

Governance & Transparency

1. Purpose

- 1.1 The purpose of this paper is to bring Strategic Board (the Board) members fully up to date with recent progress in responding to Government's Assurance and Transparency agenda for LEPs.
- 1.2 The Board is reminded that our work in support of this agenda – our implementation of the Assurance Framework - is reportable in normal circumstances to all routine tabled meetings of the Accountability Board. The February Accountability Board report ([see link](#)) provided a typical snapshot which is illustrative of our ongoing commitment to the agenda and our willingness to iterate.

2. Recommendations

- 2.1 The Board is asked to carefully consider this important report, which speaks to an enormous body of work recently undertaken by the SELEP secretariat and Essex County Council as the Accountable Body for the LEP.
- 2.2 Moreover, the Board is asked to **note** the recent position that has been taken on your behalf with the Cities and Local Growth Unit in light of feedback from the Annual Conversation process.
- 2.3 Specifically, it is recommended that the Board takes the following decisions:
 - 2.3.1 To adopt the refreshed Terms of Reference for the LEP overall;
 - 2.3.2 To agree that the LEP has oversight of recruitment to federated area boards and that it provides a consistent LEP wide approach to recruiting new business members;
 - 2.3.3 To re-approve the establishment of an Investment Panel and the work to commence the construction of Terms of Reference for said Panel;
 - 2.3.4 To agree to establish and maintain a single pipeline of priority projects which will be used to identify the projects which utilise underspends in the event that it becomes available;
 - 2.3.5 To agree a standard approach to calling for projects when funding becomes available to the LEP;
 - 2.3.6 To ratify the adoption of the following: Assurance Framework 2018, Code of Conduct for LEP Board Members, Confidential Reporting of Complaints Policy, Register of Interests Policy, Subsistence and Hospitality Policy, and Whistleblowing Policy – as agreed by electronic procedure on 22nd February 2018; and
 - 2.3.7 Assuming the ratification of the items detailed above at 2.3.6; agree that all requirements of the Assurance Framework and polices as laid out will be adopted by the Federated Boards of the SELEP.

3. Background

Annual Conversation feedback & Deep Dive

- 3.1 On the 20th February 2018, a letter in the name of Stephen Jones, Director at the Cities and Local Growth Unit (CLOG) (the Letter), was sent to Adam Bryan, Managing Director of SELEP, with a moderated view of the LEP in respect of governance, strategy and delivery. Its basis was the Annual Conversation in December 2017 and, evidently, a series of arbitrary checks of the SELEP website which took place during January 2017.
- 3.2 The Letter, which Board members received with this report, offered a less than wholly positive assessment of the LEP, primarily on the basis of its governance arrangements. We have subsequently learned that this assessment was predominantly undertaken after the Annual Conversation and, from what we can glean, was a simple desk-based binary analysis of whether information was available on the SELEP website. The precise process undertaken remains unclear. To juxtapose this, it must be added that the Annual Conversation in itself, as reported to the December 2017 board meeting in Ashford, was a positive, clear and constructive meeting, which made the receipt of the Letter all the more surprising.
- 3.3 The Chairman, Vice Chairmen, Managing Director and Section 151 Officer have since been in robust dialogue with the CLoG through conversations and formal letter exchanges. All uniformly consider the tone, narrative and findings in the letter to be fundamentally erroneous. Some, but not all, of the subsequent conversations with senior officials have been less than satisfactory.
- 3.4 The Chairman, Vice Chairmen and Managing Director met on 26th February to discuss the Letter and the tenability of all their positions in leading the LEP. The Chairman has since been clear that now is not necessarily the time for a change of leadership; that the LEP should reverse the destabilising effect of the letter; and that a positive response to some of the technical elements of the Letter is the best possible next step.
- 3.5 The Letter stipulated that SELEP would be subjected to a 'Deep Dive' audit of its governance processes to be arranged in short order. We do not understand the rationale for running an audit *after* receiving a judgement. But despite waiting almost three months for the Letter, the SELEP team accommodated the Deep Dive 15 days later on the 7th and 8th March. The Managing Director took the simple view that this was an opportunity to show the Departments how robust the LEP's arrangements are at every level.
- 3.6 CLoG provided a blank schedule for the Deep Dive and a request for background material relating to two randomly selected LGF schemes. All this information was readily accessible through the Accountability Board portal and the SELEP shared area and therefore easy to provide. Furthermore, the schedule was populated and appended with more interviews and more opportunity for analysis than had been requested by the audit team, including copies of the LEP's full policies, Terms of Reference, sample contracts, past presentations, sample Agendas and Minutes from Strategic Board, Accountability Board and Federated Board meetings.
- 3.7 The Deep Dive was, though, a positive experience for all, and enabled us to rebalance some of the views and statements which were included in the letter of 20th February.
- 3.8 The Government Internal Audit Agency has confirmed that they will produce a report of their findings from the Deep Dive which will be provided to the Managing Director within two weeks of 8th March 2018.

- 3.9 The initial feedback that the audit team provided in their wrap up session was exceptionally positive. While they provided a handful of recommendations (rather than ‘time limited Action Plan’ promised in CLoG’s letter), they were effusive about the SELEP team and its leadership, the structures of the LEP and the scale of the engaged business community through the federal model. It was clear that the Accountability Board was considered excellent practice and that the level of oversight provided by the S151 Officer was more than fit for purpose. Essentially, the initial conclusion laid out by the Deep Dive team disproved the chief conclusion of the preceding letter. Accordingly the SELEP team awaits the report with interest.
- 3.10 The SELEP Team and Accountable Body would like to put their thanks on record for the support of the individuals from partner organisations who took part in the Deep Dive, either in person on the phone.
- 3.11 We are now engaged in discussions with CLoG to determine how the initial ‘findings’ can be amended to reflect the outcome of the Deep Dive. Clearly the two do not align. We are hopeful that we will get either a retraction of the 20th February letter, or the production of another document for the record which provides a fairer and more accurate assessment of the South East LEP’s operation. The experience of the last few weeks has been challenging in the extreme and the SELEP team are continuing to review the LEP’s position in how it can robustly challenge the Letter.

Note on the Chairman

- 3.12 The recent correspondence with Government has come at a time when the Chairman has been considering his options in respect of extending his tenure at SELEP.
- 3.13 His clear conclusion is that now is the time to stay, to preside over the publication of the new SEP and to see through the nuances to our governance arrangements that are required by Government. Clearly this is dependent on the continued positive engagement of the Strategic Board and support for him in the position. Therefore the Board is encouraged to take the recommendations in this paper in positive spirit and to keep in mind the LEP’s continued commitment to its unique model of governance – which provides transparency-max through the Accountability Board and localism-max through the federal model.

The national focus on transparency and how it is formalised

- 3.14 Board members are already aware of Government’s recent focus on LEP governance and transparency – which is fuelled in equal measure by the readying of LEPs to take on increased responsibilities in the future; and by examples of impropriety in Greater Cambridge Greater Peterborough LEP which has been well documented and the details shared previously with the Board.
- 3.15 Government’s interest in the agenda has manifested formally in four ways:
- The Mary Ney Review of LEP Assurance and Transparency which provided recommendations – adopted by CLoG - for LEPs to implement, strictly by 28th February 2018;
 - Joint guidance on the role of the S151/S73 Officer in a LEP by MHCLG and CIPFA. This work is being led by the S151 Officer of SELEP’s Accountable Body alongside the S151 of Hampshire as the CIPFA Board lead
 - Increased scrutiny of the Annual Conversation process; and

- Consideration of the efficacy of LEPs through the LEP Review process.

3.16 The SELEP Managing Director was one of eight LEP Directors/CEOs engaged directly in the Mary Ney review. Mary's work was undertaken in a healthy and collaborative spirit and, informally in the discussions, our Accountability Board/s101 committee approach was acknowledged by Mary as good practice.

3.17 To the best of our understanding, we are fully compliant with the Mary Ney Review and with the National Assurance Framework.

Assurance Framework 2018

3.18 Government has clear expectations about LEPs operating within a culture of assurance as exemplified by the above. Despite this, Government officials had been clear at meetings of the LEP Network in late 2017 that they would not be forcing LEPs to adopt new Assurance Frameworks at this point and probably not until after the LEP Review had completed and provided clarity on the additional responsibilities for LEPs that we all expect.

3.19 Nevertheless, considering that a review of Assurance Frameworks is required annually and the Mary Ney Review recommendations were significant; an update to the SELEP Assurance Framework has been made. This should keep the Assurance Framework at the vanguard of Assurance Frameworks across the country.

3.20 The SELEP team had a suite of new policies ready for approval at the December Board meeting, but held them back as the best practice guidance from Government was still pending. This was received over the Christmas period. Accordingly work was undertaken to ensure that the guidance was fully considered and reflected in the revised Assurance Framework and supporting policies. On the 2nd February 2018 the following documents were sent to the Strategic Board for approval by electronic procedure:

- Assurance Framework 2018
- Code of Conduct for LEP Board Members
- Confidential reporting of complaints policy
- Register of Interest policy
- Subsistence and hospitality policy
- Whistleblowing policy

3.21 On 22nd February we were able to confirm that all the documents above had received quorate approval from the Strategic Board. The policies are available here:

<http://www.southeastlep.com/our-governance/our-policies>

Further Approvals

3.22 The recent interest from CLoG, the recommendations from the Deep Dive, and the implementation plan for the Assurance Framework (of which Accountability Board members are well aware), all come together to provide a suite of iterations to our governance arrangements which it is recommended that the Board approve. Some of them will require formal decisions from the Board and this is indicated below. Some will just require further work from the team.

- 3.23 Clearly there are expectations from Government which have an impact at the federal area level and some which require more activity and oversight by the secretariat than has been the case previously. In achieving agreement on this, Board members may wish to consider supporting the Secretariat as the SELEP team pushes again for a core funding settlement which properly befits us.
- 3.24 The table below summarises the areas for discussion by the Board. Where a formal decision is required, it is clearly indicated.

<i>Source</i>	<i>Recommendation to the Board</i>	<i>Notes/implementation</i>	<i>Decision required</i>
Managing Director advice	Adopt the refreshed Terms of Reference for SELEP.	The existing Terms of Reference document has been updated with minor changes to bring it in line with the Assurance Framework 2018. It can be found at Appendix A below.	Yes
CLoG letter, 20 th February	Discuss the introduction of time-bound tenures for board membership of business leaders at SELEP and federated board level	Succession planning has been highlighted by Government as an area of concern for SELEP. Board members are asked to consider this with a view to taking a decision at a future meeting on a mechanism which has been agreed by all federated boards.	No
CLoG letter, 20 th February & Deep Dive wrap up	Agree that the LEP has an active oversight role on recruitment to the federated boards and that the approach is consistent	The Terms of Reference has been strengthened in this area. In practical terms, we propose that the recruitment of new federated board members and the process undertaken is reported to the following Strategic Board meeting, having received formal endorsement from the LEP Chairman in advance of that meeting. All federal areas should adopt the same, consistent, approach.	Yes
CLoG letter, 20 th February	Reaffirm support the Investment Panel and agree for work to begin on the Terms of Reference for the Panel	The Investment Panel was agreed as a sub-committee of the Strategic Board at its 9 th June 2017 meeting. The Investment Panel would function in addition to both Strategic Board and Accountability Board. The remit of the two extant Boards will not be changed by the establishment of this further Panel. The Mary Ney Review recommended that a separate sub-committee should be in place to assess bids and the Letter from Government re-iterates this as a requirement. The Board is recommended to reaffirm its support for the Investment Panel as referenced in the Assurance Framework. The excerpt is	Yes

provided at Appendix B below.

<p>CLoG letter, 20th February & Deep Dive wrap up</p>	<p>Agree in principle to develop a pipeline of projects to draw upon when underspends or slippages emerge</p>	<p>Work is currently underway to establish a mechanism for handling underspends across the LEP and this will report to a future meeting of the Strategic Board. In addition to this, it has previously been established that the 'Infrastructure and Investment Plan' which will be produced when the Strategic Economic Plan is in place, will provide a full schedule of SELEP projects ready to access funding.</p>	<p>Yes</p>
<p>Assurance Framework implementation</p>	<p>All board members to provide the secretariat with full details of offers of Gifts or Hospitality received as a direct result of membership of SELEP – accepted or otherwise - for inclusion on a central register</p>	<p>This is a clear requirement from Government. While it is easily implementable and will be maintained by the Governance Officer in time, we should make the board newly aware of the requirement to report offers to us. For now, this can be reported by emailing us: lep@essex.gov.uk A template for reporting all offers and acceptances of gifts and hospitality is currently being formulated and will be circulated and appended to the policy documentation held on the SELEP website.</p>	<p>No</p>
<p>Deep Dive wrap up</p>	<p>Agree a standard approach to calls for projects when funding is available</p>	<p>The LEP website and the federated area websites should be used in a consistent way when calls for projects are made. This approach should be written into the LEP's Marketing Strategy and a LEP-driven engagement plan which is open to everyone should be ready to be instigated. There should also be a standardised process for projects to be included in the pipeline for consideration of underspend allocation.</p>	<p>Yes</p>
<p>Deep Dive wrap up</p>	<p>Formalise the board member induction process</p>	<p>It is already the case that federal areas have 'new board member' induction processes for incoming members. It is also the case that the SELEP Director meets or speaks to new board members before their first meetings. It is proposed that this process is articulated more comprehensively and that the June</p>	<p>No</p>



board is provided with a paper which details the forward looking approach. In addition to induction processes, an annual update will be made to the Board highlighting any changes to governance frameworks, policies and/or procedures and to refresh Board Members of their responsibilities.

4. Next steps

- 4.1 If not received by the time of the meeting, the Managing Director, Chairman and Vice Chairmen of the LEP will continue to pursue an official document from the Cities and Local Growth Unit which serves to reverse some of the negative impact of the 20th February letter and provides a fair assessment of the robust approach to governance that the South East LEP practices.
- 4.2 Thereafter, the secretariat will put in place any currently unknown small iterations or changes necessary to ensure that SELEP is fully compliant with the National Assurance Framework for LEPs by 31st March. Additional recommendations resulting from the Deep Dive report will be put into place at the earliest opportunity. At the time of writing we consider that agreement of the recommendations in this paper will ensure that we *are* fully compliant with the material measures contained within the document. However, should anything further be necessary, we appeal to Board members to respond swiftly to any required electronic procedure.
- 4.3 We are advised that the first version of Government Internal Audit Agency (GIAA) report on the 7th and 8th March Deep Dive is due 23rd March and will be sent directly to the LEP Managing Director to circulate, or not, at his discretion. The SELEP team will have an opportunity to comment on the report and there may be revisions made. We are clear that the final version of the report will be circulated the Board and subsequently published on the website.

5. Accountable Body Comments

- 5.1 Whilst the S151 Officer of the Accountable Body (Essex County Council) does not attend SELEP Board meetings, this is not different from other S151 Officers supporting LEPS around the country. The Essex County Council S151 Officer has a very strong oversight of all relevant matters relating to the running of the LEP, the Accountability Board and the Strategic Board – and this was reflected in feedback from the Deep Dive audit team following their conversation with her last week. She also has very regular meetings with the Managing Director and the finance team, and all have access to her at other times should that be necessary.
- 5.2 From 2017 onwards Local Enterprise Partnerships must submit a letter from their relevant Section 151 Officer (or Section 73 Officer for Combined Authorities) to MHCLG's Accounting Officer by 28 February each year certifying that the Local Enterprise Partnership's local assurance framework has been agreed, is being implemented and meets the revised standards set out in the Local Enterprise Partnership Assurance Framework.
- 5.3 For 2018, the Section 151 Officer of the SELEP Accountable Body has submitted the required certification to MHCLG and also confirmed that the LEP Governance and Transparency Best Practice Guidance has been implemented by SELEP. The recommendations included in this report support the certification.
- 5.4 The Accountable Body will continue to work with the SELEP team to ensure full compliance with the Governance Framework. This will include providing support and resource to formulate the governance training for new Board members and refreshers for current Board members.
- 5.5 It is recommended that information provided to the Accountability Board regarding progress against the implementation plan is also shared with Strategic Board members and any material deviations or slippages be raised at the next Strategic Board meeting.



5.6 It should be noted that all funding from Government is conditional on Government being assured that SELEP's governance arrangements are satisfactory. At time of publication it is not known whether the Letter or Deep Dive will have an impact on funding due after 31st March 2018.

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Appendices

Appendix A – SELEP Terms of Reference March 2018:

1. PURPOSE AND PRINCIPLES

1.1. Role of the Local Enterprise Partnership

1.1.1 The South East Local Enterprise Partnership (the LEP) is a strategic partnership which brings together the public and private sectors to support economic growth across the local authority areas of East Sussex, Essex, Kent, Medway, Southend-on-Sea and Thurrock. It has a federated model of operation which is principally supported by the **Essex Business Board**, Kent and Medway Economic Partnership, Opportunity South Essex and Team East Sussex.

1.1.2 The LEP will:

- a) progress priorities of cross-border economic importance where there is added value in working together
- b) support priorities of local importance where they are designated as priority by **Federated Boards**
- c) support the conditions through which a more creative, responsive and flexible working relationship can exist between business and government at all levels
- d) seek resources, freedoms and flexibilities to progress strategic growth priorities
- e) operate transparently, openly and in collaboration
- f) work in collaboration with neighbouring LEPs, including London, where the agenda dictates

1.1.3. In pursuit of this role, the LEP will bring together intelligence and expertise to identify priorities and develop solutions to maximise particularly private sector investment into the area and to address barriers to growth.

1.2. Legal status

1.2.1. The LEP is an informal partnership. It does not have legal status to enter into contracts and will act through one of its local authority partners as Accountable Body. This role has been undertaken by Essex County Council since the LEP's inception, but need not remain the case.

1.3. Subsidiarity

1.3.1. The LEP operates on the principle of subsidiarity. This means that decisions should be taken at the practical level closest to the communities and businesses affected by those decisions. The LEP's 'federal' model of operation provides a clear structure for this approach. This allows for local decision

making around individual projects and for decision-making of a more cross-cutting nature at the LEP Strategic Board.

1.3.2 Designated as a s.101 committee as defined by the Local Government Act (1972), the Accountability Board provides the accountability structure for decision-making and the approval of funding within the overarching vision set by the Strategic Board.

1.3.3 This document articulates the principal machinery around the LEP for the benefit of Board members and other interested parties. This should not preclude the emergence of new groups to support the working agenda, or indeed advisory arrangements to support the work of the SELEP team. Future iterations of this document will record any material change.

2. GOVERNANCE

2.1. General

2.1.1. The LEP is governed by two boards, the Strategic Board and the Accountability Board. The Terms of Reference for the Accountability Board are enshrined within the SELEP Assurance Framework **and the Joint Committee Agreement**.

2.2. Strategic Board

2.2.1. The Strategic Board, supported by the SELEP team, is responsible for:

- a) setting the vision, strategic direction and priorities of the LEP overall
- b) ensuring the development and maintenance of the Strategic Economic Plan and for determining its key funding priorities.
- c) ensuring that that adequate capacity and expertise is maintained to deliver against b)
- d) considering and agreeing a position on major items of strategic importance
- e) publishing arrangements for developing, prioritising, appraising and approving projects with a view to ensuring that a wide range of delivery partners can be involved
- f) development and approval of a Skills Strategy for the area
- g) approval of European Structural Investment Funds (ESIF) strategy
- h) deciding how the activities of the LEP should be delegated
- i) championing the LEP and the LEP area in all other forums
- j) supporting pan-LEP activity undertaken by the working groups
- k) working closely with federal boards to oversee Growth Hub, Enterprise Zone and City Deal activities
- l) endorsing local areas' efforts to advance projects for economic growth which may not be directly linked to the LEP.

During 2018, the SELEP Team will instigate a forward planning process for Strategic Board meetings, which will support the LEP's strategic decision making capability.



2.2.2. The Strategic Board has a private sector Chair, with the majority of the remaining members also coming from the private sector. It is constituted as follows (terminology changed to reflect federal model, numbers are the same):

Count	Membership
5	Business representatives taken from Essex Business Board and Opportunity South Essex
5	Local Government representatives taken from Essex Business Board and Opportunity South Essex
4	Business representatives from Kent and Medway Economic Partnership
4	Local Government representatives from Kent and Medway Economic Partnership
3	Business representatives from Team East Sussex
3	Local Government representatives from Team East Sussex
1	Representative of the Higher Education sector
1	Representative of the Further Education sector
1	Social Enterprise representative
28	(including Chair)

2.2.3 The process for recruiting representatives from business and local government shall be determined **within a framework agreed by the LEP** with the area Vice Chairman providing the final list to the LEP Chair as necessary. Each area **shall** select private sector Strategic Board members through an open, transparent and non-discriminatory competitive process which assesses each candidate on merit. Local authority representation should be at a senior political level, namely the Leader of the Council or a Cabinet Member.

2.2.4 The process for selecting the FE/ HE representatives shall be determined by the Skills Advisory Group and the U9 groups respectively, with final approval given by the SELEP Chairman. **This process shall also be followed by the Social Enterprise Working Group in agreeing their nomination to the board.**

2.2.6 Board members are expected to conduct themselves in accordance with **the SELEP Code of Conduct** which reflects Nolan’s Seven Principles of Public Life ([see link](#)). In the following circumstances, following adjudication by the Accountable Body’s Standards Committee, Board Members can be removed from SELEP office as a result of:

- a) failure to comply with **the SELEP Code of Conduct and all other SELEP Policies**



- b) failure to attend Strategic Board meetings for six months without pre-approval from the Chair
- c) failure to comply with **the SELEP Register of Interests Policy** and maintain their Declaration of Interests and/or continued participation in decisions where there is a clear, yet undeclared, conflict.

2.2.7 The LEP will ensure that representation at its Strategic Board and working group meetings is diverse and that membership is reflective of the business communities that it serves.

2.2.8 In accordance with Government’s expectations, the LEP shall designate the following board members or members of the SELEP team with responsibilities pertaining to the good governance of Government funding as follows:

<i>Maximising the LEP’s connections with SMEs across the area</i>	Chair
<i>Ensuring that the LEP’s investments represent value for money</i>	Chair of the Accountability Board
<i>Ensuring that business cases are subject to scrutiny</i>	Chair of the Accountability Board
<i>Identification and management of risk of all the projects supported by the LEP’s programme</i>	Chair of the Accountability Board

2.2.9 The Strategic Board will be supported by the LEP Team and the Senior Officer Group in identifying opportunities to work with LEPs across the national network according to the working agenda and priorities of the time.

2.2.10 **All Board members are requested to advise the secretariat of any hospitality or gifts they are offered pursuant to their LEP role, in line with the requirements of the Subsistence and Hospitality Policy as published on the SELEP website. The LEP secretariat shall publish Hospitality and Gift returns quarterly on the SELEP website.**

2.3 Chair and Vice Chairs

2.3.1 The Chair shall be appointed by the Strategic Board following an open, transparent and non-discriminatory competition that assesses each candidate on merit.

2.3.2 The Chair’s performance will be subject to annual review by the Strategic Board, led by the Vice Chairs.

2.3.3 Duties of the Chair will be to:



- a) ensure the smooth and effective operation of the Strategic Board
- b) lead on the development of strategy
- c) participate in the appointment of and directly manage the Managing Director of the LEP bringing any significant performance or staffing issues to the attention of the Strategic Board and the Accountable Body
- d) ensure effective liaison with all constituents of the LEP and Government and to undertake representation, communication and advocacy as required and as according to LEP's extant strategies

2.3.4 The Strategic Board will have three strategic Vice Chairs, one for Essex and South Essex, one for Kent and Medway and one for East Sussex. Their election and terms of office shall be determined by the federal boards who will work in partnership to agree the approach where required.

2.4 Representation and Attendance

2.4.1 Each member of the Board can name one alternate to attend in his or her place who is authorised to take decisions on his or her behalf. Alternates from Local Authorities shall be elected members.

2.4.2 For the Board to be quorate for decision making at least 17 of the 28 members must be present. Of these:

- a) At least 9 of the 17 should be business reps (ensuring business majority);
- b) There should be at least 1 business rep per partnership area; and
- c) At least 3 representatives must be from the 6 county/unitary councils

2.4.3 Only members of the Strategic Board or their alternates may sit at the meeting table and vote. Others may attend and take part by the invitation of the Chair.

2.4.4 Meetings of the Board are open to the press and public as observers, with the exception of any items that should be treated confidentially for commercial or other reasons. Filming or recording of proceedings should be agreed in advance with the SELEP team. The number of observers may be limited at the discretion of the Chair.

2.5 Decisions

2.5.1 The Board shall operate on the basis of consensus. If consensus is not achieved, decisions will be determined by majority vote, with the Chair's casting vote deployed if required.

2.5.2 All urgent matters to be considered for decision must have been circulated in writing to all members of the Strategic Board at least two clear working days

before the meeting. No decision can be taken without notice having been given.

- 2.5.3 In the event that a decision is required outside of a scheduled meeting, the Chair may decide to hold an Extraordinary Meeting. Such meetings shall be coordinated by the SELEP team, and shall operate according to normal Strategic Board rules.
- 2.5.4 In certain circumstances, the Chair may decide to seek agreement to a proposal via Electronic Procedure. In such cases, the SELEP Team will write to each Board member requesting agreement to a specified course of action. Board Members shall be given no fewer than five working days to respond. For a decision to be made, the provisions of paragraph 2.5.2 shall apply.
- 2.5.5 In certain circumstances, the Chair may decide to seek agreement to a proposal via Electronic Procedure. In such cases, the SELEP Team will write to each Board member requesting agreement to a specified course of action. **The admissible responses are: *Approved, Not Approved or Abstain***. Board Members shall be given no fewer than five working days to respond. For a decision to be made, the provisions of paragraph 2.5.2 shall apply. The rules of quorum (paragraph 2.4.2) will apply.
- 2.5.6 All decisions made by Electronic Procedure shall be ratified at the next scheduled meeting of the Board.

2.6 Meetings and Papers

- 2.6.1 The Board will meet at least four times a year. A calendar of future meetings will be set for a year at a time.
- 2.6.2 The agenda and papers for meetings shall be approved by the Chair and issued at least five working days in advance of the meeting.
- 2.6.3 The agenda and papers shall be disseminated by the SELEP Team. Board members wishing to propose items for the agenda should contact the Secretariat. Final papers for Board discussion shall be made available on the LEP website as soon as they are disseminated to the Board, except for papers which are not suitable for release into the public domain, for example, due to them containing commercially sensitive data or information pertaining to the employment of individuals.
- 2.6.4 Minutes of meetings of the Board shall be approved in draft form by the Chair and disseminated to Strategic Board members no later than ten working days following the meeting. Minutes shall remain in draft until approval by the Board at the Board's next meeting.
- 2.6.5 Minutes shall be made publicly available in draft on www.southeastlep.com no more than ten days after the meeting and will similarly be published in final

form no more than ten working days following approval by the Strategic Board, except for minutes which are not suitable for release into the public domain for example due to them containing commercially sensitive data. Any minutes which are not released into the public domain will be stored confidentially by the SELEP Team.

2.7 Conflicts of interest

- 2.7.1 Strategic Board members and their nominated alternates shall complete the declaration of interest form on an annual basis, even if no change is reported.
- 2.7.2 The Chair will ask for declaration interests to be declared at the start of each Strategic Board meeting.
- 2.7.3 The SELEP Team shall maintain a Register of Strategic Board Members' Interests. This shall include all company directorships, trusteeships, elected offices, remunerated posts and other relevant interests. The Register of the Strategic Board Members' Interests will be published on the LEP website and shall be made available to any interested party at any time. Strategic Board members shall supply information to the Secretariat for inclusion in the register, or a nil return, on joining the Board, in response to any request for an update and on becoming aware of any new interest. The secretariat will circulate a request for information about interests annually.
- 2.7.4 Should an item be discussed by the Strategic Board which presents a conflict of interest to a Strategic Board member, the Strategic Board Member shall declare the conflict of interest, regardless of whether s/he has previously declared the interest in the Register of Board Members' Interests. Such declarations shall be minuted and the Strategic Board member shall abstain from discussion and may be asked to withdraw at the Chair's discretion and shall not participate in any vote on the item.

2.8 Accountability Board

- 2.8.1 The SELEP Accountability Board is the main performance management structure within the LEP. It provides the accountability structure for decision making and approving funding within the overarching vision of the Strategic Board. This satisfies the accountability processes of the Accountable Body and the requirements of Government.

2.9 Other Board and working group arrangements

- 2.9.1 As described in section 1.3.1, the LEP operates a federal model, which allows for decision-making and project prioritisation at a local level.
- 2.9.2 In discharging those responsibilities relevant to the LEP, federal boards should provide the following responsibilities as a minimum and include these in their own Terms of Reference:



- a) ensure that the Managing Director is informed of all **meetings** and that the SELEP team is given the opportunity to attend
- b) working with the incumbent Vice Chair, provide the SELEP Team with clear and updated **nominations** for membership of the Strategic Board
- c) finalise local **priorities** and/or a vision for the federal area which is in line with the LEP's Strategic Economic Plan and the LEP's approach to project prioritisation
- d) coordinate **reports** as required to the LEP Strategic and Accountability Boards and monitor and report on all LEP investments in the area
- e) **champion** the work of the LEP to local communities
- f) ensure the **transparency** and accountability of decisions and recommendations made at local level
- g) enable **collective engagement** with all local authority leaders within the Federal Area to ensure that there is a clear mandate for decision making on growth priorities and supporting collaboration and joint delivery at executive level.
- h) ensure on-going local engagement with **public and private sector** partners to inform key decisions and set out how they will evidence effective engagement
- i) ensure that there is local engagement with and feedback to the general **public** about future strategy development and progress against delivery of the SEP, including key projects and spend against those projects and that this can be evidenced
- j) work with the LEP to **publish** arrangements for developing, prioritising, appraising and approving projects, with a view to ensuring that a wide range of delivery partners can be involved

H-J all National Assurance Framework requirements

2.9.3 The LEP's working agenda is supported by a range of advisory, working and interest groups. Over the course of the LEP's existence, some activity has ceased naturally and some has increased exponentially. Now termed simply as SELEP working groups, the groups and their top-level purposes are detailed below. Broad membership of the working groups is listed separately.

2.9.4 The Working Groups listed below should provide the following as a minimum:

- a) a simple Terms of Reference, which will be made available on the LEP website
- b) notification of future meetings and meeting notes made available on the LEP website
- c) clarifications around how federal areas have been engaged in any process which culminates in recommendations being made to the LEP Strategic Board

- d) an action plan which clearly associates milestones, outputs and monitoring arrangements when LEP funding is being spent
- e) an assurance that LEP funding will not be used until approval, where required, has been obtained from the LEP Strategic Board.

2.9.5 The Working Groups are accountable to the LEP Strategic Board and will be required to provide updates to each Strategic Board meeting. Where there is specific local interest to their work, the Working Groups should also report to federated boards.

Group	Function	Purpose
Senior Officer Group	Advisory	<ul style="list-style-type: none"> - To provide resource and advice to the SELEP team on particular items of work, to link with local political members, to support effective decision making and to generally expedite the work of the LEP. - For more urgent matters, the Director of the LEP can call a 'Directors Group' of lead federal area representatives together.
Transport Officer Group (covering Strategic Infrastructure)	Advisory	<ul style="list-style-type: none"> - To develop a strong pipeline of transport schemes linked to the SEP and to exert significant influence over Government, Network Rail and Highways England - To broaden an approach across other strategic infrastructure, such as broadband.
Coastal Communities	Working Group	<ul style="list-style-type: none"> - To help develop the economies of our coastal areas and address regeneration needs through targeted intervention - To build on previous work in support of the Offshore Renewables sector across the LEP
Creative	Working Group	<ul style="list-style-type: none"> - To implement practical and scalable initiatives to overcome barriers to the growth of the creative sector by aligning the efforts of businesses, education bodies, strategic organisations and local authorities.
Growth Hub	Working Group	<ul style="list-style-type: none"> - To develop and deliver Growth Hub activity at the LEP level and across the three local sub-hubs.
Housing	Working Group	<ul style="list-style-type: none"> - To contribute to the acceleration of housing delivery and commercial development and ensure that we have the homes built to support consistent growth across the LEP area
Rural	Working Group	<ul style="list-style-type: none"> - To coordinate and support activities to

		enable growth in the rural economy, maximising access to all available funding sources.
Skills Advisory Group	Working Group	- To provide a strategic, joined up, holistic LEP view and input to skills issues and to deliver solutions where possible. These include funding opportunities, new projects and government priorities such as apprenticeship reforms and Area Reviews.
Social Enterprise	Working Group	- To progress matters which advance the interests of the third sector and to seek opportunities to put the agenda at the forefront of the LEP's work.
U9	Working Group	- To promote the interests of universities across the LEP, to follow best practice, to coordinate around funding bids and to drive the LEP's work around innovation.

2.9.6 It may be the case that working groups either cease to exist or are created to reflect the LEP's operational Strategic Economic Plan and the levels of priority and engagement from Government. The LEP does not preclude the inauguration of further groups which would exist to help deliver its objectives and will work with the federated boards in developing plans.

2.9.7 The Working Groups shall have a designated direct link to the SELEP board, either through existing representation, or through an existing board member acting as a champion for the sector.

2.9.8 There are two meetings external to, but coterminous with the LEP. The ESIF sub-committee, administered by DCLG for the discharge of European funding in the LEP area, continues to operate and is well aligned with the LEP team. The Thames Gateway Strategic Group, which incorporates South Essex, North Kent and East London, continues to meet to progress the delivery of Government policy objectives in the area and continues to benefit from special ministerial attention. Both of these groups are critical to the LEP's successful discharge of its duties and will therefore continue to be resourced.

2.9.9 Added to this, the LEP shall be represented on the Strategic Boards of the Enterprise Zones in its area by either a board member or a senior member of the SELEP team.

3. SECRETARIAT AND ADMINISTRATION

3.1. Secretariat

3.1.1 The Strategic Board is supported by a secretariat which is generally referred to elsewhere as the 'SELEP team'. The SELEP team has responsibility for:



- a) ensuring the efficient administration of the Strategic Board, the Accountability Board and the other LEP sponsored working groups
- b) ensuring the Boards operate within their Terms of Reference
- c) providing information and support to the Chair and Vice Chairs
- d) monitoring work commissioned by the Board and reporting on progress to the Board
- e) coordinating the production of papers and agenda items
- f) managing communications activity on behalf of the LEP
- g) undertaking such tasks as directed by the Board, Chair and Vice Chairs
- h) maintaining a dedicated website through which local partners and the public can check progress on the delivery of the Growth Deal and access key documents such as the SEP

Additional Assurance Framework requirements:

- i) ensuring compliance with financial regulations of the Accountable Body and using all reasonable endeavors to ensure that partners in receipt of funding fulfil their obligations with regard to that funding, including maintaining a robust audit trail to demonstrate compliance
 - j) ensuring arrangements are in place for the lawful and effective implementation and delivery of projects by partners
 - k) ensuring that an appropriate process is followed for setting of budgets and preparation of accounts within the LEP which are approved by the Accountable Body
 - l) reporting to the Accountable Body as required
 - m) liaising with and reporting to Government, particularly in respect of the Local Growth Fund Capital Programme
- 3.1.2 The SELEP Team will be employed by an upper tier local authority and will work within the policies and procedures of the employing body as well as the policies and procedures of SELEP.
- 3.1.3 The SELEP Team will seek support and advice from other local organisations to the extent that it supports the advancement of the LEP's overall work programme. The Managing Director is also responsible for managing the LEP's operational revenue budget and for reporting spend to the Accountable Body and other board members on request.
- 3.1.4 The costs of the SELEP team and any financial liabilities of the Accountable Body resulting from being the Accountable Body of the LEP shall be borne equitably between the six upper tier authorities using population figures as the basis for calculating their contribution. Financial contribution towards secretariat costs may be used as a contribution to match funding made available from Government or other sources and should be agreed annually.

- 3.1.5 Members of the secretariat who have decision making responsibility will complete a Register of Interest, which will be made available on the SELEP website for full transparency.

3.2 Communications

- 3.2.1 The Board shall operate on the basis of transparency, openness and good communication.
- 3.2.2 The SELEP team shall be responsible for the LEP's communications approach. This shall include communications to Board members and the wider public and shall include the maintenance of an up-to-date, relevant and accessible website. The team shall also be responsible for implementation of a communications strategy.

4. AMENDMENTS TO TERMS OF REFERENCE

- 4.1 The Board may amend these terms of reference at any time.
- 4.2 These terms of reference, **agreed 16th March 2018**, replace the version agreed by the Board in December 2016. Prior to that, SELEP's Terms of Reference were agreed in previous forms in December 2014, February 2014 and October 2012.

Appendix B: Investment Panel reference in Assurance Framework

2.4 Investment Panel

- 2.4.1 The establishment of an Investment Panel was agreed by the Strategic Board on the 9th June 2017, as a sub-committee of the Strategic Board.
- 2.4.2 The role of the Investment Panel is to act as an advisory committee to the Strategic Board and Accountability Board
- 2.4.3 The Investment Panel's role and responsibilities include:
 - 2.4.3.1 Reviewing the initial list of projects put forward for investment by each of the Federated Boards;
 - 2.4.3.2 Conducting a prioritisation process of those projects requiring capital investment based on the approach agreed by the Strategic Board and in accordance with the SELEP Assurance Framework;
 - 2.4.3.3 Making recommendations for the provisional allocation of funding to projects prioritised by the Panel. The final award of funding will be subject to an Accountability Board decision, in line with the Assurance Framework requirements; and
 - 2.4.3.4 Consider priorities for future funding from Central Government in accordance with the priorities identified through the SELEP's Strategic Economic Plan, along with emerging SELEP and Government priorities.
- 2.4.4 The Investment Panel Terms of Reference will be made available on the SELEP website once they have been agreed by the Strategic Board.