

REPORT TO: Cabinet Member - Performance and Governance

DATE: 2nd December 2009

SUBJECT: Governance Review

**WARDS
AFFECTED:** All

REPORT OF: Assistant Chief Executive (Management)

**CONTACT
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**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To formally update the Cabinet Member and Opposition Spokespersons on the current position in relation to the Governance Review

REASON WHY DECISION REQUIRED:

To provide a summary update in relation to the Governance Review to ensure that progress is reported through the Cabinet Member Structure

RECOMMENDATION(S):

That the Cabinet Member note progress in relation to the Governance Review

KEY DECISION: No

FORWARD PLAN: n/a

IMPLEMENTATION DATE: n/a

ALTERNATIVE OPTIONS:

Not applicable.

IMPLICATIONS:**Budget/Policy Framework:**

Financial: There are no direct financial implications arising from this report, as these have all been considered and taken account of in the Council's overall budget. There is reference in the report to using resources identified for the Governance Review Consultation which have been formally reported through the Cabinet Member for Corporate Services

<u>CAPITAL EXPENDITURE</u>	2006/ 2007 £	2007/ 2008 £	2008/ 2009 £	2009/ 2010 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: None**Risk Assessment:** None.**Asset Management:** None**CONSULTATION UNDERTAKEN/VIEWS:**

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	√		
2	Creating Safe Communities	√		
3	Jobs and Prosperity	√		
4	Improving Health and Well-Being	√		
5	Environmental Sustainability	√		
6	Creating Inclusive Communities	√		
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People	√		

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Governance Review Working Group agenda, reports and notes
Governance Review Baseline document
Governance Review Project Plan

1. Introduction

- 1.1 The Governance Review Working Group continues to meet to provide a steer to the workstreams identified in the Governance Review Baseline document produced and consulted on at the end of the last calendar year. There are a number of workstreams which are linked and have interrelated dependencies. An example of this is the Area Management Workstream and the Sefton Borough Partnership Workstream. The development of the Governance arrangements of the two are now dependent on each other.
- 1.2 The Workstreams are being delivered in line with a Project Plan for each, which is regularly discussed by the Working Group.
- 1.3 The purpose of this report is to formally update Members on progress in relation to the Governance Review and to explain how the review will progress in the coming months. The Working Group, at its next meeting, will be asked to review progress against all issues flagged up in the baseline report, with a view to developing a mid term report for the review.

2. Summary Progress

2.1 Changes to Executive Arrangements – Leader or Elected Mayor for Sefton

- 2.1.1 At the Council meeting on 3rd September, 2009, Members resolved that the proposals for a new constitution should be based on the new Style Leader and Cabinet model. The Cabinet at its meeting on 1st October and the Council on 22nd October 2009, agreed changes to the constitution to effect the necessary changes. At the time of writing this report, the agenda for the Cabinet meeting on 25th November has been despatched, but not yet considered. A report on that agenda requests the Cabinet to recommend to Council at its meeting on 17th December 2009, the electoral cycle for the Council.
- 2.1.2 The new style Leader model will come into effect at the local elections in May 2010. The next phase of work is to develop a convention which will regularise the arrangements in the Constitution. It is anticipated that this work will commence prior to Christmas to enable the necessary consultation and engagement with Political Groups to take place.
- 2.1.3 There are currently no proposals to make any changes to Cabinet Member Portfolios other than to make some minor adjustments to provide clarity in reporting arrangements for the new Organisational Structure which comes into place on 1st January 2010.
- 2.1.4 The above meets the statutory requirements of the review in that the necessary decisions will have been made during the permitted resolution period for Metropolitan Councils which ends on 31st December 2009.
- 2.1.5 Another interdependent workstream is to review Chief Officer Delegations. It is proposed that once the new arrangements have come into place after the local elections, and Cabinet Member Portfolios are refreshed, that any necessary changes arising will be made to the delegations. This will also tidy up changes arising from the new organisation structure which will come into place on 1st January 2010.

2.2 Area Management

- 2.2.1 The joint meeting of the Leaders and Area Committee Chairs at their recent meeting were informed of the outcome of a service, performance, and partnership mapping exercise to provide a baseline on the area level arrangements currently in place.
- 2.2.2 To support the development of area-based plans, a core evidence base has been brought together, which provides a first State of the Borough report. This evidence base will be

developed over the next 3 years, to refine understanding at a local and a strategic level of the needs and aspirations of communities within Sefton.

- 2.2.3 Informal meetings have been set up with each Area Committee, or groups of Area Committees with a shared community of interest to test out the evidence base and to refine understanding by building in Elected Members understanding of area based needs and aspirations. These meetings will take place early December with a view to holding a further Joint Leaders and Area Committee Chairs mid December. These informal meetings will also be used to develop the area Governance Structures.
- 2.2.4 The Cabinet on 27th November will be asked to approve interim staffing arrangements to enable the current Neighbourhoods staff, to concentrate on undertaking the next phase of work which will be to map resources at an area level using, where possible, the Total Place methodology. The timeline for the Area Management Workstream is that Cabinet will be asked in January 2010 to approve changes to the Governance arrangements.

2.3 Sefton Borough Partnership

- 2.3.1 The Borough Partnership established a small Review Group charged with examining the current arrangements, including reviewing the roles, responsibilities and membership of the Board and Executive.
- 2.3.2 The Review Group held a number of meetings, and has reported on progress through the SBP Board and Executive at the appropriate times and into the Governance Review Working Group, which is charged with responsibility for delivering the outcome of review.
- 2.3.3 The Review Group came to the view that the Boards focus was not sufficiently strategic enough, a view which the Audit Commission agreed with, during the early phase of the CAA process. To undertake a strategic role, the Membership of the Board is likely to change to reflect the key delivery partners within the Borough charged with responsibility for developing and collaboratively delivering the challenging Sustainable Community Strategy (SCS) for Sefton. The Review Group was minded of the need to refresh the SCS. The core evidence referred to above was therefore commissioned to support the Area Management Review, and to provide evidence to inform strategic prioritisation which will be captured in a refreshed Sustainable Community Strategy.
- 2.3.4 The Board is due to meet in December to undertake a visioning exercise using the core evidence base, and it is hoped that it will be used by partners to inform their own visioning/prioritisation. The intention is that the Council will use it to inform local prioritisation and understanding, and to inform strategic prioritisation which will be captured in a refreshed Corporate Plan. The Corporate Plan being the articulation of the SCS at a Council level.
- 2.3.5 The Board will be asked once this visioning exercise is complete to revise the Membership of the Board, a decision that will need to be formalised through the Cabinet, and that the role be more strategic in focus. In addition, it is proposed that the Executive be renamed as the Operations Board, and that a new role for the Operations Board, around delivery of outcomes and performance management, be introduced. Revised Governing Documents for the SBP are under development and will be considered by the Governance Review Group prior to the Board.
- 2.3.6 New arrangements are being developed for capturing and consulting more widely with existing Members of the Board/Executive and to widen this out to other partnerships, individuals, organisations and the community. These proposals will be developed for consideration by the Board, and ultimately will need to be agreed by the Cabinet.

- 2.3.7 The SBP has implemented revised Risk Management and Performance Management arrangements and these are currently being tested.
- 2.3.8 A set of principles for the Thematic Partnerships which underpin the SBP have been agreed by the Governance Review Working Group. However, these are on hold, pending the further development of the Area Management arrangements, referred to above.

2.4 **Other Partnerships/Outside Bodies**

- 2.4.1 There are two related workstreams underway. In relation to Partnerships, the Governance Review Working Group has agreed a definition for 'significant' Partnerships, which has been developed following a review of those Councils which have already commenced a partnership mapping and rationalisation exercise. All Departments of the Council have been asked to complete a survey, using the agreed definition of a significant Partnership. There are over 250 'partnerships', details of which have been captured, and of these around 100 are deemed to be significant. The results of the survey will be reported to the Working Group prior to Christmas. The partnerships are being mapped by theme and by geography so that links with area management arrangements can be developed. It is intended that once these links are developed, that Cabinet Members will be consulted as to how to improve greater clarity and benefits of the partnerships for the current executive arrangements.
- 2.4.2 With regards to Outside Bodies, a survey of all Outside Bodies has been undertaken, and where the organisations have websites, links have been made from the Councils website page on Outside Bodies to the organisation. All Outside Bodies are being grouped by Portfolio and the intention is to consult the appropriate Cabinet Member to ascertain whether there are links with the Portfolio, or whether there should be. This will then support a rationalisation of the Outside Bodies. The intention is that once this is complete, that a range of reporting back arrangements be developed to provide greater clarity of role and purpose in appointing members/officers to such bodies. These two workstreams have been merged, as they are interdependent and linked.

2.5 **Performance Management/Risk Management**

- 2.5.1 A revised Performance Management Framework (PMF) is under development, as are more robust Risk Management (RM) arrangements. The PMF is being developed to take account of performance management at an area level, as well as taking account of the PM/RM arrangements being tested with the SBP.
- 2.5.2 The new Framework includes more formalised roles and accountabilities for Officers, Cabinet Members, and the Cabinet. It develops the role of Cabinet Member for Performance and Governance, to include a wider outcome focused role, relative to the Council and the SBP. The Framework, articulates the role of Overview and Scrutiny in terms of performance and in particular, its wider role relative to the SBP and key statutory partners.
- 2.5.3 The Governance Review Working Group was recently informed and agreed the need to purchase a database system to enable the details of all Partnerships to be maintained, reviewed and made publicly available via the website. In addition, it is proposed that once the surveys have been returned, that a detailed exercise to review the governance documents thereof will be undertaken. It was agreed that the resources set aside for the consultation on the executive arrangements, be used to support the further development of this workstream. Without these resources, this workstream cannot be progressed to completion. It is estimated, based on the time taken by other Councils to complete this work, that this workstream will take up to three years, to conclude, due to the complex nature of the workstream. However, there are key milestones which will be delivered by the end of the current Municipal Year.

2.6 Overview and Scrutiny

- 2.6.1 The role of Overview and Scrutiny has been discussed with the Overview and Scrutiny Management Board, and as indicated above, and the role of O and S in performance, is being formalised in the new Performance Management Framework. Until the final Governance arrangements of the Area Management Structure have been developed through consultation with the Area Committee Members, it is not possible, to formalise fully the arrangements for Overview and Scrutiny of other statutory partners, and potentially other partnerships within the borough which are deemed significant. The O and S Management Board has agreed to defer consideration of further development of this structure, until the workstream on Area Management has progressed further and the structure has been developed further.

3. Strategic Budget Review

- 3.1 One of the workstreams of the strategic budget review is the integration of the functions of research, policy, strategy, data, intelligence, performance and other common functions. It is intended that this workstream will provide the infrastructure to support an increased need for strategic and local intelligence, which will enable the Council and its partners to have a shared evidence base which will support work in knowing and understanding our communities. This is required to demonstrate the Council and Partners, are resourcing priorities, based on clear identified need within the Borough.
- 3.2 The Performance Improvement Workstream of the SBR aims to ensure that once the new governance arrangements are in place, as described above, that these common functions will be able to better resource Place Shaping in the Borough.