

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	16 April 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Scheme of Governance Review 2025
REPORT NUMBER	CORS/25/070
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Vikki Cuthbert, Interim Chief Officer - Governance
REPORT AUTHOR	Martyn Orchard
TERMS OF REFERENCE	17

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 a number of recommendations for improvement following consideration and discussion by the cross-party elected member Governance Reference Group and in response to some outstanding Audit Scotland recommendations.

2. RECOMMENDATIONS

That Council:-

- 2.1 approves Appendix C, Committee Terms of Reference, with effect from 21 April 2025;
- 2.2 approves Appendix D, Powers Delegated to Officers, with effect from 17 April 2025, and delegates authority to the Chief Officer - Governance to make any further changes to Appendix 1 of that document which are necessary to reflect such approval;
- 2.3 approves Appendix E, Standing Orders for Council, Committee and Sub-Committee Meetings, with effect from 21 April 2025; and instructs the Chief Officer - Governance to report back to the July Council meeting with further proposed revisions concerning meeting structure and motions and amendments for requisitioned meetings, utilising further input from the Governance Reference Group, as described in paragraph 4.3.4;
- 2.4 approves Appendix F, Financial Regulations, with effect from 21 April 2025;
- 2.5 approves Appendix G, Procurement Regulations, with effect from 21 April 2025;
- 2.6 approves Appendix H, Member - Officer Relations Protocol, with effect from 21 April 2025;

- 2.7 approves Appendix I, General Fund Budget Protocol and Appendix J, Housing Revenue Account Budget Protocol, with effect from 21 April 2025 and instructs the Chief Officer - Governance to schedule an additional meeting of Council to consider the Housing Revenue Account in December of each year;
- 2.8 notes Appendix K, the Councillors' Accessing Information Procedure Note, and instructs the Interim Chief Officer - Governance to issue and implement the proposed mechanism for elected members to request information from officers, effective from 21 April 2025;
- 2.9 notes that no changes are required to the Local Code of Corporate Governance at this time;
- 2.10 notes the minutes of the Governance Reference Group of 18 October and 22 November 2024, and 22 January, 19 February and 12 March 2025, as contained at Appendix A;
- 2.11 notes the cross-party/independent working groups which are in place, including the addition of a Future Libraries Group, as outlined in paragraph 4.1.4; and
- 2.12 instructs the Chief Officer - Governance and Chief Officer - People and Citizen Services to put in place a programme of officer and elected member training and development on scrutiny, as outlined in paragraph 4.17.

3. CURRENT SITUATION

- 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) Aberdeen City Council Committee 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
- h) Local Code of Corporate Governance
- i) Budget Protocol

- 3.2 On 4 March 2019, Council considered its first review of the Scheme of Governance and further reviews have been considered by the Council on an annual basis, with the last review reported to Council in August 2024.
- 3.3 The proposals recommended for approval have been subject to discussion with Chief Officers and other relevant officers across the organisation. Meetings of the cross-party Governance Reference Group (GRG) took place on 18 October and 22 November 2024, and 22 January, 19 February and 12 March 2025,

where elected members present received feedback from internal and external audit and considered proposals from officers. Constructive discussion took place on all areas requiring improvement and the minutes reflect there was agreement on most of the revisions being proposed to Council. The final meeting on 12 March records some areas of dissent however the majority of those present agreed, therefore the proposals are available for consideration at this meeting. The minutes of GRG meetings are included as Appendix A to the report by way of background.

- 3.4 The documents comprising the Scheme of Governance are appended to the report with track changes indicating the proposed changes/additions. These are preceded by an overarching document (Appendix B) which details the changes of significance across the Scheme of Governance with accompanying rationale. A summary is provided below.

4. SCHEME OF GOVERNANCE

4.1 Committee Terms of Reference

- 4.1.1 Council reviewed all aspects of the Scheme of Governance in August 2024 except for the committee structure and Terms of Reference – albeit a number of relatively minor changes to the latter were approved. The Chief Officer - Governance was instructed “to undertake a comparison of scrutiny models available, to report on these to the Governance Reference Group, including the Convener of the Audit, Risk and Scrutiny Committee, and to make recommendations for enhanced scrutiny within the report on Committee Terms of Reference to be presented to Council in February 2025.” This report was then deferred to the April meeting to allow more time for discussion.

- 4.1.2 The purpose of this review was to respond to recommendations from Audit Scotland in their Best Value Thematic Report in 2022/23, that:

- 1) There is merit in the co-leaders, group leaders and independent councillors working collaboratively to create genuine opportunities to share experiences, hold conversations and work together to improve working relationships and resolve issues before they escalate. Annual proposals should be brought forward for cross-party working opportunities; and
- 2) There is scope to use the committee more effectively to scrutinise council decisions. Terms of Reference for committees should be reviewed and guidance developed to clarify how the process could be initiated, conducted and reported by elected members. Robust arrangements should be agreed to ensure terms of reference for scrutiny activity are clear, concise and the approach is consistently applied.

- 4.1.3 **In respect of Audit Scotland recommendation 1),** the number of working groups including independent members and representation from all political groups has been reviewed. The following are currently in place and are proposed to continue:

Name of Group	Purpose of Group
Governance Reference Group	To agree proposals to Council on the Scheme of Governance.
Voids Sub-Group	To consider issues relating to void Council houses and oversee delivery of the Housing Board response to the local Housing Emergency.
Members' Services Working Group	To discuss and identify solutions for any operational issues that impact upon Elected Members and to provide guidance on the learning and development programme for Elected Members.

- 4.1.4 In furtherance of our commitment to enhancing and expanding cross-party/independent member working, the following group will be an additional opportunity for members to work together, as approved by Council on 5th February:

Group	Purpose of Group
Future Libraries	Cross-Party/Ward Working Groups for both Torry and Northfield to enable ward Members to hear about changes being tested at community level and help shape our future model of Family Support.

- 4.1.5 **In respect of Audit Scotland recommendation 2),** the Governance Reference Group invited internal and external audit to a discussion so as to understand what would be required to more effectively scrutinise council decisions. Their feedback is summarised at Appendix L.
- 4.1.6 As additional background, CIPFA's *Delivering Good Governance in Local Government Framework* 2016, which formed the foundation for our Mark of Excellence awarded in 2017, states:
- "It is...essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority."*
- 4.1.7 The Audit, Risk and Scrutiny Committee has a key role in ensuring that scrutiny is undertaken effectively and gives rise, ultimately, to improvements. The existing Terms of Reference (5.1) make provision for the committee to seek "further consideration" of a matter after it has been determined (either by the Audit, Risk and Scrutiny Committee or another committee, with some exceptions ie quasi-judicial committees, Appeals etc). The purpose of this "further consideration" is not to revisit the decision, but to review the effectiveness of decision-making or monitoring of a decision, and it enables the

Audit, Risk and Scrutiny Committee to consider the matter and then make recommendations to the relevant committee, if it deems appropriate. It would also be open to the Committee to agree to take no action after “further consideration” if, for instance, it has received adequate assurance. Any recommendations should be with a view to bringing about some improvement. It is recognised that there has been fairly limited use of this provision to date however it clearly sets out the opportunity for further scrutiny to take place. In raising the matter through this review, it is being brought to the attention of committee members for use where appropriate; in addition, a further reference has been included in the general delegations of committees to reinforce their role in undertaking scrutiny of policy, performance and risk. Together, these reinforcements should provide additional assurance to Audit Scotland that the Council is developing elected member scrutiny further.

- 4.1.8 In support of this, it is proposed to put in place a programme of training and development on scrutiny, including mechanisms and processes for exercising this remit. The Group discussed this in some detail and acknowledged that the scrutiny role differs across all committees and will be distinct from one forum to another. Conveners also have a very specific role to play in overseeing this scrutiny. The Improvement Service (IS) offers expertise in this area and can support us in the design and delivery of a programme of scrutiny training from which officers can also benefit. IS are already working with other councils on this topic, and will pull in lessons learned and resources from across Scotland.
- 4.1.9 Amongst other changes to the Terms of Reference are more fully aligning committee remits with the revised organisational structure, addressing minor administrative omissions and enabling committees to establish working groups without a referral to Council.

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 changes proposed are few and of a relatively minor nature.

4.3 Standing Orders for Council, Committee and Sub-Committee Meetings

- 4.3.1 The Standing Orders have been reviewed to ensure that any areas for clarification raised at, or in relation to, meetings since the last Scheme of Governance Review have been considered, the relevant Standing Order updated, or a new Standing Order added.
- 4.3.2 Other, more proactive, changes have been considered by the Governance Reference Group, and are summarised in Appendix B. The Group has worked to address the challenges presented to both members and officers by lengthy and additional meetings. These proposals recognise the increased frequency of meetings and aim to provide more time for motions and amendments to be checked and circulated, including the publication of agendas seven clear days prior to the meeting rather than six.

- 4.3.3 They also provide additional clarity on what constitutes a competent motion or amendment and propose to address some of the timescale challenges which have been encountered due to the increased number of amendments submitted over the last year, building in additional time for officers to review and for members to view prior to the meeting. Furthermore, it is proposed that the six-hour time limit for Council and Committee meetings should not include breaks, which provides more flexibility to conclude business. Taken together, it is hoped that these revisions will strengthen Council and Committee effectiveness.
- 4.3.4 At later meetings, the Group revisited the consideration previously given to restructuring Council and Committee meetings to schedule questions, decisions and debate sections, all with a view to ensuring that officer and member time is allocated proportionately and efficiently. There was also discussion on the requirements for issuing motions and amendments for meetings requisitioned by a quarter of members under Standing Order 8. Whilst there was support to make improvements in these areas, officers recommend that additional time is allowed to draft these changes to avoid any unintended consequences arising from a change of this nature. It is therefore proposed that officers continue to work with the Governance Reference Group to draft further revisions and that these are reported to Council in July.
- 4.3.5 Finally, a procedure note for elected members on their additional rights of access to information has been prepared to supplement Appendix 4 of the Standing Orders. This forms Appendix K to this report. Management of requests under this procedure will be supported with a Microsoft Forms approach, enabling requests to be dealt with timeously and consistently.

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. The proposed changes are minor in nature.

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. The proposed changes are minor in nature.

4.6 Member - Officer Relations Protocol

- 4.6.1 The Member - Officer Relations Protocol has been reviewed and one minor change is proposed at paragraph 6.11 which is to ensure that elected members make use of Council-allocated resources appropriately.

4.7 Local Code of Corporate Governance

- 4.7.1 Councils are required to have a Local Code of Corporate Governance which creates the backbone for the Annual Governance Statement by providing the sources of assurance against which we will self-evaluate our adherence to

CIPFA/SOLACE principles of good governance. This forms part of our Scheme of Governance and is reviewed annually. There are no changes proposed to the Local Code of Corporate Governance at this time, however CIPFA and SOLACE are in the process of updating their guidance on delivering good governance which may result in changes being proposed in the next Scheme of Governance annual review.

4.8 Budget Protocol

4.8.1 The Budget Protocol has now been in operation for two years and has provided the structure required to ensure the Council approves a budget which takes account of the views of our citizens and is clear about the impact on people with protected characteristics. These improvements are being built upon with further changes:

- Q1 will ensure a focus on scenario planning for the Medium Term Financial Strategy including alignment with the budget approved in March 2025.
- During Q2, budget options will be aligned with the best, medium and worst case financial scenarios and the MTFS will be updated and engagement with elected members will begin.
- The MTFS will be reported to Finance and Resources Committee in Q3 followed by a single round of public engagement, encapsulating all budget options developed by officers and aligned with an updated MTFS. This will ensure that elected members and citizens have clarity on which budget options would be required in a best, middle or worst case financial scenario.
- In Q4, budgets will be prepared by elected members and the Chief Officer - Finance will prepare a financial resilience assessment for all budgets being proposed.
- The Protocol also aligns these processes to the Council's approved Risk Appetite Statement.

4.8.2 A Budget Protocol is being proposed for the Housing Revenue Account which mirrors the good practice already in place for the General Fund. This is included at Appendix J.

5. FINANCIAL IMPLICATIONS

5.1 Approving the recommended changes to the Scheme of Governance will have no direct financial implications during the current financial year but will help improve the robust governance framework required to support organisational changes 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 the Council's transactions are conducted in a manner demonstrating openness, integrity and transparency.

6. LEGAL IMPLICATIONS

6.1 The Scheme of Governance is 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 set out below.
- 6.3 Section 56 of the Local Government (Scotland) Act 1973 provides that the Council may arrange for the discharge of any of its 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. Such delegations are contained within the Powers Delegated to Officers. Section 43A 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, and Schedule 7 to, the Local Government (Scotland) Act 1973 empowers the Council to make, vary or revoke standing orders for meetings of Council, 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 support 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 Communities, Housing and Public Protection Committee.
- 6.9 The Council has a general duty under section 149(1) of the Equality Act 2010 (the 2010 Act) to have due regard to the need to:
 - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the 2010 Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The Council also has a specific duty under Regulation 5 of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 to assess the impact of applying a proposed new or revised policy or practice against the needs mentioned in section 149(1) of the 2010 Act.

7. ENVIRONMENTAL IMPLICATIONS

7.1 There are no direct environmental implications associated with the report.

8. RISK

8.1 The assessment of risk contained within the table below is considered to be consistent with the Council's Risk Appetite Statement.

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No direct risks	N/A	L	Yes
Compliance	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.	Approval of the proposals and adherence to the specified legislation ensures accountability. Review of all proposals by Internal and External Audit	L	Yes
Operational	No direct risk	Adherence to the Scheme of Governance protects employees in undertaking their roles, as well as the organisation's buildings, plant and equipment.	L	Yes
Financial	No direct risks	The Scheme of Governance itself mitigates against the risk of poor financial management, poor	L	Yes

		value for money, fraud and financial loss.		
Reputational	Failure to update the Scheme of Governance and make other necessary changes could present a reputational risk to the Council.	Consultation has been undertaken with officers and elected members and recommended proposals have regard to that process	L	Yes
Environment / Climate	No direct risks		L	Yes

9. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2023-2024</u>	
	Impact of Report
Aberdeen City Council Policy Statement <u>Working in Partnership for Aberdeen</u>	The proposals in the report have no direct impact on the Policy Statement
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u> The proposals in the report have no direct impact on the LOIP stretch outcomes.	
Regional and City Strategies	The proposals in the report have no direct impact on Regional and City Strategies.

10. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	New Integrated Impact Assessment has been completed
Data Protection Impact Assessment	Not required
Other	None

11. BACKGROUND PAPERS

None.

12. APPENDICES

- A. Minutes of Meetings of Governance Reference Group of 18 October and 22 November 2024 and 22 January, 19 February and 12 March 2025
- B. Scheme of Governance Review - Summary of Proposed Changes
- C. Committee Terms of Reference
- D. Powers Delegated to Officers
- E. Standing Orders for Council, Committee and Sub-Committee Meetings
- F. Financial Regulations
- G. Procurement Regulations
- H. Member - Officer Relations Protocol
- I. General Fund Budget Protocol
- J. Housing Revenue Account Budget Protocol
- K. Councillors Accessing Information Procedure Note
- L. Internal and External Audit Feedback to Governance Reference Group

13. REPORT AUTHOR CONTACT DETAILS

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