

Programme Management Group

10 May 2018

PMG Terms of Reference – Item 4

1 Introduction

- 1.1 This paper set out a governance proposition for domestic funding within the Enterprise M3 area. Enterprise M3 will oversee the delivery of Local Growth Fund (LGF) projects, as well as continuing to oversee its Growing Enterprise Fund (GEF) programme.
- 1.2 The role of the Programme Management Group (PMG) will be to oversee Enterprise M3's domestic funding programme, encompassing both the LGF and the GEF and direct funding for the Enterprise M3 Growth Hub. The PMG also plays a key role in ensuring the LEP's European Structural and Investment Funding (ESIF) is aligned with domestic funding.
- 1.3 Following agreement by the Enterprise M3 Board on 29 March 2018, the PMG has decision making powers for projects that are seeking a funding contribution of less than £3m from Enterprise M3. Projects seeking a larger funding contribution must be approved by the Enterprise M3 Board.

Role

- 1.3 Using the Enterprise M3 Strategic Economic Plan (SEP), emerging Local Industrial Strategy and Growth Deal as a guide, the group will approve projects and/or make recommendations to the Board about the allocation of funds across a range of projects within this programme of activity. These recommendations will be based upon the following three criteria:
- *Fit with the priorities set out in Enterprise M3 Strategic Economic Plan and other economic strategies;*
 - *Deliverability of the proposal to the specified budget and timescale;*
 - *Economic outcomes that will result from the delivery of the proposal;*
- 1.4 The PMG will be supported by the Enterprise M3 Action Group structure. Action Groups will play a role in providing specialist advice and recommendations to the PMG and to the Board around particular projects. Enterprise M3 has the following Action Groups:
- Innovation & Enterprise Action Group
 - Global Competitiveness through People Board
 - Land & Property Action Group
 - Transport Action Group
 - Rural Action Group
- 1.5 The PMG will approve projects seeking a funding contribution of less than £3m from Enterprise M3 and also will make recommendations to the Enterprise M3 Board on projects with a funding contribution from Enterprise M3 which exceeds £3m. In carrying out these functions, it is proposed that the PMG will undertake the following roles:
- Review potential bids for future rounds of the LGF and GEF and agree the relative priority of such proposals, providing recommendations to the Board where projects exceed PMG's financial delegation.
 - Review due diligence and other assessments of LGF and GEF projects, based on advice from the Action Groups.

- Approve individual schemes, investment decision making and the release of funding, including scrutiny of individual business cases for any projects seeking contributions from Enterprise M3 of less than £3m.
- Provide recommendations to the Board on individual scheme approvals, investment decision-making and the release of funding, including scrutiny of individual business cases for any project seeking contributions from Enterprise M3 exceeding £3m;
- Promote development of a pipeline of reserve projects, along with aspirational projects to attract funding in future years;
- Play a role in overseeing the impact evaluation of the LGF and GEF programmes, and consider which new schemes should be recognised as of particular strategic importance and therefore be subject to an independent impact evaluation;
- Assess scheme cost increases, taking decisions on cost increases of more than 10% and less than 20% of a scheme's total LGF/GEF budget, and to make recommendations to the Board around any increases greater than this or where the increase exceeds £3m;
- Ensure the Local Growth Fund and Growing Enterprise Fund are effectively aligned with other sources of funding, including EU funds and the Enterprise M3 Growth Hub, and are used to derive effective value for public funds;
- Regularly review its operation to ensure that it remains fit for purpose; and
- Carry out any other relevant functions as required and agreed by the Enterprise M3 Board.

1.6 PMG has a responsibility for appraising transport schemes that rested previously with the Local Transport Body (LTB), before it was disbanded. These responsibilities are reflected in Annex A “*Additional responsibilities in relation to transport schemes*”.

2 Membership

2.1 The following membership is proposed:

3 x Private Sector Enterprise M3 Board member (1 to chair)

2 x Local Authority Member

2 x Local Authority Senior Officer

1 x Homes England representative

1 x Accountable Body representative

1 x LEP Director

Additional members for transport-related items:

2 x Local Authority Transport Lead Members

1 x Private Sector Chair of Enterprise M3 Transport Action Group

2.2 The chairs of the Enterprise M3 Action Groups will be invited to attend relevant parts of meetings in an advisory capacity as the PMG considers relevant projects at the discretion of the Chair. Other guests can also be invited at the discretion of the Chair.

2.3 The table below gives details of the members of the Programme Management Group:

Representing	Selection Methodology	Date of first meeting	Member
3 x Private Sector Board member	Enterprise M3 Board to select at Board Meeting	November 2014	James Cretney, (Chair)
		November 2014	Dave Aham
		January 2018	Nick Elphick

Representing	Selection Methodology	Date of first meeting	Member
2 x Local Authority Member	To be selected by Enterprise M3 Joint Leaders' Board.	July 2017 July 2017	Cllr John Furey, Surrey County Council Cllr David Clifford, Rushmoor Borough Council
2 x Local Authority Senior Officer	To be selected by Enterprise M3 Joint Leaders' Board	January 2017 November 2014 (re-appointed in 2016)	David Fletcher, Hampshire County Council Kevin Lloyd, Surrey County Council
1 x Homes and Communities Agency representative	HCA representative to continue role on PMG	January 2017	Catherine Turner, Homes England
1 x Accountable Body representative	This should be someone able to act on behalf of the s151 Officer of the Accountable Body. To be nominated by the Accountably Body.	November 2014 (re-appointed in 2016)	Rob Carr, Hampshire County Council
1 x LEP Director	N/A	N/A	Kathy Slack, Enterprise M3
2 x Local Authority Transport Lead Members	To be nominated by the highway authorities	July 2017 May 2016	Cllr Colin Kemp, Surrey County Council Cllr Rob Humby, Hampshire County Council
Private Sector Chairman of LEP Transport Action Group	N/A	September 2015	Mike D'Alton, WSP

2.4 The Enterprise M3 Joint Leaders Board has responsibility for selecting both the local authority member and senior officer representation. Those selected will represent the views of county and district level local authorities across the whole Enterprise M3 area. Members and Officers do not need to be from the same Local Authority but should be able to work together to represent the views of the sector. Local Authority Transport Lead members are nominated by each highway authority.

Term of Office

2.5 Once individuals have been agreed as being members of the Programme Management Group, they will serve the Group for an initial two-year period before membership is reviewed. Thereafter the membership is reviewed every two years, with the exception of the Local Authority Transport Lead Members who will attend for as long as they remain in this role.

Criteria for Nomination

2.6 The following criteria should be considered when nominating individuals to sit on the PMG:

The nominee should:

- Have sufficient time to undertake their role;

- Be empowered to speak on behalf of their organisation, and also at a strategic level around issues affecting their wider area of expertise. The nominee should be recognised by peers as a valid representative. They should have access to a wider network relevant to the Enterprise M3 area, be willing to work with peers and report back, and should be recognised by them as a valid representative.
- Understand local investment priorities and have knowledge of local conditions, needs and opportunities, including but not limited to the Enterprise M3 Strategic Economic Plan, Growth Deal and European Structural & Investment Fund Strategy.
- Understand the strategic context for investment decisions and be able to analyse and challenge proposals. Should be able to assess linkages to other funding sources and opportunities to maximise delivery and value for money.
- In the case of the accountable body representative, they should be the s151 officer or another senior officer with authority to act on their behalf.

3 Frequency of Meetings and Quorum

- 3.1 PMG meetings will generally take place every other month and will precede Enterprise M3 Board meetings to enable PMG to make timely recommendations to the Board where required.
- 3.2 When necessary the Chair of the PMG can convene extraordinary meetings.
- 3.3 A meeting will not be quorate unless an Enterprise M3 Board Member and a Local Authority representative are in attendance.
- 3.4 Decisions will be taken by consensus, where the PMG is unable to reach consensus, the chair may judge a majority decision on an item or refer a decision to the Enterprise M3 Board.
- 3.5 Minutes will be taken for all PMG meetings, clearly indicating the recommendations made to the Enterprise M3 Board. As the PMG will be decision-making, papers and minutes from meetings will be published on the Enterprise M3 website.

4 Links to Other Governance

- 4.1 In order to ensure that Enterprise M3 achieves the objectives set out within its Strategic Economic Plan, it is vital to align local investment. The PMG will work with other governance groups within Enterprise M3 to facilitate this.”.
- 4.2 The Programme Management Group will align closely with the European Management Group (EMG), which plays a similar role for European Structural and Investment (ESIF) funding. Due to conditions and constraints imposed by the European Commission around the governance of EU funds, it is not practical to use common governance to oversee the ESIF funding and the LGF funding. The intention is, however, to have common membership to the extent this is practical, with a nominated EMG representative sitting on the PMG to promote alignment and consistency in decision-making.
- 4.3 Enterprise M3’s Action Groups will also have a vital part to play in the development of the LGF and ESIF programmes and the Enterprise M3 team will support both groups. The Action Groups will work with the LEP’s thematic leads within the Enterprise M3 team to examine proposals in detail, consider risks and strategic fit with the individual thematic priorities as identified.
- 4.4 All project proposals should be considered by an Action Group prior to consideration by the Programme Management Group. Action Group chairs will attend the PMG in an advisory capacity as required and will be able to talk through proposals in detail, alongside the relevant Enterprise M3 project manager. PMG will be able to challenge the view of the Action Groups. The PMG’s responsibility will be considering overarching strategic fit, the make-up and balance of the programme and any risks affecting the wider programme.
- 4.5 The PMG may decide to refer any project for approval to the Enterprise M3 Board, this decision can be taken either at the PMG meeting or in advance of a PMG meeting in light of the forward programme. The Board may also ‘call in’ any project in the forward programme for PMG. In order for the Board to ‘call in’ a project, the support of three Board Members must

be obtained and at least seven working day's notice be given to the Assistant Director – Operations. In order to ensure strong communications between PMG and Board, a report on recent approvals from PMG and the latest position on LGF and GEF funds will be presented to each Board Meeting.

- 4.6 The Joint Leaders Board will nominate representatives to sit on the PMG as set out in Part 2. These representatives will report back to the Leaders Board regularly and will be expected to represent the views of all local authorities within the Enterprise M3 area.

5 Conflicts of Interest

- 5.1 Normal Enterprise M3 procedures around conflicts of interest will apply. PMG 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 PMG agenda.
- 5.2 The PMG will hold a register of members' interests, which will be reviewed regularly and will be published on the Enterprise M3 website. All PMG members will be asked to sign a Code of Conduct before attending their first meeting. .

6 Review

- 6.1 The LEP shall review the effectiveness of the PMG on an ongoing basis to ensure it is fit for purpose.
- 6.2 A formal review shall take place in May 2019 and any necessary updates to the Terms of Reference will be made.

PMG has the responsibility for appraising transport schemes that previously rested with the Local Transport Body (LTB), before it was disbanded. The role of the LTB in considering major transport schemes was developed to be in line with the most recent guidance from the Department for Transport (DfT).

A prioritised list of transport schemes based on robust evidence and developed from clear objectives will be overseen by PMG and reviewed within the context of the priorities set out in the LEPs Strategic Economic Plan. The process will be consistent with the wider scheme identification and prioritisation processes adopted by the LEP. All Business Cases submitted by promoters will be expected to follow the key principles of the Transport Business Case guidance provided by the DfT.

Proposals prioritised for local major transport schemes will be for worthwhile transport schemes that do not have an identified funding source, that meet local priorities and national objectives, emerge from evidenced transport constraints and accord with the eligibility criteria detailed below.

The TAG will undertake to ensure that all DfT requirements have been met, and will provide PMG with guidance as to this. There are specific monitoring and evaluation requirements for transport projects, which will be managed by the executive team and TAG and which will align with the wider Enterprise M3 approach. PMG, taking advice from TAG, will assess each scheme as to how well it performs against the following essential and desirable criteria:

Essential Criteria

Projects should:

- have a clearly defined scope;
- demonstrate how scheme contributes to the LEPs Strategic Economic Plan, the Local Transport Plans of Hampshire and Surrey and wider Government policies.
- drive economic and/or housing growth and/or solve a current or future transport problem that constrains economic growth or that safeguards the economy of the Enterprise M3 area (with higher employment and/ or housing growth viewed more favourably in scheme prioritisation);
- ensure that the LEP contribution comprises capital funding only, and as a general rule be for requests of over £2,000,000
- normally expect to deliver 'high' value for money (i.e. CBA greater than 2);
- allow LEP funding to be fully spent within the period 2015-21, together with a clear demonstration as to how the proposal will be delivered;
- be supported by the Local Transport Authority within whose area the proposal would be delivered;
- provides, if relevant, a clear indication how any land not owned by the delivery partner will be secured to allow delivery within the required timescale;
- clearly demonstrate how the business case for a proposal is met, by reference to the EAST;
- be supported by a local contribution
- identify challenges and constraints

Desirable Criteria

- leverage of private sector investment into the Enterprise M3 area;
- improved access to employment;
- safeguard existing employment;
- provide/improve sustainable access especially to town centres;
- tackle congestion;
- reduce carbon output and other emissions;
- meet local indicators related to economic growth, transport impact and regeneration potential.

Programme Management Group Members Code of Conduct

You are a Programme Management Group (PMG) 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 PMG 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 PMG Members, Board Members, members of staff and others you come into contact with when working in the 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 PMG Member or co-opted, notify your LEP Director 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 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 Director 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 PMG 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 Director 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.

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

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.



Enterprise M3 Programme Management Group Acceptance of Office

I accept my appointment and agree my date of appointment to the Enterprise M3 Programme Management Group.

I have received the Enterprise M3 Code of Conduct and agree to the required conduct.

I have completed a Declaration of Interest form which will be made publicly available on the Enterprise M3 website.

Name:

Address:

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Signature **Date**

Enterprise M3 Local Enterprise Partnership: Register of PMG Members' Interests

May 2018

As a Programme Management Group (PMG) 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 PMG shall review their individual register of interests before each 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 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 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.		
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.</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 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 £50)</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