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| Subject: | <i>Good Governance Review – Report of the Audit Commission</i> |
| Date of Meeting: | Audit Committee 15 Dec 2009 Governance Committee 12 Jan 2010 |
| Report of: | <i>Director of Strategy & Governance</i> |
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| Wards Affected: | All |

FOR GENERAL RELEASE**1. PURPOSE AND POLICY CONTEXT:**

- 1.1 The purpose of this report is to present the findings of the Audit Commission's review of Good Governance in Brighton & Hove and proposed actions in response to the recommendations.

2. RECOMMENDATIONS:

- 2.1 That Members note the report of the Audit Commission (Appendix 1 to this report).
- 2.2 That the proposed action in response to the recommendations of the Commission as set out in the action plan listed as Appendix 1 to the Commission's report be noted.

3. BACKGROUND INFORMATION:

- 3.1 The Audit Commission undertook a review of governance in Brighton & Hove in between October 2008 and March 2009. The review was based on the Good Governance Standards for Public Services developed by the Independent Commission on Good Governance in Public Service. The findings of the review together with the action points are attached in appendices 1 and 2 respectively.
- 3.2 The overall conclusion of the report is positive. In particular, it states that:
- Governance arrangements in Brighton & Hove are generally sound and there is good formal governance arrangement in place. The constitutional arrangements adopted by the Council are sound.
 - Community leadership and focus is strong. Partnership working is strong and the Council is effective at engaging its stakeholders.

- The Council contributes to the improvement of its area and quality of life for residents and visitors as a result of the effectiveness of its service and strategic arrangements in meeting clearly defined priorities.
- Partnership working is strong and the Council is effective at consulting and engaging with its stakeholders. The council has strong and effective relationships with partners.
- The approach to Member Development is effective and the conduct of elected councillors is good. There is a good training programme for Councillors and an excellent induction programme for new Councillors is in place.
- There is clear expectation among Councillors of all parties that they conduct themselves in an appropriate manner.
- The role of Executive Councillors are becoming clear and more confident about their new roles.
- The Council has a clear focus on meeting the needs and improving services for its diverse communities.
- The Council's approach to community consultation is good, with the Council having a good track record of involving the community in local policy formulation and programming and has developed effective networking to consult and involve the people they serve.

3.3 The findings of the report confirm that, judged against the criteria in the Good Governance Standards for Public Services, the Council is, overall, performing well. However, the report also identifies areas for improvement and, as part of this, makes references to some "perceptions" about the Member-Officer working relations and the respective roles and responsibilities of Members and Officers. It is important to see these apparent perceptions in their proper context.

3.4 The survey and much of the evidence was gathered within 5 months of the new constitution coming into being. In practice, due to the summer recess, by the time the review was conducted, we would only have had at most 3-4 months experience of the new constitution. It was therefore not surprising that there was a degree of unfamiliarity with how the different decision-making structures operate in practice. Cabinet Members are expected to operate differently from the Chairs of Committees whose main statutory role was to settle the agenda and Chair the Committee meeting with no decision-making powers. Some of the Cabinet Members were also new to local government, let alone executive roles. The combination of these factors, including the fact that the administration was still relatively new, meant that both Members and Officers had to go through an adjustment phase before they settle on ways of working they feel comfortable with. Not surprisingly, as has happened with all Local Authorities that moved to an executive system, there were bound to be uncertainties on how the respective roles and responsibilities of Members and Officers should be exercised during the early stages of implementing the new system. With the passage of time

Cabinet Members have become clearer and more confident about their roles and both Members and Officers have, by now, adjusted and realigned their respective roles and ways of working to reflect the new arrangements. Much of the picture presented in the report is therefore more representative of the historical position than the current state of affairs.

3.5 The review looked at governance under 6 headings:

- Community Focus
- Operating effectively in a clearly defined role
- Promoting and demonstrating values of good governance through behaviour.
- Taking proper decisions and managing risks
- Developing capacity and capability of Councillors
- Partnership working and engagement with stakeholders

3.6 **Community Focus**

3.6.1 The report is complimentary about the Council's city-leadership role, the work with partners, improving the quality of life of residents and services for diverse communities. It however identifies the need for better communication of the Council's long term vision and strategic direction to our partners.

3.6.2 As the report points out in paragraph 49, partnership working is strong and the Council is effective in engaging its stakeholders (which includes partners). The report also states: "there is wide representation from partner organisations [in the LSP]... and a strong collective ownership of the vision and priorities for the City, which are clearly reflected in the targets set out in the new LAA." It is therefore not clear to what extent the lack of understanding of the Council's long term vision is shared by its partners.

3.6.3 Since the review took place, the Council has worked closely with its partners in the city and they jointly developed the Sustainable Community Strategy, through the Local Strategic Partnership. The Sustainable Community Strategy sets out the vision for the City as well as the priorities for years to come. The partners have agreed a priority to make the City 'a place where communities are strong, inclusive and have opportunities to influence decision making. A place where individuals are able to take advantage of opportunities to improve their quality of life.' The area assessment being undertaken is expected to confirm that there is a shared vision and strong working relationships with our partners. The Council will continue to work closely with its partners and ensure that its vision and long term direction continues to be communicated effectively.

3.6.4 Rather than limiting the communication of the Council's vision and priorities to its "partners" the Council is aiming to go beyond that and is working on developing a new communication strategy so that the whole community is clear about the Council's strategy as well as the services it provides.

3.7 **Operating effectively in a clearly defined role**

- 3.7.1 The report acknowledges that the constitutional arrangements, formal processes and delegation schemes are all sound. It however suggests that there is room for improving the understanding of Members and Officers about their respective roles.
- 3.7.2 The scheme of delegations to Cabinet Members and Officers is not designed to be mutually exclusive. As with all properly drafted schemes of delegation, there is a degree of overlap. This gives Members and Officers flexibility and allows certain issues to be dealt with by either depending on the context and the public interest in the issue. In any event, the Local Government Act 2000 provides that the body that granted the delegated power to Officers (i.e. Cabinet or Cabinet Member) can exercise the delegated power at any time notwithstanding delegations and irrespective of what the Constitution says. There is therefore no need to change the scheme of delegation itself.
- 3.7.3 Since the fieldwork that resulted in the report was done, there is greater understanding of the different roles and Cabinet Members have regular meetings with relevant Directors to plan business and agree responses to issues arising. It is therefore unclear to what extent, if any, this is still an issue. However, the new Chief Executive, as part of his leadership role, will keep the working arrangements under review and take appropriate steps.
- 3.7.3.a The Code of Conduct for Member/Officer Relations is based on a standard format used by most local authorities and was customised to take account of local circumstances. Although it is not thought (including by the Audit Commission) that there is any problem with the Code itself, the Standards Committee will review the Code and how it works in practice as part of its normal business.

3.8 Promoting and demonstrating values of good governance through behaviour

- 3.8.1 The report finds that Councillors generally adhere to the Council's Code of Conduct and the majority of Members and Officers felt that the values the Council expects them to follow are clearly set out. It however points out that relationships between political groups are limited and that there is room for improvement in respecting professional judgement and roles and responsibilities of Councillors and Officers. The report recommends strengthening and raising the profile of the Standards Committee.
- 3.8.2 Since the field work was done, the Standards Committee has dealt with a number of complaints against Members and, as part of their role, Standards Panels have made suggestions for improvement which were communicated to relevant individuals. The Chairman of the Standards Committee and the two other Independent Members of the Committee have also had meetings with each of the Group Leaders as well as each political group in the Council to discuss issues of common concern. The Chairman of Standards Committee also presents standards reports at full Council. The profile of the Committee is therefore improving, but efforts will be made to continue to raise the profile of the Committee and ethical standards generally through a mixture of training,

attendance at meetings, reviewing guidance and dealing with complaints as they arise.

3.9 Taking proper decisions and managing risks

- 3.9.1 The report finds that the Council's decision-making powers are properly constituted and backed by clear protocols. It however recommends improvements in the scrutiny arrangements and suggests that we look at authorities recognised as models of best practice.
- 3.9.2 The scrutiny function is still developing but a number of significant improvements have been made during 2009 mostly after the review was undertaken. A scrutiny good practice comparison has been completed following concerns raised as part of the six month review of the constitution; this has highlighted some additional areas for improvement that can build upon work already undertaken. A team of 6 FTE staff provide support to all scrutiny committees and panels, additionally each directorate has appointed a link officer to provide liaison with the scrutiny team.
- 3.9.3 Quarterly 'tripartite' meetings have been established between scrutiny chairs, cabinet members, Directors and the Head of Scrutiny to help ensure scrutiny is undertaking an appropriate mix of policy development, holding the executive to account and pre-decision scrutiny. All Chairs pre-meetings have become cross-party, allowing for additional refinement of work-plans to be undertaken during these discussions. This has also helped scrutiny depoliticise with no 'closed doors'.
- 3.9.4 Member training has progressed with support from the Centre for Public Scrutiny. The CfPS has run a bespoke session within the Council for scrutiny chairs and a number of members have benefited from courses highlighting good scrutiny practice nationally and within parliament. Individual support is offered to members as and when it is needed. Understanding of the role of scrutiny has improved amongst council officers as training has been provided through DMTs, especially on supporting scrutiny's policy development role.
- 3.9.5 The Overview and Scrutiny Commission is undertaking more of a coordinating role in prioritising the work of scrutiny review panels and associated resources. Updates at OSC from the Chairs of all scrutiny committees and reporting of their work-plans is also ensuring a more consistent approach across all Committees. A number of refinements to the ways of working across scrutiny have been developed to improve performance:
- A protocol has been agreed with the LSP setting out what is expected following the LGPIHA 2007, relationships are being developed with all themed partnerships within the LSP
 - Performance monitoring is undertaken by all committees based on LAA and other performance regimes. There is evidence of committees using this data to direct work programmes and targeting in-depth reviews e.g. Alcohol related hospital admissions

- Increased coordination of in-depth scrutiny reviews through an annual workplan, rather than each committee establishing reviews independently

3.9.6 The number of agenda items per committee meeting has been identified as an issue and members have agreed to more focused agendas, with an acceptance that agendas of around 3 items allow for greater discussion of issues. The number of reports to note has been reduced with an acceptance from Members that there needs to be a rationale for adding a topic to the agenda. Workplan monitoring includes what action has occurred as a result of the report. Committee work programmes are owned by the committee as a whole and developed through discussion at meetings, at chairs pre-meets in discussion with senior officers from directorates and are also thoroughly discussed at tripartite meetings.

3.9.7 Committees are undertaking more policy development work. Scrutiny policy development workshops have been run on the London Road Supplementary Planning Document, Cultural Strategy and Sustainable Communities Strategy amongst others. There is considerable evidence that scrutiny is influencing policy development across the city through its in depth reviews, those completed to date include:

- Dual Diagnosis of mental health and substance misuse
- Students in the Community
- Environmental Technologies
- GP-led health centre
- Children and alcohol related harm
- Older People and Community Safety

Reviews currently being undertaken:

- School Exclusions
- Climate Change Adaptation
- Dementia Strategy for the City
- Speed Limits
- Support services for rape victims
- Disability issues raised during peer review
- Street Access Issues
- Dignity at Work

3.9.8 Most of the proposals in the report have therefore either been implemented or are included in the plans for scrutiny.

3.10 **Developing the capacity and capability of Councillors**

3.10.1 The report is complimentary of the Member Development framework in the Council. It recognises that there is a good training programme overseen by the Member Development Working-Group. The programme and processes are based on a well established national development framework. The report comments on the absence of job descriptions or performance management

framework for members, including portfolio holders and the non-attendance by some Members of some core training events.

3.10.2 The cross-party Member Development Working-Group has, over the years, touched on some of the issues raised in the report. It however has always preferred to adopt a consensual approach that relies on Members' willing cooperation and participation rather than anything that may be perceived as an imposition. The question of performance management was discussed with Members and Group Leaders. In general, there were reservations about the introduction of job descriptions and performance management. However, the group is proposing to work towards the Member Development Charter Plus (the next stage after the Member Development Charter) which incorporates performance management for Councillors and consideration of Councillors development needs beyond their roles as Councillors. As part of this, the Working Group will be asked to consider the development and use of person specification for councillors and for specific roles held by Members such as Cabinet Members, Chairmen of Committees etc and in seeking to prepare for the Member Charter Plus award, consideration will be given to establishing a performance management framework that will focus on enabling councillors to improve, prepare for succession either in terms of roles as councillors or outside of the council and to have a more effective impact for the benefit of the people of Brighton and Hove.

3.10.3 The Working Group has recognised the need for certain 'core' elements of training to be offered to all Members and for them to be encouraged to attend these events. The timing of the events has been set to offer maximum take-up and alternative sessions at different times are either offered or arranged on request or on-line learning is made available. However, unless these elements are made compulsory (which is not the preference of the Member Development Group or Members generally) it is not possible to ensure all Members attend the core elements of the training package.

3.11 Partnership working and engaging with stakeholders

3.11.1 The report states that partnership working is strong and the overall approach to community consultation is good. It however recommends that the Council ensures that the community is better informed about the Council's priorities and performance.

3.11.2 As discussed under the heading "Community focus" above, the Council has agreed a set of priorities with its partners and the emerging Sustainable Communities Strategy reflects this. However, we will continue to ensure that the community is better informed about the Council's priorities and performance by incorporating these into our Communications Strategy.

4. CONSULTATION:

- 4.1 The findings in the report are based on consultation with Members, Officers and key partners. Relevant Officers were consulted in the preparation of the report.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 There are no financial implications arising from this report, the proposals within the action plan can be achieved within existing resources.

Finance Officer Consulted: Anne Silley

Date: 2.12.09

Legal Implications:

- 5.2 The Audit Commission report confirms that the formal constitution arrangements are sound and has not identified any issues of concern on the legality of any of the arrangements in place.

Lawyer Consulted: Abraham Ghebre-Ghiorghis

Date: 1.12.09

Equalities Implications:

- 5.3 There are no equalities implications arising from this report.

Sustainability Implications:

- 5.4 There are no sustainability implications arising from this report.

Crime & Disorder Implications:

- 5.5 The governance arrangements (including the anti fraud strategy) are robust enough to avoid and deal with any incidents of fraud, corruption or breaches of the law.

Risk and Opportunity Management Implications:

- 5.6 There are no significant risks identified in the report.

Corporate / Citywide Implications:

- 5.7 The Audit Commission report confirms that the Council has strong partnership arrangements and effective consultation processes with the public.

SUPPORTING DOCUMENTATION

Appendices:

1. Audit Commission Good Governance Report (Appendix 1).
2. Action Plan (Appendix 2).

