



SOLENT  
**LOCAL**  
ENTERPRISE  
**PARTNERSHIP**

**Solent Local Enterprise Partnership**

**Funding, Finance and Performance Management Group**

**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:

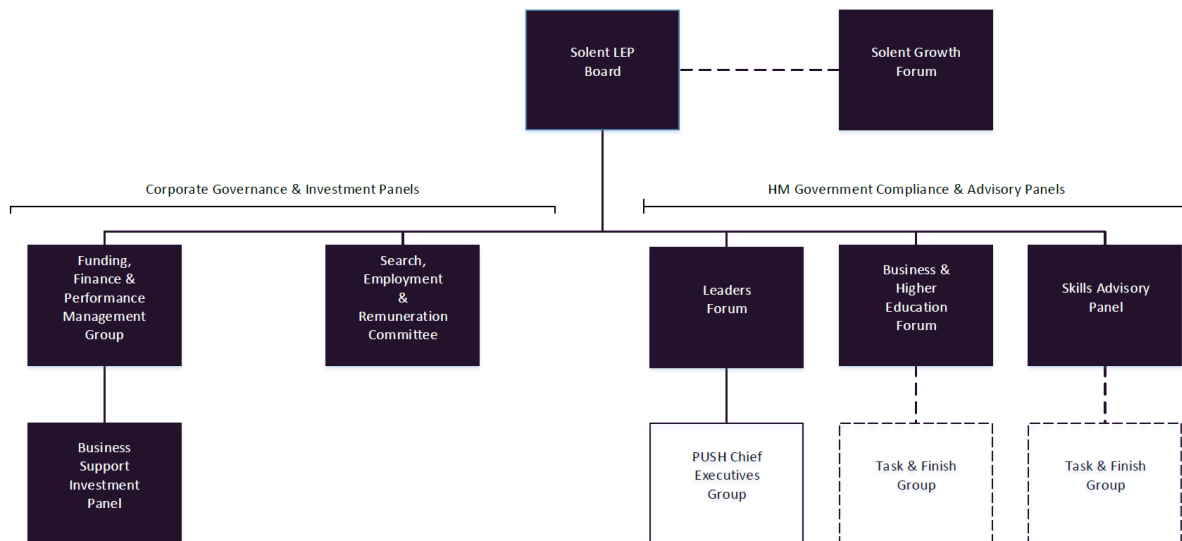
- **Strategy:** Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- **Allocation of funds:** Identifying and developing investment 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.

## **Objectives**

In pursuance of this the Funding, Finance and Performance Management Group (FFPMG) provide support and advice to the Board in relation to overall performance of commissioned local growth activity, provide an overview of sources of funding that are being allocated to support local growth activity and provide overview and scrutiny of financial performance.

The Solent LEP is also strongly committed to ensuring that the funding the LEP are entrusted with is properly managed in a transparent and accountable manner that always ensures best value for public money. FFPMG form a critical element of the LEPs approach to securing very close oversight of the work of the LEP to ensure that it is fully meeting all of its governance and transparency responsibilities. This includes ensuring appropriate overview and scrutiny arrangements are in place, including independent audit of LEP activity. In this regard, FFPMG provide advice in relation to both the Solent LEP Board and S151 Officer of the accountable body of the Solent LEP (in recognition of the role of the S151 officer as set out in the CIPFA Principles for section 151 officers in accountable bodies working with local enterprise partnerships).

## Relationship with Solent LEP Governance Structure



The Funding, Finance and Performance Management Group is a management group that is appointed by and reports and provides advice to the main LEP Board.

The Funding, Finance and Performance Management Group sits within the Solent LEP Governance Structure as seen above. The Management Group will have regard for, and act in accordance with, the relevant scheme of delegation and the Solent LEP Assurance Framework.

The Funding Finance and Performance Management Group sits below the Solent LEP Board and has a focus on delivery. The group helps co-ordinate Solent LEP activity and provides advice, alongside the Solent LEP Chief Executive, to the Board on strategic and operational matters. In this role, the group appraises the priorities and actions identified by the Advisory Panels.

Advisory panels have been established and this work will also be fed into the Funding, Finance and Performance Management Group.

### Membership and Structure

Membership of the Funding, Finance and Performance Management Group shall consist of nine members with voting rights comprising of the following:

- A private sector Chair - which must be a Business ("B") Director of Solent Local Enterprise Partnership Ltd (and ordinarily, before appointment as chair of FFPMG, the appointee should have served on the group for at least 12 months)
- Three additional Business ("B") Director of Solent Local Enterprise Partnership Ltd
- Three Public Sector ("P") or Higher Education ("H") Directors of Solent Local Enterprise Partnership Ltd
- The Deputy Chief Executive Officer of the Solent LEP, or their nominated representative
- The Chief Financial (S151) Officer of Portsmouth City Council, or their nominated representative.

### Directions on Appointments to the Funding, Finance and Performance Management Group

Funding, Finance and Performance Management Group membership is at the discretion of the Board of Solent Local Enterprise Partnership Limited. The Funding, Finance and Performance Management

Group Chair must always be a B Director of Solent Local Enterprise Partnership Ltd. Management Group Members may nominate substitutes from the Solent LEP Board in the event that they are unable to attend a management group meeting. Nominees will have full voting rights. The Chair and members of the management group shall ordinarily be appointed for a period of three years. In the event that retirements after a three-year term would result in the Board being unable to appoint all B and P Director roles, the two longest serving B and P Directors shall retire and the third continue. The Solent LEP CEO and Accountable Body CFO constitute standing members of the FFPMG and will not be subject to prescribed term lengths. Members of the management group may resign their position at any time by giving notice in writing to the Chair.

The main Board of the LEP shall determine the six non-executive members appointed to the Funding, Finance and Performance Management Group, selected from nominations received from the members of the Board.

### **Quorum**

For the management group to be quorate at least four members will need to be present at meetings. This must include the private sector Chair; a Business Director, the Chief Executive Officer of Solent LEP or their nominated representative and the Chief Financial Officer of Portsmouth City Council, or their nominated representative.

In addition to the minimum quoracy requirements, the Solent LEP will use all reasonable endeavours to ensure that at least one Public Sector is also in attendance at FFPMG meetings<sup>1</sup>

### **Decisions and Voting**

The role of the management group is both advisory and decision making, and there is an expectation that they will provide recommendations on matters of finance for consideration by the main LEP Board and the Chief Finance Officer of Accountable body for the LEP. It is expected that the advice and recommendations of the management group will normally be reached by consensus, but if a vote is required decisions shall be made on the basis of a majority of those members attending and voting at a

### **Attendance by Others**

The work of the management group will be supported by the attendance of the Solent LEP and Accountable Body Finance Team, supplemented by other representatives of the Solent Executive Team as required. These attendees will not have any voting rights.

### **The Role and Responsibilities of the Funding, Finance and Performance Management Group**

The Funding, Finance and Performance Management Group shall be responsible for the following:

#### **Funding**

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<sup>1</sup> It is recognised that, from time to time, the FFPMG does set funding criteria and/or consider funding applications on behalf of the Solent LEP Board for capital programmes where there is an expectation all or many of the Local Authorities within the Solent area would submit applications for funding. The Local Authorities of the Solent area are the Public Sector (P) Members of the Solent LEP and, as such, it is expected that there may be occasions where all P Directors have interests in items to be considered by FFPMG and are unable to take part in decision making.

- Investment funding, with its delegated authority, to support the delivery of the Strategic Economic Plan (SEP) and the EU Structural Investment Strategy (EUSIF)
- Providing advice to the LEP Board on Investment funding more generally
- To receive reports from other advisory panels and committees panels and committees as appropriate to inform consideration of funding or finance related matters
- Provide advice to the Solent LEP Board on the development of an evidence-based Local Industrial Strategy that sets out a long-term economic vision for their area, including advice in relation to approaches to local consultation.
- Provide advice to the LEP Board on the development of a strong local evidence base of economic strengths, weaknesses and comparative advantages within a national and international context. This will be supported by robust evaluation of individual projects and interventions.
- Provide advice to the LEP in relation to opportunities for collaboration across boundaries where interests are aligned when developing strategies and interventions to maximise their impact across their different objectives.
- Monitor that the funding awards made by the LEP are being used to deliver the agreed outcomes

### **Finance**

- Preparing the Medium Term Financial Plan and to submit this to the Board for approval on an annual basis
- Ensuring that the Medium Term Financial Plan (Revenue and Capital) as agreed by the Board is implemented
- Monitoring and managing the Medium Term Financial Plan within the constraints of the delegated authority as agreed with the Board
- To receive and consider quarterly reports on progress against the Medium Term Financial Plan taking any necessary action within the limits of the delegated authority as granted by the Board
- To make recommendations to the Board on any necessary action falling outside of the management groups delegated authority as granted by the Board
- Preparing the Financial Statements of the Solent LEP Limited for the LEP Board to agree.
- Review or scrutinise the management accounts of the LEP which will feature within the financial statements of the Accountable Body

### **Governance and Risk Management**

- Annual review of risk management framework to include delivery capacity of Solent LEP and delivery partners in addition to the SEP and the EUSIF
- Provide advice to the Solent LEP Board on the development of the LEPs annual delivery plan and end of year report. This will include key performance indicators to assess the impact of their Local Industrial Strategy, funding and interventions. It will inform objective assessment on Local Enterprise Partnership performance both nationally and locally.
- Monitoring compliance with all terms and conditions attached to funding awards and recommending action where they are not fully complied with.
- Providing advice to the LEP Board and S151 Officer on the LEPs approach to ensuring that the responsibilities of the Chair, Board, Director, and Accountable Body, including over spending decisions, appointments, and governance set out clearly and transparently.

### **Audit**

- Monitor and evaluate performance against Solent LEP targets under the SEP and EUSIF
- The appointment of the Independent Auditor and overseeing the annual audit process (including the certification of final grant claims)

- To ensure that the financial statements of Solent LEP Limited are audited within the required statutory timescales
- Receiving reports from both internal and external auditors and respond accordingly
- Investigate any financial irregularity contained within the remit of the LEP and to make recommendations to the Board and S151 Officer accordingly

Any other issues that are specifically delegated to the management group by the Board.

### **The Role of the Chair**

The Chair will be responsible for agreeing the agenda for each meeting and deciding the order of matters to be discussed.

The Chair will agree in partnership with the LEP Executive at the start of the new financial year the programme for the forthcoming year.

The Chair will chair all the meetings of FFPMG. If the Chair is unable to attend a meeting, the Chair and/or the relevant Solent LEP Board Director lead will nominate a Deputy Chair from amongst the FFPMG membership to stand in their absence for the duration of the meeting.

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.

The Chair will act as an ambassador for the Solent LEP and the work of the LEP in relation to the Funding Finance and Performance Management Group.

The Chair will take on the role of Solent LEP Assurance Champion (further details in relation to this role are included in the LEP Assurance Framework). In this role, the Assurance Champion will actively participate in relevant local authority scrutiny panel enquiries on behalf of FFPMG to ensure effective and appropriate democratic scrutiny of investment decisions. This will include attendance at meetings of the Solent Growth Forum as required.

### **Conduct of Funding, Finance and Performance Management Group members**

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

### **Deputations at meetings**

The Funding, Finance and Performance Management Group may receive deputations on a matter from any organisation or individual, where notice has been given, which is deemed relevant to the role of the Management Group. The following rules will apply:

- Notice of the intended deputation stating 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 Chair and the Chair may waive the giving of notice in any case they consider appropriate.
- When the deputation is given it must relate to the agreed purpose 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.

### **Support and Administration Arrangements**

The Solent LEP Executive team will provide the secretariat for the Funding, Finance and Performance Management Group. 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 Solent LEP and Portsmouth City Council to support them with the discharge of their roles and strategic advice in relation to support requirements may, from time to time, be requested from the Funding, Finance and Performance Management Group to inform such commissions. Equally, the Solent LEP and Portsmouth City Council will welcome, consider and respond to any advice from the Funding, Finance and Performance Management Group in relation to future commissions which have the potential to support economic growth in the Solent.

### **Working Arrangements and Meeting Frequency**

The Funding, Finance and Performance Management Group shall meet four times per year, or as agreed by the Chairman in partnership with the Solent LEP.

### **Declarations of Interest**

In accordance with Article 46 of the Solent LEP Articles of Association and the Local Enterprise Partnership Governance and Transparency Best Practice Guidance 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 advisory 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, Solent LEP employees and senior points of contact at accountable body organisations such as legal and financial contacts).

### **Management of Interests**

The overriding principle adhered to by the LEP is that every FFPMG Member 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 Funding, Finance and Performance Management Group

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 FFPMG Member could have been biased).

An FFPMG Member 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 FFPMG Member because of a duty of loyalty owed to another, the unconflicted Members may authorise such a conflict of interests where the following conditions apply:

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

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

In line with the Local Enterprise Partnership Governance and Transparency Best Practice Guidance, each Member shall review their individual register of interests before each FFPMG 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 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 Panel Members 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. Full information on the Solent LEP Register of events attended and gifts or hospitality received is [available here](#).



## **Equalities**

The Solent LEP recognises that corporate advisory and investment panels perform at their best when they include people who come from a range of perspectives and backgrounds. As such, equality and diversity are considered throughout our governance structures, in line with Portsmouth City Council's Equality & Diversity Strategy. A copy of this strategy is available at:

<https://www.portsmouth.gov.uk/ext/community-and-environment/community/equality-and-diversity.aspx>

## **Complaints and Whistle-blowing**

The Solent LEP and Portsmouth City Council as accountable body to the Solent LEP are committed to achieving the highest possible standards of openness, probity and accountability in all of our practices and have established a complaints and Whistleblowing policy, which complies with that of both Portsmouth City Council and the Local Enterprise Partnership Governance and Transparency Best Practice Guidance. A copy of this policy is available at: <https://solentlep.org.uk/contact-us/>

This procedure outlines the process to follow for a Panel Member when reporting a perceived wrongdoing within the LEP, including something they believe goes against the core values of Standards in Public Life (the Nolan Principles) and the Code of Conduct for LEP Board Members, Panel Members and staff. The Standards in Public Life include the principles of; integrity, honesty, objectivity, accountability, openness, honesty, leadership and impartiality.

All FFPMG Members, as key advisors to the LEP, have a right and a responsibility to speak up and report behaviour that contravenes these values.