

**Agency Board meeting**

**25 February 2025**

**SEPA and Board Governance – Official documents and procedures**

**Purpose:** SEPA’s official documents and procedures that support effective Board governance are reviewed on an annual basis. This report confirms a review has been undertaken and highlights all amendments for approval.

**Recommendations:** The Board is asked to **approve** the following:

* amendments to Standing Orders 64, 65, 67, 69 and 70 on Board offices as set out in paragraph 2.1 of this report;
* amendment to paragraph 2.1 of the People & Resources Committee (PRC) Terms of Reference; and
* the proposal for membership of the PRC, including a new Chair from April 2025, as set out in paragraph 2.2 of this report.

**Authors:** Jennifer McWhirter, Clerk to the Board and Head of Corporate Legal & Leadership Support; and Jenny Faichney, CLT & Board Support Unit Manager

**Corporate Leadership Team (CLT) Sponsor:** Kirsty-Louise Campbell, Chief Officer Governance, Performance and Engagement

**Date:** 14 February 2025



**1. Introduction**

1.1 A review of Board Governance procedures and documentation is undertaken annually to ensure they remain appropriate. The list of documents reviewed is provided in Annex 1.

1.2 The 2024-2025 review indicates that the majority of documents do not require any changes, however amendments are proposed in Section 2 of this report to the Standing Orders and the People and Resources Committee Terms of Reference and membership.

1.3 Two further documents, the Policy and procedure for Board members claiming expenses, and theScheme of Delegation will be updated during 2025-2026 for Board approval. A revision of the SEPA Framework document will be required by April 2027.

**2. Proposed amendments**

2.1 **Standing Orders** - the purpose of the Standing Orders is to provide rules for the way in which the Board should operate. Interim updates to the Standing Orders were approved on 26 September 2023 and 27 February 2024 following reviews of the quorum of meetings. The current version is available at [Standing orders | Beta | SEPA](https://beta.sepa.scot/about-sepa/who-we-are/our-board/standing-orders/). SEPA has been asked by the Scottish Government Sponsorship Manager to consider the following minor amendments to the Standing Orders to provide better consistency with the Environment Act 1995:

**Board offices**

~~64. The Chair of the Agency Board is appointed by and accountable to Scottish Government Ministers.~~

64. ~~Other~~  The offices of the Board are the Chair of the Agency, Deputy Chair of the Agency and the Chairs of any Standing Board Committees.

65. The Chair of the Agency Board and the Deputy Chair of the Agency Board are both ~~is~~ appointed by and accountable to the Scottish ~~Government~~ Ministers.

66. Other than the Chair of the Agency Board, members may hold more than one office. The Chief Executive may not hold any Board office.

~~67. The Deputy Chair of the Agency is normally nominated by the Agency Board from amongst its membership and the appointment approved by Ministers.~~

68. The Chairs of any Board Committees are appointed by the Agency Board.

69. When there is a vacancy for the Chair of a Board Committee, ~~a Board office (other than the Chair of the Agency Board)~~ the Chair of the Agency Board should present proposals to the Agency Board for filling the office. Any process should allow for fair and equal consideration of members for the office.

70. Board offices [(other than the Chair of the Agency Board)] should be reviewed every two years, coinciding with the cycle of appointments to the Agency Board. If a Board office holder leaves the Agency Board, the office becomes vacant.

2.2 **Terms of Reference (ToR) of the People and Resources Committee (PRC)** – the revised ToR of the PRC was approved by the Board on 26 November 2024 and is available on the SEPA website ([People and Resources Committee | Beta | SEPA](https://beta.sepa.scot/about-sepa/who-we-are/our-board/people-and-resources-committee/)). A small amendment is proposed to these to incorporate explicit reference to sustainability in the Purpose of the Committee (paragraph 2.1) as follows: *“… In addition, the revised remit of the Committee will include the effective scrutiny including by way of deep dives on matters including transformational business cases, sustainability, finance (focus on the resource aspects) and procurement.”*

Meeting dates are published on the Board calendar on the website and updates to the Agency Board are reflected in the minutes of Board meetings. The ToR stipulate that the committee membership should 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.  The membership was last reviewed in February 2024. As advised at the Agency Board meeting on 26 November 2024, the Chair will pass on the role of PRC Chair, so a new proposed Chair is presented here for approval.

The proposed membership of the PRC is as follows:

* David Hunter (Chair)
* Craig Hume
* Lorraine McMillan
* Sue Paterson
* Keith Rosser.

**3. Recommendations**

3.1 The Board is asked to **approve** the following:

* amendments to Standing Orders 64, 65, 67, 69 and 70 on Board offices as set out in paragraph 2.1 of this report;
* amendment to paragraph 2.1 of the People & Resources Committee (PRC) Terms of Reference; and
* the proposal for membership of the PRC, including a new Chair from April 2025, as set out in paragraph 2.2 of this report.

**Annex 1: Board Governance Official Documents and Procedures**

* Framework document - see [SEPA Framework | Beta | SEPA](https://beta.sepa.scot/about-sepa/who-we-are/our-board/sepa-framework/).
* Standing Orders – see [Standing orders | Beta | SEPA](https://beta.sepa.scot/about-sepa/who-we-are/our-board/standing-orders/)
* Code of Conduct - see [Code of Conduct for Members | Beta | SEPA](https://beta.sepa.scot/about-sepa/who-we-are/our-board/code-of-conduct-for-members/)
* Terms of Reference of the Audit, Risk and Assurance Committee – see [Audit, Risk and Assurance Committee | Beta | SEPA](https://beta.sepa.scot/about-sepa/who-we-are/our-board/audit-risk-and-assurance-committee/)
* Terms of Reference of the People and Resources Committee – see [People and Resources Committee | Beta | SEPA](https://beta.sepa.scot/about-sepa/who-we-are/our-board/people-and-resources-committee/)
* Board members’ representation of SEPA at meetings and events – see [Board Members representation of SEPA at meetings and events | Beta | SEPA](https://beta.sepa.scot/about-sepa/who-we-are/our-board/meetings-agendas-and-minutes/25-april-2023/board-members-representation-of-sepa-at-meetings-and-events/)
* Guidance on gifts and hospitality for Board members – see [Guidance on gifts and hospitality for Board members | Beta | SEPA](https://beta.sepa.scot/about-sepa/who-we-are/our-board/meetings-agendas-and-minutes/28-november-2023/guidance-on-gifts-and-hospitality-for-board-members/)
* Policy and procedure for Board members claiming expenses
* Internal whistleblowing policy – see [Internal Whistleblowing Policy | Beta | SEPA](https://beta.sepa.scot/about-sepa/who-we-are/our-board/meetings-agendas-and-minutes/28-may-2024/internal-whistleblowing-policy/)
* Procedure for dealing with allegations of failure by Board members to comply with the SEPA Code of Conduct – see [Annual review of official documents and procedures approved by the Board | Beta | SEPA](https://beta.sepa.scot/about-sepa/who-we-are/our-board/meetings-agendas-and-minutes/21-february-2023/annual-review-of-official-documents-and-procedures-approved-by-the-board/) (Appendix 1)
* Scheme of Delegation – see [Scheme of Delegated Powers | Beta | SEPA](https://beta.sepa.scot/about-sepa/who-we-are/our-board/meetings-agendas-and-minutes/28-november-2023/draft-scheme-of-delegated-powers/)

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