east midlands
development agency

CORPORATE GOVERNANCE MANUAL

Issued June 2010

CORPORATE GOVERNANCE MANUAL

Overview and Contents

This document summarises the Corporate Governance arrangements for the East Midlands Development Agency (emda). It includes information the Agency is required to set out under its constitution as well as setting out the best practice principles under which the Agency is governed. The original document was ratified by the emda Board in July 2006.

SECTION

SECTION 1

STATUTORY BASIS AND CORPORATE STRUCTURE OF EAST MIDLANDS DEVELOPMENT AGENCY

1 The East Midlands Development Agency (*emda*) is the Regional Development Agency for the East Midlands Region.

2 *emda* is constituted as a Non Departmental Public Body (NDPB) accountable to the Secretary of State for Business, Innovation & Skills (BIS) [formerly BERR].

3 *emda's* constitution is set out in the Regional Development Agencies Act of 1998 and the Agency is governed by the Accountability & Financial Framework October 2008 agreed with BIS and which can be found on the Agency's internet at http://www.emda.org.uk/documents/doclist.asp?action=display&filevar=272

4 The RDA Act (Schedule 2 paragraphs 5 and 6) allows the RDA to regulate its own procedures:

- Under the Act, the Board has authorised the individuals, committees and sub-committees which are set out in the Corporate Governance Framework and schedule of delegated authority;
- Board Members cannot be involved in any action or decision where they have an interest in the matter.

The Accountability and Financial Framework sets out a number of areas where the Board has Corporate Responsibility:

- Establish the overall strategic direction of the Agency within the policy and resources framework determined by the Secretary of State;
- Ensure that the Secretary of State is kept informed of any changes which are likely to impact on the strategic direction of the Agency or on the attainability of its targets, and determine the steps needed to deal with such changes;
- Ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the sponsor Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the sponsor Department;
- Ensure that the Board receives and reviews regular financial information concerning the management of the Agency; is informed in a timely manner of any concerns about the activities of the Agency; and provides positive assurance to the Department that appropriate action has been taken on such concerns;
- Demonstrate high standards of corporate governance at all times, including by using the independent Audit Committee (paragraph 5.5) to help the Board to address the key financial and other risks facing the Agency; and
- Appoint, with the Secretary of State's approval, a Chief Executive to the Agency and, in consultation with the Government Office, set performance objectives which give due weight to the proper management and use of public monies.

In addition, the Framework requires the Chairman to have the following leadership responsibilities:

- Formulating the Board's strategy;
- Ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Secretary of State or the Department;
- Promoting the efficient and effective use of staff and other resources;
- Delivering high standards of regularity and propriety; and
- Representing the views of the Board to the general public.

The Chair also has an obligation to:

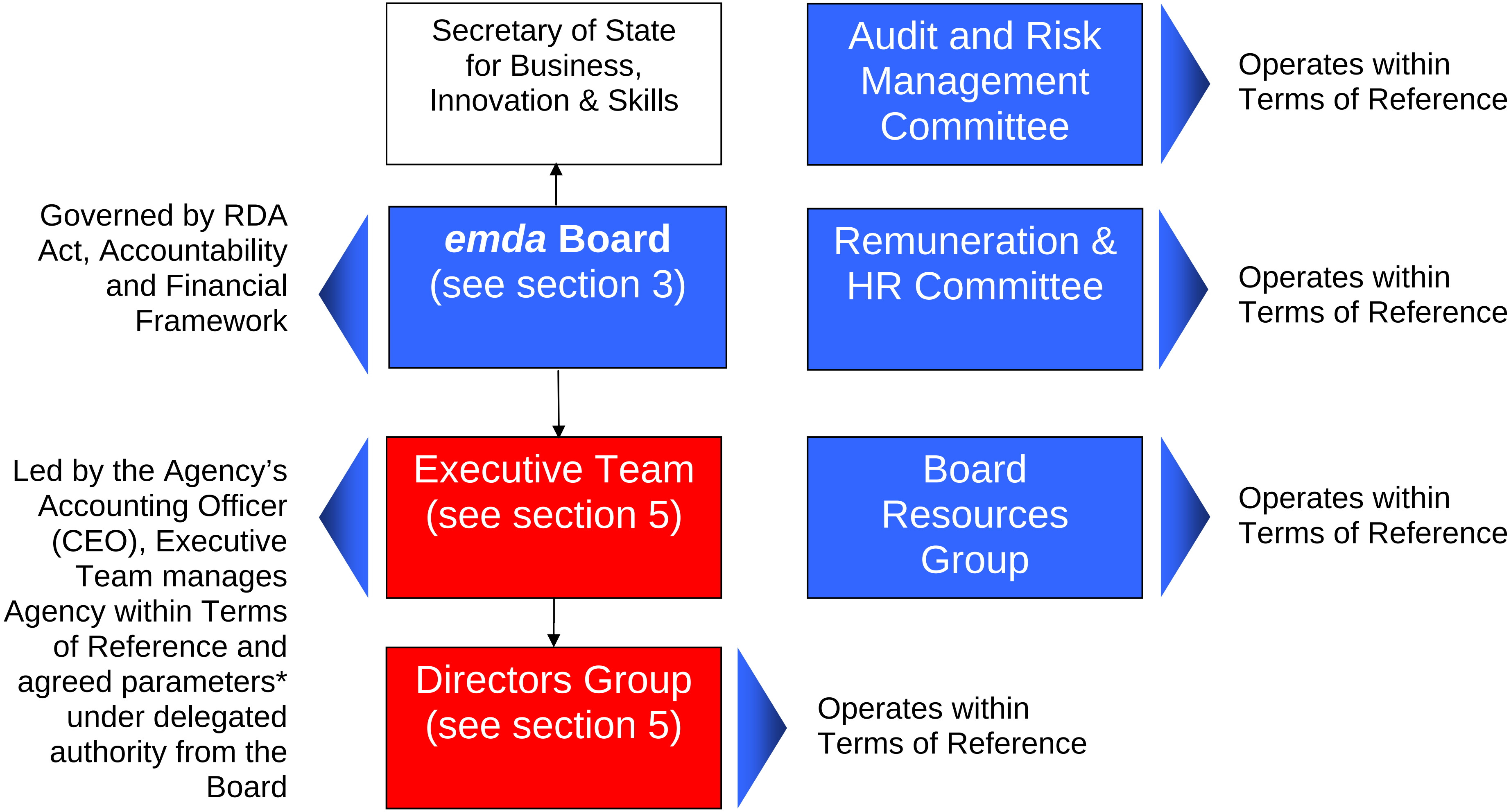
- Ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training, including on the financial management and reporting requirements of public sector bodies and on any differences which may exist between private and public sector practice;
- Advise the Secretary of State of the needs of the Agency when Board vacancies arise, with a view to ensuring a proper balance of professional and financial expertise (as set out in the Corporate Government in *"Central Government Departments: Code of Good Practice on Corporate Governance"* http://www.hmtreasury.gov.uk/d/corpgovernancecode280705.pdf);
- Ensure the work of the Board and its members is reviewed and it is working effectively;
- Assess the performance of individual Board members annually (copying the assessment to Director General, Regions in BIS) and when they are being considered for re-appointment to the Board;
- Ensure that a list of matters reserved for the Board's decision is maintained by the Agency; and
- Ensure there is a code of practice for Board members in place consistent with the Cabinet Office model Code. The Code shall commit the Chair and other Board Members to the Nolan Seven Principles of Public Life, and shall include a requirement for a comprehensive and publicly available register of Board Members' interests.

5 The Agency's Chief Executive Officer (CEO) is the Agency's Accounting Officer.

Company	Business	Type Of Company	Other Interested parties	Nature of *emda* interest
Meden Valley Making Places Ltd	Promoting and improving housing provision	Company Limited by Guarantee (Reg. Co. No. 47069013)	Mansfield District Council, Bolsover District Council, Homes & Communities Agency	25% Interest - Associate
BioCity Nottingham Limited	Acting as an engine for the development of a healthcare biosciences & environmental sciences cluster	Company Limited by Guarantee (Reg. Co. No. 4558037)	Nottingham Trent University, The University of Nottingham	33.3% Interest - Associate
Derby Cityscape Ltd	To assist, promote, develop and secure the regeneration of the social, physical & economic environment of the City of Derby	Company Limited by Guarantee (Reg. Co. No. 4681228)	Derby City Council, Homes & Communities Agency, Derby Cityscape Ltd	Treated as Joint Venture due to right of veto of all Members
North Northamptonshire Development Company	Regeneration of the North Northamptonshire area	Company Limited by Guarantee (Reg. Co. No. 4285198)	Corby Borough Council, Homes & Communities Agency, Tops Estates plc, Chacomm Limited	Treated as Joint Venture due to right of veto of all Members
Blueprint Limited Partnership	Regeneration of land and property in the key urban areas of the East Midlands	Limited Partnership	igloo Regeneration Partnership, Homes & Communities Agency	25% Partner - Associate
*em*EP Limited	Holding Company	Company Limited by Shares	Homes & Communities Agency	50% Shareholder - Joint Venture
Regeneration East Midlands	Promotion of education, charitable projects, high standards of design and urban & rural regeneration	Company Limited by Guarantee (Reg. Co. No. 5016276) and Registered Charity	GOEM, EMRA, Arts Council England, Commission for Architecture and the Built Environment	20% Interest Associate Ceased trading 30/06/2010
East Midlands Early Growth Fund (operated by E-Synergy Ltd)	Venture capital fund that invests in start-up and early-stage businesses	Private Limited Company (Reg. Co. No. 03865384)	E-Synergy Ltd	Debenture right over company assets

SECTION 2

***emda*'s CORPORATE GOVERNANCE FRAMEWORK**



* parameters set by RDA Act and the RDA's Accountability and Financial Framework, policies and procedures referenced within the Corporate Governance Manual and the *emda* Corporate Plan

SECTION 3

DECISIONS RESERVED FOR THE BOARD (or Board sub-groups)

The Board Members are appointed by the Secretary of State in line with the Code of Practice issued by the Commissioner for Public Appointments.

The Board has corporate responsibility for ensuring the Agency fulfils the aims and objectives set by the Secretary of State, and for promoting the efficient and effective use of staff and other resources by the Agency.

Below is a list of decisions reserved for the Board. This list does not preclude additional issues which may be referred by the Chairman or Accounting Officer of the Agency.

1 Strategy

- Approve the Corporate Governance structure for the Agency;
- Approve the Agency's strategy set out in the Corporate Plan;
- Approve the Annual Business Plan (which includes the Agency's administration budgets).

2 Delivery

- Set delegated authority limits for staff;
- Approve decisions which exceed delegated authority limits or are novel or contentious;
- Ensure that financial information concerning the management of the Agency is received and reviewed regularly;
- To receive the Agency's Annual Report and Accounts;
- To establish a separate Audit Committee;
- Require the Chairman to advise the Secretary of State of any concerns regarding the running of the Agency.

3 Staffing

- Appoint, with the Secretary of State's approval, a Chief Executive of the Agency;
- Approve the Agency's staffing structure;
- Approve senior (Executive Director level) staffing appointments;
- Set the pay and remuneration for staff within approved remit set by the Secretary of State.

SECTION 3

CODE OF PRACTICE FOR THE BOARD OF THE EAST MIDLANDS DEVELOPMENT AGENCY

Introduction

1 This document sets out the Code of Practice for Board Members of the East Midlands Development Agency (*emda*) as required by the Agency's Accountability and Financial Framework.

2 It should be read in conjunction with other sections of the East Midlands Development Agency's Corporate Governance manual.

3 This code of practice is consistent with the Terms of Appointment as a Board Member of the East Midlands Development Agency.

4 Board Members and the Agency are contractually bound to abide by the provisions of the Terms of Appointment as a Board Member of the East Midlands Development Agency and therefore this Code of Practice.

Responsibilities of Board Members

5 In addition to their corporate responsibilities (as set out in the Agency's Accountability and Financial Framework), individual Board Members are expected to act in accordance with their wider responsibility (a chart showing Board portfolio responsibilities is attached at **Appendix A**) as Members of the Board – namely to:

- Engage fully in collective consideration of the issues taking account of the full range of relevant factors, including any guidance issued by the sponsor Department or the responsible Minister; and contribute to decision making, sharing responsibility for those decisions;
- Ensure that the Board does not exceed its powers of function;
- Comply at all times with this Code of Practice and with the rules relating to the use of public funds and to conflicts of interest;
- Not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- Comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments;
- Local councillors to act at all times with propriety, good faith and in the best interests of the Agency.

The Board responsibilities chart is regularly updated and the latest version can currently be found on the "Board and Executive" page of *emda's* intranet at http://emsvrproxy/boardexec/documents/Board%20Responsibilities%202010.doc

6 In addition to the requirements above, Board Members of Non Departmental Public Bodies (NDPBs) are further required to:

- Follow the Seven Principles of Public Life (the Nolan principles[1]) published by the committee on Standards in Public Life;

[1] These can be found at http://www.public-standards.gov.uk/Library/Seven_principles.doc

- Not hold any paid or high-profile unpaid post in a political party, and not engage in specific political activities on matters directly affecting the work of this body. When engaging in other political activities, Board Members should be conscious of their public role and exercise proper discretion.

Conflicts of Interest

7 The Nolan Principles of Public Life, which are the foundation of the public appointments process and provide guidance on the standards expected of public appointees, apply to Board Members. Members must declare any personal or business interests, which may, or may be perceived to, influence their judgments in performing their functions.

8 These interests must be entered in the Register of Interests maintained by the Agency and Members must ensure that any entries relating to them are up to date.

9 Should a particular matter give rise to a conflict of interest, a Member should inform the Chairman of the Agency, and withdraw from discussions or consideration of the matter in accordance with paragraph 8 of Schedule 2 to the 1998 Act. Further details are available from the Government Office for the East Midlands.

10 Members' attention is drawn to the Regional Development Agencies (Members' Interests) Dispensation 1999, which sets out the circumstances in which they may participate in meetings, notwithstanding there being a conflict of interest. A copy of this Dispensation and an explanatory note is at Annex C of the Terms of Appointment as a Board Member.

11 Members are expected to inform the Government Office Regional Director and the Chairman of the Agency in advance of any new appointments which may impinge on their duties for the Agency.

12 Members must obtain the Secretary of State's approval in advance of taking up any new appointment or employment within two years of leaving the Agency. Such approval will not be unreasonably withheld.

Gifts and Hospitality

13 Members are expected to ensure that acceptance of gifts and hospitality can stand up to public scrutiny. Gifts should be declined wherever possible, and any offers of gifts must be reported to the Chief Executive of the Agency. Where it would be ungracious or otherwise difficult not to accept, Members should inform the Chief Executive of the gift, the estimated value and the donor. Members must take personal responsibility to ensure that a record is placed in the gifts and hospitality register of the Agency. Similarly, care should be taken that no extravagance is involved with working lunches and other social occasions. In line with Agency policy, Members are required to ensure, where possible, hospitality is signed off by the Chief Executive's Office in advance of acceptance. Further guidance is available from the PA to the Board and the *emda* Employee Handbook (section 21).

Political Activities

14 Members are expected to follow the guidance on political activities set out in Annex D of the Terms of Appointment as Board Member.

SECTION 3

Confidentiality

15 Although not a civil servant of the Crown, the provisions of the Official Secrets Act 1911 and 1989 apply to the Chair and Board Members of the Agency, and will continue to apply after the expiry of their appointment. Unauthorised disclosure of any information gained in the course of this appointment used by a Member or others for personal gain or advancement could result in the appointment being terminated or criminal prosecution. Members are not required to sign a declaration relating to these Acts.

In addition the appointment carries with it a duty of confidentiality in relation to the information Members will receive.

SECTION 3

BOARD PROTOCOLS

Formal Responsibilities

1 The Board has corporate responsibility for ensuring the Agency fulfils the aims and objectives set by the Secretary of State and for promoting the efficient and effective use of staff and other resources by the Agency. The role of the Board and its Members is set out in the *Guide for New RDA Chairs & Board Members* which is issued by BIS at Board Induction days. Full guidance on Board Member responsibilities can be found in the following documents:

- The Regional Development Agencies Act 1998;
- The Accountability & Financial Framework for *emda;*
- The Code of Practice for the Board of *emda;*
- NAO Guidance: Corporate Governance of Sponsored Bodies.

2 The formal guidance can be distilled into a number of principles to help Board Members and *emda* staff work together to enable Board Members to optimise their contribution to our business:

- The role of an *emda* Board Member should be viewed as being similar to that of a non-executive director on a PLC Board: This means that Board Members:
    - Adopt a "corporate" rather than a "representative" role, acting in the Agency's overall best interests as opposed to representing a specific viewpoint;
    - Provide impartial guidance to the Executive Team, balancing their duty to support the Agency in delivering its objectives with their duty to ensure the proper and effective use of public funds.
- Board Members' remuneration is based on a minimum time commitment of two days per month, including attendance at regular Board meetings, sub-group meetings and other events;
- Board Members are part of the *emda* team in a capacity similar to that of a PLC Board non-executive director; this means that they will be perceived and treated internally as "insiders" and externally will adopt collective responsibility for the Agency's decisions and policies;
- Like other members of the team, Board Members will bring specific expertise, based on the knowledge they bring from their other interests, and their lead responsibility roles are agreed with the Chairman;
- In acting as part of the *emda* team, Board Members need to ensure that they remain sufficiently impartial to discharge their obligations to the Secretary of State.

Adding Value

3 Portfolio responsibilities are a key way in which individual Board Members engage with *emda's* agenda and develop areas of expertise where they can add particular value over and above their contributions at a corporate level. Portfolio responsibilities cover all aspects of *emda's* Corporate Plan, and a chart of the *Board Responsibilities*, showing current portfolio responsibilities, appears on the "Board and Executive" pages of the *emda* intranet.
http://emsvrproxy/boardexec/documents/Board%20Responsibilities%202010.doc

4 There are a number of areas where Board Members have the opportunity to contribute in their capacity as non-executive director members of the *emda* team. Opportunities include:

Adding value to the strategy development process by being able to provide an impartial "corporate overview" on issues. A particular area of focus will be overseeing the Agency's Corporate Plan for 2008-2011 and annual Business Plans.

- This should be a responsibility for all Board Members, not just those with portfolio or Board sub-group responsibilities;
- Acting as a "champion" for their portfolios – for example supporting proposals brought to Board meetings or influencing external partners;
- Providing a sounding board for their "Partner Director";
- Acting as an ambassador for *emda* – both in connection with their own portfolio and wider, both informally and when they undertake engagements on behalf of the Agency.

5 Board Members regularly undertake engagements on behalf of *emda*, where their attendance at events as ambassadors adds particular value:

- Events which are directly linked to developing and promoting the RES;
- Events where they are directly delivering messages linked to *emda's* agenda and are acting as ambassadors for the Agency, for example representing the Chairman or Deputy Chair;
- Events which link to portfolio responsibilities, where Board Members can exploit or build upon their area of expertise, where their wider expertise and experience lends particular credibility to *emda's* position or where there are opportunities to work with their "Partner Director" within *emda*.

6 Board Member engagements represent an important element of *emda's* engagement with stakeholders both within the region and beyond, and it is important that engagements are co-ordinated to ensure that our Board presents a balanced view of our agenda and promotes key priorities and messages.

Engagements are co-ordinated and agreed in advance and to ensure that a consistent message is given to our stakeholders, speeches and presentations to external audiences will be signed off by the relevant Director *via* the PA to the Board.

7 A record of Board Members' external engagements is maintained by the PA to the Board. Board Members should report external engagements to the PA to the Board monthly.

Codes of Conduct

8 The full code of conduct for Board Members is set out in the documents referred to in paragraph 1 above, plus the *emda* Employee Handbook – the following paragraphs are intended to clarify, <u>not add to or subtract from</u>, the existing code of conduct.

9 Board Members' prime responsibilities are discharged through their participation in Board Meetings and Board sub-committees. In order to ensure a full exchange of views at these meetings (and without prejudice to the Agency's Openness Policy, obligations under the Freedom of Information Act and Board Members' responsibilities to the Secretary of State):

- All pre-meeting briefings and discussions at Board are confidential.
- The contents of Board Papers will not be disclosed until after they have been discussed by the Board. The contents of most Board Papers will be published after consideration by the Board, but some will continue to remain confidential.
- Observers at Board meetings will undertake to respect Chatham House Rules[2] unless otherwise bound by confidentiality.

10 At six weekly Board meetings, Board Members are required to declare any interests which could compromise their ability to adhere to the Seven Principles of Public Life (the "Nolan Committee Rules") or be seen to act in the best interests of the Agency. The CEO, as *emda's* Accounting Officer, can offer advice on whether an interest needs to be declared and whether a Board Member should refrain from contributing to discussions in which they have a declared interest.

11 Board Members are entitled to claim expenses for duties undertaken on behalf of *emda* in accordance with the Travel & Subsistence/Expenses policy laid down in the Staff Handbook. It should be noted:

- <u>In line with other Agency staff, Board Members can claim expenses over and above normal travel costs to and from work in accordance with Section 4 of The Travel & Subsistence / Expenses Policy**.** These expenses are non taxable and are claimed on a **blue** expenses form.</u>
- In addition, Board Members can claim expenses for travelling to and from home to Apex Court at the standard rates in Section 4 of The Travel & Subsistence / Expenses Policy. Home to work expenses are normally regarded as taxable income and should be shown on a separate **purple** expenses form.
- Any overseas journeys or air travel within the UK needs to be agreed in advance with one of the following: the Chairman, CEO, Executive Director of Corporate Services or HR Director.
- Expenses should be claimed monthly, and expenses will not be paid if they relate to activities undertaken more than six months before the claim date.
- The PA to the Board or the Agency's HR Team can provide further advice and support in making expenses claims.

12 The Corporate Governance Manual and *emda* Employee Handbook include guidance on the acceptance of gifts and hospitality. The gifts and hospitality code applies to both Board Members and *emda* staff. The guidance is based on the Nolan Committee rules and is designed to demonstrate probity and protect staff from any suspicion (no matter how unfounded) of misconduct. The guidance requires *emda* to keep a record of invitations, together with offers of gifts and hospitality.

[2] see http://www.chathamhouse.org.uk/about/chathamhouserule/

Title	Name of Board Member	Lead Responsibilities	Internal Groups	Partner/Director	Other Interests
Chairman	Bryan Jackson (Dec 2011)	• RDA Lead Role - Manufacturing - Construction - BIS - UKTI - European - Enterprise	**Chairman's Group** **Remuneration & HR** **Board Resources (Chair)**	Jeff Moore Michael Carr Diana Gilhespy Emma Corbett Glenn Harris	• BIS Audit and Risk Committee
Deputy Chair	Steve Brown (Reappointed for 3rd Term)	• Enterprise and Business Support - International Trade & Investment - Business Investment	**Chairman's Group** **Board Resources**	Emma Corbett David Wallace John O'Reilly	• Regional Risk Finance Forum • EM International Trade Forum
Deputy Chair Designate	Haydn Biddle (Dec 2012)	• Employment Learning & Skills	**Board Resources**	Andrew Morgan	• EM Urban Development Fund
Business	Parvin Ali (Dec 2011)	• Enterprise & Business Support - Enterprise and Business Link - Services including Start Up	**Remuneration & HR** **Board Resources**	Matt Posaner John O'Reilly	• Business Support Forum (Chair) • Ethnic Minority Business Task Force (EMBTF)
	Martin Bryant (Dec 2011)	• Enterprise and Business Support - Tourism - Culture		Michael Carr Emma Corbett	• EMT Council
	Stan Crawford (Dec 2011)	• Local Authorities Relations	**Audit & Risk Management**	Emma Corbett Glenn Harris Andrew Morgan	• Principal contact for Local Authorities
	Tricia Pedlar (Dec 2012)	• Enterprise and Business Support - Women's Enterprise - Sport - 2012		John O'Reilly Emma Corbett	
	Michael Seals (Reappointed for 2nd Term)	• Enterprise and Business Support - Intensive including High Growth • Business Engagement - CBI, IoD, FSB	**Remuneration & HR**	Emma Corbett John O'Reilly	
Local Authority	Jon Collins (Notts City Council) (Reappointed for 3rd Term)	• Cohesion, Inclusion and Planning	**Audit & Risk Management**	Andrew Morgan	
	Jim Harker (Northants) (Dec 2011)	• Transport, Housing and Planning	**Board Resources**	Diana Gilhespy Kevin Baillie	• Milton Keynes Inter-Regional Board
	Gary Hunt (Leicester) (Reappointed for 3rd Term)	• Land and Development	**Board Resources**	Diana Gilhespy	• Urban Partnership Group (Chair)
	Geoff Stevens (Derbyshire Dales) (Reappointed for 3rd Term)	• Rural • Energy, Environment & Climate Change	**Board Resources**	Andrew Morgan Kevin Baillie	• Rural Affairs Forum (EMRAF)
Civil Society	Ann Cartwright (Reappointed for 2nd Term)	• Civil Society	**Audit & Risk Management** **Remuneration & HR**	Andrew Morgan Kevin Baillie	
Trade Union	Elizabeth Donnelly (Dec 2011)	• European Relations/ERDF • Diversity and Equality	**Audit & Risk Management**	Andrew Morgan Emma Corbett Kevin Baillie	
University	Philip Tasker (Reappointed for 3rd Term)	• Innovation (including Science City)	**Audit & Risk Management**	David Wallace	• Member of East Midlands Innovation • EMUA

SECTION 4

AUDIT AND RISK MANAGEMENT COMMITTEE

TERMS OF REFERENCE

Constitution

The Board of East Midlands Development Agency has established an Audit Committee to support them in their responsibilities for issues of risk, control and governance and associated assurance.

Role

The Committee will act in an advisory capacity to assist the Board and Accounting Officer, and has no executive powers. Its specific objectives are to:

(a) Provide a forum for members to discuss both internal and external audit matters;
(b) Promote the understanding of the internal audit role and objectives;
(c) Assist the Finance Director/Head of Internal Audit in defining the scope of audit coverage and assessing priorities;
(d) Ensure the co-ordination of the internal audit programme and reviews undertaken by external audit or other consultancy and inspection services;
(e) Approve and monitor the Risk Management Strategy and Statement on Internal Control;
(f) In addition, the Chair of the Audit & Risk Management Committee will undertake the role of Senior Information Risk Owner (SIRO) with responsibility for advising the Accounting Officer on the content of the Statement of Internal Control in respect of information security risk.

Membership

The Committee to be appointed by the Board, and to consist of not less than three Board Members (one as Chairman of the Committee).

Board Members who are not members of the Audit Committee to have the right of attendance where appropriate.

Attendance at Meetings

The Head of Internal Audit should normally be invited to attend meetings, and representatives for the National Audit Office should be invited to attend as appropriate.

The Finance Director or his representative will be required to attend all meetings.

The Chief Executive and any other officers as necessary may be invited to attend the Audit Committee as appropriate.

A minimum of two members is required for the Committee to have a quorum.

Frequency of Meetings

Audit Committee meetings will be held on a quarterly basis and minutes will be taken and agreed amongst the committee members. The Chairman may call additional meetings if deemed necessary.

SECTION 4

Access

The Head of Internal Audit and the representative of External Audit will have free and confidential access to the Chair of the Audit Committee.

Any member of *emda* staff can contact the Chair of the Audit Committee to report on any improper practice under the Public Interest Disclosure Policy.

Reporting

The Audit Committee will provide an update to the Board after each meeting.

Authority

Committee is authorised by the Board to:

(a) Investigate any activity within its duties;
(b) Seek any information it requires from any employee of the Agency, whether in full, part-time, permanent, temporary or seconded employment;
(c) Obtain outside legal or other independent advice at the Agency's expense.

Duties

Items for discussion at committee meetings may include:

(a) The objective, status and scope of internal audit;
(b) Management's responsibility for adequate internal control;
(c) The Head of Internal Audit's annual and quarterly activity reports to the Accounting Officer;
(d) Internal audit's reporting arrangements;
(e) The audit needs assessment and the resource implications arising from it;
(f) Long term and short term plans;
(g) Major and unresolved findings from audit assignments;
(h) Internal audit staffing and training;
(i) The standard of audit performance and how the need for periodic reviews of internal audit should be met;
(j) Major policy issues and the implications for internal audit;
(k) Internal audit's working relationship with auditees and other review agencies
(l) Relationships with the National Audit Office;
(m) The form of the Accounts;
(n) The Agency's risk strategy and risk register;
(o) Review arrangements by which staff of the Agency may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
(p) Monitoring of health and safety performance and ensure the provision of adequate resources for health and safety in line with *emda's* Health & Safety policy.

SECTION 4

REMUNERATION & HUMAN RESOURCES COMMITTEE

TERMS OF REFERENCE

Constitution

This Committee of Board Members has been established to assist and advise on labour resource matters.

Role

The role of the Remuneration & HR Committee is:

(a) To provide a view to assist management with the formulation of principles relating to the remuneration package, including benefits, for all employees ensuring that the level and mix is sufficient to enable recruitment, motivation and retention of staff of the required calibre, with due regard to parameters set by the sponsoring government department.

(b) To agree amendments to the remuneration package and terms and conditions for the Chief Executive and Executive Directors, referencing guidance from sponsoring body as appropriate.

(c) To ensure that management introduce and review new procedures/systems/work practices which improve/consider the effectiveness/efficiency of staff in support of the delivery of the aims of the Regional Economic Strategy/Corporate Plan.

(d) To consider and endorse the implications arising out of re-structuring exercises with due regard to the impact on remuneration levels for Chief Executive/Directors.

(e) To provide a forum in which employment legislation changes and best practice initiatives can be explored with the purpose of assisting the Director/Head of HR to assess priorities, define objectives and measure progress.

Membership

The Committee is appointed by the Board, and will consist of not less than four Board Members, one of which shall be the Chair of the Agency and another shall act as Chair of this Committee.

A minimum of two Board members is required for the committee to have a quorum.

Where a decision relating to Executive Directors' Terms & Conditions needs to be made, the Chair of the Agency must be involved. In certain circumstances it may be appropriate for views to be discussed at the meeting and then sent to the Chair of the Agency for endorsement. However, any discussions concerning the Chief Executive should include the attendance of both the Chair and the Deputy Chair.

The Chief Executive, Executive Director of Corporate Services and HR Director will be invited to attend as appropriate but are not formal members of the Committee.

SECTION 4

Records

Committee meetings will be minuted and normally held on a quarterly basis.

The minutes will normally include an update of the Key Deliverables, as a standing item, with this section of the minutes.

The Chair of the Committee will normally report verbally, as considered necessary, on the agreed minutes of the meeting to the following Board Meeting.

A report focussing on the year's key deliverables will be taken to the Board on an annual basis.

SECTION 4

BOARD RESOURCES GROUP (BRG)

TERMS OF REFERENCE

Constitution

This Committee of Board Members has been established to approve single programme expenditure on projects with a total cost to *emda*/Sub Regional Partnerships (SRPs) of £1m or greater. The Sub Committee will also assist the work of the main Board in reviewing and commenting on key business documents including the Corporate Plan, Business Plan and SRP Plans.

Role

The Board Resources Group (BRG) wishes to foster a pro-active culture that drives evaluation and analysis of all expenditure types to help inform future decision making. This will be in addition to the key roles identified below:

(a) To formally approve projects for expenditure that are within *emda's* delegated authority limits but exceed £1m in value (combined *emda* and SRP funding). The projects will have previously been subject to a full appraisal under Guidance for RDAs in Appraisal, Delivery and Evaluation (GRADE).

(b) To formally confirm approval of projects for expenditure, exceeding £1m in value, funded by the European Regional Development Fund (ERDF) 2007-13 programme by ensuring that all due processes have been complied with and, where necessary, the Programme Monitoring Committee (PMC) has been informed if *emda* is deemed to be the final beneficiary.

(c) To formally approve projects funded by the Rural Development Programme for England (RDPE) that are within *emda*'s delegated authority limits but exceed £1m in value. The projects will have previously been subject to a full appraisal under RDPE guidelines.

(d) To request and consider post project outcomes and evaluation.

(e) To provide a view to assist management with the formulation of the *emda* Corporate Plan and annual Business Plan, Sub Regional Partnership Investment Plans (SRIPs) and other plans and strategies (eg URC Action Plan).

(f) To endorse draft business plans for the full Board to approve/reject.

Membership

The Committee is appointed by the Board, and will consist of five members of the Board, one of which shall be the Chair who will act in that capacity for this Committee.

A minimum of three members is required for this Committee to have a quorum.

SECTION 4

The Chief Executive, Executive Director of Corporate Services and Finance & Performance Director will attend as advisors, but are not formal members of the Committee. For governance purposes, one of these officers should be in attendance.

All projects presented to the BRG must be on the BRG approval summary paperwork and be presented by either the Priority Lead Director responsible for the expenditure or Executive Director. Additional project staff with detailed technical knowledge may be called upon to assist with presentation.

OTHER BOARD SUB GROUPS

The Board establishes a number of Task and Finish sub groups as necessary to provide oversight of key activities and take decisions within their remit on the Board's behalf. The remit and membership of sub groups of this nature is agreed by the Board and recorded in Board meeting Minutes. The membership of these groups is shown in the Board Responsibilities Chart (see section 3).

SECTION 5

CHART OF RESPONSIBILITIES

Chief Executive
Jeff Moore

- **Executive Director of Regeneration**
  Diana Gilhespy
  - **Land and Development Director**
    Vacant
    - **Key Activities**
      - Property
      - Operations
      - Urban Policy & Planning
  - **Skills & Communities Director**
    Andrew Morgan
    - **Key Activities**
      - Sub-Regional Partnerships
      - Rural & Communities
      - Employment, Learning & Skills
      - ERDF Programme Management
- **Executive Director of Corporate Services**
  Glenn Harris
  - **Human Resources Director**
    Matthew Posaner
    - **Key Activities**
      - Human Resources
      - Customer Services & Facilities
      - Health & Safety
      - Shared Resource Centre
      - ERDF Programme Appraisal & Monitoring
  - **Finance and Performance Director**
    Paul Wheeler
    - **Key Activities**
      - Finance
      - Performance Management
      - Information Services & Knowledge Management
      - Legal Services
      - Procurement
- **Executive Director of Business Services**
  Michael Carr
  - **International & Innovation Director**
    David Wallace
    - **Key Activities**
      - Innovation
      - International Investment
      - China & India Business Bureaux
      - Universities
  - **Tourism Director**
    Ruth Hyde
    - **Key Activities**
      - Tourism
  - **Business Support Director**
    John O'Reilly
    - **Key Activities**
      - Business Investment
      - Business Support & Growth
      - Enterprise Policy
      - Business Link Services
      - Trade Development
- **Executive Director of Strategy & Communications**
  Abby Johnson Brennan
  (wef 01/07/2010)
  - **Sustainable Development & Infrastructure Director**
    Kevin Baillie
    - **Key Activities**
      - Sustainable Economic Development Policy
      - Spatial Development
  - **Strategy Director**
    Emma Corbett
    - **Key Activities**
      - Strategy & Regional Affairs
      - Research & Evaluation
      - European Policy
      - East Midlands European Office (Brussels)
      - 2012 Games
  - **Communications Director**
    Caroline Shutter
    - **Key Activities**
      - Communications, PR & Marketing

SECTION 5

SCHEME OF DELEGATION

Form Reference		1	2	3	4	5	6
Job Title		**Chief Executive**	**Operational Directors**	**Head of Team**	**Manager**	**PA to Chief Executive**	**Administration Support to Executive Directors**
		Chairman		**Staff Reporting Directly to Executive Directors or Directors**	**Development Manager**	**PA to Chairman**	**Administration Support to Directors**
		Deputy Chairman				**PA to Director of Corporate Services**	
		Executive Directors					
ERDF Delegations		Deputy Chief Executive and Executive Director of Regeneration	Director of Skills & Communities Finance and Performannce Director (claim form only)	Head of European Programmes			
RDPE Delegations		Executive Director of Regeneration	Director of Skills & Communities	Head of Rural and Communities	Rural Development Programme Manager		

Authority Type

Single Pot Project Approval		Up to £1,000,000	Up to £500,000	-	-	-	-
ERDF Project Approval		Up to £1,000,000	Up to £500,000	Up to 250,000	-	-	-
RDPE Project Approval		Up to £1,000,000	Up to £500,000	-	-	-	-
LEADER Approach Projects		Up to £1,000,000	Up to £500,000	Up to £50,000	Up to £10,000	-	-
Purchase Orders and Invoices	Programme	Up to £5,000,000	Up to £500,000	Up to £250,000	Up to £100,000	-	-
	Administration	Up to £5,000,000	Up to £50,000	Up to £50,000	Up to £10,000	Up to £3,000	Up to £1,000
RDPE Purchase orders (claim authorisation)	RDPE Programme	Up to £10,000,000	Up to £500,000	Up to £250,000	Up to £100,000	-	-
LEADER Approach Projects		Up to £10,000,000	Up to £500,000	Up to £250,000	Up to £250,000	-	-
Quotations/Tenders	Programme	Up to £5,000,000	Up to £500,000	Up to £250,000	Up to £100,000	-	-
	Administration	Up to £5,000,000	Up to £50,000	Up to £50,000	Up to £10,000	Up to £3,000	Up to £1,000
	Single Tender	Up to £100,000	-	-	-	-	-
Expenses		Any member of staff	Any member of staff up to Head of Team	Any member of staff up to Head of Team	-	-	-
Rail Warrants	Standard Class	Any member of staff	Any member of staff	Any member of staff	-	Any member of Staff	Any member of Staff
Overseas Travel		Any member of staff	Any member of staff	-	-	-	-
Invoices for Income		Any value	Any value	Any value	Up to £250,000	-	-

Additional Authorities

Sealing	Any of the following combinations	
	Chairman and	Chief Executive
	Chairman and	Deputy Chief Executive
	Chairman and	Executive Director of Corporate Services
	Deputy Chairman and	Chief Executive
	Deputy Chairman and	Deputy Chief Executive
	Deputy Chairman and	Executive Director of Corporate Services

Contracts	Up to £5,000,000	Up to £1,000,000
	As per under seal above	Finance and Performance Director **and** Executive Director

ERDF Funding Agreements/Contracts				
ERDF Only and ERDF with RDA as Final Beneficiary Funding Agreements	**Over £5,000,000 any of the following combinations may authenticate application of Seal**		**Up to £5,000,000 - May authenticate application of Seal**	**Up to £1,000,000 - may authenticate application of Seal**
	Chairman and	Chief Executive	Chairman	Skills and Communities Director
	Chairman and	Deputy Chief Executive	Chief Executive	Head of European Programmes
	Chairman and	Executive Director of Regeneration	Deputy Chief Executive	
	Deputy Chairman and	Chief Executive	Executive Director of Regeneration	
	Deputy Chairman and	Deputy Chief Executive		
	Deputy Chairman and	Executive Director of Regeneration		

ERDF & SP, ERDF & SP & SP Funding Agreements	**Over £5,000,000 - any of the following combinations may authenticate application of Seal**		**Up to £5,000,000 - May authenticate application of Seal**	**Up to £1,000,000 - May authenticate application of Seal**
	Chairman and	Chief Executive	Chairman	Director of Strategy
	Chairman and	Deputy Chief Executive	Chief Executive	Skills and Communities Director
	Chairman and	Executive Director of Regeneration	Deputy Chief Executive	
	Deputy Chairman and	Chief Executive	Executive Director of Regeneration	
	Deputy Chairman and	Deputy Chief Executive		
	Deputy Chairman and	Executive Director of Regeneration		

RDPE Funding Agreements/Contracts	Up to £5,000,000
	Chairman
	Chief Executive
	Executive Director of Regeneration
	Executive Director of Corporate Services

RDPE/LEADER Approach Projects - variation to grant offer letter	
Variations through time, amending only the timings of claims (no change to grant award)	Rural and Communities Team Manager
Variations between contract headings of less than 20% of total offer value (no change to grant awarded)	Rural and Communities Team Manager
Variations between contract headings of more than or equal to 20% of total offer value (no change to grant awarded)	Head of Rural and Communities
Reductions in project spend	Rural and Communities Team Manager
Increases in project spend- up to a maximum of 10% of total offer value, up to a maximum of £100,000	Director of Skills and Communities

Other Financial Transactions	**Payroll (including overtime)**	**Accounting Transactions**	**Virement of Budget**	**Grant claim to CLG/EU**
	Chief Executive Executive Director of Corporate Services Finance and Performance Director HR Director	Finance and Performance Director Head of Finance and Performance Management Finance Managers	Chief Executive Executive Director of Corporate Services Finance and Performance Director	Chief Executive Deputy Chief Executive Finance and Performance Director

<u>SECTION 5</u>

EXECUTIVE TEAM

TERMS OF REFERENCE

1 Purpose

The Executive Team is answerable to the Board for the operation of *emda*:

- Proposing the strategic direction for the Agency which is then put to the Board for approval;
- Addressing issues and opportunities facing the Agency which could impact on the Agency's performance and/or reputation, and where appropriate refer these to the Board;
- Supporting the CEO, *emda's* Accounting Officer, to ensure the Agency is managed and run in accordance with the Financial Memorandum and Management Statement to deliver the agreed Corporate Plan.

Executive Team meetings provide the forum at which the Executive Directors fulfil these roles, provide leadership to the Agency and demonstrate good corporate governance.

2 Role

Proposing a strategy for the Agency to the Board:

- Preparing a Corporate Plan in line with the requirements of the Sponsoring Department;
- Preparing an annual Business Plan to deliver the Corporate Plan;
- Agreeing other Delivery Plans (eg Sub Regional Investment Plans, esp Delivery Plan, Business Link Annual Delivery Plan, Tourism strategy, Innovation East Midlands strategy).

Developing policy to meet statutory and other stakeholder needs (eg preparing the Regional Economic Strategy, Inputs to Government Reviews, inputs to other regional strategies).

In areas relating to decisions reserved for Board, approve recommendations to Board. In other areas approve proposals which Board will endorse where appropriate.

Proposing projects to Board Resources Group for endorsement/sign-off which are in excess of £1M or are novel or contentious and which have been developed under the Agency's Project Approval Process and are consistent with the Agency's agreed strategy.

Managing the relationships with key partners and stakeholders, including Central Government, other RDAs, Government Office for the East Midlands, East Midlands Councils and delivery partners such as Local Authorities, the business and voluntary sectors and their representative bodies.

Delivering of the Agency's strategy:

- Agreed Outputs and Strategic Added Value;
- The Efficiency Plan;
- The Executive Team has established the Directors Group (DG) to support it in managing the day-to-day delivery of the Business Plan.

Managing the Agency's budgets, staff resource and other administrative costs within the agreed budgets in the Business Plan. This includes ensuring the correct use of all public funds and managing risk. The Executive Team will review and monitor the Agency's management accounts, KPIs, project approvals and delivery.

3 Operating protocols

Executive Team consists of the CEO plus the Agency's Executive Directors.

Executive Team will normally meet weekly and decisions taken will be minuted.

Agendas and papers for Executive Team meetings will be circulated the Friday before each meeting: Papers need to be with the CEO's office in the standard format by 12:00 on the Friday before the meeting.

Papers will normally be presented in the name of and by the appropriate Executive Director. Others should only attend by exception, eg to support the presentation of papers.

Agendas, papers and minutes will not be published, but will be shared with *emda* staff (eg via Friday Feedback and Team meetings) and available in full on request unless a Freedom of Information Act exemption applies. The CEO's Team will keep a file copy of any paper submitted to Executive Team.

SECTION 5

DIRECTORS GROUP

TERMS OF REFERENCE

1 Purpose

1.1 The role of the Directors Group (DG) is to manage the Agency's performance in line with the strategic direction developed jointly with the Executive Team; and to drive the delivery of the Agency's mission and objectives through ongoing and iterative dialogue, advice, input, challenge and support to the Executive Team.

1.2 The main purpose of DG is to manage the day-to-day performance of the Agency, reporting progress to the Executive Team on a monthly basis. This includes:

- Managing delivery of KPIs;
- Acting as a Risk Management steering group;
- Acting as an Efficiency Plan steering group;
- Acting as a steering group to monitor Directorate Plans;
- Making operational decisions within the scope of the Annual Business Plan such as Invitations to Apply for Grant Funding (IAGFs);
- Sharing experience, knowledge and good practice.

1.3 Reviewing key Executive Team papers and Board paper planning templates where the Group will add strategic as well as operational value:

- Pressure testing the proposals and recommendations;
- Providing feedback to authors on structure and clarity of messages;
- Where appropriate, making recommendations to Executive Team.

1.4 DG will also act as a peer review group where requested by Executive Team or other colleagues within *emda*:

- As a steering group for other internal strategies such as IS and Strategic Priority Prospectuses;
- Provide a sounding board and pressure test in the development of proposals which will lead to major decisions by the Agency.

1.5 Directors retain full ownership and responsibility for papers submitted to DG by their teams. Accountability for the paper's content and quality therefore rests with the Author and line management.

2 Membership of Directors Group

2.1 The eight Directors from the four Directorates.

2.2 The Head of the CEO's Office, who will chair.

3 Meetings

3.1 The group will meet on a weekly basis on Wednesdays between 9.00am – 11.00am.

3.2 Attendance will be a “three line whip” with no substitutes. In the event of pre-planned external meetings, holidays and illness, it will be acceptable for 1 director to represent the directorate.

3.3 Where appropriate, task & finish groups will be established to develop and implement specific initiatives after initial approval by DG. In addition, relevant Heads of Team (HoT) or specialists will be invited to participate in discussions related to their area of work.

3.4 DG Team Plan will identify topics for in depth discussion; time will be devoted to these on a monthly basis and this Plan will drive the agenda for the joint Senior Management Team meetings.

4 Meeting Protocols

4.1 The meeting agenda will follow the format:

- Review of Performance including KPIs;
- Review of Executive Team Papers;
- Review of Board paper planning sheets and the Board forward work programme;
- Review of BRG papers where appropriate;
- Peer Group Review;
- Initiatives which require cross functional input.

4.2 Meeting agendas and papers will be circulated by 13:00 the Monday before each meeting. All papers require a cover sheet and, to ensure version control, require a footer in the prescribed format.

4.3 Papers will not be published, but will be available on request unless a Freedom of Information Act exemption applies. The CEO’s Office will keep a file copy of any paper submitted to DG.

4.4 Meetings will not be open to observers, although authors bringing a paper to the group will be invited to present papers in order to allow informed discussion. In order to allow for open discussion, all DG meetings will be conducted under Chatham House Rules.

4.5 Action points will be recorded and circulated to DG members plus Executive Team for information.

5 Liaison with Executive Team and other colleagues within *emda*

5.1 It will be the responsibility of Directors to feed back from DG to their Executive Director on any item related to their area of responsibility discussed by DG.

5.2 Joint Executive Team and DG meetings will be held on a quarterly basis. These meetings will take the form of information exchange and, where appropriate, be used for consensus and joint decision-making.

5.3 Joint DG/HoT meetings will be held on a quarterly basis. These meetings will be used as a forum to discuss key operational issues and possible solutions.

5.4 Feedback from DG on papers which will be considered by Executive Team should be recorded in the "Recommendations" box on the Executive Team Header sheet.

5.5 The Head of the CEO's Office will feed through any key issues discussed at DG to the Executive Director leading Friday Feedback to ensure that staff are informed of developments.

INFORMATION SECURITY FORUM

TERMS OF REFERENCE

1 Purpose

The Information Security Forum (ISF) is answerable to the Senior Information Risk Officer (SIRO) for the development and operation of an Information Security Management System (ISMS). The SIRO is currently the Chair of Audit Committee and acts as an advocate for information risk on the Board and in internal discussions.

The ISF will provide direction, support and consideration to the management of security initiatives and information risk management. Additional responsibilities include monitoring exposure of *emda* information to major business risks, reviewing security incidents and take action as appropriate, recommending to Directors Group initiatives to enhance the ISMS, for example, policy changes, training programmes and technology changes.

2 Membership

The Information Security Forum Members are:

- Executive Director of Corporate Services
- Finance and Performance Director
- Head of Legal Services
- Head of Information Services

3 Meetings

The ISF meets annually to review the ISMS and agree amendments as required to minimise the risk of incidents and to align to public sector best practice as communicated by BIS.

The ISF will be convened as required to consider specific information security issues and events and to manage any security breaches.

SECTION 6

PROGRAMME MANAGEMENT PROCESS

The 2010-11 Business Plan sets out the Performance Management process and an outline of the roles within the Agency is contained in this document.

DIRECTORATE REVIEWS

Each month, a Directorate Review will be undertaken between the Executive Director of Corporate Services, the Finance & Performance Director, the Directorate Executive Director and Priority Lead Directors. The meetings will review the following for the Directorate and each Strategic Priority:

1. Financial performance to date with reference to the spend profile;
2. Forecast full year position;
3. Output delivery;
4. Progress against Corporate Objectives; and
5. Administrative expenses versus budget.

Reports will be issued prior to the Directorate Review showing performance for the previous month, year to date and projected out turn for the year. All of the reports will be based on data taken from PD which is managed by the Project Managers within each Directorate.

PROGRAMME AND PRIORITY LEAD MANAGEMENT – ROLES IN THE AGENCY

Introduction

This guidance note clarifies the approach taken in respect of taking a project through the development and appraisal process and beyond to achieve effective programme management. It specifically defines the role of:

- Director / Priority Lead Director;
- Executive Director;
- Project Managers;
- The SRC;
- The Performance Management Team and
- The Legal & Procurement Team.

1 PROJECT DEVELOPMENT AND STRATEGIC PRIORITY MANAGEMENT

The activities of the Agency have been broken down across a number of ‘Strategic Priorities’ in line with the *Flourishing Region* RES. Responsibility for financial management and reporting project spend and outputs is primarily managed at a Directorate level with Strategic Priorities sitting below each Directorate.

1.1 Executive Director

As the Strategic Priorities sit within specific Directorates, the Executive Directors are responsible and accountable to the Chief Executive and the Board for all policy, activities, spend and associated outputs of the elements of the designated Strategic Priorities within their Directorate. This is managed through delegation to Priority Lead Directors.

No Executive Director acts in the capacity of Priority Lead Director. In the absence of any Priority Lead Director, the process of delegation is upwards to the relevant Executive Director for various approval stages.

Meeting weekly, the Executive Team has a number of duties to play in the appraisal/programme management process.

- Review of Agency Performance;
- Approval to vire expenditure or transfer activity between Directorates;
- To note weekly all projects that have been appraised and approved at Priority Lead Director level;
- Approve all projects >=£1m for presentation to Board Resources Group;
- Approval of Business Plan and Corporate Plan – for recommendation to Board for adoption;
- To ensure future commitments are maintained at reasonable levels.

1.2 Role of the Priority Lead Director

The Priority Lead Director has control over delivery of all projects under their element of the Strategic Priority as they will be delivered by staff within their department.

The Priority Lead Director has the over-arching and key role to play in terms of:

- The activities, spend and associated outputs of their Strategic Priorities;
- Determining the Strategic Priority policies, other than where Policy responsibility is held by the Strategy Directorate. In those circumstances, the Priority Lead Director is responsible for delivery and liaises with the Policy Team particularly during the Business and Corporate Planning processes;
- The pre and post appraisal process and monitoring the progress of projects that are being delivered against each Strategic Priority;
- Ensuring project managers maintain systems, record outputs and the quality assurance of all paperwork;
- A lead role in agency Evaluation at the Programme level for their Strategic Priority. To ensure Project Managers within their Directorate are carrying out project evaluation in line with *emda* policy.

In more general terms, the Priority Lead Director has other duties in this capacity acting as lead advocate for the Strategic Priority in the corporate planning and business planning process through:

- Determining priorities;
- Ensuring outputs achieve targets;
- Making the case for the allocation of resources to Strategic Priority;
- Providing updates and narrative for key documents such as the Annual Report, in-year performance reporting etc;
- Presentation of projects to BRG.

SECTION 6

2 THE APPRAISAL PROCESS

2.1 The Role of Project Manager

Project Managers are responsible for:

- Engagement of Head of Team and Directors Group in seeking initial approval to develop a project;
- Identifying the relevant project in the Business Plan against which the budget is held;
- The completion of application forms;
- The submission of a fit for purpose application, and any supporting documentation, to the SRC;
- Undertaking the initial legal risk assessment;
- Resolving issues identified during the appraisal process;
- The Project Approval Process, including preparation of summary papers to the Executive Team and BRG and obtaining all the necessary approvals;
- Negotiation of contract with Project Deliverer;
- Ongoing management and monitoring of approved projects;
- Evaluation of projects in line with project evaluation plan;
- Payment of financial claims, and
- Accurate and timely management of information recorded on Portfolio Director.

2.2 The Role of the SRC

The SRC will:

- Complete technical appraisal of Single Programme and ERDF funded projects;
- Make recommendations to Project Managers and Priority Lead Directors to enable them to reject/approve projects;
- Monitor the performance (including the processing of project claims) of Sub Regional projects;
- Undertake the Article 13 monitoring of ERDF funded projects.

Additionally the SRC undertakes the following functions to ensure the Agency follows nationally published guidelines and best practice:

- Preparing the Project Monitoring Instruction Manual;
- Delivery of the Essential Project Managers training module for *emda* staff;
- Undertaking a Compliance role to ensure projects are being managed and monitored in line with Agency processes.

2.3 The Role of the Performance Management Team in Finance

The Performance Management Team (PMT) will:

- Confirm the availability of funds to allocate to projects;
- Ensure projects are correctly coded;
- Manage the virement process;
- Provide the necessary reports for Project Managers, Priority Lead Directors and Executive Directors to manage budgets;
- Provide financial forecast information and analysis to Project Managers, Priority Lead Directors and Executive Directors;

- Coordinate all Board reporting on financial matters;
- Ensure appropriateness of MIS systems.

2.4 The Role of the Legal and Procurement Team

The Legal and Procurement Team will:

- Provide guidance and assistance in complying with *emda'*s Procurement Policy when purchasing goods and services;
- Advise on state aid issues in respect of grant funding;
- Signpost colleagues to appropriate legal assistance to prepare contracts and grant documents;
- Advise or source advice on associated legal issues;
- Review all contracts to ensure break clauses are included.

3 PROGRAMME MANAGEMENT

3.1 Once a project has been appraised and approved, there is still an ongoing requirement to monitor expenditure, outputs and complete post completion project evaluation. This day-to-day role is undertaken by Project Managers.

Reporting of actual and forecast expenditure, at a programme level, is carried out by the Performance Management Team via the monthly Strategic Priority report. In addition to this, the weekly KPI report details spend and outputs which is reviewed at the Directors Group and Executive Team meetings.

For clarification, the role of each 'team' or individual in the ongoing process can be summarised as:

Executive Director
The Executive Team has an overview of the total Agency picture and individual responsibility for the performance of the Strategic Priorities managed by their Directorate.

Attend Directorate Review meetings with Finance & Performance Director and/or Executive Director of Corporate Services to discuss performance, any actions agreed and determine any funds to be returned to the centre..

The Executive Team can vire projects from one Strategic Priority to another, or transfer funding from one Strategic Priority to another.

Priority Lead Director
Monitor overall Strategic Priority performance and ensure spend is in line with Business Plan allocation and that outputs equal or exceed targets.

Attend monthly Directorate Review meetings with Finance & Performance Director and/or Executive Director of Corporate Services to discuss performance and any actions agreed.

Manage the overall Agency commitments and spend at Directors Group level.

Prioritise projects for delivery as part of the Directors Group.

Project Manager
It is the responsibility of the Project Manager to negotiate contracts with the selected deliverer, undertake the ongoing management and monitoring of the project performance (including processing financial claims), and ensure post completion evaluation is carried out. Apart from the period in which the project is being appraised by the SRC it remains the responsibility of the Project Manager to ensure project records are maintained on Portfolio Director.

4 AMENDMENTS TO EXISTING PROJECTS

Projects which have been appraised are sometimes subject to review for various reasons. It may be that as a project progresses further funding is required, or it may become apparent that output delivery will be significantly different from the original appraisal.

Where additional funding is required the following procedures should be taken:

<u>Increases in funding up to 10% of the original appraised amount</u>

A Justification Statement (JS) needs to be completed.
This form, along with guidance on its completion, can be found on the Shared Resource Centre intranet site under Stage 3 of the appraisal procedure (in the Documents for Download section).

Once completed, and approved by the Director who authorised the original project appraisal, the JS should be submitted to the Shared Resource Centre in order for the relevant checks to be made before the Performance Management team increase the Appraised Budget amount in PD.

Please note that it is the **total increased amount** which sets the approval level.
So, if a project with an originally approved budget of £950k is being increased by 10%, the total increased amount will be above £1m and it will therefore have to be submitted to the Board Resources Group (BRG) for approval.

If a project with an originally approved budget of £1m or more is being increased by up to 10%, there is no need to gain BRG approval again. In this case, the JS should be approved by the relevant Director and BRG should be notified of the increase.

<u>Increases in funding over 10% of the original appraised amount</u>

A full revised application form / appraisal form needs to be completed by the project owner / SRC in accordance with the appraisal guidelines on the SRC pages of the intranet.

If the total increased project value is £1m or above, the appraisal will have to be approved by the BRG in all cases where an increase over 10% of the original appraised amount is being requested.

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Initial Idea	**Operational Director & Head of Team agree next steps**	**Development of Application Form**	**Technical Appraisal – SRC Team**	**Approval / Rejection Process**	**Finance Checks**	**Contracting**
Actions	**Actions**	**Actions**	**Actions**	**Actions**	**Actions**	**Actions**
• **Project Initiator** to check Business Plan for inclusion • Project can be input onto PD as a “Pipeline” project • Talk to **Operational Director** to consider viability of progressing project • **DG** to decide whether project is taken forward • If ‘no’ at this stage ensure formal recording of decision • If ‘yes’ Expression of Interest (if externally generated project) is prepared and proceed to Step 2. Project can be set to “Public” by Head of SRC	• **Operational Director/HoT** determine who will be the Project Manager • **Priority Lead Director** to sign/approve EOI (if an external application) • **Project Manager** to attach EOI to PD	• **Project Manager** to ensure application (whether internally or externally generated) is robust i.e. fully completed, state aid and procurement proofed etc • **Legal risk matrix** is completed by Project Manager and attached to PD • Application submitted to SRC for appraisal. **Project Manager** to ensure application is attached to PD	• **SRC** sends acknowledgement of receipt of application to **Project Manager** and advises of target appraisal completion date • SRC milestones entered on PD • Appraisal allocated to **SRC Appraiser** • **SRC** completes appraisal • SRC milestones updated on PD • Set to ‘endorsed’ on PD by **SRC** (if there are no issues which would prevent the project from being approved) • Completed appraisal returned to **Project Manager**	• **Project Manager, Head of Team** and **Director** review appraisal • **Director** to approve / reject • <£1m –**Director** approval (weekly summary at Exec to note) • >£1m - to **Exec Director** for approval (**Project Manager** to complete BRG Authorisation Form) • Project referred to BRG for final approval* • Update PD with milestones **** For projects greater than £1m, the project will be presented to the earliest BRG after completion of the appraisal - Lead Director and Project Manager to present project to BRG***	• **Project Manager** Sends to PMT for budgetary approval • Project details set up in finance system by **Finance Team** • Project switched to committed on PD by **Finance Team** • Appraisal returned to **Project Manager**	**See Legal Intranet Pages for full details of the Contract Risk Matrix procedure** The entire contracting process is dependent on the timely return of a signed contract from the project deliverer • Contract to be attached to PD

SECTION 6

PROCUREMENT PROCESS

Introduction

emda's Procurement Policy
http://intranet/src/procurement/generaldocs/CorporateProcurementPolicyApril09.doc
sets out the Agency's aims when purchasing goods and services and *emda*'s Procurement Strategy is in place to enable these aims to be achieved.

Tendering Procedure Guidance

Guidance on Procedure can be found in *emda*'s Procurement Manual and on the Procurement pages of the Intranet
http://intranet/src/procurement/ssprocurementpolicy.asp

Regular training sessions are provided by the Legal and Procurement Team in relation to procurement, legal and state aid issues and processes.

SECTION 7

KEY POLICY STATEMENTS

1 Finance Policies

- Accessed via the *emda* intranet at http://emsvrproxy/finance/default.asp

2 Fraud Policy and Procedural Guidance

The Fraud Policy http://www.emda.org.uk/documents/emdaFraudPolicy.pdf sets out *emda*'s position on fraud.

The Fraud Procedural Guidance document http://intranet/legal/documents/FraudProceduralGuidance.doc explains the procedures to be followed when a suspicion of fraud is raised, and includes *emda*'s 'whistleblowing policy'.

The "whistleblowing" policy exists to allow staff to report on any improper practices (eg financial or regulatory failings) within *emda.* The policy operation is set out in the Fraud Procedural Guidance.

Any concerns can be reported to line managers or to either of *emda*'s two "Designated Assessors" - the Chairman of the Audit Committee, Mr Stan Crawford, (c/o East Midlands Development Agency, Apex Court, City Link, Nottingham NG2 4LA, tel: 0115 988 8322; e-mail: clairepickard@emd.org.uk) and the Executive Director of Corporate Services, Mr Glenn Harris, (East Midlands Development Agency, Apex Court, City Link, Nottingham NG2 4LA, telephone: 0115 988 8331, e-mail glennharris@emd.org.uk). The "Prescribed Person" can be contacted as follows: Comptroller & Auditor General at The National Audit Office, 157 - 197 Buckingham Palace Road, London SW1W 9SP (telephone 020 7798 7999). The National Audit Office can also offer further help and support.

3 Staffing Policies

- These are set out in the Agency's Employee Handbook, a copy of which is given to all Board Members and staff. The manual can be accessed via the *emda* intranet http://emsvrproxy/hr/EmployeeHandbookandProcedures.asp
- The Employee Handbook includes Policies covering all aspects of employment within the Agency, including: Equality of Opportunity, Diversity, Health and Safety, Reward, Performance Management, Discipline, Grievance, Pensions, Leave and Absence Management.
- The Agency's Travel & Subsistence/Expenses Policy (dated 1 April 2006) for Members and staff can also be found on the *emda* intranet at http://emsvrproxy/hr/Sections/Revised%20Employee%20Handbook/AppendixI-NEWTravelandSubsPolicy.doc
- The Agency consults with its staff through a Staff Forum; the terms of reference for the STAFF Group are at **Appendix A**. The Agency also formally recognises three Trade Unions: GMB, Prospect and PCS.

4 Information Security Policies

The Information Security Policies can be access via the *emda* Intranet at http://emsvrproxy/is/policies.asp. The key policies are:

- Information Security Policy –establishes how *emda* safeguards the information assets for which it is responsible.
- Informationm Security Incident Management Process – identifies what actions *emda* will take in the event that an information security breach occurs.
- IS Acceptable Use Policy – sets the policy and framework by which all IT assets will be used within *emda*.

5 Vision and Values

- The Agency has a clearly defined Vision and supporting set of Values, details of which are contained at **Appendix B.**

6 Corporate Social Responsibility

emda recognises the value of Corporate Social Responsibility in contributing to the competitiveness and sustainable economic wellbeing of East Midlands' businesses, communities and economies. *emda* acts as an exemplar of Corporate Social Responsibility as an organisation; and encourages businesses in the region to see and adopt the benefits of Corporate Social Responsibility, for example through Business Links and Business Champions.

7 Duty to Involve

emda's Involvement Policy http://emsvrproxy/legal/documents/duty-to-involve/InvolvementPolicy280909.pdf outlines *emda's* approach to involving interested parties and describes the principles of good practice that underpin *emda's* involvement activity.

The policy describes how *emda* complies with the statutory Duty to Involve and outlines roles and responsibilities for *emda* staff members to discharge the duty in their day-to-day practice. Further Guidance is available to *emda* staff members on the intranet http://emsvrproxy/legal/duty-to-involve.asp

STAFF FORUM TERMS OF REFERENCE

emda STAFF Group

(Staff**, T**ask**, A**ction**, F**eedback**, F**orum**)**

1 Principle

Joint consultation involves seeking mutually acceptable solutions by an exchange of ideas and views, through representatives, to add value to the organisation's actions, proposals and decisions. The STAFF Group at *emda* is designed to facilitate and encourage the consultation process.

2 Purpose and Role

The purpose of the STAFF Group is to contribute to the efficiency and development of the Agency through:

- Providing a STAFF Group in which staff representatives can express their views and opinions of the employees they represent which will be genuinely taken into account in the development of plans and in the decision making process of the Agency.

- Providing an additional channel of communication enabling employees through their representatives to be kept informed of the Agency's plans, progress and any issues that may affect them.

The STAFF Group also provides a unique route of communication for discussion topics and a test bed for new ideas impacting on all staff with a cross section of representatives from teams across the Agency.

3 Authority Limits

The taking of decisions continues to rest with those within *emda* (normally the Executive Team) who are accountable for such decisions.

The STAFF Group is not intended to replace the normal communication and consultation process between individual managers and their team members.

The STAFF Group will not be used for matters of individual cases of disciplinary, grievance or grading, as these should be pursued through *emda*'s relevant procedures. However, if there are issues of principle on application of these procedures then these can be discussed.

4 Composition

The STAFF Group will consist of a representative from every team and at least one management nominee.

Where a STAFF representative is unable to attend a meeting then a substitute from within the team will attend if possible.

Meetings are open to any member of staff wishing to attend.

The HR Director will attend STAFF Group meetings in the role of Management nominee. The position of the Chair will be elected for a 12 month period. A volunteer will be elected to minute the meetings and give administration support to the Chair for a 12 month period.

Where specialist knowledge is required the Chair will have the authority to invite other attendees to provide specialist input according to the contents of the agenda. This could include the Facilities Manager, a member of the Executive or alternatively an individual not employed by the Agency. The Chief Executive will be invited to attend STAFF Group meetings.

5 Selection Process

Any employee may be nominated by their team, with their permission, to become a STAFF Group representative. Teams should also consider having a deputy representative.

Teams are encouraged to review their representatives at regular intervals as appropriate.

6 Facilities

STAFF Group members will be allowed a reasonable time away from their normal duties to liaise with the staff they represent to seek opinions and provide necessary feedback as well as attending the meetings. They will be allowed full access to administrative facilities necessary to perform their duties. Any training necessary for the completion of their duties, subject to normal authorisation processes, will be financed by the Agency.

7 Duties and Responsibilities

All STAFF Group members will be expected to contribute in a positive and constructive manner. Working relationships will not be prejudiced by any views expressed.

It is vital that representatives find out the concerns and ideas of those they represent and feed this information back into the STAFF Group meeting. Representatives should not simply put forward their own views, although personal experience and expertise will be valued.

Staff representatives will be responsible for keeping their constituents informed of the deliberations and activities of the STAFF Group. It is their responsibility to ensure that these communications systems are effective. It is suggested that STAFF Group minutes are discussed at team meetings as appropriate.

In certain areas management representatives may be subject to an overriding duty of confidentiality but will operate on the basis that useful and relevant information will not unreasonably be withheld.

8 Meetings

8.1 Schedule

Meetings will be held bi-monthly the dates to be set at the start of the year and shown on the intranet home page. In addition to scheduled meetings, a meeting may be called with the agreement of the majority of the STAFF Group members, to consider any matter of urgency.

A scheduled meeting will be cancelled if more than 50% of the representatives are unavailable.

Each meeting will be limited to 1.5 hours maximum – consisting of half an hour pre-meeting of team representatives and an hour of formal meeting when HR / the Executive join the group.

The formal meeting will have an agenda item entitled “Chair’s Questions” where anonymous queries raised in advance of the meeting can be answered by HR / the Executive representative(s).

Ideally meetings should have a pre-established theme if possible in order to allow the group to discuss topics of particular interest. This will allow representatives to canvas their own teams’ views beforehand, the group to have a more focused discussion and teams to have any specific questions answered during the hour.

8.2 **Agenda and Meeting Dates**

It is the responsibility of the administrator to ask for Agenda items fourteen days prior to the meeting. Agendas will be distributed at least three days prior to the meeting.

8.3 **Operating Points**

Any issues requiring a decision from the STAFF Group will be done in the form of a free vote with the decision being carried by a majority of those present voting in favour of the resolution proposed.

8.4 **Minutes**

Minutes will be in the form of action points and circulated to the STAFF Group members within 10 working days of the meeting. Minutes will also be posted on the Intranet for all staff to access. The HR Director will feed any matters, which have a major impact on the operation of the Agency into the following Executive Meeting.

8.5 **Review**

The contents of this document are subject to review by STAFF Group members at regular intervals as necessary. Any changes must be proposed and agreed as detailed in section 8.3.

emda's VISION & VALUES

SECTION 8

CORPORATE GOVERNANCE MANUAL: REVISION INDEX

Section Number	Section Name	Revision No.	Revision Date
	Overview & Contents	6	June 2010
1	Statutory Basis and Corporate Structure of East Midlands Development Agency	4	June 2010
2	Corporate Governance Framework Diagram	3	June 2009
3	*emda* Board	5	June 2010
4	Board Sub-Committees	5	June 2010
5	Management and Operation of the Agency	5	June 2010
6	Management Processes	4	June 2010
7	Key Policy Statements	6	June 2010
8	Revision Index	7	June 2010