GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: LEP Membership Review

DATE: 18th March 2019

FROM: John Holden, Assistant Director Research and Strategy

PURPOSE OF REPORT

This report provides an update on the LEP Membership Review and a recommendation that the LEP Chair remains in post for a further year in line with the National Local Growth Assurance Framework.

RECOMMENDATIONS

The LEP Board is asked to:

  i. Consider the report and provide feedback
  ii. Agree that the Chair remain in post for a further year

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1. **INTRODUCTION**

1.1 The GM LEP sits at the heart of Greater Manchester’s governance arrangements, offering private sector insight, guidance and challenge to the development of GM’s strategic agenda in partnership with the GMCA.

1.2 The LEP’s terms of reference require that the LEP’s private sector membership is regularly reviewed to ensure its membership remains relevant to this agenda and is fit for purpose.

1.3 The current private sector members’ terms of office expire on 31 March 2019 and it is therefore timely to review their membership of the Board.

1.4 This report sets out the process for reviewing the private sector membership in line with a previous comprehensive review carried out in 2017 by Penna Consultants.

1.5 NB: Public sector representatives are appointed annually and will not form part of this review.

2. **RECOMMENDATIONS**

2.1 The GM LEP is requested to:

(i) Note the content of the report and provide any feedback on the Membership Review

(ii) Approve Mike Blackburn to serve as Chair of the GM LEP for a further year.

3. **MEMBERSHIP REVIEW**

3.1 As highlighted by the Chair at the LEP Meeting in January 2019, the LEP Terms of Reference require that the LEP’s private sector term of office is two years with members appointed using an open recruitment process.

3.2 It has been practice to review membership fully every four years with a light touch review every two years. The last comprehensive review in 2017 was supported by Penna recruitment consultants. Penna have been appointed to carry out this review as outlined in the report on LEP Core funding agreed by the Board at their November 2018 meeting.

3.3 The political and economic context has changed significantly since 2017 and it is therefore timely to carry out a comprehensive review to help ensure the board is best equipped to address the range of current issues and opportunities that Greater Manchester faces.

3.4 The 2017 comprehensive review included a two-stage process which included a review of the existing private sector membership and a parallel recruitment exercise to identify new members.

3.5 A brief to appoint Penna to carry out the review was drafted on this basis (attached at Appendix A) and approved by the Chair with the review commencing in late 2018.
4. **GM LEP CHAIR TERM LIMIT**

4.1 More broadly, the review will need to take account of the recent Government LEP Review - Strengthened Local Enterprise Partnership – which set out a number of recommendations to leadership, governance, accountability, financial reporting and geographical boundaries to ensure LEPs remain independent and private sector led partnerships that are accountable to the communities they support.

4.2 This commitment builds on the Mary Ney led review into LEP governance and transparency. GM has already implemented the recommendations of the Mary Ney Review as outlined in a report to the LEP in March 2018.

4.3 GM already complies with the majority of the LEP Review recommendations which reflect current GM policy and practice, particularly in regard to transparency, accountability and diversity as outlined in a report to the LEP in September 2018.

4.4 However, there are a number of recommendations that the membership review will need to take address including leadership, representation and diversity which are highlighted in the brief.

4.5 Further, the Government recently published the National Local Growth Assurance Framework was in January 2019 setting out Government’s guidance for how LEPs should ensure the robust stewardship of public funds.

4.6 This includes the requirement that LEPs appoint a Chair and Deputy Chair with defined term limits. The Framework states that these roles should have a defined term limit of three years, with an optional extension of three years. There is an option to extend for a further three years in exceptional circumstances if approved by the Board to a total of a nine year term.

4.7 The current GM LEP Chair was appointed in 2011 and so has served for eight years. Given the need for stability in LEP leadership in the current climate, particular in light of the continuing uncertainty on BREXIT and the GM’s leading role in developing one of the first Local Industrial Strategies, it is proposed that in these exceptional circumstances, the Chair remain in post for a further year to the limit of nine years.

5. **TIMESCALES AND NEXT STEPS**

5.1 The first stage of the review consisted of a review of the LEP’s current private sector membership where those wishing to be re-appointed to the board were interviewed on the basis of the person specification (attached at Appendix B and C) and their wider skills and expertise.

5.2 As reported at the January meeting, feedback was also provided from member interviews regarding the future direction of the LEP Board. It was reported that Michael Oglesby decided to step down as a member of the GM LEP Board due to poor health.

5.3 Secondly, the consultants have advised on the best approach to attract new potential candidates and ensure the transparency and robustness of the review process in line with the Terms of Reference and current good practice.
5.4 As part of the LEP’s commitment to equality, the review of membership will focus on the need to ensure that the LEP reflects the breadth of economic sectors and is reflective of the wider GM population.

5.5 This includes a 4 week online recruitment campaign outlining the LEP Board role and person specification launched in early March on the GMCA and LEP websites along with leading media sites such as the Guardian and Sunday Times.

5.6 As in previous memberships reviews, this approach been complemented by publication on www.nonexecutivedirectors.com (a leading site for non-executive and trustee roles with over 35,000 registered members bringing global reach across all sectors and industries).

5.7 Similarly, we are also seeking to boost the number of eligible women applying to join the LEP through advertising through a dedicated women directors’ network (www.womendirectors.com).

5.8 The consultants will also ensure strong business input by directly consulting Greater Manchester’s business representative organisations on the proposed Chair and Deputy Chair.

5.9 The consultants will assess any new candidates against the person specification to identify a shortlist prior to interview based on these criteria along with their broader capacity and experience.

5.10 Interviews of existing board members and new shortlisted candidates will be carried out by the LEP chair and a public sector LEP member supported by the consultants.

5.11 Successful candidates will then be appointed to the board subject to formal confirmation from GMCA.

5.12 However, due to the many commitments of LEP Board members, it is possible that individual members may stand down from the board itself prior to the expiration of their current terms of office.

5.13 It will therefore useful for the membership review to provide a pool of suitable candidates who can fill any vacancies as they arise.

5.14 This also provides an early opportunity to explore how our structures contribute to effective LEP performance and how we could make better use of new and existing Board members’ time, skills and commitment.

5.15 This includes ensuring that the range and level of representation remains appropriate and that LEP members have the necessary skills and capacity to contribute to the LEP’s expanding role.
Appendix A

Review of the Private Sector Membership of the Greater Manchester Local Enterprise Partnership

1. INTRODUCTION

1.1. This brief sets out the process for a review of the current private sector membership of Greater Manchester Local Enterprise Partnership (GMLEP). The brief outlines a two stage process for reviewing the private sector membership in line with the previous comprehensive review carried out in 2017 by Penna Consultants.

1.2. The private membership’s term of office expires at the end of March 2019. The review therefore needs to be completed in time for new and reappointed members to take up their positions in April 2019 with confirmation by the Greater Manchester Combined Authority (GMCA) at its AGM in June 2019.

1.3. However, it is possible that individual members may stand down from the Board prior to the expiration of their current terms of office. The review should therefore provide a pool of suitable candidates who can fill any vacancies as they arise prior to the approval of full Board membership.

2. BACKGROUND

2.1 GM LEP is a private-sector led, voluntary partnership sitting at the heart of the city region’s governance arrangements, ensuring that business leaders are empowered to set the strategic course, determine local economic priorities and drive growth and job creation within the city region.

2.2 It works alongside and in partnership with GMCA, offering leadership, insight, guidance and constructive challenge as we take forward our strategic ambitions.

2.3 Together, GM LEP and the GMCA provide a robust set of decision-making and governance structures in delivering our shared vision for Greater Manchester to be one of the best places in the world to grow up, get on and grow old.

2.4 GM’s unique partnership model of GMCA/LEP leadership through a shared vision for the city region is underpinned by joint ownership of the Greater Manchester Strategy (GMS) ‘Our People, Our Place’ which represents a long term blueprint for the future of all the people of Greater Manchester.

2.5 The Board currently receives regular reports on key aspects of delivery along with updates from individual projects allowing the LEP to gauge performance and approve the next steps in partnership with the GMCA.

2.6 The LEP Board contributes, informs and provides supportive challenge to Greater Manchester’s strategic work through membership of project teams, partnerships and events. These projects represent key partnerships between the LEP and the public, private and voluntary sectors with a number of highlights set out below.
2.7 The GMCA and the GM LEP's strategic agenda also provided the platform for the powers and responsibilities which were negotiated through the series of groundbreaking GM Devolution Agreements, placing Greater Manchester at the forefront of the national debate on devolution.

2.8 By taking this place based approach, local leaders are empowered to drive the strategic agenda and has led the LEP to take a leading role in a number of key initiatives such as:

- The **Local Industrial Strategy** will reflect the five foundations of productivity identified as essential to a successful economy in the national Industrial Strategy - Ideas, People, Infrastructure, Business Environment and Places - but also take a place-based approach that builds on the area’s unique strengths
- The **Internationalisation Strategy** was formally launched in 2017. It sets out Greater Manchester’s approach to international markets across trade, investment, tourism, events, higher education and research to 2020. A mid-term review of this Strategy is under currently underway and is the subject of a separate paper to this meeting
- The **Area Based Review and Skills Capital Programme** of post-16 education across the to ensure that a skills offer is in place to meet our economic and educational needs
- The **Digital Strategy** has a vision for establishing GM as the UK’s number one digital city using the power of technology to connect people, businesses and communities
- **Transport 2040**, a long-term transport strategy for Greater Manchester that will deliver world class connections that will support long term sustainable economic growth and access to opportunities for all;
- The **Greater Manchester Investment Strategy**, which supports the implementation of the GM Strategy through investment from a variety funding streams
- In particular, the LEP secured, working with GMCA, around £500m of **Growth Deal** investment between 2015 and 2021 to support people learning new skills, help to create 6,250 jobs and generate up to £210 million in public and private investment.

2.9 Delivery on LEP priorities is not just through strategic input and oversight but driving project delivery with public, private and voluntary sector partners. The LEP works on a range of projects to realise its ambitions and some highlights include:

- **Business Growth Hub** – GM LEP has supported the Business Growth Hub from its inception ensuring local businesses have the right support at the right time to help them succeed.
- **Enterprise Zones** – GM LEP helped establish the region’s two Enterprise Zones: one at Airport City and another life sciences zone at Corridor Manchester. Enterprise Zones offer business rates discounts, simplified local planning laws, tax relief and support.
- **Manufacturing Champions Network** - The Manufacturing Champions Network is led by some of the best manufacturers in Greater Manchester who are supporting the growth and development of ambitious executives in small and
medium sized businesses by showcasing best practice and sharing leadership challenges.

- **City Verve** - GM LEP led a partnership of organisations across Greater Manchester to secure the City Verve project. The £10m project will help embed smart technology and the Internet of Things in the Corridor Manchester. Its plans include talkative bus stops, which let bus operators know when commuters are waiting; and a network of sensors in parks and along commuter routes to encourage people to do more physical activity.

- **Working Well** – GM LEP helps oversee the Working Well project that helps benefit claimants find employment by providing them integrated and intensive support.

2.10 More recently, the Board has recently decided to focus in depth on a number of key themes and has set in place new governance structures to reflect this approach. This includes the creation of four Task and Finish Groups chaired by a Board member to drive forward a number of key issues for the GM economy including *Schools; Digital Skills; Business Start Up/Scale Up; and Adopting Digital Technologies*.

2.11 Further, the LEP has establishing a Foresight Group to look at potential ‘disrupters’ to business as normal aligned to the Grand Challenges of the Government’s Local Industrial Strategy and the issues and opportunities for GM over the next 5 to 10 years. In this way it will complement the work of the LEP Board in supporting the development of the Local Industrial Strategy as well as the long term ambitions of the GMS.

3. **THE BRIEF**

3.1. The LEP is chaired by Mike Blackburn and consists of 15 Board members: 11 private sector members and 4 GMCA members, including the GMCA Chair and Vice Chair Mayor Andy Burnham and Deputy Mayor Richard Leese alongside Cllr Andrew Western and Cllr Linda Thomas. See Table below for current Board membership.

3.2. The Board is also supported by two ex-officio members who provide additional insight and expertise but do not have voting rights.

3.3. Board membership reflects a range of GM’s key industrial sectors and includes representatives of both large employers such as Siemens alongside representatives of SMEs such as Magnetic North.

3.4. Private sector members are appointed via an open and transparent recruitment process with the final recommendations approved by GMCA. Private sector terms of office are reviewed every two years with public sector members re-elected annually by GMCA.

3.5. This regular review ensures that the Board is still meeting its strategic remit and is fit for purpose going forward. The current private sector members’ terms of office expire on 31 March 2019.

3.6. The last review completed in 2017 was supported by Penna recruitment consultants who were appointed via a competitive tender. The review included a two-stage
process which should form the template of a similar review. The process consisted of:

i. An informal review of its current private sector membership (see table below) where those who were willing and able were re-appointed to the board

ii. A public recruitment exercise to identify new members with a view to filling any gaps on the board.

3.7. This gives an early opportunity to ensure that the range of representation remains appropriate and that LEP members have the necessary skills and expertise skills to contribute to the LEP’s expanding role.

3.8. Importantly, we will look to ensure that through both stages of this process a balance of Board members by sector, type of organisation, ethnicity and gender is achieved.

3.9. It may also be useful to take into account the portfolio responsibilities of the Leaders of GMCA in overseeing delivery of the GMS to ensure a strategic fit with overall governance.

3.10. More broadly, the review will need to take account of the recent Government LEP Review - Strengthened Local Enterprise Partnership – which set out a number of recommendations to leadership, governance, accountability, financial reporting and geographical boundaries to ensure LEPs remain independent and private sector led partnerships that are accountable to the communities they support.

3.11. This commitment builds on last year’s Mary Ney led review into LEP governance and transparency. GM has already implemented the recommendations of the Mary Ney Review as outlined in a report to the LEP in March 2018.

3.12. GM already complies with the majority of the LEP Review recommendations which reflect current GM policy and practice, particularly in regard to transparency, accountability and diversity as outlined in a report to the LEP in September 2018.

3.13. However, there are a number of recommendations that the membership review will need to take address including leadership, representation and diversity.

4. INFORMAL REVIEW OF CURRENT PRIVATE SECTOR MEMBERS

4.1 All current LEP members need to be asked whether they wish to be reappointed for a further two years. If they do, the reappointment process will involve an informal review process outlined below.

4.2 The first stage of the review will comprise a Project Initiation Meeting to provide background on the Board and to understand the requirements of LEP Board members going forward. Consultants will then have an informal meeting with each private sector board member.

4.3 The person specifications are attached (see Appendices B and C). The review process may suggest amendments to these specifications which may then be
updated. In particular, the LEP is now required to appoint a Deputy Chair and the review will help scope the specification for this role.

4.4 The review of individual members should begin by soliciting members’ personal views and then focus upon the person specification (as above):

i. It is anticipated that the meeting will begin by asking personal views of members: what they have got out of their participation in the LEP over the last two years and what they would like to contribute to the LEP going forward;

ii. Members’ capacity to work in a leadership role strategically across GM as well as in a regional and national context;

iii. Skills and expertise to contribute to the delivery of GM’s priorities as described in the Greater Manchester Strategy and the emerging Local Industrial Strategy along with how the LEP could enhance their support.

iv. Additional skills / special interests that members bring to the table; and

v. Members’ capacity to play a full part in LEP and other meetings.

5. **RECRUITMENT OF NEW MEMBERS**

5.1 At the same time as the member review takes place a transparent process to recruit new members needs to be planned.

5.2 The consultants will advise on the best approach to attract new potential candidates and ensure the transparency and robustness of the review process in line with the Terms of Reference, current good practice and the LEP Review recommendations.

5.3 For instance, the private sector should form at least two thirds of the board with a maximum permanent board membership of 20 people, with the option to co-opt an additional five board members with specialist knowledge on a one year basis.

5.4 GM LEP already meets this requirement with almost three quarters of the board coming from a private sector background. However, the consultants will suggest options for any co-optees along with full Board members as part of the shortlisting process.

5.5 The consultants will also ensure strong business input by directly consulting Greater Manchester’s business representative organisations on the proposed Chair and Deputy Chair. This includes key representative organisations including the local Chamber of Commerce; Pro Manchester; Northwest Business Leadership Team; IOD; Federation of Small Business; EEF – the manufacturers’ organisation; and the CBI. We will also consult with the recently launched Business Advisory Panel.

5.6 The LEP Review also made clear that LEP Boards should improve their gender balance and representation of those with protected characteristics and ensure that at least one third of the LEP’s appointed board members are women by the end of the 2019-2020 with equal representation by the end of the 2022-2023 financial year.

5.7 The LEP recognises that it works on behalf of all the people of Greater Manchester and understands that different people bring different ideas, knowledge and
perspectives. GM LEP currently meets this initial target with a ratio of 40% women to men but wishes to work towards a gender balanced Board.

5.8 As part of this commitment to equality, the review of membership should ensure that the LEP reflects the breadth of economic sectors and improves the representation of the diversity of Greater Manchester’s people with a focus on the gender and ethnic balance of the Board.

5.9 For instance, in the previous membership review, an advertising and search campaign was launched to attract potential new candidates for interview, ensuring the refreshed board has the necessary skills and capacity to contribute to the LEP’s expanding role.

5.10 The LEP Board role and person specification was advertised online on the GMCA and GMLEP websites along with [www.nonexecutivedirectors.com](http://www.nonexecutivedirectors.com) (a leading site for non-executive and trustee roles with over 35,000 registered members bringing global reach across all sectors and industries).

5.11 We also sought to boost the number of eligible women applying to join the LEP through advertising through a dedicated women directors’ network ([www.womendirectors.com](http://www.womendirectors.com)).

5.12 Suggestions as to suitable candidates may also be sought by current LEP/GMCA members and key partners.

5.13 The consultants will then assess candidates against the criteria contained in the person specification to identify a shortlist.

5.14 Following shortlisting of potential new board members, interviews will be carried out by a mixed public/private panel, which will include representation from GM Leaders and GM’s business representative organisations.

6. OUTCOMES

6.1 The outcome of the review process will be:
- a review of the private sector membership of the private sector members of the Greater Manchester Local Enterprise Partnership; and
- appointment of replacement private sector members.
### LEP Private Sector Membership

<table>
<thead>
<tr>
<th>Member</th>
<th>Role</th>
<th>Sector/Key Areas of Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mike Blackburn (Chair)</td>
<td>Consultancy, Non-Executive Directorships</td>
<td>Consultancy, Digital Communications</td>
</tr>
<tr>
<td>Dame Nancy Rothwell</td>
<td>President and Vice Chancellor, University of Manchester</td>
<td>Science, Higher Education</td>
</tr>
<tr>
<td>Lou Cordwell</td>
<td>CEO, Magnetic North</td>
<td>Marketing and Communications, Digital, SME</td>
</tr>
<tr>
<td>Juergen Maier</td>
<td>Managing Director, Siemens UK</td>
<td>Science, Advanced Manufacturing</td>
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<tr>
<td>David Birch</td>
<td>Consultancy</td>
<td>Professional Services/Manufacturing Consultancy</td>
</tr>
<tr>
<td>Richard Topliss</td>
<td>Regional Director of RBS and Chair of the Manchester Growth Company</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Michael Oglesby</td>
<td>Chair of Bruntwood Group</td>
<td>Land and Property Regeneration</td>
</tr>
<tr>
<td>Lorna Fitzsimons</td>
<td>Director, The Alliance Project</td>
<td>Textile Manufacturing, Marketing and Communications, SME</td>
</tr>
<tr>
<td>Fiona Gibson</td>
<td>Business Director, Octagon Theatre</td>
<td>Art and Culture, Professional Services/Management Consultancy, SME</td>
</tr>
<tr>
<td>Monica Brij</td>
<td>Partner, Nabarro LLP</td>
<td>Legal Services, Regeneration, Land and Property</td>
</tr>
<tr>
<td>Mo Isap</td>
<td>Director &amp; CEO of IN4.0 Plc</td>
<td>Digital Technology</td>
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### EX-OFFICIO MEMBERS

<table>
<thead>
<tr>
<th>Member</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Vanda Murray</td>
<td>Portfolio of Non-Executive Directorships</td>
<td>Marketing, Management Consultancy, Finance</td>
</tr>
<tr>
<td>Iwan Griffiths</td>
<td>NW Chair PwC in the North</td>
<td>Financial Services, Consultancy</td>
</tr>
</tbody>
</table>
Person Specification for Chair

**LEP Chair**

**Role:**
- to provide leadership and strategic direction to the LEP and to build the LEP Board, harnessing the skills, expertise and experience of LEP members
- to chair LEP meetings
- to ensure that LEP activities support and add value to the city region’s strategic economic priorities and that these reflect the current and future needs of the GM economy
- to attend all LEP meetings, LEP related events and other events as appropriate
- to act as the LEP’s spokesperson in its dealings with the media
- to negotiate with and influence senior local and national political and business figures
- to ensure that the LEP complies with the Nolan Principles of standards in public life

**Person Specification**

- have a strong commitment to, and understanding of, the city region and in particular the drivers of and challenges faced by the Greater Manchester economy
- have substantial business skills and experience gained at a senior level and be a credible individual with the stature to lead and influence
- have substantial experience of chairing groups or boards of senior executives, of providing leadership and of inspiring and motivating colleagues and stakeholders
- be independently minded – providing detachment and clarity in the development of strategy and the identification of opportunities
- have the ability to set strategic direction and to quickly understand and analyse and distil complex issues into coherent and practical actions
- have strong interpersonal and communication skills, be articulate and passionate, have an ability to influence and network, to deal with media attention and to represent the LEP and its actions
- have experience of providing leadership in a partnership environment and have a strong commitment to collaborative and partnership working, including with the public sector
- have a genuine interest and understanding of the challenges facing the business community
- have a total commitment to equality of opportunity and diversity, including an understanding of the barriers and challenges faced by economically or socially excluded groups
Appendix C  
Greater Manchester Local Enterprise Partnership

Person Specification for Member

**LEP Member**

**Role:**
- to actively contribute to the strategic direction and the purpose of the LEP
- to provide expertise and knowledge to enable the LEP to address the economic needs of Greater Manchester
- to be prepared to take the lead and provide strategic direction in areas in which they have particular skills, expertise and experience
- to attend all LEP meetings and other events as appropriate
- to comply with the Nolan Principles of standards in public life

**Person Specification**

Applicants must:

- have a strong commitment to, and understanding of, the city region and in particular the drivers of and challenges faced by the Greater Manchester economy
- have substantial business skills and experience gained at a senior level and have credibility with the wider business community
- have experience of serving on groups or boards of senior executives
- be independently minded – providing detachment and clarity in the development of strategy and the identification of opportunities
- have ability to quickly understand and analyse and distil complex issues and to contribute to discussions about strategy
- have strong interpersonal and communication skills, be articulate and passionate and have an ability to influence and network
- have experience of working in a partnership environment and have a strong commitment to collaborative and partnership working, including with the public sector
- have a genuine interest and understanding of the challenges facing the business community
- have a total commitment to equality of opportunity and diversity, including an understanding of the barriers and challenges faced by economically or socially excluded groups
- be someone who is willing to provide the time commitment to the LEP and who potentially sees the personal development opportunity provided by the appointment