Item No.12ii

**Stoke and Staffordshire Local Enterprise Partnership**

**Executive Board – 19th December 2019**

**Company Status Update**

1. Articles of Association

The special resolution amending the articles was passed on 10th December 2019, and the updated articles to increase the district/borough council members and therefore directors from 3 to 4 and to increase the number of University Members and therefore directors from 1 to 2 and dispense with the annual rotation of the University Director place, are now in the process of being posted at Companies House.

A summary of the amended articles is therefore: -

* The number of Members / Directors is a minimum of 8 and a maximum of 18.
* Two Local Authority Directors (SCC and SoT) and a maximum of 4 other District / Borough Council Directors.
* Two University Directors
* Local Authority and University Directors may appoint alternates if desired.

In order to be quorate, a minimum of 9 Directors need to participate in any Executive Board decisions, and no less than two thirds of those participating should be private sector Directors (University Directors are classed as private).

A list of the current Directors (17) is attached for information at Appendix 1.

1. Representation Targets

The government has set LEP’s a target of having private sector representation of two thirds (66%) by April 2020. The SSLEP currently has 11 private sector Directors (65%). The appointment of one further private sector member will result in the target being met.

The government has also set a target for gender diversity of one third (33%) female Directors by April 2020. The SSLEP currently has 7 female Directors (41%).

The SSLEP are making good progress against these targets which are one of the compliance checks around governance which are undertaken as part of the annual performance review.

1. VAT Status

Prior to the SSLEP becoming a company, the Accountable Body automatically claimed VAT back on purchases / payments on behalf of the SSLEP. Since the creation of the SSLEP company there is some confusion nationally as to whether the Accountable Body can continue to claim VAT back. The impact of not being able to re-claim VAT is estimated at circa £65k p.a. for the SSLEP. The issue has been raised again recently with the LEP Network to try and finally resolve / clarify the position and a decision is still awaited. In the interim period the Accountable Body continues to reclaim VAT on behalf of the SSLEP. The Board will be updated when this issue is resolved.

1. Company Accountants

Discussions have been held with a firm of local accountant’s (Dean’s Accountants, Redhill, Stafford), in respect of acting as the SSLEP accountants / auditors. The scope of the role of the company accountants is currently being agreed as there is flexibility over the level of detail that could be produced in respect of the formal accounts of the SSLEP company, ranging from unaudited high-level statements to a more detailed audited profit and loss account and balance sheet. Although there is no official guidance to LEP’s on the level of detail that should be provided, there is an expectation that it should incorporate some level of audited accounts. The level of detail that is decided upon will be reflected in the cost to the SSLEP, and provision has been included in the budget to cover these costs. An update will be provided to the Board once these discussions have been completed.

The Accountable body will continue to produce management accounts for the purpose of reporting to the Board, production of the Annual Report etc.

1. Company Secretary Role

Staffordshire County Council as part of its role as Accountable Body, currently provide the Company Secretary role for the SSLEP e.g. updating formal company documents on Companies House, providing advice and support in respect of the Articles of Association and Local Assurance Framework etc. The request that SCC undertake this role was initially for a temporary period, whilst the capacity of the SSLEP secretariat was increased.

It is proposed that the SCC be requested to continue to act in the role of Company Secretary until the end of May 2020, whilst the new appointments to the SSLEP secretariat are made.

**Decision: That SCC be requested to continue to act as Company Secretary until end of May 2020.**

Simon Ablewhite (Accountable Body) /

Jacqui Casey (Interim Partnership Manager

11th December 2019

**Appendix 1**

**Current Board Directors**

***Private Sector***

Alun Rogers (Acting Chair)

Wendy Dean

Paul Farmer

James Leavesley

Mohammed Ahmed

Sara Williams

Caroline Brown

Hannah Ault

Sinead Butters

***Public Sector***

Cllr Phillip Atkins

Cllr Abi Brown

Cllr Patrick Farrington

Cllr George Allen

Cllr Jeremy Oates

Cllr Simon Tagg

***Universities***

Prof. Liz Barnes

Prof. Trevor McMillan