



Governance and Assurance Framework

Section B: Constitution

April 2023

1. The name of the organisation shall be the Midlands Engine.
2. The Midlands Engine shall work through a governance model partnership and be subject to the Midlands Engine Assurance Framework and compliance with relevant policies as set out within the Midlands Engine Assurance Framework.

Membership

3. Board membership is subject to the Board Recruitment Policy

Executive Board

4. The Executive Board ensures overall responsibility for the good governance of the Engine, and will appoint a Finance, Audit and Risk Board to assist them in this role. The Accountable Body and representatives of the sponsoring Government Department will be observers at this Board. The Executive Board sets the overall vision for economic growth through the Midlands Engine and is responsible for:
 - a) setting the overarching vision and strategies for economic growth in the Midlands Engine area
 - b) ensuring the delivery of economic growth in the Midlands area
 - c) determining the operating structure and governance arrangements of the Midlands Engine, including making appropriate appointments to the Executive Board and other groups
 - d) Signing off the annual Midlands Engine Business Plan, and maintaining strategic oversight of its implementation
 - e) working in partnership across public and private sectors, ensuring the Midlands Engine is business led and that the business voice influences the economic strategies for the region
 - f) championing the Midlands as the place to do business
 - g) facilitating an entrepreneurial environment in which business can start-up, prosper and grow.

Finance, Audit, and Risk Board (FARB)

5. The Finance, Audit and Risk Board (FARB) is responsible for advising and reporting to the Midlands Engine Executive Board on the integrity of the Midlands Engine budget, risk management and the work of the external auditors.

Membership of the FARB will be agreed by Midlands Engine Executive Board to assist them to carry out its duties in its overall responsibility for good governance. The Accountable Body and representatives of the sponsoring Government Department will be members of this Board along with members as agreed by the Midlands Engine Executive Board.

The FARB will be responsible for the following:

- a) Oversight of the Midlands Engine Corporate Risk strategy and for the review and management of the effectiveness of internal control and risk management

arrangements.

- b) Provide consideration to the formulation of the finance planning for the organisation by the Midlands Engine Executive, ensuring compliance with agreed spend against budget, in line with the **Midlands Engine Scheme of Delegation**.
- c) Review Midlands Engine the annual budget setting against agreed priorities and undertake reviews of the budget three times annually (start of year, mid-year and end of year) reporting to the Midlands Engine Executive Board ensuring the financial health and solvency.
- d) Reviewing the actions from Auditors and ensuring audit actions are completed in line with the agreed timetable.
- e) Ensure identified opportunities to influence Government and wider policy in pursuit of the Midlands Engine priorities, ensuring that public expenditure is not incurred in retaining the services of lobbyists to influence public officials, Members of Parliament, political parties.

Partnership Board

- 6. The Executive Board will appoint a Partnership Board consisting of senior level officers from within the partners. The Partnership Board will ensure effective collegiate working through all of the Midlands Engine's work and be accountable for the development of the Midlands Engine annual Business Plan and the co-ordination of partners to ensure its successful delivery. Specifically, the Partnership Board will be responsible for:
 - a) developing the Midlands Engine annual Business Plan to put forward to the Executive Board for agreement, including a specific responsibility to ensure the wider engagement of businesses and other stakeholders in this process
 - b) developing proposals for the Midlands Engine operating structure to put forward to the Executive Board for agreement
 - c) Proposing to the Executive Board strategic targets for all programmes, as set out in the Midlands Engine annual business plan, against which performance will be monitored
 - d) determining strategic communications for all Midlands Engine programmes
 - e) reporting at least three times a year to the Executive Board regarding delivery of the key programmes as set out the in the Midlands Engine annual business plan
 - f) identifying opportunities, and making arrangements, to influence Government and wider policy in pursuit of the Midlands Engine priorities

Thematic Boards

- 7. The Boards may appoint Thematic Boards to carry out specific functions within its remit on its behalf. The number and purpose of these groups will be reviewed as required by the respective Board.

Chair and Vice Chairs

8. The Chair of the Executive Board, Partnership Board and Finance, Audit and Risk Board shall be appointed by the Executive Board who may delegate to the Chief Executive along with the search and selection process.
9. Chairs shall be appointed for terms of up to three years and a maximum of three terms. The Executive Board may vote to remove the Chair should they have concerns regarding their performance by a 2/3 majority of the voting members. Concerns could include (but not limited to):
 - a) declaration of interests
 - b) fraud & misconduct
 - c) attendance at meetings
 - d) delivery of Midlands Engine objectives.

Duties of the Chairs will be to:

- a) Provide leadership in the delivery of the vision, strategic objectives, targets, and outputs
 - b) Chair meetings of the respective Board and ensure their smooth and effective operation
 - c) Have responsibility for taking a casting vote in the event of a tie in any vote undertaken at Board meetings
 - d) Build cohesion within the Midlands Engine, ensuring that all partners work together for the best outcomes for Midlands
 - e) Represent the Midlands Engine at high profile events, engaging in national and local discussions and public relations opportunities as required
 - f) Undertake public affairs activity and policy
 - g) in addition the Chair of the Executive Board will provide line management to the Midlands Engine Chief Executive
10. Up to three Vice Chairs may be appointed to Executive Board / Partnership Board. The Vice Chairs may be nominated from members of the respective Board. Their role is to assist the Chair in their duties and to deputise for them when they are not available. One Vice Chair may be nominated by WMCA and local authorities, one by the Universities, and one by the private sector.
 11. The Vice Chair(s) of the Finance, Audit and Risk Board will be appointed from existing Board Members. Candidates will be asked to put themselves forward with a seconder. Where there are multiple candidates, the remaining Board Members will be asked to come to a consensus or vote and the decision will be minuted. Tenure will commence from the date of the vote/meeting at which a consensus is reached.

Representation and Attendance

12. Only full members of the respective Board may take part in any vote. Observers, officers or guests at the meeting may participate in discussion if invited to do so by

the Chair but are not entitled to vote.

13. Substitution arrangements are only permitted with agreement from the Chair of the respective Board.
14. A meeting is quorate with 2/3 of the board members present.

Decisions

15. In the event that a consensus cannot be achieved on a matter requiring a decision, that decision shall be taken by vote and carried if it is supported by over 50% of those members present. Each Board member shall have one vote and the Chair shall have a casting vote if required.
16. Notice of all matters which are to be discussed at a meeting will be by way of circulating the meeting agenda to members, five clear working days in advance of the meeting.
17. The Chair may decide to seek agreement to a proposal via the Electronic Procedure. Decisions will be made on the same basis as that outlined in paragraph 11

Meetings and Papers

18. The Executive Board shall meet three times per year. A calendar of future meetings will be set for a year at a time.
19. The Partnership Board shall meet quarterly.
20. The Finance, Audit and Risk Board shall meet three times per year.
21. Themed Groups and Boards shall meet as and when required, subject to individual needs.
22. Minutes of the meetings of Board meetings shall be approved in draft form by the Chair and disseminated to Board members. Minutes shall remain draft until approved at the Board's next meeting.

Midlands Engine Secretariat

23. The ME Secretariat will attend and support all meetings of the Boards. They are responsible for:
 - a. Ensuring that the Governance and Assurance Framework is implemented correctly
 - b. Arranging and supporting meetings
 - c. Providing ME/partner activity updates
 - d. Ensuring budget information is provided in a timely manner
 - e. Support for board member recruitment
24. In addition, the ME Secretariat will maintain a central electronic store of all paperwork pertaining to the Executive, Partnership and Finance, Audit and Risk Board meetings including, but not limited to agendas; minutes; terms of reference; register of interests;

and record of decisions taken outside of meetings.

25. Arrangements for the publishing of meeting agenda and papers are set out in the Transparency Code.

Conflicts of Interest

26. The Executive and Partnership Boards shall be subject to the **Register and Conflicts of Interest Policy**.

Membership

27. Board membership is subject to the **Board Recruitment Policy**.

Accountable Body

28. The Midlands Engine will ensure that there is an accountable body agreement in place with Staffordshire County Council who manage all financial matters on behalf of the Midlands Engine. For responsibilities of the Accountable body, please refer to the **Accountable Body Agreement**.

Remuneration and Expenses - Chair

29. The Chair of the Midlands Engine Partnership is entitled to receive reimbursement for expenses incurred whilst undertaking the role, including travel and accommodation to attend speaking engagements and meeting events and representations to Government and various business meetings as set out in the Assurance Framework. It is also intended to cover local travel costs and incidental costs such as the use of their homes.
30. The Chair's expenses will be paid on receipt of invoice. The Midlands Engine Partnership Chief Executive will authorise the claim and it will be processed through the Accountable Body's payment system in the same manner as all other expenses made by the Midlands Engine Partnership. All travel and subsistence claims should include VAT receipts to evidence the claim.

Remuneration and Expenses - Board Member

31. Board Member travel expenses are covered by their individual organisations as part of their direct contribution to the Midlands Engine Partnership.
32. The Midlands Engine Partnership will provide a light buffet for Board Members, Officers and Observers at each Board meeting if it takes place over a break period.
33. Overnight allowances
 - a. Maximum overnight allowances be linked to those paid for Midlands Engine staff.
 - b. In exceptional circumstances and with agreement from the Chief Executive the tariff at 'a' above may be increased