

16th July 2020

Board Diversity

Purpose of Report

This paper updates Board Members on the current board composition against the ambitions set out in the LEP Diversity Policy and against the standards set by the LEP Review.

This paper also seeks:

- views on the proposal to co-opt a Chamber of Commerce Chief Executive to the Board
- endorsement of a further recruitment campaign with the aim of achieving a more diverse Board
- views on the development of a talent programme to advance underrepresented groups in non-executive Board positions across South Yorkshire

Thematic Priority

Cross cutting - governance

Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper will be available under the Combined Authority Publication Scheme.

Recommendations

That Board Members:

1. endorse, following a selection process within the sector, Angela Foulkes joining the LEP Board as a co-opted member representing FE Colleges.
2. endorse the proposal to seek the co-option of a Chamber of Commerce Chief Executive to support and advise on the SEP and the Renewal Plan.
3. endorse the launch of a new recruitment campaign, commencing in July 2020, that will target applications from a more diverse pool with the aim of making new appointments from the end September 2020.
4. consider the development of a talent programme, sponsored by the LEP, to advance underrepresented groups in non-executive Board positions across South Yorkshire.

1. Introduction

1.1 Valuing diversity

The LEP Board first established its [Diversity Policy](#) in 2018. This policy sets out a commitment to ensuring board composition reflects the diverse communities of the City Region and considers areas of expertise and industry knowledge in addition to background, race, gender and other qualities. The policy was further strengthened in 2018 by adding a commitment to ensuring the private sector membership of the Board has equal male/female representation by 2023 and by identifying, and publicising, on the SCR website, a 'Diversity Champion'. This role is currently filled by the LEP Chair.

1.2 Government requirements

The LEP Review – ‘Strengthened Local Enterprise Partnerships’ (July 2018) - established criteria for the size and composition of LEP Boards. The requirements stipulate that Boards:

- Must have no more than 20 Members, although a further 5 Members may be co-opted to provide specialisms as required;
- Must be constituted with a 2/3 majority membership drawn from the private sector, including a private sector Chair;
- Must have a minimum membership of a third of the Board being female, noting that co-opted members do not count for the data. To be compliant, if the Board had a maximum Membership of 20 – 7 members would need to be female.

These criteria are reviewed and enforced by MHCLG as part of the Annual Performance Review of the LEP and a failure to meet the requirements results in an unsatisfactory grading and could lead to funding being withheld.

1.3 Current composition

Whilst the current Board composition relating to gender is some way off the ambition set out in the Diversity Policy it is compliant the Government requirements as set out above. However, due to resignations by female Board Members in 2019 the gender balance is at the minimum standard. (see table 1 at 2.1 and also appendix 1)

1.4 Recent Recruitment

The recruitment campaign launched in January 2020 saw only 22% of the applications from women. The campaign resulted in the appointment of Gemma Smith to the Board (March 2020).

NB Whilst the recruitment material sets out the LEPs commitment to the promotion of equal opportunity for all and to ensuring that the Boards composition is diverse and reflective of the City Region in its broadest sense, other than gender, no equality monitoring data is currently collected therefore it is difficult to analyse whether the campaign was successful in reaching other underrepresented groups.

1.5 Co-options

In addition to the appointment identified above, as agreed with the LEP Vice-Chairs in conjunction with the Chair, a co-opted position has been created to ensure representation of the Further Education College sector. Following an ‘expression of interest’ process, two submissions were made from South Yorkshire Colleges. Consequently, the Board is asked to endorse the recommendation to appoint Angela Foulkes (Chief Executive and Principal of Sheffield College and Chair of the SY Colleges CEX and Principals group) to the LEP Board for a three-year term.

- 1.6** The Board is also asked to endorse a proposal to seek the co-option of a Chamber of Commerce Chief Executive to support and advise on the SEP and the Renewal Plan.

2. Proposal and justification

2.1 Immediate activity

The current membership and composition of the LEP Board is shown in table 1 below (and at appendix 1) and illustrates that, of the substantive members, there is a total Board size of 17 against a maximum allowed membership of 20. The ratio of private to public sector is compliant with a two thirds majority, and whilst the gender balance is compliant (a third of members being female) it is at the minimum level.

	Male	Female	Total
Private Sector	8	4	
Public Sector	3	2	
Total	11	6	17
Co-opted Members	2	1	
Total	13	7	20

Table 1: Current LEP Board Membership June 2020 (this includes the appointment in March 2020 of Gemma Smith to the Board)

There are a number of 'terms of office' due to expire at the end of September which will impact negatively on the composition of the Board in relation to the private/public split and gender balance. To mitigate against this, and to actively pursue the ambition to achieve a greater gender balance on the Board, it is proposed a further recruitment campaign is launched, predominantly targeting applications from females but also proactively looking to diversify Board membership in its entirety.

2.3 Longer term activity

In view of the analysis of the recent recruitment campaign and the ratio of applications received from men versus women, and also to show demonstrable progress towards meeting the aspiration of 50/50 male/female membership on the Board, Members are asked to support the development of a longer-term programme that aims to advance underrepresented groups to fulfil non-executive positions on a range of public/private governance Boards across the City Region.

The proposal, if agreed in principle, could be developed in partnership with other anchor institutions and positioned as a tangible commitment to improving diversity in decision making and in the leadership of Boards.

3. Consideration of alternative approaches

- 3.1 Do less – accept a position of running a non-compliant Board. This has been discounted as all Board Members have expressed their desire to have a more diverse and gender balanced Board as a fundamental principle in ensuring the LEP Board is representative of the community (business and residents) that it serves.
- 3.2 Do more – The ambition of the Board is specified in the LEP Diversity Policy as moving rapidly towards a gender balanced Board, this remains an aspiration but without a targeted approach to recruitment in the medium term and a concerted development programme to attract increasing numbers of women to non-executive positions, open recruitment is seeing considerably more applications received from male business leaders and will continue to result in a minimum compliant position.

4. Implications

4.1 Financial

There will be some costs associated with running a targeted recruitment campaign and, if accepted, the development of a programme or sponsorship of a programme aimed at increasing the number of women and other underrepresented groups taking up non-executive roles in public life.

4.2 Legal

Legal advice is that we can take positive action in advertising and marketing our campaign.

4.3 Risk Management

There is a significant risk in having a Board that lacks diversity in a period of great economic uncertainty and where underrepresented groups are likely to be disproportionately affected. Decision making will undoubtedly be enhanced by a Board that is representative of the communities it serves. If the Board cannot move quickly to achieving this balance Members are asked to consider alternative approaches to ensuring policy development options are representative of all sectors in society.

4.4 Equality, Diversity and Social Inclusion

This paper is seeking support of Members to actions to better fulfil the obligations of the LEP Board to reflect greater representation and diversity and to meet the ambitions set out in the LEP Diversity Policy.

5. Communications

- 5.1 The proposal outlined in this paper will require significant activity to communicate and engage. Subject to the decisions made a communication and engagement strategy will be developed and shared with Members for their consideration and input.

6. Appendices/Annexes

- 6.1 Appendix 1 – LEP Board membership and gender composition as at July 2020

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

Strengthened Local Enterprise Partnerships <https://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships>