



Company Number: 07388600

Lancashire Enterprise Partnership Limited Board

Wednesday, 12th December, 2018 in Committee Room 'D' (The Henry Bolingbroke Room) - County Hall, Preston, at 4.30 pm

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Minutes of the meeting held on 6th November 2018 (Pages 1 - 8)**
- 3. Matters Arising**
- 4. Declarations of Interest**
- 5. LEP Chair Job Description and Person Specification - Result of Public Consultation (Pages 9 - 20)**
- 6. LEP Corporate Model; Update on Company Articles and Assurance Framework (Pages 21 - 30)**
- 7. Any Other Business**

8. Date of Next Meeting

The next Lancashire Enterprise Partnership Board meeting is scheduled to be held on Tuesday 22nd January 2019, 4:30pm in Committee Room 'D' - The Henry Bolingbroke Room, County Hall, Preston.

9. Exclusion of the Press and Public

The Board is asked to consider whether, under Section 100A(4) of the Local Government Act 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 12A to the Local Government Act 1972 as indicated against the heading to the item.

Part II (Items that are Private and Confidential)

10. Establishment of LEP Independent Secretariat (Pages 31 - 58)

Lancashire Enterprise Partnership Limited Board

Minutes of the Meeting held on Tuesday, 6th November, 2018 at 4.30 pm at the Committee Room 'D' (The Henry Bolingbroke Room) - County Hall, Preston

Present

Edwin Booth (Chairman)

Jim Carter	Dennis Mendoros
Graham Cowley	Councillor Phil Riley
Ann Dean	Khalid Saifullah
County Councillor Geoff Driver CBE	Professor Mark Smith
Liam Finnigan	David Taylor
Councillor Ken Hind	Councillor Mark Townsend

In Attendance

Paul Evans, Assistant Director, Area Lead, Department for Business, Energy and Industrial Strategy
Andrew Good, Head of Service Financial Management, Lancashire County Council
Nicola Hopkins, Director of Economic Development and Planning, Ribble Valley Borough Council
Michelle Lawty-Jones, Director of the Lancashire Skills Hub
Anthony Lockley, Director of Strategy and Assistant Chief Executive, Blackpool Council
Rachel McQueen, Chief Executive, Marketing Lancashire
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council
Kathryn Molloy, Head of Service LEP Coordination, Lancashire County Council
Katherine O'Connor, Senior Policy Manager, Deputy Area Lead, Department for Business, Energy and Industrial Strategy
Angie Ridgwell, Section 151 Officer, Chief Executive and Director of Resources, Lancashire County Council
Laura Sales, Company Secretary and Director of Corporate Services, Lancashire County Council
Alison Schmid, Service Lead - Strategy and Funding, Blackburn with Darwen Borough Council
Stephen Young, Executive Director of Growth, Environment, Transport and Community Services, Lancashire County Council

1. Welcome and Apologies for Absence

The Chairman, Edwin Booth, welcomed all to the meeting. Apologies for absence were presented from Lancashire Enterprise Partnership Directors Mike Blackburn, Councillor Simon Blackburn, Claire Whelan, Mick Gornall, Mark Rawstron and Dave Holmes.

2. Declarations of Interest

None

3. Minutes of the Board meeting held on 26th June 2018

Resolved: That the minutes of the Board meeting held on 26th June 2018 be approved as an accurate record and duly signed by the Chairman.

4. Minutes of the Special Board meeting held on 12th September 2018

Resolved: That the minutes of the Special Board meeting held on 12th September 2018 be approved as an accurate record and duly signed by the Chairman.

5. Matters Arising

None

6. Lancashire Enterprise Partnership Governance and Committees Decisions Report

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council, presented a report (circulated) which provided the Board with Lancashire Enterprise Partnership Governance and Committee Decision updates.

It was highlighted that work was in progress to enhance the Lancashire Enterprise Partnership Register of Interests to include Committee Members in addition to Directors and Officers, work is being undertaken as a matter of urgency to ensure these additional registers are completed and added to the Lancashire Enterprise Partnership website.

In addition it was highlighted that the Executive Committee had taken a number of decisions since the last meeting of the Board as set out.

It was also noted that the report requested approval, following a recommendation by the Business Support Management Board, to appoint Miranda Barker, Chief Executive Officer of the East Lancashire Chamber of Commerce as a Business Support Management Board Committee Member.

The company's dormant accounts for the period ending September 2018 were presented for approval along with a minor update to the Transport for Lancashire Terms of Reference.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Noted the updates provided in this report in relation to the Committees and Governance of the Lancashire Enterprise Partnership.
- (ii) Approved the appointment of Miranda Barker, Chief Executive Officer at the East Lancashire Chamber of Commerce as a Business Support Management Board Committee Member.

- (iii) Approved the accounts and financial statements for the period ending September 2018 as set out at Appendices 'A' and 'B'; and
- (iv) Approved the revised Transport for Lancashire Committee Terms of Reference as set out at Appendix 'C' for inclusion in an updated Assurance Framework.

7. Lancashire Enterprise Partnership Operational Budget 2018/19 - Update Report

Kathryn Molloy, Head of LEP Co-ordination, Lancashire County Council presented a report (circulated) which presented the Board with the Lancashire Enterprise Partnership Operational Budget for 2018 / 19.

It was report that the Lancashire Enterprise Partnership was in a healthy budget position, work continued on inward investment. Overall expenditure has reduced in comparison to the previous year's budget. It was recommended within the report that £200,000 of reserve funding be allocated to the Lancashire Enterprise Partnership transition work now so that work can be undertaken as a matter of urgency whilst the bid to Government for £200,000 of transition funding is considered.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Approved the Lancashire Enterprise Partnership's Operational Budget for 2018/19.
- (ii) Approved a maximum of £200,000 transferred from the Lancashire Enterprise Partnership's reserves to be made available for transitional activity until receipt of funds from Government.
- (iii) Noted and approved the request for additional funding for Project Eric as set out in the report; and
- (iv) Noted and approved the balance statement for the Lancashire Enterprise Partnership's Growing Places Investment Fund. (Presented in the Part II section of the meeting)

8. LEP Transition Update - Response to Local Enterprise Partnership Review

Graham Cowley, Lancashire Enterprise Partnership Director and Temporary Transition Director, presented a report (circulated) which provided an update on the Lancashire Enterprise Partnership Transition and response to the Local Enterprise Partnership Review.

It was reported that the recommendations contained in the report set out a plan to progress the actions required as part of the transition between now and April 2019.

Directors discussed the importance of public sector and third sector representation and sought clarity on the inclusion of a date that gender balance will be completed. Directors also discussed the appointment of a new Lancashire Enterprise Partnership Chairman and if it will be a requirement that 75% of existing Directors must approve their appointment.

In addition, Directors emphasised the need to ensure Director balance is considered overall, rather than split public and private sector Directors and also continues to ensure any future Director appointments recognise talent and skills.

In addition it was recommended that the LEP Network continue to be consulted on how other Local Enterprise Partnerships are managing this transition.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Noted the Transition Summary at Appendix 'A', the additional comments made by Directors and approved the next steps required to comply with the Local Enterprise Partnership Review, noting that some steps will require actions outside of the Board's control.
- (ii) Approved the consultation drafts of the Chair Job Description and Person Specification (Appendix 'C') and process for recruitment reviewed and amended in accordance with the LEP Workshop on 30th October 2018.
- (iii) Authorised the Interim Transition Director to lead the Chair recruitment consultation in accordance with the process, and report findings, with appropriate recommendations to be reported to the LEP Board in December 2018.
- (iv) Delegated authority to the Interim Transition Director and Head of Lancashire Enterprise Partnership Co-ordination, in consultation with the Chair, and in consultation with the Company Secretary, to commission professional support as defined in Appendix 'B', as necessary up to the value approved by Government, in accordance with the transition programme.
- (v) Approved the use of Lancashire Enterprise Partnership funds in the short term to secure the necessary professional support pending reimbursement via the Government Additional Funding approval expected by Christmas 2018.
- (vi) Noted that the draft Lancashire Enterprise Partnership Annual Report 2017/18 will be circulated for comment with a view to reporting the final version to the Lancashire Enterprise Partnership Board on 12th December 2018.
- (vii) Authorised the Interim Transition Director, in consultation with the Company Secretary to conduct a review of the company's constitution, and when and where appropriate, take the necessary action to give effect to

the recommendations of the review and proposals set out in this report;
and

- (viii) Approved the implementation of due process in accordance with the human resources policies and procedures of the accountable body, to consider executive capacity in order to manage business as usual over the coming transition period and identify any posts to be created within the new Lancashire Enterprise Partnership operational structure, with a view to the new structure commencing in Spring 2019.

9. Any Other Business

None

10. Date of Next Meeting

It was noted that the next Lancashire Enterprise Partnership Board meeting is scheduled to be held on Wednesday 12th December 2018, 4:30pm in Committee Room 'D' -The Henry Bolingbroke Room, County Hall, Preston.

11. Exclusion of the Press and Public

At this point the LEP Board approved that the meeting move into Part II, Private and Confidential, to consider the remaining report as it contained information defined as confidential or exempt in accordance with the relevant paragraph of Part I to schedule 12A to the Local Government Act 1972 as set out in each report. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

12. Appendix B to the Budget 2018/19 Report - Growing Places Investment Fund Balance Statement as at 30th September 2018

Kathryn Molloy presented the additional Growing Places Investment Fund Balance Statement as at 30th September 2018 (circulated in Part II, exemption paragraph 3).

Resolved: The Lancashire Enterprise Partnership Board noted the Growing Places Investment Fund Balance Statement as at 30th September 2018 as presented.

13. Growth Deal Funding Approval and Update Report

Kathryn Molloy presented a report (circulated in Part II, exemption paragraph 3) which provided an update of Growth Deal Funding and project approvals.

Directors sought clarification on the proposed funding applications and how they match Growth Deal priorities. It was confirmed that all applications will go through the 5 stage process for Growth Deal applications and will be independently appraised before approval is requested.

In addition Directors stated that it would be useful to have projects be invited to attend future Board meetings to give presentations on Growth Deal projects in addition to written reports.

Directors also asked if it would be possible to request, that in considering the funding requests for both Lomshaye Industrial Estate and the East Lancashire Colleges merger, if the two can be linked together, i.e. request that the Colleges tailor training for students to prepare them for work in the industries proposed to occupy Lomshaye Industrial Estate.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Approved a maximum funding allocation of £4.000m to the Lomeshaye Industrial Estate – Phase 2 scheme, subject to:
 - i) the conditions as detailed in the Ekosgen independent appraisal report (see below); and
 - ii) the finalisation and execution by Lancashire County Council (as accountable body for the Lancashire Enterprise Partnership) under the guidance of the Directors of Corporate Services and Economic Development and Planning of a Grant Funding Agreement and other relevant legal documentation as may be necessary to protect the interests of the Lancashire Enterprise Partnership.
- (ii) Noted the update on the overall performance of the Growth Deal Programme and approve the submission of the Growth Deal Quarterly Reporting Summary Dashboard for Quarter 1 (April to June 2018/19) to the Cities and Local Growth Unit; and
- (iii) Noted the update contained within the report in relation to the proposed Growth Deal funding request in relation to the merger of Accrington and Rossendale College with Nelson and Colne College.

14. Marketing and Communications Report

Kathryn Molloy presented a report (circulated in Part II, exemption paragraph 3) which provided an update of Marketing and Communication activities for the Lancashire Enterprise Partnership.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Approved Lancashire's attendance at MIPIM 2019 as reported.
- (ii) Approved a maximum sum as stated from the Lancashire Enterprise Partnership's 2018/19 Operational Budget to the costs to exhibit at MIPIM 2019.

- (iii) Agreed that Marketing Lancashire recover at least 30% of the Lancashire Enterprise Partnership's costs to exhibit at MIPIM 2019 therefore reducing the overall investment from the Lancashire Enterprise Partnership.
- (iv) Agreed that in future years, attendance at events such as MIPIM will be led by Marketing Lancashire on a commercial basis, with full cost recovery, with the Lancashire Enterprise Partnership providing financial support in line with other partners and organisations; and
- (v) Noted the update on communications and marketing activity which has taken place since the Board last met in June.

15. City Deal Update

Jim Carter, Lancashire Enterprise Partnership Director and Preston, South Ribble and Lancashire City Deal Executive Chairman provided an oral update that contained private and confidential information as defined in paragraph 3 of Part I to schedule 12A to the Local Government Act 1972.

Resolved: The Lancashire Enterprise Partnership Board noted the oral update in relation to the Preston, South Ribble and Lancashire City Deal.



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: 12th December 2018

LEP Chair Job Description and Person Specification - Result of Public Consultation

(Appendices '1' and '2' refer)

Report Author: Graham Cowley; grahamcowley15@gmail.com

Executive Summary

This report summarises the consultation feedback on the draft Job Description and Person Specification for the role of Chair of Lancashire Enterprise Partnership and proposes consequent revisions to produce the final draft for use in the recruitment process.

In addition, progress with commissioning recruitment support is noted as well as reference to the current position regarding the recruitment of 2 new LEP Directors.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- (i) Note the consultation feedback in Appendix 1 to the report and the recommended revisions to the draft LEP Chair Job Description and Person Specification;
- (ii) Approve the Job Description and Person Specification document in Appendix 2 to the report for use in the Chair recruitment process, subject to future advice from our recruitment consultants;
- (iii) Note progress with commissioning Chair recruitment support and with the recruitment of two new LEP Directors;
- (iv) Seek advice from our recruitment consultants and the LEP Network with regard to Chair time commitment and remuneration with the views of LEP Board Directors to be sought at the Board meeting.



Background and Advice

1 Introduction

- 1.1 On 6th November 2018, LEP Board approved a draft LEP Chair Job Description for the purpose of consultation with the business community in accordance with Government requirements and with public sector stakeholders. The report outlined a recruitment programme that targets the recruitment of a new LEP Chair by April 2019.
- 1.2 Consultation emails were sent to all Lancashire Local Authority Leaders and MP's as well as a wide range of business and 3rd sector organisations, requesting feedback by 30th November.

2 Consultation Feedback

- 2.1 Appendix 1 to this report lists all feedback received by the deadline together with recommended amendments to the draft document.
- 2.2 Appendix 2 to the report shows the recommended final version of the Job Description and Person Specification amended in accordance with the recommendations in 2.1 above.
- 2.3 The main areas of comment received from consultees were as follows:
 - Prioritisation of key attributes
 - Confident and proficient at dealing with all media
 - Nationally recognised business leader
 - Importance of cross-LEP working
 - Maximising investment into Lancashire
- 2.4 One MP and our local authority LEP directors made the recommendation that the time commitment should be increased to reflect the onerous nature of the role. Local authority LEP directors also suggested remuneration for the role. It is proposed that advice is sought from LEP Network and our recruitment consultants, with a view to attracting the best possible field of candidates, before finalising our approach to these issues. Views of other LEP Directors on these suggestions will be invited at the Board meeting.

3 Commissioning recruitment support and recruiting two additional LEP Directors

- 3.1 In accordance with the resolution of the LEP Board on 6th November 2019, quotations for recruitment support were invited from 3 well recognised companies with appropriate experience and track record. Specific note was made of the LEP priority to attract a diverse field of applicants and consultants were required to provide evidence of innovation and use of best practice in this regard. Feedback from the market indicated that our initial budget estimate would be insufficient for



the specified service so this was raised to ensure we retained the interest of a list of consultants of the required quality.

- 3.2 One quotation was received on Wednesday 28th November and two failed to submit, with one citing their own organisational issues and the other simply failing to submit. A further request for quotations to additional experienced companies was issued on 3rd December and an oral update will be given to the LEP Board at the meeting. The search process will begin in accordance with the programme previously reported, slippage having been built in, and progress will be reported to the LEP Board on 22nd January 2019 together with the consultant recommendations on the remaining recruitment process.
- 3.3 Directors are requested to note that the recruitment of two additional Directors with skills and experience to be SME Champion and represent the area of Skills and Technical Education has resumed in accordance with the Board report in November. Shortlisting was carried out in consultation with the County Council, in the capacity of representative of the Company Member with the authority to appoint Directors, and applicants invited to interview in January 2019. Interviews will be carried out by 3 Directors, 2 from the LEP Executive Committee, supported by the Interim LEP Transition Director and it is anticipated that appointments will be made immediately afterwards.

List of Background Papers

LEP Board Report 6th November 2019: LEP Chair Draft Job Description and Person Specification



APPENDIX 1

LEP Chair JD/PS feedback 12th to 30th November

Name	Organisation	Feedback	Date received	Recommended revision
Nigel Evans MP	MP	<p>The Chair should have sufficient time to commit to the role wholeheartedly.</p> <p>The Chair's focus should be fully focused on the needs of the LEP.</p> <p>The Chair should have good connections in Lancashire and beyond.</p> <p>The Chair should have a successful track record within the business field, and currently active if possible.</p> <p>The Chair should have imagination and a vision of where the LEP should be in ten years' time.</p>	14th Nov	<p>Review advertised time commitment with consultants</p> <p>Strengthen vision to incorporate LEP vision as well as Lancashire</p> <p>Move connections and networking skills into Key Attributes section</p>
Babs Murphy	North and West Lancs Chamber	<p>Whilst it mentions the requirement of excellent communication skills, I would recommend that a distinction in public speaking is essential.</p>	14th Nov	<p>Strengthen ability to represent Lancashire confidently in public and media</p>
Ian Moran	Leader, West Lancs BC	<p>It will be important to have someone in this role who has really good links and networking skills, who can build relationships, both within Lancashire and beyond with neighbouring LEPs and at a national level with government.</p> <p>We see great opportunities for our part of Lancashire, and indeed other parts of Lancashire, because of the development of the Superport, HS2 and Northern Powerhouse, and I want to make sure that we can benefit from</p>	21st Nov	<p>Strengthen business connections and networking skills and move into Key Attributes section</p>



Name	Organisation	Feedback	Date received	Recommended revision
		the growth, jobs and investment this can bring to the area.		
Paul Foster	FSB	<p>Ideally we would like to see someone who has experienced their business journey in Lancashire ie has started and grown an enterprise within the County and can relate to businesses who are at the various stages of that journey currently. While we understand that we need someone who has knowledge / experience of the political / governance frameworks and gets the lingo (!) we feel that this can be picked up and that an inspirational Lancastrian who existing business owners can relate to is more important. We feel it is important that the Chair is MD / owner of a Lancashire-headquartered business rather than someone who may have taken over the reins of a growing business which happens to be based in the county at present.</p>	23rd Nov	<p>At the October workshop, LEP Directors discussed the need for the Chair to have strong links to Lancashire but decided against requiring the Chair to be based in a Lancashire business currently.</p> <p>No revision in this regard, but strengthen the need for an inspirational leader who can relate to MD's of all types of Lancashire businesses</p>



Name	Organisation	Feedback	Date received	Recommended revision
Geoff Driver	Leader Lancashire County Council	<p>A strong acknowledgement of the LEP review and the need to attract a Chair who can lead the organisation through a period of challenging and exciting change</p> <p>A strong and robust case to attract a Chairperson who can work with all our current and future partners from the private and public sector and advocate strongly for Lancashire in promoting the county and its economy both domestically and overseas</p> <p>A strong focus on all aspects of the Lancashire economy, particularly the rural economy as well as ensuring we focus on narrowing the gap between the most affluent and deprived communities in the county</p> <p>Greater focus on diversity, gender and BME and the need for recruitment support demonstrating a track record of achieving this</p>	23rd Nov	<p>Strengthen reference to LEP review heralding a time of challenging and exciting change</p> <p>Strengthen ability to be able to work with all public and private sector partners</p> <p>Strengthen focus on Lancashire economy and narrowing the gap between most affluent and deprived communities</p> <p>Strengthen focus on diversity on the Board</p> <p>Ensure recruitment consultants have strong record for assembling diverse shortlists of candidates</p>



Name	Organisation	Feedback	Date received	Recommended revision
David Holmes	BAe Systems	<p>The JD/PS contains many attributes and it is unlikely they will all be found in a single person. So it would be sensible to prioritise the most important. In that regard I feel the list of key attributes should incorporate:</p> <p>Business acumen, track record of growing successful business Media savvy - must be able to confidently represent Lancashire Strong connection to Lancashire Knowledge of current Lancashire business environment is initially secondary but will need to develop to ensure credibility with the business community</p> <p>In future I suggest the new Chair considers creating Job roles for all Directors with a requirement to adhere to the spirit and intent of the organisation when carrying out that role. I also recommend that fixed term limits (say 3yrs+1+1+1) should be considered for all Directors but, in the interest of retaining knowledge and experience, would suggest the LEP avoids creating churn exceeding 20% per annum.</p>	23rd Nov	<p>Create key attributes section incorporating business acumen, track record of growing successful business, media savvy (able to confidently represent Lancashire in media), strong connection to Lancashire. Redefine remaining essential criteria as “desirable”.</p> <p>Carry forward suggestions about Job Roles for Directors, requirement to adhere to spirit and ethos, fixed terms, managed churn.</p>
Mark Smith	Lancaster University	A nationally recognised business leader with strong connections to Lancashire, who can confidently represent the	16th Nov	Strengthen the key attributes of nationally recognised business leader who can



Name	Organisation	Feedback	Date received	Recommended revision
		county through all forms of media		confidently represent Lancashire in all media
Miranda Barker	East Lancs Chamber of Commerce	<p>fully agree with the details within both documents as they stand, but would suggest some additional areas to consider incorporating in some way, shape or form</p> <ul style="list-style-type: none"> • The LEP needs to capitalise on Lancashire’s past success achieving European structural funding impact in order to maximise its eventual share of the UK Shared Prosperity Funding • Broaden the business support offer to feature specialist individual business support across all key local sectors • and work to drive its macro-economic development impact across the widest possible Lancashire geography to maximise Lancashire’s economic output • be a leader in stimulating cross LEP/Pan-North West working to maximise economic benefit for all • Create a strong single focused leadership voice for Lancashire, apolitical and pro-business, to 	28th Nov	<p>Reference maximising funding investment into Lancashire</p> <p>Strengthen leadership qualities to stimulate cross LEP/pan-northwest working to maximise economic benefit for all</p> <p>Strengthen “Apolitical strong pro-business voice”</p>



Name	Organisation	Feedback	Date received	Recommended revision
		enable government and devolved sub-regions to liaise effectively with Lancashire as a strong and equal partner		
Liz Bromley/Lynne Livesey	UCLAN	Our only suggestion would be to reference the importance of the skills and employment priorities for the county as this is aligned to the strategic and co-ordination activities of a Local Industrial Strategy ie bringing partners together from public, private and third sectors to identify local strengths and challenges. At UCLan and at other education partners across the county we believe that unlocking the talent potential to learn, train and develop skills and employability in Lancashire is essential if we are to close the productivity gap.	29th Nov	Strengthen importance of skills and employment to Lancashire
Cllr Geoff Driver on behalf of local authority LEP Directors	Local authority LEP Directors	we should increase the time commitment requirements for the Chair in the Job Description to 10 days a month which we expect to be a more realistic assessment of the demands of the role. We also believe that we should look to remunerate the post sending a clear message to the market that we are serious about the success of our LEP.	30th Nov	Review advertised time commitment and potential remuneration with consultants

APPENDIX 2 - Final Draft

Lancashire Enterprise Partnership - Recruitment of Chair

Job Description and Person Specification

The final document, with advice from our recruitment consultants, will contain a preamble celebrating the achievements of the Lancashire Enterprise Partnership, its future opportunities, and a statement from the current Chair.

Job Context

After 7 highly successful years, our current Chair has decided to stand-down from leading the Lancashire Enterprise Partnership to focus again on his own business interests, creating an opportunity for a new Chair to lead this highly regarded Local Enterprise Partnership.

In July 2018 the Government completed a national review of Local Enterprise Partnerships and outlined a clear focus on four activities to support the development and delivery of their Local Industrial Strategies at this time of challenging and exciting change:

- **Strategy:** Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- **Allocation of funds:** Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the whole economy.
- **Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bring together partners from private, public and third sectors.
- **Advocacy:** Collaborating with a wide range of local partners to act as an informed and independent voice for their area

In order to effect this role, the Chair of the Lancashire Enterprise Partnership will ensure the organisation has the capability to deliver on the fundamental task of generating inclusive economic growth, including analysing evidence of economic strengths and weaknesses of Lancashire; identifying the priority areas for investment; and to develop an investment plan to secure necessary funding to take this work forward.

To ensure effective and efficient focus on the priorities for local economic growth and to deliver impact, there should be robust monitoring and evaluation programmes used to inform decisions around awarding, continuing or withdrawing funding.



The Role of the Chair

- Provide visible leadership and strategic direction to the Lancashire Enterprise Partnership Board, translating an ambitious strategic vision into a deliverable Local Industrial Strategy.
- Chair and develop an effective Board of Directors.
- Drive the development of innovative commercial approaches to deliver productivity and growth improvements.
- Work with the LEP Executive to maximise investment into Lancashire and to direct investment, where possible, to narrow the gap between our most affluent and most deprived communities.
- Forge and protect long-term relationships with Lancashire's businesses to help deliver their growth objectives and potential and support the wider growth of Lancashire, including its sectors and supply chains.
- Maintain a clear, evidence-based knowledge of the strengths and weaknesses of the Lancashire economy and the opportunities for growth.
- Act as an advocate for Lancashire and be able to represent the concerns of its people, institutions and businesses, both locally, nationally, internationally and at the highest levels of Government.
- Hold stakeholders to account for delivery, ensuring tough decisions are taken.
- Play a leading role in regional and national initiatives by building collaboration with other Local Enterprise Partnerships including through participation in the Northern Powerhouse (N11) forum.
- Support, motivate and hold to account the Executive Team in its delivery of strategies, plans, targets and budgets.
- Lead the Board in its scrutiny of the Executive Team in delivering strategies, plans, targets and budgets effectively.
- Ensure the Lancashire Enterprise Partnership is managed as a going concern and that commercial investment models underpin its future sustainability.
- Work with the Accountable Body and Executive Team to ensure the highest standards of public and company governance, financial control and conduct of financial affairs.
- Allocate specific roles and responsibilities to Board Directors; supporting and holding them to account for their delivery, with particular regard to the importance of skills and employment, business support, innovation and programme delivery.

Key Attributes

- Nationally recognised business leader who can confidently represent Lancashire in all local, national and international media, providing an apolitical, pro business perspective
- Demonstrable business acumen, strong private sector background and experience of building effective organisations, with a track record of success through entrepreneurship and innovation.
- Strong connection with Lancashire
- Ability to provide leadership to promote cross-LEP and pan-northwest working to maximise economic benefit for all
- Good business networks and networking skills
- Ability to create and inspire others with a long term vision for Lancashire and its LEP



- Ability to work collaboratively with all public and private sector stakeholders, including local communities, businesses networks, elected representatives, education institutions and voluntary and community sector bodies.
- Strong commitment to equality and diversity on the LEP Board and in all LEP activity.

Desirable Criteria

- Understand the drivers of productivity and growth in Lancashire with a knowledge of approaches to deliver inclusive growth outcomes.
- Ability to build relationships with Lancashire businesses of all sizes
- A strategic operator able to analyse and interpret the external environment, articulate the Lancashire Enterprise Partnership's position within it and amplify the Board's stated ambitions.
- Ability to establish and maintain robust governance and assurance frameworks and systems to ensure effective financial performance and the delivery of agreed outcomes.
- Experience of managing organisational change
- Ability to persuade and influence a wide range of stakeholders at all levels.
- Strong interpersonal and communication skills.

Terms of Appointment

The new Chair must commit to an initial term of 3 years with an option to extend for a further 3 years by mutual agreement.

Expenses are payable in accordance the LEP's assurance framework.

PA support available.

Time Commitment

The Chair will be required to:

- Chair and attend Lancashire Enterprise Partnership Board meetings (circa 6 per year)
- Attend Lancashire Leaders meetings (circa 6 per year)
- Chair and attend other meetings as required to fulfil the role, including meetings of the N11 Partnership, Transport for the North and LEP Network.
- Actively represent the Lancashire Enterprise Partnership and Lancashire locally, nationally and internationally.
- Chair and attend meetings with MPs, Government Ministers and senior officials
- Approximate time investment of 5 days per month



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Date: 12th December 2018

LEP Corporate Model; Update on Company Articles and Assurance Framework
(Appendix 1 Refers)

Report Author: Graham Cowley; grahamcowley15@gmail.com

Executive Summary

This report summarises a number of options under consideration for the future of our LEP corporate model and associated issues for consideration in the relevant corporate constitutional documents and the Assurance Framework. A firm proposal on the corporate model, draft constitutional documents and the Assurance Framework will be reported to the LEP Board in January.

Recommendation

The Lancashire Enterprise Partnership Board is asked to:

- (i) Note the options of Company Limited by Guarantee and Company limited by Shares under consideration with legal advisors (in the context of other possible available corporate forms) and authorise the Transition Director to develop those options, with an initial preference for Company Limited by Guarantee, with legal advisors in order that LEP Board can make a decision on the preferred model at the LEP Board meeting in January;
- (ii) Note the key issues under consideration in developing constitutional documents and AF and authorise the Transition Director to progress development of those documents in accordance with the principles listed in the report.

Background and Advice

1. Introduction

1.1 On 24th July 2018, Government published its long awaited Local Enterprise Partnership Review – Strengthened Local Enterprise Partnerships. The Review identifies a range of issues which all Local Enterprise Partnerships need to consider and address. The Review re-states the importance of Local Enterprise Partnerships and confirms that they will be central to the delivery of prosperous



communities in England, moving forward. Local Enterprise Partnerships will continue to drive local growth by leading the development of Local Industrial Strategies and securing funding from the emerging Shared Prosperity Fund.

- 1.2 In areas where no Combined Authority exists, access to this £multi-billion fund will be through LEPs, initially via Local Industrial Strategies (LIS). Only “compliant” LEPs will be able to negotiate a LIS with Government, so it is essential that Lancashire LEP responds to the requirements of the LEP Review fully and in good time.
- 1.3 The Review requires compliance across a number of areas that have previously been shared with LEP Directors. These include establishing a secretariat separate from local authority control, limiting public sector directors to no more than one third of a total of twenty in order that “all LEPs can be truly said to be business-led”, establishing a fit for purpose Accountable Body role and meeting various diversity targets. In order to demonstrate compliance our corporate model, constitution and Assurance Framework must be amended to capture the new legal constitution and to enshrine our new way of working.

2. Corporate Model Options

- 2.1 A summary of relevant corporate forms is appended to this report, together with a high level analysis of pros and cons associated with each form.
- 2.2 The LEP already has its own legal personality in its current form as a company limited by guarantee.
- 2.3 At this stage, there are three main relevant corporate models available, of which two (a company limited by shares and a company limited by guarantee) are under detailed consideration to assess their suitability to achieve compliance with Government requirements, principally:
 - (a) the structure and composition of the board and voting rights must ensure compliance with the requirement for the LEP to be “truly business-led”, incorporates the right breadth of interests and stakeholders and is truly representative of the communities it serves;
 - (b) the requirement to hold an annual general meeting in public; and
 - (c) clearly setting out accountability for spending decisions, appointments, governance and external scrutiny, and to ensure that these arrangements are adaptable and responsive to the emerging National Assurance Framework for LEPs and updated Government guidance from time to time.
- 2.4 The pros and cons of each of the three models are discussed in the attached paper, but at this stage the continuation of the current model (company limited by guarantee) is considered most likely to be the preferred model.



3. Next steps

3.1 Our existing LEP Assurance Framework is highly regarded by Government and has served the LEP well over recent years. Nevertheless, it will require amendment to accord with the Government's National Assurance Framework (NAF), which is anticipated soon, and to reflect our evolving local requirements as we transition to the new corporate model. This work will be carried out as soon as possible but timescale is to an extent dependent on the publication of the final NAF by Government.

3.2 Further work on developing these options is required in consultation with our legal advisors. The LEP Board is asked to authorise the Transition Director to instigate that work and to report back to LEP Board in January to agree a preferred model.

3.3 Key principles to be adopted to guide the detailed drafting include:

- (a) demonstrate that a new corporate model is not required (the benefits appear not to justify the costs associated with such a transition), and that a modified form of the existing model (Company Limited by Guarantee) will fulfil new requirements, while not yet dismissing other options;
- (b) establishing the principle of additional members (other than Lancashire County Council) to demonstrate the LEP's credentials as business-led, truly independent of Lancashire County Council and representative of its communities;
- (c) establishing how new members will be selected and invited to join the LEP and ensuring that appropriate limits are set on members' liability to the LEP;
- (d) ensuring conflict of interest provisions are appropriate for the new/amended structure and role of the LEP, and its new membership (if applicable); and
- (e) the principles under which additional board members may be appointed in order to achieve compliance.

3.4 LEP Directors are requested to approve these principles to guide development of the corporate form and its constitution and authorise the Transition Director to work with the external legal advisors, in consultation with LEP Network and Lancashire County Council, to produce draft proposals and constitutional documents to be reported to the LEP Board in January.

List of Background Papers

None



6 December 2018

LANCASHIRE ENTERPRISE PARTNESHIP LIMITED – TRANSITION

Comparison of legal forms

Lancashire County Council

Private & confidential
Legally privileged

ENTITY	ADVANTAGES	DISADVANTAGES
<p>Company Limited by Guarantee (existing model)</p> <p>Formed by incorporation under the Companies Act 2006. Each party is a member.</p> <p>Governed by its Articles of Association.</p> <p>It would have a board of directors including representations of each of the members which are corporate entities themselves. The board is responsible for day to day management of the company, subject to the Articles and any specific powers reserved to members.</p>	<ul style="list-style-type: none"> ▶ Identity – a company has a separate and clear legal identity as required by the LEP review. It can contract with third parties and hold property in its own right. ▶ Limited liability – the members' liability is limited to their guarantee amount in the statement of guarantee – usually a nominal amount of £1 or £10. ▶ Conflicts of interest – it is common for directors to be appointed by their members, and for the possibility of conflict to arise between company and member. It is familiar territory to make suitable provision for such possible conflicts. ▶ Financial contribution – there is no requirement for a member to make a financial contribution to the company upon joining. ▶ Financial flexibility – ability to create different types of loan capital and floating charges over its assets which may assist with raising external finance. 	<ul style="list-style-type: none"> ▶ Formalities and compliance – regulated by company law and requires formal administration. There is a requirement to file accounts and other information with Companies House on a regular basis. Such information is accessible by the public. ▶ Directors' duties – directors owe a strict fiduciary duty and other duties to the company and are personally liable for any breach. Director's insurance would need to be purchased to provide adequate protection. ▶ Financial returns – as there are no shares, it is not possible to distribute the profits of the company to the members. ▶ External financing – some banks might be cautious in approving any loans due to the lack of a share capital. ▶ Tax – unlike an LLP, the company will pay corporation tax on the profits that it makes before using the profit towards its cause.

- ▶ **Assets** – a company can own its own assets. Existing assets of the members can be transferred into the ownership of the company. Alternatively a party may lease its assets to the company. However there may be tax implications in respect of such transactions.
- ▶ **Changes in members** – the company structure can accommodate the withdrawal of a party and the introduction of new parties (i.e. changing members of the company and their relevant board appointments) without it necessarily affecting the business (although consideration would have to be given to the procurement analysis if third party participation is required).
- ▶ **Profits** – will be applied to the cause/objects of the company.
- ▶ **Direct control** - Each member is an owner of the company and will have voting rights on decisions reserved to them and at an Annual General Meeting. If a party has a representative on the board of directors they have the ability to take part in the day to day management and control of the company.
- ▶ **Familiarity** – the form currently adopted by the LEP and very similar to a company limited by shares which is the most common form of

Companies limited by guarantee may also be unable to rely on group tax relief.

	<p>company and is therefore familiar to most and has fewer surprises than others.</p> <ul style="list-style-type: none"> ▶ Membership – since membership is not attached to the ownership of shares, it is usually easier to join or leave the company, and if necessary, can be attached to directorship – i.e. directors who cease to be members, will cease to be directors to, and vice versa. ▶ Continuity – as the existing entity is a company limited by guarantee, there would be less disruption and fewer additional formalities required. 	
<p>Company Limited by Shares</p> <p>Formed by incorporation under the Companies Act 2006. Each party is a shareholder.</p> <p>Governed by its Articles of Association.</p> <p>It would have a board of directors including representations of each of the parties. The board is responsible for day to day management of the company, subject to the Articles and any specific powers reserved to shareholders.</p>	<ul style="list-style-type: none"> ▶ Identity– a company has a separate and clear legal identity. It can contract with third parties and hold property in its own right. ▶ Limited liability – the shareholders' liability is limited to any unpaid subscription for shares. ▶ Financial flexibility – ability to create different types of share and loan capital and can create floating charges over its assets which may assist with raising external finance. ▶ Assets – a company can own its own assets. Existing assets of the shareholders can be transferred into the ownership of the company. Alternatively a party may lease its assets to 	<ul style="list-style-type: none"> ▶ Formalities and compliance – regulated by company law and requires formal administration. There is a requirement to file accounts and other information with Companies House on a regular basis. Such information is accessible by the public. ▶ Directors' duties – directors owe a strict fiduciary duty and other duties to the company and are personally liable for any breach. Director's insurance would need to be purchased to provide adequate protection.

	<p>the company. However there may be tax implications in respect of such transactions.</p> <ul style="list-style-type: none"> ▶ Changes in shareholders – the company structure can accommodate the withdrawal of a party and the introduction of new parties (i.e. outside investors) without it necessarily affecting the business (although consideration would have to be given to the procurement analysis if third party participation is required). ▶ Profits – will be distributed to the parties through payment of dividends or retained for reinvestment by the company. ▶ Direct control - Each shareholder is an owner of the company and will have voting rights on decisions reserved to them and at the Annual General Meeting. If a party has a representative on the board of directors they have the ability to take part in the day to day management and control of the company. ▶ Familiarity – as the most common form of company, it is familiar to most and has fewer surprises than others. 	<ul style="list-style-type: none"> ▶ Tax – unlike an LLP, the company will pay corporation tax on the profits that it makes before distributing it to shareholders which could lead to double taxation as any dividend received by the shareholders forms part of their income for calculation of their own tax liabilities. ▶ Legal entity – it is not possible to convert a company limited by guarantee into a company limited by shares. This would require the winding up of the company limited by guarantee and setting up a new company that is limited by shares and transfer of any assets and contracts.
<p>Limited Liability Partnership (LLP)</p>	<ul style="list-style-type: none"> ▶ Identity – an LLP is a body corporate and has a separate and clear legal identity. It can contract with third parties and hold property in its own right. 	<ul style="list-style-type: none"> ▶ Formalities and compliance – there is a requirement to file accounts and other information on a regular basis which will be in the public realm, but formalities can

Formed by incorporation under the Limited Liability Partnerships Act 2000. Each party will be a member.

Governed by a member's agreement (LLP agreement).

- ▶ **Management** – LLP members undertake the day to day management and actions of the LLP through acting as its agents.
- ▶ **Limited liability** – generally, the liability the members of an LLP is limited to the amount they have contributed to the LLP by way of capital contribution. It is the LLP itself, not its members, who are liable to third parties.
- ▶ **Changes in members** – new members may be admitted and existing members may leave without affecting the LLP as an entity.
- ▶ **Tax transparency** – the LLP does not pay corporation tax – instead members are taxed individually on the distributions they receive according to their own tax treatment.

be lighter than a company limited by shares.

- ▶ **Shareholding** – rather than transferring a shareholding (or issuing new shares) members hold interests in the LLP which can be more difficult to define and deal with in a vehicle that grows.
- ▶ **Legal entity** – it is not possible to convert a company limited by guarantee into an LLP. This would require the winding up of the company limited by guarantee and setting up a new LLP and transfer of any assets and contracts.

Agenda Item 10

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

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