

Officer Non Key Executive Decision

Relevant Chief Officer:	Neil Jack, Chief Executive
Relevant Cabinet Member:	Councillor Ivan Taylor, Deputy Leader of the Council
Report Author:	Mark Towers, Director of Governance and Partnerships
Implementation Date of Decision:	6 August 2020

ADMISSION AS A 'MEMBER' TO THE LANCASHIRE ENTERPRISE PARTNERSHIP

1.0 Purpose of the report:

- 1.1 To consider giving agreement as a member of Lancashire Enterprise Partnership Board for Blackburn with Darwen to also become a 'member' of the company under the Companies Act 2006.

2.0 Recommendation(s):

- 2.1 To agree to the request from the Lancashire Enterprise Partnership Board for the Blackburn with Darwen Borough Council to become a 'member' of Lancashire Enterprise Partnership Limited (Company Number: 07388600) and in doing so require that Council to be bound by the Articles of Association and be entered in the register of Members of the Company.
- 2.2 To agree that the Chief Executive, or the Director of Governance and Partnerships be authorised to sign any relevant legal documentation, including any agreement as to how the members of the company would work together and the application for admittance as a member to the company.

3.0 Reasons for recommendation(s):

- 3.1 In order to admit the Blackburn with Darwen Borough Council as members, the existing members, Lancashire County Council and Blackpool Council, must, in accordance with the Articles of Association, approve accepting the Blackburn with Darwen Borough Council as new members of the company. Lancashire County Council is also considering a report to approve accepting the Blackburn with Darwen Borough Council through their decision making process.
- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

3.4 To not approve the appointment of Blackburn with Darwen Borough Council that course of action would create a situation that the Lancashire Enterprise Partnership would continue to have two Local Authority members which whilst that does comply with new Government guidelines would mean that one of the upper tier authorities in the Lancashire Enterprise Partnership area is not a 'member' of the company.

4.0 Council Priority:

4.1 The relevant Council Priorities are "The economy: Maximising growth and opportunity across Blackpool" and "Communities: Creating stronger communities and increasing resilience".

5.0 Background Information

5.1 Government introduced new guidance for Local Enterprise Partnerships (LEPs) entitled the "National Local Growth Assurance Framework" which became effective on 1 April 2019.

5.2 One of the key actions required that relates to the introduction of the new Assurance Framework was for the Lancashire Enterprise Partnership Limited to change its ownership model and expand the number of organisations that are permitted as Members.

5.3 This approach was endorsed by both Government and the LEP Board itself at previous LEP Board meetings and a LEP Working Group meeting involving all parties.

5.4 In 2019, the Council agreed to join Lancashire County Council as a 'member' of the company and be bound by the company Articles of Association with the other member Lancashire County Council formally accepting them as a member of the company on 29 March 2019 thus ensuring that the Lancashire Enterprise Partnership complied with the new guidance effective from 1 April 2019.

5.5 An invitation to become members has also been extended to Blackburn with Darwen Borough Council in order for all three upper tier authorities that cover the Lancashire Enterprise Partnership area would be members of the company.

5.6 Blackburn with Darwen Borough Council has completed their application to become a

'member' of the company, their application is attached at Appendix 'A'.

5.7 In order to admit the Blackburn with Darwen Borough Council as members the existing members including the Council must in accordance with the Articles of Association, approve accepting the Blackburn with Darwen Borough Council as a new 'member' of the company and the relevant form to do this is attached at Appendix 'B'.

5.8 Does the information submitted include any exempt information? No

5.9 **List of Appendices:**

Appendix A: Application for Membership of the LEP from Blackburn with Darwen Borough Council

Appendix B: Form for approval of acceptance of application by Blackpool Council as member of the LEP.

6.0 **Legal considerations:**

6.1 The term 'member' denotes a person or entity who is the 'owner' or where there are several 'members' of the company 'owners'. They collectively constitute the company as a corporate body. The 'members' are the ultimate authority in matters relating to the appointment and removal of the directors and auditors. In a company limited by guarantee there are no shares and the liability of members is limited to £1.

6.2 Under the National local growth assurance framework there is also an accountable body which is responsible for overseeing the proper administration of financial affairs within the LEP when these affairs relate to public funds. The accountable body would remain as Lancashire County Council for the Lancashire LEP.

7.0 **Human Resources considerations:**

7.1 None.

8.0 **Equalities considerations:**

8.1 It is best practice for LEPs to ensure a diverse Board drawn on the representation of sectors and geographical area and the Lancashire LEP is adopting this practice in current and future appointments. The Board is appointed by the Members.

9.0 Financial considerations:

9.1 There are no financial implications in another Council also becoming a 'member' of the company.

10.0 Risk management considerations:

10.1 The company does not hold shares and is a company limited by guarantee. The application for membership and the articles of association states that the member will be liable for the debts of the company to a maximum of £1.

11.0 Ethical considerations:

11.1 No ethical considerations in relation to another Council joining as a 'member' of the company.

12.0 Internal/ External Consultation undertaken:

12.1 Consultation has taken place with the Deputy Leader of the Council as the relevant Cabinet Member and the Council's appointed Director on the LEP Board.

13.0 Decision of Chief Officer

13.1

1. To agree to the request from the Lancashire Enterprise Partnership Board for the Blackburn with Darwen Borough Council to become a 'member' of Lancashire Enterprise Partnership Limited (Company Number: 07388600) and in doing so require that Council to be bound by the Articles of Association and be entered in the register of Members of the Company.

2. To agree that the Chief Executive, or the Director of Governance and Partnerships be authorised to sign any relevant legal documentation, including any agreement as to how the members of the company would work together and the application for admittance as a member to the company.

14.0 Reasons for the Decision of the Chief Officer

14.1 In order to admit the Blackburn with Darwen Borough Council as members, the existing members, Lancashire County Council and Blackpool Council, must, in accordance with the Articles of Association, approve accepting the Blackburn with Darwen Borough Council as new members of the company. Lancashire County Council is also considering a report to approve accepting the Blackburn with Darwen Borough Council through their decision making process.

