

Agenda Items 3-5 LEP Integration

Title:	LEP Integration
Purpose:	To agree and complete the legal documentation required for the transfer of LEP Functions and Assets to Buckinghamshire Council, to amend the Articles of Association of BLEP and to agree the resignation of the Private Sector Members.
Recommendation(s):	<p>That Board members:</p> <ul style="list-style-type: none">a) Approve the Asset Purchase Agreement, as agreed with Buckinghamshire Council, outlining the terms of the transfer of LEP Function and Assets.b) Adopt new Articles of Association to create a governance framework for future decision making leading to voluntary dissolution of BLEP.c) Approve and complete the resignation letters for Private Sector members of this Board.
Response To Risk Register	The process for the transfer of Functions and Assets is in line with company law and complies with the wishes of Government to see closer alignment between Local Authorities and local business communities.

1 Introduction

At the December 2023 LEP Board Meeting Peter Collins from Sharpe Pritchard shared an outline of the processes and timetable that would need to be undertaken for the winding up of BLEP as a going concern and the transfer of its functions and assets to Buckinghamshire Council based on the principles of a 3-stage timeline encompassing **Asset Transfer; Private Sector Board Resignation; Company Close-Down**.

Today's meeting has been arranged to undertake those duties and to allow the transfer to take place ahead of March 1st as requested by the Board. The main purpose of the Director's meeting is to complete the Integration process with the completion of the Asset Purchase Agreement. The amendment of Articles of Association however is a material matter requiring Members agreement so the Directors meeting will adjourn after item 3 and reconvene as a Members (Shareholders) meeting for item 4. The Directors meeting will then recommence for consideration of item 5.

Peter Collins from Sharpe Pritchard will be present at the meeting to guide board members through process and advise on the basis on which all decisions are being made.

2 For Directors' Meeting - Asset Purchase Agreement

A copy of the final asset purchase agreement is attached as **Appendix 1** to this report. This agreement has been agreed with Buckinghamshire Council and Steve Bambrick the Corporate Director for Planning Growth and Sustainability has been given the authority to sign this document ahead of today's meeting.

The points previously raised by BLEP Board around the ringfencing of LEP funds (on transfer and arising from programme activity) for economic development, and the removal of the requirement for BLEP to provide warranty arrangements have been addressed in the agreement presented for signature. This final document has been approved by the LEP advisory group incorporating the Chair, Vice-Chair and Chief Executive.

The outstanding issue around the provision of Director's Indemnity through run off cover has been resolved by BLEP taking out cover for 2024/25 providing indemnity for resigning directors of up to £2m in line with current insurance arrangements. The term will run for 6 years and the premium for the reducing liability for years 2-6 will need to be met by Buckinghamshire Council from transferred funds.

Richardson's Accountants are re-appointed by BLEP to complete the final statutory accounts and corporate tax return for 2023/24. They are also producing a Statement of Assets to February 29th, 2024, and associated Balance Sheet and Profit and Loss statement to ensure that the transfer value, which will be noted on the Asset Purchase Agreement and can be shared with the Board prior to the completion of the Asset Purchase Agreement (Action a listed below).

3 For Members' Meeting - Adoption of New Articles of Association

New Articles of Association **Appendix 2** have been drafted to allow for the public sector Board Members to affect the dissolution of the company once private sector Board Members have resigned.

Sharpe Pritchard have advised that these articles should be as simple as possible, and not incorporate the usual arrangements such as the objectives of the company, as post-transfer, the company does not have those objectives given that the functions and assets will have transferred across to the Council.

Members are asked to agree the new Articles and Association (Action b listed below).

4 For Directors' Meeting - Resignation of Private Sector Board Members

Following the adoption of the new Articles of Association the private sector board members are able to resign. Draft copies of resignation letters have been shared in this board pack **Appendix 3** and will be available for signature at the board meeting.

Private sector Members are asked to resign (Action c below). Following signature, the resignation documents will be filed with Companies House.

5 Next Steps

Immediately following today's meeting LEP Staff will receive notification of the transfer of their employment to the Council from the Chief Executive. A copy of this letter is attached as **Appendix 4** to this report. The staff will formally take up their new roles within Buckinghamshire Council from March 1st.

As part of the communications arrangements supporting the transfer of Functions and Assets an impactful resignation letter has been prepared for the Chair to send to a group of key stakeholders following today's meeting. A copy is attached as **Appendix 5** to this report.

The Enterprise & Investment Board will look to meet in March for the first time to develop the programme for the implementation of the Economic Investment Fund for Buckinghamshire and to guide the operational management of the Enterprise Zone programme.

The Annual Performance Review for BLEP is already underway and copies of the assurance statements from the Section 151 Officer and the LEP Chair and CEO will be submitted before February 29th. Moving forward, new assurance arrangements are to be provided for Local Authorities taking on LEP functions and responsibilities.

The three remaining Public Sector Board members will oversee the formal closure of BLEP over the coming months ensuring that any remaining financial or governance reporting obligations are undertaken and reporting progress to the Buckinghamshire Growth Board.

Board members are asked to:

- a) Approve the Asset Purchase Agreement, as agreed with Buckinghamshire Council, outlining the terms of the transfer of LEP Function and Assets.**
- b) Adopt new Articles of Association to create a governance framework for future decision making leading to voluntary dissolution of BLEP.**
- c) Approve and complete the resignation letters for Private Sector members of this Board.**