner, the Chair of the West of England Local Enterprise Partnership was invited to address the Committee and his comments were as follows:

We are pleased to see that the Audit report has been shared in a public forum. It highlights what has been obvious for some time that there are relationships that are not working, and that this continues to create an environment that has the potential to damage our collective credibility and ability to deliver on our priorities.

We understand that leaders and CEO's have been working in the round since the earlier meeting in November, and that a revised and more detailed action plan is to be tabled and debated today.

There is a very clear overlap between the LEP and the Combined Authority in terms of management and leadership, and the LEP business board members are keen to ensure that there is appropriate engagement and collaboration in moving forwards. We note that there is an action to come together to work on joint priorities and strategy, and the LEP are keen to offer their support to that process. We have a strong track record on contributing to the evidence base and prioritisation of activities to contribute to a strong functioning economy.

We particularly want to impress on members the desire to move to a collaborative and trusting way of working at a critical time of delivery. If we want to reshape our economy to address the inequalities and build for the future, then moving at pace to deliver the infrastructure, skills and enterprise programmes is critical, and we should be collectively focussed on that outcome.

We hope that the leaders and the CEO's can accept the proposals of the action plan, and play their part in setting the tone, and leadership to re-energise the relationships and structures that allow us to focus on our work plans and priorities. We are pleased to hear that SOLACE have been approached to provide peer support and are concerned that if we don't do that, we will diminish our credibility with government and key partners putting at risk future funding and support.

The Interim Director of Investment & Corporate Services stated that the senior officers of the Authority fully accepted the recommendations put forward by Grant Thornton and recognised the importance of the report. He welcomed the formal involvement of the Audit and Scrutiny Committees in reviewing the revised Action Plan and the use of SOLACE to peer review and challenge as the Action Plan was worked through and to ensure the Authority was constructively challenged.

The recommendations were moved by Metro Mayor Dan Norris and seconded by Cllr Toby Savage.

Councillor Savage was invited to address the Committee and questioned why the report had taken 14 months to be published and whether the report could have been shared with Committee members prior to its publication. External Auditors stated that the report did take longer than anticipated and that the rules for sharing the draft were set out in Schedule 11 of the Act. The Auditors also stated that it was difficult to encapsulate any issues around the culture of the organisation.

Jon Roberts also stated that he valued the contributions made by the Audit Committee at its meeting on 17 November 2022 where they had challenged in the right way and come up with a proposal after stating their dissatisfaction,

In terms of the legal advice given and received, the Auditors could give no response on that issue as it was ultimately for a judge to decide whether any action had been unlawful. It was noted that the issue was initially raised by the Auditors on 30 November 2021.

Councillor Savage also stated that he believed that the draft minutes of the Audit Committee meeting held on 17 November 2022 did not adequately reflect the discussion that had taken place. In response the Monitoring Officer stated that the minutes were a record of the decision and not the debate and that the Chair of that Committee had his statement included in full and had shared his views on the draft minutes. Additionally the Monitoring Officer confirmed that he had not considered the circulation of the draft report to Committee members before its publication nor had he advised the CEO that it should have been as he was bound by the confidentiality imposed by the Auditors on its circulation.

Councillor Savage thanked Grant Thornton for their work on this Audit. In summing up his comments he stated that there were elements of the report that rang true and he regretted that these had led to statutory recommendations being made. However, he welcomed the progress that had been made since the adjourned meeting in formulating the action plan and looked forward to more detail on the role SOLACE may play.

In response to a question from the Metro Mayor the Auditors confirmed that the period of time covered by the Audit was from 1 April 2020 to 31 March 2021.

Councillor Dudd confirmed that he welcomed the Action Plan which he saw as an important step in moving forward to ensuring that the culture, behaviour and relationships improved. He also welcomed the plans for a new senior management structure and opportunities for leaders to meeting with the Metro Mayor to raise concerns and discuss opportunities to benefit the region. There may be further devolution powers in the future that would benefit the region depending on future government priorities.

Councillor Samuel stated that he was keen that the Action Plan was not just about strategy and that the issues of detail would be discussed properly. He wanted to ensure everybody was aware of which version of the action plan was being agreed as it had been updated since the report was issued. A short adjournment to the meeting was called to give an opportunity for the External Auditors to view the amended action plan. He was keen that only one version of the document be in existence with decision makers deciding on any changes needed in the future.

Following the convening of the meeting following the short adjournment, Jon Roberts confirmed that he was reassured about the Action Plan being a 'living' document which should help good constructive relationships the progress of which would be measured in due

course by a subsequent review.

NB the action plan was published subsequent to the meeting here:

<https://westofengland-ca.moderngov.co.uk/documents/b1784/Action%20Plan%2009th-Dec-2022%2013.00%20West%20of%20England%20Combined%20Authority%20Committee.pdf?T=9>

The Metro Mayor moved to a vote on the recommendations. Councillor Savage moved amendments to recommendations 5 & 6 which were unanimously agreed.

[Voting arrangements: Decision required majority agreement of Committee Members in attendance, or their substitutes (one vote representing each Authority) including the West of England Combined Authority Mayor].

All recommendations (including the amended recommendations 5 & 6 were unanimously agreed:

Resolved:

That the Committee:

- (1) Fully accept the findings of the report and the external auditor's recommendations;
- (2) Note that the written recommendations SR1, SR2 and SR3 have been identified by the external auditor as Section 24 Local Audit and Accountability Act 2014 statutory recommendations as detailed in the report.
- (3) Note the progress that has been made and the range of corrective actions that have already been taken to date as detailed in appendix 1.
- (4) Note that the financial issue detailed in the report for the employee exit payment has already been considered and accounted for in the 2021/22 draft published accounts.
- (5) Consider and approve the emerging revised action plan presented to committee, that includes a response to each of the external auditor's recommendations, noting final adoption by Committee will follow actions set out in recommendations 6 and 7.
- (6) Agree that the action plan be presented to both the Audit Committee and the Scrutiny & Overview Committee as a matter of urgency to consider and review from their differing constitutional positions and report any feedback to the Combined Authority Committee.
- (7) Request that Combined Authority Committee receives a report that includes any feedback on the action plan from the Scrutiny & Overview Committee and Audit Committee and provides further detail on the delivery of the Action Plan at a future meeting.
- (8) Note that the West of England Combined Authority will continue to maintain an open dialogue with the external auditor, Chair of the Audit Committee, and Chair of Overview and Scrutiny Committee to keep them apprised of the progress in implementing the Action Plan.

Signed:

Date: