

Lancashire Enterprise Partnership Limited

Minutes of the Meeting held on Tuesday, 19th March, 2019 at 5.00 pm at the Committee Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

David Taylor CBE (Chairman)

Miranda Barker

Mike Blackburn

Jim Carter

Graham Cowley

Ann Dean

County Councillor Geoff Driver CBE

Dave Holmes

Amanda Melton

Mick Gornall

Councillor Phil Riley

Councillor Margaret Smith

Councillor Mark Townsend

Co-Opted Observer

Tony Attard OBE

In Attendance

Paul Evans, Assistant Director, Area Lead, Department for Business, Energy and Industrial Strategy

Martin Kelly, Director of Growth and Development, Blackburn with Darwen Borough Council

Dr Michelle Lawty-Jones, Skills Hub Director

Andy Milroy, Senior Democratic Services Officer, 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

Councillor Ivan Taylor, Observer, Blackpool Council

Stephen Young, Executive Director of Growth, Environment, Transport and Community Services, Lancashire County Council

1. Welcome and Apologies for Absence

The Chairman, David Taylor CBE, welcomed all to the meeting. Apologies for absence were presented from Dennis Mendoros, Mark Smith, Claire Whelan, Mark Rawston, Councillor Simon Blackburn and Khalid Saifullah. It was noted that Councillor Ivan Taylor was attending on behalf of Councillor Simon Blackburn as an Observer.

2. Minutes of the meeting held on 11th February 2019

Resolved: That subject to the inclusion of Councillor Mark Townsend being recorded as present via telephone that the minutes of the meeting held on 11th February 2019 be approved as an accurate record and duly signed by the Interim Chairman.

3. Matters Arising

Laura Sales, Company Secretary and Director of Corporate Services, Lancashire County Council provided an update on the Urban Development Fund considered at the previous Board meeting. It was noted that further discussions have taken place with the Ministry of Housing, Communities and Local Government, with it recommended that a further report be brought back to the 30th April 2019 Board meeting which includes independent legal advice on the proposed way forward.

Resolved: The Lancashire Enterprise Partnership Board noted that a further report, with independent legal advice on the Urban Development Fund be brought to the 30th April 2019 Board meeting.

4. Declaration of Interests

None

5. Local Business Preparation for Brexit

Laura Sales presented a report (circulated) which provided a current position on Local Business Preparation for Brexit. It was noted that the position remained unchanged from the reported position which contained local business concerns.

It was noted that the North Western Chamber of Commerce is in the process of organising a Business Preparation Brexit Event to which the LEP will be invited, details will be provided in due course.

One other point to note since report production there has been a Government announcement regarding additional funding to be looked at in accordance with Local Industrial Strategy's which the North West has been the largest recipient, further details will be provided to the Board when known.

Mick Gornall provided clarification that the nuclear fuel industry was prepared for Brexit following recent press coverage.

Resolved: The Lancashire Enterprise Partnership Board noted the report and agreed to receive further updates on local business preparation for Brexit at future board meetings.

6. Local Enterprise Partnership Review and Lancashire Local Growth Assurance Framework

Stephen Young, Executive Director of Growth, Environment, Transport and Community Services, Lancashire County Council, presented a report (circulated) regarding the Local Enterprise Partnership Review and Lancashire Local Growth Assurance Framework.

The report provided an update from the work of the LEP Transition Working Group which consisted of LEP Directors Councillor Mark Townsend, Ann Dean, Miranda Barker and Jim Carter advised by officers from the Accountable Body Stephen Young, Laura Sales and Richard Kenny in addition to Paul Evans from the Department for Business, Energy and Industrial Strategy.

Stephen gave a presentation that was broken down into eight areas as follows:

1. Appointment of the "Top Team"

This covered the current status regarding the appointment of a new permanent Chair (the process for this appointment being led by Blackpool Council and subject to a separate report), followed by the appointment of a permanent Chief Executive. It was also reported that Addleshaws, whom the LEP has already engaged as independent legal advisers, had been approached to provide an Interim Chief Executive solution until a new permanent Chief Executive is appointed.

It was agreed that the Section 151 Officer will obtain a CV for the Interim Chief Executive which will be shared with the Board. The Interim Chief Executive will also be asked to arrange meetings with Directors at the earliest opportunity.

2. The Accountable Body

Attention was drawn to the draft Accountable Body statement in the draft Local Growth Assurance Framework. It was noted that the view of the Transition Working Group was to retain Lancashire County Council as the Accountable Body.

Some Board Members raised concerns over the wording of the Accountable Body statement, in particular paragraph 8 which references approval of the appointment of a Chair and Chief Executive. The Department for Business, Energy and Industrial Strategy also had some discomfort about this.

The Section 151 Officer welcomed the helpful comments and stated that the company doesn't have a typical setup whereby the Shareholders (or Members) would carry the financial risks, the financial liability for the Lancashire Enterprise Partnership lies with the Accountable Body who therefore have a responsibility to protect their interests and those of taxpayers. This needs to be taken into account. In light of the concerns raised it was agreed that the Accountable Body statement will be reviewed and re-worded with a view to satisfying both the Directors of the company and the Accountable Body, with the suggestion that a

veto may be more appropriate.

3. Shareholder (Company Member) Options

It was highlighted that not making a change Lancashire County Council being the sole member of the company was not an option and would not be compliant with the requirements of the Government guidance.

There were no changes proposed to the company structure by the Transition Working Group, therefore the proposals considered regarding Company Structure at the previous Board meetings which were to retain the existing Private Company Limited by Guarantee structure but to add additional Company Members, still stands.

The Transition Working Group recommended that the Membership of the company be expanded to include the other Local Authorities that currently have a Director on the Board, namely Blackpool Council, Blackburn with Darwen Borough Council, Burnley Borough Council and South Ribble Borough Council.

In addition, the working group suggested, as proposed in the report, that the Chamber of Commerce (East and North Western) be added to the Company Membership with a view to inviting other local authorities and private sector organisations moving forward if appropriate.

The Section 151 Officer advised that a clear timescale be put on this arrangement of, for example six months, at which point it will come back to the Board for further consideration. The Department for Business, Energy and Industrial Strategy present indicated that local authority membership would be sufficient for their requirements.

Board Members debated how the company membership could develop in the future, how the private sector could be involved, the potential for having a Members Reserved Matters agreement and requested further clarity on the powers of the members.

It was agreed that further clarification will be provided with regard to the proposed company membership and powers of the members whilst noting that making no changes to the company membership is not an option.

4. Independent Secretariat

It was proposed that an interim Chief Executive be appointed (with Addleshaws approached to provide an interim person). It was stated that the reason for this proposed arrangement was to allow for the new permanent Chairman to be appointed who will then be involved in the recruitment of the new permanent Chief Executive, who at the point of being appointed would be given the opportunity to shape the future staffing structure required as they see fit. In the interim period it was proposed that four existing staff that are currently dedicated to LEP activities would continue to support the Board and be directly managed by the interim Chief Executive.

The Board requested that timescales be provided on the recruitment process for all positions within a critical path.

5. Accommodation

Stephen Young advised the Board that in accordance with the recommendations from the Transition Working Group to find an independent physical space for the LEP in the short term and for the permanent Chair and Chief Executive to review with a view to arrangements in the medium to long term.

Board Members advised that a timescale should also be added to the critical path for the temporary accommodation arrangements with a preference for the LEP to move to accommodation that is not part of the County Council's estate.

6. Scheme of Delegation

The proposed Scheme of Delegation contained within the draft Local Growth Assurance Framework was presented to the Board.

It was highlighted that some updates are required to the Business Support Management Board within the Framework, these changes would be updated following the meeting.

7. Executive Committee

It was proposed that the Executive Committee be replaced by an Urgent Business Procedure, as set out, in order to engage all LEP Directors in urgent decisions.

The Board was broadly supportive of the proposal and requested that a breakdown of the decisions taken by the Executive Committee over the last 12 months with information as to the nature of the urgency be provided to the next Board meeting in April 2019.

8. Scrutiny Arrangements

A proposal was presented to maintain the existing scrutiny arrangements but to also enhance them by approaching Lancashire Leaders Group with a request to establish a new local government joint scrutiny committee with opportunity for all fifteen local authorities to be represented.

Board Members were supportive of these proposals.

Feedback from the Department for Business, Energy and Industrial Strategy

The Department for Business, Energy and Industrial Strategy advised the Board that it is for the Board to be satisfied that it is compliant and that the measures provide them with satisfaction that the Lancashire Enterprise Partnership is independent and private sector led. As an illustration of the need for greater transparency between the LEP and the County Council the example was given of the Board papers for the LEP. Following a link for board papers from the LEP

website takes you to the County Council site where the papers are held. This could make it hard for some to understand that the LEP and county council are separate entities.

Resolved: The Lancashire Enterprise Partnership Board, advised by the Transition Working Group:

- (i) Approved the Lancashire Local Growth Assurance Framework, as set out in the Annex, and request its immediate publication on the Lancashire Enterprise Partnership website to ensure compliance with new Government guidance effective from 1st April 2019, subject to the recommended amendments to the Accountable Body Statement and other changes to the Business Support Management Board description and Terms of Reference.
- (ii) Noted the progress in the appointment of a permanent Chair.
- (iii) Approved the appointment of an independent Interim Chief Executive and asked Lancashire County Council to agree to the role having direct management responsibility for the existing officers that work solely on the Lancashire Enterprise Partnership with a CV to be shared from the Interim Chief Executive with Directors.
- (iv) Agreed to the recruitment of a permanent Chief Executive as set out, with a timeline to be provided on this process.
- (v) Agreed that Lancashire County Council should dilute its sole ownership of the company by 31st March 2019 in accordance with the first steps identified and set out by the Transition Working Group as the first stage in a new ownership model with further clarification to be provided regarding the powers of the company owners (members). With a timetable to set out the final objective of the company ownership change with a timeline for implementation.
- (vi) Agree that Lancashire County Council should continue to act as the Accountable Body, subject to the recommended amendments being made to the Accountable Body Statement.
- (vii) Requested that Lancashire Leaders establish a joint Scrutiny Committee with representation from all local authorities across Lancashire to provide more inclusive scrutiny arrangements for Lancashire Enterprise Partnership and its activities.
- (viii) Agreed to replace the Executive Committee with an Urgent Business Procedure, as set out in Option 3, paragraph 26.
- (ix) Agreed to establish an Innovation Board (as a Committee of the Lancashire Enterprise Partnership) and to invite Lancashire businesses and universities to take an active leadership role within it with officers requested to draft Terms of Reference for the new Innovation Board to be presented to the next Lancashire Enterprise Partnership Board meeting for

approval, with it requested that the Chair of the Innovation Board be from the Private Sector; and

- (x) Requested that a timeline be produced for the implementation of all of the steps required to be taken to action in order to ensure compliance.

7. Update on Recruitment of LEP Chair

Mark Tower, Director of Governance, Blackpool Council, presented a report (circulated) which updated the Board on the recruitment process for the appointment of a new permanent LEP Chair.

It was noted that an updated job description for the new Chair was included in the report pack. In addition, it was noted that Proventure have been working within the previously agreed process with a view to progressing to a "rolling longlist" which was recommended is considered by the LEP Transition Working Group to create a shortlist, which will then be passed over to the Appointments Panel.

With regard to the Appointments Panel, Graham Cowley, proposed that Councillor Phil Riley be one of the two nominated public sector director nominees, which was approved by the Board. In accordance with the report the other public sector director was recommended to be the director from the accountable body, County Councillor Geoff Driver.

It was also noted that it is envisaged that final interviews will be held either week commencing 8th April 2019 or week commencing 15th April 2019.

Resolved: The Lancashire Enterprise Partnership Board:

- (i) Confirmed the latest version of the job description attached at Appendix A.
- (ii) Noted the progress made with regard to recruitment of the LEP Chair.
- (iii) Confirm that members of the Transition Group consider the proposed longlisted candidates put forward by Proventure (co-ordinated by Blackpool Council); and
- (iv) Agree to form an Appointments Panel to undertake the shortlisting and final interviews, comprising 2 public sector directors (approving that they be Councillor Phil Riley and County Councillor Geoff Driver) and 3 private sector directors, to be identified.

11. Terms of Reference for the Skills and Employment Advisory Panel & Update Regarding Lancashire's Digital Skills Partnership

It was determined that the information contained within this report was no longer private and confidential and could therefore be considered in the Part I open to press and public section of the meeting.

Dr Michele Lawty-Jones, Skills Hub Director, presented a report (circulated) regarding revised Terms of Reference for the new Skills and Employment Advisory Panel and provided an update regarding Lancashire's Digital Skills Partnership.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Approved the Terms of Reference for the proposed Skills and Employment Advisory Panel and the proposed membership of Cllr Mark Townsend, Dean Langton and Dr Lis Smith; and
- (ii) Noted the successful proposal submitted to the Digital Skills Innovation Fund.

8. Any Other Business

None

9. Date of Next Meeting

It was noted that the next LEP Board meeting is scheduled to be held on 30th April 2019 at 4:30pm, Dave Holmes, Director, BAE Systems, offered to host the Board meeting at the Academy for Skills and Knowledge, Samlesbury.

10. Exclusion of the Press and Public

Agenda item not required to be considered.