

Report to: West Yorkshire Combined Authority

Date: 2 February 2023

Subject: **LEP Governance**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1 To seek approval to proposed changes to the LEP Constitution and governance arrangements following the approval of the LEP Integration Plan.
- 1.2 To seek approval to convene an Independent Remuneration Panel to advise the Mayor and the Combined Authority on the level of allowance for the LEP Chair.

2. Information

- 2.1 The publication of the Levelling Up White Paper in February 2022 provided clarity that for LEPs within Mayoral Combined Authority (MCA) areas, the LEPs would be integrated into the MCA. Further details were provided by government in March when the [Guidance to Integrate LEPs into Local Democratic Institutions](#) was received.
- 2.2 Following this, in July 2022 a LEP Integration Plan (IP) for West Yorkshire was submitted to government. A request for further information was made in September, which was provided and a final version of the LEP Integration Plan submitted.
- 2.3 It was expected based on the original timeline provided by government that final endorsement of IPs would be provided in late September, however this

was significantly delayed due to ministerial changes. Confirmation that ministers had endorsed the plan was received on 20 December 2022. A formal letter confirming that government endorsed the IP was received on 17 January 2023.

- 2.4 This paper sets out the steps that are required to fully integrate the LEP into the Combined Authority including the governance changes required and the impact on the recruitment of the new LEP Chair and board members.

Governance Implications

- 2.5 At the annual meetings of the LEP and Combined Authority in June 2022 Members agreed that the current LEP Constitution and governance model should be retained until agreement to the IP had been received.
- 2.6 Integration of the LEP into the Combined Authority means that separate constitutions and governance models are no longer required or appropriate. It is proposed that the LEP Constitution and documents are withdrawn as a suite of documents and replaced with a new Article within the Combined Authority's Constitution setting out the LEP governance arrangements. Thus ensuring that the best practice elements are retained combined with integrating elements where appropriate into other existing parts of the Combined Authority's Constitution, providing greater consistency and clarity. This includes maintaining the following principles:
- The LEP Board remains private sector led.
 - EDI principles around board members.
 - Having roles such as SME champion and Diversity Champion.
 - Adherence to the Members' Code of Conduct and Conflicts of Interest Policy.
 - Transparency retained with published agendas and minutes and meetings held in public.
- 2.7 As referenced above, it is proposed that new governance arrangements (proposed in new draft Articles) and Terms of Reference for the LEP Board are required. Drafts are provided at Appendix 1 and 2. In addition, the table below summarises the proposed changes to the LEP constitutional documents and how they will be integrated into the Combined Authority's Constitution.

Current Position	Proposed Change	Comments
LEP Constitution	Key aspects retained within the new LEP Governance Arrangements	Draft attached to this report as Appendix 1
LEP Access to Information Annex	Key aspects retained within the new LEP	6.5 and 6.7 – 6.9 of App1 refer. The reference to exempt matters has been removed and the broader

	Governance Arrangements	definition of confidential info retained.
LEP Board Procedure Rules	Key aspects retained within the new LEP Governance Arrangements	
LEP Code of Practice for recording meetings	Withdraw	Not considered necessary
LEP Protocol for remote meetings	Withdraw	Not considered necessary
Code of Conduct for LEP Board members	Key aspects retained within the new LEP Governance Arrangements	See Section 7 of App1. Further work is proposed to set out more explicitly within the CA's Constitution the expectations of private sector and LEP Board members vis a vis the CA's Code of Conduct rather than having more than one code
Register of Interests of LEP Board Members	Withdraw	All LEP Board members are required to complete the CA's Register of Interests as well as the LEP Board one which is confusing and cumbersome both to members and the public. There will be greater clarity and transparency by simply having one.
Register of Gifts & Hospitality for LEP Board members	Withdraw	Covered by the CA's requirements and register
Register of interests of the LEP Chief Executive	Withdraw	Unnecessary and disproportionate to specify this requirement in relation to the LEP. Scope to move to publishing senior CA officers gifts and hospitality registers at a future date
CA/LEP Conflicts of Interest Policy	Retained	

CA/LEP Conflicts of Interest Protocol	Retained	
LEP AEB Conflicts of Interest Policy		To be included in existing CA procedures
LEP Procedure for considering complaints	Withdraw	To be included in existing CA procedures
LEP Confidential Complaints Procedure	Withdraw	To be included in existing CA procedures
Whistleblowing Policy	Revise	To be reviewed and revised as necessary to reflect the integration
CA/LEP Recruitment & Appointment Procedure for Private Sector members	Retained	To be reviewed and revised as necessary to reflect the integration
LEP Remuneration and Expenses Scheme	Withdraw as a stand alone document	To be reviewed and to form an appendix to the existing CA Members Allowances Scheme
Summary of remuneration and expenses paid to LEP Board members	withdraw	Publish as part of the transparency provisions relating to member allowances/expenses
LEP Equality & Diversity Policy including diversity statement	Withdraw as a stand alone document	As the LEP is integrated into the CA then the LEP needs to come within the remit of the CA's Equality & Diversity Policy

2.8 As part of these changes it is proposed that:

- the LEP Chair becomes a mayoral appointment. The LEP Board will continue to nominate the LEP member to the Combined Authority annually, as set out in The West Yorkshire Combined Authority (Election of Mayor and Functions) Order 2021.
- All appointments to outside bodies are made at the Combined Authority's Annual Meeting. The LEP may however make recommendations with regards to their members as appropriate.

LEP Chair Recruitment

- 2.9 Recruitment of the new LEP Chair cannot take place until the governance changes set out above are in place. As part of the governance changes, the Private Sector Recruitment Process has been updated in line with the IP and is provided at appendix 3.
- 2.10 A revised role profile for the LEP Chair is currently in development. This will be agreed with the Mayor and then shared with LEP Board members at their meeting on 8 March.
- 2.11 At the Combined Authority meeting in June 2022 it was agreed that remuneration of the LEP Chair would be retained and would be assessed independently prior to recruitment commencing. It is therefore proposed that an Independent Remuneration Panel (IRP) be convened to provide proposals regarding remuneration to the Mayor and the Combined Authority at its next meeting on 16 March.
- 2.12 It is proposed that recruitment for the LEP Chair and vacant LEP Board members commences shortly thereafter. As a consequence, the Interim Chair will remain in position until the substantial appointment has been made and the LEP Chair is in post.

Next Steps

- 2.13 Subject to the endorsement of this paper, the following next steps are proposed.
- 2.14 LEP Governance changes
- Paper to March LEP Board to formally endorse the governance changes.
 - Governance changes come into effect on a date to be set following endorsement at the March LEP Board.
- 2.15 LEP Chair Recruitment
- IRP convene February 2023
 - IRP reports to the Mayor/Chief Executive who will take a decision on remuneration.
 - Paper to March LEP Board to formally commence LEP Chair recruitment.
 - LEP Chair and Board members recruitment commences March 2023.

3. Tackling the Climate Emergency Implications

- 3.1 There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

4.1 There are no inclusive growth implications directly arising from this report. Though it should be noted that it is proposed that inclusive growth will remain a key priority for the LEP.

5. Equality and Diversity Implications

5.1 It is proposed to maintain the focus on equality and diversity within the LEP constitution and EDI will remain a key priority for the LEP.

6. Financial Implications

6.1 There are no financial implications directly arising from this report, however it should be noted that the position regarding any future LEP funding is still unclear.

7. Legal Implications

7.1 The legal and governance implications regarding changes to the constitution and governance model are set out in body of the paper.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Combined Authority endorses the proposed LEP governance arrangements as set out in the draft Articles at Appendix 1 and draft Terms of Reference at Appendix 2 and the revised Recruitment and Appointment Procedure for Private Sector Representatives as set out at Appendix 3 for consideration by the LEP Board at its meeting on 8 March 2023.

10.2 Subject to 10.1, the Combined Authority authorises the Head of Legal & Governance Services, in consultation with the Mayor and the Chair of the LEP Board as appropriate, to:

- finalise the Articles, Terms of Reference and the Recruitment and Appointment Procedure
- make such consequential amendments to the Authority's Constitution as are necessary
- set a date from which the proposed changes are brought into effect.

10.3 That the Combined Authority authorises the Head of Legal & Governance Services to convene an Independent Remuneration Panel to make

recommendations to the Mayor and the Combined Authority as to the allowance that shall be payable to the LEP Chair.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Draft Articles relating to the LEP

Appendix 2 – Draft LEP Terms of Reference

Appendix 3 – Recruitment and Appointment Procedure for Private Sector Representatives