

Is Paper Open

Title: LEP Incorporation**Purpose: To consider the likely recommendations of the LEP Review for implementing LEP Incorporation.****Recommendation: That members note the content of this report and endorse the appraisal of incorporation options by a task and finish group pending the conclusion of the LEP Review later this year.**

1 Introduction

When BTVLEP was initially established in 2012 it was agreed that it should be formed as an informal partnership. This decision was undertaken to allow for the swift establishment of the LEP and the belief that any contractual arrangements could be taken through incorporated partnership organisations such as Bucks Advantage, BBF and the Ngage Group or through our accountable body Buckinghamshire County Council.

In the first phase of LEP development this approach has been broadly successful allowing for the establishment of the Aylesbury Vale Enterprise Zone, the Bucks Skills Hub and the securing of Local Growth and other national funding. It has, however, added an extra layer of complexity in applying for European Funds and in demonstrating transparency across our programme.

As the range of duties being undertaken by LEP and scope of funding increases Government may be keen to see greater consistency in governance arrangements. The Mary Ney review of LEP activity undertaken last year specifically stated that the incorporation status of LEPs should be considered as part of the LEP review.

Whilst the LEP review has not yet concluded, there is enough evidence to suggest that this will be one of the first recommendations and therefore it is proposed that a task and finish group be established to review the future options for BTVLEP.

2 Regional & National Position

Of 38 LEPs 27 are already fully incorporated organisations. **Appendix 1** gives a summary of the current national picture. Across Oxford to Cambridge Corridor our neighbouring LEPs in SEMLEP and OXLEP both have very similar structures operating as companies limited by guarantee. The following extracts have been taken from their website giving a summary of their legal status.

OxLEP - The strategic leadership and direction of the organisation is provided by a Board of Directors. All Board directors are registered as directors of the company 'OxLEP Ltd' with Companies House. In addition, the Section 151 Officer from the accountable body (Oxfordshire County Council) and the BEIS Area Lead for Oxfordshire both have the right to attend and speak at Board meetings, but not vote. Membership of the Board, how meetings are to be conducted and the roles and responsibilities of Directors are set out in the Articles of Association and By-Laws of OxLEP Ltd.

The sub-committee structure includes a Finance and Audit Committee and a Personnel Committee as well as the operational structure.

SEMLEP - are a company limited by Guarantee. The Finance, Risk and Audit Committee has oversight of the finances of SEMLEP in accordance with the Board approved Budget. They will also oversee corporate risk escalating issues to the Board where appropriate and have responsibility for HR and Remuneration for the Company.

As of 1st April 2018, the **Greater Cambridge Greater Peterborough LEP** ceased to operate and a new LEP, known as The Business Board, has been created. The Business Board will be supported by the Business and Skills Team within the Cambridgeshire and Peterborough Combined Authority team. A Shadow Board, led in the interim period by the Deputy Mayor of the Combined Authority, is now in place and will manage the transition towards a fully formed Board later this year

3 Potential Drivers for Change

As mentioned previously, the status of incorporation was a topic of discussion at the BTVLEP annual conversation in 2017 in response to the Mary Ney review into LEP Governance and Transparency. The recent review of the Greater Cambridge and Peterborough LEP has added further to the Governments desire to see greater consistency and transparency throughout LEP structures nationwide.

On a regional level BTVLEP's structure is unique with our neighbouring LEPs in the Oxford to Cambridge Growth Corridor both being companies limited by guarantee, given the greater degree of collaboration being planned across the corridor through the Local Industrial Strategy process there would be some logic in having similar structures to enable all partners to operate on a similar footing in relation to joint funding bids and the establishment of regional deals.

4 Opportunities / Benefits and Risks

Incorporated vehicle. Subject to any specific Government requirements, there are various options including companies limited by guarantee or by shares; community interest companies (subject to functional asset lock and the 'community interest test'); industrial and provident societies and limited liability partnerships. These are profit-making organisations, combining corporate identity with limited partner liability.

Other improvements in order of common agreement include: compliance with the Assurance Framework, devolved power, transparency of LEP work and practice, improved speed and efficiency to deliver projects, and longer-term funding.

5 Next Stages

It is recommended that a small task and finish group be established to further investigate the options for incorporation. This task and finish group which will include representation from government sponsors, public and private partners, legal support will be asked to consider the detailed benefits of the different structure options, the composition of any future board and sub group representation and the potential timetable and resources required for implementation.

It is proposed that an update report is presented to the next board meeting, this will incorporate feedback from the task and finish group and any specific recommendation arising from the LEP review that is scheduled to be completed ahead of summer recess July 24th 2018.

Members are asked to :- Note the content of this report and endorse the appraisal of incorporation options by a task and finish group pending the conclusion of the LEP Review later this year