



## Human Resources and Remuneration Committee Terms of Reference

**Date Approved:** 9 March 2022

**Review Date:** February 2023

### 1. Introduction

In line with Section 14.1 of the *Life Sciences Hub Wales Limited (LSHW) Framework Document*, the Board of Directors shall nominate annually a committee that will be known as the **Human Resources and Remuneration Committee** (“the Committee”).

The Committee’s role and responsibilities, as set by the Board, and operating arrangements, are detailed in these terms of reference and should be considered alongside the LSHW Framework Document and Articles of Association.

### 2. Purpose

The purpose of the Committee is to:

- consider and approve, on behalf of the Board, matters and policies relating to the appointment, termination, remuneration, benefits and terms of service for employees.
- consider and approve proposals regarding the company’s (employee) structure.
- consider and receive assurance on People-related risks.
- monitor equality, diversity and inclusion arrangements.
- approve the recommendations of (annual) cost of living reviews and any changes to salary bands.
- approve proposals regarding settlement agreements and payments.
- support the development of the right culture and people practices to enable the organisation's strategy and ambition.
- ensure that all Committee business is aligned to Welsh Government policy including the *Well-being of Future Generations (Wales) Act 2015*.

The Committee will report, and be accountable, to the Board.

### 3. Membership

3.1 The Committee will have a minimum of three members, comprising the Chair and two non-executive directors.

3.2 All Committee members will be appointed to the Committee by the Board.

- 3.3 The Committee Chair will be appointed by the Board from any of its members.
- 3.4 The Committee Chair will chair all meetings. In the absence of the Committee Chair the remaining members present shall elect one of their number to chair the meeting. If the Committee Chair's absence is known in advance, the Chair of the Board may designate a committee member to fulfil this function on an interim basis.
- 3.5 The term of service for Committee members will be for a period of three years, extendable for up to a maximum of a further three years at the discretion of the Board. Committee members who are members of the Board may stand down with the consent of the Board and their service will discontinue if they no longer serve as members of the Board.
- 3.6 Members should declare conflicts of interest not previously notified in accordance with the LSHW arrangements for the declarations and management of interests.

#### **4. Attendees**

- 4.1 The following individuals have standing invitations to attend each meeting of the Committee:
- Chief Executive
  - Operations Director
  - Head of Governance, Risk and Compliance (the Committee Secretary).
- 4.2 Others from within or outside LSHW who the Committee considers should attend, will be invited taking account of the matters under consideration at each meeting.
- 4.3 The Committee may ask any or all of those who normally attend but who are not members to withdraw from the discussion of particular matters to facilitate open and frank discussion.

#### **5. Quorum**

- 5.1 A duly convened meeting of the Committee at which a quorum of two members plus the Committee Chair is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 5.2 The Chair of the Board may nominate alternative Board delegates if one or two of the members cannot attend a meeting.

#### **6. Frequency of meetings**

- 6.1 The Committee Chair shall determine the timing and frequency of meetings, as deemed necessary.

6.2	It is expected that the Committee shall meet at least twice a year, consistent with the annual plan of Board Business. One of these meetings will be held to correspond with the annual cost of living payment review
<b>7. Notice of meetings</b>	
7.1	Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the items to be discussed and any relevant papers shall be sent to Committee members and all other persons required to attend, no later than five working days before the date of the meeting.
7.2	Committee meetings may be held in person or via electronic means e.g. video-conference or tele-conference.
<b>8. Minutes of meetings</b>	
8.1	The Committee Chair will arrange for a record (minutes) of the proceedings and decisions of each meeting to be made, including the names of those present and in attendance and any declarations of conflict of interest. Minutes will be taken by the designated Committee Secretary.
8.2	Draft minutes of the meetings shall be circulated within seven working days of the meeting taking place, first to the Committee Chair for consideration and then to all members and attendees of the Committee.
8.3	The minutes of the meeting shall be approved by the Committee at its subsequent meeting.
8.4	Copies of approved minutes will be issued to the LSHW Chair for signature.
<b>9. Chair's Action</b>	
9.1	There may be occasions where decisions which would normally be made by the Committee need to be taken between scheduled meetings, and it is not practicable to call a meeting of the Committee.
9.2	In these circumstances, the Committee Chair may deal with the matter on behalf of the Board or Committee. Ideally this should be in consultation with, and by gaining the support of, the Committee members. However, there may be occasions when it is necessary for the Chair to take a decision on behalf of the Committee, depending on the nature and/or timing of the requirement. In these cases, the Chair will ensure that all Committee members are informed as appropriate. Any such action must be within the LSHW Framework Document and Articles of Association.
9.3	Any decisions made in line with the provision of Chair's Action must be reported to the Committee at the next meeting, and recorded in the minutes. Details and all correspondence related to the action must be formally maintained.
<b>10. Duties and Responsibilities</b>	

- 10.1 The Committee will support the Board with regard to its responsibilities for remuneration and terms of service by reviewing and approving for consideration by the Minister where required to do so, as appropriate:
- the remuneration of members of the Senior Leadership Team;
  - remuneration, terms of service and benefits for employees; ensuring that LSHW policies on remuneration and terms of service are applied consistently, and in accordance with any Welsh Government guidance and frameworks. This should include due consideration of Welsh Government public sector pay principles (See *Section 3.3.26, LSHW Articles*).
  - proposals regarding the company's (employee) structure.
  - the recommendations of (annual) cost of living reviews.
  - proposals regarding termination arrangements and settlement agreements, ensuring the proper calculation and scrutiny of payments in accordance with the relevant Welsh Government guidance.
  - key human resources, employment and contractual policies and procedures, including any significant changes made following periodic review or in response to regulatory or statutory changes.
  - LSHW's arrangements for equality, diversity and inclusion, and the implications of public policy.
  - the performance management system in place for all employees. The Committee should also receive assurance in relation to the system in place.
- 10.2 The Committee should also receive assurance on:
- succession planning for members of the Senior Leadership Team;
  - developments in organisational culture and employee well-being;
  - the outcome of (annual) employee survey exercises.
  - the applicability of the Well-being of Future Generations (Wales) Act 2015.
- 10.3 The Committee should receive assurance that LSHW employees receive key training and development that supports them to obtain relevant professional, managerial and any other relevant skills and behaviours necessary to carry out their duties.
- 10.4 The Committee should also be appraised of the outcome of any LSHW grievance and/or disciplinary procedure.
- 10.5 The Committee should also consider and receive assurance on People-related risks, as identified on the Board Assurance Framework and the Corporate Risk Register.
- 10.6 The Committee should also oversee and receive assurance on the development of the board and board member skills.

## **11. Reporting Responsibilities**

- 11.1 The Committee will advise the Board on the processes and arrangements in place for Human Resources and Remuneration.

- 11.2 The Committee will periodically review its own effectiveness and report the results of that review to the Board.
- 11.3 The Committee Chair will formally report to the Board after each meeting. As the business of the Committee is often of a sensitive and confidential nature, this will be reflected in any report which will provide an appropriate level of detail.

## **12. Rights**

- 12.1 The Committee shall be entitled to:
- sufficient resources to carry out its duties; appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
  - procure specialist ad-hoc advice at the expense of the company, subject to confirmation from the Senior Leadership Team that funds are available.
  - seek any information it requires in order to perform its duties from any employee of the LSHW.
  - co-opt additional members for a period to provide specialist skills, knowledge and experience. The appointment of any co-opted members should be reviewed annually, with the tenure of membership aligned to that of other committee members.
  - call any employee to be questioned at a meeting of the Committee as and when required.
  - escalate to Welsh Government any issues that cannot be resolved between the Committee and the Board.

## **13. Committee review and development**

- 13.1 The Committee shall undertake an annual review of its own performance through a comprehensive self-assessment process. This should inform the continuous improvement of the Committee and its operating arrangements.
- 13.2 The Committee shall undertake an annual review of its Terms of Reference and recommend any changes it considers necessary to the Board for approval.
- 13.3 The Committee may also periodically arrange for an external independent review of its constitution and Terms of Reference, to ensure that it is operating at maximum effectiveness.
- 13.4 All Committee members are expected to undertake an appropriate programme of engagement within LSHW and its activities to help them understand its objectives, business needs, priorities and risks. This should form part of their induction programme.