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Report to: LEP Board

Date: 16 January 2018

Subject: LCR LEP – Revised Constitutional Arrangements

1 Purpose

1.1 To ask the LEP Board to approve revised LCR LEP constitutional arrangements.

2 Information

2.1 At its meeting on 29 November, the LEP Board received a report on proposed changes to the constitutional arrangements for the LCR LEP, further to a review by the Head of Legal and Governance Services. The constitutional arrangements need updating to reflect the National Assurance Framework requirements and recent changes in practice including increased public access to the LEP Board’s reports and meetings.

2.2 The report to the 29 November meeting also summarised the findings of the Ney review published on 26 October (available on the following [Link](#)). These were accepted by the Department for Communities and Local Government (DCLG) to be of immediate effect. Best practice guidance on LEP governance and transparency has recently been circulated by the DCLG in draft, who have indicated that a revised National Assurance Framework will be published in April. The guidance covers the following issues:

- the publication of meeting and agenda items
- confidential reporting procedures for third parties and the public
- a Whistleblowing Policy
- a Code of Conduct
- a Register of interests

2.3 The proposed revised LEP constitution documents attached as appendices to this report therefore reflect the relevant recommendations from the Ney report, taking into account the recent DCLG best practice guidance.

2.4 The proposed LCR LEP constitution and related governance documents are attached as **Appendices 1-8** to this report, as detailed in the table below. The LEP Board Procedure Rules, an Access to Information Annex and a Code of Practice for recording meetings, for consistency, all reflect existing WYCA procedures so far as possible.

Appendix	Document	Contents/comment
1	LCR LEP Constitution	This includes disqualification criteria , an appointments process and terms of office for LEP Board members, provisions allowing urgent decision making by the LCR LEP Chair, reference to complaints and whistleblowing processes.
2	Procedure Rules	This incorporates revised substitute and quorum arrangements, and provision for an annual meeting.
3	Access to Information Annex	This reflects the statutory provisions imposed on local authorities and indicated as a requirement by the DCLG best practice guidance. An additional requirement relating to publishing draft minutes within a given timescale may need to be added, once the draft guidance has been finalised.
4	Code of Practice for Recording	This is modelled on WYCA Code, which reflects statutory requirements applying to WYCA meetings.
5	LEP Board Members' Code of Conduct	New since the LEP Board meeting in November 2017 reflecting the Nolan principles and requirements for disclosing interests as set out in the DCLG best practice guidance – see further paragraphs 2.6 – 2.8 below.
6	Procedure for complaints against LEP Board members	New since the LEP Board meeting in November 2017. See further paragraph 2.10 below.
7	Remuneration and Expenses scheme	New since the LEP Board meeting in November 2017. See further paragraph 2.11 below.
8	Confidential complaints procedure	New since the LEP Board meeting in November 2017, further to a requirement in DCLG best practice guidance for a LEP to have such a procedure. See further 2.12 below.

2.5 No substantive concerns were raised about the documents considered at the meeting on 29 November, and the documents previously considered (Appendices 1 – 4) are unaltered from those discussed at the November meeting, except for minor amendments for clarification, and to reflect the best practice guidance issued by the DCLG:

LCR LEP Constitution – Appendix 1	
Paragraph 4.11	The LCR LEP appointments panel for the LCR LEP Chair to include a private sector representative who is not a LCR LEP Board member, to provide an additional element of independence and objectivity.
Paragraph 6	Supplementary provisions relating to Officers’ Conduct – now extending to non-WYCA Officers, and requiring Officers not to advise where conflicts of interest may be considered to arise.
Paragraph 7	Revised provisions re LCR LEP Board Code of Conduct – now refers to the Code.
Paragraph 13	Amalgamates complaints and whistleblowing references, and provides for Head of Legal and Governance Services to determine the correct procedure to be followed.
Paragraph 14	New reference to the LCR LEP Board Remuneration and Expenses Scheme
Paragraph 15	New provision authorising Head of Legal and Governance Services to amend constitution and governance documents, subject to consultation with the LCR LEP Chair, and in specified circumstances only – see further paragraph 2.13 of this report
Paragraph 16	New provision requiring constitution and other governance documents to be published
LCR LEP Board Procedure Rules – Appendix 2	
Rule 3.1	LCR LEP Board annual meeting to be held before the WYCA annual meeting
Rule 6.1	LCR LEP Board to nominate the WYCA LEP Member at their annual meeting

2.6 It is now proposed to adopt a revised **LCR LEP Board Members’ Code of Conduct** which, for consistency, closely follows that of WYCA (appendix 5), since the majority of LEP Board members are in any event subject to WYCA’s Code of Conduct in their capacity as WYCA Members or co-optees. Some minor adaptations have been proposed to the statutory Code, for clarity and completeness. The proposed Code is consistent with the example code set out in the DCLG guidance, but the principles of conduct and general obligations are more comprehensive than that set out in the example code, to assist LCR LEP Board members’ by providing clarity. The Code also goes beyond what is required by the best practice guidance, in proposing safeguards in respect of the following:

- Paragraph 20/21: disclosure of close connections (personal interests)
- Paragraph 25: applying for economic loans or grants
- Paragraph 26/27: contracting for work or services with the LCR LEP
- Paragraph 28: canvassing for appointments.

2.7 The registration of interests requirements follow those set out in the DCLG best practice guidance and are more comprehensive than the current provisions applying to either LCR LEP Board or WYCA Members in that:

- interests arising in respect of the LEP's area, that is, Leeds City Region must be registered,
- the disclosure of specified non-pecuniary interests is required, in addition to the pecuniary interests required under the local authority statutory Code of Conduct (as set out in Annex 2 to the Code),
- gifts and hospitality of a value over £25 must be registered.

2.8 The DCLG have indicated that an up to date register is required to be published by **28 February 2018**. The LCR LEP Board Members' Code provides for LCR LEP Board members to register their interests 28 days from the Code being adopted (or from the date a LEP Board member is appointed, if later). To facilitate meeting this deadline, given that these are new arrangements, it is proposed that the Code of Conduct should be adopted from **31 January 2018**, rather than today's date. The Head of Legal and Governance Services will circulate pro-forma documentation for completion to all LCR LEP Board members, together with guidance.

2.9 No separate Code of Conduct for 'LCR LEP officers' is proposed because the LCR LEP is supported by officers of WYCA and all WYCA officers are obliged to follow the WYCA Officers' Code of Conduct. However, the Director of Resources will review the WYCA Code of Conduct, further to the DCLG best practice guidance, to ensure that it properly reflects those wider requirements.

2.10 A **procedure for dealing with any complaints alleging breach of the LCR LEP Board Members' Code of Conduct** is appended as Appendix 6. This differs from that adopted by WYCA, because the LEP Board Code does not have a statutory basis. For this reason, it is proposed that breaches of the Code by local authority representatives are referred to their relevant authority, to be dealt with by that authority as a breach of the appointing authority's Members' Code of Conduct (which applies to them when they represent their authority). It is proposed in the procedure that complaints are submitted to the Monitoring Officer for WYCA (as is the case with the WYCA procedure). The Monitoring Officer is the Head of Legal & Governance Services and the WYCA website will be updated to specifically set out the contact details for the Monitoring Officer.

2.11 Also attached to this report is a new Appendix 7, a **Remuneration and Expenses Scheme**. This clarifies the LCR LEP Chair's entitlement to remuneration and the expenses which any other LEP Board Member may be entitled. It provides for a remuneration to the Chair, to be determined by the LCR LEP Board, further to a recommendation from an Independent Remuneration Panel, which shall include one or more private sector representatives who are not members of the LCR LEP Board. The scheme entitles LEP Board members to claim for travel, subsistence and dependent carers' expenses, on terms reflecting those in WYCA's Allowances Scheme. Specific safeguards are proposed in relation to overseas travel and accommodation. For accountability, the scheme requires a summary of remuneration and expenses claimed to be reported each year to the LCR LEP Board and to be published.

- 2.12 Appendix 8 is a new **confidential complaints procedure**, required by the DCLG best practice guidance in addition to a standard complaints procedure and whistleblowing policy. Appendix 8 closely follows DCLG's model procedure, and is aimed at the public and third parties; minor amendments for clarity are highlighted. As reflected in the LCR LEP Board Constitution (Appendix 1 para 13), any complaint or whistleblowing concern in relation to the LCR LEP is currently dealt with under WYCA's complaints policy and whistleblowing policy. Consequential amendments will therefore be needed to those documents to cross-reference the confidential complaints procedure, so that potential complainants are aware how they can confidentially report concerns. The current whistleblowing policy will also be reviewed by the Director of Resources, to ensure that it complies fully with the best practice guidance.
- 2.13 Item 8 on this agenda concerns a revised local assurance framework. This will need to refer to and reflect the revised constitution and governance documents approved by the LEP Board. The constitution and governance documents may need to be amended once the best practice guidance and revised National Assurance Framework have been published. To facilitate this and ensure that the constitution and governance documents remain up to date and fit for purpose, it is proposed that the Head of Legal and Governance Services is authorised by the LCR LEP Board to make any change to the constitution or governance document which is required as a result of any government guidance, legislative change or decisions of the LCR LEP Board; to enable the documents to be kept up to date; or for the purposes of clarification only. Any proposed changes would be subject to consultation with the LCR LEP Chair. This provision is set out in the LEP Board constitution, at paragraph 15.

3 Recommendations

- 3.1 It is recommended that the LCR LEP Board approve the revised LCR LEP constitution and governance documents attached as Appendices 1 – 8 to this report, to be of immediate effect with the exception of the Code of Conduct, to be of effect from 31 January 2018 to enable the LCR LEP to meet the requirement from DCLG to publish an up to date register of interests by 28 February 2018..

4 Appendices

Appendix 1 – LCR LEP Constitution

Appendix 2 – LCR LEP Board Procedure Rules

Appendix 3 – LCR LEP Access to Information Annex

Appendix 4 – Code of Practice for Recording Meetings of the LCR LEP Board

Appendix 5 – LCR LEP Board Members' Code of Conduct

Appendix 6 – Procedure for considering complaints alleging a failure to comply with the LCR LEP Board Members' Code of Conduct

Appendix 7 – LCR LEP Board Members' Remuneration and Expenses Scheme

Appendix 8 – LCR LEP Board Confidential Complaints Procedure

