

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	28 February 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Scheme of Governance Review - 2022
REPORT NUMBER	COM/22/034
CHIEF OFFICER	Fraser Bell, 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 recommendations for improvement.

2. RECOMMENDATIONS

That Council:-

- 2.1 approves Appendix C, the Introduction to the Scheme of Governance, with effect from 1 April 2022;
- 2.2 approves Appendix D, Committee Terms of Reference, with effect from 1 April 2022;
- 2.3 approves Appendix E, Powers Delegated to Officers, with effect from 1 April 2022, and delegates authority to the Chief Officer - Governance to make any further changes to Appendix 1 of that document necessary to reflect the Powers Delegated to Officers;
- 2.4 approves Appendix F, Standing Orders for Council, Committee and Sub Committee Meetings, with effect from 1 April 2022;

- 2.5 approves Appendix G, Financial Regulations, with effect from 1 April 2022;
- 2.6 approves Appendix H, Procurement Regulations, with effect from 1 April 2022;
- 2.7 approves Appendix I, Member - Officer Relations Protocol, with effect from 1 April 2022;
- 2.8 approves Appendix J, the Local Code of Corporate Governance, with effect from 1st April 2022;
- 2.9 notes the draft minute of the Governance Reference Group of 20 January 2022, and that an updated committee report template will be implemented with effect from 1 April 2022; and
- 2.10 notes the update with regard to the review of outside bodies and that no further changes are required at this stage.

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 further reviews were considered by Council in March 2020 and March 2021.
- 3.3 The proposals recommended for approval have been subject to discussion with Chief Officers and relevant officers across the organisation. A meeting of the Governance Reference Group (GRG) took place on 20 January 2022, where elected members were provided with an update on progress with the review. The draft minute of the GRG meeting is included as Appendix A to the report.
- 3.4 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 annual committee effectiveness reports demonstrate that the committee structure has been operating satisfactorily.

- 3.5 Each document comprising the Scheme of Governance is appended to the report with track changes indicating the proposed changes/additions. These are preceded by an overarching document (Appendix B) which details material changes across the Scheme of Governance with accompanying rationale.

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. Minor changes/additions are proposed, for example in terms of General Delegations to Committees and the approval of Council policies and strategies (including partnership strategies) relative to its remit - to add the determination of applications and requests in terms of such policies and strategies. This would more clearly cover matters such as plaque requests and driveway applications which currently, in the absence of more explicit Terms of Reference, require to be dealt with under Terms of Reference relating to service delivery.

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. The changes proposed are slightly more extensive than the other documents within the Scheme of Governance, however they can largely be interpreted as fine-tuning.

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, or in relation to, meetings since March 2021 have been considered, the relevant Standing Order updated, or a new Standing Order added. In addition, the document has been updated to reflect the new Code of Conduct for Councillors and the 3-stage approach (Connection - Interest - Participation) set out in section 5 (Declaration of Interests) of the Code.

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. Many of the proposed changes are minor in nature, for example updating links. More substantive changes include the addition of a section on control of the Housing Revenue Account, and additional references to reflect Internal Audit recommendations on budget monitoring.

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. Additional regulations are proposed (15.3) to align and tighten processes for those seeking to extend/vary contracts and give a clear line of where boundaries/responsibilities lie when planning.

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 regarding urgent requests for information or service requests outside office hours.

4.7 Local Code of Corporate Governance

- 4.7.1 The Council last reviewed the Local Code of Governance in March 2017. This sets the framework for our governance arrangements, which are in accordance with the SOLACE (the Society of Local Authority Chief Executives) and CIPFA (the Chartered Institute of Public Finance and Accountancy) principles for “Delivering Good Governance in Local Government”.
- 4.7.2 Annually, the Council reports publicly on the effectiveness of its governance in the year previous, and on planned changes for the year ahead, relying on the primary sources of assurance set out in the Code. This is firstly reported to the Audit, Risk and Scrutiny Committee as part of the unaudited annual accounts to self-assess our system of internal control before public sign off by the Chief Executive and Council Leader. Minor changes have been made to the Code since it was last approved.

5. REVIEW OF OUTSIDE BODIES

- 5.1 At the Council meeting of 13 December 2021, the Council approved the updated policy on appointments of elected members to outside bodies; noted progress with the review; noted changes in respect of appointments; deleted outside bodies from the list; and agreed to receive an update as part of the report on the Scheme of Governance Review at Council on 28 February 2022.
- 5.2 Outstanding questionnaires have been received from outside bodies since 13 December 2021 and no further changes are required at this stage. Proposals with regard to appointments to outside bodies will be presented to Council following the local government election in May 2022.

6. FINANCIAL IMPLICATIONS

- 6.1 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.

7. LEGAL IMPLICATIONS

- 7.1 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.
- 7.2 The legislative bases for the various documents comprising the Scheme of Governance is set out below.
- 7.3 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.
- 7.4 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.
- 7.5 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.
- 7.6 Legislation requires the Council to adhere to stringent financial controls and practices. The Financial Regulations are integral to this requirement.
- 7.7 The Procurement Reform (Scotland) Act 2014 must be complied with, and the Procurement Regulations achieve this whilst empowering staff and promoting Best Value.
- 7.8 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.

8. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	No direct risk	L	
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 and relevant regulations.	L	Approval of the proposals and adherence to the specified legislation ensures accountability.
Operational	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.
Financial	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.
Reputational	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 regard to that process.

Environment / Climate	No direct risk	L	
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9. OUTCOMES

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

10. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Full impact assessment not required
Data Protection Impact Assessment	Not required

11. BACKGROUND PAPERS

None

12. APPENDICES

- A. Draft minute of Governance Reference Group of 20 January 2022
- B. Scheme of Governance Review - Summary of Proposed Changes
- C. Scheme of Governance Introduction
- D. Committee Terms of Reference
- E. Powers Delegated to Officers
- F. Standing Orders for Council, Committees and Sub Committees
- G. Financial Regulations
- H. Procurement Regulations
- I. Member - Officer Relations Protocol
- J. Local Code of Corporate Governance

13. REPORT AUTHOR CONTACT DETAILS

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