

January 2020

## SELEP Ltd Terms of Reference

### 1. Role of the Local Enterprise Partnership (LEP)

- 1.1. The South East LEP Ltd (SELEP Ltd) is a strategic partnership which brings together the public and private sectors to support economic growth across the local authority areas of East Sussex, Essex, Kent, Medway, Southend-on-Sea and Thurrock. It has a federated model of operation which is principally supported by the Kent and Medway Economic Partnership, Success Essex, Opportunity South Essex and Team East Sussex.
- 1.2. The term “SELEP” refers to the wider partnership of the Strategic Board (SELEP Ltd), Investment Panel, Accountability Board, Federated Board and working groups.
- 1.3. The Strategic Board is the Board of Directors of the SELEP Ltd, therefore “SELEP Ltd” is synonymous with the “Strategic Board”.
- 1.4. For information regarding other elements of the SELEP, please refer to the Assurance Framework and the following policies:
  - 1.4.1. the Investment Panel Terms of Reference for information about the Investment Panel, a sub-committee of the Strategic Board;
  - 1.4.2. the Framework Agreement for information about the function of the Accountability Board;
  - 1.4.3. the Board Recruitment Policy regarding the recruitment process for the Strategic and Federated Boards.
- 1.5. This document articulates the principal machinery around the SELEP for the benefit of Board members and other interested parties. This should not preclude the emergence of new groups to support the working agenda, or indeed advisory arrangements to support the work of the SELEP Ltd Secretariat. This document should be read alongside the Assurance Framework, Framework Agreement, Articles of Association and other policies.

#### **SELEP Ltd will:**

- 1.6. focus on the four activities, (strategy; allocation of funds, co- ordination; and advocacy, as set in the SELEP Local Assurance Framework to support the development and delivery of the Local Industrial Strategy;
- 1.7. progress priorities of cross-border economic importance where there is added value in working together;
- 1.8. support priorities of local importance where they are designated as priority by Federated Boards;
- 1.9. support the conditions through which a more creative, responsive and flexible working relationship can exist between business and government at all levels;
- 1.10. seek resources, freedoms and flexibilities to progress strategic growth priorities;
- 1.11. operate transparently, openly and in collaboration;
- 1.12. work in collaboration with neighbouring LEPs, including London, where the agenda dictates;
- 1.13. SELEP will bring together intelligence and expertise to identify priorities and develop solutions to maximise investment (particularly private sector) into the area; and
- 1.14. address barriers to growth.

### ***Legal status***

- 1.15. SELEP is registered as SELEP Ltd, a company limited by guarantee. The SELEP Ltd is nil return, and will act through one of its local authority partners as Accountable Body. This role has been undertaken by Essex County Council since SELEP's inception, and this is reviewed annually.
- 1.16. The Assurance Framework provides a guide to the governance arrangements of the SELEP Ltd and wider partnership working.

### ***Working at a Local Level***

- 1.17. SELEP operates on the principle of subsidiarity; decisions should be taken at the practical level closest to the communities and businesses affected by those decisions. The federated **Error! Bookmark not defined.** model of operation provides a clear structure for this approach through allowing for local identification and prioritisation of individual projects for funding and bid submissions through the SELEP Ltd's agreed approach to project prioritisation; and for decision-making of a more cross-cutting nature at the Strategic or Accountability Board.

## **2. Strategic Board (Board of Directors of SELEP Ltd)**

- 2.1. The Strategic Board is made up of 20 members and 5 co-opted members who are appointed by the SELEP Ltd as directors of the company. Please see the Board Recruitment Policy for details of how Board members are appointed.
- 2.2. The Strategic Board membership is as follows:
  - 2.2.1. Chair (private sector);
  - 2.2.2. Deputy Chair (private sector);
  - 2.2.3. Leader or Cabinet member from each of the 3 County and 3 Unitary Councils;
  - 2.2.4. 12 business representatives from the Federated Boards (one of whom must be designated as the SELEP-wide SME champion), comprising of:
    - 5 from the Kent and Medway Economic Partnership;
    - 2 from Success Essex;
    - 2 from Opportunity South Essex; and
    - 3 from Team East Sussex.
- 2.3. There are also 5 co-opted positions on the Strategic Board; these Board members are also Directors of SELEP Ltd, which are appointed on a 1-year rolling term. The co-opted Board members are as follows:
  - 2.3.1. 2 representatives from District/Borough/City Councils (Kent and Essex areas for 2020/21, and it is expected that one of the representatives will be from East Sussex in 2021/22);
  - 2.3.2. a co-opted further education representative;
  - 2.3.3. a co-opted higher education representative; and
  - 2.3.4. a co-opted social enterprise representative.
- 2.4. The process for the recruitment of Strategic Board and Federated Board members is set out within the Board Recruitment Policy.
- 2.5. The SELEP Ltd will seek to ensure that representation amongst the Directors (Strategic Board), membership of the company (Federated Boards) and working group members is diverse and reflective of the business communities that it serves.

- 2.6. The SELEP Ltd Directors (not including co-opted Directors) should be at least 1/3 female, with a view to equal representation by 2023.
- 2.7. In accordance with Government's expectations, the SELEP Ltd shall designate the following Directors or officers with responsibilities pertaining to the good governance of Government funding within the SELEP as follows:
  - 2.7.1. the Chair of the Strategic Board regarding maximising connections with Small and Medium-sized Enterprises (SMEs) across the area;
  - 2.7.2. the Capital Programme Manager regarding:
    - ensuring that investments represent value for money;
    - ensuring that business cases are subject to scrutiny;
    - identification and management of risk of all the projects supported through investment;
  - 2.7.3. the Chief Operating Officer regarding identification and management of financial and operational risk.
- 2.8. The Strategic Board will be supported by the Secretariat and the Senior Officer Group in identifying opportunities to work with LEPs across the national network according to the working agenda and priorities of the time.
- 2.9. All Board members are requested to advise the Secretariat of any hospitality or gifts they are offered pursuant to their LEP role, in line with the requirements of the Subsistence and Hospitality Policy. The Secretariat shall publish Hospitality and Gift returns quarterly on the website.
- 2.10. Working collectively, Strategic Board members (Directors) are responsible for:
  - 2.10.1. setting the vision, strategic direction and priorities of the SELEP overall;
  - 2.10.2. ensuring the development, maintenance and delivery of evidence-based strategy. These strategies include, but are not limited to:
    - the Economic Strategy Statement (ESS);
    - a Skills Strategy;
    - the Energy Strategy;
    - the European Structural Investment Funds (ESIF) strategy; and
    - a Local Industrial Strategy;
  - 2.10.3. developing a pipeline of projects for investment (a role delegated to the Investment Panel);
  - 2.10.4. considering and agreeing a position on major items of strategic importance;
  - 2.10.5. publishing arrangements for developing, prioritising, appraising and approving projects with a view to ensuring that a wide range of delivery partners can be involved;
  - 2.10.6. approving the annual Delivery Plan;
  - 2.10.7. monitoring progress in completing the activities and key performance indicators (KPIs) set out in the Delivery Plan;
  - 2.10.8. championing the SELEP and the SELEP area in all other forums;
  - 2.10.9. supporting pan-LEP activity undertaken by the working groups;
  - 2.10.10. working closely with Federated Boards to oversee Growth Hub, Enterprise Zone and City Deal activities;
  - 2.10.11. endorsing local areas' efforts to advance projects for economic growth which may not be directly linked to the SELEP;
  - 2.10.12. ensuring that adequate capacity and expertise is maintained to deliver against the above.

2.10.13. ensuring appropriate representation on the Strategic Board from across the geography of SELEP, reflecting diversity.

2.11. Where the Strategic Board puts in place schemes of delegation to the Federated Boards or Investment Panel, the Strategic Board remains responsible for the delegated decision.

### **3. Chair and Deputy chair**

- 3.1. The private sector Chair and Deputy Chair shall be appointed by the Strategic Board for a two-year term following an open, transparent and non-discriminatory competition that assesses each candidate on merit. Prior to appointment there will be wide and transparent engagement with the business community. Please see the Board Recruitment Policy for more information regarding recruitment.
- 3.2. The Chair's performance will be subject to annual review by the Strategic Board, led by the Vice Chairs.
- 3.3. Duties of the Chair will be to:
  - 3.3.1. ensure the smooth and effective operation of the Strategic Board;
  - 3.3.2. Chair the Investment Panel;
  - 3.3.3. lead on the development of strategy;
  - 3.3.4. participate in the appointment of, and directly manage, the Chief Executive Officer of the SELEP, bringing any significant performance or staffing issues to the attention of the Strategic Board and the Accountable Body;
  - 3.3.5. ensure effective liaison with all constituents of SELEP and Government and to undertake representation, communication and advocacy as required and as according to SELEP Ltd's extant strategies;
  - 3.3.6. maximise connections with SMEs) across the SELEP area;
  - 3.3.7. provide, on an annual basis, in conjunction with the Chief Executive Officer, a statement on the status of governance and transparency within SELEP; this statement will be explored in greater detail during the Annual Performance Review process with government. This statement will be published on the SELEP website;
  - 3.3.8. oversee the development and implementation of SELEP's Communication Strategy
  - 3.3.9. support any resolutions of conflict between the Accountable Body and the Accountability Board;
  - 3.3.10. ensure that declarations of interest are requested, and acted upon, at the outset of each Strategic Board and Investment Panel meeting.
- 3.4. Duties of the Deputy Chair will be to:
  - 3.4.1. Chair Accountability Board meetings;
  - 3.4.2. deputise for the Chair at meetings and events;
  - 3.4.3. act as ambassador and champion of SELEP programmes and projects;
  - 3.4.4. work closely with the Chair and CEO to ensure high performance levels and robust governance structures;
  - 3.4.5. operate in full compliance with all SELEP policies and procedures and demonstrate exemplary transparency and accountability in full compliance of both the letter and the spirit of the seven Nolan Principles of Public Life;

- 3.4.6. support the development of good relationships with neighbouring LEs and other partnerships;
  - 3.4.7. communicate with a wide and diverse group of stakeholders including but not limited to: local authority leaders, private sector business leaders, private sector board members, leaders with the further education and higher education sectors, Government ministers and officials and local MPs;
  - 3.4.8. represent SELEP in media, press and PR activities;
  - 3.4.9. support the delivery of the SELEP Local Industrial strategy and other strategies as adopted by the Strategic Board;
  - 3.4.10. ensure strategy development reflects the view of businesses through the engagement with businesses and business representative organisations in the area and nationally;
  - 3.4.11. support the Chair in the management of the Strategic Board and any sub boards within the remit of the Assurance Framework and other governance frameworks;
  - 3.4.12. support the Chair in the oversight of the performance of the CEO and the Secretariat.
- 3.5. Following the two-year term, the Strategic Board can agree to extend the Chair/Deputy Chair's terms for a further two years for a maximum of three consecutive terms. The Strategic Board will be asked to consider the potential extension of the contract approximately 6 months before the end of the term.

## **4. Representation and Attendance**

- 4.1. Strategic, Accountability and Federated Board members and working group members are expected to demonstrate the highest standards of conduct when carrying out their responsibilities in accordance with the Code of Conduct which reflects Nolan's Seven Principles of Public Life.
- 4.2. Each member of a board can name a substitute to attend in his or her place who is authorised to take decisions on his or her behalf, subject to full compliance with all SELEP policies and/or relevant terms of reference.
- 4.3. If the named Strategic Board member is unable to attend then a substitute may attend on their behalf, in accordance with the following:
  - 4.3.1. if the named County/Unitary Council member is unable to attend then a substitute Cabinet Member from within that Council may attend. In exceptional circumstances (no more than once in a rolling 12-month period and only when no substitute under the standard provisions can be found), a representative who is a member of Cabinet of any of the other Councils in the County/Unitary Council area may attend as a substitute, with the prior consent of the Strategic Board Chair;
  - 4.3.2. if the named District/Borough/City Council co-opted member is unable to attend, another District/Borough/City Council Cabinet member within their County Council area may attend as a substitute;
  - 4.3.3. if the named business representative member from the Federated Board is unable to attend, a substitute can be agreed from the Federated Board who is also a business representative;
  - 4.3.4. if the Higher Education representative is unable to attend then an alternate senior representative of the University may be identified from a constituent University;
  - 4.3.5. if the Further Education representative is unable to attend a Strategic Board meeting then an alternate may be selected from the Skills Advisory Group by the Chair of the group;

- 4.3.6. if the Social Enterprise representative is unable to attend a Strategic Board meeting then an alternate may be selected from the Social Enterprise Group by the Chair of that group;
- 4.3.7. the Secretariat should be informed of any substitutions at least 24 hours in advance of the Strategic Board meeting wherever possible;
- 4.3.8. the substitute Board member must adhere to the SELEP policies in attending the meeting; this includes the Register of Interests Policy. The substitute Board member must declare both their interests and the interests of the named Board member, as appropriate, at the beginning of the meeting;
- 4.3.9. Board members are required to declare an interest on decisions in line with the SELEP Register of Interests Policy, irrespective of whether or not they are able to attend the meeting at which the decision is to be taken. Where a Board member declares a Pecuniary Interest, a substitute member is unable to vote on their behalf.
- 4.4. The quorum requirements of the SELEP Ltd can be found in the Articles of Association.
- 4.5. Only members of the Strategic Board or their substitutes may sit at the meeting table and vote. Others may attend and take part by the invitation of the Chair.
- 4.6. Meetings of the Strategic and Accountability Board are open to the press and public as observers, with the exception of any items that should be treated confidentially information by as detailed within the Assurance Framework. The number of observers may be limited at the discretion of the Chair. Please refer to the Public Questions Policy for more detail.
- 4.7. Meetings shall be recorded and made available on the SELEP website. Additional filming or recording of proceedings should be agreed in advance with the Secretariat.

## **5. Decisions**

- 5.1. The Strategic Board shall operate on the basis of consensus. If consensus is not achieved, decisions will be determined by majority vote, with the Chair's vote acting as a casting vote if required.
- 5.2. All urgent matters to be considered for decision must have been circulated in writing to all members of the Strategic Board at least two clear working days before the meeting. No decision can be taken without reasonable notice having been given.
- 5.3. In the event that a decision is required outside of a scheduled meeting, the Chair may decide to hold an Extraordinary Meeting. Such meetings shall be coordinated by the Secretariat and shall operate according to normal Strategic Board protocols.
- 5.4. In certain circumstances, the Chair may decide to seek agreement to a proposal via Electronic Procedure. In such cases, the Secretariat will write to each Strategic Board member requesting agreement to a specified course of action. The admissible responses are: Approved/Yes, Not Approved/No or Abstain. Board Members shall be given no fewer than five working days to respond. For a decision to be made, the provisions of paragraph 2.5.2 shall apply. The rules of quorum (paragraph 2.4.2) will apply.
- 5.5. All decisions made by Electronic Procedure shall be noted at the next scheduled meeting of the Strategic Board.
- 5.6. Please see the Assurance Framework for information regarding scrutiny arrangements.
- 5.7. Board members must be familiar with and fully comply with the Register of Interests Policy.



## 6. Meetings and Papers

- 6.1. The Strategic Board will meet at least four times a year; future meeting dates will be noted on each Strategic Board agenda.
- 6.2. The agenda and papers shall be disseminated by the Secretariat. Board members wishing to propose items for a future agenda should contact the Secretariat at least 28 days in advance of the meeting being held.
- 6.3. Please see the Assurance Framework regarding the publication timelines of meeting papers.
- 6.4. Minutes of the Strategic Board shall be approved in draft form by the Chair and shall remain in draft until approval by the Strategic Board at the next meeting.

## 7. Federated Board Responsibilities

- 7.1. As described in section 1.3.1, SELEP operates a federated **Error! Bookmark not defined.** model, which supports decision-making and project prioritisation at a local level. In discharging those responsibilities relevant to the SELEP, Federated Boards have the following responsibilities:
  - 7.1.1. leading the open call for projects and ensuring the call is widely publicised;
  - 7.1.2. the identification and prioritisation of projects for investment by SELEP, prior to projects being prioritised at a pan-LEP level by the Strategic Board/Investment Panel (depending on funding stream); overseeing SELEP investment programmes within the agreed local tolerance levels for spending and delivery;
  - 7.1.3. coordinating reports as required to the Strategic and Accountability Boards;
  - 7.1.4. identifying local priorities and/or a vision for the federated **Error! Bookmark not defined.** area which are aligned with SELEP's Economic Strategy Statement (the SELEP's term for its Strategic Economic Plan) and the SELEP's approach to project prioritisation;
  - 7.1.5. enabling collective engagement with all Local Authority leaders within the federated **Error! Bookmark not defined.** area to ensure that there is a clear mandate for decision making on growth priorities and supporting collaboration and joint delivery at executive level;
  - 7.1.6. championing successes within their communities, including bringing to the attention of Government local growth projects which should be recognised as innovative, or examples of best practice, and ensuring that stakeholders are able to make informed decisions on local growth matters;
  - 7.1.7. ensuring ongoing local engagement with public and private sector partners to inform key decisions and set out how they will evidence effective engagement;
  - 7.1.8. supporting SELEP's local engagement with, and feedback to, the general public about future strategy development and progress against delivery of the Growth Deal, including key projects and spend against those projects and that this can be evidenced;
  - 7.1.9. increasing their overall diversity of protected characteristics, including gender, age, ethnic origin, religion and sexual orientation as defined in the Equality Act 2010; and to commit to having at least
  - 7.1.10. one third female membership of appointed members of the
  - 7.1.11. Federated Board by March 2020;
  - 7.1.12. ensuring that the Chief Executive Officer is informed of all meetings and that the SELEP Secretariat is given the opportunity to attend;

- 7.1.13. working with the SELEP to publish arrangements for developing, prioritising, appraising and approving projects, with a view to ensuring that a wide range of delivery partners can be involved;
- 7.1.14. working with the incumbent Vice Chair to provide the SELEP Secretariat with clear and updated nominations for membership of the Strategic Board;
- 7.1.15. championing the work of the SELEP to local communities; and
- 7.1.16. ensuring the transparency and accountability of decisions and recommendations made at local level.

## **8. Support for the Boards**

### ***Secretariat***

- 8.1. The Strategic Board is supported by an independent Secretariat; please see the Assurance Framework for information regarding the duties of the Secretariat.
- 8.2. The Secretariat will be employed by the Accountable Body and will work within the policies and procedures of the employing body as well as the policies and procedures of SELEP Ltd.
- 8.3. The Secretariat will seek support and advice from other organisations to the extent that it supports the advancement of the SELEP's overall work programme. The Chief Executive Officer is also responsible for managing the operational revenue budget and for reporting spend to the Accountable Body and other board members on request.
- 8.4. The costs of the Secretariat and any financial liabilities of the Accountable Body resulting from being the Accountable Body of the SELEP Ltd shall be borne equitably between the six County/Unitary Councils using population figures as the basis for calculating their contribution. Financial contribution towards secretariat costs may be used as a contribution to match funding made available from Government or other sources and should be agreed annually.

### ***Working Groups***

- 8.5. The SELEP Ltd may establish, as it considers appropriate, informal non-decision-making working groups to provide expertise and support to the Strategic and Accountability Board, in shaping its strategy or delivering pan-LEP priorities. Please see the Assurance Framework for information regarding the working groups.

## **9. Amendments to the Terms of Reference**

- 9.1. The Board may amend these terms of reference at any time.
- 9.2. These terms of reference replace any previous versions agreed by the Board.