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| **HIGH LIFE HIGHLAND**  **REPORT TO BOARD OF DIRECTORS**  **15 June 2017** | AGENDA ITEM 7  REPORT No HLH7/17 |

**SCHEDULE OF MATTERS RESERVED TO THE BOARD AND SCHEME OF DELEGATION TO OFFICERS**

**Report by the Company Secretary**

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| **Summary**  This report outlines proposals for amendments to the Board’s Schedule of Matters Reserved to the Board and Scheme of Delegation to Officers (hereinafter referred to as the “Scheme of Delegation”). Review of the document, on a two yearly basis, was agreed by the Board at its meeting on 20 June 2013.  It is recommended that the Board:-   1. agree to amend Part 1.5.1 (ii) and 1.5.2 (i) to increase the delegated authority of the Chief Executive to approve award of contract tenders; 2. consider the suggested amendments as detailed in paragraph 3.3 and any other amendments which Directors feel are required at this time; and 3. agree that the Scheme of Delegation be reviewed again in June 2019. |

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| **1.** | This report supports the highlighted Business Outcomes from the High Life Highland (HLH) Business Plan:-   1. **To advance sustainable growth and financial sustainability** 2. Deliver the Service Delivery Contract with THC 3. Improving staff satisfaction 4. Improving customer satisfaction 5. **A positive company image** 6. Services designed around customers and through market opportunities 7. Sustain a good health and safety performance 8. A trusted partner |
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| **2.** | **Background** |
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| 2.1 | The Scheme of Delegation was drawn up in early 2013 to clarify for Directors and Officers where responsibility lay for specific elements of High Life Highland’s work. A number of amendments were made, prior to the Scheme of Delegation receiving formal approval by the Board at its meeting in June 2013. An undertaking was also given that it would be reviewed every two years and such a review took place in June 2015. A copy of the current Scheme of Delegation is provided as **Appendix A.** |
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| **3.** | **Proposed Amendments** |
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| 3.1 | The main change to the Scheme of Delegation – which is detailed in paragraph 3.2 below – is to amend Part 1.5.1 (ii) and 1.5.2 (i) to increase the delegated authority of the Chief Executive to approve award of contract tenders. At present, the Chief Executive can approve an award of a contract/tender of £50k or less. This amount was appropriate when the original Scheme was approved but now most contracts are more than a year long and are different in nature and size. Accordingly, having taken all views into account, the Finance and Audit Committee recommended that the Scheme be updated so that the ceiling becomes the point where there is a legal requirement to advertise through the European OJEU procedure, currently set at £164,176 over a 4 year period. |
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| 3.2 | The following amendments are therefore proposed:-  **1.5 Procurement**  1.5.1 The following matters are reserved to the Board:-   1. Approval of any award of a contract/tender which exceeds *the European OJEU level*   1.5.2 The Chief Executive is responsible for all other purchasing matters, specifically:-   1. Approval of any awardof a contract/tender *up to European OJEU level* |
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| 3.3 | Furthermore, Directors were, in mid April 2017, invited to suggest any other amendments and one Director proposed changes. The Board is invited to consider the following response:-   * Delete “In discharging the functions of the High Life Highland the Chief Executive may use whatever means considered appropriate” from the Role of the Chief Executive” * Amend 1.2.1 (iv) - Monitoring of performance and budget *and strategic priorities* * Amend 1.3.2 (ii) - Managing High Life Highland’s staff effectively having regard to statutory responsibilities including Health and Safety a*nd delivery of statutory services* * Removing 1.3.2 (v) and make it a responsibility of the Board (it will then become 1.3.1 (iv)) * Amend 1.4.1 – Approval of the writing-off of any debt in excess of *£3k* (reduced from £5k) * Add 1.4.2 (x) - Approval of the writing-off of any debt under *£3k* * Section 3, Emergency/Urgent decisions – add that “With the express provision that all Board members were made aware of the perceived need for Emergency/Urgent action, were in unanimous agreement that such action was required, what that would be and the risks associated with such action, prior to any final decision or course of action being invoked out-with regularly scheduled Board meetings”. |
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| 3.4 | The Chief Executive and Company Secretary will provide verbal advice to the meeting as to the merits of each of these proposals which Directors will wish to consider and then deliberate on. |
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| **4.** | **Implications** |
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| 4.1 | Resource Implications - there are no new resource implications arising from the recommendations of this report. |
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| 4.2 | Legal Implications - there are no new legal implications arising from the recommendations of this report. |
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| 4.3 | Risk Implications - there are no new risk implications arising from the recommendations of this report. |

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| **5. Recommendation** |
| It is recommended that the Board to:-   1. agree to amend Part 1.5.1 (ii) and 1.5.2 (i) to increase the delegated authority of the Chief Executive to approve award of contract tenders; 2. consider the suggested amendments as detailed in paragraph 3.3 and any other amendments which Directors feel are required at this time; and 3. agree that the Scheme of Delegation be reviewed again in June 2019. |

Signature:

Designation: Company Secretary

Date: 23 May 2017

Appendix A

**HIGH LIFE HIGHLAND**

**SCHEDULE OF MATTERS RESERVED TO THE BOARD AND SCHEME OF DELEGATION TO OFFICERS**

**Introduction**

This document sets out the powers reserved to the Board of High Life Highland and the powers which may be delegated to the Chief Executive and it should be referred to as the “Scheme of Delegation”.

It should be noted that the Board of High Life Highland remains accountable for all of its functions, even those delegated to the Chief Executive, and would therefore expect to receive information about the exercise of delegated functions to enable it to maintain a monitoring role.

The Board will review the effectiveness of the Scheme every two years and make amendments as required.

**Role of the Chief Executive**

The Chief Executive is the accountable officer of High Life Highland and is responsible and accountable to the Board for discharging the functions specified in the Service Delivery Contract.

The Chief Executive has authority over all other employees so far as is necessary for efficient management and for carrying out High Life Highland’s functions.

In discharging the functions of High Life Highland the Chief Executive may use whatever means considered appropriate. He/she must act within the law, the Financial Regulations and any Code of Practice adopted by the Board from time to time and have regard to the approved Business Plan and Service Delivery Contract with The Highland Council.

**The Scheme of Delegation**

1. **Matters reserved for Board approval**
   1. **Governance** 
      1. The following matters are reserved to the Board:-
2. Appointment of the Chair and Vice Chair
3. Appointment of Solicitors for High Life Highland
4. Review and approval of Standing Orders and the Scheme of Delegation
5. Approval of arrangements for dealing with complaints
6. Approval of all High Life Highland policies
7. Approval of the timetable for Policy Review
8. Approval of the Freedom of Information Publication Scheme
9. Approval of the organisation’s response to public consultations
10. Approval for proposals on litigation against or on behalf of High Life Highland that risk the reputation or financial vitality of High Life Highland
11. Establishment and dissolution of committees with the exception of those detailed in the Memorandum and Articles of Association
12. Approval of procedures for the evaluation of the effectiveness of the Board
13. Review of the Register of Interests for Directors and staff
14. Approval of the Directors and staff Code of Conduct and Guidance for the acceptance of Gifts and Hospitality
    * 1. The Chief Executive is responsible for all other governance matters (with the exception of 1.1.3), specifically:-
15. Acting as the Board’s accountable officer
16. Implementation of the governance schemes and policies as agreed by the Board and review as per agreed timetable
17. Managing High Life Highland’s operational buildings
18. Undertaking the review of internal controls and publication of a governance statement
19. Ensuring that the performance of High Life Highland across The Highland Council area in relation to agreed standards is reported appropriately
20. Approval of proposals for action on litigation against or on behalf of High Life Highland and informing the Board at the earliest opportunity.
    * 1. The Company Secretary is responsible for governance matters, as follows:-
21. Recording and reporting on the Board’s governance arrangements
22. To ensure proper governance documentation are in place e.g Register of Interests
23. To ensure the Company complies with required standards of corporate governance and can demonstrate open and transparent decision making and to advise the Board on such matters
24. To ensure all appropriate returns are made to Companies House
25. To ensure proper administrative arrangements are in place to record meetings of the Board and Committees as detailed in the Memorandum and Articles of Association.
    1. **Strategy, plans and budgets** 
       1. The following matters are reserved to the Board:-
26. Definition of the Company’s vision, mission, aims and objectives
27. Ownership of the Business Plan
28. Approval of the annual revenue and capital budget
29. Monitoring of performance and budget
30. Approval of the organisation’s policies and procedures for the management of risk
31. Approval of business cases requiring additional revenue and/or capital resources above approved budgets
    * 1. The Chief Executive is responsible for all other strategy, planning and budgeting matters, specifically:-
32. Preparation of the annual budget and controlling income and expenditure
33. Ensuring appropriate systems are in operation for planning, monitoring, evaluating and reviewing performance for all service areas
34. Preparation and effective and efficient delivery of the Business Plan
35. Advising the Board on strategic issues
36. Undertaking a review of risks and maintenance of the risk register
37. Making long term assessments of resources, needs and commitments and to co-ordinate advice on forward planning
38. Advising the Board on general policy and to ensure that all proposals are consistent with policy
39. Ensuring that the Board’s policies and programmes are implemented, both at an area wide and local level
40. Acting as a policy advisor to The Highland Council on matters relevant to the work of High Life Highland
    1. **Staffing** 
       1. The following matters are reserved to the Board:-
41. Appointment, appraisal and dismissal of the Chief Executive, where applicable
42. Approval of all High Life Highland policies relating to the employment of staff
43. Approval of any organisation restructuring which involves any voluntary or compulsory redundancy or early retirements
    * 1. The Chief Executive is responsible for all other staffing matters, specifically:-
44. The engaging and deployment of all staff in accordance with the appointments procedure provided that there is no increase in agreed staffing levels unless contained within agreed budgets
45. Managing High Life Highland’s staff effectively having regard to statutory responsibilities including Health and Safety
46. Implementation of the policies and procedures as agreed by the Board
47. Organisational restructuring which does not involve voluntary or compulsory redundancy or early retirements
48. Setting of terms and conditions of employment
    1. **Financial arrangements** 
       1. The following matters are reserved to the Board:-
49. Approval of the appointment of a banker
50. Approval of the writing-off of any debt in excess of £5K
51. Approval of outline and final business case for capital investment
52. Approval of all High Life Highland policies relating to financial arrangements
53. Approval of the Financial Regulations and Contract Standing Orders
54. Any other matter that is of significant financial or reputational risk to the Board or any material issue of principle
    * 1. The Chief Executive is responsible for all other financial matters, specifically:-
55. Authorisation of cheques and transfers in accordance with Board approved bank Mandates as updated from time to time
56. Ensuring that financial management conforms to the Company’s Financial Regulations and Contract Standing Orders
57. Implementation of the credit control policy
58. Maintenance of petty cash funds
59. Collection of income and payment of expenditure
60. Implementation of the policies and procedures as agreed by the Board
61. Ensuring steps are taken to safeguard assets of the organisation
62. Ensuring that capital expenditure is planned and monitored continually so that High Life Highland’s plans are actioned, including the prompt implementation of associated revenue elements
63. Ensuring expenditure is planned and monitored continually so that it is within approved estimates and meeting the outcome of the Business Plan
    1. **Procurement**
       1. The following matters are reserved to the Board:-
64. Approval of all High Life Highland policies relating to procurement
65. Approval of any award of a contract/tender which exceeds £50K
    * 1. The Chief Executive is responsible for all other purchasing matters, specifically:-
66. Approval of any award of a contract/tender of £50K or less
67. Authorising contracts/appointments which have been approved by the Board
68. Implementation of the policy and procedures agreed by the Board
    * 1. In the case of a tender approved by the Chief Executive in excess of £25K and which was not the lowest priced tender received, a report on the selection process should be made to the Board.
    1. **Income generation**
       1. The following matters are reserved to the Board:-
69. Approval of all capital fund raising and associated income generation programmes
    * 1. The Chief Executive is responsible for all other income generation matters, specifically:-
70. Generating income growth opportunities for High Life Highland, presenting such proposals to the Board where there may be an associated financial or reputational risk to the company
    1. **Auditing and reporting** 
       1. The following matters are reserved to the Board:-
71. Approval of the annual report and audited financial statements
72. Appointment of internal auditor
73. Approval of the terms of reference and membership of the Finance and Audit Committee
    * 1. The Chief Executive is responsible for all other auditing and reporting matters, specifically:-
74. All responsibilities required of the accountable officer
75. Preparation of the annual report and financial statements
76. Preparation of the annual governance statement
    1. **Management of properties new to HLH or the return of property to owner** 
       1. The following matters are reserved to the Board:-
77. Approval of the commencement of management or acquisition of property in the ownership of bodies other than The Highland Council
78. The ceasing of management or disposal of property, approval of revised staffing arrangements and return of property to owners
    * 1. The Chief Executive is responsible for all other property matters, specifically:-
79. Approval of the commencement of management of property in the ownership of The Highland Council with the transfer of property being reported to the Board for information
80. The ceasing of management of property, approval of revised staffing arrangements and return of property to The Highland Council
81. **Delegation of authority**
    1. In addition, the following matters are delegated to the Board’s Committees, each of which will report to the Board:-
82. The Finance and Audit Committee is responsible for those issues outlined in Articles 111-113 of the Memorandum and Articles of Association
83. The Nominations Committee is responsible for those issues outlined in Articles 114-117 of the Memorandum and Articles of Association
84. The Chief Executive’s Performance Review Committee is responsible for (a) agreeing the annual performance objectives and targets for the Chief Executive; (b) agreeing an annual Personal Development Plan with the Chief Executive; (c) reviewing performance against the agreed objectives and targets with the Chief Executive, at least twice a year; and (d) considering if the Board should use an external independent facilitator to establish a performance management scheme in future.
    1. The Chief Executive is not restricted from exercising his/her own delegation to his/her staff for any matter for which he/she is responsible. However, action taken under that authority must be taken in the name of the Chief Executive as relevant in that particular case and remains his/her responsibility.
    2. The Chief Executive is accountable for the actions of all officers and volunteers taken on to assist the Company in meeting its aims and objectives.
85. **Emergency/Urgent decisions**

**3.1** The Chief Executive is empowered to take emergency/urgent action on behalf of the Board in matters which would normally have been considered by the Board itself but where no meeting of the Board is available for that purpose. On all such occasions, he/she shall consult first with the Chair, or in his/her absence the Vice Chair, before taking action and shall seek endorsement of the action at the next Board meeting whilst in the meantime also reporting the action to Directors as quickly as practically possible.