



CONSTITUTION

THE LIVERPOOL CITY REGION LOCAL ENTERPRISE PARTNERSHIP

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1. INTRODUCTION

Local Enterprise Partnerships (LEPs) were proposed by Government to drive the economic growth agenda at local level. They invited bids from 'localities' to form bodies covering their natural functional economic areas which would be likely to be larger than local authority districts and counties but smaller than Regional Development Agency boundaries.

Since their formation their roles have been widened and in some areas they work in partnership with Mayoral Combined Authorities (MCA) who have been awarded additional powers and funding through Devolution Deals that complement the Growth Deals awarded to LEPs.

LEPs and their MCA are tasked with bringing forward their Local Industrial Strategy that will guide local and national investment priorities. To ensure that this is done collaboratively and in a fully transparent partnership LEPs whose boundaries are coterminous with an MCA may assume the legal personality of the MCA so that the LEP may execute their decisions through the MCA and alongside their decisions. This is captured in a joint National Local Growth Assurance Framework that clearly states the respective roles and responsibilities of the LEP and MCA and which is published.

2. THE GEOGRAPHY OF THE LIVERPOOL CITY REGION LEP

The geographical area covered by Liverpool City Region LEP and MCA is coterminous and comprises the local authority areas of Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral (hereinafter called "the City Region").

However, LEPs were expected to form around natural functioning economies and in that regard there is collaboration and engagement with neighbouring local authorities and LEPs but such relationships are not formalised in the same way as with the Liverpool City Region Combined Authority (LCRCA).

3. NAME

The LEP received Government approval in 2012 and was formed in March of that year and is known as "The Liverpool City Region Local Enterprise Partnership" (hereinafter called "the LEP Board").

4. AIMS, OBJECTIVES AND PRIORITIES OF THE BOARD

The LEP is a true partnership between local government and representatives of the private sector along with other notable sectors such as Higher Education and the Voluntary Sector. It will provide strategic direction for the City Region economy, ensuring alignment between national policies and local opportunity. The partners have joint responsibility for market stimulation and making recommendations for the commission of relevant economic activity. In governance terms, the LEP has adopted the legal personality of the LCRCA and so will act in a 'collaborative' capacity and not as a 'corporate' body. It is not incorporated and will not have the capacity to directly enter into any contracts either for employment or services. However, in adopting the legal personality of the LCRCA it will make decisions on the funds that are awarded to it in its own right and the LCRCA will execute those decisions as if taken by itself. Setting aside this legal accommodation, the LCRCA is the LEP Board's nominated accountable body

for all funds for which it is accountable. Whilst the LEP Board reserves the power to make decisions as to how funds awarded to it should be used, the LCRCA provides adequate and appropriate executive support to the LEP Board to advise on whether those decisions are legal, appropriate and compliant with the funder's requirements.

The LEP Board acts as the primary body to provide strategic direction for the City Region economy and will seek to drive key ambitions for economic growth in areas such as employment and skills; business support; inward investment and international trade; marketing and tourism, it will also provide business input on transport and housing, as appropriate, recognising that these areas are led by the public sector. Aligned to this is an overarching commitment to develop the City's status as a thriving European and international City Region. In order that the LEP is able to satisfy this responsibility, the LEP will require executive support through partners and any other appropriate delivery entities. More specifically, Government intends that LEPs are independent and able to make legitimate and appropriate challenges of their local government partners. In order that this is achieved they need access and support of a dedicated executive resource which is independent of local government. The LEP and the LCRCA have agreed a new structure of companies to support this LEP Board activity and its requirements, as well as any work the LCRCA may wish to commission. The LEP and LCRCA are the sole members of the group and act as its guarantors. A separate Members Agreement records the arrangements for the control of the group.

The LEP will work to create the right environment for business and growth and ensure appropriate mechanisms exist through which the private sector can inform and influence the shape and future direction of local and national government policy and services to deliver such growth agenda.

All delivery bodies undertaking such activity on behalf of the LEP for the benefit of the City Region will be expected to demonstrate clear outcomes, fitness for purpose and value for money and this will be assessed through the National Local Growth Assurance Framework (NLGAF). The NLGAF is a joint Assurance Framework for LCR covering funds awarded to both the LEP and CA.

The NLGAF replaces the LEP Assurance Framework but does not remove the accountability of the LEP for Local Growth Deals covering all Government funding flowing through Local Enterprise Partnerships, to ensure they have robust value for money processes in place. The exception to this was where the LEP has agreed that funds would be administered through the Strategic Investment Fund (SIF) in which case, the LCR SIF Assurance Framework was used but now the NLGAF combines both Assurance Frameworks into a single one.

The accountability of the LEP for the funds awarded to it is set out in the NLGAF and there are some specific responsibilities for the LEP as follows;

- to oversee the development of an appropriate pipeline of projects.
- to monitor delivery of investments/projects using the outputs of monitoring and evaluation of information to inform future project prioritisation; and
- together with the Combined Authority, to lead on the development of a transparent methodology to enable strategic decisions to be taken across different policy areas and allocate resources to schemes that will deliver the greatest benefits.

The LEP will also

- Provide strategic leadership and will be tasked with determining key investment priorities and act as a co-ordinated voice for the City Region. This will include, but

not be limited to, inputting to a City-Region Single Growth Strategy as its Strategic Economic Plan;

- Support the development of bids to Central Government including for devolved funds;
- Monitor Growth Deal implementation and delivery to ensure future prioritisation of bids or asks;
- Identify opportunities and leverage of funding from the private sector;
- Provide leadership on key sectors for economic growth, presently the low carbon economy, Superport, innovation, digital and creative, health & life sciences, professional and business services, advanced manufacturing and the visitor economy and also any other sectors that are subsequently so determined.
- Provide input, as required, on creating the conditions for private sector growth through, planning, transport and strategic housing delivery as part of an integrated approach to infrastructure delivery with the CA and LAs; and
- Provide input and strategic insight to take forward an overarching strategy for locally targeted business support activity.

5. MEMBERSHIP OF THE BOARD

The Board will consist of an appropriate number of individuals, but no more than twenty, who reflect the local economy and so allow public sector partners to engage with an appropriate and relevant group from the private sector and other sectors including the Third Sector. In addition to the twenty members up to five additional short-term (one year) appointments from the private sector can be used to augment the Board adding particular expertise or specialism as required for that term of office.

The composition of the Board will ensure that a majority of members, no less than two-thirds, is taken from the private and other non-public sectors such as higher education and voluntary (for ease of description this cohort will be called 'private sector'). The balance of members, no more than one-third, will be taken from a group consisting of the Metro Mayor and City Mayor and Leaders of the six local authorities named in paragraph 2 above.

These latter positions would be chosen by that group and unless rotating could be made ex-officio. The constituents of this group would be subject to review should the geography of the LEP or CA alter.

The duty of a Board member, irrespective of his or her particular background or geography, is to act in the best interests of the City Region as a whole.

The Chair will be taken from the private sector cohort and will also act as a LEP Member/Guarantor of the holding company of the group of companies described in section 4, this has oversight and control over the LCR Growth Company (Company Number 2753023) which amongst other roles is commissioned to provide a range of executive and delivery services to the LEP and Combined Authority. The Chair of the LEP Board will not sit on the board of the LCR Growth Company but will have the power to appoint/dismiss the Directors of that Board.

In order that the LEP sub-boards are directly engaged, either the Chairs of the sub-boards will sit on the LEP Board or champions will be nominated from the LEP Board to sit on the sub-board. Such decisions may be deferred until required to allow the LEP

Board's composition to be properly assembled to reflect changing circumstances without becoming unwieldy.

(a) Term of appointment

The term of office for private sector members will be a maximum of 3 years although, by agreement of the LEP Board, a second term may be served consecutively. Although 3 years is the maximum term, shorter terms may be offered to facilitate rotation of expertise and background. This excludes the ability to co-opt additional Members for a period of one year.

(b) Membership Sectors and Proportions

The LEP Board's membership will comprise of two sectors - the local authority sector and non-local authority (described as 'private sector' for this purpose). The respective proportions of representation will be 33% and 67%. Increases in public sector body representation would need to be matched by an increase in private sector representation to maintain these proportions up to a maximum of twenty Members.

(c) Alternate Members

In order to maintain consistency and focus, Alternate Members will not be allowed. However, the arrangements for representation of local government as described above may mean that different representatives will attend meetings and will have the same powers and rights.

(d) New Members

In the event of the resignation of a private sector member, the Board may immediately seek a replacement or else defer such decision as circumstances require. The responsibility for proposing replacement candidates for Board approval for the private sector cohort lies with the Appointments Committee. In the case of the local government representatives as these are ex-officio positions they any changes caused through elections will transfer to the newly elected Metro Mayor, City Mayor or Leader but who will attend as per the arrangements for selecting representatives to the LEP Board.

(e) Termination of Membership

Any member wishing to resign from the LEP Board may do so at any time by writing to the Chairman and the Chairman will immediately inform the LEP Board and Secretariat. The LEP Board will then determine whether to take steps to put in place procedures to select a replacement. Performance of individual members would be considered a disciplinary matters and would be dealt with by the Appointments Committee.

(f) Participating Observers

The LEP Board may, under the authority of the Chair, periodically allow for attendance by Participating Observers as it deems appropriate, to support the work of the LEP Board and provide visibility and transparency over the conduct of the LEP Board.

(g) Executive attendance

Executives from partner bodies have no right of attendance but there is an expectation that certain executives will routinely attend meetings and others will be required to attend for a specific purpose. Those required to attend routinely and who together should be considered the independent executive secretariat are;

LCR Combined Authority Head of Paid Service
LCR LEP Finance Director

It should be noted that the two LCR LEP positions are nominated executives of the LCR Growth Company. These individuals perform dual roles in having executive responsibilities for the LCR Growth Company but also providing independent support to the LEP Board at a senior level and representing it and its interests with Government or with other national or regional groups as well as within LCR. Separate role descriptions exist for the latter roles as these may transfer from the current nominees at the discretion of the LEP Board.

6. FUNCTIONS AND RESPONSIBILITIES OF THE BOARD

The role of the Board will be to:

- Provide strategic insight on the challenges and opportunities for growth of the Liverpool City Region economy;
- inform key sub-regional, regional and national strategies, in particular the Local Industrial Strategy;
- inform the City Region Economic Strategy, Local Growth Deals, Single Growth Strategy and any other strategic economic plans for the City Region and any subsequent amendments or updates;
- monitor delivery of the LCR Growth Deals, Single Growth Strategy and Strategic Economic Plan together with enabling and supporting action plans;
- approve the use of any funds designated to directly support LEPs e.g. Core Funds, Growth Hubs etc schedule;
- approve and amend the Constitution;
- appoint its Chair and Vice Chair;
- appoint other Members of the Board
- form appropriate sub-boards and appoint a Chair to develop terms of reference and membership for agreement by the LEP Board;
- appoint representatives to selected outside bodies; and
- establish any task and finish groups appointing their Chairs and determining their terms of reference.

In addition to the above individual Members may represent the LEP Board or the LCR on external groups, or to make representations or give evidence in support of the LCR's ambitions for growth.

7. ACCOUNTABILITY

The LEP provides strategic insight for the City Region in matters of economic development. With regard to the funds awarded to it, it will reserve jurisdiction over certain funds on which it will make decisions. The LCRCA will on behalf of the LEP Board make decisions on funds that will be invested through the Strategic Investment Fund (SIF). In either case, the LEP will remain accountable to Government for those funds but the Combined Authority will have administrative responsibility and accountability to the LEP for the use of those funds. A schedule of these funds is included in the LCR National Local Growth Assurance Framework and is kept under review annually. The LEP is made accountable through a number of mechanisms:

- a. Local democratic accountability is through the inclusion on the LEP Board of the local government representatives who will be taken from the Metro Mayor, City Mayor or Leaders of the Local Authorities.
- b. Executive accountability is through the National Local Growth Assurance Framework and the role of Government in monitoring and evaluating performance

- c. General accountability is through the transparent and public access to the agenda, minutes and accompanying papers that record decisions and the rationale by which they were noted approved or rejected.
- d. The LEP Board is within the scope of the Overview and Scrutiny Committee of the LCRCA and the six constituent local authorities.

LEP ACCOUNTABLE BODY

The LEP Board will appoint a single local authority to act as the accountable body and who will also provide Committee Secretariat support so that its meetings meet the standards required presently, LCRCA fulfills this role.

8. INDEPENDENCE OF THE LEP BOARD

As stated, Government policy with regard to LEPs operating in MCAs is that they may adopt the legal personality of the MCA but must remain independent being directly accountable for funds awarded to it and also be free to challenge the policy and decisions public bodies with which it works within the scope of economic growth. Local agreement and provision on preserving its independence, particularly in respect of executive support, is also included in the NLGAF.

9. MEETINGS OF THE BOARD

(a) Annual Meeting

An Annual Meeting of the LEP Board will be held each year in public and which can be attended by any interested parties. The LEP will produce and publish an Annual Report and Annual Delivery Plan on the activities of the LEP and the Annual Meeting will provide an opportunity for feedback on both of these.

(b) Election of Chair and Deputy Chair

The LEP Board will appoint a Chair and a Vice Chair from the private sector. The Appointments Committee will oversee this process and appropriate arrangements will be made to put forward nominees for these appointments. Any vacancy arising unexpectedly in any of these offices will be filled temporarily at the next meeting following the occurrence of the vacancy.

Any Board Member (including any Chair or Vice Chair) will be entitled to serve a maximum of two individual terms, the duration of each will be a maximum of three years.

(c) Frequency of Meetings

- (i) The LEP Board will meet regularly, at least 6 times per calendar year, unless in the opinion of the Chair the business to be transacted does not warrant the holding of a meeting, or they consider that an additional meeting is warranted.
- (ii) A Special Meeting of the Board will be convened on a minimum of 14 clear days' notice following receipt by the Secretariat of a request from the Chair or from not less than five Members.

10. PLACE OF MEETINGS

Meetings of the LEP Board will be held at venues approved by the Chair on behalf of the LEP Board.

11. QUORUM

The quorum for meetings of the LEP Board will be no less than 8 of its membership of

which in addition to the Chair or Vice Chair should include 1 from the public sector. For the avoidance of doubt the 33:67 split of membership does need to be present to validate the quorum of a meeting.

12. VOTING

- 12.1 The principle of decision making by the LEP Board will be that, wherever possible, decisions of the Board will be by a simple majority, without the need for a vote. Where this is not possible a vote may be taken where the Chair considers it to be necessary to establish whether a consensus exists. The vote will be by way of a show of hands and the vote of each member recorded in the minutes.
- 12.2 In the event of a vote, only bona fide members will be entitled to vote (including the Chair). In the event of a tied vote, the Chair has no second or casting vote. Any motion or proposal which results in a tied vote, will be deemed not to have been agreed.
- 12.3 Any member may request a formal ballot.

13. AGENDA

Copies of the Agenda for meetings of the LEP Board will be circulated to members normally at least seven days before the meeting, together with any relevant reports and documents. Unless otherwise agreed in advance, papers shall be circulated by e-mail.

Matters for inclusion in the agendas will be sent to the Secretariat at least 18 days before the meeting and the reports or documents for the meeting at least 14 days in advance.

Unless exempt all agenda and papers will be published 7 days in advance of the meeting and draft minutes within 10 working days of the meeting.

14. ALTERATIONS TO THE CONSTITUTION

Alterations to this Constitution will be made only by the LEP Board and at the earliest quorate meeting occurring after the cause of the change is identified.

15. ATTENDANCE OF THE PUBLIC AT MEETINGS

Meetings of the LEP Board will be closed unless determined otherwise by the Chair but the agenda, minutes and attending papers (although elements may need to be exempt or redacted) will be made public 7 days in advance of the meeting. In this respect a publication scheme will be maintained as well as a policy on Freedom of Information requests. The LEP Board will also have a Communications Policy.

16. APPOINTMENTS COMMITTEE

The LEP Board will have a standing committee that will deal with all appointments to the LEP Board and to the Chairs of any sub-boards, committees or other working groups.

Terms of Reference for the committee will be agreed with the LEP Board and a Chair will be agreed by the LEP Board who will then form the committee.

17. SUB-BOARDS, COMMITTEES AND OTHER WORKING GROUPS

The Board may form sub-boards, committees or other working groups as it sees fit and which provide additional expertise and capability with specific terms of reference. These sub-groups will, with the approval of the Board, elect a chairman and a deputy chairman of its meetings. Should the Chair or Deputy Chair not be a member of the LEP Board, then the LEP Board reserves the right to appoint one of its number to be a member of

the group and would be referred to as the LEP Board Champion.

The LEP Board will also approve the Terms of Reference of each of the sub-groups and require that they be reviewed annually unless they are time-limited for less than 12 months.

Such sub-groups are also required to produce and submit regular reports on progress against the purpose for which they have been formed and which is described in their terms of reference. The reporting responsibility lies with the Chair and Deputy Chair but by agreement the LEP Board Champion may assume responsibility for reporting this to the LEP Board.

As the main purpose of these groups is to advise and support the LEP Board, they have no authority, particularly in a commissioning role, unless specifically agreed and recorded as a delegated power.

18. ADVISORY COUNCIL

In addition to the sub-groups detailed at paragraph 16 above, there will also be an Advisory Council. The function of the Advisory Council will be to provide a wide-ranging stakeholder group who consider the LEP Board's economic strategy and its progress towards the achievement of its economic objectives, targets and actions.

The Advisory Council will consist of persons deemed to be capable of contributing relevant experience and make recommendations regarding the economic objectives, targets and actions and are not engaged by organisations that are represented on the LEP Board or agencies or authorities that regularly attend meetings of the LEP Board.

Unless otherwise agreed by the LEP Board, the Advisory Council will not have less than 15 members. The LEP Board will nominate not less than 12 individuals to be members of the Advisory Council and the Advisory Council may co-opt at least six individuals to be members of the Advisory Council.

The Chair or Vice-Chair of the LEP Board will convene not less than two meetings of the Advisory Council in each year and one or the other of them will preside over each such meeting and will give a report to the LEP Board on what was discussed at the meeting.