



# **DORSET**

Local Enterprise Partnership

## **GROWING PLACES FUND STEERING GROUP**

### **Terms of Reference**

### **January 2017**

## 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 £9.6m 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 loan scheme fund on behalf of the Dorset LEP, in accordance with the following principles:
  - Priority will be given to investment in infrastructure necessary to unlock development.
  - 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
  - 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 Local Enterprise Partnership). During the year 2016 the Dorset LEP was incorporated as a Community Interest Company (CIC), thereby giving it a formal legal status. 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 loan scheme 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 ten members and will include thematic representation and geographic representation from across the Dorset LEP area.
- 5.2 The Steering Group is to have two or three Dorset LEP Board representatives, one representative from each of the local authorities and one representative from the Homes & Communities Agency. (This is to include at least one representative from an economic development function, a planning function, a transportation function and from a housing function.)

Member category	Notes / Additional Information
Dorset LEP Board representative	2 or 3 LEP Board Members
Public Sector: Homes & Communities Agency	1 representative
Public Sector: Local Authority	1 representative from each Local Authority; between them covering the functions of economic development, planning, transportation and housing

- 5.3 Steering Group members serve in a personal capacity (with the exception of local authority and Homes & Communities Agency members) and will act in the interests of the Growing Places Fund.
- 5.4 The role of business sector members 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.
- 5.5 The role of local authority members is to represent their constituents and/ or their professional functions, whilst acting in the interests of Dorset as a whole.
- 5.6 The process for selecting representatives shall be determined by invitation.
- 5.7 The terms of office for Steering Group members will stand as follows:

<b>Member category</b>	<b>Term of office</b>	<b>Replacement if vacancy arises</b>
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 (i.e. Local Authority and Homes & Communities Agency representatives)	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;
  - To ensure 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;
  - To ensure timely advice and reporting to the Dorset LEP Board relating to the work of the Growing Places Fund Steering Group.

- To ensure 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 The Steering Group shall operate on the basis of consensus.
- 8.2 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 50% of those present, except in the following circumstances:-
- Removal of a member, which will require 75% of all members present to agree
  - Amending the membership of the Steering Group, which will require approval of 75% of all members present
  - Amendments to terms of reference or change in the strategic direction and priorities of the Growing Places Fund Steering Group, which will require the approval of 75% of all members present
- 8.3 In the event of a tied decision, the Chair of the meeting will cast the deciding vote.
- 8.4 There should be a quorum of five, and there must always be one Dorset LEP Board members for a meeting to be quorate.
- 8.5 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.
- 8.6 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.
- 8.7 For a decision to be taken by Electronic Procedure, the number of members participating and the composition of those members must be as required for a quorate meeting. Over 50% of members responding to the request must indicate agreement to the proposal.
- 8.8 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 3 weeks prior to 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 agenda and papers for meetings shall be approved by the Chair and issued at least 5 working days in advance of the meeting by the Secretariat.
- 9.3 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.
- 9.4 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 s/he 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 7 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**

### **Process for Growing Places Fund (GPF) Schemes approved for investment by the Dorset Local Enterprise Partnership (LEP) Board**

1. An indicative list of potential investment schemes is considered by the Dorset LEP. The initial evaluation of schemes has taken into account the following factors:
  - Is it an infrastructure project that facilitates jobs or housing?
  - Delivers early economic growth?
  - Deliver jobs and housing?
  - Address issues associated with transport, utilities and flood defences?
  - Contribution required is marginal to make the project feasible?
  - Maximising return and leverage of wider funds?
  - All necessary consents in place?
2. These schemes are subject to strategic assessment and evaluation, undertaken by the Homes and Communities Agency (HCA) on behalf of the steering group. The strategic assessment is to investigate issues such as deliverability, strategic fit, outputs and value for money.
3. The evaluation and scheme details from the Expression of Interest are considered by the GPF Steering Group prior to making recommendations to the Dorset LEP Board.
4. The Dorset LEP Board approves the schemes in principle to receive loan funding through the GPF, subject to undertaking due diligence and the completion of legal contracts.
5. Before funds can actually be passed to the lead partners for these schemes, further due diligence will be undertaken to establish credibility, viability and other assurances pertinent to the individual schemes. A format for this process has been agreed by the GPF Steering Group and the process is being led by DCC officers.
6. Following due diligence, the scheme is discussed in detail by the GPF Steering Group, including loan terms and interest rates. A recommendation is made by the Steering Group.
7. If the GPF Steering Group recommends approval, then a report goes to the Dorset LEP Board for their consideration and approval.
8. Solicitors draw up contracts and undertake required legal processes.
9. 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 Dorset LEP Board for confirmation of the final Decision.

## **Scheme Approval Process**

### **Initial Scheme Evaluation**

- Evaluation / appraisal of any proposed schemes is undertaken by the Homes and Communities Agency (HCA)
- Scheme evaluation covers:-
  - How deliverable the project is
  - Project risks
  - Demonstrable need for the funding
  - Impact on strategic objectives for Dorset
  - Outputs directly flowing from the project in 3-5 years / value for money
  - Likely timetable for return of the funding and percentage to be returned
- Feedback from the HCA is considered by the GPF Steering Group who makes recommendations to the Dorset LEP board.

### **Due Diligence Checks / Legal Issues – Private Sector Schemes**

- Legal contract required between Dorset LEP and the private developer
- Legal charge secured over the land / development to protect investment
- Need for bond considered
- Company financial checks undertaken
- State Aid consideration met. Appropriate interest rate charged on loan dependent upon creditworthiness
- Planning requirement in place
- Cost estimates checked
- Timescales for construction achievable
- Agreement over timetable / requirements for drawdown of funds
- Agreement over how fund repayments will be triggered (sale of units / houses etc.)

### **Due Diligence Checks / Legal Issues – Public Sector Schemes**

- Legal contract required between Dorset LEP and the local authority
- Appropriate approval secured from the local authority to guarantee repayment of the loan at end of period (if it has not been automatically)
- Agreement over timetable / requirements for drawdown of funds
- Agreement over how fund repayments will be triggered (sale of units / houses etc.)

### **On-going Requirements (as appropriate to each scheme)**

- Accounting requirements in place
- Progress monitoring for approval of drawdown of funds
- Six monthly progress reporting to Cities and Local Growth Unit, Government's Local Growth Team - a partnership between the Department for Communities & Local Government (DCLG) & the Department for Business Innovation & Skills (BIS). (This has previously been reported to DCLG.)
- Regular progress reporting to Dorset LEP
- Audit requirements in place
- Monitoring of overall revolving infrastructure fund, cash flow and opportunities for re-investment

## 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.