

Heart of the South West Local Enterprise Partnership

LEP Board Paper agenda item 9

Report title: Annual Board Effectiveness Review

Date: 4 July 2021

Purpose: This paper is for **decision**

Link to LIS: Indicate by **bolding** which area the paper links to **NA**

Inclusive Growth		Clean growth		
Energy		Engineering		Digital
Ideas/ Innovation	People/Skills	Infrastructure	Bus. Environment	Places

Non- LIS purpose:

Annual Board Effectiveness Review and Recommendations

Timing:

Recommendations would come into effect immediately

Financial Impact:

None at this stage

Decisions requested:

1. Confirm that in the Boards opinion it has been effective over the past year.
2. Future Board meetings to be a mix of face to face and via Teams with the aim of limiting virtual meetings to 2 hours. Consider an extra meeting where the agenda dictates.
3. LEP management team prepare a briefing note for the Board sign posting the LEPs latest work and reports on:-
 - a. diversity, (a formal report is required for our October Board Meeting).
 - b. nominations committee process and members
 - c. schedule of delegations
4. LEP management team (with the support of Board members) develop a strategy to maximise impact in the LEP priority areas. The strategy will take account of the Government LEP review and be ready for discussion at the October 2021 board meeting. The strategy will include, but be not limited to, the following:
 - a. make up of sub groups to ensure fit for purpose post LEP Review
 - b. maximise active engagement with organisations on the key stakeholder register
 - c. measure real impact of work on individuals, businesses and communities within our region
 - d. Improve accountability and reporting of performance
5. New regular agenda item for Board meetings wef October 2021: "How did well did we discharge our duties as a board of Directors today?"

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Summary

Following on from the comprehensive 2020 Board Effectiveness Review, this year the focus concentrated on the implementation of the 10 recommendations agreed by the Board last year. The UK Government is expected to announce the outcome of a LEP review before the summer recess (22nd July 2021). As such responses were sought from private sector board members only, with a particular focus on colleagues who were appointed recently. The report recommends the wider board is consulted post the LEP Review announcement and a further paper is presented to the Board at the October 2021 meeting.

A Reminder of Board Approved 2020 Recommendations

1. Board Effectiveness Reviews are conducted annually with a different director leading each year.
2. The chair adopts active management of board meetings.
3. The board agenda consists of active review and challenge of performance,
4. Agenda items are pulled if the papers are not circulated seven days in advance.
5. The subgroups should be reconstituted as formal committees of the LEP with delegated responsibility for delivering the LIS enablers:
 - a. ideas: Innovation Board, chair-Stuart Brocklehurst;
 - b. people: Skills Advisory Panel, chair – Fiona McMillan;
 - c. infrastructure and places: Place Group, chair – Mel Squires;
 - d. business environment: Business Leadership Group, chair–Richard Stevens.

Each group should develop a proposal setting out how they propose to support the delivery of the LIS, what delegated authority they seek to do so, and the proposed membership of the group, all for the approval of the LEP board. The Place Groups should additionally work to understand its relationship to the Strategic Transport Board.

6. The chair and vice chair should meet regularly with the chairs of the groups and committees in a Chairs Group to scrutinise their work in delivering the strategy. This would be an informal gathering, not a formal body. Each group/committee chair should provide a brief update in the review of performance section of LEP board meetings.
7. A nominations committee should be formed of board members, with the existing body becoming an advisory group. A report on diversity should be made annually.
8. Private sector directors should be selected for their potential to fulfil the role of independent governance; they should receive thorough induction including support to understand and fulfil the independent role.
9. An up to date schedule of delegation should be prepared for the board's approval and published on the LEP's website
10. Establish a register of stakeholders and link directors on the LEP board who will keep informed of their views and needs and keep them informed of the LEP's deliberations.

Summary of Feedback Received from Private Sector Board Members

Feedback is provided against each of the 10 recommendations as follows:-

- Board Effectiveness Reviews are conducted annually with a different director leading each year.
 - Review commenced however delayed and fallen in the context of LEP Review which is creating distraction and uncertainty.

- The chair adopts active management of board meetings.
 - Due to Covid restrictions meetings have gone on line and have been chaired very well.
 - Board members appreciated the inclusive approach of our Chair and the mixture of formal and informal discussions which facilitated open debate
 - The remote format aids active management, but could also anticipate that its mechanisms will be carried across into physical meetings
 - The process of turning to each director for their feedback, whilst making clear that nil returns are acceptable, has been very effective.
 - 2 hours is probably sufficient for an online meeting to ensure high levels of engagement are maintained.
 - Deep dive sessions have been a challenge partly because of other tactical work streams taking priority such as recovery planning, build back better and now LEP review
 - Overwhelming desire to return to some face to face meetings, to increase the quality of some debates

- The board agenda consists of active review and challenge of performance,
 - We have deployed most of our money and projects are well managed given the impact of the pandemic.
 - Our outputs look promising, even if some are delayed, due often to the impact of Covid 19.
 - Our LEP management team have show great resilience and flexibility in dealing with the pandemic whilst still delivering against our objectives.
 - Increased focus on the 11 priority areas for the LEP would be welcomed. Showing progress against each of the three highest priority areas is key: Digital, Clean Energy and Tourism/Coastal Communities
 - Progress has been made on rural matters and the process around the Getting Building Fund was effective.
 - We have tried to focus more on outputs and measures with some new tools to manage performance, e.g. OKRs, revised agendas with mixed success.
 - I think we could do more to really challenge performance.
 - We should not lose sight of the fact that we continue to be a good performing LEP in the eyes of Government and the Annual Performance Review and most of our partners.
 - On occasions there feels like a disconnect in comms and areas/pieces of work that don't feel joined up, or as chairs we are necessarily briefed. Like-wise on the comms front, those championing or chairing elements of the strategy and delivery plan, could be more widely consulted to ensure there is leadership and recognition given

e.g. when press releases are issued, where Board members could help, advise and support.

- New directors have provided valuable contributions when questioning issues and processes that are “well established” e.g. ensuring best in class governance.
 - Several Directors commented that debates are informative and respectful. There is challenge, which is healthy, and presenters have been asked to go away and bring back more information in some cases.
 - Feedback received suggesting that in addition to the outputs measured by government we measure impact on our region and people to demonstrate our impact on the community. Upskilling people was quoted as an example where our interventions have changed lives and helped communities as well as the statistics; number of learners etc
 - For new members there is a lot of reading as the projects are unfamiliar.
 - Have we considered buddying up new and long standing Board members to expedite the sharing of “corporate knowledge”?
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- Agenda items are pulled if the papers are not circulated seven days in advance.
 - Board members felt the timescale was, on the whole, being adhered to
 - Board members reported there was sufficient time to review the papers.
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- The subgroups should be reconstituted as formal committees of the LEP with delegated responsibility for delivering the LIS enablers:
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 - b. people: Skills Advisory Panel, chair – Fiona McMillan;
 - c. infrastructure and places: Place Group, chair – Mel Squires;
 - d. business environment: Business Leadership Group, chair–Richard Stevens.
 - Each group should develop a proposal setting out how they propose to support the delivery of the LIS, what delegated authority they seek to do so, and the proposed membership of the group, all for the approval of the LEP board. The Place Groups should additionally work to understand its relationship to the Strategic Transport Board.
 - Questions were raised as to effectiveness of the current structure in delivering our priorities.
 - Many priorities were seen as cross cutting making ownership complex and delivery challenging.
 - Board members put forward a few suggestions to revise the sub group structure in line with key priorities, key industry sectors, current structure is working.
 - It was acknowledged that sub groups with diverse & complex portfolio of objectives faced greater challenges to make significant progress / impact.
 - There was an acknowledgment that progress had been made across the sub groups with a desire to do even better
 - General consensus to return to the question of structure in light of the Government LEP Review.
 - Need to have consistent support for Chairs in the form of a nominated deputy / vice chair.

- The chair and vice chair should meet regularly with the chairs of the groups and committees in a Chairs Group to scrutinise their work in delivering the strategy. This would be an informal gathering, not a formal body. Each group/committee chair should provide a brief update in the review of performance section of LEP board meetings.
 - Very effective meetings. One of the problems identified for the full LEP Board is that large boards are less effective, but we cannot reduce its size. The Chairs Group bridges the gap, a smaller, effective working group.
 - Karl has done a great job with these; I get a lot out of them.
 - Private sector board members could benefit from a briefing that flows out of these meetings so they can engage more efficiently and consistently with their wider business networks.
 - Balance noted between the desire to keep meeting informal with preparation time / note keeping.

- A nominations committee should be formed of board members, with the existing body becoming an advisory group. A report on diversity should be made annually.
 - Board members were aware of the nominations committee and less clear as to who was on it.
 - Likewise there was a consensus that diversity had been discussed at Board and we were below our targets but unsure whether a formal Board paper had been presented.

- Private sector directors should be selected for their potential to fulfil the role of independent governance; they should receive thorough induction including support to understand and fulfil the independent role.
 - Good feedback received on the quality of recent Board appointments.
 - Induction process worked well.
 - Board members felt supported.
 - A formal buddying system was suggested -see above.

- An up to date schedule of delegation should be prepared for the board's approval and published on the LEP's website
 - The aim of this recommendation was about re-focussing the sub-groups around the key themes of the LIS. At the moment the scheme of delegation is part of the Assurance Framework and barring some references to tidy up, e.g. remove SEP references, is up to date.
 - There is a mixture of success and consistency of links between LEP Board members and key stakeholders.
 - The broader issue is that Building Back Better has replaced the LIS so we need to tidy up our approach around governance of this and then reflect in the scheme of delegation.
 - Given the LEP review it doesn't seem to make sense to have an immediate deadline on finalising the governance for the transformational opportunities
 - The autumn was suggested as a reasonable timescale to review this.

- Establish a register of stakeholders and link directors on the LEP board who will keep informed of their views and needs and keep them informed of the LEP's deliberations.
 - Register yet to be formally agreed and posted on LEP website.
 - Some sub groups are more advanced in working with their networks and increased consistency would be of benefit.
 - It was noted that the LEP has no clean growth champion
 - New partnerships manager suggested as a resource to improve the consistency and quality of collaboration in this area.

Conclusions

Overall this piece of work has demonstrated that significant progress has been made since the 2020 review, with a number of the action points completed.. Feedback acknowledged the excellent leadership delivered by our Chair and the LEP management team in difficult circumstances. Importantly feedback indicated that respondents believed the Board had been effective in delivering it's duties over the past year. Opportunities for further progress have been identified and these are captured in the following recommendations:-

1. The Heart of the South West LEP Board has been effective over the past year.
2. Future Board meetings to be a mix of face to face and via Teams with the aim of limiting "Teams" to 2 hours. Consider extra meeting if the agenda dictates.
3. LEP management team prepare a briefing note for the Board sign posting the LEPs latest work and reports on:-
 - a. diversity,
 - b. nominations committee process and members
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4. LEP management team (with support of Board members) develop a strategy to maximise impact in the LEP priority areas including, but not limited to:
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