

Annex 'X'

LEP Director and Committee Member Protocol on the Nolan Principles

Directors of the Lancashire Enterprise Partnership and all of its Committee Members shall comply with the Seven Principles of Public Life which are:

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.

For further information on the 7 principles and the work of the Committee on Standards in Public Life, visit the Committee's [website](#) and [blogsite](#).

Attendance protocol for LEP Directors and LEP Committee Members

Attendance at meetings is important. LEP Directors and Committee Members are expected to regularly attend meetings.

- (1) If LEP Directors or Committee Members miss three meetings in a row this will be reported by the Company Secretary to the County Council's Director of Economic Development and the Chair of the LEP Board. This may result in a LEP Director or Committee Member having their appointment reviewed, and, unless deemed to be extraordinary circumstances, could be removed from their post. This will be reviewed on a case-by-case basis.
- (2) In addition, overall attendance statistics will be reviewed by the Company Secretary on an annual basis. If a Director or Committee Members attendance within a period of one year falls below 50% this may also result in triggering the process set out at (1).

The Requirements of the Companies Act 2006 "Directors Duties"

In addition to the requirements placed on LEP Directors in this Assurance Framework it is important to note that the Lancashire Enterprise Partnership is a Private Limited Company and as such LEP Directors have additional requirements placed on them by the Companies Act 2006.

The Companies Act 2006 defines a number of general legal duties for directors of UK companies. Set out below is a brief summary of the main duties directors need to be aware of:

The duty to act within powers

Directors must act in accordance with the company's constitution (i.e. the articles of association and formal resolutions and decisions), and only exercise powers for the purposes for which they are conferred. A copy of the articles is included in this information pack.

The duty to promote the success of the company

Directors must act in a way which they consider, in good faith, will promote the success of the company in delivering its objects, having regard to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct.

The duty to exercise independent judgement

Each director must exercise independent judgment in his or her decision making.

The duty to exercise reasonable care, skill, and diligence

Directors must exercise reasonable care, skill and diligence in their duties. The meaning of 'reasonable care, skill and diligence' is judged according to what may reasonably be

expected of a person carrying out the functions of director of that company. It is also judged according to the general knowledge, skill and experience of the individual director.

The duty to avoid conflicts of interest

Directors must avoid situations in which they could have a direct or indirect interest that conflicts with the interests of the company. This applies in particular to the exploitation of any property, information or opportunity (regardless of whether the company could take advantage of that property, information or opportunity). However, this duty is not infringed if the matter has been authorised by the board.

The duty not to accept benefits from third parties

Directors must not accept benefits from third parties unless the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest.

A separate detailed Annex providing more details on directors' interests is included in this Assurance Framework.

If you require any further information or advice, please do not hesitate to contact:

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