



Scheme of Delegation

1. Introduction

The Board of SRUC is the governing body of the institution and, as such, retains the responsibility for overseeing the management and administration of the whole of SRUC. The Statement of Primary Responsibilities and the Schedule of Matters Reserved to the Board set out matters which are not delegated and describe the main responsibilities which are undertaken by the governing body.

SRUC has determined that all powers which are not specifically reserved to the Board are delegated to the Principal & Chief Executive and senior management. Matters reserved to the Board include strategic policy, performance and risk accountability, while day to day operational matters of running SRUC are delegated to management.

The specific authorities available to the Principal & Chief Executive and senior management are set out in this Scheme of Delegation. However, if a specific authority is not set out in the Scheme of Delegation, it does not prevent exercise of that authority by the Principal & Chief Executive and senior management. Unless it has been specifically reserved to the Board, authority is delegated to management. In case of doubt, the Principal & Chief Executive has authority to determine the Director or manager to whom the power is delegated.

Delegated authority should not be exercised by management where any decision would represent a significant departure from SRUC strategy, policy or procedure. The only exception to this is in the case of urgency where the Principal or appropriate senior manager may, after consultation with the Chair or convenor of the appropriate Committee, exercise delegated authority. Should such authority be exercised in urgent circumstances, a report will be submitted to the next appropriate Board for noting.

This Scheme of Delegation lists the SRUC Committees or individuals to whom authority has been delegated by the SRUC Board to commit the institution to a contractual arrangement within approved budget limits. The SRUC Board retains the power to exercise all authorities available to it whether or not they have been delegated. In respect of authority not delegated under this Schedule and for all commitments and transactions above the maximum delegated monetary values within this Schedule, authority remains with the SRUC Board subject to any circumstances set out above.

The Scheme of Delegation sets out:

- Various delegated functions.
- The Committee or individual which must approve the transaction, arrangement or project.
- The individual who holds the delegated signing authority to execute the transaction once approval has been given.
- The individuals who needs to be informed or consulted by a delegated signing authority or approver for transactions of certain types or above certain values.

2. Principal & Chief Executive

The primary responsibility of the Principal & Chief Executive is to deliver the overarching strategic business plan as agreed by the Board.

In furtherance of this objective, the following general authorities are delegated to the Principal & Chief Executive:

- To lead development of SRUC's vision, mission, Strategic Plan, policy and values, ensuring the support and engagement of the Board in the relevant processes.
- To act as Accountable Officer ensuring that fiduciary responsibilities to SFC and Scottish Government or any other relevant body in proper use of public funds and reporting requirements are met.
- To act as the principal adviser to the Board on matters of general policy.
- Strategic management of SRUC operations and leadership of employees.
- To take all necessary steps to ensure that SRUC has policies and procedures and other controls in place to support delivery of the objects of the institution and to ensure compliance with all relevant legislation, constitutional rules and legal and contractual agreements.
- The academic, corporate, financial, estate, communications and human resource management of SRUC.
- Leading improvement and organisational change
- To lead the Executive and Wider Leadership Teams.
- To determine the optimum operational structure of the institution and to organise the distribution of resources in the delivery of its strategic objects.
- Subject to the provisions of SRUC policies and procedures, to determine the organisation, appointment and proper management of SRUC's employees.
- To lead external communications.
- To undertake such other responsibilities as may be determined by the Board from time to time which are commensurate with the role of Principal & Chief Executive.

As set out in Section 1 above, the Statement of Primary Responsibilities and the Schedule of Matters Reserved to the Board lay down matters which are not delegated. The remits of the Board Committees describe matters which are delegated to the Committees.

3. Finance, Budgets and General Expenditure

The Finance and Estates Committee has delegated authority, *inter alia*, to:

- scrutinise the financial affairs of SRUC and its related companies on behalf of the Board;
- advise the Board on financial policy and approve the design of the planning and budgeting process;
- review and then recommend the annual budget for approval by the Board and monitor actual income and expenditure, including levels of borrowing;
- consider the annual financial accounts of SRUC after recommendations by the Audit Committee and to submit such accounts to the Board for approval;
- review and monitor the management accounts and accounting processes;

The full remit and duties of the Finance and Estates Committee is set out in its Terms of Reference. The Committee will have a monitoring role in budgets and general expenditure carried out under this delegated authority.

The Principal & Chief Executive has delegated authority to:

- Oversee SRUC's revenue budget and capital programme and to take responsibility for ensuring the proper and effective operation of financial, planning and management controls, and for giving effect to the Board's policies for securing the efficient, economical and effective management of SRUC's income, assets and expenditure.
- Act at all times in compliance with the Financial Memorandum with the SFC and the Scottish Public Finance Manual.
- Report to the SFC should the Board adopt a policy or commission an action which is incompatible with the terms of the Financial Memorandum or the Scottish Public Finance Manual, or which would infringe the requirements of propriety or regularity, and to report to the Board in writing on such matters being considered and advise the Board that, should it chose to continue with the policy or action, then as accountable officer, he or she must report the Board's intentions to SFC in writing.
- Engage the services of outside persons, firms or organisations and to enter into contracts and to sign all deeds or other documents binding the Board for all purposes except those where the power to engage such services is not delegated to a Committee or reserved to the Board.
- Take out any necessary insurances.
- Arrange for presentation to the Board for approval of an Annual Budget of income and expenditure, and to provide full, regular updates.
- To sell surplus stores, plant, furniture and equipment for the market value and write off any such assets which have become unfit for use and are un-saleable.
- To exercise all discretions available to SRUC in relation to pension scheme administration and regulation frameworks.
- To terminate contracts, when it is in the best interests of SRUC to do so
- To authorise the signature on cheques, receipts, loan documents and any other financial documents and discharges on behalf of SRUC
- To authorise the writing off of individual debts where the Finance Director advises as appropriate, subject always to the SRUC **Authorisation Policy**.
- To authorise appropriate settlement agreements and exceptional payments.

The main delegated authorities for high value transactions, purposes and general expenditure are as indicated in the table below.

Detailed authorisation limits and procedures are set out in the **SRUC Authorisation Policy** which must be adhered to in all circumstances.

Delegated Authority			
Type of approval	Principal	F & E Committee (to be notified to committee for recommendation by it to Board)	SRUC Board
Contracts/Goods and Services/Leases/General Expenditure/Disposals	£1M	>£1M (for recommendation)	>£1M

4. Strategic Projects, including Land and Property

The Finance and Estates Committee has delegated authority, *inter alia*, to “advise the Board and assist ELT on development, implementation and review of an Estates/Infrastructure strategy”.

In addition, the Executive Steering Group has within its remit, oversight and monitoring of implementation of the SRUC transformation programme, including constituent projects, in accordance with SFC requirements. These projects include estates and infrastructure investments.

Examples of matters covered in this section include formal acceptance of contracts, acquiring and disposing of ownership in land and buildings and entering into or exiting from leases for land and buildings.

Capital approval processes, including preparation of business cases, financial profiles and other relevant requirements are set out in the **SRUC Authorisation Policy** which must be adhered to in all circumstances. Certain projects will be subject to compliance with SFC requirements.

In circumstances where the Board has approved project expenditure and there is subsequent risk of material budget overspend, this must be referred back to the Board for consideration and approval.

Delegated Authority			
Type of approval within budget	Principal and Chief Executive	F & E (to be notified to committee for recommendation by it to Board not approval)	SRUC Board
	£1M	>£1M	£>1M

The **Director of Finance** must be informed, at an early stage, of any financial commitment for transactions over £500,000 including **all** potential lease arrangements. The **SRUC Authorisation Policy** must be adhered to in all circumstances.

Approval from the **Scottish Funding Council** or other appropriate authority must be sought for the disposal of property purchased with public funds.

5. Procurement

All procurement must be undertaken in accordance with the SRUC **Procurement and Sustainability Policy** and other related procurement policies.

6. Treasury and Cash Management

Treasury Management Policies and Procedures are required to ensure that cash resources are managed securely and efficiently.

- **Bank Accounts** - The Board must approve the appointment of retail bankers and the opening of new bank accounts.
- **Payments** - All payment types, including cheques, BACS, electronic payments, foreign currency payments, direct debits and payroll must follow the requirements and authorisation limits set out in the authorisation policy
- **Borrowings** - All bank loans require to be approved by the Board. Short term overdraft facilities of up to £500k can be approved by the ELT but require to be ratified by the Board.

7. Income

The contracts office has delegated authority for:

- Applications for research grants
- Acceptance of offers of research grants
- Tenders for research contracts
- Standalone contracts for research
- Commercial or tendered contracts

The limits are set out in the Authorisation Policy. Contracts with income in excess of £500k have to be approved by the Director of Finance and contracts with a value in excess of £1m have to be notified to the Board.

8. Staff

The Remuneration and Appointments Committee has delegated authority, *inter alia*, to: “consider and to make recommendations to the SRUC Board “ covering:

- Appointment, terms, conditions and removal of SRUC Board, SAC Corporate Trustee Ltd and SAC Commercial Ltd Board members.
- Appointment, terms, conditions and removal of SAC subsidiary company Board members.

- to provide advice to the SRUC Board and to the Principal & Chief Executive as Negotiator, on matters related to salaries and changes in terms and conditions of SRUC staff.

Authority for the appointment, promotion and remuneration of staff is delegated in accordance with the following table.

Type of approval	Authorised person
<u>Offers of employment and salary:</u> a) For ELT, staff on grade 1 or above (or non grade) b) For staff below grade 1	a) Principal & Chief Executive (In consultation* with Chair of Remuneration & Appointments Committee) b) Director of Corporate Services/Main Budget Holder/Function Director or Head
<u>Salary/ Grade progression:</u> a) ELT, staff on grade 1 or above (or non grade) (Changes to gradings in accordance with pay grading arrangements and to authorise salary scale progression within evaluated salary grade.) b) Grade 2 and below, subject to grading structure.	a) Principal b) Main budget holder or designated alternative
* Note: In this context “consultation” means agreeing a framework or range of employment/salary arrangements within which the Principal and Chief Executive may exercise authority.	

In addition, the Principal and Chief Executive has delegated authority:

- For appointment of all posts and offers of employment- up to an including ELT positions (Such delegations are at all times to be exercised in accordance with relevant law, financial regulations and SRUC policies and procedures that apply). Where clarification is required, the Principal & CEO will determine which matters are operational or otherwise.
- In accordance with SRUCs approved Disciplinary, Capability and Absence procedures, to take disciplinary action up to and including dismissal and to negotiate severance arrangements.
- To consult with and negotiate with Trade Union representatives on behalf of the Board.
- To negotiate and implement conditions of service and terms and conditions.
- To amend the organisational structures of services including the number and designation of posts, in accordance with approved budgets.

Authority to appoint or remove the Company Secretary is reserved to the Board as laid down in the Schedule of Matters Reserved to the Board.

9. Novel or Contentious Arrangements

Novel and contentious arrangements are by their nature difficult to identify in advance but are likely to be areas which are new to SRUC, potentially offer an opportunity outwith typical activities or current strategy or present significant exposure to reputational risk.

In cases of doubt involving novel, potentially contentious or high risk arrangements, such matters must be passed to the Principal and the Board for consideration and approval.

10. Other

The Principal & Chief Executive has authority to:

- take such measures as may be required in emergency situations, subject to advising the Chair as soon as possible thereafter, on any items for which Committee/Board approval would normally be required. This includes any contract for the execution of works which are required for the prevention of damage to life or property.
- To respond to consultation papers unless the response recommends a departure or significant development of SRUC policy or is contrary to a standing instruction of Board or Committee.

Approved by the Board of SRUC on 5th June 2018