

Enterprise M3 Board Meeting

25 January 2018

Enterprise M3 Governance – Item 5

Enterprise M3 Board is asked to:

i) Board Membership and Recruitment

NOTE the progress made on the recruitment of a new Chair and private sector Board Members for Enterprise M3

AGREE a remuneration package for the new Enterprise M3 Chair of £20,000 per annum, effective when a new Chair starts in post.

AGREE to co-opt Dr Mike Short CBE to the Board of Enterprise M3 for the remainder of his Term of Office (November 2020)

AGREE the appointment of Ross McNally to the Enterprise M3 Board for a term of three years and **NOTE** the progress to appoint the remaining business support organisation representative.

ii) Government guidance on Transparency and Governance

NOTE the recent draft guidance on governance and transparency released by Government following the Mary Ney review and **AGREE** that if Government timescales dictate, the Nominations Committee should sign off the detail of any new policies.

iii) Improving our ways of working – other governance changes

AGREE the revised Terms of Reference for the Resources, Finance and Audit Committee

AGREE the principle of approval for schemes under £3m being delegated to the Programme Management Group in due course. Further details will be presented to the Board before this is implemented.

1. Introduction

- 1.1 As Board Members will see from this paper, there are a number of strands of current activity associated with governance are currently underway. This paper summarises these strands, aiming to keep Board Members informed of recent developments and seeking their agreement to a number of key areas.
- 1.2 A key governance action within this paper is to accommodate the new guidance from Government on LEP Governance and Transparency. This guidance was issued to us in draft form on 22 December 2017 and at the time of writing the final guidance has not yet been received but Government has confirmed that LEPs must be in compliance with this new guidance by 28 February 2018. In light of this, this paper uses the draft guidance to seek agreement from Board Members on a number of areas to ensure that we are compliant with these new requirements and seeks Board's approval to any final changes in detail to the new policies and procedures being approved by the Enterprise M3 Nominations Committee.

2. Board Membership and Recruitment

- 2.1 Dr. Mike Short informed the Board at the meeting in November 2017, that due to his recent appointment as the Chief Scientific Advisor at the Department for International Trade he would

no longer be able to serve as the Chairman of Enterprise M3 as he is now classified as a civil servant. Government agreed that Mike would be able to remain as Chairman of the Board until March 2018 to allow for a replacement to be found. The Board noted this approach at the Board Meeting and agreed that work should commence on a recruitment process for a new Chair.

- 2.2 The Nominations Committee will be overseeing this work and following the Board Meeting, work commenced to appoint an Executive Search Agency to work alongside us to recruit a new Chair and four new private sector Board Members. The procurement exercise resulted in the appointment of Perrett Laver who started to work alongside us on the 8 January 2018. Perrett Laver is an international executive search firm advising on leadership for educational, research, healthcare, non-profit and cultural organisations.
- 2.3 We are working with Perrett Laver on the campaign documentation and advertisement strategy at the current time and it is intended that advertisements for all the roles with Enterprise M3 will go 'live' in the week commencing 29th January 2018. A verbal update on the latest position will be given at the Board Meeting. It is intended that the closing date for applications will be in the week commencing 5th March 2018 and that interviews will follow in late March/early April 2018 to allow for decisions to be made in advance of the May 2018 Board Meeting.
- 2.4 As discussed at the Board Meeting in November 2017 we have been investigating options to remunerate the role of the Enterprise M3 Chair. This follows the advice that we received from Hays (our appointed Executive Search Agency to recruit a new Chair in early 2017) that this would be helpful in any future Chair recruitment and is a view endorsed by Perrett Laver. Both organisations are of the view that remuneration will help to widen the level of interest and number of applications that we receive and is appropriate given the time commitment required to carry out the role, estimated to be a minimum of two days per week. The LEP Network have confirmed that approximately eight LEPs currently reimburse their chair with an average amount of £20,000 per annum and that several other LEPs are considering moving to reimbursing their chair. **In light of this, it is proposed that the Board agree remuneration of £20,000 per annum for the Enterprise M3 Chair from May 2018 and that this figure is used in the forthcoming recruitment campaign.** This figure has been included in the Finance Paper and budget being presented to the Board for approval.
- 2.5 The principle of Mike Short remaining on the Board as a co-opted Member was agreed in November 2017. It is proposed that Mike serves as a co-opted member until the end of his Term of Office in November 2020. Given that Mike will no longer be viewed as a private sector Board Member, the forthcoming recruitment exercise will seek to recruit an additional private sector Board Member for this period to ensure that the Board remains 'business led'. **The Board is asked to formally agree this proposal** and subject to approval being given, the Assurance Framework will be amended in March 2018 to reflect this change.
- 2.6 We received five applicants for the two business representative board positions and we have interviewed all applicants. We have appointed one of the posts and are seeking some clarifications on the other post. Ross McNally, the Executive Chairman for Hampshire Chambers will join the board at the January meeting and will serve for a term of three years. **The Board is asked to formally agree this appointment.** We expect to appoint the remaining post in February.

3. Government Guidance on Governance and Transparency

- 3.1 The Mary Ney Review was published in October 2017 and makes a number of recommendations to DCLG to provide assurance around LEPs (the full review can be reviewed at <https://www.gov.uk/government/publications/review-of-local-enterprise-partnership-governance-and-transparency>). The review was informed by discussions with

LEPs at CEO and Chair level, senior representatives from different Accountable Bodies as well as the British Chamber of Commerce, LEP Network, the Chartered Institute of Public Finance and the National Audit Office. Our understanding is that Government will be taking forward each of the recommendations of the report. As reported to the Board in November and echoed by Government at our Annual Conversation in a significant number of areas Enterprise M3 are already in compliance.

- 3.2 Following the Mary Ney Review, Government published draft guidance to LEPs on Governance and Transparency on 22 December 2017. The final guidance which incorporates a number of template policies for adoption by LEPs is expected to be published imminently and Government's expectation is this guidance is adopted by 28 February 2018. The view of the team is that these changes need to be reviewed by the Enterprise M3 Board prior to implementation at the end of February and therefore we are presenting proposals to you at this stage which are based upon the draft guidance from Government. We have liaised with our Area Lead from the Cities and Local Growth Unit and she has confirmed that she is content with this approach. It is proposed that the final detail of any policies (if different from that contained within this Board Paper) is signed off by the Nominations Committee and that the updated Assurance Framework, which will reflect all these changes, be presented to the Enterprise M3 Board for approval in March 2018.
- 3.3 The draft guidance from Government covers the following areas, rather than all of the recommendations contained in the Mary Ney Review. Further information/guidance for LEPs is expected to be published following the conclusion of the LEP Review in the spring.
- a) Publication of meeting papers and agendas
 - b) Confidential reporting procedures for third parties and the public
 - c) Whistleblowing policies
 - d) Codes of conduct (for Board Members and LEP Staff)
 - e) Register of interests (for Board Members and senior LEP staff, based upon a standard template issued by Government).

a) Publication of meeting papers and agendas

The new guidance requires that LEPs must publish, on an easily accessible part of the website, papers for Board Meetings and any sub-committees which are responsible for decisions about public money. Enterprise M3 already publishes meeting agendas and papers on the website five working days before the meeting takes place and is therefore in compliance. In addition, this new guidance also requires that draft minutes of the meeting must be published on the website within five working days of the meeting taking place. This process would still allow for Board Members approval to minutes at the next meeting but will see draft versions of minutes placed on the website shortly after a Board Meeting taking place. It is proposed that we adopt this new way of working from the 25 January 2018 Board Meeting and that draft minutes are approved by the LEP Director and the Chairman (or a designated Board Member in the Chair's absence) before they are published. **The Board's agreement to this new approach is sought.**

In updating our Assurance Framework, we will also be setting out clear processes for confidential proceedings and papers in line with the Local Government Act 1972 and Freedom of Information Act 2000 and are in live discussions with our Accountable Body on this issue.

b) Confidential reporting procedures for third parties and members of the public

Government require that all LEPs must put in place effective arrangements to enable third parties and the public to confidentially report concerns about LEP processes and decisions.

This should be in addition to a standard complaints procedure (which we have in place) and a whistleblowing policy (see below).

Government have provided a template procedure to all LEPs with a recommendation that this is used. A copy of this is attached at Annex 1, it is proposed that this is adopted as our confidential reporting of complaints procedure and placed on our website before 28 February 2018 to ensure that we comply with this new requirement. **The Board's agreement to the adoption of this confidential reporting of complaints policy is sought.**

In parallel to adoption of this new policy, we are also working with our Accountable Body to understand good practice in relation to dealing with any complaints of this nature. We hope to agree an arrangement for the future whereby we can draw on their knowledge should we receive complaints of this type, in line with good practice.

c) Whistleblowing Policies

Government require that all LEPs must publish a whistleblowing policy on an easily accessible part of their website and make all Board Members, staff and contractors aware of the policy by 28 February 2018. In a similar way to the confidential reporting policy, Government have provided a template for use by LEPs. A copy of this is attached at Annex 2 and it is proposed that this is adopted as our whistleblowing policy and placed on our website before 28 February 2018 to ensure that we comply with this new requirement. **The Board's agreement to the adoption of this confidential reporting of complaints policy is sought.**

Should any concerns be raised under the whistleblowing policy, these should be reported to the Cities and Local Growth Unit.

d) Codes of conduct (for Board Members and LEP Staff)

Under the new guidance, LEP Board Members and staff are expected to sign up to a Code of Conduct, based upon the Nolan Principles. This has already been established practice for LEP Board Members who agree to adhere to the Nolan Principles when joining the Board, but this is a new requirement for Enterprise M3 staff.

For consistency, Government have prepared a template that they propose that LEPs adopt and this is attached at Annex 3. **The Board's agreement to the adoption of this Code of Conduct is sought** and subject to agreement and final confirmation from government on the final version, this will be circulated to Board Members for signature in advance of the 28 February 2018 deadline. An amended version will be developed for Enterprise M3 staff and copies of the documents will be made available on the Enterprise M3 website.

e) Register of interests (for Board Members and senior LEP staff, based upon a standard template issued by Government).

Linked to the Code of Conduct, Government have issued a standard template for the recording of Board Member and senior LEP staff interests. All Board Members must complete this Register of Interests and an up to date register for all Board Members must be published on the Enterprise M3 website by 28 February 2018. This has been standard practice now for a number of years for Enterprise M3 although the template from Government asks for further detail from Board Members and includes a requirement to register the interests of a spouse/partner (although they do not have to be named). **The Board's agreement to this new template for the Register of Members' Interests is sought** and subject to agreement and final confirmation from Government, this will be circulated to Board Members for completion in advance of the 28 February 2018 deadline.

4. Improving our ways of working – other governance changes

- 4.1 A number of other governance changes are proposed, linked to improving our way of working and positioning Enterprise M3 to be able to deliver against our emerging Industrial Strategy. The Resources, Finance and Audit Committee, chaired by Clive Sanders has now met on several occasions and has been leading on work associated with Enterprise M3's finances and the organisational review.
- 4.2 In September 2017 the Board approved the draft Terms of Reference for the Resources, Finance and Audit Committee (RFAC). In December 2017 RFAC discussed a number of revisions and agreed to recommend the Board approve the revised Terms of Reference set out in Annex 5.
- 4.3 The key changes are as follows:

Roles and Responsibilities

- Appendix A to the Terms of Reference outlines the input and output expectations of the Committee, clarifying the remit of the RFAC against each task. It identifies the frequency of actions, and levels of accountability/delegated powers where applicable.
- The order of the list of roles and responsibilities has been restructured, with some minor re-wording.

Membership

- The Committee agreed that it was not feasible to implement the following requirement, due to the size of the RFAC membership, and the sentence was removed:

“Members should include an independent non-executive director with accountancy expertise, and representatives from FE, HE and the Not-for-Profit sector.”

The Board's approval to the revised Terms of Reference is sought.

- 4.4 The Resources, Finance and Audit Committee have also been looking at the scheme of delegation which operates across the organisation. This has included looking at potential delegation of Local Growth Fund and Growing Enterprise Fund scheme approvals to the Programme Management Group. This was discussed with PMG on 11 January 2018 based around the proposal that schemes with a value of less than £3m could be approved by the PMG rather than the Enterprise M3 Board. This approach is designed to reduce the number of papers going to the Enterprise M3 Board, which have been the subject of considerable scrutiny at the Programme Management Group and allow for more time for strategic level discussions at Board Meetings. Based on this year's programme, this approach would result in five project approvals being made by the PMG and four by the Enterprise M3 Board.
- 4.5 The PMG were of the view that this approach could have considerable merit if implemented correctly and the team are conducting further work in light of their feedback. Key areas for consideration and further development are as follows:
- Ensuring that papers are presented to PMG with a clear recommendation based upon all available information. Our current process of a Board Meeting two weeks after a PMG allows for 'conditional approvals' to be given. This would be an opportunity lost if the final decision is made by a single meeting and therefore it will be vital for papers to contain clear recommendations upon which decisions can be made.

- In light of the above, PMG commented that it might be useful for them to meet more frequently and flexibly (i.e. by telephone conference) so that business cases can be considered when fully ready rather than letting meetings dictate business case development timescales. This would be helpful in the context of programme management but needs some further thought in terms of capacity of PMG members and governance/transparency.
- Communication between the PMG and Board will be critical for this approach to be successful. This should include the ability for PMG to refer projects to the Board where they are of significant strategic interest and/or sensitive for approval and for a process by which the Board can 'call in' any future projects that PMG are scheduled to consider at future meetings.
- In light of new governance and transparency requirements, consideration needs to be given to the way in which PMG works and the publishing of papers and minutes. If PMG is to move to be a decision making group, the new guidance referred to in section 3 of this paper will apply to PMG as well as Board. Whilst this is not seen to be a significant barrier to implementation, it is proposed that we look at implementing any change in approach early in the new financial year so that the implications of such a change in terms of resources and governance can be fully understood.

4.6 So that these issues can be given further consideration, **the agreement of the Board on the principle of delegation of approval for LGF and GEF projects under £3m is sought.** Board Members should note that this delegated approval would not signal a change in our approach in assessing projects and all would be subject to independent due diligence as they have been to date. Further details will be presented to the Board for final approval in due course.

Rachel Barker
17 January 2018

Annex 1: Confidential reporting of complaints policy

Annex 2: Whistleblowing policy

Annex 3: Code of Conduct for Board Members

Annex 4: Register of Members' Interests

Annex 5: Revised Terms of Reference for the Resources, Finance and Audit Committee

Annex 1: Confidential reporting of complaints policy

Enterprise M3 is committed to creating a work environment with the highest possible standards of openness, probity and accountability. In view of this commitment we encourage employees and others with serious concerns about any aspect of our work to come forward and voice those concerns without fear of reprisal. For employees and those working closely with Enterprise M3, please follow the whistleblowing policy on our website [\[Insert hyperlink to whistleblowing procedure\]](#). For third parties and members of the public, please follow the confidential complaints procedure outlined below.

If a member of the public or third party believes that their complaint fits the description below, they may report their concerns through the whistleblowing policy procedure [\[Insert hyperlink to whistleblowing procedure\]](#).

Whistleblowing - where an individual who has concerns about a danger, risk, contravention of rules or illegality provides useful information to address this. In doing so they are acting in the wider public interest, usually because it threatens others or impacts on public funds. By contrast, a grievance or private complaint is a dispute about the individuals own position and has no or very limited public interest.

Confidentiality

If a member of the public or a third party wants to make a confidential complaint or raise a concern, it will be treated in confidence and every effort will be made to protect the person's identity if they wish to remain anonymous. Enterprise M3 will investigate all complaints or allegations.

Anonymous allegations

The LEP takes all complaints and concerns raised by members of the public and third parties seriously. We will investigate anonymous allegations but remind complainants that when people put their names to an allegation the ability to investigate and therefore reach firm conclusions is strengthened. Concerns expressed anonymously will be considered at the discretion of the LEP. When exercising this discretion the factors to be taken into account would include:

- the seriousness of the issue raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

The Department of Communities and Local Government may request information arising from this process if they have concerns regarding a LEP or have been approached with similar complaints. The expectation is that this information will be provided on an anonymous basis, but it may be necessary to provide personal details to progress a complaint.

Where details are gathered, Enterprise M3 will put in place appropriate data protection arrangements in line with the Data Protection Act 1998.

Confidential Complaints Procedure

Enterprise M3 is aware that the organisation's ordinary complaints procedure may not be suitable if someone wants the complaint to remain confidential. If you would like to make a confidential complaint please write or email to:

Kathy Slack, Director, Enterprise M3, The Castle, Winchester, Hampshire SO23 8UD

Rachel Barker, Head of Programmes, The Castle, Winchester, Hampshire, SO23 8UD

State that you want the complaint to remain confidential.

Action taken by Enterprise M3

The designated complaints officer will raise your concern and investigate the complaint. You can expect the officer to:

- Contact you within 10 working days to acknowledge the complaint and discuss the appropriate course of action.
- Write to you within 28 working days with findings of the investigation. If the investigation has not concluded within 28 working days, the officer will write to you to give reasons for the delay in resolving the complaint.
- Take the necessary steps to rectify the issue.

If you are unhappy with the outcome of the complaint or the complaint involves those responsible for the confidential complaints procedure:

You can escalate your concerns through other organisations mentioned in the normal complaints procedure e.g. the LEP's Accountable Body which is Hampshire County Council. These organisations will have their own confidentiality procedures.

If you are either unable to raise the matter with the LEP or you are dissatisfied with the action taken you can report it direct to the Cities and Local Growth Unit in the Department of Communities and Local Government and the Department of Business, Energy and Industrial Strategy, at the following email address: LEPPolicy@communities.gsi.gov.uk or by writing to LEP Policy Deputy Director, Cities and Local Growth Unit, Fry Block, 2 Marsham Street, London, SW1P 4DF. You should clearly mark your email or letter as "Official - complaints".

Annex 2 – Enterprise M3 Whistleblowing Policy

A Discloser is the person who is the whistle-blower. They might be an employee, a LEP Board Member, a contractor or a third party.

This procedure outlines the process to follow for a Discloser when reporting a perceived wrongdoing within the LEP, including something they believe goes against the core values of Standards in Public Life (the Nolan Principles) and the Code of Conduct for LEP Board Members and staff. The Standards in Public Life include the principles of; integrity, honesty, objectivity, accountability, openness, honesty, leadership and impartiality.

In particular LEP Board Members, as the key decision makers of the LEP, have a right and a responsibility to speak up and report behaviour that contravenes these values.

It is important that this procedure is followed when raising any concerns, to ensure that the matter is dealt with correctly.

Definitions

This document uses the following definitions:

Whistleblowing - where an individual who has concerns about a danger, risk, contravention of rules or illegality provides useful information to address this. In doing so they are acting in the wider public interest, usually because it threatens others or impacts on public funds. By contrast, a grievance or private complaint is a dispute about the individuals own position and has no or very limited public interest.

The LEP – Enterprise M3

Discloser – this is the person who is the whistle-blower. They might be an employee, a LEP Board Member, a contractor or a third party.

Responsible Officer - this is the person, appointed by the LEP Board, with overall responsibility for maintaining and operating this whistleblowing policy. They will maintain a record of concerns raised and the outcomes (but will do so in a form that does not endanger confidentiality) and will report as necessary to the LEP Chief Executive and the LEP Board. Their name is Rachel Barker and their contact details are rachel.barker@enterprisem3.org.uk, (01962) 846310 or by post to Enterprise M3, The Castle, Winchester, Hampshire, SO23 8UD. If the concern relates to the Responsible Officer then in the alternative the concern should be raised with **[Insert name and contact details]**.

Relevant Concern – something the Discloser has been asked to do, or is aware of which they consider to be wrong-doing and is in the public interest.

Scope

The LEP is committed to creating a work environment with the highest possible standards of openness, probity and accountability. In view of this commitment, we encourage Disclosers with serious concerns about the work of the LEP to come forward and voice their concerns without fear of reprisal.

Disclosers should note that where the concern is one that might fall under the LEP's staff or work force policies on equality and diversity or harassment and bullying or other staff policies, they should consider using the reporting mechanisms for those other policies first **[insert relevant LEP website hyperlinks]** .

The LEP has a pre-existing complaints procedure that in many cases will be more appropriate for third parties or members of the public to follow. Third parties or members of the public should review the separate confidential complaints procedure outlined in the LEPs complaints policy [\[insert relevant LEP website hyperlinks\]](#) on the LEP's website first before going through the whistleblowing process.

However, if a member of the public or third party believes that their complaint fits the description of a 'relevant concern' outlined below, they may report their concerns through the whistleblowing policy procedure.

Policy Statement

The LEP acknowledges that Disclosers may often be the first people to realise that there may be something seriously wrong within the organisation.

This policy aims to:

- Encourage people to feel confident about raising serious concerns and to question and act upon their concerns without fear of victimisation or harassment;
- Provide avenues for Disclosers to raise those concerns and receive feedback on any action taken;
- Allow Disclosers to take the matter further if they are dissatisfied with the LEP's response; and
- Reassure all Disclosers, employees in particular who may have specific concerns about their position and employment status in the LEP, that they will be protected from possible reprisals or victimisation if they have a reasonable belief that they have made any disclosure in the public interest.

What is a relevant concern?

If a Discloser is asked to do something, or is aware of the actions of another, which they consider to be wrongdoing, they can raise it using this procedure. The Discloser must have a reasonable belief that raising the concern is in the public interest.

A Discloser may decide to raise a concern under the whistleblowing policy if they are aware of a situation that they feel:

- is against the LEP's procedures and protocols as set out in its code of conduct and individual LEP Assurance Framework;
- falls below established standards of practice the LEP subscribes to;
- amounts to improper conduct; or
- is an abuse of power for personal gain.

The types of matters regarded as a relevant concern for the purpose of this procedure include, but are not limited to, the following:

- Fraud or financial irregularity
- Corruption, bribery or blackmail
- Other Criminal offences
- Failure to comply with a legal or regulatory duty or obligation
- Miscarriage of justice
- Endangering the health or safety of any individual
- Endangering the environment
- Improper use of authority
- Concealment of any of the above.

Disclosers should not raise malicious or vexatious concerns, nor should they raise knowingly untrue concerns. In addition, this procedure should not be used to raise concerns of a HR/personal nature, for example, complaints relating to a management decision or terms and conditions of employment. These matters should be dealt with using the relevant alternative procedure, for example, the LEP grievance procedure. Equally, this policy would not apply to matters of individual conscience where there is no suggestion of wrongdoing by the LEP but, for example, an employee or LEP Board Member is required to act in a way which conflicts with a deeply held personal belief.

Safeguards

The Public Interest Disclosure Act (1999) gives legal protection to employees against being dismissed or penalised by their employers as a result of publicly disclosing certain serious concerns. The LEP believes that no member of staff should be at a disadvantage because they raise a legitimate concern.

The LEP will not tolerate harassment or victimisation and will take action to protect Disclosers when they raise a concern in the public interest.

Raising a concern

If a Discloser experiences something in the workplace which they consider a relevant concern, it is important that the concern is raised as early as possible. Proof is not required at this point – it is for the LEP to investigate. The Discloser must, however, have a reasonable belief that disclosing the information is in the public interest before raising a concern.

All concerns will be treated in confidence and every effort will be made to protect the Discloser's identity if they wish to remain anonymous. However, at the appropriate time, it is possible that the Discloser will need to come forward as a witness for the matter to progress.

It is important to follow the correct procedure when raising a whistleblowing concern. The following steps should be adhered to:

- a. It is important that the concern is raised with the person best placed to deal with the matter, in most cases this will be the Responsible Officer. However, the Discloser may want to raise the concern with someone they know and trust, such as their line manager who can raise it with the Responsible Officer on their behalf.
- b. If it is suspected that the concern may implicate the line manager in some way, then it could be raised with a more senior manager in the line management chain.
- c. If the Discloser is unable to raise a relevant concern with a line manager or a senior manager or feel that it has not been adequately addressed, it should be raised directly with the Responsible Officer.
- d. Ultimately, the Discloser can raise their concern with the LEP Chief Executive.

Information needed to raise a concern

When raising a concern under the procedure the Discloser should try to provide the following information:

- the background and reason behind the concern
- whether they have already raised a concern with anyone and the response
- any relevant dates when actions related to the concern took place.

This information should demonstrate that there are reasonable grounds for the concern to be acted upon. It is important that matters are not investigated by the Discloser themselves.

If applicable, personal interests must be declared from the outset.

How the concern will be handled

All investigations will be conducted sensitively and as quickly as possible. While the LEP cannot guarantee that the outcome will be as the Discloser may wish, it will handle the matter fairly and in accordance with this procedure.

Once a concern has been raised with either the line manager or Responsible Officer, Senior Manager or Chief Executive, a meeting may be arranged with them to determine how the concern should be taken forward.

The LEP may decide to take the matter forward by a number of methods, including:

- An internal inquiry or other formal investigation
- An internal or external audit
- Referring the matter to the police
- Referring the matter to another relevant authority for investigation.

Before a final decision is taken on how to proceed, or as part of the investigation, the Discloser may be asked to meet with those investigating their allegation.

If a meeting is arranged, the Discloser may wish to be accompanied by a trade union representative, colleague or friend. The person who accompanies the Discloser should not be involved or have a direct interest in the area of work to which the concern relates. The meeting can be conducted over the telephone rather than face to face.

Within 10 working days of a concern being raised, the LEP's Responsible Officer will write to the Discloser to:

- Acknowledge that the concern has been received
- Indicate how they propose to deal with the matter
- Give an estimate of how long it will take to provide a final response
- Tell the Discloser whether any initial investigation or enquiry has been made, and if not, why not.
- Tell the Discloser how frequently the LEP will keep them up to date on progress of the investigation.

The amount of contact between the LEP and the Discloser concerned will vary, depending on the concern raised, any difficult issues and any further clarity required. If necessary, the LEP will seek further information from the Discloser.

The LEP will confirm when the matter is concluded and, if appropriate, the outcome of the investigation, maintaining security and confidentiality for all parties as far as possible.

Throughout any investigation, the Discloser will still be expected to continue their duties/role as normal unless deemed inappropriate.

Confidentiality and anonymity

The best way to raise a concern is to do so openly, as this makes it easier for the LEP to investigate and provide feedback.

Any disclosures made under this procedure will be treated in a sensitive manner. However the LEP recognises that the Discloser may want to raise a concern in confidence, i.e. they may want to raise a concern on the basis that their name it is not revealed without their consent.

The LEP will respect any request for confidentiality as far as possible, restricting it to a 'need to know' basis. However, if the situation arises where it is not possible to resolve the concern without revealing the Discloser (for example in matters of criminal law), the LEP will advise them before proceeding. The same considerations of confidentiality should be afforded to the recipient(s) at the centre of the concern, as far as appropriate.

The LEP always encourages potential Disclosers to speak up about potential serious wrongdoing in a way that they feel comfortable. Disclosers may choose to raise concerns anonymously, i.e. without providing their name at all. If this is the case, the investigation itself may serve to reveal the source of information. Disclosers are therefore encouraged, where possible to put their names to concerns raised. When anonymous concerns are raised, they will be treated as credible and investigated so far as possible.

Protection

If a concern is raised in the reasonable belief that it is in the public interest and procedures have been followed correctly, the Discloser raising the concern will be protected by the terms of this policy and, where applicable, by whistleblowing legislation (see gov.uk for more information on who is covered by whistleblowing legislation). Where a Discloser has been victimised for raising a concern, the LEP concerned will take appropriate action against those responsible, in line with the LEP's disciplinary policy and procedures.

Changes to procedures or policy as a result of whistleblowing

If changes are made to LEP policies and processes as result of whistleblowing investigations, the LEP will publicise the changes as appropriate, taking into consideration the importance of protecting the anonymity and confidentiality of individuals.

Untrue allegations

If a Discloser makes an allegation but it is not confirmed by the investigation, no action will be taken against them. However, if a malicious or vexatious allegation is made without good reason to: cause trouble; for personal gain; or to discredit the LEP an investigation may take place. Where the Discloser is an employee or a LEP Board Member or a contractor this may result in disciplinary or other action if they have broken the terms of their employment, acted against the LEP Code of Conduct or broken a clause in a contract.

How this matter can be taken forwards if you are not satisfied

This procedure is intended to provide Disclosers with an avenue to raise legitimate concerns. If you are either unable to raise the matter with the LEP or you are dissatisfied with the action taken you can report it directly to the Cities and Local Growth Unit in the Department of Communities and Local Government and the Department of Business Energy and Industrial Strategy, at the following email address: LEPPolicy@communities.gsi.gov.uk or by writing to: LEP Policy Deputy Director, Cities and Local Growth Unit, Fry Block, 2 Marsham Street, London, SW1P 4DF. You should clearly mark your email or letter as "Official - whistleblowing".

In addition, if you are either unable to raise the matter with the LEP or you are dissatisfied with the action taken you may consider raising it with:

- The police
- The relevant regulatory body or professional body
- Your Trade Union
- Your solicitor
- Your Citizens Advice Bureau

Further information and signposting for potential Disclosers is available on www.gov.uk.

If a Discloser does take the matter outside the LEP, to an external body, they should ensure they do not disclose information that is confidential, for example, if you are an employee your contract of employment may set out expectations of you regarding what is confidential.

Feedback on Whistleblowing Policy

Any feedback or comments on this policy should be directed to the LEP's Responsible Officer

Annex 3 – Board Members Code of Conduct

Board Members Code of Conduct

You are a Board Member of Enterprise M3 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 Enterprise M3 Local Enterprise Partnership:

- You must act in a manner consistent with your LEP'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.
- 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.
- 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.
- When carrying out your LEP duties you must make all choices, such as making appointments, awarding contracts or recommending individuals for rewards or benefits, based on evidence.
- 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 LEP. In addition, you should be prepared to give reasons for those decisions and actions.
- You must declare any private interests, both pecuniary and nonpecuniary, including membership of any Trade Union, political party or local authority that relates to your LEP 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'.
- You must, when using or authorising the use by others of the resources of your LEP, ensure that such resources are not used improperly for political or personal purposes (including party political purposes).
- 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.
- Registering and declaring pecuniary and non-pecuniary interests
- You must, within 28 days of taking office as a Board Member or co-opted, notify your LEP Chief Executive and Accountable Body's S151/S73 Officer of any disclosable pecuniary¹ interest, where the pecuniary interest is yours, your spouse's or civil partner's, or is the

¹ 1 For the purposes of this guidance, we are using the definition of a pecuniary interest as set out in the Localism Act 2011 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

pecuniary interest of somebody with whom you are living with as a spouse, or as if you were civil partners.

- In addition, you must, within 28 days of taking office, notify your LEP Chief Executive and Accountable Body's S151/ S73 Officer of any non-pecuniary interest² 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.
- Board members should review their individual register of interest before each board meeting and decision making committee meeting. If an interest has not been entered onto the LEP's register, then the member must disclose the interest at any meeting of the LEP at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'³.
- Following any disclosure of an interest not on the LEP register or the subject of pending notification, you must notify the LEP Chief Executive and S151/S73 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 LEP places on your involvement in matters where you have a pecuniary or non pecuniary interest as defined by your LEP.

² A Non-Pecuniary interest is any interest which is not listed in the Schedule to The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (No.1464).

³ A 'sensitive interest' is described in the Localism Act 2011 as a member or co-opted member of an authority having an interest, and the nature of the interest being such that the member or co-opted member, and the authority's monitoring officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

Annex 4: Register of Members' Interests

Enterprise M3 Local Enterprise Partnership: Register of Members' Interests

February 2018

As a Board Member/Co-opted Member of Enterprise M3 Local Enterprise Partnership (LEP), 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 Executive at the start of the meeting.

Even if a meeting has not taken place a Member must, within 28 days of becoming aware of any change to the interests specified below, provide written notification to the LEP Executive, 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 out for profit or gain	Myself	Spouse/partner*
1.1	Name of: - your employer(s) - any business carried out 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	Spouse/Partner

2.1	<p>Any financial benefit obtained (other than from the LEP) which is paid as a result of carrying out duties as a Member.</p> <p>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).</p>		
Section 3	Contracts	Myself	Spouse/Partner
3.1	Any contract for goods, works or services with the LEP which has not been fully discharged by any organisation named at 1.1		
3.2	Any contract for goods, works or services entered into by an organisation at 1.1 where either party is likely to have a commercial interest in the outcome of the business being decided by the LEP in the forthcoming meeting		
Section 4	Land or Property	Myself	Spouse/Partner
4.1	<p>Any beneficial 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 in the forthcoming meeting.</p> <p>This would include, within the area of the LEP:</p> <ul style="list-style-type: none"> - Any beneficial interest in any land in the LEP area, including your place(s) of residency. - Any tenancy where the landlord is the LEP and the tenant is a body in 		

	<p>which you have a beneficial interest</p> <ul style="list-style-type: none"> - 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	Spouse/Partner
5.1	<p>Any beneficial 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 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 a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>		
Section 6	Gifts and Hospitality	Myself	Spouse/Partner
	<p>Any gifts and/or hospitality received as a result of membership of the LEP (above the value of £25)</p>		

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

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
(Capitals – in full)

Signature

RECEIPT BY LEP

Date received by the LEP

Signature of LEP Chief Executive

RECEIPT BY S151/S73 OFFICER

Date received by the S151/S73 Officer

Signature of S151/S73 Officer

Annex 5: Resources, Finance and Audit Committee Terms of Reference

Enterprise M3 Resources, Finance and Audit Committee Terms of Reference

Roles and Responsibilities

The Resources, Finance and Audit Committee will act as an Enterprise M3 LEP Board sub-group, with decision making powers. It will provide a decision-making role on a range of operational issues, including resources, finance and audit. It will:

1. Propose the budget for all revenue funding.
2. Review financial performance reports, scrutinising the overall financial position.
3. Review internal financial controls and risk management systems – including regular review of audit reports detailing risks and mitigation in place.
4. Internal review of compliance with the LEP Assurance framework
5. Overseeing staffing issues, including recruitment and contract extensions, and performance issues with financial implications.
6. Future Sustainability: Maintain oversight of the financial requirements and procedures relating to all funding awarded.
7. Acting as a sounding board offering internal scrutiny, problem solving and supportive advice, including on the following matters:
 - a. Funding sources and programmes - exploring options for accessing additional funding through grants and other programmes
 - b. Procedures and operating policies including governance reviews, procurement, health and safety, risk
 - c. Stakeholder Memorandums of Understanding and other stakeholder partnership agreements
 - d. Good practice for HR, Finance and Risk matters
 - e. Consideration of organisational review of Enterprise M3 team.
8. Review or make decisions on any other matters referred to the Committee by the Board.
9. Report to the Board on the proceedings of the Committee after each meeting and make available to Board members, the minutes of Committee meetings.
10. Liaise with the Accountable Body's Audit Committee, representing Enterprise M3's interests where necessary.

Appendix A clarifies the input and output expectations of the Committee

Membership

The Chair and members of the Committee shall be appointed by the Board. The following membership, drawn from the Enterprise M3 Board, is proposed:

- 2 x Non-Local Authority Enterprise M3 Board Directors
- 1 x Local Authority Enterprise M3 Board Members
- 1 x Director of Enterprise M3 LEP

An Accountable Body representative will have a standing invitation to all meetings.

Additional attendees may be invited on an ad-hoc basis - depending on the agenda should supplementary expertise/knowledge be sought

A named deputy will be selected if the Chair is unable to attend a meeting.

Appropriate resources, including induction on appointment and subsequent technical updates as required, shall be made available to Committee members to develop their knowledge and expertise and to ensure that members have the relevant skills and experience.

The Finance Manager at Enterprise M3 will provide secretariat support to the Resources, Finance and Audit Committee.

Term of Office

Once individuals have been appointed as members of the Resources, Finance and Audit Committee, they will serve the Group for an initial two-year period or until their term of office with Enterprise M3 ends.

Frequency of Meetings and Quorum

It is proposed that the Resources, Finance and Audit Committee meet in advance of each Enterprise M3 Board Meeting, with any other business between meetings being addressed via email correspondence/telephone conferences. When necessary, the Chair of the Resources, Finance and Audit Committee can convene an extraordinary meeting.

In order for a meeting to be quorate at least two non-executive members of the Resources, Finance and Audit Committee must be present.

Conflicts of Interest

Normal Enterprise M3 procedures around conflicts of interest will apply. The members will be asked to provide details of any relevant interests upon being admitted to the group, and conflicts of interest will be a standard item on the agenda for each meeting.

The Resources, Finance and Audit Committee will hold a register of members' interests, which will be reviewed on an annual basis.

Review

A review of the Resources, Finance and Audit Committee and its Terms of Reference will take place annually.

Appendix A

	Action	Created by	Frequency	RFAC input	Accountability	Outcome
1	Propose the budget for all revenue funding.	EM3	Annually	Review, scrutinise and challenge budget set Review internal plans, budgets and funding providing a vehicle for high level debate and offering peer challenge.	Board	Recommend to Board
2	Review financial performance reports, scrutinising the overall financial position.	EM3	Quarterly	Review, scrutinise and challenge financial performance reports. Recommend action / decision to Board in case budget under/overspends exceed limits delegated to RFAC.	EM3 Director: ≤10% variances from headline I/E budget RFAC: >10% ≤30% Board: >30%	Report to Board Recommend to Board if >30%
3	Review internal financial controls and risk management systems – including regular review of audit reports detailing risks and mitigation in place.	EM3 /HCC <i>HCC manage audit programme</i>	As required – at least annually	Review audit reports detailing EM3 related issues Decide on mitigating action plans.	RFAC	Decision. Report to Board by exception
4	Internal review of compliance with the LEP Assurance framework	EM3/HCC	Annually	Review, scrutinise and challenge EM3 annual report of compliance with the LEP Assurance framework	Board	Report to Board.
5	Overseeing staffing policy, including recruitment and contract extensions, and performance issues with financial implications.	EM3	As required – at least annually	Review, scrutinise and approve funding of staffing matters with significant financial implications as part of budget discussions.	RFAC	Decision. Report to Board by exception
6	Future Sustainability: Maintain oversight of the financial requirements and procedures relating to all funding awarded	EM3 /HCC	As required – at least annually	Maintain oversight of the financial requirements and procedures relating to all revenue funding awarded to EM3	RFAC	Recommend to Board
7	Acting as a sounding board offering internal scrutiny, problem solving and supportive advice, including on the following matters: a) Funding sources and programmes - exploring options for accessing additional funding through grants and other programmes b) Procedures and operating policies including governance reviews, procurement, health and safety, risk c) Stakeholder Memorandums of Understanding and other stakeholder partnership agreements d) Good practice for HR, Finance and Risk matters e) Consideration of organisational review of Enterprise M3 team.	EM3	As required – at least annually	Acting as a sounding board offering internal scrutiny, problem solving and supportive advice, on a range of financial and governance matters.	RFAC	Report/recommended to Board by exception
8	Review or make decisions on any other matters referred to the Committee by the Board.	Board	As required	Review or make decisions on any other matters referred to the Committee by the Board.	RFAC	Decision (where requested) Report to Board.
9	Report to the Board on the proceedings of the Committee after each meeting and make available to Board members, the minutes of Committee meetings.	RFAC	After each meeting	Report to the Board on the proceedings of the Committee after each meeting and make available to Board members, the minutes of Committee meetings.	RFAC	Report to Board.
10	Liaise with the Accountable Body's Audit Committee, representing Enterprise M3's interests where necessary.	RFAC	As required – at least annually	Liaise with the Accountable Body's Audit Committee, representing Enterprise M3's interests where necessary	RFAC	Report to Board by exception