

Heart of the South West Local Enterprise Partnership

Finance & Resources

Report theme: HoTSW LEP - Governance Review

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Summary

That F&R notes the work required & recommends the actions to the Board.

Recommendations

1. Vice-Chair and SME champion to be agreed at January Board
 2. That the Board ask the Vice-Chair to oversee a governance review to consider revised Somerset representation on the Board, any other recommendations eg re gender balance, diversity champion and the composition, role and responsibilities of Board sub-groups. The review to report back to the April LEP Board
 3. That final terms of reference for the review to be developed through the LEP management team and F&R, including consideration of April pre-election period
 4. The Board recommends Members hold a Members Meeting before 1st June to agree amendments of the Articles to allow Independent Directors' terms to be extended. The amendment would be similar to that agreed for the HE Directors in 2022 (Art 23.6)
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Background

Over the next 6 months, several pieces of governance work are needed and/or recommended. These are outlined below for information and any feedback with relevant references to the National Local Growth Assurance Framework¹ (NLGAF), LEP Assurance Framework (LAF)² and Articles³:

Vice Chair & SME Champion

Following Karl Tucker's extension of term as Chair, agreed at the October Board, it is necessary to appoint a vice-Chair plus a SME champion. The NLGAF states that best practice is for the vice-chair to be private sector but does not specify an open recruitment process and the LEP's Articles state that the vice-Chair is appointed by Board members (Directors). No guidance is set out how an SME champion is agreed and it is recommended that:

1. Vice-Chair & SME Champion to be agreed at January LEP Board

Governance Review

With the establishment of programme boards in 2022, the growing role of Local Skills Improvement Partnerships, continued requirement for Skills Advisory Panels, Somerset unitarisation, requirement to achieve 50/50 gender balance, emergence of Great SW, channelling of future capital funds through local authorities etc there are multiple changes that affect the LEP's governance structures. It is therefore recommended

¹ [National local growth assurance framework \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

² [HotSW-Assurance-Framework-Aug-22.pdf \(heartofswlep.co.uk\)](#)

³ [HotSW-LEP-Articles-of-Association-8-April-2022.pdf \(heartofswlep.co.uk\)](#)

- a. that the Board appoint a Director to lead a governance review to consider revised Somerset representation on the Board and the composition, role and responsibilities of Board sub-groups. The review would report back to the April LEP Board though consideration needs to be given to some local authority Board members being unable to attend in April due to the pre-election period
- b. terms of reference for the review to be developed through the LEP management team and F&R, including consideration of April pre-election period

Changes to Articles re Independent Directors' (private sector) term

Currently the Articles state that independent directors may serve a maximum of 6 years. However Board members have agreed to consider annual extensions beyond this, recognising the difficulty in recruiting new independent Directors with on-going uncertainty over the timescale of LEP integration and a General Election before January 2025. Neither the NGLAF or LAF put any limit on the term of private sector Directors. It is therefore recommended that

- A) The Board recommends Members hold a meeting before 1st June to agree amendment of the Articles to allow Independent Directors' terms to be extended. The amendment would be similar to that agreed for the HE Directors in 2022 (Art 23.6)