

# **OPERATIONS & INVESTMENT COMMITTEE**

## **TERMS OF REFERENCE**

## Operations & Investment Committee – Terms of Reference Cover Sheet

<b>Name of Document</b>	Operations & Investment Committee – Terms of Reference
<b>Purpose</b>	This document sets out the main roles and responsibilities of the OIC, including membership, governance, quorum, etc.
<b>Author</b>	Chief Operating Officer
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<b>Location</b>	Document can be located within the HotSW LEP management system and publicity via the HotSW LEP website <a href="http://heartofswlep.co.uk">Home - Heart of the south west LEP (heartofswlep.co.uk)</a>
<b>Policy lead officer</b>	Chief Executive

### Version Control

*Please note this document is valid until formally revoked or replaced*

<b>Version</b>	<b>Date</b>	<b>Changes</b>

## **ROLES AND RESPONSIBILITIES**

The Operations & Investment Committee (OIC) is a LEP Board Sub Group which has been given delegated powers by the Board to deliver the LEP's funding programmes and oversee the effective running of LEP operations, including the annual budget. The OIC is established in accordance with the Articles of Association of the LEP CIC and compliant with Local Authority legal requirements, as such investment decisions of the OIC will form part of the LEP's Publication Scheme produced in accordance with Freedom of Information Act requirements. OIC replaces both the Strategic Investment Panel and the Finance & Resources Committee.

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

The main purposes of the OIC, 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 Build Back Better plan and LEP Business Plan (dated). These will include:
  - Recommending to the Board an initial pipeline of projects based on advice and outline business cases. 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 compliance with the Assurance Framework.
- Directing the LEP Management Team and Programme Management Office function (PMO) who are the executive for programme management.
- Delegating responsibility for delivering sub-programmes to the Leadership Groups or Programme Boards.
- Scrutinising 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 Build Back Better 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.
- Provide strategic advice and guidance to the Chief Executive and the Board on the effective and efficient financial management and resourcing of the LEP, including
  - business planning and other 'corporate' matters including Annual Review with Government,

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- overseeing LEP staff management (inc. remuneration), Director and staff recruitment.
- Approval and recommendation to the Board on behalf of the LEP, the Service Level Agreements and/or contracts with the local authorities for core and programme management services and costs
- Recommendation to the Board of annual, medium, and long-term budget and accounts
- Review, and recommend to the Board for approval, the Annual Assurance Statement
- Review any other items that are deemed relevant to the financial and resource management of the LEP
- Provide strategic advice and guidance to the Chief Executive and the Board on risk management and business continuity of the Heart of the SW LEP CIC, including governance, ensuring compliance with regulations and requirements of Companies House and HMRC of a registered company, maintenance and amending of the Memorandum and Articles of Association for the CIC under Board direction, review of risks and issues and their mitigation, oversight of approach to ensuring business continuity

With regard to the HotSW LEP's investment programme, in addition to our Assurance Framework, OIC 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
- Getting Building Funding offer letter and contractual arrangements with national Government
- Growth Hub and Careers Hub offer letters and 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 a matter put before the OIC 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 LEP's ability to deliver the Build Back Better priorities and LEP business plan
- Where project scope and decisions could have a significant impact on the LEP's reputation
- Where a significant virement of funding is proposed between Build Back Better themes
- When the contractual conditions to be set for projects, or if a variation/change are novel and contentious
- Where an award or increase in LEP funding over £250k is requested

The OIC will perform this role for all funding programmes managed by the LEP.

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## **MEMBERSHIP**

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

- Chief Executive (1)
- Chairs of the:
  - Skills Advisory Panel (LEP Board member) (1), and
  - Business Leadership Group (LEP Board member) (1)
- Chair of the OIC (LEP Board member) (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, OIC may also comprise 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 OIC

This will result in a maximum of 11 voting members.

## **QUORUM**

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

Each voting member has 1 vote and in the event of a tied vote, the issue is considered contentious and will need referring to the LEP Board.

## **CONFLICTS OF INTEREST**

The OIC 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. Conflicts of interest will be declared at the start of each meeting.

### [LEP Policies](#)

### [Declarations of Interest](#)

## **ACCOUNTABILITY AND TRANSPARENCY**

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 OIC decision-making meetings and agendas
- Project business cases (except commercially confidential information)
- Table of decisions

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The committee is constituted as a sub-group of the LEP Board and is directly accountable to it. The Chair will report to the LEP Board through verbal and/or written reports as required by the item to be reported.

The committee has no executive powers, other than those specifically delegated to it by the LEP Board, as outlined in these Terms of Reference and Board minutes.

### **SCRUTINY AND AUDIT ARRANGEMENTS**

As agreed in the Assurance Framework.

### **SUPPORT AND ADMINISTRATION**

The secretariat for the OIC will be provided by the LEP PMO. Papers will be circulated one week ahead of meetings.

### **FREQUENCY OF MEETINGS**

Formal meetings will be held 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.

In general, matters relating to LEP investments will be considered bi-monthly, with operations matters considered monthly but this does not preclude varying frequency or nature of meetings by agreement of the OIC Chair as and when required.

Meetings may be held by phone or video conference. There may also be decisions by email between meetings when urgency requires this, with the same rules around quorum applying.