

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	14 June 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Scheme of Governance Review - 2023
REPORT NUMBER	COM/23/162
DIRECTOR	Gale Beattie, Director of Commissioning
CHIEF OFFICER	Vikki Cuthbert, Interim Chief Officer - Governance (Assurance)
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, Committee Terms of Reference, with effect from 19 June 2023;
- 2.2 approves Appendix D, Powers Delegated to Officers, with effect from 19 June 2023, and delegates authority to the Interim Chief Officer - Governance (Assurance) 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 19 June 2023;
- 2.4 approves Appendix F, Financial Regulations, with effect from 19 June 2023;
- 2.5 approves Appendix G, Procurement Regulations, with effect from 19 June 2023;
- 2.6 approves Appendix H, Member Officer Relations Protocol, with effect from 19 June 2023;
- 2.7 notes that there are no changes to the Local Code of Corporate Governance;
- 2.8 notes the draft minutes of the Governance Reference Group of 27 April, 9 May and 1 June 2023;

- 2.9 approves Appendix I, the Budget Protocol, with immediate effect, and instructs the Chief Officer - Finance to carry out a formal review of the Protocol following approval of the Council's budget for 2024/25, and report back to Council on any lessons learned;
- 2.10 instructs the Chief Officer - Early Intervention and Community Empowerment to review the Integrated Impact Assessment (IIA) template and related process and make any changes necessary, and thereafter arrange training for officers and elected members, including a focus on giving due regard to protected characteristics;
- 2.11 instructs the Interim Chief Officer - Governance (Assurance) to, following consultation with the Co-Leaders, make all other amendments to the Scheme of Governance which are necessary to reflect the decisions taken by the Council at this meeting in relation to this report; and also instructs that Chief Officer to review the use of the term "customer" within the Scheme of Governance and, in that regard, make changes to that Scheme as appropriate;
- 2.12 notes the resignations referred to in paragraph 6.1 and appoints a Convener of the Planning Development Management Committee and Vice Convener of the Communities, Housing and Public Protection Committee with immediate effect;
- 2.13 appoints an Older People's Champion; and
- 2.14 agrees to cease membership of KIMO UK, and by extension KIMO International, at the end of this financial year in line with paragraphs 7.2 and 7.3 of the report.

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
- 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, March 2021 and February 2022. This year's review took place a little later than originally scheduled given that the committee structure was revised in August 2022 and did not become operational until October 2022.

- 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 Governance Reference Group (GRG) took place on 27 April, 9 May and 1 June 2023, where elected members were provided with an update on progress with the review. The minutes of the GRG meetings are included as Appendix A to the report by way of background.
- 3.4 The changes proposed to the Scheme of Governance are not particularly extensive. This has been anticipated as the Scheme of Governance has had the opportunity to bed in and many of the proposed changes are matters which have evolved over the course of time.
- 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 the slightly more 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. Proposed changes/additions are mostly minor in nature, with the most significant change proposed to remove all references to the Council approving commissioning activity in excess of £1million and for this to transfer to the Finance and Resources Committee, which already oversees other procurement activity.

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 internal customers and citizens. The changes proposed are slightly more extensive than for most of the other documents within the Scheme of Governance, however they can largely be regarded as fine-tuning.

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 February 2022 have been considered, the relevant Standing Order updated, or a new Standing Order added. Other, more proactive, changes include the introduction of a proposed deadline for submission of motions/amendments (Standing Order 29.1), however this remains on a *should* rather than *must* basis and when reasonably practicable to adhere to. The deadline associated with submission of

motions/amendments in respect of the budget (Standing Order 29.2) is proposed to be changed from *should* to *must*, and these will be required by mid-February depending on the date of the budget meeting. This is in accordance with the proposed Budget Protocol which it is proposed will form a further appendix to the Standing Orders. Further detail is at paragraph 5.1 below.

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. Most of 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.

4.6 Member - Officer Relations Protocol

4.6.1 The Member - Officer Relations Protocol has been reviewed, however no changes of significance are proposed, with only minor changes recommended. These clarify the role of the Monitoring Officer when a potential breach of the protocol has occurred.

4.7 Local Code of Corporate Governance

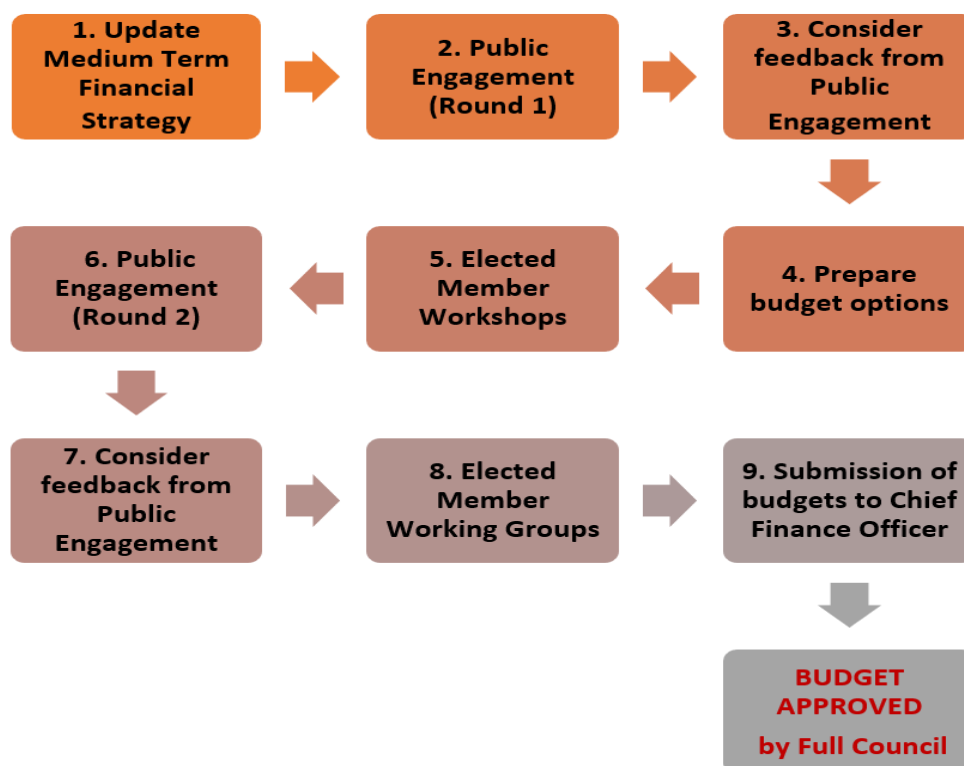
4.7.1 The Council last reviewed the [Local Code of Corporate Governance](#) in February 2022. This sets the framework for our governance arrangements, which are in accordance with the SOLACE (the Society of Local Authority Chief Executives) and CIPFA (the Chartered Institute of Public Finance and Accountancy) 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 in the Annual Governance Statement as part of the unaudited annual accounts. It is a self-assessment of our system of internal control which is reviewed by the Committee before public sign off by the Chief Executive and Council Leader. The Code has been reviewed and no changes are proposed.

5. BUDGET PROTOCOL

5.1 Appendix I contains a Budget Protocol which identifies the key steps for the preparation of the Medium-Term Financial Strategy and Annual Budget to be subject to public engagement and to ensure that elected members comply with the Council’s statutory duties under the Equality Act 2010 within the Council’s statutory budget setting meeting of Council. The protocol provides clarity on the roles and responsibilities of elected members, Council officers and the public,

as well as improving the governance around determining budget options, and requiring the earlier submission of draft budgets to the Chief Officer - Finance for the support required to finalise. Below is summary of the stages in the process, set out in full in the Budget Protocol:



6. SENIOR COUNCILLOR APPOINTMENTS

- 6.1 Councillor Henrickson has indicated that he wishes to resign as Convener of the Planning Development Management Committee with effect from 14 June 2023. Councillor McRae has indicated that he wishes to resign as Vice Convener of the Communities, Housing and Public Protection Committee with effect from 14 June 2023. The Council is therefore requested to consider making appointments to fill these Senior Councillor roles.

7. MISCELLANEOUS APPOINTMENTS

- 7.1 At the Council meeting of 29 June 2022, the Council appointed various Spokespersons and Champions. A request has since been made for the Council to appoint an Older People's Champion.
- 7.2 At the same Council meeting, the Council appointed one member (Councillor Yuill) to KIMO Kommunernes International Miljøorganisation (Local Authorities International Environmental Organisation). Officers have carried out a review of the Council's membership of KIMO UK, and by extension KIMO International, and are recommending that the Council cease membership at the end of this financial year. This is driven by an assessment of the costs/benefits of membership to the Council. The cost of KIMO UK & International Membership for 2022/23 is £3,359.23 and will increase annually. In addition, there are travel, accommodation and subsistence costs associated with an elected member and

supporting officer attending KIMO UK Board meetings and the KIMO International AGM each year. These costs vary depending on meeting locations and can be anywhere between £1,500 to £4,000 per year. In total this increases the direct costs of membership to over £5,000 per year, not including member and officer time, resulting in further indirect costs.

- 7.3 KIMO UK, of which Aberdeen City Council was a founder member, works to raise the profile of marine environmental issues and lobby government and others for change. One of KIMO UK's main projects is 'Fishing For Litter' which works to remove litter from the ocean in partnership with fishing vessels. However, this scheme does not operate out of Aberdeen. KIMO International also operates to raise the profile, lobby governments and international bodies, and conduct research into marine environmental issues. Through its position on the KIMO International Board, KIMO UK has a voice and decision-making role within the wider organisation. Under the KIMO UK constitution, three months' notice is required to cease membership of KIMO UK. Cessation of membership during the financial year does not entitle the member to any refund of fees already paid for the year of cessation.

8. FINANCIAL IMPLICATIONS

- 8.1 Approving the recommendations in this report 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.

9. LEGAL IMPLICATIONS

- 9.1 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.
- 9.2 The legislative bases for the various documents comprising the Scheme of Governance are set out below.
- 9.3 Section 56 of the Local Government (Scotland) Act 1973 provides that 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.
- 9.4 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.

- 9.5 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.
- 9.6 Legislation requires the Council to adhere to stringent financial controls and practices. The Financial Regulations are integral to this requirement.
- 9.7 The Procurement Reform (Scotland) Act 2014 must be complied with, and the Procurement Regulations achieve this whilst empowering staff and promoting Best Value.
- 9.8 The Council is required under Section 27 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.
- 9.9 The Council has a general duty under section 149 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 this Act (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 of the 2010 Act.

10. ENVIRONMENTAL IMPLICATIONS

- 10.1 There are no direct environmental implications associated with the report.

11. RISK

- 11.1 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)	*Does Target Risk Level Match
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			*taking into account controls/control actions	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 and relevant regulations.	Approval of the proposals and adherence to the specified legislation ensures accountability	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 value for money, fraud and financial loss.	L	Yes
Reputational	Failure to update the Scheme of Governance and make other necessary changes could	Consultation has been undertaken with officers and elected members and recommended proposals have regard to that process	L	Yes

	present a reputational risk to the Council.			
Environment / Climate	No direct risks		L	Yes

12. 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.

13. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	None

14. BACKGROUND PAPERS

None

15. APPENDICES

- A. Minutes of meetings of Governance Reference Group of 27 April, 9 May and 1 June 2023
- B. Scheme of Governance Review - Summary of Proposed Changes
- C. Committee Terms of Reference
- D. Powers Delegated to Officers
- E. Standing Orders for Council, Committees and Sub Committees
- F. Financial Regulations
- G. Procurement Regulations
- H. Member - Officer Relations Protocol
- I. Budget Protocol

15. REPORT AUTHOR CONTACT DETAILS

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