

Local Assurance Framework

2021/22

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Change Log

Adoption by the board 02/04/2019

No.	Area of change	Clauses changed within document	Sign Off
1.	Programme Management	Updated Logic Chain	July 2019
2.	Whole Document	Semantics	July 2019
3.	Annexes	Updated Terms of Reference	August 2019
4.	Governance Arrangements	Strong supportive partnership working	November 2019
5.	Date	Changed the date	May 2020
6.	Written Procedure' between Meetings	Semantics	May2020
7.	Chair & Deputy chair	Terms	December 2020
8.	Governance Arrangements	Removed and updated ToR for various boards. Removed references to EU law.	April 2021
9.	Whole Document	Checked for compliance with current legislation; removed references to GDPR and State Aid.	April 2021

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PART I – GOVERNANCE ARRANGEMENTS



1. Introduction

The Leicester and Leicestershire Enterprise Partnership (LLEP) was created in 2010 in line with the Government's policy of supporting economic growth through local enterprise partnerships (LEPs). The LLEP manages funds directly from Government to facilitate economic growth and regeneration in accordance with Part II of this Local Assurance Framework (LAF).

The LAF has been prepared in accordance with the National Assurance Framework¹, the Mary Ney Review (2017)², and best practice guidance (2018)³ issued by the Government and relating to funding flowing through the LEPs. The LAF seeks to ensure that there are robust processes in place to appropriately manage funding from the Government to the LLEP. The LAF should be viewed in the context of the Accountability Systems Statements for both local government and the Local Growth Fund, which provide assurance to the Accountable Body and the Government for how local growth funds and wider funding routed through local Government are allocated.

The purpose of the LAF is threefold:

- i. To define and set out the mechanisms by which the LLEP, the Accountable Body and Government can be assured that money is being spent at the right time, in the right way on the right things;
- ii. To assure the collaborative nature of work between the Accountable Body and the LLEP in resource allocation decisions;
- iii. To detail the governance arrangements, Membership and roles and responsibilities of groups who are involved in the decision-making processes and the stages of approvals required to develop operating programmes to oversee all funding.

Definitions are provided in Annex 1.

The LLEP governance structure is provided in Annex 2.

¹ Available at: [gov.uk/government/publications/local-enterprise-partnership-lep-national-assurance-framework](https://www.gov.uk/government/publications/local-enterprise-partnership-lep-national-assurance-framework)

² [gov.uk/government/publications/review-of-local-enterprise-partnership-governance-and-transparency](https://www.gov.uk/government/publications/review-of-local-enterprise-partnership-governance-and-transparency)

³ [gov.uk/government/publications/local-enterprise-partnership-governance-and-transparency-best-practice-guidance](https://www.gov.uk/government/publications/local-enterprise-partnership-governance-and-transparency-best-practice-guidance)

Varying the LAF

Changes to the rules and procedures contained within the LAF will be made by way of resolution at a quorate Board meeting.

It is acknowledged that the LLEP is a public body and is accountable to Members of the community who it represents, and the Board will not amend the LAF in such a way that allows it to avoid scrutiny.

The Chief Executive Officer shall be empowered to make minor and inconsequential amendments to the LAF from time to time, following consultation with the Chair, for the purposes of ensuring its lawfulness and consistency.

The holder of the LAF shall be the Chief Executive Officer. It is the responsibility of all Directors and staff to champion good governance and adherence to the principles and processes of the LAF.

The LAF will be reviewed on an annual basis to ensure that it is fit for purpose and compliant with required standards.

2. Objective of the LLEP

The LLEP's function is to support business-led economic growth and regeneration in the locality.

Subject to any duties and any restrictions or qualifications on its powers that are set out in Law, the objects for which the Company is established are:

- i. Strategy: developing an evidence-based Local Industrial Strategy (or any other such successor document that the Government requires LEPs to develop and adopt from time to time) that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across the area.
- ii. Allocation of funds: identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- iii. Co-ordination: using their convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- iv. Advocacy: collaborating with a wide-range of local partners to act as an informed and independent voice for their area

3. Personality of the LLEP

The LLEP is a private company limited by guarantee (Company No: **11932434**).

LEPs are non-statutory bodies and as such require an Accountable Body to manage funding from Government. Leicester City Council is the Accountable Body to the LLEP and hence takes the ultimate legal and financial responsibility for the LLEP's activities.

The Accountable Body, through its Section 151 Officer, is responsible for ensuring that statutory requirements are met in resource allocation decisions and that the public interest is protected. It provides financial and legal support and takes the ultimate legal and financial responsibility for the LLEP's activities.

The LLEP shall limit the exercise of its powers and duties and shall exercise its role only in relation to the geographical area which is the City of Leicester and the County of Leicestershire, although allowing for collaborative working with other LEP areas to deliver benefit within the geographical area of the City of Leicester and the County of Leicestershire.

4. LLEP Board

The LLEP Board of Directors is responsible for setting the corporate and strategic decisions of the Local Enterprise Partnership, as set out in the Articles of Association. Some elements of operational and strategic responsibility are discharged through a series of formal sub-Committee each chaired by a Director of the LLEP Board.

- i. Ensuring that all activity is in accordance with the Articles of Association of the Leicester and Leicestershire Local Enterprise Partnership which is a private company limited by guarantee
- ii. Set the strategic priorities for economic growth across Leicester and Leicestershire.
- iii. Make collective decisions to deliver the LLEP's objectives and the outcomes set out in the governing economic strategy.
- iv. Providing clear levels of delegated authority to the LLEP Executive, Investment Panel, Appointments Committee and the various sub-committees which report directly to the LLEP Board.
- v. Be the custodian of the LAF and ensure that the LAF is adhered to at all times in resource allocation decisions.
- vi. Act as ambassadors for Leicester and Leicestershire at local, national and international levels.
- vii. Engage and represent their specific sector or corporate organisation on the LLEP and to ensure views represent those of the wider sector or corporate organisation.
- viii. Communicate and promote the objectives of the LLEP within their sector, ensuring the clear understanding of the need for collaboration.

Board of Directors

Unless otherwise determined by special resolution and subject to the requirements of these Articles, the number of Directors shall not be less than eight but shall not exceed twenty.

The Board shall consist of a minimum of eight private sector Individuals (one of whom shall be the Chair) and four public sector Individuals representing the Member organisations.

A Director must be a natural person and must at all times possess the following characteristics (as appropriate) unless otherwise approved by a special resolution of the Members:

In respect of a Private Sector Director, an owner (in whole or in part), officer, principal or person of equivalent seniority of a business or undertaking carried on with a view to making profit and conducting the whole or part of its business within the LLEP Area;

In respect of a Public Sector Director, a leader or deputy leader, or cabinet Member with the portfolio/lead responsibility for economic development within a Public Sector Member;

In respect of an Education Sector Director, a vice-chancellor, pro vice-chancellor, principal or person of equivalent seniority in an Education Sector Member.

In respect of a VCS Director a Chief Executive or Director of any voluntary and community sector organisation based in the LEP Area.

The LLEP is committed to diverse representation reflective of the local business community and the entire geographical area which it serves, the LLEP aims to ensure gender equality on Board representation by 2023.

Board Directors may be designated as championing specific priority sectors/areas, including an identified Board Member to represent and engage with the SME business community.

Subject to the provisions set out in the LAF, the Directors are responsible for the management of the LLEP's business, for which they may exercise all the powers of the LLEP.

The role of Board Director is not remunerated. Costs incurred in exercising the role of the Board Director on official LLEP business may be remunerated at cost, on the production of adequate receipts.

The LLEP will provide a formal induction programme for new Board Directors.

Private Sector Director of the Board

In respect of a Private Sector Director, an owner (in whole or in part), officer, principal or person of equivalent seniority of a business or undertaking carried on with a view to making profit and conducting the whole or part of its business within Leicestershire; or a Chief Executive or director of the VCS.

Private Sector Directors shall retire from office from the end of the Annual General Meeting following the third anniversary of their appointment. Retiring

Private Sector Directors shall be eligible for re-election by the Members at that Annual General Meeting.

A retiring Private Sector Director shall be eligible for re-election for further periods of three years.

Any Private Sector Director who shall have served for a total term of six years shall not be entitled to be re-elected. In exceptional circumstances a Private Sector Director may, with the approval of the Members, serve a further three-year term, and therefore a total term of nine years

In the event of a vacancy for a Private Sector Director arising any Member may apply to join the Board in accordance with the recruitment procedure that the Board may decide to adopt provided that the person shall become a Private Sector Director of the Board, once the Members have passed a resolution approving the application and the appointment.

Public Sector Director of the Board

The public sector Directors of the Board are:

- i. Leicester City Council has one Representative, the elected City Mayor.
- ii. Leicestershire County Council has one Representative, the Leader of the Council.
- iii. The Leaders of two district councils who have been appointed by the District Leaders Group to represent the interests of the seven district councils in Leicestershire.

Public Sector Directors shall retire from office from the end of the Annual General Meeting following the third anniversary of their appointment. Such retiring Public Sector Directors shall be eligible for re-election by the Members at that Annual General Meeting.

The Education Sector Director of the Board

The Education sector Directors of the Board are:

- i. The Principal of a further education and/or sixth form college who has been appointed by their peers to represent the interests of the further education sector in Leicestershire.
- ii. The Vice-Chancellor of a university who has been appointed by their peers to represent the interests of the higher education sector in Leicestershire.

Education sector Directors shall retire from office from the end of the Annual General Meeting following the third anniversary of their appointment. Such retiring Education sector Directors shall be eligible for re-election by the Members at that Annual General Meeting.

Chair or Deputy Chair

The role of the Chair or Deputy Chair within the LLEP is to lead the Board with strategic direction and good governance. The Chair will ensure that the LLEP has the operational independence and organisational capacity to deliver the roles and responsibilities set out in the LAF the Chair or Deputy Chair (as applicable) must come from the class of Directors defined as private sector Directors.

A Chair or Deputy Chair (as applicable) shall be appointed for periods of no more than three years, such appointment ending at the Board meeting falling closest to the third anniversary of their appointment (or re-appointment). The Chair and Deputy Chair (as applicable) shall be entitled to put themselves forward for re-election and the Board of Directors may resolve to appoint the Chair and/or Deputy Chair at such Board meeting for a further period of three years provided that no Chair or Deputy Chair shall be able to serve more than six years in their respective role.

At the end of their respective terms to the provisions of the above the Chair shall not be eligible for the role of Deputy Chair after serving two consecutive terms as Chair and the Deputy Chair shall not be eligible for the role of Chair after serving two consecutive terms as Deputy Chair.

The Chair and Deputy Chair shall not be required to retire from the office of Director whilst they are in post.

In the event that neither Chair nor the Deputy Chair are participating in a meeting of Directors within 15 minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it, such person being a Private Sector Director.

Recruitment of Directors

All vacancies for LLEP Board Directors will be openly advertised and communicated via a variety of media platforms such as the LLEP website, press release and social media. The opportunity will be communicated widely through the LLEP's stakeholders and their networks, including local business

representative bodies to highlight the opportunity to a diverse and wide range of business communities. The advert will encapsulate a description of the role in the form of a job description, person specification and a copy of the LAF to detail the governance arrangements of the LLEP. Interested parties will be invited to submit an application in the form of a CV and covering letter outlining how they meet the criteria of the person specification.

In addition, recruitment of the Chair or Deputy Chair will also be advertised on the Centre for Public Appointments website.

The LLEP is committed to having a Board that is representative of Leicester and Leicestershire and as such we actively welcome applications from underrepresented groups or individuals with protected characteristics.

Potential applicants will be short-listed by the Appointments Committee (an ad-hoc committee established from time to time tasked with a specific purpose as directed by the Board). Short-listed candidates will be invited to interview with the Appointment Committee.

The LLEP will consult widely and transparently with the business community before appointing a new Chair and Deputy Chair.

Any appointments or removals of Directors shall be effected in writing signed by or on behalf of a majority of the relevant Members and shall take effect upon lodgement at the Company's registered office or on delivery to a meeting of the Directors. Any such representative Director shall be entitled to notice of Board meetings, to attend all Board meetings and to receive copies of all documents to be considered at Board meetings, and to speak and vote at such meetings.

Directors' General Authority and Conduct

The Directors are responsible for the management of the Company's business and may exercise all the powers of the Company accordingly.

In their conduct of the Company's business the Directors shall at all times:

- i. Conduct themselves in a professionally responsible manner;
- ii. Will have due regard to all confidentiality obligations concerning the Company's business;
- iii. Act solely in the public interest in line with the Nolan principles; make decisions purely on merit, in accordance with agreed LLEP processes and act with regularity and propriety when managing public money.

- iv. Take all decisions in accordance with the LAF in so far as the LAF is relevant to the decision to be taken.

A person ceases to be a Director as soon as:

- i. That person ceases to be a Director by virtue of any provision of the Companies Act 2006 or the company Articles of Association or they become prohibited by law from being a Director.
- ii. That person ceases to have the characteristics (as appropriate) required pursuant to Companies Articles of Association.
- iii. That person shall for more than twelve months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that that person's office be vacated.
- iv. A bankruptcy order is made against that person.
- v. A composition is made with that person's creditors generally in satisfaction of that person's debts.
- vi. A registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than six months.
- vii. Notification is received by the company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms.
- viii. In the event of any Director who is also a Private Sector Member vacating their office as a Director of the Company for any reason, such Director shall at the same time cease to be a Member.

Decision Making

The Board is the primary decision-making body of the LLEP and makes decisions at meetings by way of resolution. Sub-groups within the governance structure are granted delegated authority to take decisions; the role and responsibilities of those which currently exist are detailed in Part 2.

Where there is an agreement of all present Directors, a formal vote may not be required. Where a matter proceeds to a formal vote, the motion must be proposed by a Director and seconded by another Director in order to be voted upon by the Board.

A resolution shall not be carried unless the Board is quorate, and a majority of the voting Directors are in support of that resolution.

Each Director has one vote only.

If the numbers of votes for and against a proposal at a meeting of Directors are equal, the Chair, or in the Chair's absence the Deputy Chair or other Director chairing the meeting holding the position of Chair for that meeting (as appropriate) has a casting vote. This does not apply in respect of a particular meeting (or part of a meeting) if, the Chair, Deputy Chair or other Director chairing (as presiding) of the meeting is not an Eligible Director for the purposes of that meeting (or part of a meeting).

If a decision by resolution could not be made at Board, the Executive will be instructed to consider the matter and bring forward a recommendation to the next Board meeting.

Written Procedure between Meetings

In an exceptional situation where the Chief Executive Officer, following consultation with the Chair or Deputy Chair feels that a decision of the Board is needed and that it is not practical to convene a quorate meeting of the decision-making body then the following written procedure will be followed:

- i. The Board Directors will be consulted in Writing by the Chief Executive Officer, detailing the need for the decision, the reasons for meeting and enclosing any background information, including any comments from the lead financial officer of the Accountable Body.
- ii. Board Directors will normally be given not less than five working days in which to respond.
- iii. Following the expiry of the deadline communicated to Board Directors in Writing the majority vote will be taken as the view of the Board and all Board Directors will be informed of the decision.
- iv. Such decision will only be valid if the response of the Board is quorate.
- v. Where the vote is tied the Chair, or in the Chair's absence the Deputy Chair, shall have a casting vote.

Where the written procedure set out above does not generate a response from sufficient Board Directors to meet the quoracy requirement, the Chief Executive Officer, in consultation with the Chair will make the decision.

In any case where the written procedure is followed a report will be presented to the next meeting of the Board detailing the decision.

All decisions, regardless of whether they are taken at a meeting or by written procedures are subject to the normal business case, evaluation, scrutiny arrangements, conflicts of interest policy and timeframe for the publication of decisions.

All decisions taken through this process will be recorded and published in the normal way.

The same procedure between meetings will apply for all groups within the LLEP governance structure. In these circumstances the relevant lead officers for the groups in question will enact the written procedure detailed in accordance with the Terms of Reference for the group.

The usage and suitability of the written procedure will be reviewed annually by the Board.

The maximum value of a single investment decision on LLEP funds to be taken through written procedures is capped at £500,000. The total project cost may exceed this amount.

Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

Meetings

The Board shall meet at least six times in any financial year beginning on 1st April and ending on 31st March.

Notice of each meeting shall include:

- i. the proposed date and time;
- ii. the venue at which the meeting is to take place; and
- iii. the agenda of the business to be transacted.

The secretariat will issue the notice of Board meetings to each Director in Writing and details will be published on the LLEP website.

Any Directors who are unable to attend any Board meeting shall provide an apology to the secretariat. The apology for absence is to be given prior to the commencement of the meeting.

Any declaration of interest made at the meeting will be included in the minutes of the Board meeting. A new declaration of interest should be updated on the relevant Director's register of interest.

The Chair can decide to accept an urgent item on to the agenda where, in his/her opinion, the item should be considered as a matter of urgency because of special circumstances which shall be specified in the minutes.

Any Director may call a Directors' meeting by giving not less than ten Business Days' notice of the meeting to the Directors or by authorising the Chief Executive Officer to give such notice.

A Director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the Directors' meeting.

Proceedings of all Board meetings (except for the Annual General Meeting) and of all Investment Panel, Appointment Committee, Executive meetings shall be held in private.

Records of Board Meetings

The Board must ensure that a written record of all Board meetings is taken in the form of minutes which must include a record of every decision taken by the Board. Any new declaration of interest will be updated on the relevant Member's register of interest published on the LLEP website.

All papers for the main LLEP Board and sub-Boards (that are responsible for decisions about public money) will be made available on the LLEP website. The LLEP is committed to meet the timelines as set out in the National LEP Assurance Framework in accordance with the Local Government Act 1972.

These timelines are:

- i. Meeting agendas and papers to be published five clear working days before the meeting takes place.
- ii. Minutes of Board meetings to be published within ten clear working days of the meeting taking place. This may be in draft if internal LLEP processes require clearance before the minutes are finalised. The final minutes of Board meetings will be published within ten clear working days of being ratified at the subsequent Board meeting.

The minutes of a Board meeting shall be reviewed, approved and adopted as a true record of the proceedings of that meeting, at the proceeding Board meeting.

Minutes of Board meetings shall be kept for at least ten years.

Access to Information

The LLEP accepts the convention that as much information as possible should be disclosed unless there is a good public reason for not doing so.

In certain circumstances however, the LLEP will be aware that it holds "confidential information" under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, and therefore may be considered exempt from the requirement to provide the public with papers relating to meetings. This includes:

- i. Information provided by a government department on terms which forbid the disclosure of the information to the public.
- ii. Where disclosure to the public is prohibited by a court.
- iii. Where the Local Enterprise Partnership holds "exempt information" under Schedule 12A of the Local Government Act 1972. This includes information relating to an individual, relating to the financial or business affairs of a particular person, negotiations, labour relations, legal professional privilege and in connection to the investigation or prosecution of a crime.

The categories under which information may be exempt are listed at Annex 5.

There shall be a statement on the agenda and on the relevant paper's header to inform the committees Members when any matter being discussed contains exempt information. For any such matters any attendees at meetings that are not a Member of that group shall be asked to leave.

Reports containing exempt information will be circulated to relevant Members considering the report. However, Members must not share the reports. These papers will not be published, and it will be noted in the published agenda and minutes of the meeting that this is an item containing exempt information.

A record of confidential proceedings and papers will be kept by the LLEP in case the need to scrutinise these decisions should arise in the future.

In all cases the 'public interest test' shall be applied by report authors and where appropriate the exempt category applied shall be identified.

The conditions and processes detailed in this section apply to all groups involved in funding decisions within the LLEP.

Quorum for Directors Meetings

The quorum for a Board meeting shall be eight Board Directors consisting of the Chair or Vice-Chair, five Private Sector Directors and two Public Sector Directors.

Where a meeting of the Board is not quorate no business shall be transacted other than information items for consideration and a vote as to the date the meeting will be reconvened.

If the total number of Directors in office for the time being is less than the quorum required, the Directors must not take any decision other than a decision:

- i. To appoint further Directors; or
- ii. To call a General Meeting so as to enable the Members to appoint further Directors.

Annual General Meeting

The Chief Executive Officer will convene an Annual General Meeting at least once every calendar year, within the LLEP area, at which the Annual Report and Accounts, including an annual statement of utilisation of funds, will be made available to the public and stakeholder groups.

A Member (or individual representing the Member) will be able to exercise their right to speak at a General Meeting.

A Member (or individual representing the Member) is able to exercise their right to vote at a General Meeting when:

- i. They are able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- ii. Their vote can be considered in determining whether or not such resolutions are passed at the same time as the votes of all the others attending the meeting

Quorum for a General Meeting

No business other than the appointment of the chair in accordance with Articles of Association will be transacted at a General Meeting if the Member (or individual representing the Member) attending it do not constitute a quorum.

The quorum for a General Meeting is eight Members and no meeting shall be quorate unless the number of Members who are Private Sector Members between them comprise more than two-thirds of the number of total Members participating.

Chairing general meetings

The Chair or, in his or her absence, the Deputy Chair or, in his or her absence, a Private Sector Director nominated by the Directors shall preside as chair of every General Meeting.

If neither the Chair, the Deputy Chair nor such other Private Sector Director nominated in accordance with Articles of Association is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to chair the meeting.

If no Director is willing to act as chair of the meeting, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present in person or by proxy and entitled to vote must choose one of their number to be chair of the meeting, save that a proxy holder who is not a Member entitled to vote shall not be entitled to be appointed as chair of that meeting.

Attendance and Speaking by Directors and Non-Members

Directors may attend and speak at General Meetings, whether or not they are Members.

The Chair of the General Meeting may permit other persons who are not Members of the Company to attend and speak at a General Meeting and, in the case of an AGM, the Chair of the meeting is obliged to permit such other persons who are not Members of the Company to speak.

5. Operational, secretariat and administrative support

The LLEP Board and governance structure are supported by a secretariat team, employed by the Accountable Body, Leicester City Council, but working to the Chief Executive of the LLEP, whose appointment is approved by the LLEP Board. The Board is responsible for all funding decisions.

Where contracts are required with third parties the default position is that the Accountable Body will enter into the contract on the LLEP's behalf. The LLEP, on behalf of the Accountable Body will administer the funding decisions, in line with the relevant Board decision. In return the LLEP agrees to demonstrate appropriate levels of probity in the management of projects and programmes through the LAF.

6. Functions of the Accountable Body

Funding is devolved to the LLEP from Government and is managed by the Accountable Body on behalf of the LLEP. As part of this process Leicester City Council gives assurance on the financial transparency, administrative functions and accountability of the LLEP.

The Accountable Body has duties as set out in guidance and rules as issued by central government, CIPFA and other regulatory bodies as issued from time to time. These are set out in summary as below however the guidance and rules are subject to change and therefore, as and when such rules and guidance are updated, the changes made will take effect so as to vary this position without the need for a formal variation of the agreement.

The responsibilities of the Accountable Body include, but are not limited to:

- i. Recommending to the LLEP decisions and activities that only conform to legal requirements with regard to equalities, social value, environment, procurement and Subsidy Control, formally State Aid.
- ii. Ensuring, through Leicester City Council's Section 151 Officer, that the LLEP funds are used and accounted for appropriately and in a transparent way.
- iii. Ensuring that Local Government Transparency Code requirements are met including ensuring that the LLEP publishes annual accounts and that spend over £500 is published through the LLEP website.
- iv. The Accountable Body will also maintain accurate record of all LLEP decisions - when they relate to financial and legal management of funding arrangements.
- v. Ensuring that all of the LLEP's financial decisions are in the public interest and are taken following the correct processes.
- vi. Ensuring that there is effective delivery and implementation of projects funding decisions through legal contracts between the Accountable Body and delivery bodies. Where the City Council is implementing projects approved through the LLEP, this to be governed through a memorandum of understanding.
- vii. Ensuring that the LLEP conforms to the Accountable Body's approved finance and contract procedure rules in the exercise of this duty.
- viii. The Accountable Body recognises that the LLEP derives funding from Government on the basis of grants and associated grant determination letters received and governed by the policies and practices set out in the LAF, and such these are not funds to be deployed by the Accountable Body, without a clear mandate from the Board.
- ix. The Accountable Body in conjunction with the LLEP will ensure that funding agreements are conforming to performance, compliance and false representation. In the event that this occurs the LLEP will, through the Board and the Accountable Body seek recovery of funds, if legal opinion sets out the legal basis for recovery and like likelihood of success.
- x. The Accountable Body notes that the LLEP acts as an advisory/decision making body with all the LLEP's expenditure incurred by the 'parent'/Accountable

Body local authority to whom the funding is awarded; as such that expenditure is subject to full VAT recovery under Section 33 of the VAT Act 1994.

Section 151 Officer

The LLEP Board, and its supporting governance structure (where there are appropriate schemes of delegation are in place), is the strategic body responsible for taking decisions on LLEP business and LLEP programme activity. However, The Chief Executive and Chair of the LLEP will work with the Accountable Body Section 151 Officer to agree an effective responsibility model in line with the CIPFA Principles for S151 Officers working with local enterprise partnerships.

CIPFA principle 1 Enshrining a corporate position for the S151 Officer; The Section 151 Officer will be supported by the LLEP and the Accountable Body to carry out such checks as are necessary, throughout the year to independently ensure the proper administration of financial affairs in the LLEP. Where there are concerns or where they wish to make recommendations about changes, required to ensure the proper administration of financial affairs, these shall be recorded in the LAF action plan and be acted upon promptly by the LLEP.

CIPFA principle 2 Creating a structured mandate for the S151 Officer; where concerns or improper financial administration are identified, the S151 Officer shall provide recommendations for improvements to be made. The LLEP Board shall be responsible for making changes to address the concerns in line with the recommendations. Where the Board doesn't agree with the recommendations, and no agreement on the way forward can be reached with the S151 Officer, the matter shall be referred to MHCLG

S151 Officers (or their delegated representatives) will also be invited to attend all Board Meetings and Board agenda setting meetings but will not be entitled to vote or make LLEP decisions.

The LLEP recognises that treasury management and borrowing is part of the role of the Accountable Body. The S151 Officer will ensure that there are the correct, established financial processes in place leading up to Board decisions such that financial delegations are respected.

Where there are concerns about systemic financial problems this shall be raised with the Cities and Local Growth team. The S151 Officer shall task the LLEP with improving financial standards, and progress shall become a standing item at all the Board Meetings until the S151 Officer is satisfied that the issue has been resolved.

CIPFA principle 3 Embedding good governance into decision making; The S151 Officer will ensure that the LLEP has procedures in place to consider the financial implications of decisions before and during the decision-making process rather than reviewing decisions afterwards.

Both the LLEP and the S151 Officer will agree and approve the budget risks facing the LLEP at the outset of the financial year and review them on a frequent basis. The LLEP will provide the risk register to the S151 on each occasion that it is revised.

At the beginning of the budget year, the S151 Officer will be entitled to comment on the adequacy of the budget plan. This will be provided by the LLEP Chief Executive, setting out their capital Programme and revenue commitments and projections, at the beginning of each financial year. In addition, the LLEP will set out its scrutiny arrangements in its Local Assurance Framework to make sure there is strong governance in place, and appropriate scrutiny procedures to support that governance.

CIPFA principle 4 Ensuring effective review of governance; The LLEP and the Accountable Body will agree an internal audit plan for the year, including a risk-based audit plan of LLEP activity that will provide assurance to the S151 Officer and the LLEP Board at appropriate points through the year.

The LLEP will participate in any audits requested by the Accountable Body. Following a completed audit (by either internal or external audit) where there are comments they will be reported back to the will be reported back to the Board by the S151 Officer and Chief Executive Officer or their representatives and provided to the Cities and Local Growth Team

Where serious concerns are encountered during the year, for example repeated noncompliance with legal requirements or fraud then the S151 Officer shall promptly raise these with the Cities and Local Growth Team.

CIPFA principle 5 Appropriate skills and resourcing; The LLEP, through the Accountable Body will ensure that the S151 Officer has appropriate resources to carry out their functions in respect of the LEP including external audit opinion where this is a compliance requirement

The Chief Executive Officer or other nominated LLEP officer and the Accountable Body meet monthly, to review resource needs, and to ensure that appropriate procedures are in place to underpin good governance with the LLEP and that the LLEP considers if they are being appropriately met. Both the LLEP and the Accountable Body have an expectation of mutual support.

As part of strong accountability, an effective relationship between the Accountable Body and the Board in decision making is critical, to ensure a consensus approach to joint decision making.

The Section 151 Officer will, by 28th February each year sign-off an Annual Assurance Statement once satisfied, after undertaking checks and ensuring the LLEP has proper process and administration in place for financial affairs in line with the LAF.

7. Scrutiny and audit arrangements

Leicester City Council, as the Accountable Body, exercises scrutiny of the LLEP satisfying itself of the robustness and appropriateness of decisions prior to their implementation.

Independent Scrutiny of the LLEP will also be achieved through the Chief Executive Officer, offering to attend the Accountable Body's Audit and Risk Committee. However, any constituent Local Authority Scrutiny Committee can choose to review the LLEP's activities and request the Chief Executive Officer to provide updates.

As part of the formation of the legal personality Members of the company will be invited to form a scrutiny committee to satisfy and test the robustness of the governance of the LLEP.

The LLEP Chief Executive Officer and LLEP representatives attend stakeholder and other external meetings, including regular meetings with representatives the Higher Education and Further education sectors and with Local Businesses. Updates on the LLEP's activities are provided at such meetings, providing further opportunity for scrutiny.

The LLEP holds an Annual Meeting in public, at which the LLEP's annual report for the previous financial year is published. This report provides an overview of the work of the LLEP in that year, along with a summary of the operational funding of the LLEP. In addition, the LLEP publishes a two-year financial strategy.

The LLEP agrees to take part in peer review arrangements to further transparency and ensure that national standards are met, and best practice is shared. Further the LLEP participates in annual performance review undertaken by Communities and Local Growth Team and results are published on the LLEP website.

The audit of the use of LLEP funds will be part of the internal and external audit programmes of the Accountable Body and will be at least equivalent to those in

place for Leicester City Council's own spending. Specific audits relating to particular funding streams or activities may also be undertaken at the request of the Board or the Government. The outcomes of such audits will be reported through the LLEP governance structures to the Board and any appropriate remedial action will be put into place. The reports of these audits will be submitted to Government, if appropriate, on request.

It is acknowledged that Government will also undertake its own periodic assessments of the quality of appraisal and scrutiny within the LLEP, in order to test the extent to which the LLEP is discharging the responsibilities to deliver value for money. It is noted that the results of these assessments may be considered in determining future funding allocations to the LLEP.

The LLEP will maintain and manage a risk register to cover all areas of its activity on a regular basis. This will be reviewed by the Board on a quarterly basis and shared with Leicester City Council to assist in the development of an annual programme of audit activity.

The internal audit team of the Accountable Body will prepare an annual audit plan based on the LLEP risk register. This will be undertaken by 31st May annually and published on the LLEP website

The LLEP's finances will be reflected in the Accountable Body's annual statutory statement of accounts. The LLEP will publish in its annual report and on its website a summary of the financial position for the year. Alongside this the LLEP will publish a schedule of the projects invested in that have defrayed funding within each financial year.

8. Data protection and Freedom of Information Act

The LLEP is committed to ensuring information is handled in accordance with the Data Protection Act 2018. Further information on how the LLEP handles personal information can be found in the LLEP's Data Protection Privacy Notice, available at llep.org.uk/privacy

The LLEP is a registered as a data controller with the Information Commissioner's Office. Registration number ZA518492.

The LLEP is a non-statutory body, and as such is not subject to the Freedom of Information Act 2005 or the Environmental Information Regulations 2004. However, in the interests of transparency it will process any FOI requests as it is committed to meeting the highest standards of corporate governance.

9. Transparent decision making

The LLEP will ensure a high level of transparency and will involve the public and key stakeholders as appropriate.

The LLEP will maintain a dedicated website (llep.org.uk) which will contain material accessible to help consult, communicate and inform debate on future strategy development and progress on delivery. It will also contain a clear statement of the approach that will be followed by the LLEP when making major investment decisions. Statements issued to the media will be made available on the LLEP website. The LLEP also utilises social media platforms such as Twitter, LinkedIn, Instagram and YouTube.

The LLEP is committed to meeting Government branding guidelines, as set out in the National Assurance Framework and the branding guidance issued to LEPs for the Local Growth Fund. The LLEP will ensure that correct branding and wording is used for websites, signage, social media, press notices and other marketing materials.

Further, it will ensure that:

- i. MHCLG is given as much advance notice as possible of announcements and milestone events
- ii. Relevant funding descriptions and logos are used in media releases.
- iii. Ministers and Area Leads (MHCLG, BEIS, and other relevant policy departments such as DfT) are invited to landmark events.

The LLEP will also require projects and programmes funded through the local assurance framework to comply and adhere to LLEP communications protocol.

The LLEP will specifically publish public statements:

- i. In relation to developing, prioritising, appraising and approving projects, with a view to ensuring that a wide range of delivery partners can be involved;
- ii. To clearly set out the LLEP's priorities and mechanisms for maximising the social value of its investment funding and activities so that partners and beneficiaries can play an active role in the programme.
- iii. Annual accounts and all spend over £500 will be published at llep.org.uk/governance/finances-and-accounts
- iv. The LLEP will also publish an annual report and delivery plan in line with the requirements of the LLEP Review

The LLEP will work within the local authority statutory frameworks governing publication of meeting dates and papers and will adhere to the Local Government Transparency Code. The LLEP will publish all Board decisions on its website ensuring that the rationale behind decisions is clearly explained, together with the Agendas, Papers and Minutes of Board meetings.

10.Accountability

The LLEP Directors are accountable to the public for the decisions taken. Accountability cannot be achieved if decisions are taken in the absence of checks and balances.

The LLEP Directors recognise that there is a potential for conflicts of interest, and they are open to criticism by Members of the public and those organisations who are competitors in the sectors in which they operate.

11.Conflicts of interest

The Directors may, in accordance with the requirements set out in this article, authorise any conflict proposed to them by any Director which would, if not authorised, involve a Director (an Interested Director) breaching their duty to avoid conflicts of interest under section 175 of the Act.

Any authorisation under this paragraph shall be effective only if:

- i. To the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles.
- ii. Any requirement as to the quorum for consideration of the relevant matter is met without counting the interested Director.
- iii. The matter was agreed to without the Interested Director voting or would have been agreed to if the interested Director's vote had not been counted.
- iv. For the avoidance of doubt the interested Director shall not vote on any authorisation of its own conflict and shall not count towards the quorum for any such vote.

Any authorisation of a conflict under this paragraph may (whether at the time of giving the authorisation or subsequently):

- i. Extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised.

- ii. Provide that the interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the conflict.
- iii. Provide that the interested Director shall or shall not be an eligible Director in respect of any future decision of the Directors in relation to any resolution related to the conflict.
- iv. Impose upon the interested Director such other terms for the purposes of dealing with the conflict as the Directors think fit.
- v. Provide that, where the interested Director obtains, or has obtained (through their involvement in the Conflict and otherwise than through their position as a Director of the Company) information that is confidential to a third party, they shall not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence.
- vi. Permit the interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

Where the Directors authorise a Conflict, the interested Director shall be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the conflict.

The Directors may revoke or vary such authorisation at any time, but this shall not affect anything done by the interested Director prior to such revocation or variation in accordance with the terms of such authorisation.

A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in General Meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Companies Act, and provided they have declared the nature and extent of their interest in accordance with the requirements of the Act where such Conflict has been authorised in accordance with this paragraph and subject to any conditions attached to such authorisation, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- i. May be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested.
- ii. Shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such existing or proposed transaction or arrangement in which they are interested.
- iii. Shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which they are interested.
- iv. May act by themselves or their firm in a professional capacity for the Company (otherwise than as auditor) and they or their firm shall be entitled to remuneration for professional services as if they were not a Director.
- v. May be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, anybody corporate in which the Company is otherwise (directly or indirectly) interested.
- vi. Shall not, save as they may otherwise agree, be accountable to the Company for any benefit which they (or a person connected with them (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of their duty under section 176 of the Act.

12. Conflict resolution

If a dispute arises out of or in connection with this Agreement or the performance, validity or enforceability of it (Dispute) then the parties shall follow the procedure set out in this clause:

- i. Either party shall give to the other written notice of the Dispute, setting out its nature and full (Dispute Notice), together with relevant supporting documents. On service of the Dispute Notice, the Principal Accountant of the Council and Contract and Finance Manager of the LLEP shall attempt in good faith to resolve the Dispute;
- ii. If the Principal Accountant of The Council and Contract And Finance Manager of the LLEP are for any reason unable to resolve the Dispute within 14 days of service of the Dispute Notice, the Dispute shall be referred to the

- Head Of Finance of the Council and Chief Executive Officer of the LLEP who shall attempt in good faith to resolve it; and
- iii. If the Head of Finance of the Council and Chief Executive Officer of the LLEP are for any reason unable to resolve the Dispute within 14 days of it being referred to them, the Dispute shall be referred to the City Mayor of the Council and the LLEP Chair' and
 - iv. If the City Mayor of the Council and the LLEP Chair are for any reason unable to resolve the Dispute within 14 days of it being referred to them, the parties will attempt to settle it by mediation in accordance with the CEDR Model Mediation Procedure. Unless otherwise agreed between the parties, the mediator shall be nominated by CEDR Solve. To initiate the mediation, a party must serve notice in writing (ADR notice) to the other party to the Dispute, requesting a mediation. A copy of the ADR notice should be sent to CEDR Solve. The mediation will start not later than 28 working days after the date of the ADR notice.

The commencement of mediation shall not prevent the parties commencing or continuing court proceedings in relation to the Dispute.

If the Dispute is not resolved within 14 days after service of the ADR notice, or either party fails to participate or to continue to participate in the mediation before the expiration of the said period of 14 days, or the mediation terminates before the expiration of the said period of 14 days, the Dispute shall be finally resolved by the courts of England and Wales.

13.Complaints, confidential reporting of concerns and whistleblowing

All complaints, the confidential reporting of concerns and instances of whistleblowing made against the LLEP will be treated in accordance with LLEP published guidelines. The details of the current procedure for reporting whistleblowing, concerns, and complaining including confidential complaints are provided on the LLEP website. <https://llep.org.uk/governance/policies/>

14.Strong supportive partnership working

To share knowledge and best practice, the LLEP is committed to working in partnership with other LEPs and Government through the LEP Network. This will include regular attendance at relevant forums and workshops, the dissemination and exchange of information and the uptake of any appropriate training or additional support provided through the Network.

To maximise the impact of investment across local geographies and ensure that cross-boundary issues are included within its strategies and plans, the LLEP will

regularly engage with other LEPs at a national and regional level to discuss collective approaches to areas of common economic interest. In tandem with this we will work in partnership with pan-regional bodies including the Midlands Engine and East Midlands Development Corporation. This will enable jointly agreed approaches to developing key strategic assets and business sectors as well as shared economic challenges and opportunities. The LLEP will also explore the potential to maximise its resources by joining its funding streams with those of other areas in order to maximise the economic impact of investment.

PART II – PROGRAMME DEVELOPMENT AND MANAGEMENT



This section set out the effective arrangements that LLEP have in project and programme management for funds such as Local Growth, Get Building Fund and Enterprise Zones. The LLEP recognises the need to have robust arrangements in place when awarding funds in line within any relevant legislation to ensure value for money, appropriate use of public funds and effective delivery, through strong project management, project options and appraisal, prioritisation and business case development.

15. Summary ways of working

The LLEP's approach to commissioning, programme development and monitoring will ensure key processes are in place to enable effective project and programme management. These will include systems to:

- i. Provide transparency and assurance arrangements.
- ii. Set budgets, re-allocate funds, monitor and review programmes and initiate project interventions.
- iii. Ensure robust and proportionate economic appraisal processes are in place to ensure value for money.
- iv. Provide a critically robust review and challenge process through a series of Gateways.
- v. Satisfy public procurement regulations, legal and Subsidy Control requirements.

The LAF operates a Gateway system to develop and manage the LLEP's Programme. The LLEP will apply the Gateway system with due care and diligence and appropriate to the requirements of individual projects.

All funding decisions taken by the LLEP are subject to the normal business case, evaluation and scrutiny arrangements, as detailed within this LAF. This process accommodates an opportunity for the Section 151 officer/lead finance representative and legal opinion from the Accountable Body, to provide comments on decision, and ensure the process set out within this LAF have been adhered to.

The LLEP manages the Gateway processes which are as follows:

- Pre-Gateway – Pipeline Development
- Gateway 0 – Strategic Fit
- Gateway 1 – Project Business Case development and appraisal
- Gateway 2 – Supplementary Business Case information and revision (if required)

- Gateway 3 – Contracting and Inception
- Gateway 4 – Programme Delivery
- Gateway 5 – Evaluation

The Gateway processes mirror the policy development cycle, generating learning to inform the commissioning of future activity.

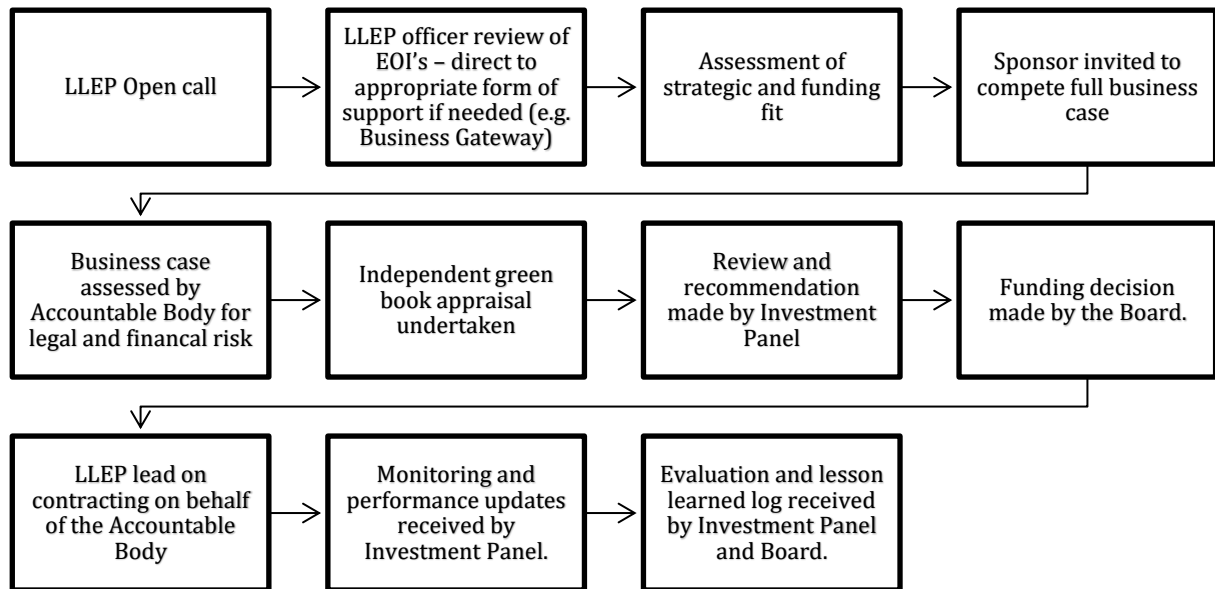
This section deals in detail with the processes involved in identifying and selecting options for defining an indicative programme of activity. It should be recognised that in the early stages of this process, the LLEP will not have 100% of the information to hand and will therefore need to exercise the dual principle of Good Enough and Proportionality in its resource allocation decisions. What this means is that:

- i. Good Enough is a judgement that given the resource needs, the LLEP has enough information to make a meaningful decision on a project; that requesting more information may not be in the best interests of the project and; that there are diminishing returns from pursuing this line, especially in relation to the overall fund request.
- ii. Proportionality is the principle that projects of a lower financial value will not need the same rigour in terms of evidence, detail and appraisal (e.g. independent appraisal) to those of a larger value. Whilst each project will traverse the same Gateways to arrive at an investment decision, the LLEP will endeavour to apply appraisal and evidence requirements proportionate to the financial value of the project, i.e. a project with a total project value is £100,000 will have a less onerous review process than a project of £10,000,000.

The LLEP recognises that all investment decisions using public funds will be made with reference to statutory requirements, conditions of the funding, through formal LLEP involvement; (e.g. Strategic Economic Plan, Local Industrial Strategy) and local objectives (e.g. Strategic Growth Plan, Transport plan)

16. Programme Development

Programme Development Flowchart



The above diagram illustrates the stages and information flow within the programme development process. The process is explained in detail in the proceeding paragraphs.

Project Pipeline and the LLEP's Open Call

This is critical to the functioning of the LAF and is the process of developing a pipeline of projects that will contribute to the delivery of the aims and objectives of the governing economic strategy of the LLEP.

The route into the project pipeline is through the LLEP's Open Call where at any time, any organisation can submit a project Expression of Interest (EOI). Thereafter:

- i. The project EOIs will be reviewed with dates published on the LLEP website. This is expected to be on at least a quarterly basis. The LLEP will consider projects that are critical and time-sensitive through fast tracking procedures (detailed below).
- ii. Major transport projects in excess of £5m would need to be approved by the Local Transport Body (LTB) who would recommend to the Investment Panel projects that they want to progress.

Gateway 0 – Strategic Fit

The process for assessing strategic fit is as follows; an officer group of the LLEP will assess the projects in the pipeline in accordance with the approved economic strategy, the fit of projects with identified funding routes and their criteria. Officers will then make recommendations on all the projects in the pipeline to one of three outcomes:

- i. If there is an identified funding route for the project, then the project will be invited to complete a full business case. The invitation will include details of the decision-making process and timeframe. It will also detail any support available and a point of contact for all queries.
- ii. If the project has strategic fit, but there is no identified funding route then the project will be retained in the pipeline and re-assessed at each review period against identified funding routes. The project will be alerted to its status. This will ensure that project sponsors are not asked to complete unnecessary work.
- iii. If the project does not have strategic fit, or if there is a significant duplication of existing projects, or there is an identified funding route outside of the funding administered by the LLEP, the project will be rejected and directed to the most appropriate form of support outside of the LLEP.

The Investment Panel will consider the recommendations of the LLEP officers and decide which projects to invite to submit a Business Case.

Any projects for which the LLEP are the applicant, the EOIs will be pass-ported to the Investment Panel for decision, as it would be inappropriate for LLEP officers to carry out a review of the EOI.

The key outcome of the review is a shortlist of projects to progress to Gateway 1 (Project Business Case) of the LAF.

Gateway 1 - Project Business Case development and appraisal

Projects invited to proceed to Gateway 1 will be requested to submit a full project Business Case to the LLEP. All projects will complete the LLEP's standardised Business Case. The Business Case will be assessed using the five-case model below, commonly used in the Treasury Green Book:

- i. Strategic case - That the intervention is supported by a compelling case for change that provides holistic fit with the governing economic strategy and other local strategic plans.
- ii. Economic case - That the intervention represents best public value demonstrating clearly defined inputs, activities, outputs, and anticipated outcomes with clear additionality having considered any deadweight or displacement effects.
- iii. Financial case - That the proposed spend is affordable.
- iv. Commercial case - That the proposed deal is attractive to the market place, can be procured and is commercially viable.
- v. Management case - That what is required from all parties is deliverable, achievable and risks have been appropriately considered along with mitigating actions.

In prioritising projects, consideration will be given to the phasing, suitability and availability of funding. The application of the five cases should be proportionate to the scale of intervention and the value of funding sought. Where appropriate, business cases may be assessed against, MCHLG appraisal guidance, WebTag and additional funding criteria from Government; this will be agreed by the Board and will be published on the LLEP website.

Business case must include costs for an evaluation, and the ongoing monitoring of the project, within their total project-spend, at a level commensurate with the size of the project.

Business Cases will be reviewed by LLEP officers and the Accountable Body. LLEP officers will use their experience to technically assess the Business Cases and make a recommendation to the Investment Panel.

Business cases will be reviewed, to ensure they meet the following criteria:

<p>Is there a clearly articulated and specific economic need that the project aims to address? Is it well evidenced? (Strategic Case)</p>	<ul style="list-style-type: none"> • How clearly is it articulated? Has a robust case for change been made? • Has there been stakeholder engagement? • Is there a clear rationale for intervention? • What is the additionality of the project? • Are there clear SMART objectives in terms of outcomes and are dependencies, constraints and risks identified? • Are there significant additional benefits not quantified from the project? • How effectively does the proposed project link to other activity in the LEP area?
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<p>How could the opportunity and/or challenge be addressed? (Economic Case)</p>	<ul style="list-style-type: none"> • Is the project scalable and if so, would you recommend it for a lower investment? • Have options to address the issue been explored? How is it proven that the proposed solution is the best one? • Is the Benefit-cost ratio greater than one? If not does the investment demonstrate VfM? How have they evidenced this?
<p>How much will the project cost to deliver? (Financial Case)</p>	<ul style="list-style-type: none"> • To what extent will the LLEP's financial support affect the project's scale, timing and/or quality? • Are the cost assumptions evidenced and supported? • How secure is the match-funding? • How effectively has the applicant identified and mitigated financial risks? • How confident are you that the budget for the costs is appropriate? • Is the security offered against the loan adequate? Does the profile build in loan repayments Inc. interest? What percentage interest is assumed? (GPF only) • Will the project deliver an increase in Business Rates? Does the profile build in repayments from the Business Rates generated Inc. interest? What percentage interest is assumed? (EZ only)
<p>What tasks need to be completed to deliver the project? (Commercial)</p>	<ul style="list-style-type: none"> • Is the proposal commercially feasible/deliverable? • Does it fit with the funding criteria? • Has an adequate level of risks been identified? Are there any high-impact/high-likelihood risks that call into question the deliverability of the project, including dependencies e.g. other projects? • What procurement is required; goods, services, land, buildings? • How confident are you that the applicant has a Subsidy Control compliant approach?
<p>Are there realistic and robust delivery plans in place? (Management Case)</p>	<ul style="list-style-type: none"> • Does the plan include post implementation evaluation arrangements (including who, when, how and costs)? • Does the plan include monitoring arrangements (who when how and costs)? • How extensive is the identification and timing of milestones? Has the applicant provided a timeline for securing any outstanding consents and permissions?

	<ul style="list-style-type: none">• How confident are you that the applicant will manage the potential for slippage in milestones?
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The level of appraisal is proportionate to the nature, scale and scope of each project or programme. For example, where a scheme carries greater risk and/or is more complex, the intensity of the appraisal will reflect this.

It is important to note that value for money is not only about cost but looks at all connected factors in terms of the project's worth. The LLEP is interested in efficiency, effectiveness and impact and, where relevant, equity related to distributional effects. These effects may be weighted to be factored into any value calculation. Appraisal will endeavour to monetarise values where possible on the basis of available evidence. In addition, reviews of additional non-monetarised values, assessed through subjective reasoning may also be included in appraisal to generate as accurate a picture as possible of the benefit to cost ratio.

Generally, a Benefit-to-Cost Ratio (BCR) greater than one indicates a preferred option and the benefits outweigh the costs in this case. It is important to note, that this is a decision-making process, the key point is that the decision makers can compare like with like, hence a Net Present Value (NPV) approach is preferred, but this can be accounted for in a risk-based framework, that can include a reasoned approach to agglomeration effects that can provide a best fit answer to the process. The level of emphasis required will be judged in accordance to the principles set out in the appraisal process by the Investment Panel and Board

The Accountable Body through the S151 Officer, or delegated officer, and a representative legal officer will be given an opportunity to comment. The section 151 Officer, or delegated officer, shall have the right to record an opinion if required on the financial implication and assessment of risk (such as delivery risks and cost overrun risks)

The Investment Panel will act as a critical friend and review the project pipeline and business cases, form an indicative programme and make recommendations to the LLEP Board for approval

The LLEP is committed to maximising the Social Value achieved through its investments. The LLEP will apply the principles of the Accountable Body to its procedures and processes, where appropriate, ensuring that the requirements are relevant, proportionate and fair.

Gateway 2 - Supplementary Business Case information and revision (if required)

Gateway 2 will be applied as necessary where further information is required.

Once Gateway 2 is achieved the group that sought the additional information (Accountable Body or Investment Panel) where practical within the timeframe will re-appraise the selection and make the final resource allocation recommendation/decision.

This Gateway can also be used to revisit the existing information, this may be required when the project has been put on hold pending a review of funding and/or the delivery environment has altered since the first submission.

Approval Process

Once the appraisal process has been completed, the following documents are made available to the Investment Panel and/or Board in advance of any meeting in order to make an informed decision:

- The Business Case
- An appraisal summary of the application;
- A view by a legal expert on Subsidy Control compliance;
- A recommendation as to whether to fund the project; and
- A recommendation about conditions which will be included in the appraisal summary.

The Investment Panel has been established to oversee and support the delivery of the LLEP Programmes of activity.

The Investment Panel reports to the LLEP Board. Information received by the Investment Panel and any recommendations made will be shared with the Board.

The Investment Panel will be responsible for ensuring that the LLEP Programmes are governed in accordance with the principles and process set out in the Local Assurance Framework approved by the Accountable Body.

The principal role of the Investment Panel is to recommend for approval projects that are derived from the LLEP pipeline (referred to in Part II of the LAF) for funding to support the delivery of the governing economic strategy. The Investment Panel manages the gateway system of the LAF to ensure probity in decision making to define the LLEP programme.

The Investment Panel also manages the delivery of projects within each financial year, this relates to overseeing financial performance and delivery performance for each project comprising the wider LLEP programme. The Group can take decisions on managing the fund to reduce financial risk and that may include varying project spend profiles to provide effective delivery assurance.

Fast-track procedure

In certain circumstances such as unexpected Government calls for projects, the LLEP will invoke a fast track process to reduce the decision-making timeframe. All decisions are still subject to the normal procedures as set out in this document e.g. business case, evaluation and scrutiny arrangements. This may involve the following steps:

- i. The project immediately develops the Project Business Case alongside the Expression of Interest and by-passes the Gateway 0 process;
- ii. Onward progression is entirely conditional on the requirements set by government, and therefore Gateway procedures may be merged, and/or applied in a way tailored to the projects;
- iii. Approval is sought from the appropriate decision-making body (Investment Panel or Board) via written procedures, following the protocol as set out in Part 1 of the LAF.

Principles governing the application of fast-track procedures have been developed and are published on the LLEP website.

17. Programme Management

This section covers programme management of the approved projects and focusses on Gateways 4 and 5. All projects need to pass through each of these Gateways. Overall, the management of the programme covers the LLEP operating practices that support the effective implementation of decisions, and this will cover funding agreements, memoranda of understanding, financial and programme management practice, risk management and evaluation.

The LLEP applies a minimum 2.5% management fee on all funds it receives and manages. This is applied to all projects and recovered over the project's lifetime.

The Investment Panel has delegated responsibility by the LLEP Board and is principally responsible for managing the programme of investments following their approval and contracting. They operate on behalf of the Board within defined limits of delegated authority. Reports on programme management decisions will be reported to the Board on a quarterly basis.

Risk management

All projects will need to undergo a risk assessment following Treasury Green Book appraisal principles. The risk profile will be included in the business case and a sensitivity analysis will indicate the extent of the risk exposure.

Risk exposure will be used to set appropriate project management thresholds which will be monitored by the LLEP team. Projects that demonstrate unacceptable variance to project plan will be subject to the Investment Panel review which may consider the imposition of a penalty.

The LLEP reserves the right to re-adjust indicative spend profiles prior to contract development if it is clear that projects cannot achieve the proposed spend plans and that these funds will be re-allocated.

Programme variance

If there is a variance in projected spend from the agreed profile as established in the project Business Case as the basis of the Funding Agreement projects will be required to submit a Project Change Request for consideration by the Investment Panel. The Investment Panel within its limits of delegated authority upon consideration of the Change Request may choose to approve, defer or reject it. In the case of rejection monies may be reallocated based on the assessment of the impact on the project and the need of the programme.

Gateway 3 - Contracting and Inception

Once a project has passed Gateways 1-2 and funding has been identified and confirmed, subject to projects fully addressing any compliance issues identified, a Grant Offer letter will be issued to the Sponsor.

The Grant Offer letter is not a contract and the Accountable Body reserves the right to withdraw or amend a Grant Offer letter prior to issuing and finalising a

legally binding Funding Agreement. The Grant Offer Letter will address any conditions placed on the funding by the decision-making body.

All City Council projects that the LLEP funds will be governed by a Memorandum of Understanding (MoU). Project sponsors that are non-City Council will be subject to a project specific Funding Agreement reflecting the conditions of the funding between the LLEP and the funding body. The MoU and the funding Agreement provisions will be aligned where possible to ensure equity and consistency.

The final Funding Agreement is based on a standardised set of terms and conditions, and will contain any specific provisions required by the funding source. The Funding Agreement is prepared, agreed and signed between the Accountable Body and Project Sponsor and forms a legally binding contract between the two parties.

It is recognised that projects that have multi-year funding are exposed to the risk that subsequent years' allocations may only be confirmed within the financial year to which they relate e.g. LGF. Projects may choose to proceed at risk. The LLEP will consider options to assist in the management of the financial risk attributed to multi-year projects.

Gateway 4 – Programme Delivery

LLEP officers will manage the programme and report principally to the Investment Panel which oversees the Programme Management for all LLEP programme funding streams.

Programme management will determine and monitor the defrayal profile, the output and outcome profiles, the objectives, the risk management arrangements and variance thresholds.

Programme monitoring will be according to the milestones in the individual project business case, reviewed on a regular basis and as defined in the Funding Agreement. The programme monitoring will take place through the Programme Management System.

The principles of programme management will be for the LLEP to manage the key programme risks, through proactive engagement with the project sponsors and developing a system of regular reporting. Tolerance thresholds will be defined in relation to spend targets, variance control and change control within individual projects and programmes.

It is the responsibility of the project sponsor to meet the requirements of the project management process and provide timely and accurate information. All projects will also be monitored through regular reviews during their delivery period and at project close down.

Projects will be required to submit monitoring reports (financial and narrative) explaining their progress to spend and delivery targets and noting specific changes to the risk profile and challenges in delivery. Generally, a 10% variance will be permitted in anyone reporting period. More than 10% variance on spend and delivery targets will trigger a review by the LEP.

The LEP, through the Investment Panel has the right, in conjunction with the Accountable Body, to withhold funding if the project delivery expectations, defined at inception and set out in the Funding Agreement, are not met within the funding period.

In the event of any concerns raised by the LEP Secretariat or the Accountable Body a report will be presented at the Investment Panel and include:

- i. A description of project and details of the events/issues that have resulted in the risk.
- ii. Relevant details, including the amount of funding awarded and the sum at risk due to the concerns.
- iii. Where recovery of funds is considered, a legal opinion which sets out the legal basis for recovery and likelihood of success.

The Investment Panel then has the following options:

- i. Approve a variation to the Funding Agreement and instruct the LEP Secretariat to enact this.
- ii. Ask for further information for the next Board meeting.
- iii. Stop the project and instruct the LEP Secretariat to enact this.

Where a decision is reached to stop the project, the LEP Secretariat on behalf of the Accountable Body will issue a termination letter.

Gateway 5 - Evaluation

The LLEP Secretariat recognises the importance of a formal evaluation to provide learning and best practice for future project development. This is undertaken using the principles laid out in HMT Magenta Book and the toolkits provided by the What Works Centre for Local Economic Growth.

The learning derived from the management of the programme, programme and project level reviews of outputs, outcomes and impacts will be filtered back into the Board, Investment Panel and Executive to aid future policy development and improve future programme delivery.

The evaluation of projects and programmes will be used to:

- i. Provide accountability for the investment;
- ii. Justify future spending allocations;
- iii. Enhance the operational effectiveness of existing projects or future project extensions;
- iv. Improve future initiatives including appraisal and process; and
- v. Improve process and appraisal reviews.

Logic Chain

All projects coming into Gateway 0 will be expected provide a logic chain. Logic chains can be used in program planning, implementation, evaluation, or communication the logic chain should demonstrate the clear links between the problem, the required inputs and the activities, outputs, outcomes as well as the potential for longer term impacts

Problem to address	Inputs	Activities	Outputs	Outcomes	Impacts
<p>Productivity gains are vital to long-term growth within the Leicester and Leicestershire area.</p> <p>To unlock key infrastructure projects that have been stalled or delayed enabling wider economic growth, create jobs and build houses.</p> <p>Potential investments include site access/site clearance, broadband and transport infrastructure, utilities, refurbishment of buildings and flood defence barriers.</p> <p>Lack of private sector lending</p>	<p>Pre-engagement activity –stakeholders briefed, awareness raised</p> <p>Private sector leverage</p> <p>Public sector loan</p> <p>Collaboration with private / public sector</p>	<p>Hectares of brownfield land cleared by demolition and levelling</p> <p>Length of new site access and onsite roads constructed</p> <p>km of roads built</p> <p>km of new or improved cycle route</p> <p>Installation (metres) of on-site service networks (sewers, water supply, gas, electricity, telecoms, broadband)</p> <p>Hectares of public open space improved / provided</p>	<p>Sq. m. of space constructed</p> <p>No. of new dwellings by tenure type</p> <p>No. of new dwellings constructed</p> <p>No. km of new roads built</p> <p>% increase in number of broadband users</p> <p>No. of (additional) cyclists</p> <p>No. of (additional) recreational visits or visitors</p>	<p>No. hectares of previously developed land that has been left vacant or derelict</p> <p>% Commercial occupancy level (proportion of floorspace)</p> <p>% increase in commercial land value</p> <p>% increase in residential land values</p> <p>Lower fuel costs and more energy efficient homes. – carbon reduction</p> <p>Congestion –reduction in average journey time per mile during the morning peak</p> <p>% of businesses supplying goods and services using the internet</p> <p>% of people who feel that local environmental quality has improved</p> <p>Increase in quality of life /wellbeing</p> <p>Income generation for the LLEP</p>	<p>% Increase in productivity</p> <p>Increase in GVA</p> <p>% Increase in Employment Rate</p> <p>% increase of inward investment enquires</p> <p>% decrease in the rates of morbidity</p> <p>% increase in physical activity</p> <p>% increase in business rates within the target area.</p>

Evaluation is contingent on the availability of high-quality data, and as such all logic chains must include baseline quantifiable data. The LLEP uses a cloud-based Programme Management System for all its projects and programmes administration functions.

This has enabled the LLEP to introduce an improved monitoring process, to capture more consistent and comprehensive data on the projects we fund the LLEP are currently establishing an evaluation framework with supporting tools and templates: which will adopt a set of agreed indicators and measures.

However, it will cover, but is not limited to:

- i. Impact evaluations - Identifying benefits and impacts by establishing the outcomes and impacts of a given project or programme and understanding whether the project under or over performed.
- ii. Economic evaluations – demonstrating value for money showing that the public funds the LEP and partners are managing are being used effectively and efficiently and are delivering a positive return on investment.
- iii. Process evaluations – understanding the key lessons learnt by exploring what worked well and what did not, including management, content, delivery, recruitment and how far projects or programmes are meeting beneficiaries' needs.

All projects will be subject to an evaluation together with an end of programme evaluation(s). Specific thematic evaluations will be prepared as required. The agreed parameters of evaluations will be communicated with the project sponsors and relate back to the assumptions and intended impacts set out in the Logic Chain and Business Case, defined through the appraisal process, that formed the basis of the Funding Agreement.

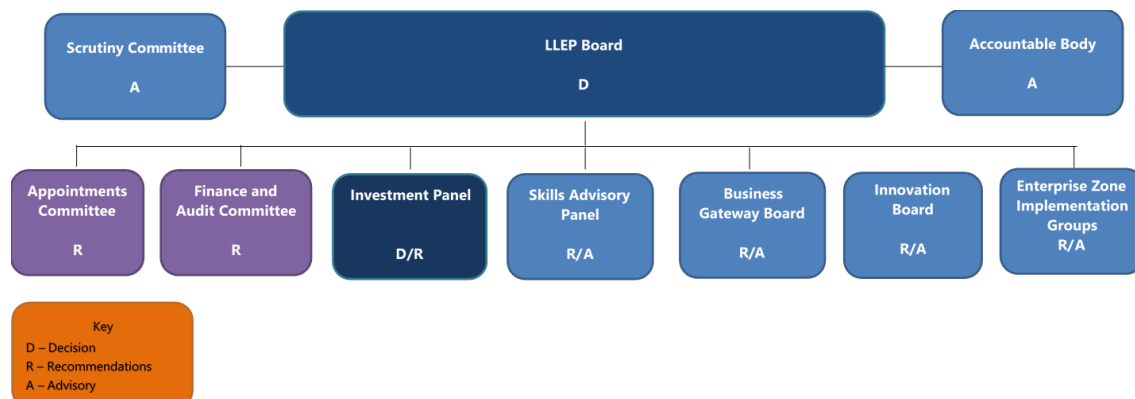
Annex 1 – Definitions

The following words and phrases shall have the following meanings:

“Annual General Meeting”	The Annual General Meeting of LLEP Ltd.
“Accountable Body”	In the case of the LLEP, Leicester City Council
“Act”	Current Legislation
“Board”	The group of Directors of Leicester and Leicestershire Enterprise Partnership who will take decisions for and on behalf of the LLEP, and who are registered as directors with Companies House.
“Chair”	The Private Sector Board Director appointed to chair the Board in accordance with the LAF
“Code of Conduct”	The behavioural code of conduct set out in Annex 4
“Conflict”	Means a situation in which a director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company;
“Director”	The person appointed as the Director of the LLEP whose role is to support and advise the Board who will take decisions for and on behalf of the LLEP, and who are registered as directors with Companies House.
“Deputy-Chair”	The Member who the other Members of the Board have appointed, for the term set out in the LAF, to deputise for the Chair
“Education Sector Director”	means any person appointed as a director under article 25.3.3 of the Articles of Association
“Executive”	The group of officers, within the LLEP responsible for advising the Board, executing Board decisions and overseeing LLEP operations
“Individual Member”	An individual person rather than a body corporate or incorporated association who is a Member
“LAF”	The Local Assurance Framework of the Leicester and Leicestershire Enterprise Partnership which consists of this document only any appendices or exhibits attached hereto and any extraneous material expressly referred to herein
“LLEP Secretariat”	The LLEP staff acting under the Chief Executive Officer

"Member"	Means a person whose name is entered in the Register of Members of the Company and Membership shall be construed accordingly;
"Private Sector director"	Private Sector Director: means any person appointed under article 25.1.3 of the Articles of Association
"Public sector director"	means the administrative councils within the LLEP Area
"Writing"	The representation or reproduction of words or other information in visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Annex 2 – LLEP Governance Structure



This diagram explains the relationship between the various groupings in the LLEP Governance structure. The bodies listed, and their relationship to the LLEP, are as follows:

- i. **The Investment Panel** remit is to make recommendations to the LLEP Board for project funding, and to provide assurance to the board on the contract management and performance of projects.
- ii. **Appointment Committee** reports to the Board and makes recommendations on appointment of Directors and the LLEP's Chief Executive Officer
- iii. **Finance and Audit Committee** provide assurance to the board as well as maintain oversight of the LLEP in achievement of its financial operations, audit and risk management objectives.
- iv. **Scrutiny Committee** to explore and interrogate the rationale for decisions taken
- v. **Skills Advisory Panel**
- vi. **Business Gateway Board**
- vii. **Innovation Panel**
- viii. **The Enterprise Zone Implementation Group.** Responsible for driving forward the delivery of the Enterprise Zones.
- ix. **Sub-Committees** may be created by the Board at their discretion to make recommendations on specific matters.

Members of each group within the LLEP Governance structure are required to adhere to the Code of Conduct detailed in Annex 4.

Annex 3 - Subcommittees Terms of reference

1. Investment Panel ToR

Purpose

The Investment Panel is a sub-committee of the LLEP Board. The Panel does not have any delegated financial decision-making authority unless specifically granted by LLEP Board.

Objectives

1. To oversee an open and transparent approach to the appraisal of projects and the award of funding by the LLEP Board to appropriate projects that bid into monies allocated to the LLEP (e.g. Local Growth Fund, Growing Places Fund, EZ business rates) and to do this on behalf of the LLEP Board, and making recommendations to the LLEP Board for approval or not of projects and then ensuring that LLEP Board approved recommendations are taken through to appropriate contracting and award of funds.
2. For external bids, the Investment Panel will act as a critical friend and review the project pipeline and business cases, form an indicative programme and make recommendations to the LLEP Board for approval.
3. To monitor performance against contracted projects and performance of the relevant fund overall, considering output and outcome performance, funding and spend profiles and monitoring of risk. Where performance is poor the Panel will also consider appropriate courses of action and make recommendations to the Board, including if necessary, the reduction or withdrawal of funding.
4. Provide assurance to the LLEP Board and the Accountable Body that proper and reasonable decisions are being proposed and that the checks and monitoring of project performance are undertaken.
5. To oversee operational programme related matters and make non-financial decisions including, but not exclusively, agreeing Project Change Requests, Local Growth Fund and other funding programme and project reporting returns to government.
6. Approve funding variations within a programme of agreed projects, up to any value, which does not affect the lifetime funding to a project. Where slippage occurs the Investment Panel will advise on how best to mitigate; If a project has slipped to such an extent that it might be best to use the resources to deliver a different project then a recommendation to that effect will be made to the Board;

7. Set delegated tolerance levels for each Programme within which the LLEP Secretariat must operate.
8. Work with the Accountable Body to ensure the standards in the Local Assurance Framework are met.

Reporting Responsibilities

1. The Panel Chair shall report formally to the LLEP Board on its proceedings after each meeting on all matters within its objectives.
2. The Panel shall make whatever recommendations to the Board it deems appropriate on any area within its duties where action or improvement is needed.
3. The Panel will report on fund allocation, spend performance, output performance and risk to the LLEP Board at the next Board meeting following each Panel meeting.
4. When appropriate, written reports will be provided to the Investment Panel for matters of urgency outside of the regular meeting schedule via written procedure.

Membership

The Investment Panel will be chaired by a LLEP Board Non-Executive Director and its membership will include six other LLEP Board Non-Executive Directors and may include the Vice-chair but not the Chair of the LLEP Board. The Panel members will elect its Chair. Appointments to the Panel shall be agreed by the LLEP Board for a term of 3 years.

In the absence of the Panel Chair, the remaining members present shall elect one of themselves to chair the meeting.

Members of the Panel are encouraged to attend each meeting. If members cannot attend, they will be encouraged to submit their views in writing.

The Investment Panel is supported by the LLEP Executive and secretariat and the Accountable Body (Leicester City Council).

Format and Timings of Meetings

The Investment Panel will meet ahead of Board meetings and in accordance with the timescales for monitoring returns to funding bodies.

The meetings and papers of the Panel will be in the same format as and subject to the same conditions as the LLEP Board meetings and papers.

In accordance with the national guidance:

1. Meeting agendas and papers will be circulated 5 clear working days before the meeting takes place;
2. Minutes of Panel meetings to be circulated within 10 clear working days of the meeting taking place. This may be in draft if internal LLEP processes require clearance before the minutes are finalised.

3. Any declaration of interest made at the meeting will be included in the minutes of the Panel meeting. A new declaration of interest will be updated on the relevant member's register of interest.
4. The quorum necessary for the transaction of business shall be three LLEP Board Non-Executive Directors. The Panel meetings can either be conducted in person or virtually.

Where a meeting of is not quorate no business shall be transacted other than information items for consideration and a vote as to the date the meeting will be reconvened.

The agenda for the Panel meetings will be developed in consultation with the Panel Chair.

Where appropriate, and as required, decisions can be taken by written procedure which will follow the written procedure process established for the LLEP Board and set out within the LAF.

2. Appointments Committee ToR

The Committee's terms of reference may be amended at any time by the Board

Membership

The members of the Committee will be appointed by the Board from its Board of Directors, and a representative of the Accountable Body and will consist of not less than three members.

A HR Advisor and other external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

The Committee Chair will also be appointed by the LLEP Board. If they are absent from the meeting, the remaining committee members will appoint from amongst themselves a person to chair the meeting. All members will be appointed for a term that coincides with their term as a member of the LLEP Board. However, extensions to their term on the LLEP Board do not automatically result in their continued membership of the committee which requires re-appointment by the LLEP Board.

Meetings and Quorum

The committee will meet as required to address specific matters as arising from the appointment of directors and or the LLEP Chief Executive Officer.

Notice of Meetings;

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the committee and any other person required to attend;

These timelines are:

1. Meeting agendas and papers to be sent five clear working days before the meeting takes place;
2. Minutes of meetings to be emailed to recipients within 10 clear working days of the meeting taking place. This may be in draft if internal LLEP processes require clearance before the minutes are finalised. The final minutes of meetings will be published within 10 clear working days of being ratified at the subsequent meeting
3. Minutes are available to board members on request.

Duties

The committee should carry out the duties below

The committee shall:

1. To set the policy for board appointments and specifying descriptions of the role and capabilities required for board appointments in light of existing skills and experience of current board members
2. To plan for the future, including succession planning, to ensure that the Board Membership reflects Leicester and Leicestershire including age, gender, ethnicity, public and private sector, geography and skills
3. To identify opportunities to develop the capacity and competencies of board members and members of other groups such as media and public speaking training
4. To assist in the preparedness of candidates with appropriate induction requirements, including background objectives, reports, meeting frequency and guidelines to help avoid conflicts of interest
5. To build a reputation for progress and transparency
6. To where appropriate make recommendations on directors' appointments
7. To support if needed the Chair and / or Deputy Chair and / or Chief Executive Officer on any matters relating to the continuation in office of any member of the Board, Investment Panel and Executive or Chief Executive Officer at any time, including the suspension or termination of a Board member or Chief Executive Officer.
8. To manage the performance review process in respect of the Chief Executive Officer
9. To actively manage the recruitment of the Chief Executive Officer
10. To advise and make recommendations on any changes to the LEP Governance
11. The committee shall also make recommendations to the Board on;
12. Succession plans for members of the Board and in particular for the key roles of chairman and deputy chairman;
13. Any matters relating to the continuation in office of any member of the Board at any time including the suspension or termination of service of a Board member

Reporting Responsibilities

The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

3. Finance and Audit Committee ToR

Purpose

The Finance and Audit Committee will provide assurance to the board as well as maintain oversight of the LLEP in achievement of its financial operations, audit and risk management objectives. It will also advise the board on the strategic framework and policy for financial and risk management and its system of internal controls.

Responsibilities

The responsibilities of the Finance and Audit Committee are to:

1. Assess the adequacy of the nature, extent and effectiveness of accounting and other internal control systems of the LLEP;
2. Assess the adequacy of the control and maintenance of the LLEP's assets; and receiving reports prepared by auditors on the effectiveness of the financial systems, operations and management;
3. Review the financial policies of the LLEP to ensure that these comply with company law and current accounting standards and other standards promoting good practice;
4. Approve the timetable for the preparation of the annual report and the LLEP's year-end accounts and agreeing priority areas to be addressed by the auditors;
5. Review the annual financial year end accounts, financial statement, and any report of the auditors to the Board and making recommendations for the approval of the Board;
6. Review annual budget and scenario planning and make recommendations for the approval of the Board;
7. Monitor and make recommendations to the Board in relation to the LLEP's reserves and interest policies and ensure the LLEP distributes its reserves and interest accrued responsibly in line with this policy and the Articles of Association;
8. Work and liaise as necessary with all other Board committees (including the Board, Investment Panel, Appointments Committee), taking particular account of the impact of risk management and internal controls being delegated to different committees;
9. Review and ensure appropriateness of the risk management policies and processes and provide assurance to the board on consistency and applications of appropriate risk management processes;
10. Maintain oversight of the relationship with the designated accountable body (Leicester City Council) through regular review of the Accountable Body Agreement; and
11. Maintain oversight of the management of Corporate Risk Register.

Objectives

The Finance and Audit Committee objectives are to:

1. Provide scrutiny and oversight of the financial position, requirements and procedures relating to all funding awarded to, and by the LLEP including the operational budget;
2. Ensure that LLEP is fully compliant with all financial requirements which apply to a company limited by guarantee e.g. company accounts and financial returns to funders;
3. Ensure that LLEP operates from the basis of good financial practice;
4. Undertake an annual internal review of the LLEP's compliance with the LEP Assurance framework;
5. Review and approve financial reports prior to presentation to the LLEP board;
6. Monitor and assess the role and effectiveness of the internal audit function in the overall context of the LLEPs risk management system;
7. Ensure the adequacy and effectiveness of the LLEPs system of internal controls, through internal audits;
8. Agree an internal audit plan, ensuring a regular, timely and robust process of audit activity, that provides assurance to the S151 officer and the LLEP Board; and
9. Ensure recommendations from audit reports are being effectively implemented.

Membership and Attendance

The Committee membership will comprise of three directors of the LLEP as appointed by the Board, one of whom will be appointed as chair by the Board.

A director who is a member or officer of the Accountable Body shall not be eligible for membership of the Committee, to avoid any conflict of interest.

In attendance at meetings in a non-voting capacity will be the Section 151 officer of the accountable body (or their representative) and the LLEP CEO. Other officers may be requested to attend as required

Internal and external auditors of the LLEP and the accountable body may be asked attend. They also have the right to request attendance to present on any particular matter.

The Committee will meet at least twice a year.

Appointments to the Committee shall be agreed by the LLEP Board and all appointments shall be for a term of 3 years.

Format and Timings of Meetings

The meetings and papers of the Committee will be in the same format as and subject to the same conditions as the LLEP Board meetings and papers.

In accordance with the national guidance:

1. Meeting agendas and papers will be sent 5 clear working days before the meeting takes place;
2. Minutes of meetings will be circulated within 10 clear working days of the meeting taking place. This may be in draft if clearance is required before the minutes are finalised;
3. The Code of Conduct will apply to Directors and any declaration of interest made at the meeting will be included in the minutes of the meeting. A new declaration of interest will be updated on the relevant member's register of interest;
4. The quorum necessary for the transaction of business shall be two members. The meetings can either be conducted in person or virtually;
5. Where a meeting is not quorate no business shall be transacted other than information items for consideration and a vote as to the date the meeting will be reconvened;
6. Each member has one vote and decisions will be carried by a simple majority and the chair will have a casting vote if a majority decision is not reached; and
7. The agenda for the meetings will be developed in consultation with the Chair.

Reporting Responsibilities

The Chair shall report formally to the LLEP Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

Delegated Authority including limits

The Committee is authorised by the LLEP Board to investigate any activity within the Committee's terms of reference and, within its scope of responsibilities, to seek any information it requires and to ensure the attendance of management representatives at meetings as appropriate. The Committee has the authority to request that the LLEP CEO obtain outside legal or independent professional advice as required to meet its purposes, the obtaining of such advice being subject to budget controls.

4. Scrutiny Committee - Draft ToR

Purpose

The Scrutiny Committee will provide strategic overview and scrutiny of the Leicester and Leicestershire Enterprise Partnership (LLEP) in order to;

1. Increase transparency in LLEP decision making;
2. Provide assurance through an independent committee that is able to explore and interrogate the rationale for decisions made; and
3. make positive recommendations for how future decision making of LLEP can be improved.

Responsibilities

The responsibilities of the Scrutiny Committee are to:

1. Review the decision making of LLEP Board and sub-committees to ensure due process has been followed and there is a transparent audit trail;
2. Review and/or scrutinise decisions made or actions taken in connection with the discharge of any scrutiny functions;
3. Review and advise the LLEP on matters of transparency, ensuring the LLEP maintains its requirements as set out in the Local and National Assurance Frameworks;
4. Review the progress of the programmes that the LLEP manages including but not limited to: central government and European funding Programmes, the Growth Hub and the Enterprise Advisor Network;
5. Identify and/or consider issues raised, promote best practice and make recommendations for improvement if appropriate;
6. Review the implementation of the Strategic Economic Plan, Local Industrial Strategy, Skills Strategy and other strategies and plans to identify opportunities for improvement;
7. Review the output and outcome information of the programme to ensure that the LLEP activities are having a beneficial impact on the economy of Leicester and Leicestershire;
8. Be proportionate and reasonable having regard to the work of the other committees of the LLEP Board, particularly the Finance and Audit and Appointments Committees and Investment Panel;
9. Consider the effectiveness of the LLEP risk management, internal control and corporate governance arrangements;
10. Assess the and effectiveness of the LLEP delivery plan.

Membership

The members of the Committee shall be appointed by the members of the LLEP company and consist of twelve members, to include public, private, higher and further education and VCS sector representatives. They shall appoint a chair from amongst themselves.

Also, in attendance at meetings will be the Section 151 of the accountable body and the LLEP Chair and CEO and officers.

The Committee will meet at least twice a year.

Appointments to the Committee shall be agreed by the LLEP company members and all appointments shall be for a term of 3 years.

Format and Timings of Meetings

The meetings and papers of the Committee will be in the same format as and subject to the same conditions as the LLEP Board meetings and papers.

In accordance with the national guidance:

1. Meeting agendas and papers will be sent 5 clear working days before the meeting takes place;
2. Minutes of meetings will be published within 10 clear working days of the meeting taking place. This may be in draft if clearance is required before the minutes are finalised;
3. The Code of Conduct will apply, and any declaration of interest made at the meeting will be included in the minutes of the meeting. A new declaration of interest will be updated on the relevant member's register of interest.
4. The quorum necessary for the transaction of business shall be seven members. The meetings can either be conducted in person or virtually;
5. Where a meeting of is not quorate no business shall be transacted other than information items for consideration and a vote as to the date the meeting will be reconvened;
6. Each member has one vote and decisions will be carried by a simple majority; and
7. The agenda for the meetings will be developed in consultation with the Chair.

Reporting Responsibilities

The Committee Chair shall report formally to the LLEP Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

Delegated Authority including limits

The Committee is authorised by the LLEP Board to investigate any activity within the Committee's terms of reference and, within its scope of responsibilities, to seek any information it requires and to ensure the attendance of management representatives at meetings as appropriate.

5. Skills Advisory Panel ToR

Skills Advisory Panel Responsibilities

Background

The Leicester & Leicestershire Local Enterprise Partnership (LLEP) was created in line with the Government's policy of supporting economic growth through Local Enterprise Partnerships (LEPs). The LLEP is an association made up of local authorities and representatives of business, educational institutions and the voluntary sector.

The objectives of the LLEP are in accordance with the Government's Localism Act. In general terms the focus is on local growth and the LLEP will be seeking to do this by:

1. Working with Government to set out key investment priorities for Leicester & Leicestershire
2. Engaging with business, local authorities, Higher Education, Further Education, VCS and other stakeholders
3. Facilitating local partnership working and relations with national Government
4. Influencing national Government economic policy and spending
5. Investing LLEP funding and aligning partner resources
6. Through its investments, influence and activities ensure positive outcomes for the local economy

Skills Advisory Panel Responsibilities

The Skills Advisory Panel is accountable to the LLEP Board of Directors and is has an advisory role with the following responsibilities:

1. Providing a strong leadership role on skills in the local area, engaging with employers and providers and providing skills advice to the LLEP Board.
2. Developing a clear understanding of current and future local skills needs and local labour market as well as the present skills and employment support provision in the local area. This will be achieved through the production of robust and authoritative evidence-based analysis.
3. Overseeing the development and review of the 'People' element of the Local Industrial Strategy.
4. Building on this high-quality analysis to develop a Skills Strategy for addressing skills and employment challenges within the local area.
5. Understanding the wider dependencies in the local area and working together with other parts of the LLEP to ensure the 'People' element of the Industrial Strategy is integrated effectively.
6. Making recommendations to and advising the LLEP Board of Directors about future investment opportunities.
7. Acting as a co-ordinator of local skills providers through fostering co-operation between providers in a mix of provision and actively working with a range of local providers at all levels to plan for how the skills needs are to be met. This will

- include encouraging providers to reflect on the Skills Advisory Panel analysis when planning for future T Level implementation and Delivery.
8. Working closely with careers advisory services (National Careers Service and Enterprise Adviser Network) to ensure that potential learners are informed about potential career routes within the area, and that careers information advice and guidance is informed by easily accessible current local labour market information.
 9. Advising where skills and labour market resource should be directed to support local employers and residents, using the Panel's understanding of existing employment support provision in the local area and the needs of the local labour market.
 10. Raising the profile of apprenticeships with local employers and providers.

Further national guidance on the Role and Governance of [Skills Advisory Panels can be found in Skills Advisory Panels – Guidance on the Role and Governance](#) (DfE December 2018)

Membership

The Skills Advisory Panel will be chaired by an appropriate member of the LLEP Board and membership will include a representative from:

1. LLEP Board (Chair) and one other private sector Board Member
2. Employers and employer representative bodies
3. Higher Education
4. Further Education
5. Private training providers
6. Schools
7. Futures (NCS contract holder)
8. Leicester City Council
9. Leicestershire County Council
10. District Councils
11. Voluntary and Community Sector
12. DWP

In attendance: LLEP Executive and Officer

The Skills Advisory panel may also invite local representatives of the following government departments to attend periodically as required:

1. Cities and Local Growth Unit
2. Education and Skills Funding Agency

Reporting Mechanisms

The Skills Advisory Panel reports to the LLEP Board of Directors.

Working Arrangements

Meetings of the Skills Advisory Panel will take place quarterly. Any additional meetings will be arranged as required and specialist meeting will be set up separately. Agendas and any papers will be circulated not later than one week before Skills Advisory Panel meetings and minutes and agreed actions will be recorded and circulated to members within two weeks following the meeting. The Skills Advisory Panel will be supported by the LLEP Team.

7. LLEP Business Gateway Board ToR

Purpose

The role of LLEP Business Gateway Board is to provide direction and scrutiny of the Business Gateway which is the Growth Hub for Leicester and Leicestershire.

1. Objectives

1. To provide strategic direction and scrutiny of LLEP Business Gateway in relation to BEIS Core Funding and any other contractual obligations.
2. Overseeing the development, delivery and review of the business support priorities in the SEP and emerging LIS and LLEP Delivery plan for 2019/2020.
3. Ensure delivery of the growth hub in accordance with the Schedule of Work in Schedule 3 to BEIS.
4. Prioritise business growth initiatives and make recommendations to the LLEP Board regarding the allocation of programme resources;
5. Ensure that business support service provision is effectively aligned to the LLEP programmes including the Innovation, Skills, and Enterprise Zones;
6. Inform evolution of business growth related activities, taking account of global trends, capability and capacity in the LLEP area;
7. Consider any other business growth related matters which are specifically referred to the board by the LLEP Board and Executive;
8. Assessing impact and performance through the Monitoring and Evaluation Framework for Growth Hubs and oversee risk management;
9. Provide direction on the operation of the growth hub and its future sustainability;
10. Approve and present reports to the main LEP Board.

2. Membership

1. The Business Growth Board shall consist as a minimum of the following members:

Category	Organisation
LLEP Board Member	LLEP Director
Business representative organisation	East Midlands Chamber
Business representative organisation	Federation of Small Business
Business representative organisation	CBI
Business representative organisation	IOD
University /HE	University of Leicester
University/HE	De Montfort University
University/HE	Loughborough University
Local Authority	Leicester City Council
Local Authority	District Council

Local Authority	District Council
Local Authority	Leicestershire County Council
Finance	Hinckley Building Society
Finance	British Business Bank
Private Sector	Andrew Granger Estate Agents and Chartered Surveyors
Private Sector	Leicester Startup CIC
Rural	Leicestershire Rural Partnership

2. All members will serve for a period of up to three years and will be committed to at least one-year membership of the Business Gateway Board.
3. Membership will be reviewed annually by the LLEP Board to ensure that it reflects the requirements for the development and delivery of the Business Gateway services in the LLEP area.
4. The Chair of the Board will be a member of the LLEP Board nominated by the Board for a term of office of up to three years and for the minimum of one year.
5. Deputies may occasionally attend Growth hub Board meetings if members are unable to attend. This will be subject to agreement of the Chair.
6. The Chair will present quarterly reports to the LLEP Board on its proceedings and on all matters relating to its duties and responsibilities.

2.1. Role of Business Gateway Board Members

1. Provide expertise to enable the board to build a sound knowledge of business needs across a range of different sectors and industries.
2. Understand and work with other board members to make decisions about strategic priorities
3. Examine and challenge business analysis and evidence to develop a range of delivery options of strategic significance.
4. Monitor and evaluate performance of the Business Gateway programme and to improve delivery and drive the scale of outcomes
5. Support the development of the board and the wider partnership
6. Act as an ambassador and champion for Leicester and Leicestershire as a place to do business

2.2. In carrying out these expectations, Board members will:

1. Provide advice and guidance on priorities for business support provision
2. Make recommendations to the LLEP Board regarding the allocation of resources and the approval of funding proposals
3. Inform the evolution of business support related activities, taking account of global trends, capability and capacity in the LLEP area
4. Oversee and ensure the commissioning of business support activities are consistent with the agreed objectives of the SEP and emerging LIS

5. Ensure that business support service provision is effectively aligned to the programmes including the Innovation, Skills, Enterprise Zones and Inward Investment;
6. Evaluate and review the programme to improve impact;
7. Consider any other business support related matters which are specifically referred to the Board by the, the LLEP Board and Executive or any other relevant body.

3. Format and Timings of Meetings

1. The Growth Hub Board will meet 4 times a year.
2. The secretariat to the Business Gateway Board will be provided by the LLEP Business Gateway Team.
3. The meetings and papers of the Business Gateway Board will be in the same format as the LEP Board meetings and papers.
4. In accordance with standard practice:
5. Meeting agendas and papers will be sent 5 clear working days before the meeting takes place;
6. Minutes of the previous meeting will be circulated prior to the next meeting and agreed as a true and accurate record at the meeting.
7. Any declarations of interest made at the meeting will be included in the minutes of the meeting.
8. Minutes are available to board members on request.

4. Reporting Responsibilities

The Board shall make whatever recommendations to the Board it deems appropriate on any area within its remit where decisions need to be made.

7. Innovation Board ToR

Purpose

The Innovation Board will maintain strategic focus and thought leadership in innovation, on behalf of the LLEP Board and support the delivery of innovation activity outlined in the MIT REAP vision document and the overarching Economic Strategy for the area.

Responsibilities

The responsibilities of the Innovation Board are to:

1. Provide the leadership to ensure all partners make their contribution to delivering on the high-level ambitions;
2. Consider the 'big picture', providing strategic advice to the LLEP Board on matters relating to innovation;
3. Drive and coordinate activity which delivers the strategic objectives of the MIT REAP and Economic Strategy for the LLEP area;
4. Support the development of the Local Industrial Strategy, Economic Recovery Strategy, identifying actions and interventions and best practice for the Ideas foundation of productivity;
5. Stimulate greater levels of collaboration between university and businesses in the region;
6. Assess policies, proposals and programmes of investment linked to innovation regionally, nationally and internationally, providing guidance to the LEP on how they relate to the LLEP areas innovation assets and skills, and identifying any gaps in provision;
7. Broker and co-ordinate strategic collaborations and relationships across sectors, with Innovate UK, UKRI, other relevant branches of Government, and trade associations and industry bodies, nationally and internationally;
8. Champion and provide input into strategic projects and game changing opportunities;
9. Commission task and finish groups where appropriate and where no other sub-board or committee can fulfil the task;
10. Share strategic intelligence, data and ideas, and commission research and analysis as required; and
11. Connect to and collaborate with regional and national stakeholders that play a role in delivering innovation, continuing to identify gaps and opportunities.

Membership

The Innovation Board will be chaired by a LLEP Board director and will be appointed by the Innovation Board members. The membership will draw from leading businesses and organisations actively involved in innovation strategy and delivery and comprise of a maximum of 15 members including:

1. Up to three LLEP Directors, one of whom will be appointed as Chair

2. Representatives from businesses being senior executive officers of an organisation, with at least one representative from each of the LLEPs priority sectors (Advanced Manufacturing and Engineering; Space; Health and Life Sciences and Sport), including at least 1 SME
3. A senior executive officer from Innovate UK
4. A senior executive officer from British Business Bank
5. A senior representative officer from each the Universities (Leicester, Loughborough and DMU)

The Innovation Board will meet at least four times a year.

Appointments to the Board shall be agreed by the LLEP Board and all appointments to the Innovation Board shall be for a term of 3 years.

Format and Timings of Meetings

The meetings and papers of the Innovation Board will be in the same format as and subject to the same conditions as the LLEP Board meetings and papers.

In accordance with the national guidance:

1. Meeting agendas and papers will be circulated 5 clear working days before the meeting takes place;
2. Minutes of meetings to be circulated within 10 clear working days of the meeting taking place. This may be in draft if internal LLEP processes require clearance before the minutes are finalised;
3. The Code of Conduct will apply, and any declaration of interest made at the meeting will be included in the minutes of the meeting. A new declaration of interest will be updated on the relevant member's register of interest;
4. The quorum necessary for the transaction of business shall be five members. The meetings can either be conducted in person or virtually;
5. Where a meeting of is not quorate no business shall be transacted other than information items for consideration and a vote as to the date the meeting will be reconvened;
6. Each member has one vote and decisions will be carried by a simple majority and the chair will have the casting vote if a majority is not reached; and
7. The agenda for the meetings will be developed in consultation with the Chair.

Reporting Responsibilities

The Chair shall report formally to the LLEP Board on its proceedings after each meeting on all matters within its objectives.

The Chair shall make whatever recommendations to the Board it deems appropriate on any area within its duties where action or improvement is needed.

Delegated Authority including limits

The Innovation Board is authorised by the LLEP Board to investigate any activity within the Innovation Board's terms of reference and, within its scope of responsibilities, to seek any information it requires and to ensure the attendance of management representatives at meetings as appropriate.

8. The Enterprise Zone Implementation Group

Steering Groups

The EZ Steering Groups are responsible for driving forward the Enterprise Zone initiative across Leicester and Leicestershire. They have oversight of the development of their specific Enterprise Zone site, monitor the site implementation plan, and are a forum to provide advice, support, and share best practice. Crucially they provide strategic input to the Investment Panel on the projects coming forward for funding through the Programme Development Process.

The Membership of the EZ Steering Groups will include, as a minimum, representatives from:

1. The owners of the site (where practicable)
2. The relevant local authority/ies
3. LLEP
4. Cities and Local Growth Unit

9. Sub-committees

The Board may, at their discretion, create sub-committees to make recommendations on specific matters. Where such sub-committees are created the terms of reference for the committee will be appended in the minutes of the Board, in addition, the limits of the decision-making authority of the sub-committee will also be recorded in the minutes. In the absence of such written records the decision of the sub-committee shall be ultra vires.

Annex 4 – The Code of Conduct

Code of Conduct for LLEP Board Members

All Board Members of the LLEP sign up to a Code of Conduct on commencing their role with the LLEP. LLEP Officers sign up to their own Officer Code of Conduct (insert hyperlink).

Board Member Code of Conduct

You are a Board Member of the Leicester and Leicestershire Local Enterprise Partnership and hence you shall have regard to the following principles – selflessness, integrity, objectivity, accountability, openness, honesty and leadership in your conduct at all times. Accordingly, when acting in your capacity as a Board Member of Leicester and Leicestershire Local Enterprise Partnership:

- I) You must act in a manner consistent with your LLEP's equality and diversity strategy and treat your fellow Board Members, members of staff and others you come into contact with when working in their role with respect and courtesy at all times.
- II) You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.
- III) You must not place yourself under a financial or other obligation to outside individuals or organisations that might be reasonably regarded to influence you in the performance of your official duties.
- IV) When carrying out your LLEP duties you must make all choices, such as making appointments, awarding contracts or recommending individuals for rewards or benefits, based on evidence.
- V) You are accountable for your decisions and you must co-operate fully with whatever scrutiny is appropriate to your position. You must be as open as possible about both your decisions and actions and the decisions and actions of the LLEP. In addition, you should be prepared to give reasons for those decisions and actions.
- VI) You must declare any private interests, both pecuniary and non-pecuniary, including Membership of any Trade Union, political party or Local Authority that relates to your LLEP duties. Furthermore, you must take steps to resolve any conflicts arising in a way that protects the public interest. This includes registering and declaring interests in a manner conforming with the procedures set out in the section 'Registering and declaring pecuniary and non-pecuniary interests' in the LLEP's conflict of interest policy.
- VII) You must, when using or authorising the use by others of the resources of your LLEP, ensure that such resources are not used improperly for political or personal purposes (including party political purposes).

VIII) You must promote and support high standards of conduct when serving in your LEP post, in particular as characterised by the above requirements, by leadership and example.

Conflicts of Interest Policy

The LEP is committed to ensuring that all Board Members and Officers act in line with the Nolan Principles of public life. This policy provides the detail of how LLEP Board Members and Officers should consider conflicts of interest and declare any interests in line with the LLEP's processes.

This policy explains the procedures through which the LLEP will seek to maintain its high ethical standards and protect its reputation against any allegations of conflict of interest. It is communicated to everyone involved in the LLEP to ensure their commitment to it and it applies to all staff and Board Members.

Board Members and staff take personal responsibility for declaring their interests and avoiding perceptions of bias. To demonstrate this all Board Members and staff produce and sign a register of interests and publication on the website which is reviewed every six months and updated regularly.

In addition, the LLEP ensures that the Conflict of Interest Policy is followed through its decision-making processes. It is committed to ensuring that this policy applies to decision makers regardless of whether there is a formal meeting. The LLEP ensures that decisions are recorded and published llep.org.uk/governance/governance-of-the-llep/the-llep-board/declarations-of-interest regardless of how they are taken to ensure full transparency in all LLEP decisions.

Definition

A conflict of interest is any situation in which an employee's or a Board Member's personal interests, or interests that they owe to another body, may (or may appear to) influence or affect their decision making.

Identifying conflicts of interest

Conflicts can inhibit open discussions and may result in irrelevant considerations being taken into account or decisions being taken that are not in the best interests of the LLEP. Conflicts may arise, for instance, where a Member's personal interests, for instance, as a shareholder in a company that is a potential beneficiary of grant funding, conflict with the interests of the LLEP. There may be commercial, actual or potential conflicts of interests. This policy covers all three types of interests.

Registering and declaring pecuniary and non-pecuniary interests

As a Board Member or staff member of the LLEP, you must:

Within 28 days of taking office, notify your LLEP Chief Executive and Accountable Body's Section 151 Officer of any disclosable pecuniary interest, where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a spouse, or as if you were civil partners.

Within 28 days of taking office, notify your LEP Chief Executive and Accountable Body's Section 151 Officer of any non-pecuniary interest which your LEP has decided should be included in the register or which you consider should be included if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life. These non-pecuniary interests will necessarily include your Membership of any Trade Union.

Review your individual register of interest before each Board meeting and decision-making committee meeting and declare any relevant interest(s) at the start of the meeting.

If an interest has not been entered onto the LLEP's register, then the you must disclose the interest at any meeting of the LLEP where you are present, where you have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'.

Following any disclosure of an interest not on the LLEP register or the subject of pending notification, you must notify the LLEP Chief Executive and Section 151 Officer of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest. Additionally, you must observe the restrictions your LLEP places on your involvement in matters where you have a pecuniary or non-pecuniary interest as defined by your LLEP.

Categories of disclosable interest are stated in the LLEP's register of interest.

LLEP Board Members and Officers should also familiarise themselves with the LLEP's gifts and hospitality policy.

Procedure for managing conflicts

When an interest materially affects a Member's ability to vote without prejudice, this will be deemed to be non-trivial and a conflict of interest. In such circumstances the Member will withdraw from the meeting while the discussion and vote takes place.

Upon the declaration of any conflicts of interest at a meeting of the Board, the non-conflicted Members will:

- I) assess the nature of the conflict;
- II) assess the risk or threat to Member decision-making;
- III) decide whether the conflict is non-trivial (that is, it is material or has the potential to be detrimental to the conduct or decisions taken by the Members); and
- IV) decide what steps to take to avoid or manage the conflict.

The conflicted Member must not take part in the discussion or decision and will not be counted when determining whether the Board meeting is quorate.

The non-conflicted Members will consider whether it is necessary to seek the advice of the LEP's legal adviser on whether the conflict is nontrivial and/or on how to manage the conflict declared.

Subject to the provisions set out in the LLEP's Articles of Association, if the non-conflicted Members consider that the declared conflict is trivial, they may agree that the conflicted Member may continue to participate in discussions and the decision-making process.

If the non-conflicted Members consider that the conflict is non-trivial, the non-conflicted Members will determine what action is appropriate in light of the nature and extent of the conflict.

A number of steps can be taken to deal with the conflict, including:

- I) excluding the conflicted Member from discussions in relation to the matter to avoid inadvertently influencing the non-conflicted Members;
- II) excluding the conflicted Members from decision-making in relation to the matter while the conflict exists;
- III) delegating the matter to a sub-committee of non-conflicted Members;
- IV) seeking independent advice to help with a decision;
- V) appointing an alternative, non-conflicted Member;
- VI) resignation of the conflicted Member where the conflict is acute or pervasive; and/or
- VII) applying to the court for directions.

The Chair of the Board will inform the conflicted Member of the non-conflicted Members' decision. The secretary to the Board will note in the minutes of the meeting the conflict declared, an outline of the discussion and the actions taken to manage the conflict.

If in the event that a Board Member or officer is non-compliant with this policy the Chair of the Board and / or Deputy Chair and the LLEP Chief Executive Officer will formally investigate the compliance concern and make a recommendations to the Appointments Committee, who will decide on the course on action.

Annex 5 - Register of Interest

Leicester and Leicestershire Enterprise Partnership: Register of Members' Interests
[DATE]

As a Board Member/Co-opted Member/Sub-Board Member/Staff Member of the Leicester and Leicestershire Enterprise Partnership (LLEP), I declare that I have the following disclosable pecuniary and/or non-pecuniary interests. ***(Please state 'None' where appropriate, do not leave any boxes blank).***

NOTIFICATION OF CHANGE OF CIRCUMSTANCES

Each Board Member shall review their individual register of interests before each Board meeting and decision-making committee meeting, submitting any necessary revisions to the LEP and S151/S73 Officer at the start of the meeting. Any recorded interests relevant to the meeting should also be declared at this point.

Even if a meeting has not taken place a Member must, within 28 clear working days of becoming aware of any change to the interests specified below, provide written notification to the LEP and S151/S73 Officer, of that change.

***SPOUSE/PARTNER** – In the notice below my spouse or partner means anyone who meets the definition in the [Localism Act](#), i.e. my spouse or civil partner, or a person with whom I am living as a spouse or a person with whom I am living as if we are civil partners, and I am aware that that person has the interest having carried out a reasonable level of investigation. Where your spouse or partner has recently been involved in any activity which would have been declarable, this should be mentioned, with the date the activity ended.

SECTION 1	ANY EMPLOYMENT, OFFICE, TRADE, PROFESSION OR VOCATION CARRIED ON FOR PROFIT OR GAIN	MEMBER (and/or spouse/partner where applicable)
1.1	Name of: <ul style="list-style-type: none"> • your employer(s) • any business carried on by you • any other role in which you receive remuneration (this includes remunerated roles such as councillors). 	
1.2	Description of employment or business activity.	
1.3	The name of any firm in which you are a partner.	
1.4	The name of any company for which you are a remunerated Director.	
SECTION 2	SPONSORSHIP	MYSELF (and/or spouse/partner where applicable)
2.1	Any financial benefit obtained (other than from the LEP) which is paid as a result of carrying out duties as a Member.	

	This includes any payment or financial benefit from a Trade Union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992 (a).	
SECTION 3	CONTRACTS	MYSELF (and/or spouse/partner where applicable)
	Any contract for goods, works or services with the LEP which has not been fully discharged by any organisation named at 1.1.	
	Any contract for goods, works or services entered into by any organisation named at 1.1 where either party is likely to have a commercial interest in the outcome of business being decided by the LEP.	
SECTION 4	LAND OR PROPERTY	MYSELF (and/or spouse/partner where applicable)
	<p>Any interest you or any organisation listed at 1.1 may have in land or property which is likely to be affected by a decision made by the LEP.</p> <p>This would include, within the area of the LEP:</p> <ul style="list-style-type: none"> • Any interest in any land in the LEP areas, including your place(s) of residency • Any tenancy where the landlord is the LEP and the tenant is a body in which the relevant person has an interest • Any licence for a month or longer to occupy land owned by the LEP. <p>For property interests, please state the first part of the postcode and the Local Authority where the property resides. If you own/lease more than one property in a single postcode area, please state this.</p>	
SECTION 5	SECURITIES	MYSELF (and/or spouse/partner where applicable)
5.1	<p>Any interest in securities of an organisation under 1.1 where:-</p> <p>(a) that body (to my knowledge) has a place of business or land in the area of the LEP; and</p> <p>(b) either –</p> <p>(i) the total nominal value of the securities exceeds £25,000 or</p>	

	<p>one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which has an interest exceeds one hundredth of the total issued share capital of that class.</p>	
SECTION 6	GIFTS AND HOSPITALITY	MYSELF (and/or spouse/partner where applicable)
	Any gifts and/or hospitality received as a result of Membership of the LEP (above the value of £50).	

OTHER INTERESTS

Membership of organisations

I am a Member of, or I am in a position of general control, a trustee of, or participate in the management of:

1. Any body to which I have been appointed or nominated by the LEP:

2. Any body exercising functions of a public nature (eg school governing body or another LEP):

3. Any body directed to charitable purposes:

4. Any body, one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union):

5. Any local authority (please state any interests you hold as LA leaders/cabinet Members for LA land, resources and the LA's commercial interests):

6. Any other interest which I hold which might reasonably be likely to be perceived as affecting my conduct or influencing my actions in relation to my role.

Member's declaration and signature (not for publication: for LEP records only)

I confirm that having carried out reasonable investigation, the information given above is a true and accurate record of my relevant interests, given in good faith and to the best of my knowledge;

Date	
Member's Name <i>(Capitals – in full)</i>	
Signature	

RECEIPT BY LLEP

Date received by the LEP	
Signature of LLEP Chief Executive	

Annex 6 – Gifts and hospitality policy

1. This policy applies to all Members of the LLEP, when representing the LLEP.
2. This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties. However, hospitality is an area in which you must exercise careful judgement. There is a need to distinguish between low cost hospitality of a conventional type, for example, a working lunch, compared with more expensive and elaborate hospitality. Hospitality should not extend to spouses unless the circumstances fully justify this, and it is authorised by the Chief Executive Officer.
3. You must within 28 days of receipt, notify the LLEP Chief Executive Officer in writing of any gift, benefit or hospitality with a value in excess of £25 which you have accepted as a LLEP Member from any person or body other than the LLEP or LLEP's Accountable Body.
4. All gifts, benefits and hospitality should be recorded on the LLEP's Corporate Gifts and Hospitality Register.
5. You may accept "incidental" hospitality, such as light refreshments, lunch and drinks, as offered at a visit, conference, meeting or promotional exercise.
6. There may be instances where you may receive invitations to events offered as part of normal working life – for example, opening celebrations, receptions, luncheons, annual conferences and dinners. If attendance at such events is considered important in building and maintaining relationships with these sectors and the hospitality received is likely to be reasonable, then these may be acceptable.
7. You should discourage third party individuals and organisations from offering gifts. You may, however, accept token items of very low value (less than £25), for example stationery, diaries, calendars, chocolates, etc., usually distributed by companies as a promotional exercise. This does not, however, extend to gifts offered by third parties who are involved in active tenders.
8. This type of gift should be distinguishable from more expensive or substantial items which cannot on any account be accepted. If there is any doubt as to whether the acceptance of such an item is appropriate or the value exceeds £25, you should consult with the Chief Executive Officer.

9. If gifts have a higher value than £25, you should tactfully refuse them. If gifts of this value are delivered, they should be returned immediately with an appropriate explanation. If gifts cannot be returned, the Director should dispose them to charity and record this fact.
10. Gifts of cash or cash equivalent (vouchers, for instance) should not be accepted in any circumstances.
11. You must ensure that you read, understand and comply with this policy.
12. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the LLEP or under its control. All Members/workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.
13. It is important to inform the Chief Executive Officer as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

Annex 7 – Categories of Exempt Information

Where information to be considered by the Board or Investment Panel contains information that is considered exempt under one of the below categories, the category under which the exemption applies will be noted in the published agenda. The report and minutes of that item shall not be published. A record of confidential proceedings and papers will be kept by the LLEP in case the need to scrutinise these decisions should arise in the future.

All categories are subject to the application of a Public Interest Test: *“Information is only exempt information if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information”*. The Accountable Body representative from Democratic Services will support the LLEP to ensure that this principle is followed.

	CATEGORY	QUALIFICATIONS/DEFINITIONS
1	Information relating to any individual.	
2	Information which is likely to reveal the identity of an individual.	
3	Information relating to <u>the financial or business affairs</u> of any particular person (<u>including the authority</u> holding that information).	<p>Information is not exempt information if it is required to be registered under –</p> <ul style="list-style-type: none"> a) the Companies Act 1985; b) the Friendly Societies Act 1974; c) the Friendly Societies Act 1992; d) the Industrial and Provident Societies Acts 1965 to 1978; e) the Building Societies Act 1986; or f) the Charities Act 2011 <p>‘financial or business affairs’ includes contemplated, as well as past or current, activities</p> <p>‘registered’ in relation to information required to be registered under the Building Societies Act 1986 means recorded in the public file of any building society (within the meaning of that Act)</p>
4	Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.	<p>‘employee’ means a person employed under a contract of service</p> <p>‘labour relations matter’ means –</p> <ul style="list-style-type: none"> (a) any of the matters specified in paragraphs (a) to (g) of section 218(1) of the Trade Union and Labour Relations (Consolidation) Act

		<p>1992 (matters which may be the subject of a trade dispute, within the meaning of that Act); or</p> <p>(b) any dispute about a matter falling within paragraph (a) above;</p> <p>and for the purposes of this definition the enactments mentioned in paragraph (a) above, with the necessary modifications, shall apply in relation to office-holders under the authority as they apply in relation to employees of the authority;</p> <p>'office-holder', in relation to the authority, means the holder of any paid office appointments to which are or may be made or confirmed by the authority or by any joint Board on which the authority is represented or by any person who holds any such office or is an employee of the authority;</p>
5	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.	
6	Information which reveals that the LLEP proposes – (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment	
7	Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime. a) Information which is subject to any obligation of confidentiality. b) Information which relates in any way to matters concerning national security.	
8	Generally,	Information is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning

		permission pursuant to regulation 3 of the Town and Country Planning General Regulations 1992.
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European Union
European Structural
and Investment Funds

To receive news and information about the LLEP programmes and activities please subscribe at llep.org.uk/newsletter

If you require further information on anything within this report, or are interested in getting involved with the LLEP, please email admin@llep.org.uk



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