



Driving prosperity in the M3 corridor

Enterprise M3 Board

29 November 2018

Enterprise M3 Governance - Item 9

Enterprise M3 Board Members are asked to:

- CONSIDER:** The appointment of a Deputy Chair for Enterprise M3
- ENDORSE:** The appointment of Linda Cheung as Chair of the Enterprise Zone Programme Steering Group
- ENDORSE:** The appointment of Tim Jackson to the Nomination Committee and his role as the Enterprise M3 Diversity Champion
- AGREE:** The recommendation of the Joint Leaders Board for a replacement officer member for Surrey for the Programme Management Group because of the new role of the existing officer who makes him no longer eligible for the role
- RECORD:** Our thanks to the BEIS liaison officer, Ravneet Viridi as she moves to a new post
- DISCUSS:** The draft Terms of Reference for the Enterprise M3 Action Groups
- NOTE:** The Joint leaders Board response to the proposed new scrutiny arrangements (verbal update)
- NOTE:** The release of the Assurance Framework Guidance and Enterprise M3s response.

1. Appointment of 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**”.

In addition the guidance on the new Assurance Framework has confirmed the requirement to appoint 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). Nominations to this role have been requested and are awaited. The Board will be verbally updated by the Chair on the responses received after the dispatching of the Board papers for their consideration and recommendation.
- 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.

2. The appointment of Linda Cheung as Chair of the Enterprise Zone (EZ) Programme Steering Group

2.1 Members are asked to endorse the recommendation from the Chair that Linda Cheung is appointed as Chair of the EZ Programme Steering Group to replace Nick Elphick. Linda will bring a wealth of experience to this role and we are grateful for her support. We propose a two year term with the option to extend subject to agreement by both parties.

2.2 Thanks goes to Nick Elphick for the work that he has done to progress the EZ Agenda over the past 3 years.

2.3 **The Board are asked to endorse the appointment of Linda Cheung as the EZ Chair**

3. The appointment of Tim Jackson to the Nomination Committee and his role as the Enterprise M3 Diversity Champion

3.1 The recommendation that LEP's should have a Diversity Champion to achieve the Board diversity is outlined in the 'Strengthening Local Enterprise Partnerships' and detailed previously to this Board. The Board agreed to seek a board member to fill the vacancy on the Nominations Committee and to act as diversity champion. Tim Jackson has put his name forward because of his experience and diversity qualification that he has gained in his role at Andover and Sparsholt College.

3.2 We intend to attempt to bring greater diversity to all of our sub groups and we will aim to secure considerable female engagement in revised actions groups. Regular reports on progress will be brought back to this Board.

3.3 **The Board are asked to endorse the appointment of a Tim Jackson to the Nominations Committee for a term of 2 years and endorse his role as the Enterprise M3 Diversity Champion.**

4. The draft Terms of Reference for the Enterprise M3 Action Groups

4.1 Members will recall the intention to revise action groups with an initial focus on three of our Action Groups with future consideration being given to further groups as the Industrial Strategy develops. The three groups are:

- **Transport**
- **Skills and Talent**
- **Enterprise and Innovation**

4.2 Terms of Reference will be generally consistent across all three groups with a tailored appendix per group. Each action group will also set out a forward action plan which is relevant to the particular group. The appendices are in development and will be brought back to this Board.

4.3 The draft generic terms have been composed by the Heads of Service but await review by the existing Action Groups. The overall objectives are:

- To provide strategic insight into the area of expertise relevant to each Action Group

- To provide the LEP with specialist, expert knowledge and insight to guide the LEP's ambitions, strategies and decisions
- To bring together senior and influential representatives from business, industry and the public sector, the groups are a valuable source of fresh and diverse thinking. They will provide both support and challenge to help shape policy and investment decisions.

4.4 Specifically the Action Groups will:

- Ensure the LEP's approach supports delivery of the Enterprise M3 SEP 2018-30 and the emerging Enterprise M3 Local Industrial Strategy. This includes embedding the application of advanced digital & data technologies and/or low carbon interventions in action group deliberations
- Give business, industry and commerce an influential voice over the LEP's strategic development
- Be forward looking and identify new and emerging opportunities in the Enterprise M3 area and surrounding region, including opportunities for funding and for attracting investment
- Be a technical and professional advisory body providing expert advice and information to the Enterprise M3 LEP Board and staff. This includes, where requested, advice on the monitoring and evaluation of Enterprise M3 funded projects and investments
- Liaise with the other Action Groups and on cross border initiatives on overlapping and cross cutting areas to help maximise the LEP's impact and effectiveness
- Help further Enterprise M3's commitment to diversity in all its work and activities

4.5 Work is underway to revise membership of each of the groups with a particular focus in drawing in new business and ensuring that action groups reflect the gender target proposed by government. Funding will be made available to support any research and development ideas in line with the LIS.

5. Proposed new Scrutiny Arrangements

5.1 The Joint Leaders Board (JLB) on the 22nd November 2018 are due to discuss a recommendation from the two Chief Executives nominated by JLB to take this item forward, Tom Horwood and Laura Taylor and they have made the following recommendation:

That on an Annual Basis the JLB Board would act as a Scrutiny Panel and would take matters relevant to the transparent and accountable responsibilities of the LEP. The panel would be able to make suggestions to this Board for agreement to implement.

5.2 As JLB precedes the Board, Members will be verbally updated by the Executive Director.

6. Change to the BEIS liaison officer support to Enterprise M3

6.1 Ravneet Verdi has moved jobs and we are expecting a replacement to be appointed in early Jan with Laura Jackson acting as our key contact in the meantime. We would like to record our thanks to Ravneet Viridi for all her support and hard work on behalf of Enterprise M3. We wish her well in her new endeavors. We also look forward to a continued productive working relationship with her successor.

7. The release of the Assurance Framework Guidance and Enterprise M3s response.

7.1 Enterprise M3 welcomed the issue by government of the draft confidential Guidance for LEP's to enable the production of a new or revised Assurance Frameworks. LEPs were required to respond within a short timetable to give their feedback on the recommendations. In brief our over-arching comments were:

- The section on monitoring and evaluation were very helpful for Enterprise M3 because we are currently working to improve that aspect of our work. That section will also be informative for the production of the Delivery Plan. However, the Value for Money section was very detailed and will require some reworking of our Business Case to accommodate the amount of information required
- The inclusion of sample policies and a check list of 118 requirements to be included in our new Assurance Framework is helpful
- The tone of the document was not one of partnership and working together. It read more like instructions than recommendations
- In parts it was confusing, for example the published ambition of the Government that LEPs will be business led with an independent secretariat is confusing given the greater scrutiny powers afforded to the Local Authorities – section 5 above. On the section about incorporation we are in consultation with our legal advisors to ensure compliance
- There is no doubt that there is far greater emphasis on implementing government regulations despite the role of the Better Regulation Government Body established to reduce bureaucracy.

7.2 The LEP Network collated the feedback from the 23 responses that they received. Their summary is as follows:

OVERALL:

LEPs send their thanks for the chance to feedback and reflect on the draft document.

LEPs fully support the need to have high standards when managing funds, and are committed to meet the expectations of transparency. There is a tension between the role of LEPs bringing private sector leadership, but being expected to meet increasing requirements that feels more akin to a very structured process local government processes.

There have also been comments about 'proportionality'. There is general concern from business members on LEP Boards that the weight of compliance and prescription is growing and this is 1) beginning to take up a disproportionate amount of very limited officer and Board time; 2) reducing local flexibility and ownership; and 3) if it continues to grow it will lead to business leaders disengaging. Government is creeping into micro-managing how LEPs do things. This could lead to a lack of ownership.

The draft NAF refers to "guidance" which suggests that some elements are not mandatory. The NAF should make clear which elements are mandatory, and what is considered best practice to aim for.

The draft Framework identifies a series of additional information, documents and statements that LEPs must publish to improve assurance and transparency. Whilst most of these are appropriate, some of the

requirements goes above and beyond the publication requirements for local authorities (Local Government Transparency Code) which MCAs normally operate by.

There are repeated points about a substantial increase in the administration needed to meet all the requirements. The scale is beyond LEP current resource and budget without diverting delivery resources to administration. The core funding provided in no way addresses the scale and complexity of the work LEPs will be undertaking.

LEPs would like MHCLG to consider the timeline for implementation and sign off. To meet the NAF requirements for 2019/20 will mean sign off by S151 and LEP board by March, work to be done by February, which is a very tight timeline when reflecting on annual delivery plans to be produced on the same timeline as well as LIS for some LEPs and any impact of LEP Review overlap adjustments.

- 7.3 We have fed back our comments to Government and await the official publication of the document to enable us to start work. We are confident that our existing Assurance Framework will not need a major overhaul as we received an 'exceptional' rating for governance at the 2017 Annual Conversation.
- 7.4 We have been assured by our Government Liaison Officer that the 2018 Annual Conversation will measure governance against the existing Assurance Framework. However, there is an aspiration to complete the review and upgrade our framework in advance of the 09 January 2018 Annual Conversation.
- 7.5 The final Assurance Framework is a key governance document and will be brought back to this Board for review.

8. Conclusion

Enterprise M3 Board Members are asked to:

CONSIDER: The appointment of a Deputy Chair for Enterprise M3

ENDORSE: The appointment of Linda Cheung as Chair of the Enterprise Zone Programme Steering Group

ENDORSE: The appointment of Tim Jackson to the Nomination Committee and his role as the Enterprise M3 Diversity Champion

AGREE: The recommendation of the Joint Leaders Board for a replacement officer member for the Programme Management Group

RECORD: Our thanks to the BEIS liaison officer, Ravneet Viridi as she moves to a new post

DISCUSS: The draft Terms of Reference for the Enterprise M3 Action Groups

NOTE: The Joint leaders Board response to the proposed new scrutiny arrangements (verbal update)

NOTE: The release of the Assurance Framework Guidance and Enterprise M3s initial response.

Sally Agass
Interim Assistant Director – Operations
19 September 20