



# North East Local Enterprise Partnership Constitution





## 1. Name

The Board shall be known as “The North East Local Enterprise Partnership Board (“the Board”).

## 2. Vision and Role of the NORTH EAST LEP

- 2.1 The vision of the North East LEP is to rebalance the economy and create *“Europe’s premier location for low carbon, sustainable, knowledge-based private sector-led growth and jobs”*
- 2.2 To achieve these ambitions the North East LEP will deliver a series of actions against four strategic economic priorities set out in the original submission to Government, namely:
- 2.3 The key roles of the North East LEP will be:
- to lobby Government on issues of economic importance to the North East of England;
  - to act as an advocate and champion for business and community interests;
  - to provide strategic economic leadership and local accountability;
  - to demonstrate added value and efficiency; and
  - to commit to working across local administrative boundaries
- 2.4 The NORTH EAST LEP will have a decision making role, which is likely to evolve over time according to the development of the role of the Partnership.

## 3. Membership of the Board and Related Matters

- 3.1 Membership of the Board will comprise:
- nine private sector representatives, including the Chair (“private sector members”);
  - seven local authority representatives (“local authority members”);
  - one higher education representative;
  - one representative of further education colleges (together “education members”)
- 3.2 The local authority members will be the respective Leaders of the Council/Elected Mayor as appropriate.
- 3.3 Private sector members have been recruited, using the Nolan principles (**Appendix 1**) to reflect the geography of the North East LEP area, key sectors and different sizes of business operation. Future recruitment of private sector members shall similarly take these matters into consideration. The Constitution includes a Code of Conduct at **Appendix 2** to ensure the highest standards of propriety in decision-making.
- 3.4 The Chair and non local authority Board Members of the North East LEP shall be appointed for a term of three years, through public appointment and interview. Board members will not be remunerated.
- 3.5 The term of not more than one third of non-local authority members shall end at the same time and the Board shall determine arrangements to give effect to this provision to ensure continuity in the conduct of its business.



- 3.6 Substitutes for Board Members shall not be permitted to attend meetings. Observers may attend in accordance with the arrangements for the Conduct of Meetings set out at **Appendix 5**. However, this will be kept under review.
- 3.7 The quorum for meetings of the Board shall be 10 out of the 18 provided at least five private sector members and four local authority members are present.
- 3.8 All decisions shall be taken on the basis of consensus and where this is not possible the procedure set out in para 4.1 **Appendix 5** shall apply.
- 3.9 Local authority Members will be bound by the Code of Conduct of their own authorities as well as this Constitution its principles and Code. Other Board Members will comply with the principles set out in **Appendix 1** (which includes the Seven Principles of Public Life established by the Committee on Standards in Public Life) and also the Code of Conduct at **Appendix 2**.
- 3.10 The North East LEP is a voluntary partnership arrangement. One of the local authorities will fulfil the role of accountable body and manage the financial and human resources of the North East LEP.

## 4 Functions and Remit

The Board shall:

- provide high quality leadership and set the strategic direction for the sustainable economic growth of the North East economy and determine key objectives and investment priorities to deliver the overall vision and strategy of the North East LEP;
- lead the development of the North East LEP Enterprise Zone;
- coordinate the Regional Growth Fund bidding and leverage of funding from the private and public sector to support the delivery of agreed North East LEP priorities;
- manage and set the forward strategy for attracting new investment and business in to the area locally targeted business support activity
- approve the Budget of the North East LEP, in line with the financial procedures of the local authority accountable body;
- prepare for its approval and then monitor performance against an Annual Business Plan;
- influence key sub-regional, regional and national strategies;
- approve review and amend the Constitution;
- appoint its Chair and Vice Chairs;
- appoint representatives to selected outside bodies;
- determine arrangements for the retirement from office of non local authority members of the Board having regard to the need to ensure continuity in the conduct of its business;
- establish Executive Support;
- establish Sub-Groups as required, appointing their Chairs and determining their terms of reference;
- keep its representation under review having regard to the geography of the North East LEP area, its key business sectors and different sizes of business operation;
- publish an Annual Report to coincide with the North East LEP AGM in July; and provide a link to Government on all aspects of the North East LEP's work.



## 5. Chairs / Vice Chairs and Board Members

- 5.1 The Chair of the NORTH EAST LEP shall be from the private sector. The roles of the Chair /Vice Chairs and Board Members are set out at **Appendix 3**.
- 5.2 There will be two Vice Chairs, with one appointed from the private sector and one appointed from the local authority members.
- 5.3 Certain decisions may be delegated to the Chair and Vice Chairs in the circumstances described in **Appendix 4**, together with the arrangements for formally recording those decisions and communicating them to other Board Members.

## 6 Meetings

Meetings of the Board shall be governed by this Constitution and, in particular, the provisions contained in **Appendix 5**

## 7 Freedom of Information

From time to time, local authorities in the NORTH EAST LEP may receive information requests under the Freedom of Information Act 2000, which relate to the business of the NORTH EAST LEP. The Board Members are each committed to deal with those requests in accordance with the Protocol set out in **Appendix 6**



## **APPENDICES**

- 1. Nolan Principles**
- 2. Code of Conduct**
- 3. Roles and Responsibilities of the Chair, Vice-Chair and Board Members**
- 4. Scheme of Delegation**
- 5. Meetings of the Board**
- 6. Freedom of Information Protocol**



## APPENDIX 1

### Nolan Principles

#### **Nolan Principles:**

##### **Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

##### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

##### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

##### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

##### **Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

##### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

##### **Leadership**

Holders of public office should promote and support these principles by leadership and example.





## **Langlands Principles:**

### **Good Governance and Principles of Public Life**

The Code of Conduct in **Appendix 2** is intended to conform to the six Langlands Principles of good governance for all organisations delivering public services. Members shall also conduct themselves in accordance with the Nolan Principles of Public Life.

#### **Good governance means focussing on the North East LEP's purpose and outcomes for partners and other stakeholders:-**

The Board establishes the North East LEP's purpose clearly and gives the organisation clear strategic direction.

Strategic and financial plans are based on achieving its overall purpose.

The Board oversees the implementation of strategic and financial plans and regularly reviews how far it has achieved the intended outcomes.

Strategies, plans and major decisions take account of the needs and views of its stakeholders and the communities it serves.

Decision-making is consistent with the North East LEP's Constitution and with its legal obligations.

#### **Good governance means the Board and senior officers working together effectively in clearly defined functions and roles:-**

Board Members and senior officers understand their roles and ensure that the Board exercises overall responsibility for the North East LEP's leadership and control.

Board Members must act in the best interests of the North East LEP. They must not act as representatives of any other organisation or interest group.

All Members of the Board accept collective responsibility for upholding its decisions. Working relationships between the Board members and any Executive Support are constructive and effective.

The Chair and the Vice Chair are responsible and accountable to the Board for exercising any powers or authority delegated to them.

Governance systems and relationships enable the business to be managed efficiently and effectively.

The Board receives objective professional advice on matters where it would be appropriate to do so.

#### **Good governance means promoting values for the whole organisation and demonstrating the values of good governance through behaviour:-**

The North East LEP promotes clear values that guide its activities.

Board Members put these values into practice through their behaviour.

The Board upholds and applies the principles of equality and diversity in all areas of its work, including its governance arrangements.

The North East LEP conducts its affairs with honesty and integrity. Through its actions, it maintains its good reputation.

Any conflicts of interest that Board Members and staff may have are declared and managed openly and appropriately.



**Good governance means taking informed, transparent decisions and managing risk:-**

The Board acts and makes decisions in a way consistent with the North East LEP's Constitution and delegations.

The Board receives information and advice that is appropriate to its strategic role and the decisions it is asked to make.

The North East LEP openly communicates the Board's decisions to partners and other stakeholders.

The Board identifies risks that might prevent it from achieving its objectives, manages these risks and mitigates their effects, wherever possible. The Board ensures that the North East LEP has effective systems for risk management, internal control and audit where appropriate.

**Good governance means developing the capacity and capability of the Board and senior officers to be effective:-**

The Board have the skills, knowledge, experience and resources needed to provide capable leadership and control, taking account of the objectives and governance needs. The Board includes people who can offer different perspectives on the North East LEP's work, provided they meet appropriate criteria on skills, knowledge and experience.

New and existing Board Members receive support to enable them to fulfil their governance responsibilities through induction, learning and other forms of support that reflect the objectives and governance needs.

The North East LEP regularly reviews the skills and composition of the Board and how well it is fulfilling its governance responsibilities. It makes any improvements needed and plans effectively for the renewal of the Board.

Where Board Members are nominated by an outside body, nominations and appointments are made on the basis of the skills and experience that would be most useful in meeting the North East LEP's governance needs.

**Good governance means working with stakeholders and being openly accountable to them:-**

The North East LEP gives partners, funders and local people information that meets their needs about the North East LEP, its performance and its future plans.

The North East LEP gives other stakeholders the information they need about its plans and performance.

The North East LEP is open about what it does and publishes information about its activities wherever possible. The North East LEP agrees to respond to requests for information about the work of the Board and the North East LEP.

The North East LEP is open and co-operative in dealing with all its partners and funders, notifying them of anything that may affect its ability to fulfil its obligations.





## APPENDIX 2

### Code of Conduct

#### **Code of Conduct for Board Members**

1. Board Members are expected to carry out their duties to the highest standards of professionalism and integrity bringing experience, judgement and critical detachment to their duties and must not be influenced by business or personal relationships external to their Board duties.
2. The Board should be open and accountable to the region and the local community. As a general rule, information about the North East LEP should be made available unless there are good reasons of confidentiality or practicality why not.
3. The Board should publish an annual report providing information about activities and performance.
4. The Board should comply with requests for information where practicable.
5. The Board should review openness arrangements on an annual basis.
6. Board Members must ensure that their personal or professional interests do not influence their decisions and that they do not use their position to obtain personal gain of any kind.
7. Board Members should declare any conflicts of interest.
8. When the Board discuss an item which poses a conflict of interest for any member or employee present, that person should declare his/her interest at the outset of the meeting.
9. If the conflict is clear and substantial, the Board Member should offer to withdraw and, if invited to remain, should refrain from voting on the matter or taking part in the discussion.
10. The Board should monitor the Code of Conduct on receipt of hospitality and gifts by Board Members and staff.
11. Board Members are expected to attend regular meetings of the Board and any Sub-Group to which they are appointed by the Board as well as any other meetings where their presence can reasonably be expected.
12. Board Members must always act in good faith and in the best interests of the North East LEP the local community and economy and must have due regard to the fact that they are administering public funds.
13. Board Members shall not use information gained in the course of their public service and in exercising their responsibilities as a Board Member for personal gain nor seek to use the opportunity of public service to promote their own interests.
14. Board Members will not disclose information given to them in confidence by anyone, or information acquired which they believe is of a confidential nature, without the consent of a person authorised to give it, or unless they are required by law to do so.



### **Gifts and Hospitality**

15. Board Members shall not accept any gifts or hospitality from any persons or bodies applying, or seeking to, apply for funding from the North East LEP or, involved in the negotiation of any contract, or other transaction, connected with the North East LEP or the resolution of any dispute with the North East LEP.

### **General**

16. Board Members must declare any personal interests during any discussion or correspondence with officers of the North East LEP, its Executive Support or its agents
17. Board Members shall review their membership/chairmanship if their personal circumstances are likely to result in so many declarations of interest that their value as a member/chair will be affected or are likely to result in a weakening of public confidence in the duty of Board Members to work solely in the public interest.
18. If Board Members are unsure of the seriousness of a potential conflict of interest they shall err on the side of caution and disclose that interest.
19. Board Members shall:
  - i) Promote equality by not discriminating unlawfully against any person;
  - ii) Treat others with respect;
  - iii) Conduct themselves in a manner so as not to bring the North East LEP into disrepute;
  - iv) Not use or attempt to use their position to improperly confer on themselves or any other person any advantage or disadvantage.





## APPENDIX 3

### Roles and Responsibilities of the Chair / Vice-Chairs and Board Members

#### **Role and Responsibilities of the Chair/Vice- Chairs**

The Chair/Vice-Chairs will:-

- ensure efficient conduct of the Boards' business;
- ensure, where possible, that all Members are given the opportunity to express their views before decisions are taken;
- establish a constructive and supportive working relationship amongst Board Members;
- ensure that the Board delegates sufficient authority to its Sub- Groups, the Chair, and others to enable the business of the North East LEP to be carried out effectively between Board meetings, and also to ensure that the Board monitors the use of these delegated powers;
- ensure that actions comply with the Constitution;
- represent the North East LEP as appropriate;
- work in consultation with other Board Members to take any decision delegated to the Chair;
- seek to ensure the Board receives professional advice when needed either from its Executive Support or external sources.

#### **Board Member Obligations**

- To uphold the values and objectives of the Board and in particular the principles set out in **Appendix 1**. Board Members share responsibility for its decisions and each member should only act in the interests of the NORTH EAST LEP.
- To contribute to and share responsibility for Board decisions.
- To respect confidentiality of information.
- To prepare for and attend meetings, training and other events.
- To represent the Board as appropriate.
- To declare any relevant interests.
- To report back on relevant issues from their employing/representative organisations.
- To scrutinise financial information provided to ensure that financial controls and systems of risk management are robust and defensible.
- To attend induction, training and performance review sessions or events as are reasonably.
- To operate in accordance with the Constitution.





## APPENDIX 4

### Scheme of Delegation

#### **Background**

- (1) The purposes of these delegated responsibilities are to:
- (i) enable decisions to be taken efficiently and effectively;
  - (ii) enable the Board to provide clear leadership
  - (iii) ensure it works in partnership with other stakeholders;
  - (iv) assist Board Members carry out their role more effectively;
  - (v) create a powerful and effective means of holding decision makers to public account;

#### **Matters Reserved to the Board**

(2) The Board shall have the power to delegate any of its functions in addition to those already specifically delegated as described below. The Board can at any time withdraw any power delegated by it as it thinks fit. The Board may determine that certain matters are to be decided only by the Board.

#### **Urgent Decisions**

(3) The Chair, acting in consultation with the Vice-Chairs, may take a decision which would usually be determined by the Board if the decision is required as a matter of urgency.

However, the decision may only be taken:-

- a) If it is not practical to convene a quorate meeting of the Board; and
- b) the reasons why it is not practical to convene a quorate meeting of the Board and the Vice-Chairs consent have first been noted on the record of the decision.

(4). Following the above decisions, the Chair will provide a report to the next available Board meeting, explaining the decision, the reasons for it and why the decision was treated as a matter of urgency as applicable.

#### **Matters Delegated to Sub-Groups**

(5) The Board shall have discretion to appoint any Sub- Group to assist with the execution of its functions or to provide it with advice and shall have the power to delegate subject to:

- (i) determining the terms of reference and membership of any Sub-Group which may include non Board members;
- (ii) appointing a Member of the Board to chair the Group; and
- (iii) the delegation must be exercised in a way which falls within the approved policies of the Board.

(6) This Constitution, including the Code of Conduct for Board Members, shall apply to any non-Board Member of a Sub-Group except in so far as it is obviously inconsistent with membership of a Sub-Group.



### **Matters Delegated to the Chair**

(7) The matters delegated to the Chair are:

- (i) Such matters as the Board may from time to time determine
- (ii) Urgent decision making in accordance with para (3) above

(8) Each exercise of delegation shall be reported to the next Board Meeting.

### **Scope and Remit of Local Authority Board Members Delegated Authority**

(9) Local authority members on the Board are nominated by their respective authorities and are required to act within the delegated authority given to them.

(10) Local authority members should act at all times in a manner consistent with the Policy Framework of their authorities; where it is anticipated that a decision of the Board might involve a conflict with, or departure from, that Framework then they should, on advice, consider referring the matter to their Council for consideration and seeking a deferral of the Board decision accordingly.





## APPENDIX 5

### Meetings of the Board

#### 1. MEETINGS OF THE BOARD

(a) Annual Meeting

The Annual Meeting of the Board shall be held in [July] of each year for the purposes of appointing a Chair and Vice- Chair; considering an Annual Report on the activities of the Board; making any necessary amendments to this Constitution and transacting any other business.

(b) Election of Chair and Vice- Chair

At the Annual Meeting, the Board shall elect from amongst its members a Chair and the Vice-Chairs. Board Members shall make appropriate arrangements amongst themselves to put forward nominees for these appointments. Any vacancy arising in any of these offices shall be filled at the next meeting following the occurrence of the vacancy.

The Chair and Vice- Chairs shall be entitled to serve a maximum of [two] individual terms; the duration of each will be a maximum of [three years].

The Chair shall be appointed from amongst the private sector representatives on the Board

One Vice-Chair shall be appointed from amongst the private sector and one Vice-Chair shall be appointed from the local authority members

(c) New Members

In the event of the resignation of a private sector or education sector Board Member the Board will immediately seek a replacement .In the case of a local authority Leader/Elected Mayor ceasing to hold that position that local authority's place will revert to the newly elected Leader/Elected Mayor

Non local authority Board Members shall be entitled to serve for three years.

(d) Termination of Membership

Any Board Member wishing to resign from the Board may do so at any time by writing to the Board's Executive Support who shall immediately inform the Board and the Board shall put in place procedures to seek a replacement

(e) Observers

In addition to the Board Members, such other persons may attend meetings as the Board shall from time to time agree as observers, who may address the meeting but may not vote.



(f) Frequency of Meetings

- (i) The Board shall meet [6-8 weekly] with the exception of August on such days and at such times as it shall have determined at the Annual Meeting unless in the opinion of the Chair the business to be transacted does not warrant the holding of a meeting, or s/he considers that an additional meeting is warranted.
- (ii) A Special Meeting of the Board shall be convened on a minimum of 21 clear days notice following receipt by the Board's Executive Support of a request from the Chair or from not less than [three] Members save that where the Chair and Vice-Chairs agree the period of notice shall be such lesser period as they consider appropriate in case of urgency. .

**2. PLACE OF MEETINGS**

Meetings of the Board shall be held at venues approved by the Chair on behalf of the Board.

**3. QUORUM**

The quorum for meetings of the Board shall be 10 out of the 18 provided at least five private sector members and four local authority members are present.

**4. VOTING**

- 4.1 The principle of decision making by the Board shall be that, wherever possible, decisions of the Board will be by consensus, without the need for a vote. Where this is not possible a vote may be taken where the Chair considers it to be necessary to establish whether a consensus exists. The vote will be by way of a show of hands and the vote of each member recorded in the minutes. Where no consensus appears likely the item or matter shall either a) be dealt with following an adjournment or b) be deferred to the next ordinary meeting of the Board for decision in either case to allow informal deliberations to take place
- 4.2 In the event of a vote, only bona fide Board Members shall be entitled to vote (including the Chair). In the event of a tied vote the Chair has no second or casting vote. Any motion or proposal which results in a tied vote will be deemed not to have been agreed.
- 4.3 Any member may request a formal ballot.





**5. AGENDA**

Copies of the Agenda for meetings of the Board shall be circulated to members normally at least seven days before the meeting, together with any relevant reports and documents. Unless otherwise agreed in advance, the Agenda and papers shall be circulated electronically .

Matters for inclusion in the agendas and any other reports or documents shall be sent normally to the Board's Executive Support at least seven days before the meeting.

Agendas and Minutes shall be published on the NORTH EAST LEP's website save where matters of commercial sensitivity or confidentiality might arise

**6. ALTERATIONS TO THE CONSTITUTION**

Alterations to this Constitution shall be made only by the Board at each Annual Meeting or at a Special Meeting (if required) and the same shall be kept under regular review.

**7. ATTENDANCE OF THE PUBLIC AT MEETINGS**

Until the first anniversary of the Board, meetings of the Board shall be closed unless otherwise determined by the Chair. Thereafter the position shall be the subject of review.

Where members of the public are in attendance at a Board Meeting, the Chair may exclude the public where any item of business might lead to the disclosure of confidential or commercially sensitive information





## Appendix 6

### Freedom of Information Protocol

- 1.1 Board Members recognise that public authorities, as defined by Freedom of Information Legislation, ("FOI"), information may be the subject of an Information Request.
- 1.2 Board Members shall assist each other in complying with these obligations where they relate to North East LEP business including but not limited to assistance without charge in gathering information to respond to an Information Request.
- 1.3 Any local authority represented in the North East LEP shall be entitled to disclose any information relating to the North East LEP in response to an Information Request, save that in respect of any Information Request which is in whole or part a request for Exempt Information:
  - 1.3.1 the local authority which receives the Information Request shall circulate the Information Request amongst organisations that are members of the North East LEP and shall discuss it with their representatives;
  - 1.3.2 the local authority which receives the Information Request shall in good faith consider any representations raised by other representatives when deciding whether to disclose Exempt Information; and
  - 1.3.3 the local authority which receives the Information Request shall not disclose any Exempt Information beyond the disclosure required by FOI Legislation without the consent of the Party or Parties to which it relates.
- 1.4 The Board Members acknowledge and agree that any decision made by a local authority which receives an Information Request as to whether to disclose information relating to the North East LEP pursuant to FOI Legislation is solely the decision of that authority.