



Report Reference Number: E/20/7

To: Executive
Date: 6th August 2020
Status: Non key decision
Ward(s) Affected: All
Author: Palbinder Mann, Democratic Services Manager
Lead Executive Member: Cllr Mark Crane, Leader of the Council
Lead Officer: Alison Hartley, Solicitor to the Council

Title: Appointment to the York and North Yorkshire Local Enterprise Partnership Ltd

Summary:

This report seeks approval from the Executive to appoint Councillor Mark Crane as a Director of the York and North Yorkshire Local Enterprise Partnership Limited, a dormant company limited by guarantee registered by the LEP, to meet the requirements of a Government review on LEP governance arrangements.

Recommendations:

To appoint Councillor Mark Crane as a Director of the York and North Yorkshire Local Enterprise Partnership Limited to meet the requirements of a Government review on LEP governance arrangements.

Reasons for recommendation

To ensure the Council assists the LEP in meeting the requirement of the Government review on LEP governance arrangements.

1. Introduction and background

- 1.1 A national review of the Local Enterprise Partnership (LEP) governance arrangements was undertaken in 2017. As part of the review the LEP has recently agreed a change in its geography to remove overlapping boundaries with its neighbours. This means that the geography of the LEP has been altered and that East Riding now falls under the geography of the Humber

LEP and Harrogate is no longer part of the Leeds City Region LEP. The LEP's geography now consists of York and North Yorkshire.

- 1.2 One of the requirements of the review was for each LEP to assume its own legal identity, which could be achieved via different means, including incorporation as a private company or, where appropriate, merging with a combined or mayoral combined authority. Devolution discussions are ongoing amongst local authorities however that latter option would not be achievable by the Government's deadline of 31 July 2020.

2. The Report

- 2.1 It has therefore been agreed with Government, that in the circumstances, a light-touch approach to incorporation of the LEP can be followed, pending the outcome of devolution discussions. In practical terms, there is minimal impact on current arrangements as it is considered that this is a housekeeping exercise to meet the Government requirements. In practical terms this means that:

- a) a company limited by guarantee, "York & North Yorkshire Local Enterprise Partnership Limited", will be established;
- b) the intention is that the company will remain dormant save as to satisfy its obligations under the Companies Act 2006;
- c) business will continue to be transacted through North Yorkshire County Council as Accountable Body;
- d) each of the LEP's Main Board members will become directors of the company, their liability being limited to £1;
- e) the Board of Directors of the company will consist of ten private sector directors and five local authority directors;
- f) meetings of the LEP Board and its sub board will continue to meet and carry out LEPs functions as they do at present under the terms of its Local Assurance Framework.

- 2.2 If, in the future, a combined authority is established for the region under a devolution deal, then it is likely that the company would be wound up and the LEP incorporated into the new body.

- 2.3 If a combined authority is not established then the LEP will need to revisit the review of its arrangements and consider the appropriate governance arrangements at that time. The LEP will carry out a risk management process in the future as necessary.

3. Alternative Options Considered

None

4. Implications

4.1 Legal Implications

4.1.1 The LEP have agreed to create a new company limited by guarantee which will have its own legal entity. The appointment of a Councillor to this company requires the Executive to approve the appointment. The Councillor will become a Director of the company and will have a legal duty to comply with the relevant company law that attaches to a Director.

4.1.2 A copy of the proposed Articles of Association for the new company is set out in Appendix 1.

4.2 Financial Implications

4.2.1 There are no financial implications arising from the report as Selby District Council remains the accountable body for the LEP and the new company has been created to meet the requirements of the national review of LEP governance arrangements. Therefore whilst the new company will have its own legal identity, the business of the LEP will still continue through existing arrangements. The cost of running the new company is expected to be minimal and will be funded by the LEP.

4.2.2 As appointed representatives from Selby District Council, Members can claim for expenses for attending meetings however these will be covered within budget.

4.3 Policy and Risk Implications

There are no policy or risk implications

4.4 Corporate Plan Implications

None

4.5 Resource Implications

None

4.6 Other Implications

None

4.7 Equalities Impact Assessment

None

5. Conclusion

5.1 Approval from the Executive is required to appoint Councillor Mark Crane as a Director of the York and North Yorkshire Local Enterprise Partnership Limited.

6. Background Documents

None

7. Appendices

Appendix 1 - Proposed Articles of Association

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