

Agenda Item 3

Title:	LEP Integration
Purpose:	To consider the independent legal advice received to enable orderly and timely dissolution of Buckinghamshire Local Enterprise Partnership Limited. To update Board Members on the progress being made in supporting the BLEP Integration into Buckinghamshire Council and the action plan underway to support the transition of LEP assets and functions before April 2024.
Recommendation(s):	That Board Members note the legal advice and agree the proposed corporate approvals process to enable the transfer of functions, note and comment on the process for winding up the legal entity of the LEP and to consider and comment on other legal issues related to the transfer and winding up process. That Board Members note and comment on the work of the Transition Working Group and agree to a further schedule of 2024 Board Meetings to support the transition and winding up process.
Response To Risk Register	The sustainability of Buckinghamshire LEP in light of the changing Government position in relation to funding has been assessed as part of the Risk Register for the past two years. This recommendation seeks to provide a sustainable solution to the future delivery of Economic Development functions in Buckinghamshire, supported by a locally agreed framework to help support future delivery and to maximise national investment and support.

Introduction

The LEP Board agreed in October 2023 that the current LEP structure should be dissolved and that all assets and resources be transferred to Buckinghamshire Council. Delegated authority was given to the BLEP Chair, Vice Chair and Chief Executive Officer to commence the winding up process and transfer of assets to Buckinghamshire Council, for completion on or before April 2024.

Board members recognised that the detail of the proposal including process, functions to be transferred and how this may impact activity was still to be determined. Further work was considered necessary not only to maintain effective delivery mechanisms already in place but to demonstrate the progressive thinking taking place in Buckinghamshire.

This report will update the board on the progress made since the October meeting in looking at the detailed transition arrangements with the establishment of a LEP Transition Working Group that has developed three workstreams focusing on finance and assets, staff and operational activity.

Peter Collins of Sharpe Pritchard and Becky Nash of YouHR, both representing the LEP on the transition working group, will be in attendance to update and advise on the matters of corporate approval for the proposed transfer of functions and subsequent wind up of the company and the transfer of staff to the Council guided by the Transfer of Undertakings Protection of Employment Regulations (TUPE). These two workstreams are prioritised and have been accelerated to complete by 1st March 2024. Further detail will follow on future operational structure and activity to align with this process.

Corporate Approvals

The Chair and Vice-Chair and CEO have been working to progress the decision of the Board to delegate responsibility for managing the detail of the transfer process. This LEP advisory group has supported the commissioning of retained independent legal support to review the transition timeline and to highlight the responsibilities of LEP Directors in the winding up process and to highlight any potential risks in relation to contractual commitments, delivery arrangements or director's liabilities.

Sharpe Pritchard have been commissioned to support the LEP in this transition process and following an outline briefing session with the LEP CEO and Partnership Director have produced an initial advisory note on corporate approvals required in line with the Companies Act for the transfer of assets (**Appendix 1**).

Sharpe Pritchard were instrumental in the establishment of BLEP as an independent legal identity in 2019 including the development of our Articles of Association and have extensive experience in working with LEPs across the country on governance arrangements.

Peter Collins will run through his advisory note and answer questions from Board Members. The note is intended as a live document and includes a timeline by which decision and actions will be required to meet the completion date of 1st March 2024. Advice is offered on the method recommended to wind up a solvent company and on matters that Directors may wish to take under consideration to adhere to assurance frameworks and to mitigate liability.

LEP Transition Working Group

An operational transition working group has been established to support the practical process of integration, focusing on financial, staff and operational issues that need to be concluded over the coming months. The group is chaired by Steve Bambrick of Buckinghamshire Council and includes the LEP CEO and Partnership Director supported by independent HR and Legal Support operating on behalf of the LEP. The group has developed an action plan relating to the operational and contractual issues needing to be worked through. Mindful of the 'on or before April 2024' requirement for transfer, the group has set the target of aiming to complete the asset and staff transfer arrangements by March 1st. Given the regulated framework for TUPE (Transfer of Undertakings Protection of Employment Regulations) the primary focus has been on commencing the TUPE process for LEP staff. The consultation started on December 5th and will continue through to January 9th. A copy of the Terms of Reference for this Transition Group is attached as **Appendix 2** to this report.

Becky Nash of YouHR will highlight the proposed measures proposed by the Council as the new employer. The formal consultation period for staff transfer has commenced with a hybrid part/virtual part in person meeting. Further one to one meetings will be scheduled before and after the Christmas period and we expect to hold a further group in person meeting prior to the consultation closure date to enable any outstanding issues or matters of clarification to be raised and addressed.

Buckinghamshire Place Based Growth Board

The Buckinghamshire Place Based Growth Board met on December 4th to consider a revised terms of reference and proposed membership for itself and for the Enterprise and Investment Board. These new arrangements which will see a number of members from this board transitioning to the new structures including Andrew Smith as the Vice-Chair of the Place Based Growth Board and Adrian Brown as Chair of the Enterprise and Investment Board as part of the commitment to business representation within local democratic arrangements.

Proposed Board Meetings to be scheduled 2024

In order to accommodate the business of integration the rate and frequency of board meetings will have to increase. In addition to the recommendation carried within the Sharpe Pritchard advisory note of a proposed meeting early March, the Board are also due to meet end-January to ensure the financial and asset audit is advanced and agreed on schedule and to receive further updates from the Transition Working Group on its workstreams. The following meeting schedule is recommended:

30 January 2024	Purpose – Integration & Transition Operational Update
1 March 2024	Purpose – Approval of asset transfer agreement, contract termination and novations
27 March 2024	Purpose – Resignation of the majority of BLEP Board
June 2024	Purpose – strike off of company

Board members are asked to: -

Note the legal advice and agree the proposed corporate approvals process to enable the transfer of functions, note and comment on the process for winding up the legal entity of the LEP and to consider and comment on other legal issues related to the transfer and winding up process.

Note and comment on the work of the Transition Working Group and agree to a further schedule of 2024 Board Meetings to support the transition and winding up process.