

Title of report	Corporate Governance
Public/confidential	Public
Action	For decision
Summary/purpose of report	Summaries a number of proposals including changes to the Scheme of Delegation and Financial Regulations, proposed actions following the governance review and future meeting dates.
Recommendations	<p>The Council is asked to:</p> <ol style="list-style-type: none"> 1. approve the proposed changes to the Scheme of Delegation 2. approve the proposed changes to the Financial Regulations 3. approve the action plan following the Review of Corporate Governance 4. approve the cycle of future meeting dates.
Link to Strategic Plan	The information in this report links to Outcome 4: Our stakeholders value our work.
Link to the Risk Register	Risk 2: the SSSC is not able to demonstrate to our stakeholders (including SG) that its operational activity is fulfilling its strategic outcomes.
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Documents attached	<p>Appendix 1: Financial Regulations with proposed changes tracked changed.</p> <p>Appendix 2: Scheme of Delegation with proposed changes tracked changed</p> <p>Appendix 3: Outcome of the review of corporate governance</p> <p>Appendix 4: Proposed schedule of meeting dates 2020/21.</p>

1. INTRODUCTION

This report:

- seeks approval of proposed changes to the Scheme of Delegation and Financial Regulations
- notes the outcome of the review of corporate governance
- seeks approval of the proposed action plan following the review of corporate governance
- sets out the proposed meeting schedule for 2020.

2. SCHEME OF DELEGATION AND FINANCIAL REGULATIONS

- 2.1 In December 2017 and February 2018 the Resources Committee approved a number of changes to the Financial Regulations following an annual review. These changes were made to ensure that the Financial Regulations comply with the Executive Framework and are consistent with the Scheme of Delegation and other finance policies. In addition the Committee agreed changes to the governance arrangements for grants awarded to the SSSC and to delegate authority to the EMT to review and approve SSSC grant bids.
- 2.2 Council is asked to approve these changes and also to approve the corresponding changes to the Scheme of Delegation.
- 2.3 Separately, a number of other changes to the Scheme of Delegation are proposed.
- 2.4 The key changes are summarised below.

Grants and third party payments made by the SSSC

- 2.5 The suggested amendments to the Financial Regulations (**Appendix 1** section 20, page 20) give clarity about how grants and third party payments are made to other organisations. They give the EMT authority to review and approve funding proposals. There are corresponding changes to the Scheme of Delegation (**Appendix 2**, Resources Committee section 4.11, page 27) propose that offers of grants are approved by the EMT rather than the Resources Committee.

The SSSC will still need Sponsor approval to award grants and third party payments under the Executive Framework.

Grants and third party payments made to the SSSC

- 2.6 As now, bids will be approved by the EMT and guidance as to the key factors they should consider is proposed. The suggested amendments to the Financial Regulations (**Appendix 1** section 22, page 18) propose that offers of grants made to the SSSC are also approved by the EMT rather than the Resources Committee. We will report all grants awarded to the Resources Committee within the regular financial reports. The corresponding change is made to the Scheme of Delegation (**Appendix 2** Resources Committee section 3.10, page 26)

Sponsorship

- 2.7 A draft Sponsorship Policy has been developed to support decisions to award payments to sponsor individuals, groups or events. See Financial Regulations (**Appendix 2** section 19, page 17).

Debt write off and losses

- 2.8 The Executive Framework includes delegated powers for the write off of cash due to theft, fraud, overpayment of salaries, wages, fees, allowances or other causes of up to £3,000. However, the Financial Regulations and Scheme of Delegation give the Chief Executive this authority up to £2,500. It is proposed amend the Financial Regulations amendments (**Appendix 1** section 15.2, page 15) and the Scheme of Delegation (**Appendix 2** Annex 2, page 33) to increase this to £3,000.
- 2.9 It is also proposed to extend this authority to the Director of Corporate Services for operational expediency.
- 2.10 The Executive Framework allows the write off of a maximum of £10,000 of accumulated irrecoverable debt for a legal entity. However, the Scheme of Delegation gives the Chief Executive this authority up to £2,500. It is proposed that the Scheme of Delegation is amended to £10,000 to bring it into line with the Executive Framework (**Appendix 2** Annex 2, page 15). It is also proposed to extend this authority to the Director of Corporate Services for operational expediency.

Purchasing and procurement expenditure

- 2.11 The SSSC can need to pay legal expenses where we have had to concede litigation or the court orders us to make payments, for example to settle another parties' legal expenses. These are not compensation payments and therefore not explicitly covered by the Scheme of Delegation. However, the Scheme does delegate authority to the Senior Solicitor(s) to "initiate or lodge responses to court actions and agree settlements of court actions subject to authorisation" (**Appendix 2** Annex 2, page 40). The exercise of this power needs the power to settle expenses.
- 2.12 It is proposed to amend the Scheme of Delegation (Appendix 2 Annex 2, page 32) by changing the title of the relevant section to cover all such possibilities. The title "Delegated Authority to Commit and Approve purchasing and procurement expenditure" would be amended to remove "purchasing and procurement" and replace with "business expenditure"

Human Resources

- 2.13 It is proposed that the section relating to the role of Head of Human Resources and Business Support is brought up to date. A number of changes are proposed as follows.
- To align the powers to the area of business rather than assign them to the role and bring this section into line with the rest of the Scheme of Delegation (**Appendix 2** Annex 2, page 34)

- To update the role title from Head of Human Resources and Business Support to Head of Human Resources.
- To remove those sections that narrate a number of business policies, processes or legal requirements that are not in themselves a power. These matters sit within contracts, policies or are a legal requirement and specific delegation is not therefore necessary.
- To enable service heads (who sit at OMT level) to make decisions that affect their business area and are accommodated out of their budget. These include decisions about paid and unpaid leave, approval of overtime and applications for approval of secondary employment. These decisions are best made by service heads where the knowledge about the budget, operational needs and staff sit. Consistency across the SSSC will be achieved by continued consultation with Human Resources and discussions at OMT meetings.

Registration

- 2.14 It is proposed to further delegate the authority to alter and remove entries in the Register where the worker has not completed their PRTL or has failed to meet a qualification condition. These decisions would be made by Registration Team Leaders (Appendix 2 Annex 2, page 36)
- 2.15 As the Register grows the number of renewals are increasing. It is therefore not sustainable to continue making these decisions at Registration Manager level. We have established a robust process to ensure consistent decision making based on our experience of dealing with these cases. Training and quality assurance procedures will be in place to support this work being carried out by the Registration Team Leaders if this is approved.

Fitness to Practise

- 2.16 The role of Senior Fitness to Practise Investigator is no longer in use and it is proposed to remove it from the Scheme of Delegation for clarity (**Appendix 2** Annex 2 page 38).

3. REVIEW OF CORPORATE GOVERNANCE

- 3.1 This is the fourth annual corporate governance review that we have carried out. Our governance structure is contained within a series of policies, documents and strategies.
- 3.2 The purpose of this review was to ensure that the existing structure remains fit for purpose. The review is intended to give Council Members assurance that the SSSC has the right structure in place to address any future challenges and to mitigate risk.
- 3.3 The action plan contained in the last governance review has been reviewed. Some actions are complete such as increasing member awareness of stakeholder engagement across the SSSC and preparation of a governance map. There are a number of on-going actions which will be

completed within the next few months. These include a review of the end to end reporting process and a refresh of members' network maps.

- 3.4 The current review focused on evaluating member's views of the overall governance picture. A self-assessment form was circulated to Council Members in November 2017 to ask for feedback on performance indicators across the following governance areas:

- Integrity, commitment to values, and respecting the rule of law
- Openness and Stakeholder Engagement
- Strategic Intent
- Performance and Accountability
- Council Capacity and Capability.

Responses indicated that there are no immediate areas of concern, however some areas for development were identified. A summary of responses is set out at **Appendix 3**. Members are invited to consider approving a number of actions which will sit within the operational work plans of the relevant departments.

Action Plan 2017/18

Action	Plan	Impact	Action Owner	Due Date
Ensure that there is staff awareness of how to raise concerns.	Make information available via the intranet to enable staff to raise concerns.	Staff will be aware of how to raise concerns about any possible risks caused by the way the SSSC is operating and feel confident to do so in a safe environment.	Head of Corporate Governance and Hearings.	31 May 2018.
Review governance arrangements using the EFQM framework.	Identify those aspects of EFQM that link to the governance arrangements. Carry out a review and consider any improvements which may include development of a member handbook.	To continue to improve governance arrangements.	Head of Strategic Performance and Engagement.	31 May 2018.
Provide a link to the Risk Register within Basecamp.	Put a link the Risk Register in Basecamp. Amend process to ensure it is updated.	To enable Council Members to have greater ownership of the Risk Register.	Head of Corporate Governance and Hearings.	31 May 2018.
Create a visual map of the key dates and landmarks.	Create a map. Circulate to members. Consider for inclusion in handbook.	To enable Members and new Members in particular to see the overall scheme of business.	Head of Corporate Governance and Hearings.	31 May 2018.

4. DATES OF MEETINGS

- 4.1 The proposed dates for Council and Committee meetings in 2020/21 are set out in **Appendix 4**. It contains the proposed dates for Council, Committees and the Policy Forum for 2020/21. It also contains dates for the Remuneration Committee for 2020. These dates are consistent with the current pattern. Alternatives have been considered, however options are constrained by dates such as audit, annual report approval and budget dates. Members are invited to consider the dates and agree the schedule of meetings.

5. RESOURCE IMPLICATIONS

- 5.1 A number of these changes impact on the governance of financial matters but the changes do not of themselves have any resource implications.

6. EQUALITIES IMPLICATIONS

- 6.1 An Equality Impact Assessment has not been carried out. I confirm that this policy will have no negative impact on people with one or more protected characteristics and a full Equality Impact Assessment is not required.

7. LEGAL IMPLICATIONS

- 7.1 It is appropriate that the key documents dealing with the powers of the SSSC are consistent. There are no other legal implications.

8. STAKEHOLDER ENGAGEMENT

Stakeholder engagement was discussed as part of the governance review but there has been no stakeholder engagement required as part of this report.

9. IMPACT ON USERS AND CARERS

- 9.1 There is no immediate impact on service users and their carers.

10. CONCLUSION

- 10.1 The Council is asked to:

- Approve the changes to the Scheme of Delegation
- Approve the changes to the Financial regulations
- Note the summary of the corporate governance review and approve the action plan
- Approve the schedule of dates for 2020/21.

11. BACKGROUND PAPERS

None

