

Meeting:	Audit & Governance Committee
Meeting date:	16 July 2015
Title of report:	Governance improvement working group update
Report by:	Assistant director governance

Classification

Open

Key Decision

This is not an executive decision.

Wards Affected

Countywide

Purpose

To note the work of the governance improvement working group to date and to consider future work and membership of the group.

Recommendation(s)

THAT:

- (a) the outcomes of the initial work carried out by the governance improvement working group as set out in the report be noted;**
- (b) future membership of the working group as set out at paragraph 4 be confirmed; and**
- (c) the outline work programme for the working group as set out at paragraph 9 be approved.**

Alternative options

- 1 To not undertake a review of the current governance arrangements. This would be contrary to the agreement reached between group leaders in October 2014 and a resolution passed by Council in December 2014 reflecting observations that the current arrangements lacked transparency and limited the extent of member and

stakeholder involvement in decision making.

Reasons for recommendations

- 2 To facilitate the future work of this group, with any revised membership, in order to ensure that a review of governance arrangements can be completed. This will enable recommendations to be made for suitable governance arrangements to be in place for the council. This exercise would in turn inform a planned review of the current constitution.

Key considerations

- 3 Following a meeting of group leaders in October 2014, a cross-party members' working group convened to initiate consideration of how governance arrangements could be improved. Membership represents executive, overview and scrutiny and audit and governance functions plus one member not involved with those functions. Representatives are also tasked with ensuring that the working group effectively engages with the wider membership within their political groups.
- 4 Following the elections in May 2015, the membership of the working group needs updating so that the group can be reconvened to take the work forward to conclusion. Group leaders have been consulted on proposed membership and made the following recommendations regarding the composition of the group (noting that the group leaders would confirm relevant group nominees):
 - senior decision-makers - 1 cabinet member (Con)
 - scrutiny –2 scrutiny members (Ind and IOC)
 - audit & governance –1 AGC member (Green)
 - frontline members not involved in any of the above (LD)
- 5 The group's initial terms of reference were to undertake a fact-finding exercise to identify the key issues that needed to be resolved, to inform a review of governance arrangements, and to help identify future models of governance. The working group met during February and March 2015 to commence this work.
- 6 The following themes were considered in the context of the current governance arrangements as a focus in order to inform the future work of the group:
 - a) How all members are involved in the policy making/decision making process;
 - b) How the public/stakeholders are involved;
 - c) Having a clear scheme of delegation at member, officer and partnership level;
 - d) Having effective processes for publicising forward plans/decisions;
 - e) How members are involved in performance management and improvement.
- 7 The working group identified that:
 - There had been some limited feedback from members and debate at Council, with some uncertainty regarding levels of delegation, partnership working and limitations of forward plans;

- Good governance arises in part from member involvement in performance management, but it was felt that this is not happening well at present;
- There needs to be greater use of members' experience and credentials and linking this to training and appraisal;
- There are various approaches to democracy and decision-making from council to council, and expertise can be developed by looking at what others do;
- Learning can also be gained from audit and inspection, e.g. Ofsted, regarding leadership and engagement and this is a process of continuous learning.

8 SWOT analyses were carried out systematically against the five themes noted above (see Appendix A). In summary, this identified:

Strengths: Decision-making is well-facilitated in terms of speed and clear reporting lines within a known system. Meetings are rarely closed and are available to the public through attendance, questioning and published decisions. Decisions are informed through availability of data and Understanding Herefordshire.

Weaknesses: Resources (people, data) are limited, with concern over how they are used. There is an over-reliance on web-based consultations and information which can be hard to find/access, compounded by a lack of public knowledge of politics and council business, all of which contribute to a low response rate to consultations. The balance between the council and executive functions was considered to be a weakness with a lack of clarity on how to feed into the decision making process.

Opportunities: To make better use of Members' skills and experience and develop more effective use of Groups with cross-party executive functions. Information and resources such as the corporate plan, Understanding Herefordshire, clearly presented data and information technology could be used more effectively along with an increased scrutiny role linking outcomes to use of resources. This could be facilitated by clearer understanding and management of escalation processes, expansion of call-ins and a more accessible constitution.

Threats: Decreasing resources leading to poor communication, and breaks in continuity. Data can be overwhelming which can impact on decision making. The public appears disengaged, with limited awareness of issues and decisions to be made, coupled with a poor perception of members' knowledge of the same.

9 Using the toolkits available (in line with national good practice) and building on the work already undertaken by the working group, an outline programme for the next stages of the review is proposed below:

- a) Finalise the establishment of a baseline – how do we currently do things; what are stakeholders' views of these processes; what are the strengths/weaknesses (complete by end August)
- b) Propose 'design principles' – level of member engagement in policy making/decision making; approach to forward planning; publication of information; engagement of stakeholders/public; consistency of levels of delegation (report to committee in January)

- c) Assess options - how to meet these design principles, build on strengths and address weaknesses (report to committee in April)

Community impact

- 10 There is no impact upon the community as this report is to provide information on the current situation.

Equality duty

- 11 The report does not impact on this area.

Financial implications

- 12 There are no financial implications.

Legal implications

- 13 There are no legal implications.

Risk management

- 14 If governance arrangements are not transparent or robust there are the risks that the council's reputation may suffer; that it will be more difficult to encourage candidates to stand for election and that decision-making is less sound. By undertaking a review of governance arrangements in line with good practice these risks can be mitigated.

Consultees

- 15 The views of group leaders have been sought regarding the proposed membership of the working group and are reflected in the recommendations.

Appendices

Appendix A – SWOT Analyses

Background papers

None identified.