

# **PERTH AND KINROSS COUNCIL**

**7 October 2020**

## **GOVERNANCE REVIEW MEMBERSHIP OF MEMBER/OFFICER WORKING GROUP**

**Head of Legal & Governance Services (Report No. 20/184)**

This report: -

- sets the proposed review of our governance framework in the context of the Perth and Kinross Offer
- seeks agreement to undertake the CIPFA Governance Mark of Excellence accreditation process to help redesign our governance framework
- sets out the proposed scope of the governance review
- outlines the proposed remit and membership of a new Governance Member/Officer Working Group ("Governance MOWG") to replace the existing Modernising Governance Member/Officer Working Group
- outlines the proposed remit and membership of the Perth and Kinross Offer Member/Officer Working Group ("Offer MOWG") to reflect political balance

### **1. BACKGROUND / MAIN ISSUES**

- 1.1 Good governance is integral to the success of any organisation. Our governance framework comprises the culture, values, systems, policies, processes, procedures and controls in place within an organisation, whether they be public, private or voluntary, to ensure that they achieve their key goals and objectives. It is essential therefore that the governance framework is regularly reviewed and refreshed to make sure that it is aligned to the defined outcomes of the organisation at the current time. The last time that the Council's governance arrangements were formally reviewed was in 2017.
- 1.2 The Council was already looking to develop new ways of working, in closer collaboration with our communities, through the Perth and Kinross Offer. However, as the impact of the Covid-19 pandemic on our communities is felt and beginning to be quantified and assessed, there is an even greater need to add pace to the development and delivery of the Offer.
- 1.3 The Offer presents a significant shift from traditional thinking in terms of public service design and delivery, with an emphasis on genuine collaboration and co-creation with our communities. Our governance framework, whilst robust and effective has been designed to support that more traditional model of public service design and delivery. It, therefore, needs to be reviewed, refined and in some parts redesigned to make sure that it is fit for purpose; to design and deliver more sustainable public services that better meet the needs of our communities.

- 1.4 To effect real change in how we design and deliver the public services that our citizens need, want and value, we need to have:-
- a clear and legitimate mandate for change from elected members and the communities that we all serve; and
  - enough resources and capacity to deliver
- 1.5 The importance of political leadership and the role of members as the democratically elected representatives of our communities cannot be underestimated, if the Offer is to be a success. Elected members have a key role to play in terms of setting the strategic direction for the Offer and the Council's approach to recovery and renewal. They are also best placed to help facilitate the meaningful engagement with communities that will be needed to gain a better understanding of their needs, hopes and aspirations as we shape the Offer.

## **2. PROPOSALS**

### CIPFA Governance Mark of Excellence

- 2.1 The CIPFA Framework for local government is based on the International Framework for Good Governance in the Public Sector. The aim of the Framework is to encourage better service delivery and improved accountability by establishing a benchmark for aspects of good governance in the public sector.
- 2.2 The CIPFA Governance Mark of Excellence is an independent and professionally awarded standard that accredits public sector organisations that put good governance at the heart of their organisation. It draws on the IFAC/CIPFA International Framework as the basis against which organisations are assessed; going beyond simply looking at whether we have the right systems and processes in place. It also looks at the softer aspects of governance, such as understanding roles, ensuring effective relationships and analysing behaviours and leadership styles.
- 2.3 In terms of benefits, a robust and effective governance framework will: -
- enable us to identify and define our key objectives to deliver better outcomes for our communities;
  - streamline administrative bureaucracy and improve efficiency;
  - ensure that resources are appropriately targeted and well managed;
  - help us to design and deliver the modern public services that people want, need and value;
  - build greater trust and confidence between the council and communities that we serve; and
  - build more effective relationships with our public partners, the private and third sector to allow us to be more creative and collaborative in how we design and deliver public services.

- 2.4 The CIPFA accreditation process will provide a clear and comprehensive approach to reviewing and developing our governance framework.

#### Scope of the governance review

- 2.5 As stated above our governance framework comprises the culture, values, systems, policies, processes, procedures and controls in place within an organisation. A comprehensive review, therefore, will be looking at a wide variety of things, several of which will be operational in nature and therefore fall to be determined by the Chief Executive in her capacity as the Head of Paid Service. There are, however, key strategic functions, matters pertaining to the democratic decision-making and the wider role of the Council as a Community Planning Partner, that must properly be determined by elected members, and these matters will be considered in the first instance by the Governance Member Officer Working Group.
- 2.6 Using the CIPFA Framework for Good Governance, the Governance MOWG will focus on reviewing and developing the following elements of the Governance Framework to make sure that they will be effective in supporting the development and delivery of the Perth and Kinross Offer:
1. Culture and Leadership
  2. Vision, Direction and Purpose
  3. Community and stakeholder engagement
  4. Risk appetite
  5. Decision-making
  6. Best value
  7. Partnership working
  8. Scrutiny and oversight
  9. Public Accountability
- 2.7 The work of the Governance MOWG will shape the recommendations for changes to the Governance Framework which will, in due course, be presented to Full Council for decision.
- 2.8 The Governance Review will be an iterative process as we progress with the Council's Recovery and Renewal activity and the Offer itself takes on more shape.
- 2.9 The first key activity will be for the Governance MOWG to carry out a self-assessment of our current governance arrangements against the CIPFA framework to give us some baseline upon which to prioritise and structure our governance improvement and development activity.

#### Membership of Governance MOWG

- 2.10 The current Modernising Governance MOWG currently has a membership of 7, which is a reasonable number to enable focussed work to be undertaken. It is proposed, therefore, that the membership of the new Governance MOWG be 7 members also, but that membership should reflect political balance. An

illustration of political balance on various size groups and committees based on the current 38-member chamber is attached at Appendix 1.

- 2.11 It is proposed that the new Governance MOWG report into new Perth and Kinross Offer MOWG to ensure that the work being undertaken aligns with the ongoing development of the Offer.

#### Remit of the Offer MOWG

- 2.12 The proposed general remit of the Perth and Kinross Offer MOWG (incorporating recovery and renewal) will be:-
- to inform the strategic direction, vision and priorities of the Perth and Kinross Offer and recovery and renewal, for approval by Council;
  - to provide strategic leadership and direction on the priorities and delivery of the Perth and Kinross Offer and all related aspects on delivery of the recovery and renewal programme;
  - to consider the financial issues arising and resources required to deliver the PK Offer ensuring, value for money and affordability, with a view to making recommendations to Council; and
  - to act as a consultative group to consider any proposals coming from the recovery and renewal workstreams and to provide any necessary guidance and direction.

#### Membership of the Offer MOWG

- 2.13 At present the Perth and Kinross Offer MOWG comprises 5 members based upon the membership of the previous elected member sounding board; a short-term measure put in place to support the organisation during the operation of emergency powers in response to the COVID-19 pandemic.
- 2.14 Given the scope and significance of the Perth and Kinross Offer, it is proposed that the membership of this Member/Officer Working Group be expanded to nine members and to reflect political balance.

### **3. CONCLUSION AND RECOMMENDATIONS**

- 3.1 It is important that elected members and officers work together to help shape the Perth and Kinross Offer and to make sure that the Council's governance framework supports its design and delivery. Member/Officer working groups provide a good forum to explore, develop and test ideas which will inform any recommendations to be made to Council.
- 3.2 Council is, therefore, asked to:-
- i) agree to the use the CIPFA Governance Mark of Excellence accreditation process to support the governance review;
  - ii) approve the scope of the governance review;
  - iii) agree that the Modernising Governance MOWG be disbanded and a new Governance MOWG be established, with 7 members based on political balance;

- iv) agree membership of the new Governance MOWG;
- v) approve the general scope of the Offer MOWG;
- vi) agree that membership of the Offer MOWG should be 9 members based on political balance;and
- vii) agree membership of the Offer MOWG

#### **Author(s)**

| <b>Name</b>  | <b>Designation</b>                  | <b>Contact Details</b> |
|--------------|-------------------------------------|------------------------|
| Lisa Simpson | Head of Legal & Governance Services | 01738 475000           |

#### **Approved**

| <b>Name</b>     | <b>Designation</b>                                                   | <b>Date</b>    |
|-----------------|----------------------------------------------------------------------|----------------|
| Karen Donaldson | Interim Chief Operating Officer<br>(Corporate & Democratic Services) | 2 October 2020 |

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

| <b>Strategic Implications</b>                       | <b>Yes / None</b> |
|-----------------------------------------------------|-------------------|
| Community Plan / Single Outcome Agreement           | <b>Yes</b>        |
| Corporate Plan                                      | <b>Yes</b>        |
| <b>Resource Implications</b>                        |                   |
| Financial                                           | <b>None</b>       |
| Workforce                                           | <b>None</b>       |
| Asset Management (land, property, IST)              | <b>None</b>       |
| <b>Assessments</b>                                  |                   |
| Equality Impact Assessment                          |                   |
| Strategic Environmental Assessment                  | <b>None</b>       |
| Sustainability (community, economic, environmental) | <b>None</b>       |
| Legal and Governance                                | <b>None</b>       |
| Risk                                                | <b>None</b>       |
| <b>Consultation</b>                                 |                   |
| Internal                                            | <b>Yes</b>        |
| External                                            | <b>None</b>       |
| <b>Communication</b>                                |                   |
| Communications Plan                                 | <b>None</b>       |

### 1. Strategic Implications

#### Community Plan/Single Outcome Agreement

- 1.1 An effective governance framework will support the Council to deliver all of the outcomes of the Local Outcome Improvement Plan.

#### Corporate Plan

- 1.2 An effective governance framework will support the Council to deliver all of the outcomes of its Corporate Plan

### 2. Resource Implications

#### Financial

- 2.1 None.

#### Workforce

- 2.2 None.

#### Asset Management (land, property, IT)

- 2.3 None.

### **3. Assessments**

#### **3.1 Equality Impact Assessment**

- (i) Assessed as **not relevant** for the purposes of EqIA

#### **3.2 Strategic Environmental Assessment**

- (i) No action is required as the Act does not apply to the matters presented in this report

#### Legal and Governance

- 3.3 The Head of Legal & Governance is the author of the report

### **4. Consultation**

#### Internal

- 4.1 Executive Officer Team and Member Officer Working have been consulted in the preparation of this report.

#### External

- 4.2 None.

### **5. Communication**

Not applicable.

### **2. BACKGROUND PAPERS**

None.

### **3. APPENDICES**

Appendix 1 – Illustration of Political Balance