

COMBINED AUTHORITY MEETING

2 OCTOBER 2024

**NOVATION OF AGREEMENTS – YORK AND NORTH YORKSHIRE LOCAL
ENTERPRISE PARTNERSHIP**

Report of the Interim Deputy Monitoring Officer

1.0 Purpose of the Report

1.1 The purpose of this report is to update the Combined Authority on progress around novation of agreements with the creation of the Combined Authority and to seek approval for the novation of live agreements from North Yorkshire Council to the Combined Authority.

2.0 Recommendations

2.1 That approval be given for the Combined Authority and North Yorkshire Council to enter into novation and/or variation agreements to enable the following contracts to be transferred to the Combined Authority for 2024/2025 including the project variations as further detailed in this report:

- (a) Careers and Enterprise Company Limited and North Yorkshire Business Education Partnership Limited;
- (b) South Yorkshire Combined Authority and Digital Transformation Specialist;
- (c) Department for Business and Trade and DBT Northern Powerhouse Key Account Management (KAM) Programme.

2.2 That approval be given for the Combined Authority and North Yorkshire Council enter into a grant agreement to passport £2.487m of Department of Education grant funding to the Combined Authority to deliver and manage Skills Bootcamps (Wave 5) in North Yorkshire.

3.0 Background

3.1 In December 2023, the York and North Yorkshire Combined Authority came into being. This led to the transition into the Authority of the York and North Yorkshire Local Enterprise Partnership (LEP) functions and its staff in February 2024.

3.2 The LEP was a private sector led partnership between business and Local Authorities that brought private sector expertise into local economic decision making. North Yorkshire Council acted as accountable body for the LEP, and

as such, was the contracting party for all LEP legal agreements and transactions.

- 3.3 The York and North Yorkshire Devolution Deal (August 2022) included the integration of the York and North Yorkshire Local Enterprise Partnership (YNY LEP) into York and North Yorkshire Combined Authority to ensure there continues to be a strong and independent local business voice. Further guidance was issued by Government on 4 August 2023 on the integration of LEP functions into local democratic institutions.
- 3.4 The enabling Statutory Instrument allowing for the creation of the Combined Authority did not make specific provision for the automatic novation of all agreements entered into by North Yorkshire Council on behalf of the LEP. This has meant that there are some agreements in existence which remain in the name of North Yorkshire Council, however, there is a requirement for the agreements to be novated and transferred into the name of the Combined Authority in order that delivery on those agreements can progress and continue.
- 3.5 The process of novation requires the current contracting party (North Yorkshire Council) agreeing to transfer the agreement and with it benefits, risks and implications to the York and North Yorkshire Combined Authority and the Combined authority agreeing to accept that they will be the contracting party in relation to the agreement, taking on any financial, legal and risk-based implications, along with the benefits of the agreement.
- 3.6 North Yorkshire Council have agreed in principle the novation of the relevant agreements which are listed below, subject to the approval of the Combined Authority in accepting the novation. Should approval be given, the next step will be the drafting of a formal novation agreement, which will be signed by the parties.
- 3.7 The contracting parties have been notified that it is proposed that the relevant agreements are to be novated to the Combined Authority, along with the rationale around this proposal.

4.0 Relevant Agreements

- 4.1 The following agreements, along with a brief summary as to their nature are set out below:

- 4.1.1 **Department for Business and Trade Northern Powerhouse Key Account Management programme agreement** – this agreement relates to the period 2024/25 and was grant funding given to North Yorkshire Council in their role of the management of the LEP. The purpose of the funding is to support foreign owned companies and can include support for additional foreign direct investment into the Northern Powerhouse. Additional

funding has been offered in the sum of £31,020 for the period 1 April 2024 to 30 September 2024.

- 4.1.2 **Made Smarter Digital Transformation Specialist agreement** – this agreement is with South Yorkshire Mayoral Combined Authority to provide Department for Business and Trade Funding to support the Made Smarter programme. This programme was delivered by the LEP following an industry-led government review of how UK manufacturing industries can use digitalisation to make things smarter, better and faster, with the aim of becoming leaders of the next industrial revolution. The funding supported the appointment of an Officer to work with a portfolio of clients engaging with the Made Smarter programme. The value of this agreement from the inception of the Combined Authority to the conclusion of the agreement is in the sum of £79,157, with the total value of the agreement across the 3-year period being £173,860. It is also noted that a second variation to this agreement is required, to further increase the grant from the South Yorkshire Mayoral Combined Authority to £203k which equates to circa £93k for 2024/2025.
- 4.1.3 **Skills Bootcamps wave 5 2024/25 funding** – this funding is provided by the Department for Education to arrange for the delivery of and management of Skills Bootcamps within the region and neighbouring areas in agreement with City of York and North Yorkshire Councils. The Bootcamps are aligned to employer needs and directly linked to employment opportunities, and consist of an intensive Level 3-5 or equivalent flexible training course of up to 16 weeks with a guaranteed job interview if necessary. The aim is that they will equip adults with technical skills that enable them to access in demand jobs, apprenticeships, new opportunities and an increased level of income over time. This funding runs from April to March each year and is in the sum of £2,487,974.00.
- 4.1.4 **York and North Yorkshire Careers Hub Network funding** – this funding is to deliver the careers service to 74 schools and colleges across York and North Yorkshire. Priorities for the coming year will be high quality work experiences for students, promotion of apprenticeships technical and vocational career routes and targeted interventions for economically disadvantaged young people. This funding runs from 1 September 2024 to 31 August 2025 and is in the sum of £229,064.

5.0 Financial Implications

5.1 Subject to the approval of the recommendations within this paper, current financial balances that have been held by North Yorkshire Council will be transferred to the Combined Authority.

6.0 Legal Implications

6.1 These agreements were entered into by North Yorkshire Council to enable the LEP to conduct their business. The LEP transferred into the Combined Authority earlier this year, and there was no provision within the York and North Yorkshire Combined Authority Order 2023 for automatic novation of agreements. Work has been ongoing to identify agreements which require novating and discussions have taken place with North Yorkshire Council around the timing and legality of such novation. This has led to North Yorkshire Council legally approving the transfer to the Combined Authority for each agreement. The Combined Authority now need to consider whether to accept the proposed transfer.

6.2 In order for the Combined Authority to continue to deliver the aims and purposes of the grants provided, these agreements require formal acceptance of the novation by the Combined Authority, there will then follow the official novation of each agreement with the contracting parties.

7.0 Equalities Implications

7.1 There are no specific equalities implications arising from this report.

8.0 Environmental Implications

8.1 There are no specific environmental implications arising from this report.

9.0 Combined Authority Areas Impacted (Council Areas/Wards/Divisions)

9.1 York and North Yorkshire

10.0 Recommendations

10.1 That approval be given for the Combined Authority and North Yorkshire Council to enter into novation and/or variation agreements to enable the following contracts to be transferred to the Combined Authority for 2024/2025 including the project variations as further detailed in this report:

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- (b) South Yorkshire Combined Authority and Digital Transformation Specialist;
- (c) Department for Business and Trade and DBT Northern Powerhouse Key Account Management (KAM) Programme.

10.2 That the Combined Authority and North Yorkshire Council enter into a grant agreement to passport £2.487m of Department of Education grant funding to the

Combined Authority to deliver and manage Skills Bootcamps (Wave 5) in North Yorkshire.

11.0 Reasons For Recommendations

- 11.1 To ensure that the Combined Authority can deliver in accordance within the scope and purpose of the relevant agreements in a safe and legal manner.

12.0 Contact Details

For further information please contact the authors of this Report.

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Background papers

- [York and North Yorkshire devolution deal \(1 August 2022\)](#)
- [Guidance for Local Enterprise Partnerships \(LEPs\) and local and combined authorities: integration of LEP functions into local democratic institutions \(4 August 2023\)](#)
- [The York and North Yorkshire Combined Authority Order 2023](#)

Appendices - None