

Investment Appraisal Committee Terms of Reference

Purpose

To ensure allocation of funding is delivered appropriately and in accordance with the Assurance Framework through the mechanism of LEP Programmes - Growing Places Fund, Growing Business Fund, Capital Growth Programme, EZ Accelerator Fund and the Innovative Projects Fund or other funds as appropriate, and that the funding allocations support the development of schemes that deliver the Economic Strategy.

Functions

- Making an assessment as to the long term financial and legal viability of offering Growing Places Fund loan finance to clients and other.
- Making assessments on projects received through Capital Growth Programme, ensuring value for money, additionality and alignment with the Economic Strategy ambitions and Economic Indicators.
- Consider proposals for co-investment of the Enterprise Accelerator Fund for projects to be developed on Enterprise Zones, generating a rental return through co-ownership of a suitable built asset.
- Provide scrutiny to the Growth Deal spend profile and agree any reallocation of funds.
- Providing a strategic assessment of proposed LEP Programme bidding calls.
- Providing a final strategic assessment of projects and to make a decision on which projects should be approved for funding where the value of the LEP intervention is £500k or less.
- Make a recommendation to the LEP Board to approve or reject each request for funding received exceeding £500K.
- Approve contract variation to funding agreements after initial approval by the committee within £500k of the original agreed funding or delivery profile.
- Lead on the development of the LEP Investment Plan making recommendations to the LEP Board in the summer of each year which sets out the framework for LEP Programmes for the proceeding financial year.

Membership and Appointment

The committee will comprise a total of eight members. Seven committee members will be members of the LEP Board- four private sector members, three public sector. A further private sector member will be independent of the LEP Board. The Chair of the Committee will be appointed by the LEP Board, and a Deputy Chair shall be appointed to chair the Committee in the Chair's absence or if he/she elects to delegate the chair. Substitutes may only be accepted in exceptional circumstances and only for public sector members at the discretion of the Chair.

Quorum

Five members, of which at least two shall be private sector directors and includes relevant LEP Board Champion for the programme, one public sector Board member and the chair or deputy chair.

Attendance of non-members at meetings

Officers from the LEP Executive will attend meetings and present reports and recommendations, but will not be entitled to vote. Project applicants will not be entitled to attend meetings unless it is deemed necessary. Meetings of the Investment Appraisal Committee will not be open to observers or other attendees.

Advisers

The Growing Business Fund uses independent appraisers to conduct the due diligence on each applicant to the programme. Adviser contracts will be compulsorily reviewed every 3 to 5 years

Meeting Frequency

A meeting will be scheduled to be held before each LEP Board meeting. If no decisions are forthcoming, the meeting can be cancelled. Ad hoc meetings can be scheduled if necessary, both in person and by conference call, particularly to review changes to outstanding projects.

Delegated Authority including limits

The committee will have a delegated responsibility from the LEP Board for financial decisions up to £500k.

The Investment Appraisal Committee will set the annual budget for the Growing Business Fund for each forthcoming financial year and will agree any variance to the budget during the delivery year should this be necessary. Authority will be delegated for Growing Business Fund (GBF) decisions to the GBF panel, which the LEP Board Champion for GBF and member of the IAC attends. The maximum award size under GBF will be £500k. A report will be provided on awards made by the GBF panel for each IAC meeting.

Authority is also delegated, through the GBF panel, to the ERDF funded Small Grant Scheme. The SGS, an on-line panel, will report decisions made to the GBF panel and in turn to the IAC. The maximum award size under SGS will be £25k.

Reporting procedures

The minutes of meetings will be circulated to all members of the LEP Board and will be published on the LEP website. The IAC will receive minutes from GBF, incorporating Small Grants Panel decisions to ensure alignment with investment decisions. IAC minutes will be published 10 days after meetings in accordance with LEP governance arrangements.

Decisions made by the IAC, GBF panel and Small Grants panel will be recorded in the LEP's register of decisions which is published online.

Communications

Meeting agendas will be circulated 5 working days before each meeting in accordance with LEP governance arrangements. Agendas will include all appropriate papers required to support any decisions to be made. Additional papers may be circulated by email between meetings as necessary.

Key stakeholders such as the Skills Board and the Local Transport Body will be consulted and informed on projects and decisions made.

Decisions will be communicated to applicants in advance of minutes being published.

Review

The membership of the Investment Appraisal Committee will be reviewed annually. The Committee shall, review its own performance once a year and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the LEP Board for approval.