

## **6 a) Strategic Investment Panel - Terms of reference**

### **Background and context**

The Strategic Investment Panel (SIP) is a LEP Board Sub Group which has been given delegated powers by the Board to deliver the LEP's funding programmes. It is established in accordance with the articles of association of the LEP CIC and in compliance with Local Authority legal requirements, as such the investment decisions of the SIP will form part of the LEP's Publication Scheme produced in accordance with Freedom of Information Act requirements.

The SIP will operate in accordance with the LEP Assurance Framework (dated October 2019) which has been approved by the Board and the relevant accountable bodies as the governance and management structure for funding programmes.

The Board delegates to the SIP decision-making responsibility for the HotSW LEP's investment programme. In addition to our Assurance Framework, SIP decisions are subject to the terms and conditions of contracts with public and private sector investors, including, but not limited to:

- Growth Deal offer letter and contractual arrangements with national Government;
- Growing Places Fund contractual arrangements with national Government;
- Conditions of the national Operating Programme and European Commission requirements in respect of European monies;
- Terms and conditions of local government and other LEP partner funding;
- Terms and conditions of private sector investors, for example banks or other institutional investors.

Where matter put before the SIP is novel and contentious it will be referred to the Board for decision. This will include but is not limited to:

- Where rejecting a business case would have a major impact on the LEPs ability to deliver the SEP priorities and business plan;
- Where project scope and decisions could have a significant impact on the LEPs reputation;
- Where a significant virement of funding is proposed between Leadership Group themes;
- When the contractual conditions to be set for projects are novel and contentious;
- Where an increase in LEP funding over £250k is requested.

The SIP will initially manage the Growth Deal programme and Growing Places Fund but will perform this role for all new funding programmes to be managed by the LEP.

The Board has agreed that the SIP may itself delegate various programme management and delivery responsibilities to other LEP delivery teams in accordance with the Assurance Framework.

### **Terms of Reference**

The main purposes of the SIP, as delegated by the LEP Board, are:

- Lead responsibility for programme delivery, performance and quality. Making decisions on the investment programme to meet the Board's objectives set out in the SEP and Business Plan (dated). These will include:
  - Approving an initial pipeline of projects based on advice and outline business cases from the Leadership Teams and LTB. Giving the projects in-principle approval and setting conditions to be met in the final business case
  - Approving the final business case for projects and setting the conditions to be included in Offer Letters
  - Approving changes to the programme and projects including spending and output profiles in accordance with the Change Policy in the Assurance Framework and subject to limits in the government contract
  - Approving variations to Offer Letters and actions to deal with defaults and clawback
- Working with the accountable body to ensure the standards in the Assurance Framework are met.
- Directing the LEP Management Team and Programme Management Office (PMO) who are the executive for programme management.
- Delegating responsibility for delivering sub-programmes to the People, Place and Business Leadership Groups and the LTB.
- Receiving reports on financial progress, programme and outputs and preparing monitoring reports for government.
- Commissioning research to create an evidence base to support project selection and prioritisation. Commissioning evaluation reports to measure programme and project effectiveness which will inform revisions to the SEP and Business Plan.
- Act on conditions and advice given by government and the accountable body on the programmes.
- Keeping the Assurance Framework under review and adapting it to meet the requirements of new funding programmes.

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## **Membership**

The SIP will comprise of both the following 9 core voting members:

- Chief Executive (1);
- Chairs of the;
  - Place Leadership Group (1),
  - People Leadership Group (1), and,
  - Business Leadership Group (1).
- Chair of the Finance and Resources Committee (Chair of SIP) (1);
- Local Authority staff on the LEP Management Team (4);
- Accountable Body representative (SCC) (Holding no individual voting rights but maintains a veto right should there be concerns with good governance and proper financial practice not being followed).

In addition, SIP may also compromise of 2 additional voting members, at the invitation of the Chair, who can bring additional expertise or support succession planning:

- LEP Board Members (2). New members are expected to serve a minimum of 6 months on SIP

This will result in a maximum of 11 voting members.

A quorum is 4 voting members which as a minimum should consist of two LEP Board members.

The Chair remains as the Chair of the Finance and Resources Committee. Each voting member has 1 vote and in the event of a tied vote the issue is considered contentious and will need deferring to the LEP Board.

Formal meetings will be held bi-monthly and where an urgent decision is required outside of formal meetings they can only be taken in accordance with the same conditions as those set out in this document, and decisions will be properly noted at the next formal meeting.

## **Conflicts of interest**

The SIP will conduct itself in accordance with the Conflicts of Interest Policy and policy on gifts and hospitality in the LEP CIC articles and the Assurance Framework.

## **Accountability and transparency**

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The decision-making process will be set out on the website and show the steps from project prioritisation through business case approval and construction to monitoring.

The following key documents will be published:

- Notice of SIP decision making meetings and agendas
- Project business cases (except commercially confidential information)
- Table of investment decisions
- Programme Highlight report
- Monthly programme updates produced by the PMO

### **Scrutiny and audit arrangements**

As agreed in the Assurance Framework.

### **Support and administration**

The secretariat for the SIP will be provided by the LEP PMO.

**FINAL VERSION: 05<sup>th</sup> October 2021**

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