

CHART LOCAL ACTION GROUP

Terms of Reference

The Connecting Hastings and Rother Together (CHART) Local Action Group is part of an EU Community-Led Local Development (CLLD) Programme. The Local Action Group is not a constituted body therefore all administration and financial duties are to be undertaken by the accountable body (Hastings Borough Council).

Context for the Terms of Reference

1. There are two funding streams for the Community-Led Local Development Fund in England, with two Managing Authorities. The Department for Work and Pensions (DWP) is the designated Managing Authority for European Social Fund (ESF) and the Ministry of Housing, Communities and Local Government (MHCLG) is the designated Managing Authority for European Regional Development Fund (ERDF).
2. The CHART Local Action Group (known as 'CHART LAG Board') is a local group made up of members of the public, private, voluntary, community sector and residents from the Borough of Hastings & District of Rother. This complies with the Delegated Grant Fund Model, and meets the requirements of the EU Regulation 1303/2013 Article 34, (paragraph 3) regarding the membership of the Local Action Group.
3. Hastings Borough Council (known as the 'Council') is recognised by the CHART LAG Board as the accountable body for the CHART CLLD programme and the designated competent authority responsible for ensuring that the CHART programme complies with the terms of the Funding Agreements made between MHCLG/ DWP and the Council.
4. Access to the £2,800,000 of ERDF / ESF funding awarded to CHART is conditional on the Funding Agreements being signed by the Council and MHCLG / DWP. All CHART LAG Board members agree to the provisions and implications of these Funding Agreements.
5. Training will be provided for all CHART LAG Board members to help them understand and feel confident in their roles and responsibilities.

Terms of Reference

6. These Terms of Reference set out the basis on which the CHART LAG Board will operate. The CHART LAG Board is a partnership of stakeholders from the public, private, community and voluntary sectors within the CHART area.
7. The CHART LAG Board is not a legal entity and is governed by these voluntary terms of reference and by the Funding Agreement(s) between the Council and the MHCLG/ DWP, which sets out the CHART's responsibilities in terms of the CLLD grant scheme. The accountable body has the right to veto decisions that they consider to be technically incorrect and thus not valid within the provisions of the Funding Agreement(s).
8. The Council will undertake the arrangements for project management, monitoring, accounting and financial administration of the CLLD programme.
- 9.
10. As accountable body the Council is:
 - Accountable for ensuring the compliant operation of the LAG Board;
 - Accountable for investing ERDF/ESF resources;
 - Liable for any ineligible expenditure;
 - Accountable for meeting performance targets;
 - Liable for any underperformance penalties.
11. Considering article 9 above, the Council will have veto on any grant decisions made by the LAG Board which the Council feels will not deliver ERDF/ESF outputs/outcomes and/or eligible activity or expenditure.

Purpose

12. The purpose of the CHART LAG Board is to design and implement the CHART strategy and action plan.
13. In working towards the delivery of the strategy, the CHART LAG Board will undertake the following functions which relate to European Regulations Article (EU) No 34, paragraph 3 :
 - building the capacity of local actors to develop and implement operations including fostering their project management capabilities;
 - drawing up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 50% of the votes in selection decisions are cast by partners which are not public authorities, and allow selection by written procedure; EN L 347/356 Official Journal of the European Union 20.12.2013;
 - ensuring coherence with the community-led local development strategy when selecting operations, by prioritising those operations according to their contribution to meeting that strategy's objectives and targets ;

- considering and deciding upon projects and funding for projects seeking investment from the CHART LAG Board, following the recommendations and advice from the CHART Executive Delivery Group (CHART EDG), and CHART programme staff;
 - preparing and publishing calls for proposals/tenders or an ongoing project submission procedure, including defining selection criteria;
 - receiving and assessing applications for support
14. The responsibilities and decision-making powers held by the CHART LAG Board itself are as follows:
- Developing, adopting, monitoring and reviewing the CHART strategy;
 - Assisting the accountable body in the management of the grant processes associated with the funding awarded specifically to the CHART programme;
 - Prioritising, appraising, approving, monitoring, and evaluating projects and activities in accordance with the processes set out in the (to be developed) Scheme Delivery Plan, Investment Appraisal manual and the Funding Agreement.

Membership

15. The CHART LAG Board will comprise of 12 to 15 individual representatives balanced across three sectors - public, civic society (including community and voluntary) and private. The membership will aim at being gender balanced and have a fair representation of the population of the CHART target areas.
16. To minimise LAG Board operational difficulties resulting from conflict of interest voting representatives will be spread across sectors as follows:
- VCS sector: no more than one representative should be a project lead. No more than one should be a project delivery partner No VCS representative should be a serving politician.
 - Residents: no more than one resident rep may be a board member/ employee/ volunteer of a delivering organisation No resident representative should be a serving politician.
 - Public sector: no more than two voting members may be currently serving as politicians
 - Businesses: no more than one business rep may be a board member/ employee/ volunteer of a delivering organisation. No business representative should be a serving politician.
 - Current members of the LAG who don't fulfil the above criteria are welcome to remain as non-voting ex-officio members**

**Ex-Officio definition: This is a member of the CHART LAG who sits on the LAG Board but does not have voting rights. Ex-officio members cannot sit on the

Executive Delivery Group, with the exception of the programme team and the Rother District Council officer representative who are permanent ex-officio members – see 21 below.

Ex-officio members may not influence proceedings to engineer an advantage and must leave the room for agenda items where they have a conflict of interest, they cannot vote but are not required to attend meetings.

17. Current membership is as Annex A, and further members may be invited to join or leave as appropriate.
18. The named members of the CHART LAG Board who hold a vote on behalf of their organisation will be confirmed and reviewed annually.
19. The Chair and Vice Chairs voted in during preparation stage will be reviewed at 6 monthly intervals whilst the programme is set up. Once the programme is implemented Chair and Vice Chairs will be reviewed annually.
20. Where voting representatives of named partner organisations are unable to attend CHART LAG Board meetings and send a substitute in their place, that person will be welcome to observe and contribute to discussions but will not have voting rights. Should this situation continue for three meetings the voting representative will be asked to confirm their personal commitment to the CHART LAG Board. If circumstances mean that they cannot fulfil this role as a member of the CHART LAG Board they will be asked to propose an alternative representative from their organisation. The CHART LAG Board will consider this proposal at their next scheduled meeting and advise the organisation of their decision.
21. The CHART Scheme Delivery Manager, Project Manager and Project Officers will be ex officio members of the CHART LAG board.

Meetings

22. The CHART LAG Board shall hold at least 4 meetings in every year for the transaction of general business, and may hold such other meetings as the CHART LAG Board shall find necessary or convenient.
23. As referenced in item 5 the CHART LAG Board will be provided with training. Certain training and mop up sessions are mandatory and all members must attend. This includes
 - LAG induction
 - LAG Equality and Diversity training
 - LAG Sustainability training
 - LAG training on monitoring ESIF funded projects
 - LAG resident representatives should attend additional training or E-learning session

- LAG business representatives should attend additional training or E-learning
24. For a meeting of the CHART LAG Board to be quorate there must be present no less than 33% of the voting membership, and with all three sectors represented.
 25. Voting will be required on decisions that commit finance through the approval of projects. When voting takes place the public sector members or any single interest group cannot have more than 49% of the voting rights during decision-making and at least 50% of the votes in project selection decisions must come from the non-public sector members. The accountable body has the right to veto decisions that they consider to be technically incorrect and thus not valid within the provisions of the Funding Agreement.
 26. CHART LAG Board members may take a decision without a meeting by indicating to each other by electronic means, ensuring that the same voting procedures are followed as per clause 21 and 22 A decision which is made by this means shall be as valid and effectual as if it had been passed at a meeting duly convened.
 27. The minutes of CHART LAG Boards shall be drawn up by a CHART Officer and shall be approved by the CHART LAG Board. All records shall be kept electronically for the prescribed period as advised by the Managing Authorities.

CHART Executive Delivery Group

28. The CHART Executive Delivery Group (EDG) will comprise of 7 members – 2 from the public sector, 2 each from the civic sector, the private sector and the LAG Board Chair. **There will be also be resident members in addition to the seven members from the above sectors.** A quorum for the CHART EDG will be 4, and must have representation from all sectors. The CHART Scheme Delivery Manager and representatives from the accountable body are ex officio members of the CHART EDG.
29. Should a CHART EDG member have to stand down because of a change in circumstances, the CHART EDG can in the first instance co-opt a new member from the CHART LAG Board membership.
30. The CHART EDG will meet monthly during the development phase, and every 6 weeks when the programmes are being monitored.
31. THE CHART EDG will be issued with electronic devices to allow access securely high confidential and commercially sensitive documentation. Recipients of these devices will be asked to read and sign the CHART EDG Acceptable User Agreement when they take possession of their electronic device.

The Acceptable User Agreement will record the asset number of the device and the date handed over to the CHART EDG member.

32. During the grant application process the accountable body will highlight at EOI stage whether a project invited to full application may need specialist assessment. If this is the case, these assessors will be invited to sit on the EDG at the investment panel where the project's full application is discussed. These specialist assessors will be EDG members for this purpose only.
33. The principal responsibilities of the CHART EDG will be:
 - To be the investment panel of the LAG during the Grant application process;
 - Make recommendations on decisions of Grant full applications to the CHART LAG Board;
 - Oversee and monitor the physical and financial performance of the programme, reviewing monthly reports on the operation of the programme and the financial position;
 - Supporting strategic project development and coordination;
 - Report to the CHART LAG Board on all the above.

Conflict of interests

34. Conflicts of interests are defined as any personal or business interest that may influence, or may be seen as influencing, an individual's ability to apply judgement or act objectively, particularly where the individual could be perceived as deriving personal benefit from actions or decisions made in their official capacity.
35. When accepting membership of the CHART LAG Board each representative must complete an individual register of interest form, which shall be kept by the CHART Project Manager. This register will be reviewed annually but, where a member experiences a substantive change in their interests, they are expected to arrange to update the register of interests at the earliest opportunity. In the spirit of openness, interests beyond those held as standing interests in the register must be declared at a meeting of the CHART LAG Board or the CHART EDG where the business of said meeting may from time to time give rise to a conflict of interest. The CHART LAG Board and accountable body will agree the appropriate action, if any, for the member to take in the light of the nature of the interest declared.
36. CHART LAG members should declare whether any member of Hastings Borough Council has representation on their board of trustees, is a shareholder, partner or director.
37. It is recognised that CHART LAG Board and EDG members may have direct and indirect conflicts of interests. The code of conduct and conflict of interest policy

exists to ensure that CHART LAG Board and EDG members understand that where they have a direct or indirect pecuniary interest in a proposed or approved project they are to declare it.

38. A direct interest would mean a CHART LAG Board/EDG member or organisation represented, or a direct family member, would gain or lose a financial advantage in terms of money or the value of assets.
39. An indirect pecuniary interest occurs when the CHART LAG Board/EDG member or a direct family member is also a member of the company or organisation benefitting from the proposed or approved project or is employed by the company or organisation.
40. Any CHART LAG Board/EDG member with a direct or indirect conflict of interest will not be involved in any related decisions or partake in relevant discussions on the matter.
41. In cases of multiple conflicts an independent appraiser or external specialists may be required to review the full applications, undertake assessments and make recommendations to the EDG/ LAG board.
42. There may be multiple conflicts of interests within the EDG acting as the Investment Panel, which cannot be overcome by co-opting in other LAG members to the EDG. At such times approaches will be made by the accountable body to members of other CLLD LAGs within SE LEP region to independently assess the full application.
43. The full conflict of interest policy is outlined in the Code of Conduct and Conflict of Interest Policy, of which this document is Annex 5.

Amendments to Terms of Reference

44. This document shall be reviewed annually by the CHART LAG Board and more frequently if appropriate.

Annual Review Meeting

45. The CHART LAG Board will hold an Annual Review Meeting which will be open to the public. At this meeting a short review of the CHART's approved projects, activities and achievements during the year in question will be presented. This will include information on delivery of the Action Plan, partnerships with other local groups and businesses, names of everyone who has served on the CHART LAG Board during the year, plus information on the plans for the next year.

Complaints

46. If a project applicant feels unfairly treated, they have a right to submit a complaint. In this case, the project application will be investigated by the Chair of

the CHART LAG Board, who will investigate whether the correct procedures have taken place and that the decision of the CHART LAG Board is valid. If the applicant is not satisfied with the Chair's decision they can submit a complaint to the accountable body. Should a CHART LAG board member have a complaint about the conduct of CHART business they should write, in the first instance, to the Chair of the CHART LAG Board.

Breaches to the Terms of Reference

47. Should a CHART LAG Board member consider that a colleague is acting in breach of these terms of reference or the Funding Agreement(s) they should notify the Chair of the CHART LAG Board in writing. The Chair will then convene a small group of members and accountable body delegated officers to undertake a review of the circumstances which may involve an interview with the CHART LAG Board member who is the subject of the complaint. The CHART LAG Board member identifying the breach will then be notified of the outcome of the investigation, as will the member about whom the complaint has been made. The CHART LAG Board will be advised of the outcome at the next meeting.
48. CHART LAG Board members should note that the CHART LAG Board has a responsibility to immediately inform the MHCLG/DWP if it becomes aware of, or reasonably suspects, fraud or other irregularity in relation to the CLLD programme.
49. CHART LAG Board membership may be revoked if a Board member's action brings disrepute to the CHART programme.

Dissolution

50. If the CHART LAG Board decides that it is necessary or advisable to dissolve the group, it must call a meeting of all members, for which not less than 21 days' notice (stating the reasons for dissolution) must be given. If the dissolution is confirmed by a three quarters majority of voting members present, the accountable body will take advice from the MHCLG/DWP to ensure that the realisation of any assets held by or on behalf of the CHART programme Organisation after the payment of debts and liabilities is conducted in accordance with the terms and conditions of the Funding Agreement and ESF/ ERDF Funding.

Approval of Terms of Reference

51. These Terms of Reference were first approved by the CHART LAG Board on the 26th of August 2016.
52. These Terms of Reference were updated and approved by the CHART LAG Board on the [DATE: To be completed pending recruitment]

Main acronyms and abbreviations

CHART Connecting Hastings & Rother
Together

LAG Local Action Group

EDG Executive Delivery Group

CLLD Community-led Local Development

EOI Expression of Interest

ERDF European Regional Development
Fund

ESF European Social Fund

MHCLG Ministry of Housing,
Communities and Local Government

DWP Department for Work and Pensions

ANNEX A

	Name	Title/ Role	Organisation representing	CHART locality	Sector			
					Private	Public	3rd	Resident
Total sectorial representation								
%								

This table will be completed in subsequent versions pending recruitment.