

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Council
<b>DATE</b>	3 March 2021
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Scheme of Governance Review - 2021
<b>REPORT NUMBER</b>	COM/21/046
<b>CHIEF OFFICER</b>	Fraser Bell, Chief Officer - Governance
<b>REPORT AUTHOR</b>	Martyn Orchard
<b>TERMS OF REFERENCE</b>	17

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### 1. PURPOSE OF REPORT

- 1.1 This report meets the Council's instruction to report on the operation of the Scheme of Governance annually and makes recommendations for improvement.

### 2. RECOMMENDATIONS

That Council:-

- 2.1 approves Appendix A, the introduction to the Scheme of Governance, with effect from 1 April 2021;
- 2.2 approves Appendix B, Committee Terms of Reference, with effect from 1 April 2021
- 2.3 approves Appendix C, Powers Delegated to Officers, with effect from 1 April 2021;
- 2.4 approves Appendix D, Standing Orders for Council, Committee and Sub Committee Meetings, with effect from 1 April 2021;
- 2.5 approves Appendix E, Financial Regulations, with effect from 1 April 2021;
- 2.6 approves Appendix F, Procurement Regulations, with effect from 1 April 2021;

- 2.7 approves Appendix G, Member - Officer Relations Protocol, with effect from 1 April 2021; and
- 2.8 agrees to disband the Special Licensing Objections Committee with immediate effect as outlined in paragraphs 4.7.2 and 4.7.3 of the report.

### **3. BACKGROUND**

- 3.1 On 5 March 2018, Council approved the Scheme of Governance and instructed the Chief Officer - Governance to report back to Council within 12 months on the operation of the Scheme of Governance documents. The Scheme of Governance documents are as follows:
- a) Introduction to the Scheme of Governance
  - b) Committee Structure and Terms of Reference
  - c) Powers Delegated to Officers
  - d) Standing Orders for Council, Committee and Sub Committee Meetings
  - e) Financial Regulations
  - f) Procurement Regulations
  - g) Member - Officer Relations Protocol
- 3.2 On 4 March 2019, Council considered its first review of the Scheme of Governance and a further review was considered by Council on 2 March 2020.
- 3.3 In March 2020, the Council was the first local authority in Scotland to be awarded the CIPFA Mark of Excellence in Governance, which was one of the organisation's objectives during the restructuring of its governance arrangements and putting in place a new Scheme of Governance.
- 3.4 The proposals recommended for approval have been subject to discussion with Chief Officers and relevant officers across the organisation. Group Leaders have also been offered the opportunity to feed into the review.
- 3.5 The changes proposed to the Scheme of Governance are not extensive. This was anticipated as the arrangements have had the opportunity to bed in and the committee effectiveness reports show that the committee structure has been operating satisfactorily.
- 3.6 Each document comprising the Scheme of Governance is appended to the report with track changes indicating the proposed changes/additions.

### **4. SCHEME OF GOVERNANCE**

#### **4.1 Committee Terms of Reference**

- 4.1.1 Officers have reviewed the Terms of Reference to ensure that they are reflective of the general operation of all committees over the past year. The introduction section has been amended to reflect that in exercising their functions, the Council, its committees and sub committees shall consider the Council's Risk Appetite Statement (RAS) which was approved by the Audit,

Risk and Scrutiny Committee in December 2020. Reference to the RAS has also been incorporated within the Powers Delegated to Officers, the Financial Regulations and the Procurement Regulations.

## **4.2 Powers Delegated to Officers**

4.2.1 The Powers Delegated to Officers have been reviewed to ensure that the document is reflective of current and pending legislation, as well as operational practice. The review also identified any additional changes that would enable operation of the respective areas to be undertaken in a more effective manner and improve the operational delivery to our customers.

## **4.3 Standing Orders for Council, Committees and Sub Committee Meetings**

4.3.1 The Standing Orders have been reviewed to ensure that any areas for clarification raised at meetings since March 2020 have been considered, the relevant Standing Order updated, or a new Standing Order added. For example, proposed amendments and additions have been made to Standing Orders 28 (Procedural Motions) and 34 (Referrals) in an attempt to clarify matters that had arisen at committee meetings where Standing Orders had been silent or open to interpretation.

## **4.4 Financial Regulations**

4.4.1 The Financial Regulations have been reviewed in the context of revisions to other parts of the Scheme of Governance; to take account of changes in the management structure; changes to key policy documents, for example the Counter Fraud Policy incorporating the Money Laundering Policy; minor changes to detailed responsibilities to reflect operating practice and current cluster arrangements; and following feedback from consultation.

## **4.5 Procurement Regulations**

4.5.1 The Procurement Regulations have been reviewed in the context of revisions to other parts of the Scheme of Governance and to ensure that the Regulations are in line with the Procurement Manual, relevant legislation and operational practices. Primarily, legislative changes relate to the United Kingdom exiting the European Union and the subsequent impact therein.

## **4.6 Member - Officer Relations Protocol**

4.6.1 The Member - Officer Relations Protocol has been reviewed, however no changes of any significance are proposed, with only minor changes primarily in relation to how people should be addressed in meetings in order to be consistent with the wording contained within Standing Orders.

## **4.7 Special Licensing Objections Committee**

4.7.1 The Special Licensing Objections Committee was formed in 2005. However, the committee has been relatively dormant since 2007, with only 4 meetings having been held since then - two meetings in 2010, one meeting in 2015 and

one meeting in 2020. The committee is not currently reflected in the Committee Terms of Reference document although the political composition of the committee was agreed by Full Council on 2 March 2020.

- 4.7.2 It is being proposed that the Special Licensing Objections Committee be disbanded as other appropriate means of submitting representations are in place. Licensing Board applications can only be refused on grounds relevant to the licensing objectives and must be evidence based. For the two types of application for which the Council are statutory consultees (Premises Licence applications and major variations), this is achieved by direct consultation with the appropriate Council departments which hold relevant evidence, primarily Building Standards and Environmental Health. This allows the Licensing Board to efficiently obtain the evidence directly as opposed to the evidence being filtered through a separate committee.
- 4.7.3 If the Council is minded to remove the Special Licensing Objections Committee, this would not prevent elected members from submitting representations in response to the public consultations for those applications and for other types of application for which the Council is not a statutory consultee, namely Occasional Licence and Extended Hours applications. Should members be minded to retain the Special Licensing Objections Committee, terms of reference should be agreed by the Council for inclusion in the Terms of Reference document.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 Approving the recommendations in this report will have no direct financial implications but will help improve the robust governance framework required to support organisational change and achieve budget targets. Adhering to the terms of the Financial Regulations, an integral part of the stewardship of Council funds, will ensure that all of the Council's transactions are conducted in a manner demonstrating openness, integrity and transparency.

## **6. LEGAL IMPLICATIONS**

- 6.1 The Scheme of Governance was designed to assist the Council in complying with its statutory duties and functions whilst also being consistent with the CIPFA principles of good governance against which the Council must provide an Annual Governance Statement as part of its annual accounts. The Scheme of Governance also supports the Council's CIPFA Governance Mark of Excellence accreditation.
- 6.2 The legislative bases for the various documents comprising the Scheme of Governance are as follows:-
- 6.3 Section 56 of the Local Government (Scotland) Act 1973 - the Council may arrange for the discharge of any functions, subject to some exceptions, by a committee or sub committee. These are set out in the Committee Terms of Reference.

- 6.4 The same section also provides that the Council may arrange for the discharge of any of its functions, subject to some exceptions, by an officer of the Council. These delegations are contained within the Powers Delegated to Officers. Section 43 of the Town and Country Planning (Scotland) Act 1997 also requires the Council to publish a scheme of delegation setting out how certain planning applications are to be dealt with by officers.
- 6.5 Section 62 of the Local Government (Scotland) Act 1973 empowers the Council to make, vary or revoke standing orders for meetings of Councils, committees and sub committees.
- 6.6 Legislation requires the Council to adhere to stringent financial controls and practices. The Financial Regulations are integral to this requirement.
- 6.7 The Procurement Reform (Scotland) Act 2014 must be complied with, and the Procurement Regulations achieve this whilst empowering staff and promoting Best Value.
- 6.8 The Council is required under Section 47 of the Police and Fire Reform (Scotland) Act 2012 and Section 41E of the Fire (Scotland) Act 2005 to scrutinise local police plans and local fire and rescue plans respectively. This is undertaken through the terms of reference of the Public Protection Committee.

## 7. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic Risk</b>	No direct risk	L	
<b>Compliance</b>	Failure to update the Scheme of Governance and implement the necessary changes could expose the Council to risk in terms of complying with the law and relevant regulations.	L	Approval of the proposals and adherence to the specified legislation ensures accountability.
<b>Operational</b>	No direct risk	L	Adherence to the Scheme of Governance protects employees in undertaking their roles, as well as the organisation's buildings, plant and equipment.

<b>Financial</b>	No direct financial implications for the Scheme of Governance	L	The Scheme of Governance itself mitigates against the risk of poor financial management, poor value for money, fraud and financial loss.
<b>Reputational</b>	Failure to update the Scheme of Governance and make other necessary changes could present a reputational risk to the Council.	L	Consultation has been undertaken with officers and elected members and recommended proposals have had regard to that process.
<b>Environment / Climate</b>	No direct risk	L	

## 8. OUTCOMES

<u><b>COUNCIL DELIVERY PLAN</b></u>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	The proposals in the report have no direct impact on the Policy Statement.
<b>Aberdeen City Local Outcome Improvement Plan</b> - the proposals in the report have no direct impact on the LOIP stretch outcomes.	
<b>Regional and City Strategies</b>	The proposals in the report have no direct impact on the Regional and City Strategies.
<b>UK and Scottish Legislative and Policy Programmes</b>	The proposals set out within the report comply with the relevant legislation as referenced in the legal implications.

## 9. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Impact Assessment</b>	Full impact assessment not required

<b>Data Protection Impact Assessment</b>	Not required
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## 10. BACKGROUND PAPERS

None

## 11. APPENDICES

- A. Scheme of Governance Introduction
- B. Committee Terms of Reference
- C. Powers Delegated to Officers
- D. Standing Orders for Council, Committees and Sub Committees
- E. Financial Regulations
- F. Procurement Regulations
- G. Member - Officer Relations Protocol

## 12. REPORT AUTHOR CONTACT DETAILS

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