

ABERDEEN CITY COUNCIL

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COMMITTEE	Council
DATE	14 December, 2011
DIRECTOR	Stewart Carruth
TITLE OF REPORT	Orders of Reference
REPORT NUMBER:	CG/11/142

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1. PURPOSE OF REPORT

To update the current Orders of Reference to allow Service committees to take financial decisions without the requirement for a referral to the Finance and Resources Committee, in circumstances where there will be no adverse impact.

2. RECOMMENDATION(S)

To approve the Orders of Reference as appended to the report.

NB – Changes are highlighted in bold.

3. FINANCIAL IMPLICATIONS

There are no financial implications associated with the implementation of this report. In allowing Service committees to agree income generation without the requirement to seek approval from the Finance and Resources Committee, decisions will be able to be implemented in a more timeous fashion.

4. OTHER IMPLICATIONS

The Orders of Reference must be approved to set out the powers of each committee, and to avoid decisions taken at the committees being challenged.

5. BACKGROUND/MAIN ISSUES

5.1 At the meeting of the Finance and Resources Committee of 29 September, 2011, members requested that a report be brought back to the appropriate Committee (full Council) with a recommendation to amend the Orders of Reference for committees to allow Service committees to take financial decisions without the requirement for a referral to the Finance and Resources Committee, unless there would be adverse financial implications.

5.2 At present, the Orders of Reference for the Finance and Resources Committee state at 5(e) 'to approve changes to the budget to meet the savings required including (a) the power to vire between Service budgets; and (b) to undertake action to deliver cost reductions or income generation to achieve a balanced budget'.

- 5.3 Custom and practice since the implementation of the Orders of Reference (approved at the meeting of Council of 19 August, 2009 (article 10 refers)) has seen all decisions where there has been either a positive or negative financial impact on the Service budget, being referred to the Finance and Resources Committee for approval.
- 5.4 It is recommended that the Orders of Reference for the Finance and Resources Committee be amended so 5(e) will read 'to approve changes to the budget to meet the savings required including the power to vire between Service budgets'.
- 5.5 It is further recommended that the Orders of Reference for each of the Service committees be amended to include a further power –  
'to take financial decisions concerning the (xxx) Service budget where there will not be an adverse impact'.
- 5.6 The Director of Corporate Governance has intimated that it would be his preference for the budget aspects of his Service to be reported to the Finance and Resources Committee, rather than the Corporate Policy and Performance Committee. This has been clarified in the Orders of Reference appended to the report.
- 5.7 The outcome of this change will be that budget monitoring reports for the Corporate Governance Service will be reported to the Finance and Resources Committee, but the Corporate Policy and Performance Committee will be accountable for the Services provided by the Corporate Governance Service, and will continue to receive the performance reports.
- 5.8 For clarity, the Service committees of Council for the purposes of this report (ie where the financial decisions will be taken) are as follows:
- Housing and Environment
  - Enterprise, Planning and Infrastructure
  - Education, Culture and Sport
  - Social Care and Wellbeing
  - Finance and Resources Committee (Corporate Governance Service)

## 6. IMPACT

None.

## 7. BACKGROUND PAPERS

Minute of meeting of Council of 19 August, 2011  
<http://committees.aberdeencity.gov.uk/ieListDocuments.aspx?CId=122&MId=365&Ver=4>

## 8. REPORT AUTHOR DETAILS

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