



SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP

Solent Local Enterprise Partnership

Solent LEP Search, Employment and Remuneration Committee

Revised Terms of Reference

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Background

The Solent Local Enterprise Partnership (LEP) is the key interface and lead for economic development in the Solent.

Strengthened Local Enterprise Partnerships sets out four key roles for the LEP as follows:

- **Strategy:** Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- **Allocation of funds:** Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- **Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- **Advocacy:** Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.

Local Enterprise Partnerships must have the operational independence and organisational capacity to deliver on these roles and responsibilities. They must have the means to prioritise policies and actions, and to commission providers in the public, private and voluntary sectors to deliver programmes. Local Enterprise Partnership board members should be provided with adequate support, coupled with proportionate governance requirements, to enable them to perform their role effectively.

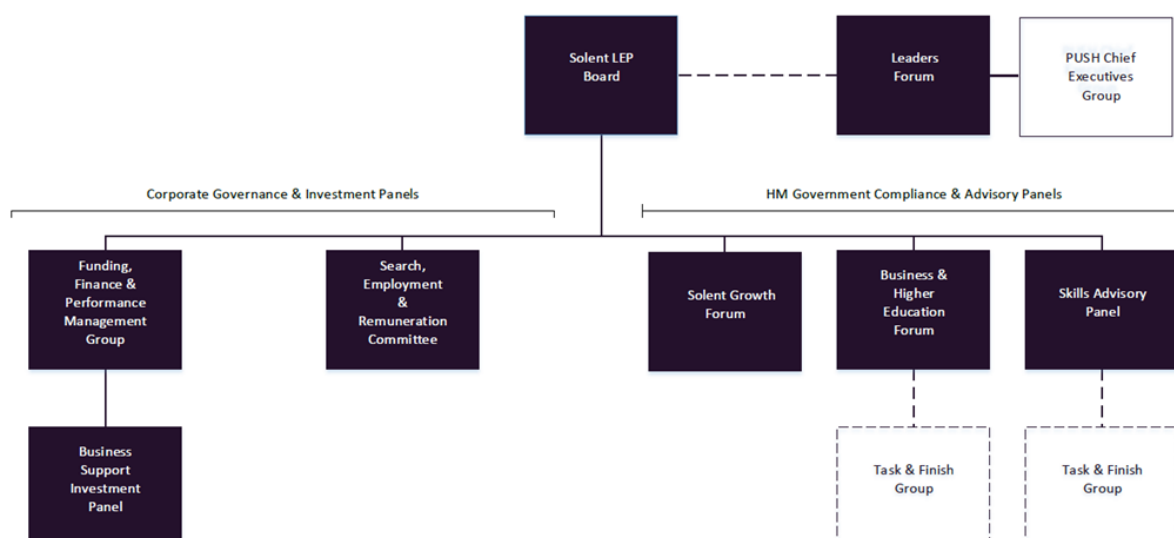
Capacity of the Solent LEP Executive Team, as well as the wider private sector expertise secured to support the LEP, forms a critical component of the LEPs ability to implement these roles and, in order to ensure appropriate capacity is in place, a Search, Employment and Remuneration Committee (The Committee) 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 Chairperson of the Search, Employment and Remuneration Committee. The Committee shall be made up of at least three and no more than five independent non-executive directors. The Chair of the LEP Board may be a member of the Committee (if they were independent on appointment and subject to the provision in section 1.3 that the Solent LEP Chairperson shall not be the Committee Chairperson). The Chair of the Funding, Finance and Performance Management Group may also be a member of the Committee (subject to the provision that the Solent LEP FFPMG Chair shall not be the Committee Chairperson).
- 1.2. Only members of the Committee have the right to vote at Committee meetings. Members may nominate substitutes from the Solent LEP Board in the event that they are unable to attend a Committee meeting. Nominees must include at least three independent non-executive directors and will have full voting rights. 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 (or their nominated representatives) 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. Chair and Deputy Chair appointment; the Committee shall appoint the Committee Chair and Deputy Chair from amongst its membership, who shall be drawn from the Solent LEP Board directors and also be independent non-executive business directors. Before appointment as Committee Chair of the remuneration committee, the appointee should ordinarily have served on a remuneration committee for at least 12 months. There is no requirement for the Deputy Chair to have previously served on a remuneration committee. The Chairperson and Deputy Chairperson shall not be a chairperson of the Solent LEP Board or FFPMG.
- 1.4. The Chair will chair all the Committee meetings. If the Chair is unable to attend a meeting, the Deputy will chair in their absence for that meeting.
- 1.5 Members; Up to five Solent LEP Directors including a minimum of three independent non-executive

directors.

Ex-officio

The Solent LEP Chief Executive

HR representative and CFO from the Accountable Body

The Solent LEP Company Secretary

Independent Recruitment Expert

1.6 Terms of Service - Those non-executive members that are not prescribed as standing ex-officio members at 1.5 (i.e. the Solent LEP independent non-executive directors) shall serve as a Committee Member for a maximum of three consecutive years.

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 independent non-executive directors. 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 Chairperson 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 Chairperson (or their nominated deputy) shall attend the annual general meeting and be prepared to respond to any members questions on the Committee's activities.

8. Duties

8.1. The Committee shall:

Search

(a) Be responsible for establishing the selection criteria, selecting, appointing and setting the terms

- of reference for any Executive Search consultants who advise the Committee.
- (b) 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, including ensuring future LEP Chair vacancies are advertised on the HM Government Centre for Public Appointments website; and
 - (c) 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, including ensuring that the LEP meets and exceeds Government expectations in relation to wide and transparent consultation with the business community before appointing a new Chair; and
 - (d) To advise and guide the LEP Executive and LEP Board on strategies to enable it to find, recruit and retain a Deputy Chair; and
 - (e) To keep under review, advise and guide the LEP Board in relation to Board composition, including the approach to securing the required private sector leadership¹, skills composition and diversity, including the development, maintenance and implementation of a Diversity Action Plan to improve gender balance and representation of those with protected characteristics (with a specific aim of securing a minimum of a third women's representation on their boards by 2020 and equal representation by 2023), and;
 - (f) Providing advice to the LEP Board in relation to co-option of up to an additional five board members with specialist knowledge on a one year basis, and;
 - (g) Approve and keep under review the LEPs approach to induction and training for LEP Directors and Executive team members; including engagement with the forthcoming Government induction and training programme to ensure board members are adequately supported to provide challenge and direction to their Local Enterprise Partnership and understand how best to work with Government, as well as work with the LEP Network, Local Government Association and other professional development bodies to develop this programme; and
 - (h) To provide advice to the LEP Board and keep under review the approach to defined term limits for Chairs, Deputy Chairs and other LEP Board Directors in line with best practice in the private sector.

Employment

- (i) 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
- (j) To keep under review risks associated with those matters considered the responsibility of the Committee, as determined by these Terms of Reference; and
- (k) 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, at all times ensuring that the LEP continues to maintain a secretariat independent of local government to support the Chair and board in decision making.

¹ Ensuring representatives from the private sector form at least two thirds of the board, to ensure that each Local Enterprise Partnership can truly be said to be business-led (any private sector board member must fit the definition of 'private sector' as defined by the National Accounts Sector Classification. A private sector member must be or have been employed by an organisation not included as central government, local government or a public corporation as defined for the UK National Accounts).

Remuneration

- (l) Review the ongoing appropriateness and relevance of the employment strategy and remuneration policy; and
- (m) Ensure (through the LEP accountable body) that all provisions regarding disclosure of remuneration, including pensions, are fulfilled; and
- (n) Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and
- (o) Obtain reliable, up-to-date information about remuneration in other companies/organisations; and
- (p) 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.

The Committee will have full authority to commission any reports or surveys which it deems necessary to help fulfil its obligations, will make recommendations to the Board where any proposals made will exceed the approved budget of the LEP Executive; and authorise execution by the Company and LEP accountable body of all relevant documents.

8.2 Within the terms of the agreed policy and in consultation with the Chairperson 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.

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.