



**SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP**

Solent Local Enterprise Partnership

Solent LEP Search, Employment and Remuneration Committee

Revised Terms of Reference

July 2017

Background

The Solent Local Enterprise Partnership (LEP) is the key interface and lead for economic development in the Solent, and is seeking to create a step-change in economic growth and raise productivity levels. Meeting this aspiration requires the area to create the conditions that support growth, and our Strategic Economic Plan (SEP), published in March 2014, sets out how we are seeking to achieve this. To reflect the shift in focus in national policy to raise productivity levels, the LEP has recently published a Productivity and Growth Supplement, which commences our dialogue with partners in advance of a refresh of our economic strategy.

Effective provisions for timely and binding decision-making are a central component of the Solent LEPs strategy and, in pursuance of this, and to ensure that the strategy and investments are effectively aligned, the Solent LEP Board has established a Funding, Finance and Performance Management Group (FFPMG) to provide support and advice to the Board in relation to overall performance of commissioned activity against the published Solent SEP and EUSIF, to provide an overview of sources of funding that are being allocated to support activity under the published SEP and EUSIF and to provide an overview and scrutiny of financial performance.

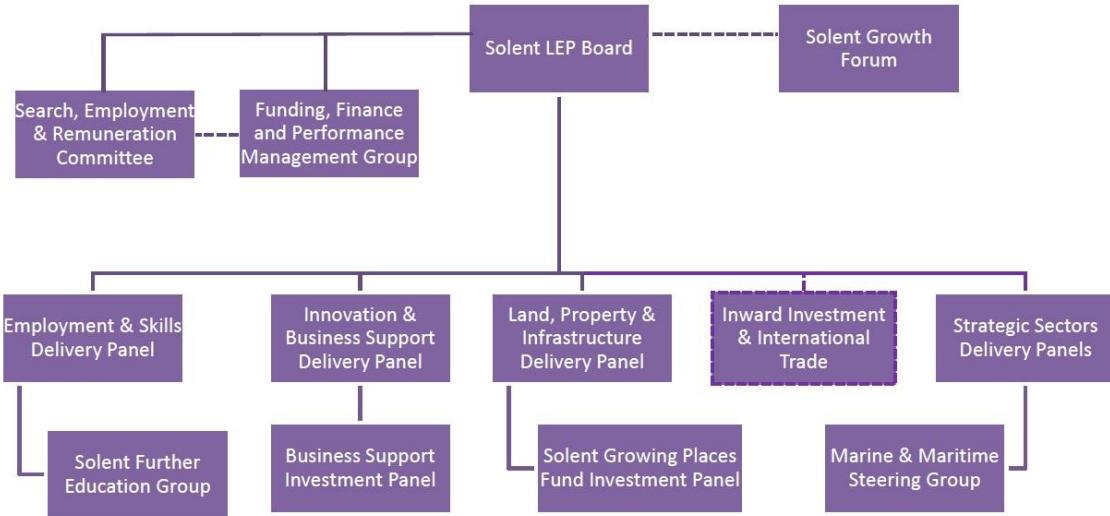
Capacity of the Solent LEP Executive Team, as well as the wider private sector expertise secured to support the LEP, forms a critical component of the LEPs ability to implement timely and binding decision-making and, in order to ensure appropriate capacity is in place, an Executive Search, Employment and Remuneration Committee (The Committee) has been established.

The Committee is appointed to lead the process for all employment matters including, but not limited to, organisational structure, appointments and executive remuneration within the overall budget approved by the Board in order that there is a formal and transparent procedure for developing employment policy.

It is also recognised that the Solent LEP has become increasingly reliant on recruitment of senior business leaders in order to enable the area to continue to feature strong business leadership in the development and delivery of key economic policy in the Solent area, including the Solent Growth Deal and economic strategy for the region. In response to this, the remit of the group has been broadened to include both an executive and non-executive search function which will provide expert advice and guidance to the LEP Executive itself and to the LEP executive and LEP Board on the recruitment of new LEP Business Directors, Panel Chairs and Private Sector Members, and advice and guidance to the Accountable Body on the recruitment of senior members of the Executive team to include the Solent LEP Chief Executive.

Overarching Governance Structure

The below diagram identifies where The Committee sits within the wider Solent LEP governance structure.



1. Membership

1.1 Members of the Committee shall be appointed by the Solent LEP Board in consultation with the Chairman of the Employment and Remuneration Committee. The Committee shall be made up of at least five members, all of whom shall be independent non-executive directors. Ordinarily, it is expected that the Committee Membership will consist of three Business (B) Directors and two Public Sector (P) Director. In the event that one of the P Directors is drawn from a P Member of Solent LEP Ltd that is also the Solent LEPs nominated Accountable Body, it would ordinarily be expected that this Director would take on one of the P Director roles on The Committee (recognising the Committee's employment remit). It is also expected that the Chairman of the Funding, Finance and Performance Management Group (FFPMG) will be a member or the Committee in order to ensure effective alignment between the Committee and FFPMG. The Chairman of the LEP Board may be a member of the Committee (subject to the provision in section 1.3 that the Solent LEP Chairman shall not be the Committee Chairman).

1.2. Only members of the Committee have the right to vote at Committee meetings. There will also be ex officio support in attendance at every meeting including the Solent LEP Chief Executive (or nominated representative), the HR representative and the Chief Finance Officer (CFO) from the Accountable body Portsmouth City Council and the Solent LEP Company Secretary. External advisers may be invited to attend for all or part of any meeting as and when appropriate. This may include individuals with independent recruitment expertise and the Company Secretary when considering executive search requirements for Business Director roles.

1.3. The Committee shall appoint the Committee Chairman from amongst its membership who shall be drawn from the Solent LEP Board directors and also be an independent non-executive business director. The Chairman of the LEP Board shall not be the Committee Chairman.

2. Secretary

2.1. The Company Secretary or their nominee shall act as secretary of the Committee.

3. Quorum

3.1. The quorum necessary for the transaction of business shall be two. A duly convened meeting of the

Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4. Meetings

4.1 The Committee shall meet at least twice a year and at such other times as the Committee Chairman shall require.

5. Notice of meetings

5.1. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend before the date of the meeting. Meetings can be convened electronically or via video/telephone conferencing as required. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time as meeting details.

6. Minutes of meetings

6.1 The secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

7. Annual general meetings

7.1. The Committee Chairman (or their nominated deputy) shall attend the annual general meeting and be prepared to respond to any shareholder questions on the Committee's activities.

8. Duties

8.1. For the LEP executive and the LEP Chief Executive, the Committee shall:

- (a) Agree the framework and policy for remuneration, terms of employment and any changes, including service contracts, remuneration, basis of bonus and bonus awards and the targets for any performance related pay schemes; and
- (b) To approve and keep under review, on behalf of the Board of Solent LEP, the LEP's employment Strategy ensuring efficient and effective recruitment, development and deployment of the LEP's staff resources, role descriptions and the on-going development of the LEP staff; and
- (c) To keep under review risks associated with those matters considered the responsibility of the Committee, as determined by these Terms of Reference; and
- (d) To keep under review risks associated with the Employment Strategy, including: the capacity of the executive at all levels to deliver the work of the LEP and the LEP's mission and strategy; succession planning for key staff; staff retention; and the effectiveness of staff appraisal, staff consultation and staff development systems and support mechanisms; and
- (e) To make recommendations to the Board where any proposals made will exceed the approved budget of the LEP Executive
- (f) Authorise execution by the Company and LEP accountable body of all relevant documents
- (g) To approve and keep under review, on behalf of the Board of Solent LEP, the LEP's recruitment strategy ensuring efficient and effective recruitment of senior business leaders to fill non-executive roles across the Solent LEP Board (Business Directors), Panel Chairs and Private sector panel members.

- (h) To advise and guide the LEP Executive and LEP Board on strategies to enable it to find, recruit and retain the best quality executive and non-executive appointees

8.2 Within the terms of the agreed policy and in consultation with the Chairman of the Board and/or Chief Executive as appropriate, the Committee shall determine the total individual remuneration package of the Chief executive and other LEP staff (including bonuses and incentive payments where applicable). The Chief Executive shall withdraw from any meeting or part thereof where the remuneration of the Chief Executive is being considered.

8.3. In determining such packages and arrangements, the Committee shall give due regard to any relevant legal requirements, and the Accountable body's pay policy and associated guidance.

8.4. The Committee shall:

- (a) Review the ongoing appropriateness and relevance of the employment strategy and remuneration policy; and
- (b) Ensure (through the LEP accountable body) that all provisions regarding disclosure of remuneration, including pensions, are fulfilled; and
- (d) Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and
- (e) Obtain reliable, up-to-date information about remuneration in other companies/organisations; and
- (f) have full authority to commission any reports or surveys which it deems necessary to help fulfil its obligations, and;
- (g) Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any Executive Search consultants who advise the Committee.

9. Reporting responsibilities

9.1 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9.2. The Committee shall:

- (i) Ensure that the provisions regarding disclosure of information are fulfilled; and
- (ii) Produce an annual report on remuneration, and a summary of the Company's remuneration policy which will form part of an annual report to the main LEP Board commencing 2016/17.

10. Other

10.1 The terms of reference and effectiveness of the Committee shall be kept under review and the necessary recommendations made to the Board.

11. Authority

The Committee is authorised:

11.1. Through the Company Secretary/Accountable Body to seek information it requires from any employee of Solent LEP in order to perform its duties;

11.2. In consultation with the Company Secretary, where necessary to fulfill its duties, to obtain any outside legal or other professional advice including the advice of independent remuneration consultants and to secure the attendance of external advisers at its meetings;

11.3. To delegate any of its powers to two or more of its members.

Members

One Solent LEP B Director

Chair of FFPMG

Chair of Solent LEP

Two Solent LEP P or H Directors (ordinarily expected to include one Solent LEP P Director from the LEPs nominated Accountable Body)

Ex-officio

The Solent LEP Chief Executive

HR representative and CFO from the Accountable Body

The Solent LEP Company Secretary

Independent Recruitment Expert