3.0 CHANGES TO THE WORCESTERSHIRE LEP BOARD AND VOTING RIGHTS ON THE BOARD

WLEP BOARD RECOMMENDATION

The Board is asked to:

1. Note the role of the National Assurance Framework and the Worcestershire Assurance framework which outline the governance of the LEP including the delegation from WCC to the LEP Board.
2. Note the role of the LEP Board and its responsibilities, noting some of these have changed due to government policy since the Assurance Framework was adopted in 2019.
3. Agree to the proposed increase to the number and make up of Board members including the HW Chamber of Commerce and District Council representatives.
4. Agree the voting rights remain as one member one vote in line with the current Assurance Framework.
5. Agree to extend all terms of office to all members of the Board to March 28.

3.1 Background

3.2 Following a review of Local Enterprise Partnerships by Government in 2023, changes to national policy were made, and responsibility for LEP functions transferred to Worcestershire County Council (WCC) from 1 April 2024, with WCC acting as the Accountable Body for all legacy LEP funding and assurance arrangements.

3.3 Within this national review, the subsequent guidance gave the authority for the County Council to continue the LEP model should it wish to do so. However, the governance of these partnerships would remain under the national assurance framework, and accountability would remain with the County Council as the Accountable Body.

3.4 National Assurance Framework

3.5 The National Framework sets out HM Government's minimum standards for how Local Enterprise Partnerships (LEPs) manage public funding. It exists to ensure that funding decisions are; transparent and accountable; taken within robust governance arrangements; based on evidence and deliver value for money. The most recent issue was 2021.

3.6 The Framework was strengthened following independent reviews and National Audit Office findings that highlighted weaknesses in LEP governance, assurance, and transparency. Government retains powers of intervention or funding withdrawal, and therefore strong local assurance is essential to protect public money and reputation.

3.7 Core Elements of the National Framework

3.8 Partnerships must demonstrate a clear board structure with scheme of delegation, effective management of conflicts of interest, board conduct consistent with the Nolan Principles of Public Life **and appropriate private-sector leadership with public-sector accountability.**

3.9 Have accountability and transparency through published agendas and minutes, operate a complaints and whistleblowing procedures, maintain a clear record and audit trail of decisions and work through an identified Accountable Body, usually a local authority or mayoral combined authority for financial probity, legality, and audit.

3.10 The role of the board has collective responsibility to set the tone for good governance and standards of behaviour, ensure decisions are strategic, evidence-based, and deliver value for money and provide challenge and oversight of performance, risk, and compliance of the executive team.

3.11 The risks of non-compliance may result in government reviews, requirements to strengthen local governance arrangements, reallocation or withdrawal of funding and concerns over damage to the local reputational to the partnership and geography.

3.12 WLEP Local Assurance Framework

3.13 The current WLEP Local Assurance Framework was approved in May 2019. It sets out the systems and processes used to manage public funds in accordance with Government guidance. The Framework was approved by the WLEP Finance, Audit and Risk Committee and the Accountable Body's Section 151 Officer. Although, since 2023/24, no funding now goes directly from Government via WCC to the LEP, however, the partnership is still bound by these rules, and any funding goes through the County Council's systems and processes.

3.14 Governance arrangements of the WLEP Board

3.15 The Framework defines the governance and oversight arrangements, including the Board's role, the composition of its membership (including co-opted members), and the process for appointing members. The WLEP Board is responsible for strategic direction and investment decisions. Sub-boards under the LEP Board, including Innovation and Employment and Skills, support the delivery programme.

3.16 Within the WCC Scheme of Delegation, the Leader of the County Council delegates decision-making to the LEP Board. The Leader of the Council gives delegated authority to the Local Enterprise Partnership to act and make decisions on the economic strategy on behalf of the County Council. Decisions of the LEP Board can then only be enacted by agreement of the Cabinet Member and the Director of Economy and Infrastructure.

3.17 This delegation, last signed in December 2025, from the Leader to the Director

Worcestershire Local Enterprise Partnership

The Worcestershire Local Enterprise Partnership (WLEP) undertakes a number of economic functions across the county in line with its statutory role. It is not a formal legal entity and the Council acts as the Accountable Body for the WLEP. Accordingly, it is expedient for there to be a streamlined process whereby the Council can give formal effect to decisions of the WLEP Board where necessary and appropriate.

It is expedient to address such decisions through delegated decision-making. I therefore authorise the Director of Economy and Infrastructure in consultation with the Cabinet Member with Responsibility for Business & Skills to take all decisions on behalf of the Cabinet acting as the Executive which are necessary to endorse and give formal effect to the

recommendations or decisions of the WLEP Board in relation to the WLEP's functions related to the Economic Strategy of the County.

Therefore, the WLEP Local Assurance Framework continues to operate as the basis for assurance of legacy LEP funding, any new funding and a dedicated WLEP reserve held by WCC following the transfer of LEP functions into Worcestershire County Council.

3.18 Existing governance and assurance arrangements are being maintained during the transition period to the establishment of a Strategic Authority. Equally it will be for the new unitary Council (s) to determine the governance of the functions of the LEP or any economic partnership.

3.19 The governance of the WLEP is therefore set out in the Local Assurance Framework, which provides a robust, transparent and compliant mechanism for the management of public funds, ensuring accountability, probity and value for money. Within the Assurance Framework, the Board structure and voting rights are outlined. Governance - Worcestershire LEP

3.20 ROLE OF THE WORCESTERSHIRE LEP AND THE BOARD

3.21 The role of the Worcestershire LEP is to:

- Provide strategic leadership and develop a long term vision related to Worcestershire's economy, providing strategic insight on the challenges and opportunities facing the county.
- Champion Worcestershire's economic vision and promote bold solutions.
- Secure finance, attract investors and encourage local-to-national bodies to match resources to achieve Worcestershire's ambitions.
- Lead and co-ordinate Worcestershire interests from business, public and third sector networks and organisations to drive forward economic growth.
- Share knowledge, practice and intelligence in Worcestershire as well as across the national LEP Network to support best practice and have Worcestershire recognised as a high priority area.

The Assurance Framework outlines the responsibilities of the collective Board are to:

- Set strategic priorities and approving the LEP's Business Plan to deliver its long term vision.
- Make the primary investment decision on government investments in accordance with the WLEP Scheme of Delegation included at Appendix 2 and published on the WLEP website
- Approve the annual revenue budget and monitoring of its performance in terms of finance and project delivery and ensuring its probity, following the assessment and recommendation made by the Finance, Audit and Risk Committee.
- Provide strategic leadership on the Worcestershire economy, lobbying and influencing government, its agencies and other relevant organisations to ensure that the county's needs are met.
- Actively promoting Worcestershire to prospective inward and indigenous investors and assisting organisations to locate and expand within the county.
- Recruiting Business members to the Board, the Finance, Audit and Risk Committee, Employment and Skills Board and any other task and finish groups and to approve the nomination of a Chair for both the WLEP Board and any sub-groups.

3.22 Since adoption of the Assurance Framework in 2019, some of these responsibilities have been superseded by government decisions to route funding through Local Authority and Further Education partners directly. Also, as previously referenced in this paper, the change with the last LEP review was to move the functions of the LEP into the County Council. This meant the accountable body deemed there was no need to duplicate internal WCC financial, audit and risk arrangements in a separate Finance, Audit and Risk Committee for the LEP, and therefore this Committee has been abolished.

3.23 BOARD COMPOSITION AND VOTING RIGHTS

3.24 **CURRENT BOARD ARRANGEMENTS**

3.25 There are currently fourteen Board members; seven from the business sector, three from local government and two from Worcestershire's Higher or Further Education sectors, in addition to an independent business sector Chair, and the WLEP CEO.

3.26 Private sector representatives are recruited with the aim of reflecting different sizes and sectors of commerce and industry, and the geography of the area. The Board will be quorate with a minimum of 6 members in attendance.

3.27 The WLEP Board is business-led, with private sector representatives forming the majority of voting members. This reflects the national requirement for LEPs /Business Boards to be business-driven partnerships, while operating within a public accountability framework. Voting members are appointed in line with agreed terms of office and are required to comply with the Board's Code of Conduct and Conflicts of Interest Policy.

3.28 Local authority representatives, including Worcestershire County Council in its role as Accountable Body, attend the Board but do not normally hold voting rights on investment decisions. This separation is intentional and reinforces:

a) The business-led nature of the Board's strategic and investment decisions; and

b) The distinction between decision-making (the LEP Board) and financial and legal accountability (the Accountable Body).

c) The Chair of the WLEP Board, a private sector representative, holds a casting vote in the event of a tie, ensuring decisions can be concluded efficiently.

3.29 Certain attendees, including officers, observers and representatives of partner organisations, may attend Board meetings in a non-voting capacity to provide advice, technical input or assurance as required. The WLEP CEO would move into this category.

3.30 **CHANGES TO LOCAL AUTHORITY REPRESENTATION**

3.31 Given the changes to funding and the investment from Districts Council into the LEP and its projects particularly Worcestershire Growth Hub, Betaden and Careers Worcestershire. This means that it is proposed that Worcestershire County Council and the six Districts have a seat each on the Board.

3.32 It is also recognised that the relationship between the LEP and the Business Representative Organisations is important moving forwards, with Local government

reorganisation and devolution on the horizon. Therefore, the proposal is to add a representative from the Herefordshire and Worcestershire Chamber of Commerce onto the Board to enable this relationship to have input into future discussions. This would add on an extra representative to the private sector members.

3.33 This increases the Board numbers to the following:

	Current	Proposed
Private Sector members	7	8
HE and FE reps	2	2
Local Authority members	3	7
Private Sector Chair	1	1

3.34 This maintains private sector leadership of the agenda and board. No amendments would be required to the assurance framework, other that the numbers of members attending the Board meeting. Voting rights could also be maintained as one member, one vote.

3.35 Appointment of representatives will maintain in line with the existing assurance framework, whereby nomination from organisation will be confirmed in line with their processes.

3.37 Finally, given uncertainty around governance arrangements that will emerge following Local Government reorganisation and Worcestershire devolution arrangements are still to be decided by government, it is proposed to extend terms of office to March 2028 of all Board members, unless changes are agreed within their own organisation to change the representative.