

18th November 2019

Withdrawal of Non-Constituent Members from the LEP

Purpose of Report

This paper sets out the governance implications arising from the changes in Local Enterprise Partnership and membership rules being introduced from 1st April 2020.

Thematic Priority

Cross cutting - Governance.

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper is not exempt from FOI requests and will be published in line with the Combined Authority Publication Scheme.

Recommendations

The Members of the Combined Authority note the contents of this report and approve the changes to the membership of the Overview and Scrutiny Committee and Audit Committee as set out in paragraph 2.2 iv of the report.

1. Introduction

- 1.1 This report seeks to identify for Members the governance implications of the LEP geography review and the Government decision not to allow overlapping LEP geographies.

2. Proposal and justification

- 2.1 As Members will be aware the Local Enterprise Partnership (LEP) geography will change from 1st April 2020 following the Government 2018 decision not to allow overlapping geographies. This means the areas of the SCR MCA's Non-constituent Councils being excluded from the SCR LEP boundary (and being solely in the LEP area for Nottinghamshire and Derbyshire (D2N2)). From 1st April 2020 an Authority's area will only be allowed to be situated in one LEP area.
- 2.2 In terms of the SCR MCA this will have the following governance implications:
- i. Membership of MCA – the Non-constituent Councils are legally members of the MCA and this is set out in the MCA's Establishment Order (Statutory Instrument SI/2014/863). In order to change the membership, legislation in the form of a statutory instrument/order under the Local Democracy, Economic Development and Construction Act 2009 would be required.

- ii. Voting Rights – At present the Non-constituent Councils are non-voting members of the MCA. The Constituent Councils may, on a meeting by meeting basis, allow the non-constituent authorities voting rights on any agenda item. Therefore, and until any issues around membership are resolved by legislation, voting rights are restricted and the Non-constituent Council have no automatic right to vote.
- iii. Thematic Boards – The MCA at its meeting in September amended the membership and quoracy rules of the Thematic Boards in consequence of the revised SCR LEP geography. These amendments reflected the reduced requirement of the Non-constituent Councils to be members of the Boards.
- iv. Overview & Scrutiny and Audit Committees- Given the fact that from 1st April 2020 the work of the MCA will be predominantly related to the area of the Constituent Councils it is recommended that the Non-constituent Councils are no longer members of the 2 committees. The Non-constituent Councils retaining membership would likely cause further quoracy issues as the Committee needs two thirds attendance to be quorate.

2.3 The MCA should also note that the LEP membership change will have a financial impact on the MCA. At present the MCA receives £1m per annum from Chesterfield Borough Councils related to business rates retention from Markham Vale Enterprise Zone. The budget implications and mitigation measures are being worked through as part of the 20/21 budget review.

3. Consideration of alternative approaches

3.1 None considered.

4. Implications

4.1 Financial

As set out in paragraph 2.3 above.

4.2 Legal

The legal implications are set out in the body of the report.

4.3 Risk Management

The risks associated with the LEP geography changes are incorporated into the SCR/CA risk register.

4.4 Equality, Diversity and Social Inclusion

These changes do not adversely affect the requirements of the LEP Review as this relates to the gender make up of the Board.

5. Communications

5.1 Not applicable.

6. Appendices/Annexes

6.1 None.

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street
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Other sources and references: