

## Enterprise M3 Board Meeting

2 February 2023

### Review of Enterprise M3 LEP Committees and Groups – Item 8

#### The Enterprise M3 Board is asked to:

**AGREE:** The recommendation to disband EM3's Programme Management Group. The relatively small number of investment decisions required for EM3's Future Fund would be approved by the EM3 Board.

**AGREE:** The recommendation to disband EM3's (i) Clean Growth Forum, (ii) Transport & Smart Mobility Group, and (iii) Enterprise & Innovation Action Group.

**NOTE:** The role and status of EM3's other committees and groups.

#### 1. Executive Summary

1.1. Following last year's survey of Board Members and review of Board effectiveness, it was agreed that a review of EM3's structure of committees and groups should be carried out, in the light of recent changes to EM3's priorities and activities. This review was led by the Joint Managing Directors and included discussions with EM3 staff and Board Members. This paper seeks the Board's agreement to a number of specific changes, which are intended to streamline the organisation's governance arrangements.

#### 2. Background

- 2.1. Following the conclusion of the LEP Review and the restructuring of the LEP Team there have been a number of formal and informal discussions on the structure of the various committees and groups that are overseen by Enterprise M3 LEP. The Enterprise M3 Board agreed that now was an appropriate time to conduct a review of this governance structure to ensure that it is proportionate to support the delivery of the LEP priorities and Delivery Plan going forward. The aim being to review existing governance procedures and ensure that Enterprise M3's governance is effective and suitable for the LEP's future role and functions.
- 2.2. A key part of this work is ensuring that there remains effective democratic accountability and transparency for the new responsibilities of the LEP. The existing structure was established when the LEP was responsible for significant capital programmes and the LEP's focus has now shifted to Government priorities around business support, economic growth, and careers and skills, meaning that some of the existing groups and committees are no longer needed and new ones may be required. In general terms the current structure works well, and it is not considered that wholesale revision is required.

#### 3. LEP Board

3.1. The review did not include a review of the Board itself, as it was considered that during this time of change it was important to maintain some consistency and stability for the LEP after a period of uncertainty.

#### 4. Programme Management Group (PMG)

4.1. PMG was established to oversee all of the LEP capital funding programmes following the awarding of the Local Growth Fund (LGF) to enable delivery of our Strategic Economic Plan. The LGF programme concluded in March 2021 and was followed by the Getting Building Fund (GBF) allocation, which supported local economies to recover from the Covid-19 pandemic. The GBF programme concluded in March 2022. Since then capital funding for

local economic development has been channelled through local authorities via the Levelling Up Fund and UK Shared Prosperity Fund.

- 4.2. EM3 is still able to run a smaller capital funding programme, funded from repayments by previous projects that were supported through loans rather than grants i.e. our Future Fund. However, this will require a much smaller number of investment decisions than PMG was set up to consider; we anticipate supporting between one and four projects in any given year. We therefore recommend that PMG should be disbanded.
- 4.3. Instead, we propose that the small number of Future Fund investment decisions should be made by the EM3 Board; this would continue to ensure transparency and accountability in investment decisions. LEP staff would carry out an assessment of each business case prior to its submission to the Board. We are also proposing that, for each project proposal that reached this stage, we would ask a member of the Board with relevant knowledge to support and advise on the assessment of the business case, working closely with the LEP team, and then bring the project to the Board for final approval.

## **5. Nominations Committee**

- 5.1. The Nominations Committee supports the Enterprise M3 Board on issues in relation to the membership of the Board, including succession planning and recruitment. The work of this Committee is crucial but not onerous, with well-established processes, so it is suggested that it can be retained as it is.

## **6. Resources, Finance and Audit Committee (RFAC)**

- 6.1. RFAC provides a crucial scrutiny and decision-making role on a range of operational issues, including resources, finance, audit and risk. It is suggested that it could usefully take on any remaining responsibilities of PMG not encompassed by the proposals set out in 4 above e.g. monitoring any risks relating to capital projects, as part of RFAC's wider risk management role.

## **7. Joint Leaders Board (JLB)**

- 7.1. JLB brings together the elected leaders of the 15 partner councils within the EM3 LEP in support of the LEP and to collaborate on economic development issues affecting the wider area. JLB also holds an annual scrutiny session. Whilst supported by the LEP, JLB is convened by the local authorities themselves. It is for the member authorities to consider whether the JLB format and structure needs to change. It is therefore suggested that JLB be kept under review by the constituent authorities and that the LEP supports this process as required.

## **8. Skills Advisory Panel (SAP) and FE Principals Group**

- 8.1. The SAP exists to bring together employers, skill providers and partners to address skills issues, and to help shape the LEP's work on skills. The SAP is chaired by the LEP Board private sector skills lead and is well established, securing a good level of attendance and participation from skills providers across the LEP. The SAP is considering a report at its next meeting on its impact in 2022, and this will provide a catalyst to consider how the role of the Panel should evolve going forward. The SAP will need to link closely to the Local Skills Improvement Plan Steering Group (LSIPSG); this is not a LEP body and it covers a slightly larger geography than the EM3 area, but it has EM3 representation on it.
- 8.2. EM3 will also continue to support a regular meeting of the FE college Principals in our area. This is a key enabler of regional collaboration on skills issues and is highly valued by our FE college partners.

## **9. Careers Hub Steering Group (CHSG)**

- 9.1. This is a new grouping, required by the Careers and Enterprise Company for each Careers Hub, that the LEP is in the process of setting up and which should meet for the first time in February. The purpose of the CHSG is to direct and support the establishment and delivery

of the Careers Hub within the LEP area, setting out priorities and providing direction for the Hub. It is intended that it will meet three times per year and include both a business voice and local authority representation. The CHSG will also link with the SAP to ensure that their activities are aligned, but given the specific focus of the CHSG on the Careers Hub, it is considered that there is value in the two groups being separate entities.

- 9.2. The Careers and Enterprise Company also expects each Careers Hub to establish a Cornerstone Employer group, to involve key employers in the delivery of the hub. We are considering the best way of ensuring that Cornerstone Employers are incorporated into the governance structures for the Careers Hub.

## **10. FSE Steering Group**

- 10.1. The Funding Scale Up Enterprises (FSE) Group oversees a £30m investment of EM3 LEP funds in supporting businesses through loan funding and equity investment. It is therefore considered important that the Group is retained so as to ensure an appropriate level of scrutiny of the spending of these funds.

## **11. Clean Growth Forum**

- 11.1. Clean growth sits at the heart of everything the LEP does and is embedded throughout the organisation. The Forum was established to bring together local low carbon, energy, sustainability and environmental expertise to embed best practice and insight into all that Enterprise M3 LEP does. The LEP has previously employed a clean growth specialist, but our organisation review concluded that our activity in this area should become an integral part of all senior and sector-based roles. It is therefore recommended that the Clean Growth Forum ceases to meet as a separate entity going forward and instead that consideration of clean growth should be mainstreamed across all of our other strategic and delivery groups, and brought together at a Board level.
- 11.2. In addition, where appropriate the LEP will convene relevant task groups to take forward specific activities around clean growth. One such example was the Greater South East Energy Hub, which was a pan-LEP grouping, working together to increase the number, quality and scale of local energy projects being delivered in the south-east. This has been overseen by Enterprise M3 historically but having set a strategic direction, the activity can now be delivered locally. Recently the LEP has also established a Jet Zero Group, this cluster development work has been ignited and is being led by the LEP, we are convening the private and the public sectors to nurture this sector

## **12. Transport & Smart Mobility Group (TSMG)**

- 12.1. TSMG evolved from the Transport Action Group that was established to oversee the extensive transport related capital programme and to bring together key transport stakeholders to inform the LEP's approach to transport. With the ending of the majority of the LEP's capital programme and the reduction in the LEP's involvement in transport it is suggested that this Group, which is currently dormant, be formally disbanded and liaison with transport stakeholders be carried out directly as and when required. This approach has been endorsed by the private sector chair of the Group.
- 12.2. The LEP will continue to be a strong voice in influencing and encouraging investment in strategic transport infrastructure to support our economy, though our ongoing representation on the Board of Transport for the South East, by an EM3 LEP Board Member.

## **13. Business Intelligence Group**

- 13.1. Government has commissioned the LEP and its Growth Hub, to work in partnership with local business support organisations, the Federation of Small Businesses and the local Chambers of Commerce to gather information on business issues and local economic conditions. The Business Intelligence Group carries out this important role on a regular basis, providing a monthly update to the Department for Business, Energy & Industrial Strategy and it is considered there is great value in this continuing.

#### **14. Enterprise & Innovation Action Group (E&IAG)**

14.1. The E&IAG brought together senior and influential representatives from business, industry and the public sector, to help shape policy and investment decisions around enterprise and innovation activities, and to help maintain and enhance the area's strong record in international trade. The Group has been dormant for some time, having been replaced in effect by sector specific groupings, in high potential areas such as space, games and animal health. EM3 is also a participant in other groups focused on sectors/clusters and/or innovation convened by local partners (with the LEP Chair involved in a Surrey group). It is therefore recommended that the overarching action group should be formally disbanded.

#### **15. Enterprise Zone Programme Steering Group**

15.1. This Steering Group oversees and guides the effective implementation of the Enterprise Zone Implementation Plan as well as the allocation of funding generated by the uplift in business rates receipts through the EZ business rates retention scheme. The Group is chaired by a private sector LEP Board member (although a new chair will need to be appointed soon, as the current chair is reaching the end of their time on the LEP Board). Membership is primarily from local authority representatives and appropriate organisations aligned to each of the three Enterprise Zone sites; given this, and the Group's specific focus, it should continue to operate.

**Kevin Travers – Head of Infrastructure, Transport & Place**  
**17 January 2023**