

## **Governance Scheme Review**

### **1. INTRODUCTION**

- 1.1 The purpose of the report is to seek approval for the amendments made to the Governance Scheme documents attached to this report at Appendix 1.

### **2. BACKGROUND**

- 2.1 SEStran, as a statutory body, requires to ensure that it has appropriate governance arrangements in place which enable lawful and transparent decision making. The SEStran Governance Scheme forms a collection of all of the key documents giving effect to those arrangements. When amending the Contract Standing Orders last year, it was noted that there were a number of minor areas where the remaining elements of the SEStran Governance Scheme could be updated and the purpose of this report is to approve the amendments and adopt the new scheme of governance.

### **3. MAIN REPORT**

- 3.1 The SEStran Scheme of governance consists of the following documents:

Part 1 – Standing Orders;  
Part 2 – List of Committee Powers;  
Part 3 – List of Officers Powers;  
Part 4 – Approved Financial Rules;  
Part 5 – Contract Standing Orders;  
Part 6 – Procurement Strategy;  
Part 7 – Grant Standing Orders.

- 3.2 Part 5 – the Contract Standing Orders and Part 7 the Grant Standing orders were updated last year. As part of the review, it was noted that there were a number of minor issues in the following documents which would benefit being tidied up:

Part 1 – Standing Orders;  
Part 3 – List of Officers Powers;  
Part 4 – Approved Financial Rules;  
Part 7 – Grant Standing Orders.

The detail of the changes are set out in the appendix to this report.

### **4. RECOMMENDATIONS**

4.1 It is recommended that the amendments to

Part 1 – Standing Orders;  
Part 3 – List of Officers Powers;  
Part 4 – Approved Financial Rules;  
Part 7 – Grant Standing Orders

are approved.

Brian Butler  
**Partnership Director**  
13 June 2025

**Appendix 1:** Summary of changes to the Governance Scheme

Policy Implications	None
Financial Implications	None
Equalities Implications	None
Climate Change Implications	None

## Appendix 1 – Summary of the Key Changes

<b>Amendments to Part 1 Standing Orders</b>		
<b>Existing Provision</b>	<b>Changes to the Standing Orders</b>	<b>Rationale behind the change</b>
<p>There is reference throughout to the appointment of a “solicitor”. The implication is that the solicitor is an in-house solicitor or a solicitor who is perhaps from a local authority who would effectively act as an in-house solicitor.</p> <p>There is an obligation on the Partnership Director to procure the appointment of an in-house solicitor.</p>	<p>The standing orders have been amended to remove the concept of a “solicitor” to one of “Legal Adviser”. The definition of “Legal Adviser” has been amended to enable any “legal person” to be appointed. This could be a legal firm or could be in an in-house solicitor.</p>	<p>The Partnership/Partnership Director has taken the view that the current legal needs of the organisation are best met by the appointment of an external legal firm. As a result, the various documents which refer to “solicitor” and the “Solicitor’s” role in respect of the SEStran Scheme of Governance requires to be updated. The proposed updates enable flexibility to ensure that if at a point in the future SEStran does decide that it wishes an in-house solicitor or a different mechanism of obtaining legal advice the documents would not require to be updated again.</p>
<p>Paragraph 6.1 (7) Appointment of Members</p>	<p>Each constituent council of the Partnership shall:-</p>	<p>This is simply to make it clear that there is an absolute obligation on the Council to appoint the members initially – thereafter they are able to substitute members. This is a minor tidy up only.</p>
<p>Paragraph 6.1 (8) Appointment of Members</p>	<p>As soon as possible after making the first appointment of councillor members each constituent council of the Partnership shall intimate in writing to the Secretary of the</p>	<p>This is simply to make it clear that it is the Secretary of the Partnership who should be advised of the persons appointed to avoid confusion with the Secretary of the relevant Council. This is a minor tidy up only.</p>

	Partnership, the names of those persons appointed.	
Paragraph 6.5 Secretary of Partnership	<p><b>6.5. 6.5.</b> (1) The Partnership shall appoint a Secretary, and a Treasurer, any of whom may also be an officer of one of the constituent councils.</p> <p>(2) The Partnership Director shall ensure that the Partnership has appropriate legal advice as may be required to support the partnership in delivering its functions. In this regard the legal support can be through appointing external legal support or through the appointment of a legal adviser or solicitor.</p>	<p>This has been amended as set out above to ensure that that the Partnership Director is required to ensure that appropriate legal advice is available but to allow flexibility about how this is provided.</p> <p>The definition of “Estates Functions Officer” has also been removed. There are insufficient property interests to merit a separate appointment. Therefore, this has been removed and consequential changes have been made.</p>
Paragraph 6.6 Meetings and Quorum	<p><b>6.6.</b> (1) The Partnership shall hold such meetings as it shall consider necessary for it to carry out its functions at such place or places as it may from time to time fix. Reference is made to paragraphs 7 to 41 for further provisions relating to meetings.</p>	<p>This is amended as a cross-referencing error.</p>

Paragraph 6.6 Meetings and Quorum	(6) For the avoidance of doubt, meetings may be held “in person” or remotely by way of appropriate digital media or on a hybrid basis (a combination of in-person and remotely).	This is an update to allow for in person and hybrid meetings by any form of technology.
Paragraph 13 – Order of Business	<p>The business of the Partnership at ordinary meetings will normally take place in the following order:-</p> <p>1 the Chairperson or in their absence one of the Deputy Chairpersons or in absence of the Chair a member appointed in accordance with paragraph 6.4 (4) shall take the chair.</p>	This is to enable the meeting to be commenced by a Deputy or another member if the Chair is unable to be at the meeting.
Paragraph 28 - Method of Voting	28 (1) In a meeting of the Partnership or any Committee, the vote on any matter will be taken by calling the roll or by way of a show of hands.	This is to enable any vote to be taken by a show of hands to avoid a roll call for every vote.
Paragraph 38 – responsibility of the proper officer	<b>38.</b> Subject to the provisions of paragraph 43(2) where the Treasurer has been appointed as the Proper Officer, the Partnership Director shall be the Proper Officer for the Partnership for	This was amended as paragraph 80 was not the correct cross reference and also more information was included so that it was clear for what purposes the Partnership Director had been appointed as the Proper Officer.

	<p>the purposes of sections 190 (the service of legal proceedings – where legal proceedings are appropriately served if served on the proper officer), 191 (for signing and dealing with any claims on behalf of SEStran regarding sequestration/liquidation) and 193 (authentication of documents). The Partnership Director shall ensure that they takes appropriate advice from the appropriate officer or Legal Adviser to the Partnership.</p>	
Paragraph 52 – Debt Recovery	<p><b>52.</b> The Treasurer may after consultation with the Partnership Director , settle or authorise the Legal Adviser to settle or compromise any action of payment where the amount compromised does not reduce the amount recovered by more than £5,000.</p>	<p>This has been amended to reflect the appointment of a Legal Adviser</p> <p>The value for settlements have also been increased to make it consistent with a claim for compensation which is already at £5,000.</p>
Paragraph 58 – Property Register	<p><b>58.</b> The Partnership Director shall be responsible for ensuring that there is an up-to-date register of all land and heritable property owned by or leased by the Partnership, whether in its own right or in trust and will ensure that all</p>	<p>This is to deal with the fact that there is no Estates Functions Officer appointed but still maintains the obligation to maintain a register.</p>

	such property is readily identifiable at any time.	
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<b>Amendments to Part 3 – List of Officer Powers</b>		
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<b>Existing Provision</b>	<b>Changes to the List of Officer Powers</b>	<b>Rationale behind the change</b>
Interpretation	“Legal Adviser” means a solicitor who has been instructed by the Partnership Director to carry out the legal functions of the Partnership;	This is to reflect the changes in the Standing Orders in respect of the appointment of a Legal Adviser.
Paragraph 1.4.4 – Rules regulating the use of Delegated Powers	If an officer is in any doubt as to whether they should make use of delegated powers then they should seek guidance from their line manager, and if the line manager is in doubt, then they can consult with the Partnership Director and shall also have regard to SEStran’s policies in relation to Whistleblowing, Conflict of Interest and Anti-Bribery and corruption.	This has been amended to deal with the fact that there is no “in-house” solicitor and it would not necessarily be appropriate to refer this to an external legal adviser at least in the first instance. The policies set out have escalation processes which are relevant in these circumstances.
Paragraph 2.1 – Urgent Matters	If a decision which would normally be made by the Partnership requires to be made urgently between meetings of the Board, to take, in consultation with the Chairperson (whom failing, a Deputy Chairperson), action subject to the matter being reported to the next meeting of the Partnership. Where such	There is no need for this to be included as it would be inappropriate to consult with the solicitor to be consulted in every circumstance before taking action – whether legal action or not.

	action involves incurring expenditure, the Treasurer shall be consulted.	
Paragraph 2.2 – Appointments and 2.5 Performance Appraisal and Pay Scalesw	<p><b><u>Appointments</u></b> to appoint officers within expenditure levels.</p> <p><b><u>Performance Appraisal and Pay Scales</u></b></p> <p>Within agreed expenditure levels, and subject to existing terms and conditions, carry out such performance appraisals and implement such performance related pay schemes as from time to time may be appropriate.</p>	The proposal is to remove the reference to staffing to reflect the position that the Partnership Director has the operational responsibility for establishing the staff and structure required provided that they do so in accordance with the relevant budget constraints set by the Partnership.
Paragraph 2.6 – Other Personnel Matters	<p>The addition of the following wording</p> <ul style="list-style-type: none"> <li>- the authorisation of overtime, leave, acting up etc.</li> </ul> <p>For the avoidance of doubt, the examples given in the above list in 2.6(b) are not exhaustive.</p> <ul style="list-style-type: none"> <li>(c) can authorise the appointment of sessional, temporary, and agency staff where there is an allocated budget.</li> </ul>	The intention behind these additions is to delegate the operational responsibility for staffing matters to the Partnership Director in accordance with the relevant budget constraints set by the Partnership.

<p>Paragraph 2.9 Contracts</p>	<p>2.9 <b><u>Contracts</u></b></p> <p>(a) to exercise the power to purchase goods, services (including specialist support services) or works for Sestran in accordance with the provisions in the Contract Standing Orders.</p> <p>(b) subject to compliance with Contract Standing Orders, the power to appoint consultants/specialist advisers as appropriate.</p> <p>(c) the management of the tender process in terms of the Contract Standing Orders.</p>	<p>This is simply to update the delegation and to link it with the delegations set out in the Contract Standing Orders.</p>
<p>Paragraph 2.10</p>	<p>In addition to the delegations set out in this List of Officers Powers, each officer including the Partnership Director and the Treasurer or other specific officer mentioned shall be entitled to exercise the powers conferred on them as set out in the SEStran scheme of delegation.</p>	<p>This has been amended as the purpose of this paragraph is to pull in any other delegations whether in the Standing Orders, Contract Standing Orders or Grant Standing Orders. However, this approach would mean that everytime those documents are changed it may have a knock on effect here. We have proposed that this is made more general to avoid that cross referencing issue. No additional powers have been granted.</p>

<p>Paragraph 3 – Delegations to the Partnership Director</p>	<p>The Partnership Director is authorised:-</p>	<p>We have removed the reference to the fact that the powers should not ordinarily be delegated further. This sentence conflicts with paragraph 7 which specifically allows delegation to the Senior Partnership Manager.</p>
<p>Para 3.4</p>	<p>to terminate on behalf of Sestran any contract which Sestran is entitled to terminate under the appropriate conditions of contract and where he/she is satisfied that it is in the interests of Sestran to do so and following consultation with the Legal Adviser</p>	<p>This reflects the change to the term Legal Adviser.</p>
<p>Para 3.10</p>	<p>Where a claim for compensation has been submitted to Sestran then it must be assessed by the Legal Adviser or by Sestran's claim handlers to determine whether Sestran has any legal liability to meet the claim. In those cases where Sestran has no legal liability, the Partnership Director may decide that the circumstances giving rise to the claim merit the making of an ex gratia payment. The Partnership Director is authorised to make such payments up to the value of £5,000. Such payments require to be made in consultation with the Legal Adviser.</p>	<p>This reflects the change to the term Legal Adviser.</p>

Para 5.6	to authorise bad debts to be written off in accordance with Standing Order 53.	This is to correct an incorrect cross reference
Para 6 – Legal Adviser	<p>6. <b><u>LEGAL ADVISER</u></b></p> <p>6.1 The Legal Advisor may on instruction from [the Partnership Director]:</p> <p>6.1(a) carry out legal procedures necessary to implementing any matters delegated to the Partnership Officers.</p> <p>6.1(b) sign missives and other conveyancing documents and to sign notices and orders in connection with compulsory purchase orders.</p> <p>6.2 The Partnership Director may instruct the Legal Advisor to:</p> <p>6.2(a) engage private legal firms or engage counsel when appropriate and it is in Sestran’s interest.</p> <p>6.2(b) start, defend and appear in any legal or tribunal proceedings or any inquiry when appropriate and it is in Sestran’s interest, where there has been clear instruction from the Partnership Director.</p>	<p>This is to reflect the change to Legal Adviser.</p> <p>Also to make it consistent with the amendment to the standing orders to change the value for te settlement of any action of claim up to £5,000</p>

	6.2(c) settle any action or claim against Sestran up to the level of £5,000. This power to be exercised in consultation with the Treasurer.	
Para 7 - Partnership Operational Contingency Plan	<u>In absence of the Partnership Director, all of the matters delegated to the Partnership Director in the SEStran Scheme of Governance may be exercised by the post holders identified in this table as the "Delegated Level"</u>	This is to reflect that there are other matters delegated to the Partnership Director Through the SEStran Scheme of Governance including the Contract Standing Orders and the Grant Standing Orders. The reason for including this is to ensure that if the Partnership Director is absent, operational business can continue.

#### Amendments to Part 4 – Approved Financial Rules

Existing Provision	Changes to the Approved Financial Rules	Rationale behind the change
Para 39	The Partnership Director shall consult with the Treasurer regarding the terms of any indemnity which may be required. The Treasurer shall consult with the Legal Advisor and Insurance Manager regarding the relevant insurance requirements.	This is to reflect the change to Legal Adviser.

#### Amendments to Part 7 – Grant Standing Orders

Existing Provision	Changes to the Grant Standing Orders	Rationale behind the change
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Para 6.6	If an agreed grant varies such as it passes one of the above thresholds, approval must be sought in line with the relevant thresholds above prior to issuing any grant variation.	The cross reference for 10.4.1 or 140.5.1 is incorrect. This has been amended to reflect the approvals which should be in line with the thresholds in 6.4.1 and 6.5.1 above. The use of the wording above was to avoid changing this paragraph if the Grant Standing Orders are updated.