

Hull and East Yorkshire LEP Board

HEY LEP Ltd – Paper C – 26th May 2021

Report from Teresa Chalmers and the Accountable Body, Hull City Council.

1. Summary

- 1.1. The Department for Business, Economy and Industrial Strategy have confirmed that the HEY LEP will need to form a company limited by guarantee. The company will not be used to transact LEP business as Hull City Council, as the Accountable Body carries out this role on behalf of the LEP.
- 1.2. This will therefore entail all board members becoming directors of the company with liability insurance in place to provide protection against personal liability.

2. Recommendations

- 2.1. To apply for change of name of the existing Humber LEP Ltd. to form the new HEY LEP Company and to appoint current Board members as directors to simplify arrangements, with Hull City Council as sole member.
- 2.2. To use the Hull and East Yorkshire Local Enterprise Partnership Ltd. as the formal name of the company.

3. Report

- 3.1. Following a period of review, BEIS have confirmed that company registration is needed and that the National Local Growth Assurance Framework remains in force and should be adhered to throughout 2021-2022. This indicates that the LEP needs to seek adoption of a legal personality.
- 3.2. Hull City Council, the LEP's Accountable Body, established Humber LEP Ltd in 2012. The company did not engage in any active transactions but provided the legal identity that was required by Government. Many LEPs were originally set up as either un-constituted partnerships or a company limited by guarantee, until the Strengthened Local Enterprise Partnerships Review in 2018, which required LEPs to have their own legal identity or assume that of a MCA or CA where they existed.
- 3.3. The purpose of setting up the Humber LEP company as a company limited by guarantee was to limit the liability of its directors to the amount of their guarantees – usually between £1-10. The Articles and Memorandum of Association contain the responsibilities of all directors and names of the new directors will be published on the HEY LEP website and in local authority reports where appropriate. Directors' identities will also be recorded on Companies House website. This will comply with statutory requirements.
- 3.4. Any future assets of the company would transfer to any successor body having the same objectives, or revert to the Accountable Body, but this must be reflected in the company's constitution.

3.5. The company will have to abide by the Companies Act rules as well as local government rules, such as submitting annual returns and accounts even if no trading occurs. <https://www.legislation.gov.uk/ukpga/2006/46/contents>

3.6. HCC, as Accountable Body will act as secretariat to the company and will ensure that all accounting and reporting requirements are met.

3.7. The existing company has model articles of association and these will be retained.

4. Financial and resource implications

4.1. Companies House will charge £8 to change the name of the Humber LEP Ltd to the Hull and East Yorkshire Local Enterprise Partnership Ltd.

4.2. The Accountable Body will provide directors liability insurance which will need to be in place immediately to ensure the appropriate protection is in place.