

Report to: Governance Committee

Date of meeting: 3 March 2020

By: Director of Communities, Economy and Transport

Title: South East Local Enterprise Partnership - Appointment of a Director

Purpose: To consider the appointment of a Company Director to SELEP Ltd

Recommendations

The Governance Committee is recommended to approve the appointment of Councillor Glazier:

- (1) as the ESCC representative on the South East Local Enterprise Partnership (SELEP); and**
 - (2) as the ESCC nominated Company Director of SELEP Ltd and be the voting representative of ESCC at SELEP Strategic Board meetings and at SELEP Accountability Board meetings.**
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1. Background information

1.1. In July 2018 the government published its 'Strengthened Local Enterprise Partnerships' document, referred to as the LEP Review. It included a series of recommendations and requirements on such things as openness, transparency, accountability and scrutiny in order to ensure a consistent approach to governance across all 38 LEPs. Through its Assurance Framework, SELEP already had a robust set of governance arrangements well-established, so the majority of the recommendations have been applied.

1.2. Two of the requirements involved a much greater level of consideration: Board Composition (reducing the number of board members, adjusting the public / private-sector ratio, increasing diversity) and Legal Personality (making SELEP a limited company). Whilst SELEP members and partners were happy with SELEP's operating framework, these changes were required of all LEPs, to be implemented by the end of March 2020.

1.3 At a meeting on 11 February 2020, the Lead Member for Strategic Management and Economic Development agreed to East Sussex County Council continuing its role as a partner in, and a member of, the South East Local Enterprise Partnership after it becomes a Private Company Limited by guarantee and agreed to the County Council entering into a new partnership agreement – the SELEP Framework Agreement.

1.4 SELEP operates a 'federated' model, with local boards by geographical area allowing for decision making at a local level. There is close interaction between the federated boards and SELEP, with the federated boards providing an advisory function on local issues, plus project endorsement and prioritisation for their local areas. The federated boards also put forward members to sit on the SELEP Strategic Board. There are four federated boards – Team East Sussex, Kent & Medway Economic Partnership, Success Essex and Opportunity South Essex. This federated operating model will remain unchanged, allowing the federated boards to continue to have a strong voice in the running of the company.

1.5 The new SELEP Strategic Board, as approved by the current Strategic Board on 6 October 2019, will consist of twenty members plus an additional five 'co-opted' members. The twenty main members will be made up of the private-sector Chair and Deputy Chair, twelve further private-sector members appointed from the federated boards (including three from Team East Sussex) and six public-sector members representing each of the upper-tier local authorities (including

ESCC). The five co-opted members will initially be made up of two Borough / District Council representatives and three private-sector members representing Further Education, Higher Education and the Third Sector. The twenty main members will be able to serve for two years at a time, renewable up to a maximum tenure of six years, while the five co-opted members will serve for one year only.

1.6 The Company Limited by Guarantee model includes a board of directors and an overall membership. The Company Directors of SELEP Ltd will be the 25 members of the new SELEP Strategic Board, as listed above. The membership of SELEP Ltd will be made up of all the members of the four federated boards. For clarity, ESCC is not a corporate member of the federated board and therefore will not be a member of the new SELEP Ltd Company, but will have power under Article 23.5 of the company's articles of association that states "each council is entitled to nominate one member".

1.7 The County Council is able to nominate a representative to be appointed as a company director of SELEP Ltd as set out in the membership arrangements set out in the SELEP Articles of Association. The County Council's representative will be the formal voting representative of ESCC at SELEP Strategic Board meetings and at SELEP Accountability meetings.

1.8 As indicated above, the new SELEP Strategic Board members, including the Leader of the County Council will become Company Directors of SELEP Ltd. The liability of each member of SELEP Ltd is limited to £1.00 (the amount that each member undertakes to contribute to the company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member). Otherwise this report has no direct financial implications since SELEP will continue to operate in the current manner and the County Council will continue to contribute and passport funding to recipients in the same way as it currently does.

2 Conclusion

2.1 SELEP is required by Government to adopt a new legal personality from April 2020. This was one of the principle requirements of the 2018 LEP Review so is necessary in order for SELEP to continue receiving its core funding from Government, as well as other annual programme funds (including Local Growth Fund monies).

2.2 The approach taken by SELEP has been developed in consultation with the government's Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Business, Energy and Industrial Strategy (BEIS) who are happy with the proposals. The County Council has been fully engaged in this process from the outset, and it is proposed that the Leader as Lead Member for Strategic Management and Economic Development be the County Council's representative on SELEP.

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LOCAL MEMBERS

All