
Report to: Leeds City Region Enterprise Partnership Board (LEP Board)

Date: 8 March 2023

Subject: **LEP Governance**

Led By: Mark Roberts, Interim Chair

Lead Officer: Alan Reiss, Director of Strategy, Communications and Intelligence

1. Purpose of this report

- 1.1 To seek the views of LEP Board Members on the proposed changes to the LEP Constitution and governance arrangements following the approval of the LEP Integration Plan.
- 1.2 To seek approval to commence a recruitment exercise for private sector LEP board members.
- 1.3 To seek views on the future role of the LEP and private sector members.

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 It is proposed that the LEP Constitution and documents are withdrawn as a suite of documents and replaced with a new Article within the Combined Authority's Constitution setting out the LEP governance arrangements.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 At the Combined Authority on 2 February 2023, Members considered and endorsed proposed new governance arrangements for the LEP Board and in particular draft Articles, Terms of Reference and a revised Recruitment and Appointment Procedure for Private Sector Representatives (provided at Appendices 1-3 respectively). In addition, the table below was shared with Members which summarises the proposed changes to the LEP constitutional documents and how they will be integrated into the Combined Authority's Constitution. The Combined Authority resolved that, subject to consideration and further comment by this Board today, that the Head of Legal & Governance Services, in consultation with the Mayor and the Chair of the LEP Board as appropriate, be authorised 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 and
 - set a date from which the proposed changes are brought into effect.

Current Position	Proposed Change	Comments
LEP Constitution	Key aspects retained within the new LEP	Draft attached to this report as Appendix 1

	Governance Arrangements	
LEP Access to Information Annex	Key aspects retained within the new LEP Governance Arrangements	6.5 and 6.7 – 6.9 of App1 refer. The reference to exempt matters has been removed and the broader 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 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 should be noted 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 will be made at the Combined Authority's Annual Meeting. The LEP may however make recommendations with regards to their members as appropriate.

LEP Board Member Recruitment

- 2.9 It was previously agreed that recruitment to LEP Board vacancies would not be undertaken 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 as referenced above, is provided at appendix 3.
- 2.10 The Board currently has five private sector member vacancies who would ideally, but not exclusively, come from the voluntary and community, fintech, healthtech, engineering and clean growth/environmental technologies sectors in order for the Board to reflect the diverse communities, businesses and geography of West Yorkshire, including that of young people. The draft Private Sector Member Role Profile is attached at appendix 4 for comment.
- 2.11 It is proposed that recruitment for the five vacant LEP Board members commences as soon as possible.

LEP Chair Recruitment

- 2.12 A draft revised role profile for the LEP Chair, in line with the IP and governance changes is provided at appendix 4 for comments and consideration.
- 2.13 At the Combined Authority meeting in February 2023 it was agreed that a remuneration panel would be convened to make recommendations to the Mayor and the Combined Authority as to the allowance that shall be payable to the LEP Chair. The recommendations will be considered by the Combined Authority at its next meeting on 16 March.
- 2.14 Further to the comments made by the Board and the findings of the IRP, the role profile will be further refined to reflect the need to provide business advice to the Mayor. Any further versions will be recirculated to the LEP Board and considered by the Mayor ahead of recruitment commencing. No timescales are currently agreed for the recruitment.

Further Considerations

- 2.15 Further to the governance changes required to integrate the LEP, it is also important to consider the role of the LEP. In particular ensuring that the strong partnership between the public and private sector is further strengthened. The model that we have in West Yorkshire is held up at a national level as good practice and therefore any changes should not de-stabilise this.
- 2.16 Going forward it is therefore important to build on the track record of success and the principles which underpin that success. It is considered that this means that the LEP Board and wider LEP family of private sector members provides insight and input into:
- The Combined Authorities business support offer, its promotion and delivery.

- Promoting and facilitating inward investment, trade missions and export work.
- Ensuring that skills and employment support is focused on local labour market needs.
- Shaping overall economic and inclusive growth strategy, ensuring the policies can translate into meaningful action.
- The need for Equality, Diversity and Inclusion considerations to be at the heart of all of the work of the Combined Authority and LEP.

2.17 It has been previously agreed that this means that the relationship between the LEP and the Combined Authority is maintained via the following:

- a. The LEP remains a non-statutory partnership body to drive inclusive growth and improve productivity, with public and private membership.
- b. It becomes the primary business advisory board to the Mayor and the Combined Authority.
- c. It provides strategy and policy advice to the Combined Authority to meet the current and future needs of the region's economy.
- d. It provides a conduit for business/private sector voice onto Combined Authority decision making committees.
- e. It leads on an agreed set of business priorities, such as digital, diversity in business and a focus on start-ups.
- f. Its members to have clearly defined portfolios for their work with the MCA, and private sector LEP members are involved in economic decision making in the same way as present.

2.18 Building on the current roles and portfolios held by LEP Board members, and considering the option for each member to have a specific role, so that they can be clear on their contribution, the following portfolios/roles are proposed for discussion:

- LEP Chair
- Private sector lead on Culture, Heritage and Sport (Deputy Chair of corresponding Committee)
- Private sector lead on Place, Regeneration and Housing (Deputy Chair of corresponding Committee)
- Private Sector Lead on Climate, Energy and Environment (Deputy Chair of corresponding Committee)
- Private Sector Lead on Employment and Skills (Deputy Chair of corresponding Committee)
- Private Sector Lead on Business, Economy and Innovation (Deputy Chair of corresponding Committee)
- Private sector lead on Transport (member of Transport Committee)
- SME Champion (Chair of Business Communications Group)
- Diversity Champion
- Trade and Investment Champion

2.19 This approach would enable members of the LEP Board to understand their role, reduce the burden on the new chair and spread the work and various roles

throughout the private sector members. The role of the Chair and the overall Board would then be to pull these strands together and consider their impact on both the LEP priorities and the overall work of the Combined Authority, influencing and enabling the private sector input to remain strong. In addition, the Board would be responsible for taking views and maintaining relationships with the wider 'LEP Family' of Private Sector Members across all the committees and the Business Communications Group.

Next Steps

2.20 Subject to the endorsement of this paper, the following next steps are proposed.

2.21 LEP Governance changes come into effect on 13 March 2023.

2.22 Recruitment for private sector LEP Board Members commences as soon as possible.

2.23 LEP Chair Recruitment

- IRP reports to the Combined Authority on 16th March who will take a decision on remuneration.
- LEP Chair recruitment will commence thereafter in consultation with the Mayor.

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 LEP Board considers and provides any comments on the proposed LEP governance arrangements, and in particular the draft Articles at Appendix 1, draft Terms of Reference at Appendix 2 and the revised Recruitment and Appointment Procedure for Private Sector Representatives as set out at Appendix 3, and notes that the Head of Legal & Governance Services will finalise the same and update the Combined Authority's Constitution accordingly thereafter (in consultation with the Mayor and the Chair of the LEP Board as appropriate) to come into effect from 13 March 2023.

10.2 That the LEP Board provides comments on the draft Board Member Role Profile provided at appendix 4 and the draft LEP Chair Role Profile provided at appendix 5.

10.3 That the LEP Board provides comments on the future role of the LEP and proposed portfolios for private sector members

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 – Draft Recruitment and Appointment Procedure for Private Sector Representatives

Appendix 4 – Draft LEP Board Private Sector Member Role Profile

Appendix 5 – Draft LEP Chair Role Profile