

# Local Government North Yorkshire and York

**Meeting of  
Local Government North Yorkshire and York  
to be held on  
Friday 8 March 2019 at  
1.00 pm at the  
Cotton Room, Cloth Hall Court,  
Quebec Street, Leeds, LS1 2HA**  
(Location plan attached)

## **A G E N D A**

- 1. Substitutions and Apologies for Absence**
- 2. Exclusion of the Public and Press** – To agree that the public and press be excluded from this meeting during consideration of the appendices to the report on item 3 on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006
- 3. LEP Merge Update** - Report of the Chief Operating Officer, York, North Yorkshire and East Riding Local Enterprise Partnership

**Richard Flinton**  
Honorary Secretary

County Hall  
Northallerton

6 March 2019

### LGNY Y Membership

Constituent Authority	Representative
City of York Council	Member:- Councillor Ian Gillies Substitute:- Councillor Andrew Waller
Craven District Council	Member:- Councillor Richard Foster Substitute:- Councillor John Dawson
Hambleton District Council	Member:- Councillor Mark Robson Substitute:- Councillor Peter Wilkinson
Harrogate Borough Council	Member:- Councillor Richard Cooper Substitute:- Councillor Graham Swift
North York Moors National Park Authority	Member:- Mr Jim Bailey Substitute:- Mr Malcolm Bowes
North Yorkshire County Council	Member:- County Councillor Carl Les Substitute:- Councillor Gareth Dadd
Richmondshire District Council	Member:- Councillor Yvonne Peacock Substitute:- Councillor Ian Threlfall
Ryedale District Council	Member:- Councillor Luke Ives Substitute:- Councillor Steve Arnold
Scarborough Borough Council	Member:- Councillor Derek Bastiman Substitute:- Councillor Helen Mallory
Selby District Council	Member:- Councillor Mark Crane Substitute:- Councillor John Mackman
Yorkshire Dales National Park Authority	Member:- Mr Carl Lis OBE Substitute:- Jocelyn Manners-Armstrong

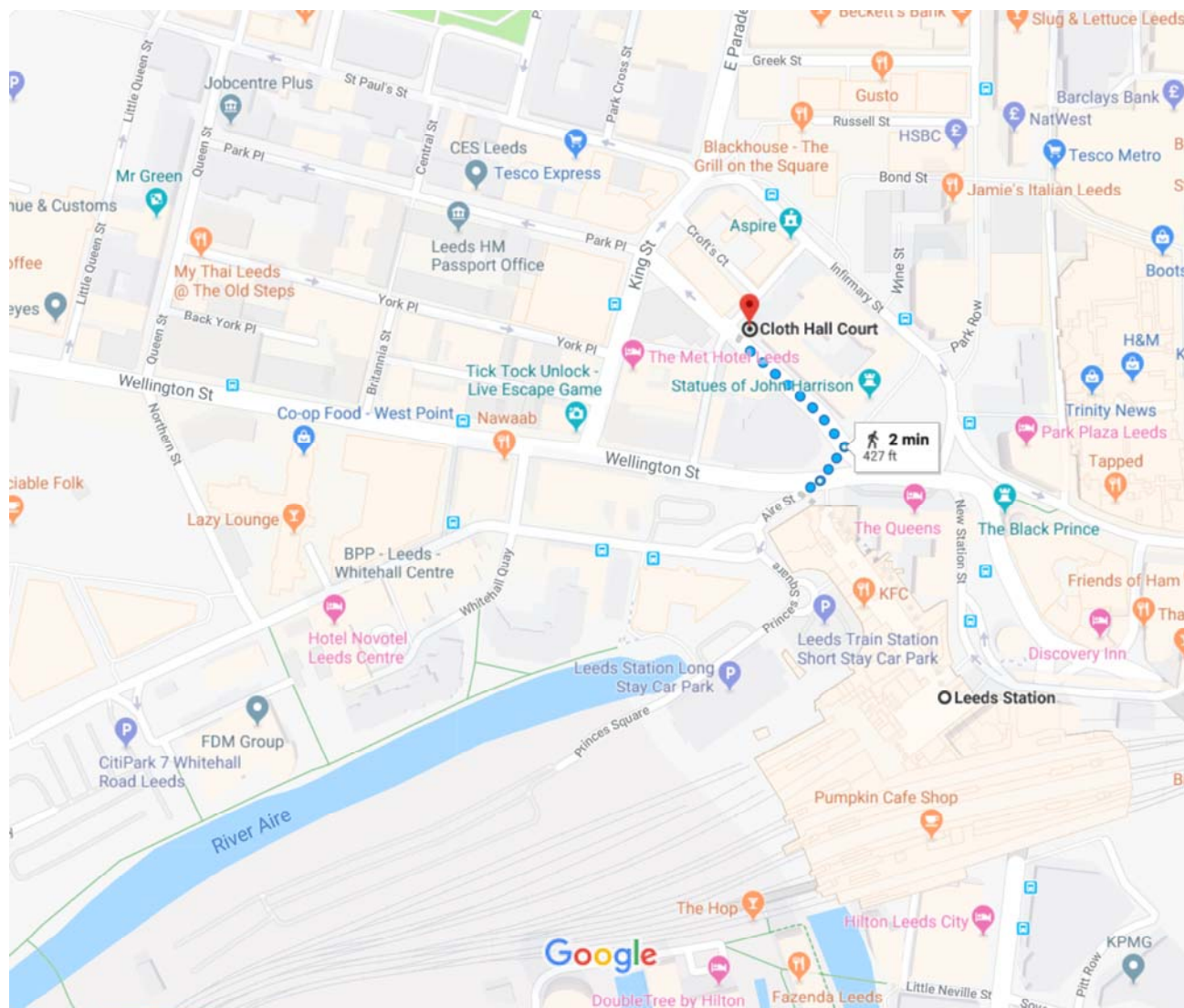
Paragraph 13.2 of LGNY Y's Constitution states that the Chief Executive of each constituent Authority shall be entitled to attend, but not vote at, each meeting of the LGNY Y, as may any other authorised officer from any constituent Authority.

The under-mentioned persons each have a standing invitation to attend LGNY Y meetings:-

- North Yorkshire Police, Fire and Crime Commissioner (*LGNY Y Minute 142*).
- East Riding of Yorkshire Council Leader and Chief Executive or their Substitutes (*LGNY Y Minute 29*)



Leeds Station to Cloth Hall Court, Quebec St, Walk 427 ft, 2 min  
Leeds LS1 2HA



Map data ©2019 Google 50 m

Use caution—walking directions may not always reflect real-world conditions

## Leeds Station

New Station St, Leeds LS1 4DY

- ↑ 1. Walk north-east on Aire St towards Wellington St  
46 ft
- ↑ 2. Continue onto City Square  
82 ft
- ↩ 3. Turn left onto Quebec St  
 Destination will be on the right  
299 ft

## Cloth Hall Court

Quebec St, Leeds LS1 2HA

**LGNYY MEETING:** 8 March 2019  
**REPORT PRESENTED BY:** James Farrar  
**TITLE OF PAPER:** LEP Merge Update

## **1.0 Introduction**

- 1.1 In order to progress the merge between YNYER LEP and LCR LEP, a Transition Working Group was created across both LEP Boards and the initial timeline was to be able to agree recommendations to submit to both LEP Boards for approval in March 2019,
- 1.2 The Transition Sub-Group (TSG) meetings have identified ambitious objectives for the new LEP. They have also highlighted key areas of challenge in setting up a new organisation. Whilst both LEPs would have preferred to retain existing arrangements (including the concept of overlapping areas which reflect actual economic geography) this appears not acceptable to government.
- 1.3 The first TSG meeting underlined the commitment to constructing a larger LEP that would yield the benefits of scale (primarily leverage and efficiency) whilst retaining those existing elements (place-based decisions and local delivery) that have underpinned the considerable successes of both existing LEPs. The second meeting had a more challenging agenda – starting to define the governance and organisational shape of the new LEP.
- 1.4 It was recognised from the outset that agreeing these matters would be difficult, given that both existing LEPs have distinctive arrangements (and accompanying organisational cultures) that have worked well for each organisation. Current arrangements (and the way each prefers to work with partners and stakeholders) are well-suited to their different approaches. Also, both have governance models that meet government expectations. Unsurprisingly, therefore, ideally both would prefer to retain their own way of doing things.

## **2.0 Areas of Agreement;**

- 2.1 We are close to agreeing some design principles around the new LEP
  - 2.1.1 Being new and being seen to be new
  - 2.1.2 Business at the heart of the LEP
  - 2.1.3 Displaying independence and avoiding conflicts of interest
  - 2.1.4 Should feel Local and a partnership in all parts of the patch
  - 2.1.5 Decisions made at an appropriate level
- 2.2 There is agreement between LCR & ourselves around the role of the Accountable Body (AB), with a clear understanding that whatever model we take, there will be the need to have an AB who complete legal and financial checks and they will need to approve investments in accordance with their procedures. There are 3 ways an AB can make a decision;
  - 2.2.1 Decision by full council or equivalent
  - 2.2.2 Delegation to a named officer
  - 2.2.3 Delegation to a formal committee – our preferred model is for the main LEP Board to become a formal committee of the AB

- 2.3 We have also agreed to split, for the purposes of organisational design, the role of WYCA as potential Accountable Body from the wider role of WYCA in supporting and influencing place based agenda's. This better enables us to consider WYCA as the Accountable Body and the issues on incorporation.
- 2.4 There has been strong joint work around the Local Industrial Strategy with an agreement to take a local approach. This will engage local areas to support identifying their priorities in partnership with the LEP. YNYER have proposed the following sub-areas for the York and North Yorkshire geography, reflecting the sub-areas agreed within the York, North Yorkshire & East Riding Spatial Framework, which has been approved by all Local Authorities via LGNYY.
- York & Its Hinterland
  - Yorkshire Coast
  - A1/A19 Corridor
  - M62 Corridor (incl link to East Riding/Hull)
  - Western Corridor (incl. A59 York-Hgte, Airedale Corridor, link to East Lancashire)
  - Yorkshires National Parks
- 2.5 There is clear agreement around business support and skills agenda's to bring the delivery together, notwithstanding the need to demonstrate local delivery or include local design where appropriate (e.g for Social inclusion).
- 2.6 Many existing EU programmes have been joint procured already and remaining EU funding is seeking to collaborate where possible. Additionally, YNYER have ensured their business advisers do not cover the overlapping geographies.
- 2.7 There is agreement around the treatment of legacy projects with existing Accountable Bodies being retained. This will ensure any end of programme over-commitment is managed locally and there is no expectation for over-commitments to be automatically transferred to future Shared Prosperity Funding or similar.

### **3.0 Areas of Difference**

- 3.1 The more difficult areas have been
- 3.1.1 Independence and conflicts of interest
  - 3.1.2 Decision making
  - 3.1.3 Secretariat Structure
- 3.2 Independence and conflicts of interest
- 3.2.1 YNYER have significant concerns there is a potential for real or perceived conflict of interest given the differing geographies of the Combined Authority and the new LEP.
  - 3.2.2 LCR believe WYCA is independent and there is no conflict of interest.
  - 3.2.3 WYCA has a statutory responsibility for economic development in West Yorkshire, however no remit across York and North Yorkshire.
  - 3.2.4 WYCA does however, successfully deliver economic development activity on behalf of Leeds City Region LEP.
  - 3.2.5 WYCA already delivers numerous schemes across business and skills (e.g Business Grants scheme) which, if continued may require LEP approval and could be delivered by other partners (public or private)
  - 3.2.6 YNYER have proposed an independent LEP Chief Officer and small (c.4-5 people) secretariat, employed by WYCA but reporting directly to the LEP Board and ensuring recommendations coming through are impartial and

independent. We in particular cited concerns where there may be a competitive process or WYCA wish to be the project sponsor.

- 3.2.7 WYCA would prefer a model whereby the MD of WYCA is the LEP Chief Officer and the LEP Secretariat is sub-merged into their existing structures with current agendas also considered through a 'rural prism'

### 3.3 Decision Making

- 3.3.1 A core principle agreed by the YNYER LEP Board, when proposing the merge was that the Local Authority where a place based investment was based should be included within the decision making process.
- 3.3.2 Whilst LCR have acknowledged this principle, no agreement has been reached on how this will be achieved.
- 3.3.3 YNYER have proposed 2 place based sub-boards reporting to the main LEP Board, one for LCR and one for Y&NY.
- 3.3.4 This in particular reflects that there is likely to be a maximum of 2 districts round the main LEP Board (we have submitted a proposal around this to government)
- 3.3.5 LCR are unwilling to agree this at present advising we don't know what funds the LEP will be responsible for. The YNYER position accepted this, however would work on the basis of funding similar to presents (Local Growth & EU Funded project types) and base assumptions on this.
- 3.3.6 It is accepted that structures may change in the future as the LEP role evolves, however YNYER believe the starting point should be a structure which secures the districts role.
- 3.3.7 The recent announcement of significant funding for towns, to be invested via LEPs in line with Local Industrial Strategies increases the likelihood of place based funding.

### 3.4 Secretariat Structure

- 3.4.1 Reflecting the above issues, YNYER have also proposed retaining a Y&NY 'team' to lead on policy/strategy and project development.
- 3.4.2 The rationale for this is that LCR, through the Combined Authority speak with a single powerful voice over a range of issues, with a Chief Execs and Directors of Development Group leading and influencing work
- 3.4.3 At the previous Transition Sub-Group Meeting it was agreed by both LEPs that the LEP role would be driving the Local Industrial Strategy and influencing the wider economic frameworks for LCR & YNY which may be different.
- 3.4.4 This team would be employed outside WYCA and would report to a YNY Board ensuring all YNY LA's have a clear line of sight and influence .
- 3.4.5 Retaining the Y&NY Team would support the work of YNYER Director of Development, driving forward a wider policy framework including wider work around the Spatial Framework, Housing Deal and Local Nature Partnerships which have been agreed by LA's across Y&NY.
- 3.4.6 Joint working would be at the heart of this model, ensuring there is no duplication of effort either by the LCR & YNY teams or for the LA partners. An initial review would identify areas of specialisation and collaboration and this would be subject to an ongoing review to ensure the model provided both strong local partnership and engagement alongside the benefits of working closely together.
- 3.4.7 The benefits of this approach are:
  - 3.4.7.1 a more equitable relationship between West & North Yorkshire
  - 3.4.7.2 greater buy in, ownership and influence at a local level

- 3.4.7.3 stronger local partnerships and more responsive to local needs
- 3.4.7.4 capacity retained in the sub-region rather than a single organisation
- 3.4.7.5 greater cohesion with other local strategies
- 3.4.7.6 ability to develop specialisms
- 3.4.8 To achieve maximum benefit from these arrangements it will, of course, be important to avoid the new LEP simply appearing as the continuation of the two existing organisations and ensuring that it is neither overly complex nor resource inefficient. In order to address these concerns, the following actions will be taken:
  - 3.4.8.1 N&W LEP Branding will permeate all activity. LEP activity will exclusively host LEP Branding
  - 3.4.8.2 the LEP Senior Management Team will comprise directors of both LCR & North & West Yorkshire Policy Units, along with the LEP Independent Chief Officer and WYCA Managing Director.
  - 3.4.8.3 an early piece of work will be to agree functions that are stronger at a whole-LEP level and where they will be developed collaboratively or either unit will provide the specialisation. For example:
    - LCR might specialise inward investment
    - Y&NY might specialise in rural
    - Tourism & Culture might be a collaborative approach
  - 3.4.8.4 the planning process should fundamentally review how local authority partners are engaged and provide recommendations which ensure stakeholder engagement across the LEP region, support the development of spatial priorities whilst ensuring no duplication of effort.
  - 3.4.8.5 economic Intelligence & evaluation will be commissioned through a shared service via WYCA Economic Intelligence Unit.
  - 3.4.8.6 communications will operate through a shared service, located across both offices building on the WYCA Corporate Communications capability and the YNYER strength in local engagement.

#### **4.0 Next Steps**

- 4.1 A verbal update will be given following the 5 March Transition Working Group
- 4.2 A further Transition Working Group is being arranged for April to allow these issues to be further worked through.

#### **5.0 Recommendations**

LGNYY are asked to support the ongoing work of both LEPs and provide input on the issues identified above.