

## Board Meeting

Date of Meeting	Monday 1 June 2015
Paper Title	Scheme of Delegation
Agenda Item	13
Paper Number	BM5-J
Responsible Officer	Martin Fairbairn, Interim Chief Officer
Status	Disclosable
Action	For Approval

### 1. Report Purpose

- 1.1. The Board needs to put in place a Scheme of Delegation for the Chair, committees and the executive to have the authority to conduct business on behalf of the Board.

### 2. Recommendations

- 2.1. The Board is invited to:

- approve the attached Scheme of Delegation; and
- agree that the GCRB executive works with the Performance & Resources Committee to consider the development of the Scheme prior to proposing any necessary amendments to the Board.

### 3. Background

- 3.1. At present, the authority of the Chair and the GCRB executive to act on behalf of GCRB and the Board is unclear and therefore, for example, the GCRB executive is currently unable to authorise legitimate invoices for payment.

### 4. Proposal

- 4.1. The attached Scheme of Delegation is based on that currently used by the Scottish Funding Council, but limited to the functions which GCRB is currently exercising, or is likely to need to exercise in the near future. Given the nature of GCRB's functions, it was felt that SFC's Scheme was the most appropriate model for GCRB to use as a base.
- 4.2. Given the short time available to draft the attached Scheme of Delegation, it is recognised that there will be aspects which will need further development and it is suggested that the executive works with the Performance & Resources Committee and subsequently comes back to the Board to propose any necessary amendments. Any such proposals will be informed by a review of the schemes of delegation used by incorporated colleges.

**4.3.** The financial delegations contained within paragraph 13 of the Scheme take account of the delegations typically in place for principals of incorporated colleges. These can range from £50,000 to £100,000. The proposed delegations are judged to be both appropriate and suffice for GCRB's purposes at present.

## **5. Risk Analysis**

**5.1.** The main risk to be considered is that the level of authority provided under the Scheme to the Chair, committees or Executive Director allows them to take actions on behalf of GCRB which have a level of strategic impact that should require specific Board authority.

**5.2.** This risk is addressed as follows:

- The Scheme is limited to the functions which GCRB is currently exercising, or is likely to need to exercise in the near future
- The Scheme will be further developed, in conjunction with the Performance & Resources Committee
- The Scheme's financial limits are set at a level significantly below those typically in place in incorporated colleges.

## **6. Legal Implications**

**6.1.** Paragraph 16 of Schedule 2B to the Further & Higher Education (Scotland) Act 2005 (as amended) states:

### ***Delegation of functions***

*(1) The board may authorise—*

*(a) the chairing member;*

*(b) any of its committees; or*

*(c) any of its employees,*

*to exercise such of its functions to such extent as it may determine.*

*(2) Sub-paragraph (1) does not affect the responsibility of the board for the exercise of its functions.*

**6.2.** It is one of the items on the Scottish Funding Council's checklist for fully-operational fundable status that GCRB adopts an appropriate Scheme of Delegation.

## **7. Financial Implications**

**7.1.** The Scheme sets the basic framework for the management and control of GCRB's finances.

## **Glasgow Colleges' Regional Board Scheme of Delegation**

- 1 The scheme of delegation for the Glasgow Colleges' Regional Board is set out in three parts below: the Board's delegated authority to the Chair, to its Committees, and to the Executive Director. The mechanisms for reporting back to Board are outlined in each section.

### **Part 1: Board's delegated authority to the Chair**

- 2 The Chair may generally act on behalf of the Board.
- 3 The Chair may both proactively and reactively make public statements concerning the objectives, strategies and activities of the Board. As far as possible, the Chair will endeavour to ensure that such statements are consistent with previous Board decisions and discussions.
- 4 Delegated authority relating to a particular issue will normally be approved by the Board in advance.
- 5 From time to time it may be necessary for the Chair to take urgent action, in which case the procedure set out in the Board's Regulations will apply.
- 6 The Chair may delegate authority to another Board member to exercise their authority as Chair during periods when the Chair is unavailable to conduct Board business.

### ***Reporting mechanism***

- 7 The Chair's use of delegated authority under paragraphs 2 to 4 above will be reported verbally to Board meetings under the Chair's Business standing item on the agenda.
- 8 The Chair's use of delegated authority under paragraph 5 above will be reported in writing to Board meetings for homologation.

### **Part 2: Board's delegated authority to its committees**

- 9 Delegated authority for each committee is contained in the remit for each committee as agreed by the Board.
- 10 Generally committees are expected to take matters as far as appropriate before making recommendations to the Board. The Chair of the committee will normally have responsibility for judging when it is appropriate to bring recommendations to the Board: where items are routine they will stay with the committee until the final stage of decision-making; and where items are novel, unusual or potentially contentious, proposals should be considered by the Board at an earlier stage.

### ***Reporting mechanism***

- 11 Each set of committee minutes will come to the next scheduled Board meeting for noting.
- 12 The Board will receive regular briefing reports on the work of each committee.

### Part 3: Scheme of delegation from the Board to the Executive Director

#### *Financial delegations*

13 Authority to commit funds, within agreed budgets, as follows:

Money	Decided by
Up to £20,000	Executive Director
£20,001 to £50,000	Executive Director and the Chair
Above £50,000	Board

14 Authority to vary budgets or initiate expenditure within limits specifically established by Board.

15 Unless specifically determined under paragraphs 13 and 14 above:

- i Revision of individual budgets for any one year up to a limit of £10,000 or 5%, whichever is the higher.
- ii Acquisition and disposal of property and equipment, subject to the limits set out in paragraphs 13 and 14 above.
- iii Varying planned monthly payments to assigned colleges within the total for the grant year.
- iv For grant schemes covering more than one year, varying the timing of grant payments across years.
- v Accepting ring-fenced offers of grant from Government, Scottish Funding Council and other public bodies and setting up the appropriate budgets, unless a circumstance arises in which the executive Director considers such an offer might not be an appropriate exercise of the other organisation's powers, in which case it will be referred to the Board.

16 The Board may agree an annual budget for the Executive Director to spend at his/her discretion in pursuit of Board objectives. The use of funds from this budget will be based on the following principles:

- that the expenditure supports activities relating to the Board's aims and objectives; and
- that the expenditure does not readily fit into any other of the budgets determined by the Board.

#### *Other delegation*

17 Implementing decisions taken by Board.

18 Provision of advice to the Scottish Funding Council or Scottish Government.

19 Accountability for the operational effectiveness of the executive.

- 20 Appointment of staff (consistent with the current organisational structure approved by the Board or relevant Board committee).
- 21 Maintenance of an effective risk management process.
- 22 Management of the pay remit and salary negotiation process within the strategies endorsed by the Board or relevant Board committee.
- 23 Opening Board bank accounts and making and altering the necessary arrangements for signatories for authorisation of payments.
- 24 Approvals required under the *Financial Memorandum* between the Board and the assigned colleges.
- 25 Conduct of all other administrative matters pertaining to the Board's activities and operations, except if they have a direct financial consequence for which authority is not delegated to the Executive Director under any of the earlier provisions of this Scheme.
- 26 The Executive Director may delegate authority to another member of GCRB staff and/or a senior staff member of one of the assigned colleges, to exercise their authority as Executive Director during periods when the Executive Director is unavailable to conduct GCRB business.
- 27 The Executive Director may delegate elements of the Executive Director's authority to other members of GCRB staff, within a defined scheme of management delegation.

#### ***Reporting mechanism***

- 28 The Executive Director will report to the Board on a quarterly basis on the use of delegated authority under paragraphs 13, 15i, 15ii, and 16 above, for amounts greater than £10,000.
- 29 The Performance & Resources Committee will receive a financial report on GCRB's activities at each meeting. Minutes of the Performance & Resources Committee will be received by the Board for noting (in the same way as for other committees).