



SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP

Solent Local Enterprise Partnership Board

Terms of Reference

January 2018

Context

The Solent LEP is led by the business community and supported by three university partners, three unitary authorities, eight district councils and one county council – all working together to secure a more prosperous and sustainable future for the Solent area. The Solent LEP is registered as a company limited by guarantee and it was incorporated on 18 March 2011. Details on the governance arrangements for the Company are set out in the Company's Articles of Association, which are [available here](#).

In addition to operating within its Articles of Association and Company law, the Solent LEP has secured significant public funding and, as a result, also operates within the context of public funding frameworks. In recognition of this, the LEP has established robust, transparent and accountable governance arrangements to ensure these investments deliver value for money and tangible economic outputs in terms of new jobs, new housing, new employment space, improved skills, improved infrastructure and increased levels of private sector investment. These Governance arrangements are set out in the Solent LEP Assurance Framework, the purpose of which should be viewed in the context of the Accountability Systems Statements for both Local Government and the Local Growth Fund, which provide assurance to the Public Accounts Committee for how Local Growth Funds and wider funding routed through Local Government are allocated. A copy of the Solent LEP Assurance Framework can be [found here](#).

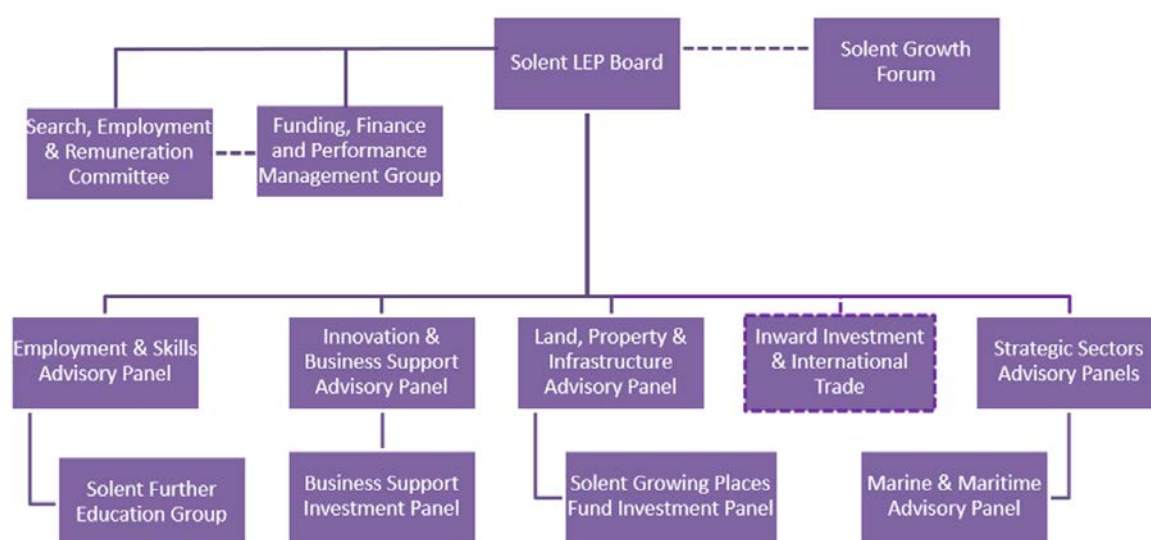
In addition, Portsmouth City Council is the accountable body for the Solent LEP and in this role is accountable for the proper use and administration of funding, all of which fall under the annual audit of the local authorities accounts, and for ensuring that decisions are made in accordance with the assurance framework. Portsmouth City Council and the Solent LEP have agreed timescales and operating practices to support the effective implementation of decisions. These are described in the protocol and service support agreement in place between the accountable body and Solent LEP which is [available here](#).

Within this context, the following document sets out the terms of reference that all Solent LEP Board Directors adhere to in their roles as LEP Directors.

Overarching Governance Structure

The Solent LEP Board is the lead decision-making entity within the LEP governance structure (shown in the diagram below). The LEP provides strategic leadership, determines policy direction, and is the ultimate decision-making body within the governance structure. All other components of the governance structure draw their authority from the LEP Board, with the exception of the Solent Growth Forum.

The Scheme of Delegation covering the Solent LEP Board and all sub panels can be [found here](#).



Board Membership

In keeping with the articles of association and in accordance with company law, the Board of Solent LEP Limited has been democratically elected by its members. Indeed, it was the first LEP in the country to have a fully-elected board of directors, who have been drawn from the area's key business, education and local authority communities.

The Solent LEP Board currently consists of 15 Directors¹. The 15 Directors are drawn from three classes of membership and an Executive Director.. The 14 non-executive Directors consist of eight Business (B) Directors, one Higher Education (H) Director and five Public Sector (P) Directors.

More information on the current company membership and Solent LEP Board Directors can be [found here](#).

Details in relation to eligibility criteria for Board Membership, powers of directors, appointment of Directors, retirement of directors, disqualification and removal of Directors, Directors remuneration, Proceedings of Directors and delegation are set out in the Articles of Association.

Role of the Board and Board Directors

The Solent LEP Board is the lead decision-making entity within the LEP governance structure. The LEP Board provides strategic leadership, determines policy direction, and is the ultimate decision-making body of the Solent LEP. The role of the Board is set out as follows:

A. To establish the vision, mission and values for Solent LEP including;

- Determining the company's vision and mission to guide and set the pace for its current operations and future development.
- Determining the values to be promoted throughout the company.
- Determining and reviewing company goals.
- Determining company policies in accordance with the Articles of association, the national framework on Assurance and the LEP governance and transparency best practice guidance

B. To set strategy and structure for Solent LEP including;

- Reviewing and evaluating present and future local growth opportunities, threats and risks in the external environment; and current and future strengths, weaknesses and risks relating to the company and the Solent LEP economic area.
- Determining strategic options, selecting those to be pursued, and deciding the means to implement and support them.
- Determining the business strategies and plans that underpin the Strategic Economic Plan, Local Industrial Strategy and general corporate strategy.
- Ensuring that the company's organisational structure and capability are appropriate for implementing the chosen strategies.
- Determining the company's appetite for risk and to engage in the process of backing a robust risk management programme focused on the company's business and the area(s) of its activities.

C. In agreement with the LEP Accountable Body, Portsmouth City Council, establish a delegation of authority to sub-panels and to the executive of Solent LEP, including

- Agreeing a scheme of delegating authority to sub panels, groups and committees as approved by the board, and monitoring and evaluating the implementation of policies, strategies and business plans.
- Agreeing a scheme of delegating authority to management, and monitoring and evaluating the implementation of policies, strategies and business plans.
- In accordance with the Articles of Association and LEP Assurance Framework Determining the monitoring criteria to be used by the board.
- Ensure that internal controls are effective.
- Communicate with all sub panels, groups and committees as set out in the governance structure

¹ There is a proposal to be considered by the AGM in March 2018 to provide an option for the Board to be able to appoint a second executive director if considered desirable

- Communicate with senior management.

D. Exercise accountability to members and be responsible to relevant stakeholders

- Ensure that communications both to and from members and relevant stakeholders are effective.
- Understand and take into account the interests of members and relevant stakeholders.
- Monitor relations with members and relevant stakeholders by the gathering and evaluation of appropriate information.
- Promote the goodwill and support of members and relevant stakeholders.

The Solent LEP Board therefore lead the development of the Strategic Economic Plan (SEP) and associated priorities and targets for the area and moving forward will play a key role in the preparation of a local industrial strategy for the Solent area. The board are also responsible for the development and delivery of the Local Growth Deal Programme

Directors appointed to the [board](#) form the central authority in Solent LEP Limited. . In carrying out their functions, directors owe a series of duties to the company. There are presently seven key duties codified under the [Companies Act 2006](#) sections 171 to 177, which reflect the common law and equitable principles as follows;

- Duty to act within powers
- Duty to promote the success of the company
- Duty to exercise independent judgment
- Duty to exercise reasonable care, skill and diligence
- Duty to avoid conflicts of interest
- Duty not to accept benefits from third parties
- Duty to declare interest in proposed transaction or arrangement

Bringing independent sound judgement, Solent LEP Board Directors are therefore expected to:

- Contribute to the board to ensure a balance between high level coordination and driving the commissioning of the agreed programme of strategic projects to bring about the economic and physical transformation of the Solent area.
- Provide strategic leadership, challenge and support to the Board and contribute to the development of one of the most successful LEPs in the country; establishing and developing the LEPs credibility and confidence within the wider market.
- Represent the Solent LEP locally, nationally and internationally, encouraging networking and joint working with other LEP's, government and private sector organisations based outside the area.
- Represent and promote the Solent on a local, national and international basis to deliver on the priorities of the LEP, bringing about the economic and physical transformation of the area.
- Actively engage with all interested parties, but particularly with the private sector, to capture and engage their interest and facilitate their activity in the Solent economic area.
- Contribute to and have influence over challenging goals and objectives, and ensure that the strategic aims are delivered through appropriate mechanisms.
- Contribute to the development of the board, providing expert advice and guidance.
- Working with the LEP Accountable body, Portsmouth City Council, help ensure effective planning, management and financial control procedures are in place to ensure that all relevant legal and statutory requirements are met.

Board Director Roles

- **Chairman**

The directors shall appoint a director from among the B directors to chair meetings of the directors, and may at any time revoke such appointment and appoint another chair in conformity with article 43.1 of the Articles of Association.

The Chair is responsible for the leadership of the board, ensuring its effectiveness on all aspects of its role. The primary role of the Chair is to secure good corporate governance by ensuring the Board is in full control of the

company's affairs and is alert to its obligations to the members of Solent LEP.

The Chair will chair all the meetings of the Board. If the Chair is unable to attend a meeting, the Chair will nominate an alternative from amongst the Solent LEP Business Directors for all Board Members to consider and agree to Chair in their absence for the duration of the meeting.

The Solent LEP Chairman will be responsible for agreeing the agenda for each LEP Board meeting for publication 5 working days in advance of the Board Meeting and deciding the order of matters to be discussed.

The Chair will decide the order in which members will be called to speak ensuring that all members present, who wish to, are given an opportunity to speak and also seeking to ensure that all views are fairly represented.

The Chair may suspend the meeting if in his or her view this is necessary; for whatever period of time he or she thinks appropriate.

Following consultation with the LEP Board, the Chair will be responsible for agreeing the draft meeting notes for publication within 5 working days of all Board meetings.

- **Chief Executive**

The Chief Executive for Solent LEP (also being an Executive Director on the Board) will have executive responsibility for the running of the company's business, including:

- Developing strategic operating plans that reflect the longer term objectives and priorities for the Solent LEP area as established and agreed by the board
- Maintain an ongoing dialogue with the Chair of the board
- Maintain the programme portfolio in line with the board's decisions
- Take remedial action where necessary in accordance with the scheme of delegation and inform the board of significant changes
- Deliver the operational performance for Solent LEP in accordance with the board requirements and having due regard for the requirements as set out under the LEP Assurance framework and the LEP governance and transparency best practice guidance
- Working with the Accountable Body Portsmouth City Council, ensure that adequate operational planning and financial control systems are in place and closely monitor the operating and financial results against plans and budgets
- Provide leadership to the Solent LEP management and executive team
- Manage the Solent LEP from day to day

- **Assurance Champion**

The Solent LEPs Funding, Finance and Performance Management Group has a well-established role coordinating Solent LEP activity and providing advice, alongside the Solent LEP Chief Executive, to the Board on strategic and operational matters. Further details on the FFPMG are [available here](#).

The Board have agreed to establish a formal role for the FFPMG Chairman (who must always be an LEP B Director and not the Chairman of the Solent LEP) on the LEP Board as an Assurance Champion and to incorporate this role within the LEPs formal complaints procedure to provide additional, independent scrutiny in relation to any reporting of allegations of untoward concerns by third parties / the public and ensure the LEP continues to demonstrate best practice in terms of response to Government expectations and recommended approach contained within the UK Corporate Governance Code 2016.

- **SME Ambassador**

The Board have established an SME Ambassador as a formal Board role to ensure the presence of an identified board member to represent and engage with the SME business community. The Solent LEP SME Ambassador takes a lead role in engagement with the SME Business community on behalf of the Solent LEP, both directly and through the development of strategic partnerships with relevant representative bodies.

- **Priority Leads**

The Board have agreed lead Directors for priority areas within the Solent LEPs strategic economic plan. These directors sit on the relevant delivery panels that have been established and provide a link between the Panels and main LEP Board. Details in relation to LEP Advisory Panels are [available here](#).

Conduct of Directors

All Solent LEP Board Directors are expected to follow "The 7 principles of public life" code of conduct and an LEP Code of Conduct has been established which all Directors are required to sign. A copy of the LEPs Code of Conduct is [available here](#).

Quorum

The quorum shall be four or the number nearest to one third of the total number of directors, whichever is the greater, or such larger number as may be decided from time to time by the directors, of which not less than two must be B directors and not less than two must be P or H directors.

A director shall not be counted in the quorum present when any decision is made about a matter upon which that director is not entitled to vote.

Decisions and Voting

The role of the Board is decision making. If a vote is required decisions shall be made on the basis of a majority of those directors attending and voting at a quorate meeting. Each member of the Solent LEP Board shall have one vote and decisions are made on a majority basis. In the event of an equality of votes being cast, the Chair of the meeting will have the casting vote.

Attendance by Others

The Section 151 Officer of the Accountable Body, or a nominated deputy, attends all LEP Board meetings.

The appointed Solent Area Lead at the Cities & Local Growth Unit (or equivalent Government department) will have a standing invitation to attend all LEP Board meetings as an observer to the meeting.

A director, other than an Executive Director, may not appoint an alternate director or anyone to act on his or her behalf at meetings of the directors.

The Chair can invite others to attend the meeting if they feel this would be helpful to the business of the Board where the benefit of their experience on the issues under discussion and their feedback are valuable contributions that will be sought by the Chair during debate. They may also be invited to speak on other relevant issues. Attendance of any other attendees at LEP Board meetings is by invitation of the LEP Chairman only. Any requests to attend Board meetings to make deputations on matters to be considered by the Board will be considered by the LEP Chairman in line with the procedures set out in the following section.

Deputations at meetings

The Solent LEP may receive deputations on a matter from any organisation or individual, where notice has been given, which is before that meeting of the LEP for decision. The following rules will apply:

- Notice of the intended deputation stating which agenda item it refers to and its purpose must be received in writing by the Head of Policy, Communications and Partner Engagement by 12 noon on the working day preceding the meeting.
- Decisions on whether to receive deputations on a matter will be made by the LEP Chair and the LEP Chair may waive the giving of notice in any case they consider appropriate.
- When the deputation is given it must relate to the agenda item in respect of which it is made.
- No person may speak for more than 6 minutes per deputation.
- The total time for those in favour and against a proposal will be 12 minutes respectively. If more than 2 people wish to speak for or against a proposition, the time allocated to each will be reduced proportionately, unless they agree otherwise amongst themselves how to apportion the 12 minutes.
- Those attending may make a written or verbal presentation which may be supplemented by a modest visual aid such as a single plan, photograph or video recording. This will be retained by the Solent LEP. Video recording presentations are included within the time allowed to deputations.

- Questions to deputations will be permitted, but only to clarify a statement.

Declaration of Interest

In accordance with Article 46 of our Articles of Association a register of interest has been established by the Solent LEP and all Directors have a statutory duty to declare their interests (direct or indirect) in transactions or arrangements involving the Solent Local Enterprise Partnership. This requirement has been extended to all Chairs and Members of dedicated delivery sub-panels of the Solent Local Enterprise Partnership, Section 151 Officers and Chief Executive Officers of any accountable body organisation operating on behalf of the Solent Local Enterprise Partnership and Any other persons with significant influence over the activities of the Solent Local Enterprise Partnership (for example, senior Solent LEP employees and senior points of contact at accountable body organisations such as legal and financial contacts). Further information on the Solent LEP Register of interest is [available here](#) and a published version of each Solent LEP Directors Register of Interest is [available here](#).

Management of Interests

The overriding principle adhered to by the LEP is that every director should be, and be seen to be, impartial at the time of participation in any discussion or decision relating to a matter considered by the LEP Board.

This is recognised to be particularly important in relation to any funding awards which are to be considered by the LEP through the competitive, transparent processes set out under the agreed Assurance Framework and it is a fundamental principle that all parties in such processes are treated equally and fairly and that the parties perceive this to be the case.

The Solent LEP takes a proactive approach to the management of all interests. This includes both direct interests in matters to be considered, which would realistically be affected by its outcome, as well as presumed, unconscious or apparent bias arising from an involvement (found where a fair-minded and informed observer, having considered the facts, would conclude that there was a real possibility that the Director could have been biased).

A director must declare the nature and extent of any interest, direct or indirect, which she/he has in a proposed transaction or arrangement with the company or in any transaction or arrangement entered into by the company which has not previously been declared and absent himself or herself from any discussions of the directors in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the company and any personal interest (including but not limited to any personal financial interest).

If a conflict of interests arises for a director because of a duty of loyalty owed to another and the conflict is not authorised by virtue of any other provision in the articles, the unconflicted directors may authorise such a conflict of interests where the following conditions apply:

- the conflicted director is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other person;
- the conflicted director does not vote on any such matter and is not to be counted when considering whether a quorum of directors is present at the meeting; and
- the unconflicted directors consider it is in the interests of the company to authorise the conflict of interests in the circumstances applying.

The notes of meetings of the Board will record any declarations of interest made, and whether the director withdrew from the meeting for that item.

In line with the Local Enterprise Partnership Governance and Transparency Best Practice Guidance, each Board Member shall review their individual register of interests before each board meeting and submit any necessary revisions to the LEP and S151 Officer at the start of the meeting.

Even if a meeting has not taken place a Board Member must, within 28 days of becoming aware of any change to the interests specified, provide written notification to the LEP and S151 Officer, of that change.

Gifts and Hospitality

The Solent LEP also maintains a register of events attended and gifts or hospitality received or given by all persons in their capacity as representatives of the Solent Local Enterprise Partnership or whilst carrying out Solent Local

Enterprise Partnership duties. Gifts and hospitality of a significant value arising received by Directors or their spouse/partner in their capacity of representatives of the Solent Local Enterprise Partnership should not be accepted. The giving of gifts or hospitality of significant value should also be avoided by Directors. Full information on the Solent LEP Register of events attended and gifts or hospitality received is [available here](#).

Support and Administration Agreements

The Solent LEP Executive team will provide the secretariat for the Solent LEP Board. Details on current members of the LEP team are [available here](#).

Portsmouth City Council is the accountable body for the Solent LEP and a protocol and service support agreement is in place between the accountable body and Solent LEP which is [available here](#).

Independent support may be commissioned by the LEP Board to support it with the discharge of its role.

Meeting Frequency

The Board shall meet five times per year, or as agreed by the Chairman in partnership with the Solent LEP Executive Director.