



Driving prosperity in the M3 corridor

Enterprise M3 Board

27 September 2018

Enterprise M3 Governance - Item 7

Enterprise M3 Board Members are asked to:

- AGREE:** The recommendations of the Enterprise M3 Nomination Committee including
- The appointment of the EM3 Deputy Chair, Section 1
 - Development of a formal process for co-opting up to five members on to the Enterprise M3 Board.
 - The role of cooptees to the EM3 Board, Section 2
 - The appointment of a Diversity Champion, Section 3

- ENDORSE:**
- The proposed arrangement for Nick Elphick to continue on the Resources, Finance and Audit Committee and for him to be co-opted for a period of one year on to the EM3 Board
 - The appointment of Stacey King to the Local Industrial Strategy Group
 - The recommendation that Andrew Lambert be asked to stay for a further period of one year on the EM3 Board
 - The appointment of an Enterprise Zone Programme Steering Group Chair
 - The appointment of Deborah Allen to the Programme Management Group
 - The nomination of the Joint Leaders Board to the Enterprise M3 Programme Management Group

NOTE: The work being taken forward from the Joint Leaders Board to improve scrutiny as part of the LEP Review.

1. Appointment of Chair and Deputy Chair

1.1 The Strengthening LEPs document makes the following recommendation in relation to Chair and Deputy Chair appointments:

*“Government expects that each Local Enterprise Partnership **consults widely and transparently with the business community before appointing a new Chair, and appoints a Deputy Chair**”.*

1.2 Work to appoint a Deputy Chair took place in late 2017, before we were aware that Dr. Mike Short would have to step down from the role of Chairman of Enterprise M3. The principle of appointing a Deputy Chair has already been agreed by the Enterprise M3 Board (28 September 2017), pending a final role profile being agreed. Nominations to this role are sought and if more than one candidate from the Board comes forward, the standard process of interviewing candidates will take place.

1.3 **The Nominations Committee made the following recommendation: The Board are requested to formally nominate a Deputy Chair and to mindful of the diversity agenda and the need to fulfill private sector contributors if at all possible as part of the LEP Review.**

1.4 Enterprise M3 has a strong track-record in engaging the private sector at a senior level in the activity of the Board and this has been reinforced following the most recent Board Member recruitment. Government now require that all LEP Boards have two-thirds of their representation from the private sector in order to ensure that they are business led. The current composition of the Board (as set out in the Assurance Framework) is as follows:

8 x Business Board Members
2 x Business Representative Organisations
1 x Further Education
1 x Higher Education
1 x Not for Profit
6 x Local Authorities
1 x MoD
1 x Public Sector Representative

Appendix 1 lists all current Board Memberships

1.5 Under the definition provided by Government, the positions highlighted in bold are considered 'public sector' and therefore we are in the position that just over one-third of our Board is made up of public sector representatives. Given this is as an 'aspiration' of Government rather than an absolute requirement, we will discuss with them whether they wish to see us change our membership to accommodate this aspiration, particularly given the strong private sector culture we have throughout all of our governance structures.

2. Development of a formal process for co-opting up to five members on to the Enterprise M3 Board.

2.1 As we enter into the process of developing our Local Industrial Strategy, the opportunity to co-opt members to the Board with relevant expertise would be welcomed, although we will want to avoid having unnecessarily large numbers at board meetings. It is therefore proposed that we amend our Assurance Framework to accommodate this process. In line with Government's requirements, we will look to co-opt no more than five Board Members for a period of up to one year. In order to meet expectations associated with accountability and transparency, all opportunities will be discussed and agreed by the Enterprise M3 Board and set out in our updated Assurance Framework.

2.2 **The Nomination Committee discussed the need for co-optees and where additional expertise might be required in the future and agreed that co-optees could make a valuable contribution and requested that EM3 developed a process to be included in the new LEP Assurance Framework and in the Memorandum and Articles of Association for Enterprise M3 Ltd.**

3. The appointment of a Diversity Champion

3.1 The Strengthened LEPs document makes the following recommendation in relation to Chair and Deputy Chair appointments:

*“Government expects refreshed Local Enterprise Partnership boards to **improve their gender balance and representation of those with protected characteristics**. Our aim is for Local Enterprise Partnership boards to have equal representation of men and women by 2023. As a step towards achieving this, we will replicate the target set in the Hampton-Alexander Review for FTSE 350 boards; Local Enterprise Partnerships should aim for a minimum of a third women’s representation on their boards by 2020.”*

- 3.2 In responding to Government we are required to outline the work that we are undertaking to encourage gender diversity with the aim of achieving gender balanced boards. There is no specific requirement for us to respond in the Implementation Plan in relation to protected characteristics and we are exploring this further with Government to understand whether further guidance will be issued as part of the refreshed National Assurance Framework. There is considerable interest in the ability of LEPs to meet the diversity targets set by Government and the Local Government Chronicle have recently asked all LEPs to report on the gender diversity of their Boards. Indications suggest that a failure to meet this target will carry significant reputational risk for LEPs as a whole and we are working closely with our newly appointed communications partner in relation to this enquiry.
- 3.3 The recent Board Member recruitment exercise has improved the gender balance of the main Board and the gender balance currently stands at 20% with four female Board Members. It is proposed that we highlight our recent work to improve diversity to Government in our October response, noting that 50% of our new Board Members from the private sector are female. It will be necessary however to highlight the risk that the aspirations set by Government will be challenging for us to achieve without significantly changing the process by which different Board Members are nominated. Whilst Enterprise M3 has direct influence over the appointment of the 10 business Board Members, the remaining Board Members are selected by their constituent groups. Gender diversity across the Board therefore relies on women being represented within, and selected by, those groups. Unless all three upcoming vacancies in 2019/20 (one FE and two Local Authority) are filled by women then it is likely that the first aspiration (one third of Board Members to be female by March 2020) set by Government will be missed. We could decide to ask some board members to step down to allow us to bring in more diversity but given the efforts we have taken to develop a high quality business board we think this would be too disruptive.
- 3.4 We intend to examine in all our committees and boards and amongst our staff to establish the gender and protected characteristics percentages and regular reports on progress will be brought back to this board
- 3.5 The next round of Business Board Member recruitment will take place in early 2020 and this will include recruitment for a new Chair as Dave Axam’s term of office ends in November 2020. Attracting a strong pool of diverse talent at this stage will help in meeting Government’s aspirations in the longer term and it may be helpful for us to appoint a lead Board Member to the Nominations Committee to act as diversity champion in order to demonstrate commitment. To support this work, a review of Enterprise M3’s Action Groups and sub-groups will be undertaken as these will provide a ‘pool’ of potential Board candidates for the future and we will aim to improve diversity within all of our sub groups. Training for all Enterprise M3 team members and board members on diversity and equality issues will be organised for the coming months and consideration will be given to preparing Equality Impact Assessments for our major projects and programmes.
- 3.6 **The Board are asked to endorse the appointment of a Diversity Champion to report to the Board. The Nominations Committee suggested that a Diversity Champion should also be a member of the Nominations Committee and as there is a place available names should be brought forward for consideration at the Board.**

3.7 With due considerations to the requirements of the LEP Review members are asked to endorse:

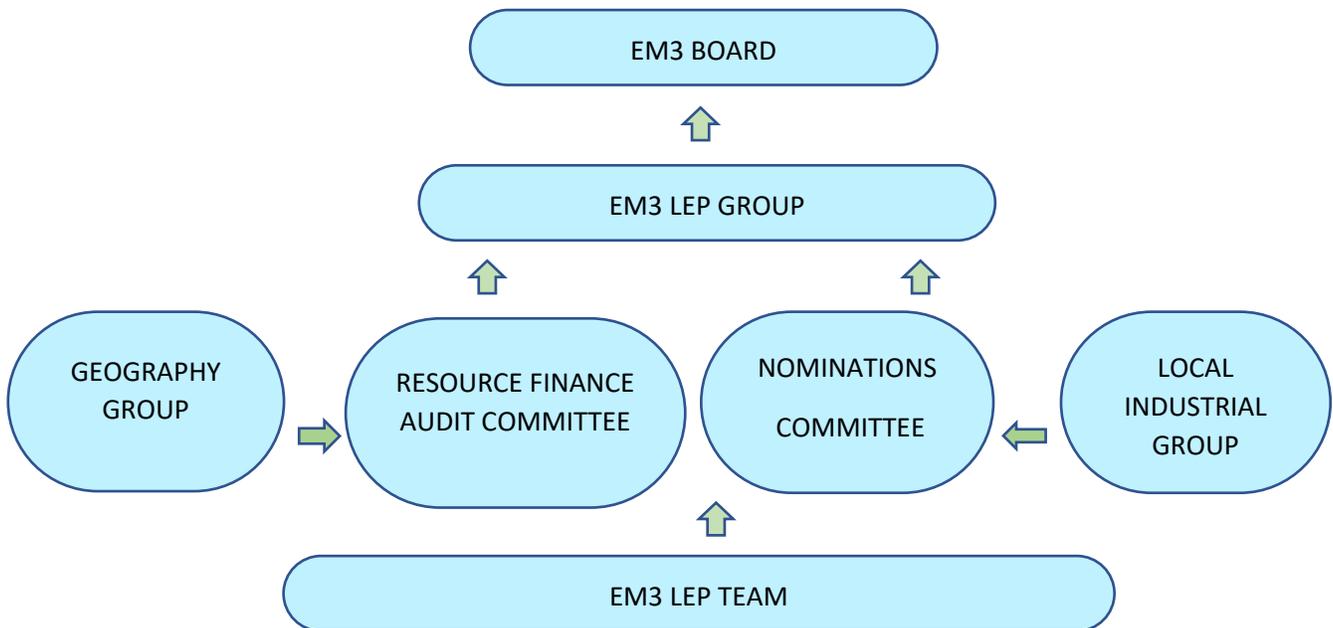
- The proposed arrangement for Nick Elphick to continue on the Resources, Finance and Audit Committee and for him to be co-opted for a period of 1 year on to the EM3 Board
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4. EM3 Governance to oversee Implementation of Recommendations

4.1 In order to deliver transparency and independence of decision making the following EM3 governance structure is in place to oversee the achievement of the LEP review recommendations. Board members agreed for Deborah Allen to chair a small group to oversee the implementation of the recommendations arising from the LEP Review. This group will report directly to the Board.

4.2 The structure is outlined at figure 1 below. It is proposed that work is taken forward by existing groups as far as possible with EM3 Nominations Group leading on the proposed changes to Board membership and composition; Resources, Finance and Audit Committee considering all aspects of incorporation; a newly formed Local Industry Strategy Group (to replace SEP Steering Group) to drive the LIS work forward and the EM3 Chair to lead on geographic proposals. We await further guidance from government on the proposed external scrutiny and expert oversight, including participating in local authority scrutiny panel but anticipate that JLB already meets that requirement.

4.3 Figure 1: Enterprise M3 Governance Structure for Implementation LEP Review



4.4 The LEP Review stated:

The “ Strengthening Local Enterprise Partnership Review,” published on 28 July 2018 included the following statement as a recommendation to LEPs:

“External scrutiny and expert oversight, including participating in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions”

Government want to be confident that there are strong underpinning local authority partnership arrangements in place to facilitate joint decision making and collaboration on growth and economic development between all local authorities in each LEP area.

4.5 A paper is to be presented to the Joint Leaders Board (JLB) on the 19th September giving Members:

- An insight into the preliminary guidance from Government relevant to external scrutiny
- An opportunity to consider the scrutiny and oversight arrangements already in place by the LEP and JLB, and
- An opportunity to discuss whether the current scrutiny arrangements need to be strengthened.

4.6 JLB members were asked to:

- Propose two Chief Executives to work alongside EM3 to review compliance against government’s scrutiny requirements, and
- Endorse the continuation of Hampshire County Council as the Accountable Body for the LEP.

4.7 Given the timing of the Joint Leaders Board it is proposed to give this Board a verbal update for a discussion at this Board

4.8 The changes outlined above will require us to make amends to the Assurance Framework. We are awaiting additional guidance from Government but with the help of Deborah Allen we are commencing reviewing the existing in readiness for the Annual Conversation Once complete that Framework will be brought to both the Nominations Committee and this Board.

4.9 We intend to have as many elements of the Implementation plan submitted on the 31 October 2018 either complete or progressing. The Implementation Plan including progress on LEP scrutiny and governance will be brought back to this Board.

5. Conclusion

5.1 Enterprise M3 Board Members are asked to:

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Sally Agass
Interim Assistant Director – Operations
19 September 2018

Appendix 1: List of Board Members and Terms of Office

Name	Company	Qualifications	Date Appointed	Appointment Renewed	Extended to Date	Date for Renewal/ Retirement
Nick Elphick	Pure World Energy	Private Sector	28 Jan 2016	Jan 2018	May 2018	Sept 2018
Clr Paul Spooner	Guildford BC	Public Sector	26 Nov 2015			Nov 2018
Chris Tinker	Crest Nicholson	Private Sector	4 July 2012	26 Nov 2015		Nov 2018
Andrew Lambert	Electronic Media Services Ltd	Private Sector	27 Nov 2014	Nov 2016		Nov 2018
Tim Jackson	Andover/Sparsholt Colleges	Further Education	24 May 2016			May 2019
Linda Cheung	Connectegrity	Private Sector	25 May 2017			May 2019
Clr Keith Mans	Hampshire CC	Public Sector	24 July 2013	26 July 2016		July 2019
Jason Gaskell	Surrey Community Action	Third Sector	31 Jan 2017			Jan 2020
Paul Hogg	Royal Holloway University	Higher Education	28 Mar 2017			Mar 2020
Clr Clive Sanders	Basingstoke & Deane BC	Public Sector	19 Mar 2014	Mar 2017		Mar 2020
Clr John Furey	Surrey CC	Public Sector	25 May 2017			May 2020
Clr Julia Potts	Waverley BC	Public Sector	27 Jul 2017			Jul 2020
Col Simon Brown	Army	MOD	28 Sept 2017			Sept 2020
Mike Short (Co-opted)	Dept for International Trade	Public Sector	27 Nov 2014	Nov 2017		Nov 2020
David Axam	AI2EV	Private Sector	27 Nov 2014	Nov 2017		Nov 2020
James Cretney	Marwell Wildlife	Private Sector	27 Nov 2014	Nov 2017		Nov 2020
Ross McNally	Hampshire Chamber of Commerce	Business Support	25 Jan 2018			Jan 2021
Ken Moon	Federation of Small Businesses	Business Support	25 Jan 2018			Jan 2021
Clr David Clifford	Rushmoor BC	Public Sector	29 Mar 2018			Mar 2021
Deborah Allen	BAE Systems	Private Sector	24 May 2018			May 2021
Barney Ely	Hays Recruitment	Private Sector	24 May 2018			May 2021
Stacey King	BT	Private Sector	24 May 2018			May 2021
Jim McAllister	The Rutland Group	Private Sector	26 July 2018			July 2021

Vacancies from Nov. 2018

One private sector