



DORSET

Local Enterprise Partnership

GROWING PLACES FUND STEERING GROUP

Terms of Reference

May 2018

1. Purpose

- 1.1 The Growing Place Fund has been established by Government to address financial constraints by enabling targeted investment in pieces of infrastructure which unlock development. The Dorset Local Enterprise Partnership (LEP) has to date received two tranches of capital funding totalling over £9.7m from the Department for Communities and Local Government (DCLG).
- 1.2 The Growing Places Fund Steering Group has been established to consider and manage the application of the Growing Places Fund in Dorset (covering the Dorset LEP area including Bournemouth and Poole).

2. Objectives

- 2.1 The Steering Group is to manage the Growing Places Fund, a revolving capital loan scheme, on behalf of the Dorset LEP, in accordance with the following principles:
 - Priority will be given to investment in infrastructure encouraging economic growth in Dorset.
 - There will be a preference towards schemes which provide greater certainty on the rate of return of the capital investment.
 - There will be a preference for Investment to be targeted to schemes which contribute towards the strategic priorities of the Dorset LEP, particularly supporting job and housing creation in Dorset.
 - The Board will seek to establish a programme of schemes, rather than invest in any one single initiative.
 - Details of the due diligence process which is to be applied to potential schemes can be found at **Appendix 1**.

3. Status

- 3.1 The Growing Places Fund Steering Group is established as a sub-group of the Dorset LEP. Both the Steering Group and the Dorset LEP conducts its activities in the interests of the area it serves and secures its long-term objectives without giving undue favour to any organisation or Steering Group member.

4. Role

- 4.1 The Growing Places Fund Steering Group shall be responsible for:
 - Managing the Growing Places Fund, including considering and vetting applications and preparing proposals for agreement by the Dorset LEP Board.
 - Ensuring that appropriate governance arrangements are in place, which will secure value for money in the use of the Fund.
 - Ensuring that appropriate arrangements are in place to deliver transparency in the use of the Growing Places Fund.
- 4.2 All business of the Growing Places Fund Steering Group will be conducted in accordance with the Nolan Principles of Public Life (see **Appendix 2**).

5. Steering Group Membership

- 5.1 The Growing Places Fund Steering Group will consist of up to eight members and will include private and public sector representation from across the Dorset LEP area.
- 5.2 The Steering Group is to have two or three Dorset LEP Board representatives and two to four representatives from the local authorities.

Member category	Notes / Additional Information
Private Sector: Dorset LEP Board representative	2 or 3 LEP Board Members
Public Sector: Local Authority	2 to 4 representative from Local Authorities

- 5.3 Private Sector Steering Group members serve in a personal capacity and act in the interest of the Growing Places Fund. Their role is to represent the views and interest of private and community/ voluntary sector businesses, whilst always ensuring that decisions are taken in the best interests of Dorset's business community as a whole.
- 5.4 The role of local authority members is to represent their professional functions, and to act in the best interests of Dorset as a whole.
- 5.5 Membership in the Growing Places Fund Steering Group is open to any LEP Board Member and Public Sector representative who can send a request to join the Steering Group by electronic means to the Chair, copying the Secretariat. The process for selecting representatives shall be transparent and democratic and in line with the approval process outlined in Section 8.2 below.
- 5.6 The terms of office for Steering Group members will stand as follows:

Member category	Term of office	Replacement if vacancy arises
Private Sector: Dorset LEP Board representative	Duration of term of office on the Dorset LEP Board	Request to be made to Dorset LEP Board to invite nominations for a replacement Board member
Public Sector: Local Authority	On-going	Request to be made to public sector organisation for a replacement

- 5.8 The Steering Group may co-opt up to three additional people to serve as members, if there is a clear requirement for additional expertise and experience for the successful delivery of the Steering Group's responsibilities.
- 5.9 The Steering Group may co-opt up to four additional people to serve in an advisory capacity, if there is a clear requirement for additional expertise and experience for the successful delivery of the Steering Group's responsibilities. Steering Group members serving in an advisory capacity will not have voting rights.

6. Chair

- 6.1 The Chair shall be elected by the Steering Group from the total membership of the group. A Vice-Chair and Secretariat will be elected from the total membership by the Chair. All three positions will be subject to annual renewal. If required by and agreed by the Steering Group, it is acceptable for the Chair, the Vice-Chair and the Secretariat to serve consecutive terms.
- 6.2 Duties of the Chair will include:
- Leading the smooth and effective operation of the Steering Group;
 - Ensuring the Secretariat is operating effectively and within its mandate, that budgets are appropriately applied and that proper policies and processes are in place and observed;
 - Ensuring timely advice and reporting to the Dorset LEP Board relating to the work of the Growing Places Fund Steering Group.
 - Ensuring effective liaison with all constituents of the Dorset LEP and government, and to undertake activity as required according to the business plan or emerging strategies and needs.

7. Representation and Attendance

- 7.1 Steering Group members (or approved deputies) are expected to attend not less than 75% of meetings over a twelve month period. If this attendance rate is not achieved by any member, the Steering Group is entitled to review their membership and ask for an explanation before taking further action. A 75% majority is required to rescind the membership of any individual.

8. Decisions

- 8.1 Investment decisions: the Steering Group shall operate on the basis of consensus. In the event that a consensus cannot be achieved on a matter requiring decision, that decision shall be taken by vote and carried if it is supported by over 75% of those present.
- 8.2 Procedural decisions: 75% approval of all members present will be required in the following circumstances:
- Removal of a Steering Group member

- Amending the membership of the Steering Group
- Amendments to terms of reference or change in the strategic direction and priorities of the Growing Places Fund Steering Group

- 8.3 Following discussion and consideration of issues, any decisions are to be agreed by the Dorset LEP Board members.
- 8.4 In the event that a decision is required outside of a scheduled meeting, the Chair may decide to hold an Extraordinary Meeting. For Extraordinary Meetings, the provisions of as outlined in 8.1, 8.2, 8.3 and 8.4 shall apply.
- 8.5 The Chair may alternatively decide to seek agreement to a proposal via Electronic Procedure. In such cases, the Secretariat shall write to each Steering Group member requesting agreement to a specified course of action. Steering Group members shall be given no fewer than five working days to respond to the Secretariat. Electronic Procedure does not apply to voting on funding decisions.
- 8.6 All decisions made by Electronic Procedure shall be ratified at the next scheduled meeting.

9. Meetings and papers

- 9.1 Steering Group meetings shall be held at least two weeks prior to Dorset LEP Board meetings when there is business to transact, with a minimum of four meetings per annum. This will allow any recommendations from the Steering Group to be taken to the Dorset LEP Board for approval in a timely manner.
- 9.2 The minimum number required to make the Growing Places Fund meetings quorate is four of the voting group members, in addition to the Secretariat. If necessary, Steering Group members may delegate attendance at meetings. Delegates may only be appointed by a notice in writing sent electronically to the Chair, copying the Secretariat. The notice should state the name and position of the deputy and the responsibility he/she is appointed to represent.
- 9.3 The Steering Group members who are unable to attend a meeting may send their vote by electronic means to the Chair, copying the Secretariat, at least seven days prior to the Steering Group meeting.
- 9.4 The agenda and papers for meetings shall be approved by the Chair and issued at least five working days in advance of the meeting by the Secretariat.
- 9.5 Meeting minutes shall be approved in draft form by the Chair and disseminated to members no later than ten working days following the meeting. Minutes shall remain in draft until approval by the Steering Group at the next meeting.
- 9.6 The Steering Group minutes shall not be made publicly available. These minutes are not suitable for release into the public domain due to them containing commercially sensitive data and / or personal information about individuals. The minutes will be stored confidentially by the Secretariat.

10. Conflicts of interest

- 10.1 The Steering Group shall ensure that all conflicts of interest are fully disclosed.
- 10.2 The Secretariat shall maintain a Register of Members' Interests. This shall include all company directorships, trusteeships, elected offices, remunerated posts and other relevant interests. The Register of Members' Interests shall be made available to any interested party at any time. Members shall supply information to the Secretariat for inclusion in the register, or a nil return, on joining the Steering Group, in response to any request for an update and on becoming aware of any new interest. The Secretariat will circulate a request for information about interests annually.
- 10.3 Should a member's interests change, s/he shall inform the Secretariat at the earliest opportunity.
- 10.4 A request for declarations by members of the Steering Group of any potential conflicts of interest will be made by the Chair at the beginning of each meeting Steering Group meeting. Should an issue be discussed by the Steering Group which presents a conflict of interest to a member, the member shall declare the conflict of interest, regardless of whether he/she has previously declared the interest in the Register of Members' Interests. Such declarations shall be minuted.
- 10.5 Members shall not vote or participate in discussions on any issues on which they have registered an interest. However they are able to answer any specific questions directed to them by the Chair, should the Chair feel that this will help the Steering Group to come to an informed decision.

11. Reporting to the Dorset LEP Board

- 11.1 The Steering Group shall be fully accountable to the Dorset LEP Board and shall have Dorset LEP board member representation.
- 11.2 The Steering Group will provide a regular report to the Dorset LEP Board in Report format, as agreed with the Dorset LEP Board.
- 11.3 The Steering Group will provide timely advice to the Dorset LEP Board, bringing to its attention matters of importance or responding to its requests.
- 11.4 All papers to be considered by the Dorset LEP Board must be provided at least seven days in advance of the Dorset LEP Board meeting.

12. Press and Media

- 12.1 Steering Group members are not permitted to discuss the Growing Places Fund Steering Group affairs with the press or media without prior approval from the Chair.
- 12.2 In the event that members are approached by the press or media for comment on any matters relating to the Growing Places Fund Steering Group, the matter must be referred immediately to the Chair.

13. Review of this Document

13.1 These Terms of Reference will be reviewed annually.

13.2 The Steering Group may amend these terms of reference at any time, according to the procedure outlined in paragraph 8.2.

Appendix 1 – Growing Places Fund Due Diligence Process

STAGE 1				
Step	Description	Timeframe	Action by	Decision by
1) Initial application review	<p>Dorset LEP Growing Places Fund Programmes Manager will undertake the first review of all Application forms submitted by each business / organisation to ensure that the form is complete and meets the high level eligibility criteria of the Growing Places Fund as highlighted in the GPF Prospectus.</p> <ul style="list-style-type: none"> • The investment is capital, not revenue • 100% of the loan will be repaid within 5 years from the award date • The minimum loan amount is £250,000 • Projects comply or can be made to comply with State Aid rules • The project delivers benefits within the Dorset County area • The scheme will contribute towards the strategic priorities of Dorset LEP 	Within 3 business days from the receipt of the application	Dorset LEP Growing Places Fund Programmes Manager	n/a
2) Assessment process completed by the Independent Assessment Committee	<p>Detail assessment of the Applications will be conducted by the Independent Assessment Committee (IAC). The Committee will consist of Economic Development Officers from Dorset Local Authorities and the Dorset LEP Growing Places Fund Programmes Manager. The Steering Group may invite additional people to review the applications if there is a clear requirement for additional expertise and experience for the successful strategic assessment of the applications.</p> <p>The Committee will assess each application against seven pre-set assessment criteria as published in the GPF Prospectus:</p> <ul style="list-style-type: none"> • Strategic economic fit • Deliverability • Outputs and outcomes • Financial viability • Repayment 	Approximately to 3 weeks from the application submission deadline	Independent Assessment Committee (IAC) and Dorset LEP Growing Places Fund Programmes Manager	n/a

	<ul style="list-style-type: none"> • Security • State aid compliance <p>Each of the Independent Assessment Committee members will score each of the applications against the GPF assessment criteria, including a written report focusing on the suitability of the scheme for a GPF loan. The report will also highlight any areas and issues which need to be explored in more depth during stage 2.</p>			
3) Steering Group recommends schemes to move to the 2nd stage	The evaluation and scheme details from the Independent Assessment Committee members will be considered by the Growing Places Fund Steering Group. The Steering Group will provide recommendations for applications to be moved to the 2 nd stage - due diligence process.	Approximately 5 weeks from the application submission deadline	Independent Assessment Committee and Dorset LEP Growing Places Fund Programmes Manager	Growing Places Fund Steering Group
STAGE 2				
4) Due diligence process	<p>The 2nd stage due diligence aspect will consist of an in-depth assessment of shortlisted applications. This will be completed by the Accountable Body and the external independent advisor. The responsibilities will be split as follows:</p> <p><u>a) Accountable Body</u> Applicants will be required to form, at their own cost, their own legal opinion on whether their project is State Aid compliant and whether it meets the requirements of all relevant UK and EU procurement law. The Accountable Body Finance Team will be responsible for the review of the applicants' State Aid compliance supporting evidence, as well as the loan interest rate calculation.</p> <p>Site visits to the prospective projects may be conducted during this stage by the Growing Places Fund Programmes Manager as well as members representing the Accountable Body and the Growing Places Steering Group.</p>	Approximately 12 weeks from the application submission deadline	<p>a) Accountable Body and Dorset LEP Growing Places Fund Programmes Manager</p> <p>b) Independent Advisor</p> <p>c) Accountable Body and Dorset LEP Growing Places Fund Programmes Manager</p>	n/a

	<p><u>b) Independent Advisor</u> The independent advisor will undertake a detailed review of each application and will provide a report which will include a written statement on the stage 2 applications, including a list of issues to be included in the GPF contract as well as final written recommendation to the GPF Steering Group as to whether the loan should be made.</p> <p><u>c) Heads of Terms</u> As part of the due diligence process, the Heads of Terms (HOTs) will be negotiated with the applicant (including key delivery, loan drawdown / repayment milestone dates as well as details of how the loan will be secured). This process will be completed by the Dorset LEP Growing Places Fund Programmes Manager in collaboration with the Accountable Body.</p>			
5) GPF Steering group recommendation for funding to DLEP Board	The Steering Group will review the due diligence report and HOTs, and will provide recommendations to the Board to approve or reject the proposed schemes. The applicants of the rejected schemes will be notified whether the Steering Group's decision not to fund the project is final or, if more information / changes are requested.	Approximately 13 weeks from the application submission deadline	Dorset LEP Growing Places Fund Programmes Manager	Growing Places Fund Steering Group
6) DLEP Board approves funding*	<p>The Dorset LEP Board will receive and review a summary of the recommended projects, due diligence as well as the Heads of Terms, and will either approve or reject the proposed projects.</p> <p>Following the Board's approval of the schemes, the Dorset LEP Growing Places Fund Programmes Manager will seek approval of the loans from the Dorset County Council (DCC) Section 151 Officer.</p>	Approximately 14 weeks from the application submission deadline	Dorset LEP Growing Places Fund Programmes Manager	Dorset LEP Board and Accountable Body
7) Loan agreement issued	Successful loan applicants will enter into a contract with the Dorset County Council as the Accountable Body for the Dorset LEP's Growing Places Fund. The developers of the rejected	Approximately 16 weeks from the application	Dorset LEP Growing Places Fund Programmes	Accountable Body

	applications will be notified whether the Board's decision not to fund the scheme is final or, whether more information / changes are requested.	submission deadline	Manager	
Post-agreement Due Diligence Processes				
On-going Due Diligence Requirements	<p>The following are requirements for each business / organisation that receives the Growing Places Fund loan:</p> <ul style="list-style-type: none"> • Accounting requirements in place • Audit and statutory requirements in place • Progress monitoring for approval of drawdown of funds • Quarterly progress reporting to Dorset LEP, including reporting on achieved outputs and outcomes and the business / organisation's finances and performance monitoring • Regular site visits by Dorset LEP and Accountable Body • Quarterly progress reporting to the Department for Business, Energy and Industrial Strategy (BEIS) – through Dorset LEP 	Over the life of project	Dorset LEP Growing Places Fund Programmes Manager and Accountable Body	n/a

***Note:** In the event that an Appeal is received from an applicant, then in the first instance the Appeal, together with any extra supporting information will be reconsidered by the GPF Steering Group. The revised recommendation of GPF Steering Group will then go to the Dorset LEP Board for confirmation of the final decision.

Appendix 2

Nolan Principles of Public Life

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.