



EXECUTIVE MEMBER DECISION

REPORT OF:	Leader
LEAD OFFICERS:	Chief Executive
DATE:	23 June 2023

PORTFOLIO/S AFFECTED:	Leader
WARD/S AFFECTED:	ALL

SUBJECT: Lancashire Local Enterprise Partnership – Future Arrangements

1. EXECUTIVE SUMMARY

Following the Spring 2023 budget statement, which included an announcement in relation to future funding of Local Enterprise Partnerships (LEPs) beyond the financial year 2023/24, the 3 Lancashire upper tier authorities (LCC, BwD and Blackpool), which are the joint owners / members of the Lancashire LEP, have been working with the LEP Board to develop future arrangements and an integration plan. This would include winding-up the existing company, and transition to a Business Board as quickly as possible and transfer the continued LEP functions to local democratic institutions.

2. RECOMMENDATIONS

BwD as a LEP Company Member is recommended:-

- further to confirmation of the LEP Board's approval at its Board meeting on 21st June 2023, to agree winding-up the company before the 30th June 2023 and agree that the company submit a winding-up application before 30th June 2023.
- that the dormant company structure be replaced by a Joint Advisory Business Board with draft Terms of Reference to be agreed by the three Company Members (LCC, BwD, Blackpool);
- that the Interim LEP Chief Executive and LCC (as Accountable Body) be authorised to draft Terms of Reference for the new Joint Advisory Business Board with a view to it becoming operational by September 2023 replacing the existing LEP company structure; and
- to note that the LEP Members (LCC, BwD, Blackpool) will enter an agreement to continue as an unincorporated board until a new Business Board is established or until the end of financial year 2023/24.

3. BACKGROUND

As part of a wider year-long process to deliver an orderly wind-up and transfer of LEP activity, the 3 members of the company (LCC, BwD, Blackpool) have been progressing work in relation to integration and potential future structures. Initial consultation, with the LEP Board, its staff and sector groups identified a need to move with the process, keeping abreast of how other areas are positioning their own place management structures, maintaining the commitment and private-sector reach of the LEP itself and creating the best possible environment to sustain positive partnership working.

The LEP Board at its meeting on the 21st June 2023 considered how functions could be absorbed within the public sector, what shape a successor Lancashire Business Board might take in terms of functions and form, and a resolution to wind-up the company.

4. KEY ISSUES & RISKS

A number of other LEPs such as those in Liverpool and Manchester Combined Authority areas have transitioned to Business Boards resulting in any associated companies being wound up. A number of LEPs have previously wound-up any associated companies whilst still continuing as unincorporated bodies. There are some advantages to that approach not least removing the legal requirements placed on companies to file accounts and Directors Duties as set out in the Companies Act 2006.

There is currently a requirement for the Lancashire LEP to file dormant accounts by 30th June 2023, the company sought independent advice which supports their decision making and the recommendations in this report. Should a winding-up application be submitted prior to 30th June 2023 it would be not necessary to ask the Directors to approve a further set of dormant company accounts with the winding-up process taking precedence.

Subject to views of the LEP Company Members, the LEP's recommended way forward; creating a new Business Board, as set out in this report by September of 2023 would proceed, and a winding-up application for the current dormant company would be submitted by 30th June 2023 (subject to prior approval by the three LEP Company Members). This approach would ensure that the dormant company does not need to submit any further dormant accounts and remove any ongoing legal duties placed on Lancashire LEP Directors. In creating a new Business Board consideration shall be given to the recently published Government White Paper regarding an English Devolution Accountability Framework.

To ensure smooth transition to from the current governance arrangements to the new Joint Advisory Business Board, the Interim LEP Chief Executive and the Accountable Body (LCC) will draft Terms of Reference for the new Joint Advisory Business Board with a view to it becoming operational by September 2023 replacing the existing LEP company structure. Subject to a Member's agreement, the current company members will continue to meet regularly as an unincorporated board for the remainder of 2023/24 or until the new Joint Advisory Business Board is established. This will be an informal arrangement involving the LEP Members in administering the remainder of the grant funds for 2023/24 and in the transition to the Joint Advisory Business Board.

This report recommends that BwD, as a company member of the Lancashire LEP, agrees to support the actions, as set out in this report.

5. POLICY IMPLICATIONS

In view of the Spring 2023 Budget Statement in relation in to future funding of LEPs, it is crucial to explore and have in place other Lancashire-wide arrangements in order to maintain strategic engagement with the private sector and key business clusters.

6. FINANCIAL IMPLICATIONS

Following winding up of the LEP company and transfer to its functions to a new Joint Advisory Business Board, the accountable body (LCC) will need to ensure that the change in status will not inhibit its ability to draw down existing or future funding offers.

7. LEGAL IMPLICATIONS

The LEP is currently setup as a dormant company limited by guarantee with three Company Members – LCC, BwD and Blackpool Council with all transactions and contracts being processed on

the LEP's behalf by the Accountable Body, LCC. The formalities involved with winding-up process would also be undertaken by the LCC, as secretary and Accountable Body. Once wound up, it will remove the legal requirements placed on companies to file accounts and Directors Duties, as set out in the Companies Act 2006.

8. RESOURCE IMPLICATIONS

LCC is the Accountable Body and employer of the LEP staff.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

This recommendation is made after consultation with the LEP Chair and CEO, LEP Board and the other company members, LCC and Blackpool.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

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CONTACT OFFICER:	Asad Laher, Deputy Director, Legal & Governance
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BACKGROUND PAPER:	
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