

**SEPA Agency Board  
People and Remuneration Committee  
Terms of Reference**

**1. Establishing the Committee**

- 1.1 Under the Standing Orders for Meetings of the Agency Board and Board Standing Committees, approved by the Board of the Scottish Environment Protection Agency on 24 May 2016, the Agency Board may convene ad hoc committees and working groups to assist and advise it in undertaking its responsibilities.
- 1.2 On 28 April 2020, the Agency Board Chair advised that an Agency Board Change Committee was being established. This Committee operated until December 2021, at which point it was decided that much of its work should continue but be refocussed and become known as the People Committee. Following a recommendation from an external audit, in July 2023 the People Committee incorporated the role of remuneration committee, and became known as the People & Remuneration Committee.

**2. Purpose of the Committee**

- 2.1 The purpose of the People & Remuneration Committee is to provide assurance to the Board that SEPA meets its obligations as an employer in relation to a range of people related matters including staff wellbeing, development and support, workforce planning, and equalities and diversity. It will undertake scrutiny and regular review of HR policies and other HR matters; remuneration matters including pay increases and pensions arrangements in line with Scottish Government pay remits; and ensure compliance with relevant legislation and Scottish Government requirements.

**3. Remit**

- 3.1 On behalf of the Board, the Committee will:
- Assist the Board and Corporate Leadership Team in ensuring SEPA conducts its employee relations fairly, efficiently and effectively.
  - Provide advice to the Corporate Leadership Team on developing and articulating a people strategy which reflects the vision, values, behaviours and competences required to deliver SEPA's corporate plan.
  - Advise the Agency Board on all matters relating to salary, rewards and conditions of service of staff, making strategic recommendations to the Board on what type of employer SEPA wants to be, relating to pay and performance.
  - Provide oversight of the process for implementation of organisational change, including involvement in the design and implementation of the appointment process for executive appointments.
  - Report back to the Agency Board with recommendations and any key issues the Committee believes should be discussed or considered for approval at Board level.

3.2 The Committee's **functions and duties** will be undertaken in the following areas:

### 3.2.1 People

- Monitor the development and implementation of human resource and organisational development strategies, including but not limited to: SEPA's Workforce Strategy and other People strategies or frameworks to support performance management and development, employee engagement, and staff and management learning and development.
- Review, monitor implementation and effectiveness and recommend actions in respect of relevant matters including: Workforce Action Plan; Employment policies; proper consultation with staff on key issues affecting them; adequate grievance and disciplinary procedures; effective whistleblowing policy and procedures consistent with the Public Interest Disclosure Act 1998; a code of conduct for staff; performance measurement policy and procedures; staff and management development strategies and policies; implementation of recommendations and decisions of the Board.
- Monitor progress on equality outcomes, diversity and succession planning, pay gaps and SEPA's equal pay policy.
- Receive reports on key human resource indicators; including staff turnover, sickness and absenteeism.
- Advise the Agency Board on proposals for and the outcome of research or People surveys into the attitudes, values and culture of SEPA staff.
- Involvement in grievance hearings, as required, as per SEPA's People Policies and Procedures.

### 3.2.2 Salary, Rewards and Conditions of Service

- Scrutinise and review remuneration matters including pay increases and pensions arrangements.
- Within the parameters set by the Scottish Government, determine the annual increase to the remuneration and conditions of service of the non-executive members of the Agency Board.
- Advise the Chair on the process for the recruitment and selection of the Chief Executive, and participate in the process as appropriate.
- Determine and approve the broad framework for the remuneration of the Chief Executive, including any performance related elements, within the scope of the relevant pay policy issued by the Scottish Government. *Note that it is the Board Chair that undertakes the appraisal and grading of the Chief Executive, including the setting of annual objectives, but the Chair's decision is to be presented to the Committee for final approval.*
- In consultation with the Chief Executive, determine the framework of remuneration for members of the SEPA's Corporate Leadership Team within the scope of the relevant pay policy issued by the Scottish Government.
- Provide guidance to the Chief Executive in relation to the selection and appointment of members of the Corporate Leadership Team. (This includes the design of the role as well as the composition

of the selection panel and any other relevant aspects of the recruitment process.)

- To ensure that arrangements are in place to determine the performance assessment for staff employed in the Corporate Leadership Team.
- Maintain oversight of the staff annual pay remits in terms of affordability, development of pay remit and subsequent negotiations.
- Receive reports from the Chief Executive and comment on proposed changes in the terms and conditions of service of SEPA staff where, in the view of the Chief Executive, these would be of strategic importance to the Board.

### 3.2.3 Employee Relations

- Recommend to the Agency Board the approval of any changes to the trades union recognition agreements.
- Recommend to the Agency Board any change to the framework for joint negotiation and consultation with recognised trades union.
- Monitor and report to the Agency Board on joint negotiations and consultations with recognised trades union.

### 3.2.4 Health and Safety and wellbeing

- Receive and consider reports from the Health and Safety Committee, identifying the people implications.
- Recommend to the Agency Board any action necessary arising from the Committee's consideration of health and safety and wellbeing matters.

3.2.5 To fulfil its functions, the Committee will consider a range of factors which will include regular written and verbal reports from the Chief People Officer.

## 4. Authority of the People Committee

4.1 The Committee will have free and confidential access to Board members and staff to fulfil its terms of reference.

## 5. Membership of the Committee

5.1 The Committee shall comprise four non-executive members of the Agency Board (including the Chair of the Committee). There will be regard to equalities issues in the membership composition.

5.2 The Chair and members of the Committee shall be appointed by the Agency Board.

5.3 The membership of the Committee will be reviewed annually, and new members appointed or existing members re-appointed, other than the Chair, who shall be appointed for a two-year period. There is no limit on the length of time a member may serve on the Committee, subject to remaining a non-executive member of the Agency Board and being re-appointed to the Committee

by the Agency Board.

5.4 The **Quorum** of the Committee shall be two of the four members.

## 6. Attendance at the Committee

6.1 The **Chief People Officer** (or nominee designated with the approval of the Chief Officer), will normally attend all meetings of the Committee in his or her role as Secretary to the Committee. The Chief People Officer will:

- support the Chair of the Committee in ensuring that the Committee operates according to / in fulfilment of its agreed Terms of Reference;
- liaise with the Chair of the Committee in agreeing a programme of meetings for the business year, as required by its remit;
- oversee the development of an Annual Workplan and report for the Committee which is congruent with its remit and the need to provide appropriate assurance at the year-end, for endorsement by the Committee and approval by the Board;
- agree with the Chair of the Committee an agenda for each meeting, having regard to the Committee's Remit and Workplan.

6.2 The **Chief Finance Officer** (or nominee, designated with the approval of the Chief Officer), will normally attend meetings of the Committee where issues with financial implications are to be discussed at the Committee.

6.3 The **Chair of the Agency Board** and **Chief Executive** may attend meetings of the Committee. It should be made clear in the agenda and in the minutes the reason for their attendance.

6.4 Other individuals may attend meetings by invitation, including **Trade Union representation** for specific items of business and other members of the **Corporate Leadership Team** for agenda items for which they are presenting information.

6.5 The Committee will apply discretion on the Board employees that can be present when the Terms and Conditions for other board employees are being discussed.

6.6 Attendees may have a role in introducing papers, providing clarification, and contributing to discussions, but may not take part in Committee decisions.

## 7. Frequency and conduct of meetings

7.1 Meetings of the Committee will be held as necessary to conduct its business. The Committee shall meet no fewer than four times each financial year, coordinated with Agency Board meetings to facilitate timely briefing for the wider Board membership.

7.2 The Chair may convene additional meetings (**extra (or special) meetings**) as s/he deems necessary. The Committee may also be asked to convene special meetings by the Board or Chief Executive to discuss issues on which they require the Committee's advice.

7.3 All Committee meetings will be held remotely via MS Teams.

7.4 The balance of how time is used in the meetings will be different with up to two of meetings each

year extended beyond the planned 1.5hrs to focus on remuneration alongside People issues to complement the remuneration planning timetable.

7.5 The agenda of business, once approved by the Chair, and accompanying papers will normally be circulated to members no later than one week before a scheduled date of the Committee meeting.

7.6 The Committee will seek specialist guidance and advice as appropriate.

7.7 All business of the Committee will be conducted in strict confidence.

## **8. Administration of meetings**

8.1 The secretariat function is provided by the Corporate Leadership & Board Support team.

8.2 The Clerk to the Board or a substitute with the necessary knowledge, skills and experience, will act as the Clerk to the Committee. The Clerk to the Committee may be supported by a minute taker.

8.3 The Clerk to the Committee will advise the Chair on the conduct of Committee business and agenda planning with the Chief People Officer. The Clerk will also advise Committee members on formal matters relating to the Committee.

8.4 Minutes of a Committee meeting will be submitted to the Chair for preliminary approval, and thereafter to the subsequent meeting of the Committee for formal approval at its next meeting. Approved Minutes and Chair Approved Minutes will be shared with the Board through the Clerk to the Board.

8.5 The Chief Executive will identify and release any staff (including those who are required to attend) whose presence is necessary to enable the Committee to undertake its functions.

## **9. Conduct of Business and Duties of the Chair**

9.1 The Committee will report to the Board via the Chair of the Committee.

9.2 The conduct of business shall be in accordance with the Standing Orders of the Agency Board.

9.3 The duties and authority of the Chair shall be in accordance with that laid down in the Standing Orders of the Agency Board.

9.4 The Committee may take what advice (including external legal advice) it considers necessary to discharge its duties after consultation with the Chair of the Agency Board and the Chief Executive.

9.5 Where it is necessary for the Chair of the Committee to act or take advice on behalf of the Committee between meetings and where it is not practicable to convene an extra or special meeting of the Committee, the Chair shall consult with the Chair of the Agency Board and Chief Executive before taking action in accordance with the procedures for urgent business as provided for in the Standing Orders.

## **10. Board approval**

10.1 The amended remit of the Committee was approved by the Agency Board on 25 July 2023.