



Lancashire
Enterprise Partnership

Appendix A

DRAFT ASSURANCE FRAMEWORK

SPRING 2015

Working Draft



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Foreword

Foreword from Chair of LEP

Working Draft

1. LEP Governance and Decision Making

1.1 Structure

The LEP is a Company Limited by Guarantee, incorporated in England and Wales in September 2010 under the provisions of the Companies Act 2006. Its objects, powers and framework of governance are set out in its Articles of Association. Lancashire County Council is the Accountable Body for the LEP.

1.2 Geography

The geographical area covered by the Lancashire LEP is coterminous with the boundaries of Lancashire County Council and the Unitary Councils of Blackpool Borough Council and Blackburn with Darwen Borough Council. It encompasses the 12 district councils of: West Lancashire; Wyre; Fylde; Preston; Chorley; Lancaster; South Ribble; Pendle; Ribble Valley; Burnley; Hyndburn and Rossendale.

1.3 Board

Whilst Lancashire County Council, as sole Member of the Company, has the power to appoint all of the Company's directors, the County Council only has one representative on the Board: County Councillor Jennifer Mein. Each of the 15 other directors are nominated by other local authorities, organisations or the private sector. The Board is private sector led, with a private sector Chair, Deputy Chair and a total of 10 private sector directors. The Articles of Association provide that the maximum number of directors is 20, with 4 as a minimum. No member of the Board receives any remuneration for their service on the Board. A full list of Board members is provided at **Annex 1**. The Board meets in agreed cycle that is designed to ensure that operational requirements are met. Board meetings are also called on an 'as and when' basis to meet ad hoc operational requirements.

1.4 Committees

The Board of Directors has appointed six Committees each with their own Terms of Reference, provided at **Annex 1**. The Committees meet in accordance with an agreed cycle that is designed to ensure that operational requirements are met. Committee meetings are also called on an 'as and when' basis to meet ad hoc operational requirements.

1.5 Transport for Lancashire Committee

This Committee was appointed by the Board in 2013 and revised Terms of Reference were agreed in September 2014. The primary objective of Transport for Lancashire is to advise the LEP Board on strategic transport initiatives in Lancashire, Blackpool and Blackburn. Full (voting) members of Transport for Lancashire comprise:

- (i) Lancashire County Council (Leader or nominee) – **(Chair)**

- (ii) Blackburn with Darwen Borough Council (Leader or nominee)
- (iii) Blackpool Borough Council (Leader or nominee)
- (iv) Chair and Vice Chair of the Lancashire Enterprise Partnership (or nominees)

Participating observers (non-voting):

- (i) Department for Transport
- (ii) Highways Agency
- (iii) Network Rail

1.6 Executive Committee

This Committee was appointed by the Board in March 2013 to enable decisions of the Board to be taken between Board meetings. The Committee has full powers to take decisions on behalf of the Board. The Committee comprises of five Directors and the quorum for decision making being three Directors.

The Membership of the Committee is:

- a. The Chair of the LEP Board (**Chair**)
- b. The Vice-Chair of the LEP Board
- c. LEP Director, Dr McVicar, Former Vice Chancellor, University of Central Lancashire
- d. LEP Director, Mr Mendoros, Owner & MD Euravia Engineering
- e. LEP Director, Cllr Jenny Mein, The Leader of Lancashire County Council

1.7 City Deal Executive

The City Deal Executive was set up to oversee the delivery of the City Deal and to take key strategic decisions in this regard. It was appointed by the Board in November 2013 and comprises the following members:

- The Chair of the Lancashire Enterprise Partnership (LEP) (or their nominee) (**Chair**);
- The Leader of Lancashire County Council (or their nominee);
- The Leader of South Ribble Borough Council (or their nominee);
- The Leader of Preston City Council (or their nominee);
- The Vice-Chair of the LEP (or their nominee); and
- The LEP's Champion for Strategic Development (or their nominee)

1.8 City Deal Stewardship Board

The City Deal Stewardship Board has the remit of overseeing the disposal and development of the assets listed in the City Deal document in accordance with wider City Deal economic and housing growth objectives. It was appointed by the LEP Board in December 2013 and comprises the following members:

- a. The North West Executive Director of the HCA (or their nominee) (**Chair**) ;
- b. The Chief Executive of Lancashire County Council (or their nominee);
- c. The Chief Executive of South Ribble Borough Council (or their nominee);
- d. The Chief Executive of Preston City Council (or their nominee); and
- e. The LEP's Champion for Strategic Development (or their nominee).

1.9 Enterprise Zone Governance Committee

This Committee was established in 2012 and is responsible for setting and overseeing the strategic direction of the Lancashire Enterprise Zone. It comprises the following members:

- Chair of the LEP (**Chair**)
- LEP Director, Richard Evans, Partner, KPMG
- LEP Director Mike Tynan, Chief Executive (Nuclear) AMRC
- LEP Director, Jenny Mein, Leader of Lancashire County
- LEP Director, Dr Malcolm McVicar, Former Vice Chancellor, University of Central Lancashire
- LEP Director, Mark Smith, Vice Chancellor, University of Lancaster
- LEP Director, David Taylor, Chairman, David Taylor Partnership

1.10 Skills Board

This Committee was established in 2013 and is responsible for considering skills development priorities within Lancashire, Blackpool and Blackburn. The Skills Board comprises a minimum of 5 members and a maximum of 10 and current Members comprise.

- Amanda Melton (**Chair**) Chief Executive, Nelson and Colne College
- Beverley Robinson, Chief Executive, Blackpool and Fylde College
- Andrew Atherton, Deputy Vice Chancellor, Lancaster University
- Joel Arber, Director of Marketing and Communications, UCLAN
- Steve Gray, Chief Executive, Training 2000
- Joanne Pickering, Chair of Lancashire HR Employers Network
- Lynne Livesey Pro Vice Chancellor, University of Central Lancashire
- Graham Howarth, HR and Legal Director, Crown Paints
- Paul Holme, Chair of the North West Training Provider Network

NEW SECTION HERE ON PROPOSED PERFORMANCE COMMITTEE

1.11 Committee Structure

A copy of the Company's Committee structure is provided at **Annex 1**.

1.12 Implementation and Delivery Arrangements

Robust governance structure and implementation frameworks have been established to ensure the effective delivery of the LEPs key initiatives, specifically, the City Deal, the Enterprise Zone, the Growth Deal and the Growing Places Fund.

1.13 City Deal Implementation and Delivery

The annual Infrastructure delivery programme is set by the City Deal Executive and Stewardship Board and is implemented under the direction of a Programme Board whose members include the local partner Chief Executives. The Programme Board considers issues to be referred to the City Deal Executive.

A Project Team is responsible for driving forward the Programme, allocating resources, considering quarterly progress reports, managing and addressing risks to the implementation plan and initiating pieces of work to facilitate the delivery of the Deal. The Project Team is chaired by the City Deal Project Director and includes senior representatives from each of the local partners

At the project level, a series of working groups oversee the development, co-ordination and operational delivery of each of the schemes in the Programme.

Planning and Co-ordination Group – supports the Joint Advisory Committee and ensures planning related issues are kept under review.

Infrastructure Delivery Group– is responsible for preparing, implementing and monitoring progress on the City Deal Infrastructure Programme which includes all elements of highway, housing and community infrastructure (health, education, open space).

HCA Liaison Group – supports the City Deal Stewardship Board and the HCA in the preparation of the Business and Disposal Plan, ensuring its alignment with the Infrastructure Delivery Programme and the communications and Marketing Plan. The Group oversees the development of quarterly progress reports for submission to the Stewardship Board.

Finance Group – ensures appropriate operating procedures are in place for the City Deal Infrastructure Delivery fund and prepares quarterly finance monitoring reports for submission to the Executive.

Communications Group – prepares, implements and monitors progress on the City Deal Communications and Marketing plan. The Group is responsible for co-ordinating scheme specific communications at the local level as well as developing and implementing marketing proposals for the City Deal.

Monitoring Group – responsible for the collation and monitoring of a range of agreed outputs and performance measures. The group prepares six monthly performance reports and prepares an annual monitoring schedule for submission to the Executive.

1.14 Enterprise Zone Delivery and Implementation

The strategic direction of the Enterprise Zone (EZ) is set by the Enterprise Zone Governance Committee.

An EZ Programme Board has been established and is responsible for monitoring and reporting of commercial, financial, development and planning matters and the on-going delivery of the EZ Programme. The Programme Board includes members from commercial partners, national government departments and senior LCC representation and is chaired by the Assistant Chief Executive of the County Council.

The EZ Project Board is responsible for the operational delivery of Enterprise Zone activity including commercial, financial, development, legal, planning, land, infrastructure, and highways works in addition to the reporting on these matters to the EZ Programme Board. The Project Board, includes representation from BAE Systems, the local planning authorities and LCC (for planning, estates, economic development, legal and highways) and is chaired the Assistant Chief Executive of the County Council.

In addition to the Programme and Project Boards, the EZ Technical and Commercial group is responsible for progressing technical specific site, highways, planning, infrastructure, financial and commercial issues and is attended by technical specialists and officers from both BAE Systems and LCC

1.15 Growth Deal Delivery and Implementation

The LEP Board established a Shadow Growth Deal Implementation Board to ensure the Growth Deal Programme moved forward to implementation stage. The Shadow Board, chaired by LEP Director Graham Cowley, has overseen the preparation of the Growth Deal Implementation Plan and the Growth Deal Monitoring and Evaluation Framework. The Shadow Board reports directly to the LEP Board.

The LEP will establish a Growth Deal Management Board as a formal Committee of the LEP in due course and delivery arrangements have already been put in place as set out below:

Growth Deal Implementation Group

This Group (currently operating as the Shadow Growth Deal Implementation Board) comprises individual Growth Deal project directors / lead officers with technical legal, financial and communications support provided by Lancashire County Council. The Group will provide regular progress reports and advice on all commercial, financial and development matters for consideration by the Growth Deal Management Board. The Group will continue to oversee the operation of a Monitoring and Evaluation Working Group and will approve all monitoring reports for submission to the LEP Board and Growth

Deal Management Board. The Group will use the Growth Deal Implementation Plan to track progress against the planned milestones.

Monitoring and Evaluation Working Group

This working group, is responsible for collating and analysing all progress and metric monitoring for the Growth Deal and is tasked with provided quarterly reports to the Growth Deal Implementation Group for their consideration.

GROWTH DEAL MONITORING AND EVALUATION FRAMEWORK AND IMPLEMENTATION PLAN WILL BE ANNEXED TO FINAL VERSION OF ASSURANCE FRAMEWORK

1.16 **Boost Delivery and Implementation**

INFORMATION TO BE INSERTED

1.17 **Growing Places Delivery and Implementation**

The LEP is responsible for the strategic investment of its £19.3m Growing Places Fund (GPF) which was established in 2012.

The fund is managed by the County Council through a three stage process, stage one deals with initial expressions of interest in the fund, stage two with the management of prioritised fund applications and stage 3 with the on-going monitoring and performance of the investment.

Stage One

The purpose of stage one is to ensure that the proposed scheme is aligned with the LEP's Strategic Economic Plan and also that repayment terms can be met within a two to three year timeframe. Stage one is progressed through meetings with the project sponsor and concludes with the preparation of Heads of Terms for consideration by the LEP Board, and approval (if agreed by the LEP Board) to prepare a Facility Agreement.

Stage Two

Stage two involves the appointment of solicitors to negotiate and draft the detailed terms of the Facility Agreement.

Stage Three

Stage three ensures that the project is monitored and that the GPF investment is drawn down and re-paid in accordance with an agreed financial and development programme agreed by the County Council and the project sponsor.

The LEP Board receives update reports on the management and performance of GPF. Section 4 of this Assurance Framework provides further information on the financial management of the GPF.

2. Local Authority Partnership working

"This section of the final AF will set out the arrangements in place to demonstrate the relationship between the LEP and the Local Authority Leaders. Committee members will be aware of the on-going Lancashire wide discussions between Lancashire Leaders regarding the potential to establish combined arrangements and the AF will need to reflect these discussions"

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3. Transparent Decision Making

3.1 The Lancashire LEP is committed to effective and meaningful engagement of local partners and the public and has established transparent arrangements and practises with regard to the decisions it makes.

3.2 **The Website**

The Lancashire LEP has a dedicated website through which local partners can keep in touch with progress on the implementation of its key initiatives and where key papers can be accessed.

3.3 **Publishing Arrangements**

This Assurance Framework and the LEP Board and its-Committees Terms of Reference can be accessed on the Lancashire LEP website. All Agendas, papers, decisions and minutes of the LEP Board and its Committees can be accessed on the Lancashire LEP website and the County Council's website. **Annex 2** sets out the arrangements agreed by the LEP for the treatment by all attendees at Board meetings of confidential information.

3.4 **Freedom of Information**

The LEP is committed to meeting its duty of fulfilling and maintaining the highest standards of Corporate Governance. The LEP assesses the publication of papers using the relevant Freedom of Information Act exemptions. **Annex 3** provides a summary of the information deemed exempt under the Act. FOI requests are processed by the County Council's Access to Information Team. The Head of Information Governance for the County Council acts as the internal reviewer for all FOI requests for the LEP.

3.5 **LEP Board Meetings and Committee Meetings**

The LEP publishes and makes publically available all of its papers (with the exception of papers deemed confidential where an FOI exemption applies and following the application of the Public Interest test).

Agendas are split into Part I (open to press and public) and Part II (private and confidential) with the Board being asked to approve that meetings move to Part II as appropriate. Any papers are considered to be FOI exempt and have passed the public interest test and are deemed confidential are clearly marked with the correct Part II exemption paragraph referencing.

Agendas are published and made available 5 clear working days prior to meetings of the Board. Agendas are published on the County Council's and LEP's website.

Minutes are also be split into Part I and Part II, as necessary, and published on the County Council / LEP website, with publication within 3 working days of the meeting taking place.

3.6 **Attendance of Observers at LEP Board and Committee meetings**

The LEP has an agreed protocol for the attendance of observers at LEP Board and Committee meetings. Observers are requested to make themselves known to the Company Secretary (or their representative) and state their name, the organisation they represent and their purpose for attending the meeting. Observers will usually be excluded from any Part II items and as a general rule will not be permitted to speak at meetings unless invited to do so by the Chair. The full protocol is provided at **Annex 4**.

3.7 **Conflict of Interests**

As Accountable Body for the LEP, Lancashire County Council ensures that the LEP manages conflicts of interest in accordance with existing County Council protocols and codes of conduct that apply to local councillors. The LEP complies with the Seven Principles of Public Life which are:

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty
7. Leadership

The LEP will act in the interests of the whole of its geographical area and not according to the interests of individual member organisations.

The LEP ensures there is appropriate separation between scheme promoters and LEP decision-making processes. For example, the Terms of Reference for the Committees ensure that there is complete separation between scheme promoters and their own framework consultants and the appraisal team and decision makers. The LEP conflict of interest guidance for Directors is provided at **Annex 5**.

3.8 **Register of Interests**

The LEP will maintain and enable access to a register of its members' interests, which will be available to the public via the LEP website. The register will include any interests members have that may conflict with LEP business.

3.9 **Gifts and Hospitality**

The LEP has adopted rules for accepting gifts and hospitality (pending approval at the LEP Board to be held on 17th March 2015). The rules will be provided at **Annex 6**.

3.10 Complaints Policy

The LEP has adopted a procedure for responding to complaints from stakeholders or members of the public against the LEP or members of the LEP (pending approval at the LEP Board to be held on 17th March 2015). The Complaints Policy will be provided at **Annex 7.**

3.11 Local Engagement for LEP Strategy Development

The LEP wants to ensure that key stakeholders and the public have an opportunity to contribute to and comment on the on-going development of the LEP's Strategic Economic Plan. The degree of involvement will depend on the specific activity and could comprise formal consultation, public engagement, representative working groups, on-going market research and questionnaires.

With specific regard to local engagement with Lancashire MPs on LEP strategy development the LEP will host one session per parliament term to which all Lancashire MPs will be invited.

3.12 Reporting Progress of Delivery of the Strategic Economic Plan

The LEP will undertake a regular review of progress on the SEP, including progress on delivery of key projects and spending commitments. This will be published on the LEP website.

3.13 Project Development, Prioritisation, Appraisal and Approval

The LEP has agreed systems and processes for developing, prioritising, appraising and approving projects and these are set out in section 5 of the Assurance Framework.

3.14 Communications Arrangements

The LEP undertakes a range of communications activities in support of its key initiatives. The City Deal is supported by a communications strategy encompassing media relations, community engagement, web, social media, branding and other associated issues. A protocol is in place to ensure effective governance of communications activity between the LEP and its City Deal partners. A communications protocol has also been adopted for the Growth Deal to support the effective management of messages by the LEP.

Communications activity around the Enterprise Zone is managed through regular liaison between communications representatives of the LEP, county council and BAE Systems. During 2015/16 this will evolve to support the revised governance arrangements for the Enterprise Zone and include the development of a formal protocol with the LEP's delivery partners.

The Growing Places Fund will continue to be supported by communications activity, coordinated with partners as appropriate and also mainstreamed through the LEP's own channels.

4. Accountable Decision Making

- 4.1 Lancashire County Council, as Accountable Body for the LEP, is responsible for ensuring that all funding decisions made by the LEP are made in accordance with this Assurance Framework.
- 4.2 The County Council has put in place the administrative, financial and legal support necessary to enable the LEP to carry out its functions in the most effective and efficient way. These financial systems will fall under the annual audit of the County Council's accounts.
- 4.3 The County Council's Scrutiny Committee has considered and commented on this Assurance Framework and will perform this scrutiny function as and when the Assurance Framework is amended in the future.
- 4.4 The County Council's Cabinet has considered and approved this Assurance Framework.

4.5 **Financial and Legal Accountability**

As the Accountable Body for the LEP, all financial arrangements are managed and accounted for through County Council financial systems and subject to the Standing Orders and Governance systems of that body. All activities are subject to scrutiny the appropriate Internal Control function within the County Council and (where appropriate) subject to external financial audit. The internal legal service and the County Council Monitoring Officer are involved as appropriate to ensure due diligence is strictly adhered to.

Day to day financial support and management is undertaken by a senior project finance manager and is subject to overview and scrutiny by the Head of Financial Management Development and Schools under whose remit this falls. All accounts are signed off by the Section 151 Officer.

Where appropriate and/or required external commercial specialist support is sought which ensures that the appropriate guidance and advice is used when making investment decisions, both financial and legal.

The County Council is subject to core frameworks which have provided HMG assurance that councils will spend their money with regularity, propriety and value for money. The key elements are legal controls and democratic accountability to local people. The system provides assurance that the government's decentralising agenda can be achieved in relation to local government without compromising the proper spending of public money.

4.6 **Growth Deal Project Funding**

All projects which have secured Growth Deal funding will be required to agree and sign a Growth Deal Grant Funding Agreement, prior to draw down of funds. The grant funding agreements will set out conditions of funding: including project sponsors commitment to monitoring and evaluation requirements; agreement to the Growth Deal communications protocol and delivery and key milestone requirements. The Grant Funding agreements will include adequate provisions for the protection of public funds (e.g. arrangements to suspend or claw back funding in the event of non-delivery or mismanagement).

4.7 Growing Places Funding

The Growing Places fund is managed according to the following process:

- An outline scheme proposal is presented to the LEP Board for consideration. The scheme proposal identifies the scheme and amount of investment being sought from GPF, along with a brief summary of its fit with LEP/local economic growth priorities, economic impacts generated, other private/public investment leveraged, drawdown and repayment timescales.
- If the Board accepts the outline proposal the scheme is assessed by the accountable body for '*Strategic Fit and Economic Impact*'.
- A report, including draft Heads of Terms between the scheme sponsor and the accountable body is considered by the LEP Board.
- If the LEP Board agrees the scheme it proceeds to formal '*Financial Appraisal and Due Diligence*'. This is performed by officers of the County Council under the guidance of the Assistant Chief Executive, and with support from the County Council's Director of Economic Development, Head of Financial Management Development and Schools and external legal advisors.
- This information is then presented to the LEP Board, with recommendations for proposed loan structure, security and terms.
- Once final loan documentation is prepared, the LEP Board consider and formally approve the facility, which is then executed by the Company Secretary on behalf of the Accountable Body.

4.9 Conflict Resolution

In the event that the accountable body (Lancashire County Council) does not comply with a decision of the LEP, the matter will be considered by the Chair of the LEP, Company Secretary and Section 151 Officer from the accountable body (as appropriate) to seek to resolve the issue. If the conflict remains unresolved all parties will agree to appoint an independent person(s) to assist the LEP and the accountable body to resolve the matter.

4.10 Independent Scrutiny



The LEP will be subject to Overview and Scrutiny in accordance with existing legislation, whereby any local authority scrutiny committee within Lancashire can, separately or jointly, scrutinise the role or activities of the LEP or its sub groups. Any such meetings of a scrutiny committee would normally be held in public, and any findings or recommendations will be made public. The LEP would be expected to make its response to scrutiny public.

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5. Ensuring Value for Money

- 5.1 The LEP is able to demonstrate value for money through the systems and processes it has established for developing, prioritising, appraising and approving projects.
- 5.2 The LEP's Strategic Economic Plan sets out priority themes and spatial investment priorities and the LEP is committed to regularly reviewing the SEP to ensure that existing and emerging growth priorities are well positioned. The LEP Board and Committees have established arrangements to progress the delivery of priorities seeking to utilise Local Growth Fund resources. The LEP's Growing Places Fund is administered in accordance with an agreed framework set out in Section 4 of this Assurance Framework.
- 5.3 **Transport Schemes**
The Terms of Reference for Transport for Lancashire, provided at **Annex 1**, set out the arrangements for developing, prioritising, appraising and approving transport projects seeking Local Growth Fund resources, and these are summarised below.

Scheme Eligibility

The LEP Board will consider capital funding for schemes that are priorities in approved highways and transport masterplans or other relevant documents. The highways and transport masterplans are available to view at <http://www.lancashire.gov.uk/council/strategies-policies-plans/roads,-parking-and-travel/highways-and-transport-masterplans.aspx>. The LEP will consider funding exceptional structural maintenance schemes and schemes on the networks of the Highways Agency and Network Rail, including in adjacent Local Enterprise Partnership areas, where such schemes contribute towards the delivery of the objectives of the Strategic Economic Plan.

Local Funding Contribution

The LEP requires scheme promoters to provide an absolute minimum 10% contribution towards total scheme construction cost and 100% of any increase in cost following the granting of Programme Entry.

The Transport Business Case, Scheme Assessment and Appraisal

The LEP requires all transport business cases to adhere to the key principles of the Department for Transport's Transport Business Case guidance (January 2013) and be fully compliant with the approach to modelling appraisal and analysis set out in WebTAG at the time they submit the transport business case

TfL will, using appropriately qualified consultants, scrutinise individual scheme business cases on behalf of the LEP and advise accordingly.

The LEP applies a proportionate approach to the development of transport business cases:

1. For individual schemes requiring a Local Growth Fund (LGF) contribution of greater than £5m and packages of small-scale measures requiring a LGF Contribution of greater than £10m, an Outline/Full Business Case is required.
2. For individual schemes requiring a LGF contribution of less than £5m, a Strategic Outline Business Case is required.
3. For packages of small-scale measures requiring a LGF contribution of up to £10m where no individual scheme has a capital cost greater than £5m, a Strategic Outline Business Case is required.

Scheme Approvals Process

For individual schemes requiring a LGF contribution of greater than £5m and packages of small-scale measures requiring a LGF Contribution of greater than £10m, the LEP adopts a three stage approvals process:

Stage 1: Programme Entry

Programme Entry indicates the LEP's intention to provide funding to a scheme or package following acceptance of a Strategic Outline Business Case and its inclusion in the Strategic Economic Plan.

Stage 2: Conditional Approval

Conditional Approval indicates the LEP's acceptance of an Outline Business Case demonstrating high value for money.

Stage 3: Full Approval

Full Approval indicates the LEP's acceptance of a Full Transport Business Case and approval to proceed to implementation.

For individual schemes requiring a LGF contribution of less than £5m or packages of small-scale measures requiring a LGF contribution of up to £10m where no individual scheme has a capital cost greater than £5m, acceptance of a Strategic Outline Business Case indicates the Lancashire Enterprise Partnership's approval to proceed to implementation. This enables the scheme promoter to commence works and draw down grant funds.

Value for Money

The LEP will approve schemes demonstrating high value for money, with a benefit to cost ratio (BCR) of greater than 2, only in exceptional cases will the LEP consider schemes with a BCR of less than 2, for example where the scheme promoter can demonstrate significant additional monetised or non-monetised benefits that are important in relation to stated strategic objectives.

TfL provides the LEP with a Value for Money assessment in line with published Department for Transport WebTAG guidance at each approval stage.

Programme and Risk Management

TfL form part of the Monitoring and Evaluation working group which has established a transparent process for monitoring progress on scheme delivery and spend and for informing responses to changed circumstances including scheme slippage and changes to scheme scope and/or costs.

Monitoring and Evaluation

All transport scheme promoters have an agreed logic chain template which forms part of the Growth Deal Monitoring and Evaluation Framework. Formative evaluation is an established principle for all transport schemes and sponsors of exemplar transport projects agree the implications of any additional requirements. All transport project sponsors are required to prepare quarterly monitoring returns for consideration by the Growth Deal Management Board.

5.4 **Skills Capital Schemes**

The Terms of Reference for the Lancashire Skills Board, provided at **Appendix 1**, set out the role of the Board in developing, prioritising, appraising and approving skills capital projects. The process and methodology for the current skills capital projects is summarised below and decisions on any future skills capital projects will be reached based on a similar methodology. The LEP currently has a Memorandum of Understanding with the Skills Funding Agency (SFA) whereby the SFA's Capital Team will undertake a financial and estate condition assessment of any organisation submitting a scheme for consideration. Economic impact will be assessed by LCC officers.

Eligibility

As part of the Growth Deal preparation, the Skills Board commissioned research to provide a retrospective analysis of the use of FE/Skills Capital in Lancashire over the past five years and to begin to compile a "pipeline" of future projects. This analysis was used to understand assets and gaps in the skills infrastructure landscape. Skills providers were then asked to complete project pro-forma aimed at populating a pipeline of indicative projects as far forward as 2020.

A total of 52 potential projects were identified, seeking £95m of Skills Capital grant between 2014 and 2020. These projects represented a combination of planned estate improvement and maintenance, new projects aligned to the growth priorities identified within the Strategic Economic Plan and investment in wider student facilities such as sports, social and learning resources.

A further, more detailed application form was issued, to identify projects with a 2015/16 and 16/17 start date. This resulted in 33 detailed project questionnaires returns seeking circa £45m of SLGF.

In consultation with the SFA and BIS, the 33 projects were prioritised according to strategic importance and readiness. A common frame of assessment was applied to the skills capital projects based on strength of the rationale for the process, outputs, value for money, deliverability and scalability.

Following this further assessment by the Skills Board, projects were designated into one of three categories: High Priority; Developmental; Low Priority / Questionable Eligibility. This resulted in nine projects being categorised by the Skills Board as a High Priority. Negotiations with Government during the Growth Deal process resulted in further prioritisation and projects being split according to 15/16 and 16/17 starts, with 15/16 seeing 8 skills capital projects underway.

The Business Case, Scheme Assessment and Appraisal

The formal consideration of the Detailed Business Cases submitted in support of 15/16 projects is now almost complete. The process brings together the scoring of both the SFA and LEP, reverts to the applicant for further information as appropriate and is then ratified by both Skills Board and LEP. Through this process, we have become aware that the marking criteria of the preceding ESF programme do not align with the type of projects. We are now working with SFA to address this in subsequent rounds of activity.

Local funding contribution

The LEP requires scheme promoters to provide an absolute minimum of 10% contribution towards total scheme costs and 100% of any increase in cost following the granting of programme entry. Where projects are seeking a grant intervention rate above 33% (the stated benchmark under SFA administration of the scheme) the LEP will:-

- a. Consider the views of the SFA in terms of the applicant's ability to offer more
- b. Ensure that projects seeking exceptional intervention rates score highly in assessment
- c. Revert to the applicant for assurances around their financial capabilities and planning assumptions in setting their contribution to the project

Approvals process

All skills capital schemes will be subject to the following approval process:

Stage 1: Expression of Interest

The Expression of Interest (Eoi) stage indicates the LEP's intention to provide skills capital funding for projects which are aligned to the Strategic Economic Plan, are able to demonstrate business need and are deliverable within the required timescales. Providers will be invited to complete an Eoi to demonstrate how the project aligns with the SEP.

Stage 2: Conditional Approval

Projects which have satisfied the EoI requirements will be prioritised by the Skills Board and will subsequently be invited to submit a full business case demonstrating value for money.

Stage 3: Full Approval

Full approval indicates the Skills Board and LEP's acceptance of the full business case and approval to proceed implementation.

Value for money

The LEP will approve skills capital schemes which clearly demonstrate value for money including non-monetised benefits that clearly demonstrate a longer term benefit to economic growth objectives.

Programme and Risk Management

Skills Board advisors form part of the Monitoring and Evaluation working group which has established a transparent process for monitoring progress on scheme delivery and spend and for informing responses to changed circumstances including scheme slippage and changes to scheme scope and/or costs. A project and process issues log is to be compiled, which will inform future commissioning rounds and as the SFA capital team and LCC have now received all Round 1 Detailed Business Cases, an assessment of deliverability / risk within the project has been undertaken and will be closely monitored by the Skills Board.

Monitoring and Evaluation

All skills capital scheme promoters have agreed a logic chain template which forms part of the Growth Deal Monitoring and Evaluation Framework. Formative evaluation is an established principle for all skills capital schemes and sponsors of exemplar skills capital projects are aware of the implications of any additional requirements. All skills capital project sponsors are required to prepare quarterly monitoring returns for consideration by the Growth Deal Management Board.

5.5 Economic Development Schemes

The LEP's Strategic Economic Plan sets out priority economic development and growth themes and initiatives and the LEP is committed to regularly reviewing the SEP to ensure that existing and emerging growth priorities are well positioned.

Eligibility

The SEP, and on-going reviews of the SEP, set out the economic development priorities in Lancashire and the LEP remains alert and open to emerging priorities to be considered for investment funding. In line with Government guidance, the LEP will not use Local Growth Deal Fund resources to fund feasibility works or revenue schemes.

The LEP Board approved the SEP in March 2014 and in May 2014 considered a prioritised list based on the application of an agreed set of criteria to all project proposals in order to

consider their strategic relevance, impact, value for money, scalability and deliverability. These criteria are set out at **Annex 8**.

The Growth Deal projects were subsequently categorised within one of three groupings:

- **Priority 1 Investment Schemes** - projects ready to start delivery from 2015/16;
- **Priority 2 Investment Schemes** - projects ready to start delivery post 2015/16; and
- **Priority 3 Investment Schemes** - projects seeking investment post 2020/21

The business case, Scheme assessment and appraisal

The LEP applies a proportionate approach to the development of economic development business cases. In line with Government guidance the LEP requires economic development project sponsors to prepare their business cases using the Five Case Model –an approach which is both scalable and proportionate. It is recognised as best practice and is the Treasury’s standard methodology.

For individual schemes requiring a Local Growth Fund (LGF) contribution of greater than £5m a full green book appraisal is submitted to Government analysts for comment and approval.

For individual schemes requiring a LGF contribution of less than £5m the LEP requires a proportionate green book appraisal. These are not submitted to Government.

In all cases the LEP, using appropriately qualified consultants, will scrutinise individual economic development scheme business cases before final draw down of resources.

Local funding contribution

The LEP requires scheme promoters to provide an absolute minimum 10% contribution towards total scheme construction cost and 100% of any increase in project cost.

Approvals process

For individual economic development schemes requiring a LGF contribution of greater than £5m the LEP adopts a three stage approvals process:

Stage 1: Programme Entry

Programme Entry indicates the LEP's intention to provide funding to a scheme or package following acceptance of a Strategic Outline Business Case.

Stage 2: Conditional Approval

Conditional Approval indicates the LEP's acceptance of an Outline Business Case demonstrating high value for money.

Stage 3: Full Approval

Full Approval indicates the LEP's acceptance of a final Business Case and approval to proceed to implementation.

Value for money

The LEP will approve skills capital schemes which clearly demonstrate value for money including non-monetised benefits that clearly demonstrate a longer term benefit to economic growth objectives.

Programme and Risk Management

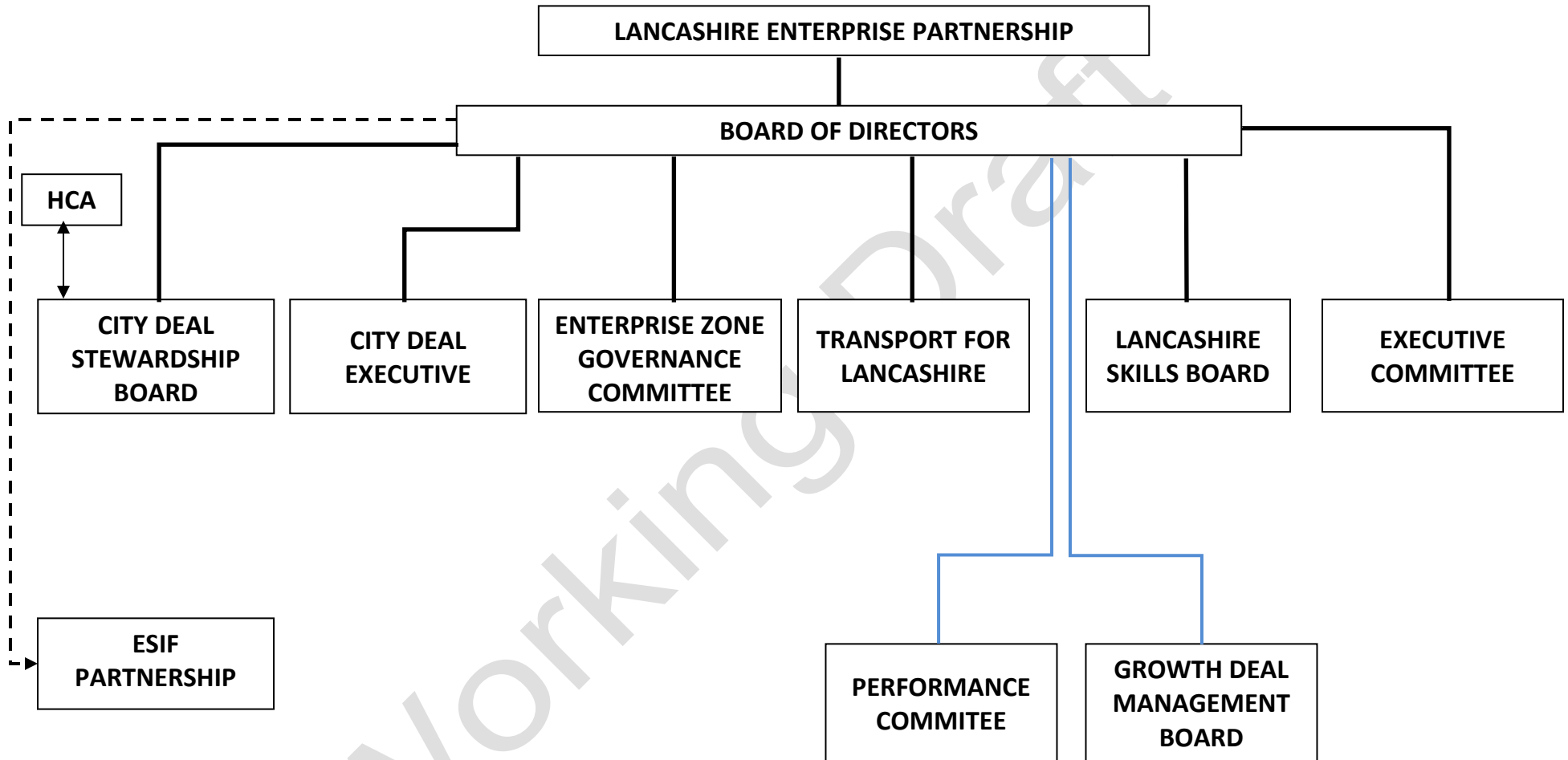
Economic development scheme advisors form part of the Monitoring and Evaluation working group which has established a transparent process for monitoring progress on scheme delivery and spend and for informing responses to changed circumstances including scheme slippage and changes to scheme scope and/or costs.

Monitoring and Evaluation

All economic development scheme promoters have an agreed logic chain template which forms part of the Growth Deal Monitoring and Evaluation Framework. Formative evaluation is an established principle for all economic development schemes and sponsors of exemplar transport projects are aware of the implications of any additional requirements. All economic development project sponsors are required to prepare quarterly monitoring returns for consideration by the Growth Deal Management Board.

Annex 1: LEP Governance Structure

Working Draft



Note: arrows with solid lines indicate established Committees. Dotted lines indicate a partnership relationship. Blue lines indicate committees to be formed.



Annex 1: Committee Terms of Reference

Working Draft



LEP Board Directors

| | |
|---------------------------------|---|
| Mike Blackburn | Regional Director of the North West BT |
| Councillor Maureen Bateson | Executive Director for the Regeneration Portfolio - Blackburn with Darwen Borough Council |
| Councillor Simon Blackburn | Leader Blackpool Council |
| Edwin Booth | Chair of E H Booth & Co Ltd |
| James Carter | Deputy Chair of the Eric Wright Group |
| Graham Cowley | Chief Operating Officer Capita Symonds |
| Mike Damms | Nominee of East Lancashire Chamber of Commerce |
| Richard Evans | Senior partner of KPMG's Preston office |
| Councillor Stuart Hirst | Leader of Ribble Valley Borough Council |
| Malcolm McVicar | |
| County Councillor Jennifer Mein | Leader Lancashire County Council |
| Dennis Mendoros | Chief Executive Officer of Euravia Limited |
| Cliff Robson | Director Industrial Capability – BAE Systems |
| Councillor Mark Townsend | Leader Burnley Borough Council |
| Mike Tynan | Director - Nuclear Advanced Manufacturing Research Centre |



LANCASHIRE ENTERPRISE PARTNERSHIP
EXECUTIVE COMMITTEE TERMS OF REFERENCE

Name

Lancashire Enterprise Partnership Executive Committee

Role

This Committee was appointed by the Board in March 2013 to enable decisions of the Board to be taken between Board meetings. The Committee has full powers to take decisions in respect of matters certified by the Chair as urgent business. The Committee will be able to act on behalf of the Board between formal meetings, or on issues that the Board may not be able to resolve during meetings and to deal with such matters as the Board may refer to it on an ad hoc basis.

Membership

The Membership of the Committee is:

- The Chair of the LEP Board (**Chair**)
- The Vice-Chair of the LEP Board
- LEP Director, Dr McVicar, Former Vice Chancellor, University of Central Lancashire
- LEP Director, Mr Mendoros, Owner & MD Euravia Engineering
- LEP Director, Cllr Jenny Mein, The Leader of Lancashire County Council

Quorum

The quorum for decision making for the Executive Committee shall be 3 of the above Directors

Meeting Frequency

The Executive Committee will not have scheduled meetings, though will meet on an ad hoc basis when required to make urgent decisions on behalf of the full LEP Board.

LANCASHIRE ENTERPRISE PARTNERSHIP
TRANSPORT FOR LANCASHIRE TERMS OF REFERENCE

Name

Transport for Lancashire

Geography

The geographical area covered by Transport for Lancashire will be coterminous with the boundaries of the three local transport authorities (Lancashire County Council, Blackpool Borough Council and Blackburn with Darwen Borough Council) and the Lancashire Enterprise Partnership.

Membership

Transport for Lancashire will be a dedicated committee of the Lancashire Enterprise Partnership. Full (voting) members of Transport for Lancashire comprise:

- Lancashire County Council (Leader or nominee)
- Blackburn with Darwen Borough Council (Leader or nominee)
- Blackpool Borough Council (Leader or nominee)
- Chair and Vice Chair of the Lancashire Enterprise Partnership (or nominees)

Participating observers (non-voting):

1. Department for Transport
2. Highways Agency
3. Network Rail

Given Lancashire County Council's status as the largest local transport authority, the Leader of Lancashire County Council (or their nominee) shall act as Chair of the Committee. The Chair will not have a casting vote.

Transport for Lancashire will review its membership periodically to reflect any changes in national or local policy circumstances and/or requirements, including allowing for expansion if necessary. Transport for Lancashire may invite the Leader (or nominee) of a District Council to attend relevant meetings as a participating observer where that authority is contributing funding to a transport scheme programmed for delivery through the Growth Deal.

Strategic Objectives and Purpose

Transport for Lancashire will:



- Monitor progress on scheme delivery and spend and advise the Lancashire Enterprise Partnership with regard to changed circumstances (cost changes, scheme alterations and changes to delivery timescales);
- Advise the Lancashire Enterprise Partnership on individual scheme approvals and investment decision making in line with the approvals process set out in the Lancashire Enterprise Partnership's accountability framework;
- Scrutinise individual scheme business cases;
- Ensure value for money is achieved;
- Advise the Lancashire Enterprise Partnership with regard to Government consultations on long-term rail planning and franchise specification and provide a co-ordinating role between constituent local authorities; and
- Advise the Lancashire Enterprise Partnership with regard to Government consultations on long-term Strategic Road Network planning and provide a co-ordinating role between constituent local authorities.

As and when necessary, Transport for Lancashire will seek evidence from other organisations, including district councils within Lancashire, representatives of neighbouring local authorities, combined authorities and local enterprise partnerships, transport operators including airports and ports, the business and community sectors and NGOs.

Technical / Professional Support

On behalf of the Accountable Body for the Lancashire Enterprise Partnership, the Director of Commissioning and the Director of Economic Development at Lancashire County Council will ensure that Transport for Lancashire receives the technical support and professional advice necessary for it to carry out its functions. An Advisory Group chaired by the Director of Commissioning at Lancashire County Council and comprising senior officers from the three local transport authorities and the Board Director for Strategic Transport from the Lancashire Enterprise Partnership will be established.

Working Arrangements and Meeting Frequency

Transport for Lancashire will meet in advance of each Lancashire Enterprise Partnership Board meeting. Meetings will be cancelled if there are no substantive items for discussion.

All meetings will take place at County Hall in Preston. The quorum for meetings shall be at least 2 Local Authority Members (or their nominees) and at least one Private Sector member (or their nominee(s)).

THE LANCASHIRE ENTERPRISE PARTNERSHIP ACCOUNTABILITY FRAMEWORK – TRANSPORT

Scheme Eligibility

The Lancashire Enterprise Partnership will only consider funding clearly defined schemes that are priorities in approved highways and transport masterplans. Such schemes could include packages of measures aimed at solving specific problems/issues that when combined support delivery of the Strategic Economic Plan, but subject to the funding only being available for capital expenditure. In all cases, funding will only contribute towards the capital cost of a scheme, including construction costs, land acquisition costs and Part 1 Claims under the Land and Compensation Act 1973. The Lancashire Enterprise Partnership will not fund scheme development and preparation costs nor any post scheme monitoring and evaluation.

The Lancashire Enterprise Partnership will consider funding exceptional structural maintenance schemes including bridges, tunnels, retaining walls and culverts with a minimum cost threshold of £2m. Decisions will reflect the economic importance of the structure(s) and the adverse effects failure to maintain would have. Local highway authorities will need to provide supporting information including the importance of the route, existing or likelihood of imminent weight restrictions, existing or potential diversionary routes and details of the work that they will need to undertake if restrictions are not to be imposed. Local highway authorities will also need to demonstrate why a scheme is not deliverable from other funding sources.

The Lancashire Enterprise Partnership will consider funding schemes on the networks of the Highways Agency and Network Rail, including in adjacent Local Enterprise Partnership areas, where such schemes contribute towards the delivery of the objectives of the Strategic Economic Plan and where funding is unlikely to be available through standard Highways Agency and Network Rail programmes. In such circumstances, the Lancashire Enterprise Partnership will hold early discussions with the Highways Agency and Network Rail, and where appropriate, adjacent Local Enterprise Partnerships, to enable their views to be taken into account. Where any rail schemes affect train services, the Lancashire Enterprise Partnership will also consult the relevant Train Operating Company and DfT Rail.

Local Funding Contribution

For all schemes, the Lancashire Economic Partnership will require scheme promoters to provide an absolute minimum 10% contribution towards total scheme construction cost and 100% of any increase in cost following the granting of Programme Entry. Local transport authorities will therefore need to explore all potential sources of funding, including district council, European, developer / private sector and third party, in line with Department for Transport expectations.

The scheme promoter's Section 151 officer must underwrite the promoter's ability to fund the local contribution and any subsequent cost increases following the granting of Programme Entry. Scheme promoters must adhere to Department for Transport requirements as set out in WebTAG, the Department for Transport's web-based guidance on the conduct of transport



studies, to ensure a consistent approach to variables such as construction inflation, the application of optimism bias and allowance for risk in the derivation of outturn costs.

Scheme Assessment and Appraisal

The Lancashire Enterprise Partnership will apply a proportionate approach to the development of transport business cases in line with the Business Case Development Process Chart attached as Annex 1. For example, the transport business case for a £20m scheme will require significantly more detail than that for a £2m scheme. As a guide:

4. For individual schemes requiring a Local Growth Fund contribution of greater than £5m and packages of small-scale measures requiring a Local Growth Fund Contribution of greater than £10m, the Lancashire Enterprise Partnership will require submission of Outline/Full Business Cases that demonstrate high value for money.
5. For individual schemes requiring a Local Growth Fund contribution of less than £5m, a Strategic Outline Business Case will suffice, although a scheme will still need to demonstrate high value for money.
6. For packages of small-scale measures requiring a Local Growth Fund contribution of up to £10m where no individual scheme has a capital cost greater than £5m, a Strategic Outline Business Case will suffice, although the package will still need to demonstrate high value for money.

For the avoidance of doubt, scheme promoters should seek advice from Transport for Lancashire at the earliest opportunity.

Scheme Approvals Process

For individual schemes requiring a Local Growth Fund contribution of greater than £5m and packages of small-scale measures requiring a Local Growth Fund Contribution of greater than £10m, the Lancashire Enterprise Partnership will adopt a three stage approvals process based on modified current practice. Schemes on the networks of either the Highways Agency or Network Rail may undergo a different approval process.

Stage 1: Programme Entry

Programme Entry indicates the Lancashire Enterprise Partnership's intention to provide funding to a scheme or package following acceptance of a Strategic Outline Business Case and its inclusion in the Strategic Economic Plan. Programme Entry is not an absolute commitment, but intended to provide sufficient assurance for the promoting authority to embark on Outline Business Case development.

Stage 2: Conditional Approval

Conditional Approval indicates the Lancashire Enterprise Partnership's acceptance of an Outline Business Case demonstrating high value for money. It is intended to provide the expectation of funding necessary for the promoting authority to apply for any statutory powers that may be



required such as Transport and Works Act powers, highways orders, planning consents, compulsory purchase orders etc.

The Lancashire Enterprise Partnership will only grant Conditional Approval on the basis that there will be no material changes to the scheme's scope, cost, design, expected benefits and value for money. The granting of Conditional Approval may be subject to a small and limited number of conditions.

Stage 3: Full Approval

Full Approval indicates the Lancashire Enterprise Partnership's acceptance of a Full Transport Business Case and approval to proceed to implementation. It occurs when all necessary statutory powers are in place and any necessary conditions specified at Conditional Approval have been satisfied. Scheme promoters can only apply for Full Approval once procurement has taken place and a preferred bidder with firm and final prices selected. Once granted, Full Approval enables the scheme promoter to commence construction and draw down grant funds.

For individual schemes requiring a Local Growth Fund contribution of less than £5m or packages of small-scale measures requiring a Local Growth Fund contribution of up to £10m where no individual scheme has a capital cost greater than £5m, acceptance of a Strategic Outline Business Case indicates the Lancashire Enterprise Partnership's approval to proceed to implementation. This enables the scheme promoter to commence works and draw down grant funds.

The Transport Business Case

The Lancashire Enterprise Partnership requires all transport business cases to adhere to the key principles of the Department for Transport's Transport Business Case guidance (January 2013) and be fully compliant with the approach to modelling appraisal and analysis set out in WebTAG at the time they submit the transport business case. This will ensure that scheme assessment follows current best practice.

Each transport business case will need to include a clear statement of scheme objectives and the specific outcomes it is intended to deliver. Scheme promoters must base central case assessments on forecasts that are consistent with the latest version of the National Trip End Model (NTEM), the Department for Transport's planning dataset. As a minimum, Transport for Lancashire will expect to consider central case assessments as part of its scrutiny of transport business cases.

Outline Business Cases submitted for Conditional Approval must include a statement confirming that WebTAG has been followed. An Appraisal Summary Table (AST) will need to accompany submissions and demonstrate that the scheme offers high value for money. Scheme promoters must ensure that the Senior Responsible Owner signs off each AST as true and accurate.

Transport for Lancashire will scrutinise individual scheme business cases on behalf of the Lancashire Enterprise Partnership and advise accordingly. In order to secure the required expertise for transport business case scrutiny without Transport for Lancashire having to develop this capability and capacity in-house at considerable cost, Transport for Lancashire will utilise



independent specialist consultants. For schemes where Lancashire County Council is not the scheme promoter, Transport for Lancashire will utilise Lancashire County Council's framework consultants to undertake transport business case scrutiny. For schemes promoted by Lancashire County Council, Transport for Lancashire will procure independent advice. This will ensure complete separation between scheme promoters and their own framework consultants and the appraisal team and decision makers.

To guarantee quality assurance, consultants appointed to undertake transport business case scrutiny will need to demonstrate significant previous experience in this field, for example, the successful preparation of major scheme business cases, and be fully conversant with Department for Transport appraisal and assessment processes such as WebTAG. As Accountable Body for the Lancashire Enterprise Partnership, Lancashire County Council will ensure that officers with appropriate technical experience of this type of work oversee the selection process.

The officer with overall responsibility for transport business case scrutiny and for advising Transport for Lancashire Mike Kirby, Director of Commissioning Lancashire County Council This officer will have delegated authority to procure and appoint external consultants to assist Transport for Lancashire with independent business case scrutiny.

Where necessary, consultants appointed to review individual transport business cases and supporting analyses will be able to request the scheme promoter to provide further analysis and information to enable full and proper consideration of the scheme and to ensure that the appraisal and supporting data and assumptions are sufficiently robust and fit for purpose. Consultants will provide Transport for Lancashire with a formal report on each submitted transport business case specifying the outcome of their assessment against the five case model set out in the Department for Transport's Transport Business Case guidance.

Value for Money

The Lancashire Enterprise Partnership will only approve schemes demonstrating high value for money, with a benefit to cost ratio (BCR) of greater than 2. Only in exceptional cases will the Lancashire Enterprise Partnership consider schemes with a BCR of less than 2. In such circumstances, the scheme promoter will need to demonstrate significant additional monetised or non-monetised benefits that are important in relation to stated strategic objectives, for example, schemes necessary to facilitate significant land development for employment or housing, and guarantee a minimum 30% local contribution.

Transport for Lancashire will provide the Lancashire Enterprise Partnership with a Value for Money assessment in line with published Department for Transport WebTAG guidance at each approval stage. As part of the independent scrutiny of a scheme's transport business case, Transport for Lancashire will require the consultant responsible to confirm that the Value for Money assessment aligns with the Department for Transport's Advice Note for Local Transport Decision Makers published in December 2013. Damon Lawrenson the County Council's interim Director of Financial Resources (and Section 151 officer) will sign off all Value for Money assessments as true and accurate. The Interim Director of Financial Resources is not involved with scheme development and promotion at Lancashire County Council, thus avoiding any potential conflict of interest with regard to schemes promoted by the County Council.



A scheme must satisfy the Lancashire Enterprise Partnership's value for money requirements at both Conditional and Full Approval stages. Where a scheme fails to deliver a minimum benefit to cost ratio of greater than 2, the Lancashire Enterprise Partnership will seek independent professional advice on the magnitude of the stated additional benefits prior to determining whether these benefits are sufficient to offset this requirement.

Programme and Risk Management

In order to secure effective management of the Lancashire Enterprise Partnership's transport investment programme, Transport for Lancashire will set up a transparent process for monitoring progress on scheme delivery and spend and for informing responses to changed circumstances including scheme slippage and changes to scheme scope and/or costs.

Where there are issues of cost increases and/or delays to delivery, the Lancashire Enterprise Partnership will consider the following when deciding whether to continue to support a scheme:

- whether the cost increases and/or delays to delivery were unforeseen and unavoidable;
- whether the scheme promoter is willing and/or able to fund any cost increase;
- whether additional funding has been sought from other sources;
- whether the scale of the scheme can be reduced to fit the available budget;
- the impact of any cost increase on a scheme's value for money as reflected by its benefit to cost ratio; and
- whether any delay in scheme delivery can be accommodated within the programme.

The Lancashire Enterprise Partnership ultimately reserves the right to withdraw its support for a scheme.

The Lancashire Enterprise Partnership will require scheme promoters to submit a quarterly monitoring report (QMR) to Transport for Lancashire setting out progress on scheme preparation and/or delivery. This will include a requirement for a quantified risk assessment. Transport for Lancashire will receive quarterly update reports outlining progress with delivery of the transport investment programme. It will collate the QMR information from scheme promoters, indicate progress against key milestones / deliverables and highlight any risks. A RAG (red/amber/green) rating will identify those schemes that are at risk of not meeting their programme objectives and that need urgent attention.

Monitoring and Evaluation

The Lancashire Enterprise Partnership will put in place a mechanism to ensure that it monitors and evaluates schemes in accordance with the appropriate Department for Transport guidance, and will publish the results on its website.

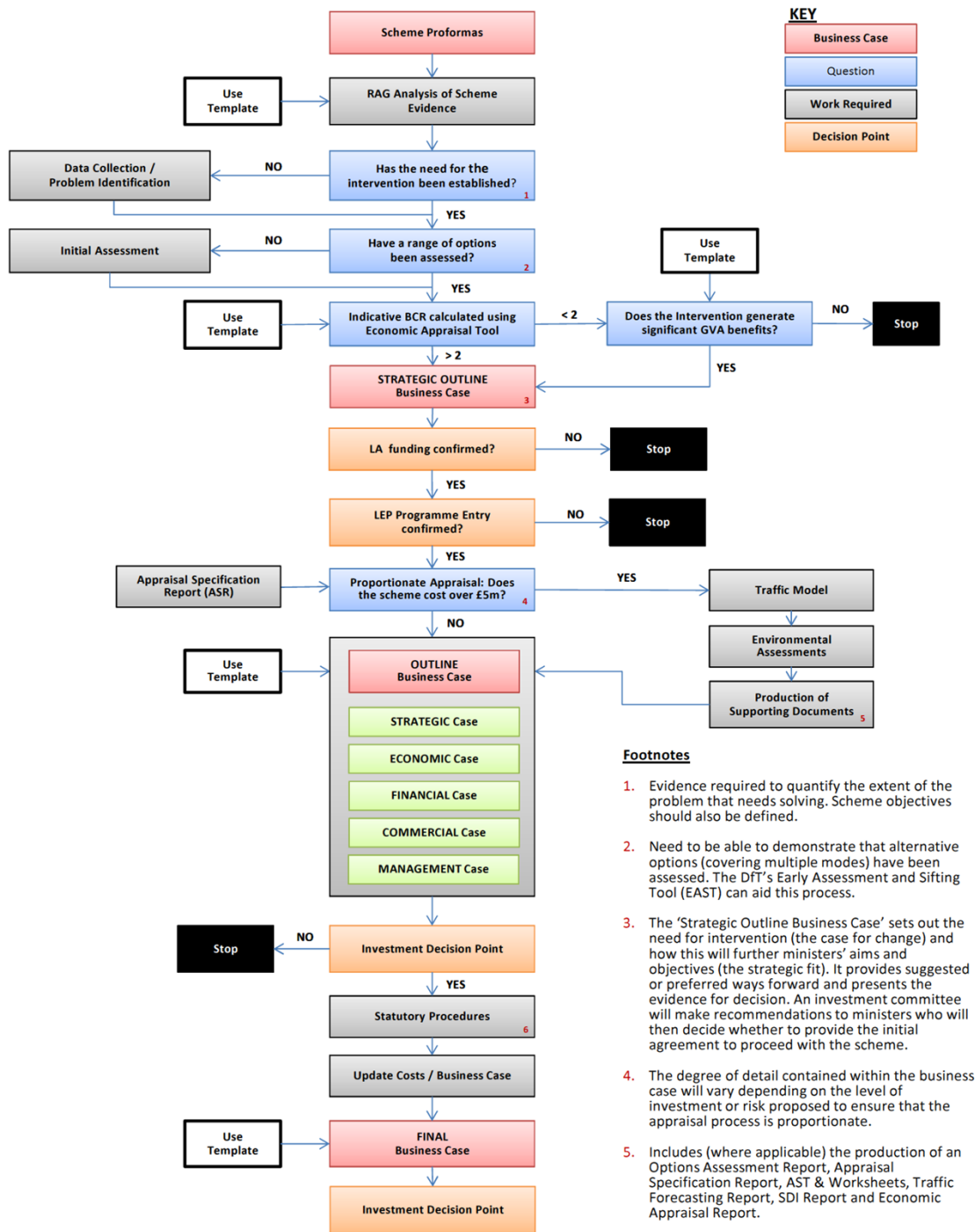


Working Draft



Business Case Development Process Chart

The process chart should be cross referenced against TfL's Assurance Framework in order to determine the status of each scheme.





PRESTON, SOUTH RIBBLE AND LANCASHIRE CITY DEAL (CITY DEAL)
CITY DEAL EXECUTIVE
TERMS OF REFERENCE

Composition

1. The City Deal Executive shall comprise the following Members:
 - i) The Leader of Lancashire County Council (or their nominee);
 - ii) The Leader of South Ribble Borough Council (or their nominee);
 - iii) The Leader of Preston City Council (or their nominee);
 - iv) The Chair of the Lancashire Enterprise Partnership (LEP) (or their nominee);
 - v) The Vice-Chair of the LEP (or their nominee); and
 - vi) The LEP's Champion for Strategic Development (or their nominee)

Chair

2. The Chair of the LEP (or their nominee) shall serve as Chair of the City Deal Executive ("the Chair"). If the Chair is not present the Vice-Chair of the LEP (or their nominee) shall serve as Chair.
3. The Chair shall not have a casting vote.

Quorum

4. The quorum for City Deal Executive meetings shall be 4. No meeting shall be quorate unless the following Members (or their nominees) are present:
 - i) the Leader of Lancashire County Council
 - ii) the Chair of the LEP or Vice-Chair of the LEP;
 - iii) the Leader of South Ribble Borough Council; and
 - iv) the Leader of Preston City Council.
5. If within fifteen minutes from the time appointed for the holding of a City Deal Executive meeting a quorum is not present, the meeting shall be adjourned. The Secretary shall arrange for the meeting to take place within two weeks and if at that meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting the Members present shall be a quorum.
6. Any Member may validly participate in a meeting of the City Deal Executive by conference telephone or other form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting.

Secretary

7. Lancashire County Council's County Secretary and Solicitor (or their nominee) shall serve as the Secretary to the City Deal Executive.



8. The Secretary shall produce minutes of all meetings of the City Deal Executive.

Meeting Frequency

9. The City Deal Executive shall meet according to operational need.

Decisions in Writing

10. A resolution in writing signed by all of the members of the City Deal Executive for the time being shall be as valid and effectual as if it had been passed at a meeting of the City Deal Executive.

Powers and Functions

11. The City Deal Executive's primary responsibility is to seek to ensure the delivery of the City Deal, and to take key strategic decisions in this regard.

12. The City Deal Executive shall:

- i) in each year, approve an annual City Deal Infrastructure Delivery Plan, for submission to the Stewardship Board in order to inform the development of an annual 'City Deal Business and Disposal Plan';
- ii) receive, in each year, from the City Deal Stewardship Board, an Annual Business and Disposal Plan, and if thought fit, approve the same;
- iii) in each year, approve an annual City Deal Communications and Marketing Plan, and receive regular progress reports on the implementation of the same;
- iv) receive, on a regular basis all appropriate monitoring and financial information in relation to the City Deal.

13. The City Deal Executive will employ no staff, hold no assets, nor enter into any contractual arrangements. All delivery and operational matters will continue to rest with the City Deal partners.

Governance Relationship with the LEP

14. The LEP is responsible for agreeing the Terms of Reference of the City Deal Executive and has the power to vary the same.

15. The City Deal Executive shall review its Terms of Reference from time to time as necessary.

16. The Minutes of City Deal Executive meetings shall be submitted to the LEP Board at the LEP's request.



17. The Chair shall provide update reports to the LEP Board at the LEP's request.

Relationship with Lancashire County Council as Accountable Body

18. Lancashire County Council shall act as Accountable Body for the City Deal Executive.
19. Lancashire County Council shall hold the City Deal Infrastructure Delivery funding and make payments to partner delivery agencies in accordance with the decisions of the City Deal Executive. Lancashire County Council shall ensure that these funds remain separate and identifiable from the Accountable Body's own funds, and shall provide financial reports to the City Deal Executive.
20. Lancashire County Council shall provide administrative, financial and legal support to the City Deal Executive.
21. Lancashire County Council shall maintain an official record of the City Deal Executive proceedings and a library of all formal City Deal Executive documents.

Relationship with other Bodies

22. The City Deal Project Board shall report directly to the City Deal Executive and operate under Terms of Reference as agreed by the City Deal Executive.
23. The City Deal Executive shall with the consent of the Homes and Communities Agency and vice versa, have the authority to agree and amend the Terms of Reference of the City Deal Stewardship Board.
24. The City Deal Stewardship Board shall report directly to the Homes and Communities Agency and the City Deal Executive.



PRESTON, SOUTH RIBBLE AND LANCASHIRE CITY DEAL (CITY DEAL)
STEWARDSHIP BOARD
TERMS OF REFERENCE

Glossary of Terms

| | |
|----------------------|--|
| "City Deal Partners" | The Lancashire Enterprise Partnership, Lancashire County Council, Preston City Council and South Ribble Borough Council. |
| "CLG" | Department for Communities and Local Government |
| "HCA" | Homes and Communities Agency |

Composition

1. The Stewardship Board shall comprise the following Members:
 - i) The North West Executive Director of the HCA (or their nominee);
 - ii) The Chief Executive of Lancashire County Council (or their nominee);
 - iii) The Chief Executive of South Ribble Borough Council (or their nominee);
 - iv) The Chief Executive of Preston City Council (or their nominee); and
 - v) The Lancashire Enterprise Partnership's Champion for Strategic Development (or their nominee).
2. The Stewardship Board shall have the power to appoint up to 2 additional Members.

Chair

3. The North West Executive Director of the HCA (or their nominee) shall serve as Chair of the Stewardship Board ("the Chair").
4. The Chair shall not have a casting vote.

Quorum

5. The quorum for Stewardship Board meetings shall be 5. No meeting shall be quorate unless each Member set out in 1 above is present.
6. If within fifteen minutes from the time appointed for the holding of a City Deal Stewardship Board meeting a quorum is not present, the meeting shall be adjourned. The Secretary shall arrange for the meeting to take place within two weeks and if at that meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting the Members present shall be a quorum.

Secretary

7. Lancashire County Council's County Secretary and Solicitor (or their nominee) shall serve as the Secretary to the Stewardship Board.

Meetings

8. The Stewardship Board shall meet according to operational need.
9. Meetings shall take place at venues provided by each of the City Deal Partners and the HCA, on a rotational basis where possible.
10. An Agenda and all necessary accompanying papers shall, wherever possible, be despatched 7 days prior to each meeting.
11. The Secretary shall produce minutes of all meetings of the Stewardship Board.

Decisions in Writing

12. A resolution in writing signed by all of the members of the Stewardship Board for the time being shall be as valid and effectual as if it had been passed at a meeting of the Stewardship Board.

Duties and Responsibilities

13. The Stewardship Board has the responsibility for guiding the disposal of the assets listed in the City Deal document, in accordance with wider City Deal economic and housing growth objectives.
14. The Stewardship Board shall:
 - i) in each year, receive an annual 'City Deal Infrastructure Delivery Plan' from the City Deal Executive and utilise its content to inform the development of an annual 'City Deal Business and Disposal Plan';
 - ii) in each year, approve an annual 'City Deal Business and Disposal Plan' for submission to the HCA's National Board. As soon as the Plan is approved by the HCA it shall be submitted to the City Deal Executive for their consideration and, if thought fit, approval;
 - iii) at any time, recommend to the HCA and City Deal Executive, in turn, any amendments or additions to the annual City Deal Business and Disposal Plan;
 - iv) approve a 'Monitoring Schedule' for submission to the CLG;



- v) at any time, recommend to the CLG any amendments or additions to the Monitoring Schedule;
- vi) receive Monitoring Schedule progress updates on an annual basis;
- vii) receive regular financial updates in relation to the City Deal Infrastructure Delivery Fund;
- viii) receive regular reports on the Infrastructure Delivery Plan;
- ix) make recommendations as it sees fit, on any matter within its remit, to the City Deal Executive, HCA, City Deal Partners, and/or CLG.

Governance Relationships

- 15. The HCA and City Deal Executive, acting unanimously, shall be responsible for agreeing and, if necessary, amending the Terms of Reference of the Stewardship Board.
- 16. The Stewardship Board shall review its Terms of Reference from time to time as and when necessary.
- 17. These Terms of Reference shall be read in conjunction with the City Deal Stewardship Board Agreement "Agreement" and Memorandum of Understanding "Memorandum". If any provisions of the Agreement or Memorandum conflict with any provisions of these Terms of Reference, these Terms of Reference shall prevail.
- 18. The Secretary shall maintain an official record of all Stewardship Board proceedings and a library of formal Stewardship Board documents.

LANCASHIRE SKILLS BOARD
TERMS OF REFERENCE

Composition

1. Unless otherwise agreed by the Lancashire Enterprise Partnership, the Skills Board shall comprise a minimum of 5 members and a maximum of 10.
2. The Members of the Skills Board shall be appointed by the Lancashire Enterprise Partnership and shall draw members from the training, skills and higher education sectors (up to 5, normally including 2 general further education colleges and 2 higher education providers) plus 5 from other private sector industries.
3. The Members of the Skills Board, as at the date of adoption of these Terms of Reference, are as follows:

| | |
|-----------------------|---|
| Amanda Melton (Chair) | Chief Executive, Nelson and Colne College – Further Education Sector |
| Beverley Robinson | Chief Executive, Blackpool and Fylde College – Further Education Sector |
| Andrew Atherton | Deputy Vice Chancellor, Lancaster University – Higher Education Sector |
| Joel Arber | Director of Marketing and Communications, UCLAN |
| Steve Gray | Chief Executive, Training 2000 – Private Sector |
| Joanne Pickering | Forbes Solicitors and Chair of Lancashire HR Employers Network – Private Sector |
| Lynne Livesey | Pro Vice Chancellor, University of Central Lancashire – Higher Education Sector |
| Graham Howarth | HR and Legal Director, Crown Paints |
| Paul Holme | Chair of the North West Training Provider Network |

4. The Skills Board may invite any persons it sees fit to attend meetings as observers.
5. When considering the appointment of additional members to the Skills Board, perceived gaps in knowledge / experience, together with sectoral and geographical coverage should be taken into account.

Chair and Deputy Chair

6. The Skills Board shall appoint one of its number to act as Chair ("the Chair"). The Chair of the Skills Board will be a private sector representative and be a member of the LEP Board.
7. The Chair shall not have a casting vote.



8. The Skills Board may appoint one of its number to act as Deputy Chair ("Deputy Chair").

Quorum

9. The quorum for Skills Board meetings shall be 4.
10. If within fifteen minutes from the time appointed for the holding of a Skills Board meeting a quorum is not present, the meeting shall be adjourned. The Secretary shall arrange for the meeting to take place within two weeks.

Secretary

11. The Company Secretary of the Lancashire Enterprise Partnership (or their nominee) shall serve as the Secretary ("The Secretary") to the Skills Board.
12. The Secretary shall produce minutes of all meetings of the Skills Board and will maintain a list of conflicts of interests. Future Skills Board agendas will include a standard item requiring declarations to be made in relation to specific items of business.
13. The Secretary shall produce and maintain an action list of all outstanding Skills Board matters, a copy of which shall be circulated to meetings of the Skills Board.

Meeting Frequency

14. The Skills Board shall meet according to operational need.

Decisions in Writing

15. A resolution in writing signed by the majority of the members of the Skills Board for the time being shall be as valid and effectual as if it had been passed at a meeting of the Skills Board.

Remit

16. The Skills Board's primary responsibility is to consider skills development priorities within Lancashire, Blackpool and Blackburn and any related issues and make recommendations on the same to the relevant bodies. In doing so, the Skills Board shall:
 - i) commission and maintain an evidence-base to help understand key skill demands in the LEP area and support the development and tracking of an agreed Skills Plan with agreed Key Performance Indicators;
 - ii) oversee the production of a Skills Plan for the area which is consistent with the wider economic priorities set out in the LEP's Growth Plan;



- iii) develop and promote skills-related initiatives and programmes aligned with agreed priorities, as part of the LEP's Strategic Economic Plan;
- iv) will identify and work with other LEP areas on skills issues of strategic and cross-boundary significance; and
- v) advise on the deployment of skills funding directly accessed by the LEP.

Governance Relationship with the LEP

- 17. The LEP is responsible for agreeing the Terms of Reference of the Skills Board and has the power to vary the same.
- 18. The Skills Board shall review its Terms of Reference from time to time as necessary and report their findings to the LEP.
- 19. Minutes of Skills Board meetings shall be submitted to the LEP Board at the LEP's request.
- 20. The Chair shall provide update reports to the LEP Board at the LEP's request.

Relationship with Lancashire County Council

- 21. Lancashire County Council shall provide administrative and legal support to the Skills Board.
- 22. Lancashire County Council shall maintain an official record of the Skills Board proceedings and a library of all formal Skills Board documents.

LANCASHIRE ENTERPRISE ZONE
GOVERNANCE STRUCTURE AND TERMS OF REFERENCE

Revised February 2015

Enterprise Zone Governance Committee

Membership

- Chair: Edwin Booth, Chair of the Lancashire Enterprise Partnership (LEP)
- Directors: Richard Evans, Partner, KPMG, and LEP Director
Mike Tynan, Chief Executive (Nuclear) AMRC and LEP Director
Jenny Mein, Leader of Lancashire County Council and LEP Director
Malcolm McVicar, Former Vice Chancellor, University of Central Lancashire, and LEP Director
Mark Smith, Vice Chancellor, University of Lancaster
David Taylor, Chairman, David Taylor Partnership
- Quorum: Chair and two members of the Governing Body

Frequency of Meetings

Bi-Monthly

Role and Responsibilities

The Enterprise Zone Governance Committee is a sub-committee of the Lancashire Enterprise Partnership.

The Governance Committee is responsible for setting and overseeing the strategic direction of the Lancashire Enterprise Zone. It will also provide regular reports to the LEP Board, specifically focusing on:

- (v) Regular progress updates on the delivery of public infrastructure into the Samlesbury site of the Lancashire Enterprise Zone;
- (vi) Regular progress updates on the delivery of the BAE Systems' Training Centre and Logistics Facility, which will form the first phase of development on the Samlesbury site of the Lancashire Enterprise Zone;
- (vii) Regular progress updates on the establishment and progress of the Dev Co arrangement (a joint venture between Carillion PLC and Eric Wright Group Ltd in their capacity as the County Council's strategic regeneration property partner) to deliver the Samlesbury site;
- (viii) Regular progress reports on the drawdown/development of land on the Lancashire Enterprise Zone;
- (ix) Regular progress reports on the generation of commercial leads and enquiries on the Lancashire Enterprise Zone;



- (x) Regular financial reports regarding the generation of Business Rates growth at the Lancashire Enterprise Zone;
- (xi) Regular financial reports on Business Rates Relief providing to companies locating to the Lancashire Enterprise Zone;
- (xii) Regular financial reports on the provision and repayment of any public investment provided in support of the development of the Lancashire Enterprise Zone;
- (xiii) Regular progress updates on the number of jobs and commercial floor-space created across the Lancashire Enterprise Zone; and
- (xiv) Regular progress reports on planning frameworks and commercial masterplans in place across the Lancashire Enterprise Zone.

Enterprise Zone Programme Board

Membership

Chair: Eddie Sutton, Assistant Chief Executive, Lancashire County Council

Members: Simon Eastwood, Managing Director, Carillion PLC
Jeremy Hartley, Group Managing Director, Eric Wright Group Ltd
Gareth Jackson, Development Director, Dev Co
Dave Holmes, Director of Infrastructure, BAE Systems
Martin Kelly, Director of Economic Development, Lancashire County Council
Representative of CBRE and/or another national agent
Peter Sebastian, Head of EZ Team, Department of Communities and Local Government (DCLG)
Representative of Department Business, Innovation & Skills (BIS Local)
AEM specialist, UK Trade and Investment (UKTI)

Beckie Joyce, Head of Strategic Development, Lancashire County Council, to co-ordinate the County Council's finance, legal, planning and programme management and external professional service support to the EZ Governing Body, Programme Board and Project Board

Frequency of Meetings

Monthly – (and always two weeks in advance of each Enterprise Zone Governing Body)

Role and Responsibilities

The Enterprise Zone Programme Board is responsible for:

- (iv) Providing regular progress reports and advice on all commercial, financial, development and planning matters for consideration by the Enterprise Zone Governing Body;



- (v) Providing regular reports and advice on the implementation of agreed planning frameworks and commercial masterplans developed for the Lancashire Enterprise Zone;
- (vi) Providing reports and advice on the drawdown of land under the Option Agreement in place between Lancashire County Council and BAE Systems in respect of the Samesbury site of the Lancashire Enterprise Zone;
- (vii) Providing regular progress reports and advice on commercial enquiries received/secured on the Lancashire Enterprise Zone;
- (viii) Providing regular reports and advice on any public or other infrastructure required on the Lancashire Enterprise Zone; and
- (ix) Developing recommendations/reports for the Governing Body on new initiatives, incentives and/or funding opportunities which may be appropriate to support the delivery of the Lancashire Enterprise Zone.

Enterprise Zone Project Board

Membership

Chair: Eddie Sutton, Assistant Chief Executive, Lancashire County Council

Members: Gareth Jackson, Development Director, Dev Co
David Baird, Enterprise Zone Programme Manager, BAE Systems
Kathryn Molloy, Head of LEP Co-ordination, Lancashire County Council
Chris Dyson, EZ Programme Manager, Lancashire County Council
Emma Prideaux, EZ Planning Advisor, Lancashire County Council
Planning Officer Support, representative of Ribble Valley/South Ribble planning authorities
Julia Johnson, EZ Legal Support, Lancashire County Council
Andrew Good, Head of Finance, Lancashire County Council
Phill Wilson, EZ Highways Project Manager, Lancashire County Council
Gary Pearce, Head of Corporate Property, Lancashire County Council

Frequency of Meetings

Every two weeks

Role and Responsibilities

The Enterprise Zone Project Board is responsible for:

- (x) Managing and monitoring operational progress on the Lancashire Enterprise, specifically in respect of all commercial, financial, development, legal, planning, land, infrastructure and highways matters on the Lancashire Enterprise Zone;
- (xi) Preparing regular progress reports on all commercial, financial, development, legal, planning, land, infrastructure and highways matters for consideration by the Enterprise Zone Programme Board;



- (xii) Preparing advice and recommendations for consideration by the Enterprise Zone Programme Board on the implementation of agreed planning frameworks and commercial masterplans developed for the Lancashire Enterprise Zone;
- (xiii) Monitoring progress on the drawdown of land under the Option Agreement in place between Lancashire County Council and BAE Systems in respect of the Samlesbury site of the Lancashire Enterprise Zone;
- (xiv) Monitoring commercial enquiries received/secured on the Lancashire Enterprise Zone;
- (xv) Identifying any public or other infrastructure required on the Lancashire Enterprise Zone; and
- (xvi) Identifying any new local or national initiatives, incentives and/or funding opportunities which may be appropriate to support the delivery of the Lancashire Enterprise Zone.

Working Draft

Annex '2'

Protocol on the Disclosure of Confidential Information for Directors / Observers / Officers and other attendees at Lancashire Enterprise Partnership Board Meetings

The Lancashire Enterprise Partnership seeks to make information it holds freely available to the public in fulfilling its responsibility for openness and accountability.

In doing so, it must respect the rights of individuals and other organisations. It is also in the public interest that its commercial interests are protected to the extent recognised by the Freedom of Information Act.

This protocol sets out the arrangements agreed by the Lancashire Enterprise Partnership for the treatment by all attendees at Board meetings of confidential information.

- Confidential information will be identified in one of the following ways:
 - a. Marked "not for publication" and include a statement that the report contains confidential or exempt information
 - b. Included in Part II of an agenda for a Board meeting
 - c. Received with a covering letter or other communication which indicates the document is confidential
- If you receive confidential information you should assume that it is provided to you for your personal information and you should not disclose it to anyone unless one of the following applies;
 - a. Information at 1b above will be supplied to all other members attending the meeting in question and will be shared and discussed with them. It should not however, be shared with other people who are not involved in the meeting
 - b. You have the written consent of the person who provided you with the information to the specific disclosure made.
 - c. You have received legal advice that you are under a legal obligation to disclose that information to a person who has requested it. The Company Secretary will provide advice on this point if requested.
 - d. You may disclose the information if it is necessary for you to do so in order to obtain advice from a professional adviser, provided that adviser gives a binding obligation not to disclose the information themselves.

Freedom of Information Act 2000 – Extracts

Section 1 - General right of access to information held by public authorities.

(1) Any person making a request for information to a public authority is entitled:

- to be informed in writing by the public authority whether it holds information of the description specified in the request, and
- if that is the case, to have that information communicated to him.

(2) Subsection (1) has effect subject to the following provisions of this section and to the provisions of sections 2, 9, 12 and 14.

(3) Where a public authority—

- reasonably requires further information in order to identify and locate the information requested, and
- has informed the applicant of that requirement,

the authority is not obliged to comply with subsection (1) unless it is supplied with that further information.

(4) The information—

- in respect of which the applicant is to be informed under subsection (1)(a), or
- which is to be communicated under subsection (1)(b),

is the information in question held at the time when the request is received, except that account may be taken of any amendment or deletion made between that time and the time when the information is to be communicated under subsection (1)(b), being an amendment or deletion that would have been made regardless of the receipt of the request.

(5) A public authority is to be taken to have complied with subsection (1)(a) in relation to any information if it has communicated the information to the applicant in accordance with subsection (1)(b).

(6) In this Act, the duty of a public authority to comply with subsection (1)(a) is referred to as “the duty to confirm or deny”.

Section 3 - Public authorities.

(1) In this Act “public authority” means—

1. subject to section 4(4), any body which, any other person who, or the holder of any office which—
 - a. is listed in Schedule 1, or
 - b. is designated by order under section 5, or
2. a publicly-owned company as defined by section 6.

(2) For the purposes of this Act, information is held by a public authority if—

- it is held by the authority, otherwise than on behalf of another person, or
- it is held by another person on behalf of the authority.

Section 6 - Publicly-owned companies.

(1) A company is a “publicly-owned company” for the purposes of section 3(1)(b) if—

- it is wholly owned by the Crown, or
- it is wholly owned by any public authority listed in Schedule 1 other than—
 - a. a government department, or
 - b. any authority which is listed only in relation to particular information.

(2) For the purposes of this section—

- a company is wholly owned by the Crown if it has no members except—
 - a. Ministers of the Crown, government departments or companies wholly owned by the Crown, or
 - b. persons acting on behalf of Ministers of the Crown, government departments or companies wholly owned by the Crown, and
- a company is wholly owned by a public authority other than a government department if it has no members except—
 - a. that public authority or companies wholly owned by that public authority, or
 - b. persons acting on behalf of that public authority or of companies wholly owned by that public authority.

(3) In this section—

- “company” includes any body corporate;
- “Minister of the Crown” includes a Northern Ireland Minister

Part II Exemption Summary
Exemptions – Freedom of Information Act 2000

Section 21: Information reasonably accessible to the applicant by other means.

- The purpose of the section 21 exemption is to ensure that there is no right of access to information via FOIA if it is available to the applicant by another route.

Section 22: Information intended for future publication

- There are circumstances when it is reasonable and correct for public authorities to delay the provision of information until it is made generally available through publication.

Section 23: Security Bodies

- Section 23 of FOIA provides an exemption for information that was provided by, or relates to, a security body.

Section 24: Safeguarding national security

- National security includes more than the security of the UK, its military defence and its systems of government, it also involves co-operation with other states in combating international terrorism and guarding against actions targeted at other states which may impact on the UK and its people.

Section 26: Defence

- Section 26 of the Act sets out an exemption from the right to know if the disclosure of information would or would be likely to prejudice: the defence of the British Islands (i.e. the UK, Channel Islands and the Isle of Man) or any colony; or the capability, effectiveness or security of the armed forces or that of any forces cooperating with them.

Section 27: International relations

- Section 27 of the Act sets out exemption from disclosure if disclosure would likely prejudice
 - a. relations between the United Kingdom and any other state
 - b. relations between the United Kingdom and any other international organisation or international court
 - c. the interests of the United Kingdom abroad
 - d. the promotion or protection by the United Kingdom of its interests abroad

Section 28: Relations within the UK

- Section 28 sets out an exemption from the right to know, if the disclosure of the information in question would, or would be likely to prejudice relations between two or more United Kingdom administrations.

Section 29: The economy

- Section 29, generally referred to as the ‘economy exemption’, provides two grounds for withholding information. Firstly, information is exempt if its disclosure would, or would be likely to prejudice the economic interests of the UK or any part of it. Secondly information is also exempt where its disclosure would, or would be likely to prejudice the financial interests of the UK government or any of the devolved administrations. The term ‘prejudice’, in this context, is generally taken to mean harm or damage.

Section 30: Investigations and proceedings

- Section 30 can only be claimed by public authorities that have a duty to investigate whether someone should be charged with an offence, or the power to conduct such investigations and/or institute criminal proceedings. Section 30 is subject to the public interest test. In applying the public interest test it is important to recognise that the purpose of the exemption is to protect the effective investigation and prosecution of offences and the protection of confidential sources.

Section 31: Law enforcement

- Section 31 provides a prejudice based exemption which protects a variety of law enforcement interests, for example, prevention or detection of crime. It can protect information on a public authority’s systems which would make it more vulnerable to crime. It can also be used by a public authority that has no law enforcement function to protect the work of one that does.

Section 32: Information contained in court records

- The information covered by this section of the Act is subject to an absolute exemption. This means that if a request is received for information covered by the section there is neither a duty to disclose it nor to confirm or deny that it is held. Moreover there is no need to consider whether there might be a stronger public interest in making the disclosure despite the existence of an exemption. In other words, information is either exempt or it is not.

Section 32: Information contained in court transcripts

- Court transcripts are documents created by members of the administrative staff of the court and information in them is exempt under section 32 of the FOIA.

Section 33: Public audit

- Section 33 provides an exemption for information on public audit functions. It applies to public authorities that carry out audits or audit-type inspections of other public authorities.

Section 34: Parliamentary privilege

- Section 34 of FOIA provides an exemption for information if its disclosure would infringe parliamentary privilege. The exemption is absolute, which means there is no public interest test.

Section 35: Government policy

- Section 35 sets out four exemptions designed to protect government and provide a safe space for policymaking. Only central government can use these exemptions. However, the exemptions are qualified by the public interest test. Even if an exemption is engaged, departments can only withhold the information if the public interest in maintaining the exemption outweighs the public interest in disclosure.

Section 36: Effective conduct of public affairs

- Section 36 provides an exemption if disclosure would or would be likely to: prejudice collective responsibility or the equivalent in Wales and Northern Ireland; inhibit the free and frank provision of advice or exchange of views; or otherwise prejudice the effective conduct of public affairs.

Section 36: Record of the qualified person's opinion

- If the qualified person's opinion is that section 36 is engaged (i.e. that disclosure of the information would or would be likely to cause prejudice or inhibition), the public authority must then carry out the public interest test. As a matter of good practice, public authorities should also keep a record of the factors considered in the public interest test and the outcome of that test.

Section 37: Communications with Her Majesty and the awarding of honours

- Section 37 covers exemption of information relating to communications with The Queen, other members of the Royal Family or the Royal Household.

Section 38: Health and safety

- Section 38 provides an exemption from disclosing information if such disclosure would endanger any individual (including the applicant, the supplier of the information or anyone else). In particular the section provides that information is exempt if its disclosure under the Act would, or would be likely to endanger the physical or mental health of any individual, or endanger the safety of any individual. Section 38 is a qualified exemption. This means that even if information is exempt, a public authority is under a duty to consider whether disclosure should nevertheless be made in the public interest.

Section 40: Personal information

- When handling a request under FOIA or the EIR for information that may include personal data, the public authority must first establish whether the information constitutes personal data within the meaning of the DPA. If the information constitutes the personal data of the requester, then it is exempt from disclosure. This is an absolute exemption, and there is no duty to confirm or deny whether the information is held. Instead, the public authority should deal with the request as a subject access request under the DPA. If the information requested includes personal data of other people, then how this should be handled depends on whether it is separable from the requester's personal data. If the information constitutes the personal data of third parties, public authorities should consider whether disclosing it would breach the data protection principles. The only one which is likely to be relevant is the first principle. The public authority can only disclose the personal data if to do so would be fair, lawful and meet one of the conditions in Schedule 2 of the DPA (and in the case of sensitive personal data, a condition in Schedule 3)

Section 40: Access to information held in complaint files

- Under the DPA, individuals have a right of subject access to information about themselves. It does not give a right of access to information about anyone else – unless it is a parent acting on behalf of a child, for example. The DPA applies to all organisations that process personal data – public or private sector. Under FOIA, any individual can make a request for access to any information held by a public authority. However, an individual's own personal data is exempt from FOIA's access right – that has to be dealt with according to the DPA's subject access rules. Potentially, FOIA does give one individual a right of access to information about another. However, if providing the third party information would breach the data protection principles, then it is exempt from disclosure. Because FOIA only applies to public authorities, individuals will normally have no right of access to third party personal data held by private sector organisations. Complaint files can be complex, often consisting of a mixture of information that is the complainant's personal data, is third party personal data and that isn't personal data at all. This means that sometimes you will need to consider each document within a complaint file separately, and even the content of particular documents, to assess the status of the information they contain.

Section 40: Information exempt from the subject access right

- The public authority must first establish that the information in question constitutes personal data, within the meaning of the DPA. Secondly, the personal data must relate to someone other than the requester. The reason for this is that if the information is the requester's own personal data, then it is exempt from disclosure under section 40(1) of FOIA, and this is an absolute exemption. Instead, the DPA gives people the right to obtain their own data, using a subject access request. Furthermore, even if this right is limited in any particular case by an exemption in DPA, a requester still cannot use FOIA as an alternative route to obtain personal data about themselves. If they request it under FOIA, the exemption in section 40(1) still applies. If a public authority receives a FOIA request where the information asked for is the requester's personal data, they should inform the requester that the information is exempt under FOIA, but at the same time deal with it as a subject access request under the DPA.

Section 40: Neither confirm nor deny in relation to personal data

- A public authority is not obliged to confirm or deny whether it holds other personal data if to do so would contravene data protection principles, or a DPA section 10 notice, or if the information would be exempt from the data subject's right of access in the DPA.

Section 40: Personal data of both the requester and others

- Requested information may include the personal data of several data subjects. Where 'mixed' personal data is so closely linked that it is not possible to separate it out, there is no requirement to assess the relative extent or significance of the different sets of personal data. A request from any of the data subjects should be refused under section 40(5) or regulation 5(3).

Section 40: Requests for personal data about public authority employees

- When a public authority receives a request for information that constitutes personal data about its employees, it must decide whether disclosure would breach Principle 1 of the Data Protection Act (the DPA), ie whether it would be fair and lawful to disclose the information. Whether the disclosure is fair will depend on a number of factors including:
 - a. whether it is sensitive personal data;
 - b. the consequences of disclosure;
 - c. the reasonable expectations of the employees; and
 - d. the balance between any legitimate public interest in disclosure and the rights and freedoms of the employees concerned.
- If the public authority decides that it would be fair, the disclosure must also satisfy one of the conditions in Schedule 2 of the DPA. In addition, if the information constitutes sensitive personal data, the disclosure must also satisfy one of the conditions in Schedule 3 of the DPA. In some circumstances the authority may neither confirm nor deny that it holds the requested information. This general approach can be applied to various types of employee information, including:
 - a. Salaries and bonuses
 - b. Information about termination of employment and compromise agreements
 - c. Lists and directories of staff
 - d. Names in documents
 - e. Registers of interests
- Where employees request their own data, this is exempt under FOIA and the public authority should instead handle this as a subject access request under the DPA. Employees do not have a right under the DPA to request personnel information that falls into 'category (e)' of the definition of personal data. If the information is requested by others the exemption is qualified, rather than absolute. It may be fair to disclose the names of people representing other organisations. If the information requested is environmental information, the public authority must deal with the request under the EIR. The provisions in the EIR relating to personal data correspond to those in FOIA.

Section 41: Information provided in confidence

- Section 41 of the Act sets out an exemption from the right to know where the information requested was provided to the public authority in confidence.

Section 41: Information provided in confidence relating to contracts

- Section 41 explains that information will be exempt from disclosure if it was obtained by the public authority from another party (including another public authority), and the disclosure of the information to the public (otherwise than under this Act) by the public authority holding it would result in a breach of confidence actionable by that or any other party. The exemption cannot apply to information the public authority has generated itself. The information must have been provided by someone else.
- When a public authority enters into a contract, it should let that other party know before the contract is drawn up that part or all of the contract may be disclosed in response to a freedom of information request. Public authorities can use confidentiality clauses to identify information that may be exempt, but they should carefully consider the compatibility of such clauses with their obligations under the FOIA. They may also help identify occasions where the other party to a contract should be consulted before disclosure. Such clauses cannot however prevent disclosure under the FOIA if the information is not confidential.

Section 41: The duty of confidence and the public interest

- Section 41 states that information will be exempt if it was obtained from another person or organisation and disclosure would result in a breach of confidence over which a person could take legal action (ie an actionable breach of confidence). Section 2(3)(g) states this exemption is absolute. This means that if section 41 applies, a public authority does not have to apply a public interest test under the FOIA in order to withhold the information.

Section 42: Legal professional privilege

- Section 42 provides an exemption under FOIA for information protected by legal professional privilege (LPP). Section 42 is a qualified exemption, subject to the public interest test.

Section 43: Commercial interest

- Section 43 of the Act sets out an exemption from the right to know if the information requested is a trade secret, or release of the information is likely to prejudice the commercial interests of any person. (A person may be an individual, a company, the public authority itself or any other legal entity). Section 43 is a qualified exemption. That is, it is subject to the public interest test which is set out in section 2 of the Act. Where a public authority is satisfied that the information requested is a trade secret or that its release would prejudice someone's commercial interests, it can only refuse to provide the information if it is satisfied that the public interest in withholding the information outweighs the public interest in disclosing it.

Section 43: Commercial detriment of third parties

- Section 43(2) explains that information will be exempt if its disclosure would, or would be likely to, prejudice the commercial interest of any person. This exemption is qualified. Even if information falls within section 43, public authorities must then apply the public interest test set out in section 2(2)(b). The information can only be withheld if the public interest in maintaining the exemption outweighs the public interest in disclosure.
- If a public authority believes that by responding to a FOIA request it will prejudice the commercial interests of a third party, then it should when necessary (for example to determine whether or not an exemption applies) and wherever possible consult the third party for its view. The public authority must not speculate as to whether there is any commercial detriment and the reasons why without any evidence or input from the third party.
- If the third party does not express any concerns regarding prejudice to its commercial interests, then the public authority should not put forward any arguments of its own. However, there may occasionally be situations where the public authority cannot realistically obtain input from the third party, for example due to time constraints for responding to requests. In such situations, it will be acceptable for a public authority to put forward evidenced arguments based on its prior knowledge of the third party's concerns.

Section 43: Public sector contracts

- The Freedom of Information Act (FOIA) recognises that there are valid reasons for withholding some information in response to a request. The Act lays out 23 situations in which information is considered exempt. A public authority cannot contract out of its responsibilities under the Act and unless information is covered by an exemption it must be released if requested.
- Any of the 23 exemptions could apply to information concerning the relationship between a public authority and a contractor. Section 40 (personal information) may apply to details of a company's personnel provided in support of a tender. Section 44, statutory prohibition, will apply to information provided by contractors in some circumstances, particularly where covered by the Public Contracts Regulations 2006. The two most relevant exemptions are likely to be section 41, information which has been provided in confidence, and section 43 where the release of information is likely to prejudice someone's commercial interests.
- Only information that is in fact confidential in nature, or which could prejudice a commercial interest if released, can be withheld under these provisions. It is important that contractors and public authorities understand what information may be available and how accessibility may change over time.

Section 44: Prohibitions on disclosure

- Section 44 covers information which is prohibited from disclosure under other legislation. Information is exempt if its disclosure by the public authority holding it:
 - a. is prohibited by or under any enactment



- b. is incompatible with any Community obligation, or
 - c. would constitute or be punishable as a contempt of court
-
- Section 44 is an absolute exemption, which means that if information is covered by any of the subsections in s44 then it is exempt from disclosure. There is no need to consider whether there might be a stronger public interest in disclosing the information than in not disclosing it. Information covered by s44 is either exempt or it is not.

Working Draft

Annex '4'

Protocol on the attendance of Observers at Lancashire Enterprise Partnership Board Meetings

The Lancashire Enterprise Partnership will permit the attendance of Observers at Board meetings subject to the following provisions:

- (i) Observers are requested to make themselves known to the Company Secretary (or their representative) and state their name, the organisation they represent and their purpose for attending the meeting. Ideally this should be done in writing (or via email) in advance of the meeting.
- (ii) The Chair will seek formal approval from the Directors present to any request for an Observer to attend for Part I (Items that are publically available) and, if applicable, Part II (Private and Confidential items). Observers will usually be excluded from any Part II items other than in exceptional circumstances.
- (iii) If an Observer is permitted to attend for any Part II items they must agree to adhere to the Protocol on the Disclosure of Confidential Information for Directors / Observers / Officers and other attendees at Lancashire Enterprise Partnership Board meetings. Any Observers present from local authorities will also be bound by their own confidentiality procedures.
- (iv) The Board will determine appropriate action to be taken in the event of any proven / intentional breaches of this confidentiality statement.

Speaking at Meetings

As a general rule Observers will not be permitted to speak at Lancashire Enterprise Partnership Board meetings, unless invited to do so by the Chair.

The Chair may terminate any speech made by an Observer if he/she considers it appropriate to do so. The Chair's judgement will be informed by the following provisions:

Observers must not:

- Speak at a point in the meeting other than those where they are invited to do so by the Chair.
- Interrupt another speaker.
- Reveal personal information about another individual.
- Make individual or personal complaints against any member of the Board.
- Reveal information which they know or believe to be confidential.
- Use offensive, abusive or threatening language.
- Ignore the ruling of the Chair of the meeting.

Persistent disregard of the above protocol may result in Observers being asked to leave the meeting.

DIRECTORS' INTERESTS

Under the provisions of the Companies Act 2006, as a director of Lancashire Enterprise Partnership Limited ("the company"), there are two different types of conflict of interest that you will need to declare to the company:

Situational Conflicts

Upon accepting your appointment as a director, you should inform the Company Secretary of anything, or any connection you have, which could potentially divert your mind from giving sole consideration to promoting the success of the company.

Although there is nothing to prohibit you from holding multiple directorships or even from engaging in business that competes with Lancashire Enterprise Partnership Limited, any situation where there is a degree of tension must be declared.

For example, as a director of the company it is your duty to act in the sole interest of the company. However, if you have been nominated by another organisation, a tension may arise out of any actual or perceived duty to act in the best interests of that organisation as opposed to the company itself.

Once any potential interests have been declared, they will be put to the other directors, who have the power to authorise them.

You have an ongoing duty to update the Company Secretary of any changes to your situational interests.

Transactional conflicts

A transactional conflict arises where as a director, you or a 'connected person' (for example a family member), has an interest in a proposed or existing transaction or arrangement with the company.

If you realise that you are in any way, directly or indirectly interested in a proposed transaction or arrangement with the company, you must declare the nature and extent of that interest to the other directors. This should be done via the Company Secretary. Any such declarations should be made as soon as practicable, ideally before or at the start of any Board meeting at which the item is to be considered.

If you have made such a declaration, the default position is for you not to be counted as participating in the decision-making process for quorum or voting purposes during consideration of the matter. However Lancashire Enterprise Partnership Limited's Articles of Association do enable the remaining, non-interested directors to, if they see fit, authorise any such conflicts and in these instances they may agree for you to take part.

Please note that specific provisions relating to directors' interests are set out in clauses 13.7 to 13.13 of the company's Articles of Association.

If you require any further information or advice, please do not hesitate to contact:
Andy Milroy, Company Services Officer, Email: andy.milroy@lancashire.gov.uk Telephone: 01772
530354

Lancashire Growth Deal Project Proposal Assessment Criteria

Strategic Relevance

For example, does the project deliver across a number of SEP objectives? Contribute to LEP cross-boundary working? Does the project contribute to the delivery of national policy objectives?

Economic Impact

For example, in terms of GVA, does the project generate a high (>£30M), medium (£10-30M) or low (<£10M) level of economic impact? Any details available regarding GVA per job created?

Employment Creation

For example, does the project deliver new and additional employment growth or is the focus on safeguarding local employment? Does the project have a high (>1,000 new jobs), medium (250-999 new jobs) or low (<250 new jobs) employment impact? Any cost per job details available?

Housing Growth

For example, does the project generate a high (>1,000 new homes), medium (250-999 new homes) or low (<250) impact on housing growth?

Business Case Ratio (for Transport Schemes only)

For example, does the transport scheme have a low/medium (<2), high (2>4) or very high (4>) BCR?

Private Leverage

For example, does the project leverage low (1:1), medium (2:1) or high (>3:1) levels of private sector investment?

Deliverability (for projects starting in 2015/16)

For example, are there any outstanding land assembly or ownership issues? Are all relevant planning consents currently in place? If not, will these be in place by 1 January 2015? What is the current status of the relevant Local Plan? Is the required match funding in place and confirmed by relevant funders?

Scaleability

For example, is the project capable of being delivered with less Growth Deal investment? By how much and what is the likely impact on the scale/quality of outcomes delivered?