



## **Solent Freeport Director and Remuneration, Employment and Nominations Committee Chair**

<b>Responsible to:</b>	Solent Freeport Board
<b>Accountable to:</b>	Solent Freeport Consortium Limited and HM Government
<b>Time commitment:</b>	Average of 2 days per month on a flexible basis (with potential requirement to attend meetings with HM Government at short notice)
<b>Remuneration:</b>	£6,000 per annum. Reasonable expenses can be provided subject to the Solent Freeport expenses policy for Directors
<b>Location:</b>	Regular attendance at meetings within the Solent Freeport area and occasional requirement to travel nationally and internationally

### **Overview**

The Solent Freeport Consortium Ltd is a company limited by guarantee and was incorporated on 15 March 2021. Details on the Governance arrangements for the Company are set out in the Company's Articles of Association, which are [available here](#).

The company has been established in response to the Government announcing the Solent as one of just eight Freeports in England at the March 2021 budget. Freeports are a flagship government programme designed to play an important part in the UK's post-Covid economic recovery and contribute to realising the levelling up agenda, bringing jobs, investment and prosperity to some of the most deprived communities across the four nations of the UK with targeted and effective support.

As set out in the Freeport Prospectus, candidate Freeports are required to complete a 'set-up' phase for achieving Freeport designation, culminating in the approval of a Full Business Case (FBC). Approval of an earlier Outline Business Case (OBC) allows for the formal designation of the Freeport customs and tax sites following successful authorisation processes. The FBC will make the final, full case for capital seed funding and the use of all levers (e.g. rates, incentives, regulatory etc) to best deliver the policy objectives. Approval of this will allow for the formal designation of the Freeport, conferring of all associated legal powers, and a Section 31 grant to be issued for the capital funding.

The Solent Freeport Consortium Ltd needs to demonstrate appropriate arrangements for the Governance and Capacity required to oversee the 'delivery' phase. Appropriate Governance arrangements are critical for delivering to the ambitious timescale for delivery and ensuring that appropriate measures of accountability and transparency are in place for the effective management of public funds.

The Board of the Solent Freeport Consortium Ltd will have overall accountability for the delivery of all aspects of the Solent Freeport proposal. This includes, but may not be limited to, planning, innovation, trade and investment promotion, tax site delivery and operation, customs site delivery and operation, the use of retained business rates, skills and regeneration, alignment with wider initiatives, stakeholder engagement, security and compliance, net zero, risk management, monitoring, evaluation and reporting.

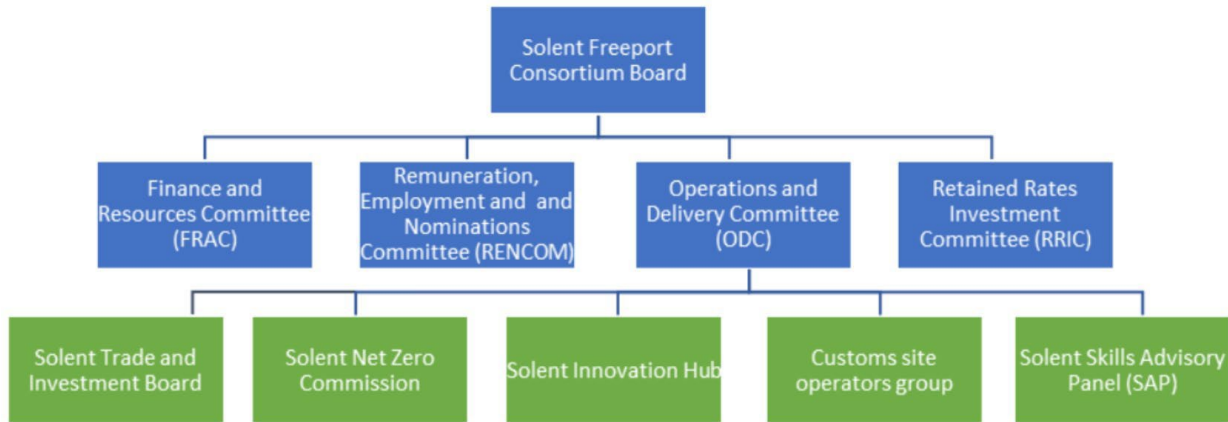
All Independent Non-Executive Directors have a role to play in supporting the Board to ensure that these responsibilities can be effectively discharged.

In addition, the Chair of the Remuneration, Employment and Nominations Committee (RENCOM) will also take on the role of Chairing the Solent Freeport RENCOC. Alongside the general support to the Chair and Board, in this role the Chair of RENCOC will provide leadership in relation to employment matters including the development of executive capacity of Solent Freeport; determining the policy for executive director remuneration and setting remuneration for the chair, executive directors and senior management; and to lead the process for appointments, ensuring plans are in place for orderly succession to both the board and senior management positions, and oversee the development of a diverse pipeline for succession.

Portsmouth City Council is the accountable body for The Solent Freeport Consortium Ltd and in this role is accountable for the proper use and administration of funding, all of which will fall under the annual audit of the local authorities accounts, and for ensuring that decisions are made in accordance with HM Government requirements.

### Overarching Governance Structure

The Board of The Solent Freeport Consortium Limited is the ultimate decision making body within the Solent Freeport structure. The Board have established a number of committees to support their work throughout the delivery phase as shown in the below structure diagram.



The Solent Freeport Consortium Board will have overall responsibility for all committees highlighted in blue. In line with the Government's requirement for the Solent Freeport to build on existing architecture in the area, the Solent LEP (and in the case of the Customs site operators group, one of the customs site operators) will take the lead responsibility for delivery of these forums.

It is anticipated that the governance structure will continue to develop throughout the evolution of the Solent Freeport and the Board will consider any future enhancements to the organisational structure within the context of their commitment to complying with best practice in terms of governance (as set out in the [UK Corporate Governance Code](#)).

The Board may delegate areas of work to committees or individual directors, however the Board and Portsmouth City Council as the Lead Authority will remain accountable for them.

### Remuneration, Employment and Nominations Committee

RENCOM has delegated responsibility for employment matters including the development of executive capacity of Solent Freeport; determining the policy for executive director remuneration and setting remuneration for the chair, executive directors and senior management; and to lead the process for appointments, ensure plans are in place for orderly succession to both the board and senior management positions, and oversee the development of a diverse pipeline for succession.

In discharging this responsibility, the committee shall;

- Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any Executive Search consultants who advise the Committee.
- To approve and keep under review, on behalf of the Board of SFCL, the SFCL's recruitment strategy ensuring efficient and effective recruitment of senior business leaders to fill nonexecutive roles including the independent Chair
- To advise and guide the Executive and Board on strategies to enable it to find, recruit and retain the

best quality executive and non-executive appointees, including ensuring that the SFCL meets and exceeds Government expectations in relation to wide and transparent consultation with the business community before appointing a new Chair; and

- To keep under review, advise and guide the Board in relation to Board composition, including the approach to securing the required leadership, skills composition and diversity, including the development, maintenance and implementation of the SFCL Diversity Statement
- Approve and keep under review the SFCL approach to induction and training for Directors and Executive team members;
- To provide advice to the Board and keep under review the approach to defined term limits for Chairs, Deputy Chairs and other Board Directors in line with best practice in the private sector.
- To approve and keep under review, on behalf of the Board, the employment strategy ensuring efficient and effective recruitment, development and deployment of staff resources, role descriptions and the on-going development of the staff
- To keep under review risks associated with those matters considered the responsibility of the Committee, as determined by these Terms of Reference; and
- 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 Board and the SFCL'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.
- Review the ongoing appropriateness and relevance of the employment strategy and remuneration policy; and
- Ensure (through the accountable body) that all provisions regarding disclosure of remuneration, including pensions, are fulfilled; and
- Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and
- Obtain reliable, up-to-date information about remuneration in other companies/organisations; and
- 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.

## Values and Expected Behaviours

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.

In addition to these legal responsibilities, all Directors of the Solent Freeport Consortium Board are required to abide by the Nolan principles when acting in their roles as Directors of the Company. You can find a full copy of the Nolan Principles [here](#).

In addition, you must:

- Lead by example and value Leadership which is ambitious, fair and objective
- Embrace diversity as an essential component in the way we work
- Nurture the talent, innovation and creativity of those we work with
- Believe trust and mutual respect are essential for Teamwork and collaboration.

The Solent Freeport Consortium Ltd also expects that everyone who works in and with the Solent Freeport Consortium Ltd to act in such a manner as to justify public trust and confidence and to uphold and enhance the good standing and reputation of Solent Freeport Consortium Ltd.

We are committed to equality and valuing diversity and have established a Solent Freeport Diversity Statement. Individuals must therefore at all times carry out their duties with due regard to our Diversity Statement and our goal is to ensure that these commitments, reinforced by our values, are embedded in our day-to-day working practices with all our stakeholders, colleagues and partners.

## **Board Leadership, Company and Purpose**

The Solent Freeport Consortium Ltd fully embrace the UK Corporate Governance Code as the system by which the company is directed and controlled. The board of directors of The Solent Freeport Consortium Ltd are responsible for the governance of the company. The following key principles set the framework for the Board leadership and company purpose:

- A successful Freeport is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for members and contributing to wider society.
- The board should establish The Solent Freeport Consortium Ltd company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.
- The Board of the Solent Freeport Consortium Ltd will have overall accountability for the delivery of all aspects of the Solent Freeport proposal. This includes, but may not be limited to, planning, innovation, trade and investment promotion, tax site delivery and operation, customs site delivery and operation, the use of retained business rates, skills and regeneration, alignment with wider initiatives, stakeholder engagement, security and compliance, Net Zero, risk management, and M&E and reporting.
- The board should ensure that the necessary resources are in place for the Solent Freeport Consortium Ltd to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, through the Finance Resources and Audit Committee, which enable risk to be assessed and managed.
- In order for the company to meet its responsibilities to members and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.
- The board should ensure that workforce policies and practices are consistent with the Solent Freeport Consortium Ltd company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.

Solent Freeport Consortium Ltd have established governance arrangements that are most appropriate to the Solent Freeport Company and that reflect HM Government requirements. The arrangements apply the principles of the UK Corporate Governance Code ("the Code") and the Guidance on Board effectiveness.

## **The Role**

The leadership that the Solent Freeport RENCOM Chair provides is central to the success of the Solent Freeport. The RENCOM Chair is responsible for the leadership of RENCOM, ensuring its effectiveness on all aspects of its role.

The RENCOM Chair will chair all the meetings of the Committee and be responsible for agreeing the agenda for each meeting 5 working days in advance of the Meeting and deciding the order of matters to be discussed. The RENCOM Chair will decide the order in which members will be called to speak at RENCOM meetings ensuring that all RENCOM members present, who wish to, are given an opportunity to speak and also seeking to ensure that all views are fairly represented. The RENCOM Chair may suspend meetings of the RENCOM if in his or her view this is necessary; for whatever period of time he or she thinks appropriate. Following consultation with the RENCOM Members, the RENCOM Chair will be responsible for agreeing the draft meeting notes within 5 working days of all meetings.

The RENCOM Chair must come from the private sector. Given the role involves overseeing public funds and responsibilities; the RENCOM Chair is expected to display the highest levels of integrity and honesty.

The Solent Freeport RENCOM Chair has a defined term limit of three years. Subject to the agreement of the RENCOM Chair and the Solent Freeport Board, the RENCOM Chair may be extended to a second term of a further three years.

All Solent Freeport Board Members require a strong and detailed appreciation of, and interest in, the strategic issues relating to, and drivers of, the economy of the Solent Freeport area and the various opportunities and challenges involved in securing sustainable, private sector led economic growth.

In terms of time commitments, it is expected that the Solent Freeport RENCOM Chair will offer an equivalent of 2 days per month on average and the RENCOM Chair should have sufficient time to meet their board responsibilities. The time commitment to engage with Company Members and other key stakeholders and get to know the business will be considerable.

The RENCOM Chair will also receive high-quality information sufficiently in advance of meetings so that there can be thorough consideration of the issues prior to, and informed debate and challenge at, board meetings. Executive contact names and numbers will be published on all papers so the RENCOM Chair can seek clarification or amplification from management where they consider the information provided is not sufficient. They should provide constructive challenge, strategic guidance, specialist advice and hold management to account. The RENCOM Chair can access impartial advice and support through the Solent Freeport Consortium Ltd Executive team. This support is currently provided by the Solent LEP.

On appointment to the board the RENCOM Chair will be provided with a comprehensive, formal and tailored induction that will extend beyond the boardroom and they will be expected to undertake some external formal training to ensure they are fully briefed on the role of the RENCOM Chair and the best practice requirements under the FRS UK Corporate Governance Code. In their first year and on an ongoing basis they should expect to visit operations and talk with managers and non-managerial members of the workforce. The RENCOM Chair should use these conversations to better understand the culture of the organisation and the way things are done in practice, and to gain insight into the experience of the executive of the Solent Freeport.

Directors duties are set out in sections 171-177 of the Companies Act 2006 and the Articles of Association of Solent Freeport Consortium Limited ([available here](#)).

**Key working relationships**

<b>INTERNAL</b>	<b>EXTERNAL</b>
All Solent Freeport Consortium Ltd Executive and Non-Executive Directors	Commissioners and Regulators in HM Government (civil servants and Ministers)
Accountable Body s151 officer and Monitoring officer	Local MPs, Local Government Leaders, elected members and senior officials
All Solent Freeport Consortium Ltd Members	Private sector including senior business leaders and business representative groups
Chairs and Deputy Chairs of Committees and Forums	International Investors
Remuneration, Employment and Nominations Committee Members	Academia, including senior academic and education leaders
Company Secretary	Directors of other Freeports and other regional/national representative organisations

## **Corporate Governance, Leadership and Improvement**

- Provide support to the Solent Freeport Board to ensure and 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 Freeport Consortium Limited.
- Chair all meeting of the Remuneration, Employment and Nominations Committee.
- Promote and ensure compliance with conflict of interest, data protection legislation and confidentiality.
- Manage and lead meetings in accordance with governance guidance as set out in relevant HM Government guidance and frameworks.
- Assist in reaching collective decisions and effectively maintain order and progress during meetings and prioritise items for discussion.
- The RENCOCOM Chair will bring independent and sound judgement to Board discussions, contributing 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 Freeport area.
- Provide strategic leadership, challenge and support to the Board and contribute to the development of one of the most successful Freeports in the country; establishing and developing the Solent Freeport's credibility and confidence within the wider market.
- 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 and business expertise.
- Help ensure effective planning, management and financial control procedures are in place to ensure that all relevant legal and statutory requirements are met.
- Support activity to scrutinise the work of the Solent Freeport. Non-executive directors should scrutinise and hold to account the performance of management and individual executive director(s) against agreed performance objectives.
- The RENCOCOM Chair will, at all times, act in accordance with the Solent Freeport Articles of Association and Solent Freeport Board Terms of Reference.

## **Governance and HM Government Compliance**

The Solent Freeport Consortium Limited is committed to securing and maintaining exceptional governance for the Freeport Consortium and aspires to perform above and beyond the guidance set by the government, demonstrating a strong culture of accountable governance, where it is evident that the Nolan principles are embedded throughout. The Solent Freeport Consortium Ltd is committed to ensuring that there are always robust and transparent structures and processes in place to guarantee decisions are based on strong evidence and subject to rigorous challenge. This will include ensuring that adequate structures, governance arrangements, and processes for managing risks are in place, including risks associated with security and illicit activity, encompassing new, accentuated and existing risks.

The Freeport Consortium will always endeavour to secure active, consistent collaboration and engagement with external stakeholders; demonstrating leadership within the local area and beyond. The Solent Freeport Consortium is committed to proactive, continuous improvement.

All Solent Freeport Consortium Board Members are committed to securing and maintaining exceptional governance for the Freeport Consortium Limited.

The RENCOCOM Chair will play a key role in supporting the Board to meet this commitment through overseeing the executive capacity of Solent Freeport; determining the policy for executive director remuneration and setting remuneration for the chair, executive directors and senior management; and to lead the process for appointments, ensure plans are in place for orderly succession to both the board and senior management positions, and oversee the development of a diverse pipeline for succession.

## Stakeholder Engagement and Ambassadorial

- The RENCOM Chair will actively engage with members of the Solent Freeport Consortium to capture and engage their interest and facilitate their activity in the Solent Freeport. There is a requirement for all Directors to act as a link to members to facilitate pre and post Board meeting engagement.
- The RENCOM Chair will be required to engage with key local stakeholders including local authority leaders, major employers in the area, representative organisations and Members of Parliament.
- The RENCOM Chair will represent the Solent Freeport locally, encouraging networking and joint working with other Businesses within the Solent Freeport area and, where appropriate, working with businesses outside the Solent Freeport area.
- The RENCOM Chair will represent and promote the Solent on a local basis to deliver on the priorities of the Solent Freeport.
- The RENCOM Chair will support the Board on a broader basis, including representing the Solent Freeport nationally and internationally, encouraging networking, joint working and inward investment.

## Person specification

It is strongly desirable that the successful candidate can demonstrate that (in line with best practice set out in the UK Corporate Governance Code) they would be a truly independent Director and that they have:

- A minimum of 2 years experience as a non-executive director on the Board of a successful company
- Ordinarily, it is expected that the Chair of RENCOM will have served on a remuneration committee for at least 12 months and have demonstrable professional experience or qualifications in a relevant area (such as Non- Executive Director, Legal or HR qualifications)
- Previous experience operating at senior Board or Committee level in a complex, challenging and high- profile environment
- A strong and proven track record of business leadership at a senior level
- Existing knowledge, understanding and experience operating within the Solent Freeport area
- The ability to develop strong links with the Solent business community and the ability to build coalitions to leverage private sector involvement
- Have substantial experience and understanding of structuring effective working relationships with the private sector in local, regional, national and international fora
- A demonstrable commitment to leading and delivering economic change in the Solent area
- The ability to make informed, balanced and independent judgements on key economic issues
- The ability to consider the long term implications and broad view of issues, identifying opportunities and key risks
- The ability to act as an ambassador for the Solent economic area, with extensive experience of working within the private sector and engaging the confidence of local and central government (including Ministers of State), other public agencies as appropriate and key businesses and business organisations
- An understanding of what 'good governance' looks like in a regulated public sector environment gained through working with HM Government or the wider public sector
- Are not disqualified under the Articles of Association of the Solent Freeport Consortium Limited.