

Enterprise M3 Board Meeting
8 Feb 2024
Future of LEP – Item 6: EM3 closure

Enterprise M3 Board is asked to:

AGREE: The dissolution of Enterprise M3 Limited; and identify at least 50% (8+) Directors to sign and return the dissolution form to Companies House. (**Section 1**)

AGREE: To disband the following core EM3 committees that form part of the governance of EM3: the Resources, Finance and Audit Committee, following a final meeting on the 19th of March; and the Nominations Committee, effective immediately. (**Section 2**)

NOTE: The ongoing discussions with the two counties about EM3's steering and partnership groups, and how equivalent functions will be performed following LEP integration; and **AGREE** that any decisions relating to these groups should be made by the Managing Director, with a further update on this work to be provided to the final meeting of the EM3 Board in March. (**Section 3**)

AGREE: The closure of the EM3 Board at a final meeting on the 25th of March; and **AGREE** that EM3 will shortly issue external communications about its closure from the end of March. (**Section 4**)

1. Dissolution of Enterprise M3 Limited

Background

- 1.1. Enterprise M3 Limited was set up in March 2019, following Government's directive that all LEPs should have an incorporated legal status. The purpose of Enterprise M3 Limited is that of a decision-making company; it does not trade, and has no financial transactions, assets, or liabilities.
- 1.2. Enterprise M3 Limited is a dormant company. All assets, liabilities, revenue and capital funds relating to the LEP's activities, are held by, and accounted for by Hampshire County Council (HCC) as our Accountable Body. Similarly, all staff are employed by HCC.
- 1.3. The company is limited by guarantee (CLG) and does not have shares. All Board members are Directors and Members of the Company.

Decision and process to close down Enterprise M3 Limited

- 1.4. Once LEP functions are transferred to Upper Tier Local Authorities, and the Enterprise M3 Board is dissolved, there will no longer be a requirement or need for the Enterprise M3 Limited company, and we are asking Board directors to approve its dissolution.
- 1.5. Once approved, as the company has never traded, the process is straight forward, and will be done online:
 - At least 50% (8+) of Board Directors must agree to the dissolution.
 - At least 50% (8+) of Board Directors must sign and return to Companies House the dissolution form. The form (DS01) will be sent by email directly to directors by Companies House
 - We will inform HMRC that the company has never traded and will shortly be struck off the Companies House register.
- 1.6. We are asking the EM3 Board to:
 - Approve the dissolution of Enterprise M3 Limited.
 - Identify at least 50% (8+) Directors to sign and return the DS01 form to Companies House

2. Disbanding of EM3 committees

- 2.1. Whilst there is no formal guidance from Government on steps necessary to close a Local Enterprise Partnership, in order to prepare for the integration of LEP functions into the Upper Tier Local Authorities, we are proposing that the Board agree to the formal, documented closure of the following EM3 committees:

Resources, Finance and Audit Committee (RFAC)

- 2.2. The final meeting of RFAC will take place on 19th March 2024. It is proposed that this Board meeting records the committee's formal closure, following that meeting and any final reporting to the Board in March 2024.

Nominations Committee

- 2.3. There are no further nominations activities or meetings planned. It is proposed that the committee is formally closed from the date of this Board meeting and that this is noted in the minutes.

3. Partnership and stakeholder groups

- 3.1. In addition to the governance committees considered above, EM3 supports a number of partnership and stakeholder groups as follows:

- Skills Advisory Panel
- FE Principals Group
- Enterprise Zone Programme Steering Group
- FSE Steering Group
- Careers Hub Steering Group
- Economic Development Officers (EDO) Group
- Business Intelligence Gathering Group
- Joint Leaders Board

- 3.2. Our assumption is that all of these groups will cease to operate *as EM3 groups* by the end of March. However, the functions of at least some of these groups will continue to be required, in some form, beyond the end of March. For example, the Careers and Enterprise Company will continue to require a Careers Hub Steering Group to be in place; and the Enterprise Zone programme will continue to require multi-partner steering arrangements.

- 3.3. Our aim is to support a smooth transition to new arrangements under the leadership of the Upper Tier Local Authorities. Where it makes sense for existing EM3 groups to evolve into future arrangements, supported by the county councils, we will facilitate this. Discussions with both county councils and with other stakeholders and partners, around the continuation of services and activities, are ongoing. We are proposing that any decisions by EM3 regarding the handover or closing of these groups should be taken by the Managing Director, in consultation with the relevant group Chair, with an update to be provided to the EM3 Board meeting on the 25th of March.

4. Closure of the EM3 Board

- 4.1. Following the discussion at its December meeting, the EM3 Board are asked to confirm that the meeting now scheduled for the 25 March will be the last meeting of the EM3 Board. At this meeting the formal closure of the Board will be recorded, and any further Board activities will cease from 31 March.
- 4.2. The minutes of this Board meeting will be published on the EM3 website in the usual way. The Board are also asked to agree that, shortly after this meeting, EM3 will proactively communicate to businesses, business organisations, districts/boroughs and other partners and stakeholders that EM3 will cease to operate from the end of March. This communication will be the first step in a communications plan to be delivered during February and March, to explain clearly to customers and stakeholders what LEP integration will mean for them and for LEP programmes and services, and to celebrate EM3's successes.

Martine Baker – Head of Operations
Aleks Bennett – Head of Finance
26 January 2024