
SCHEME OF ADMINISTRATION – LLP STRATEGIC GOVERNANCE GROUP

Report by Chief Executive

SCOTTISH BORDERS COUNCIL

19 February 2015

1 PURPOSE AND SUMMARY

- 1.1 This report seeks approval for the remit of the LLP Strategic Governance Group, a Sub-Committee of Council, set up to carry out the monitoring and control functions required by the Council in connection with the SB Cares LLP.**
- 1.2 At its meeting on 29 January 2015, Council considered and approved the details of the partnership agreement setting out the key governance arrangements for the establishment of a Limited Liability Partnership (LLP) - SB Cares – for Adult Care Services; this decision also included the creation of a five Member Sub-Committee, the LLP Strategic Governance Group, to carry out the monitoring and control functions required by the Council in connection with the LLP. Membership of the Group was agreed as Councillors Brown, Greenwell, Mitchell, Renton, and White. It is further proposed that a non-Council member of the Health and Social Care Integration Shadow Board be added as a non-voting member of the LLP Strategic Governance Group.
- 1.3 The partnership agreement prescribes that the LLP Officers (Managing Director, Finance and Commercial Director, Head of Operations, and the Chairman of the Board) meet with the Council on a quarterly basis. It is proposed that the LLP Strategic Governance Group is established as a Sub-Committee of full Council to fulfil this requirement.
- 1.4 The remit of the LLP Strategic Governance Group is detailed in Appendix I to this report and covers the Committee’s decision-making and scrutiny activity including service performance, risks, financial management, quality, customer care, contractual compliance, and compliance with statutory obligations. The items included in the remit are taken from Parts 2 and 3 of the Partnership Agreement approved by Council at its meeting on 29 January 2015.

2 RECOMMENDATIONS

- 2.1 I recommend that the Council approves:-**
- (a) the addition of a non-Council member of the Health and Social Care Integration Shadow Board as a non-voting member of the LLP Strategic Governance Group;**

- (b) the inclusion of the LLP Strategic Governance Group as a Sub-Committee of Council in the Scheme of Administration; and**
- (c) the remit of the LLP Strategic Governance Group as detailed in Appendix I.**

3 BACKGROUND

- 3.1 At its meeting on 29 January 2015, Council considered and approved the details of the partnership agreement setting out the key governance arrangements for the establishment of a Limited Liability Partnership (LLP) - SB Cares – for Adult Care Services. Members agreed as part of these details to approve the creation of a five Member Sub-Committee, the LLP Strategic Governance Group, to monitor and regulate the LLP on behalf of the Council. Membership of the Group was agreed as Councillors Brown, Greenwell, Mitchell, Renton, and White.
- 3.2 The purpose of the partnership agreement is to govern the relationship between the Council and the LLP. The partnership agreement establishes spheres of decision making which are taken by the LLP and also those which cannot be taken without the written agreement of Scottish Borders Council. The partnership agreement also establishes the primary means of scrutiny of the LLP by the Council i.e. the LLP Strategic Governance Group.

4 LLP STRATEGIC GOVERNANCE GROUP

- 4.1 The LLP (SB Cares) has a Board of Management which will be responsible for all aspects of the LLP and its business. The Board of Management comprises the Managing Director, the Finance and Commercial Director, the Head of Operations, the Chairman, and up to five additional persons with the skills, knowledge or experience deemed necessary or useful to the Board of Management in fulfilling its obligations and functions.
- 4.2 The partnership agreement prescribes that the LLP Officers (Managing Director, Finance and Commercial Director, Head of Operations, and the Chairman of the Board) meet with the Council on a quarterly basis. It is proposed that the LLP Strategic Governance Group is established as a Sub-Committee of full Council to fulfil this requirement.
- 4.3 In previous discussions in the Members Reference Group, consideration was given to the inclusion of a non-Council member of the Health and Social Care Integration Shadow Board as a non-voting member of the LLP Strategic Governance Group. This was inadvertently missed from the report to Council on 29 January 2015, and it is proposed that the inclusion of this non-voting member be added now to the Group.
- 4.4 The remit of the LLP Strategic Governance Group is detailed in Appendix I to this report and covers the Committee's decision-making and scrutiny activity including service performance, risks, financial management, quality, customer care, contractual compliance, and compliance with statutory obligations. The items included in the remit are taken from Parts 2 and 3 of the Partnership Agreement approved by Council at its meeting on 29 January 2015. Matters not marked with an asterisk (*) are delegated to the Sub-Committee for decision or recommendation to Council; those matters marked with an asterisk are delegated to the Sub-Committee for consideration only, with a final decision being made by full Council.
- 4.5 The LLP Strategic Governance Group will be supported by the Chief Social Work Officer, Chief Financial Officer and other relevant officers of the Council who will act as advisers to the Committee.

5 IMPLICATIONS

5.1 Financial

There are no costs attached to any of the recommendations contained in this report.

5.2 Risk and Mitigations

There is a reputational and financial risk to the Council should it not monitor the business of the LLP. This is mitigated by the formation of the Sub-Committee which will consider matters as a minimum on a quarterly basis.

5.3 Equalities

There are no implications for any equality groups across the Borders from the proposals in this report.

5.4 Acting Sustainably

There are no economic, social or environmental effects from the proposals in this report.

5.5 Carbon Management

The proposals in this report will have no known effects on the Council's carbon emissions.

5.6 Rural Proofing

There is no impact on rural areas from the proposals in this report.

5.7 Changes to Scheme of Administration or Scheme of Delegation

The proposals in this report require an addition of a Sub-Committee of Council, in the form of the LLP Strategic Governance Group, to the Scheme of Administration, as detailed in Appendix I.

6 CONSULTATION

6.1 The Members Reference Group has had sight of a draft copy of the report at its meeting on 10 February 2015.

6.2 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR have been consulted on this report.

Approved by

Name
Title

Tracey Logan
Chief Executive

Signature

Author(s)

Name	Designation and Contact Number
Jenny Wilkinson	Clerk to the Council 01835 825004

Background Papers: Nil

Previous Minute Reference: Scottish Borders Council, 29 January 2015

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jenny Wilkinson can also give information on other language translations as well as providing additional copies.

Contact us at Jenny Wilkinson, Democratic Services, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA

LLP STRATEGIC GOVERNANCE GROUP

Constitution

- (a) Five Elected Members of Scottish Borders Council being:-
- (i) the Executive Member for Social Work
 - (ii) the Depute Leader (Finance)
 - (iii) three other Elected Members.
- (b) One non-Council member of the Health and Social Care Integration Shadow Board as a non-voting member.

Chairman

The Chairman shall be the Executive Member for Social Work.

Quorum

Three SBC Elected Members of the Sub-Committee shall constitute a quorum

Functions Referred

The following functions of the Council in relation to the LLP (SB Cares) shall stand referred to the Sub-Committee:-

Decision-Making

1. Approve the Scheme of Financial Governance for the LLP and any changes proposed, including but not limited to, the adoption of a Financial Risk Register, the delegation of financial approvals within set limits to particular officers or staff of the LLP and any approvals in respect of signatures on cheques.
- * 2. Approve all staffing matters affecting the terms and conditions of employees of the LLP, Early Retirement/Voluntary Severance, potential compulsory redundancies, the variation of HR Policies and Procedures, any variation in conditions of employment.
3. Approve the expansion or contraction of the business of the LLP, including the pursuit of, bid for, or provision of any new workstreams or Services, or the relinquishment of any existing workstream or Service.
4. Approve the cessation of any part of the Services provided by the LLP.
- *5. Approve the LLP Business Plan.
6. Approve or amend the LLP's scheme of internal delegation authorising named employees or Officers of the LLP to execute certain deeds on its behalf.
7. Approve amendments to the terms of Service Level Agreements.
8. Approve any significant amendments to the business structure of the LLP.
9. Approve any significant alteration to the nature of the LLP's business.
10. Approve the sale, disposal, assignment or otherwise alienation of any assets of the LLP of individual value of more than £50,000 or any interest in any properties.

11. Approve the acquisition of any assets of individual value of more than £50,000 or any interest in any properties.
12. Approve the issue of any loan capital or entry into any commitment with respect to the issue of any loan capital.
13. Approve the formation of any subsidiary, or acquisition of any shares in a company or participation in any partnership or joint venture.
14. Approve any closing down or the making of any material change to the nature scope or location of any business operation
15. Approve the amalgamation or merger with any other company or undertaking
16. Approve the entry into, variation or termination of any commitment by way of a transaction or series of related transactions (including any leasing transactions) which would involve the LLP in the payment or receipt of consideration and having an aggregate value in excess of £50,000
17. Approve any arrangement, contract or transaction which relates to capital expenditure with a value in excess of £50,000
18. Approve the creation of, or give permission to be created any mortgage, charge, encumbrance with other security interests whatsoever over the whole or part of the business undertakings or assets of the LLP or agree to do so, other than liens arising in the ordinary course of business or any charge arising by the operation or purported operation of title retention clauses and in the ordinary course of business
19. Approve any loan (otherwise and by way of a deposit with a bank or other institution the normal business of which includes acceptance of deposits), or, grant any credit (other than in the normal course of trading), or, give any guarantee (other than in the normal course of trading) or indemnity
20. Approve the appointment of a new bank or bank as the Banker to the LLP.
- *21. Approve any change to the status of the pension fund, pension benefit for employees or employer contributions.

Scrutiny

- *22. Monitor the financial records (including Profit and Loss Accounts, Balance Sheet and cash flow) and financial performance of the LLP. Such financial records shall be reported to the Local Authority annually, in arrears, and within one month of the end of the reporting period.
23. Monitor quarterly budgetary control statements to be submitted within one calendar month of each financial quarter close, and make any recommendations as appropriate to the LLP or to Council.
24. Monitor any Extra-Ordinary expenditure requirement which shall be reported by the LLP within one month of having been identified
25. Request any further information in the possession or control of the LLP regarding financial condition and operations of the LLP as the Local Authority may reasonably request.
26. Monitor any dispute arising between the LLP and any union representing its employees.

27. Monitor on a quarterly basis the performance of the LLP as measured against:
 - (a) the Key Performance Indicators contained within the Service Contract;
 - (b) the business plans of the LLP.
28. Monitor any claim made, or likely to be made, relating to the LLP, its Business or property (including any progress on such claims) and of which the LLP has knowledge which might impact financially or reputationally on the LLP, SB Supports or the Local Authority.
29. Monitor all reports prepared by the Care Inspectorate in respect of any part of the Services provided by the LLP.

NOTE: In terms of the LLP Partnership Agreement, any matters falling within Part 2 of the Schedule in the Agreement (Items 1 to 21 above) which are already detailed in the current approved LLP Business Plan, shall not require further specific approval.

Functions Delegated

All functions above NOT marked *. Those functions marked * are referred to the Sub-Committee for consideration and recommendation only and must receive approval of the Council.