

HIGHLAND COUNCIL

30th October 2014

Agenda Item	19
Report No	HC/33/14

Appointments to major external bodies and arms' length organisations

Report by Depute Chief Executive/Director Corporate Development

Summary

This report proposes revised arrangements for the appointment of Members to major external bodies and arms' length organisations. This proposal is made further to the recommendations of the Audit Scotland report which was reported to Highland Council in November 2011 and a follow-up report reported to Audit & Scrutiny Committee in September 2014.

1. Introduction

- 1.1 The Accounts Commission published *Arm's-length external organisations (ALEOs): are you getting it right?* in 2011. The purpose of the report was to stimulate change and improve performance. The ALEOs report was designed to promote and encourage good practice in the way ALEOs are set up and operated.
- 1.2 The Highland Council considered this report on 27th October 2011 and agreed that Internal Audit would undertake a review of the governance arrangements of all Highland Council Arms' Length External Organisations and report on this to the Audit and Scrutiny Committee.
- 1.3 Internal Audit completed this review and reported the findings to the Audit & Scrutiny Committee in November 2013. There were 8 main findings from the Internal Audit which gave an overall rating of Reasonable Assurance regarding the governance of ALEO's established by the Council. These actions have either been completed or are due to be completed by the end of 2014, as reported to the Resources Committee on 27th August 2014.
- 1.4 In 2014 Audit Scotland undertook a follow-up review of its original report and its conclusions were reported to the Audit & Scrutiny Committee on 24th September. The report concluded that the Council demonstrates basic practice in its governance arrangements covering ALEOs. Within this several areas of good practice were identified, including the following:
 - the council considered the findings and action arising from the Commission's *Arm's-length external organisations (ALEOs): are you getting it right?*
 - internal audit reviewed the governance arrangements of the council's ALEOs
 - internal audit reported in November 2013 that "Reasonable Assurance" could be provided over the council's governance arrangements for ALEOs

- the decision to set up or High Life Highland followed an appraisal of options for service delivery and was linked to its strategic aims/policy to provide a range of community learning and leisure services on its behalf
- service delivery contracts are used to specify and detail how the council will monitor the financial and performance of the ALEO
- training is available to council representatives to ensure clarity regarding the individuals roles and responsibilities

1.5 In addition to the actions already taken, to strengthen the governance of the Council's ALEO's and major external bodies, this report also proposes principles and revised arrangements for the appointment of Members to these bodies.

2. Revised Appointments Procedure

2.1 The following proposal relates to Highland Council appointments to the major external bodies and ALEO's – Highlife Highland, Inverness Leisure, Highland Opportunities Ltd and Eden Court.

2.2 The proposal is that:

- The ALEO / external body would be required to provide a specification of the skills required for the position of Director
- Following a request to make an appointment the Council would invite Expressions of Interest from Members interested in the position and they would be asked to submit a resume showing how they meet the required skills
- The Expressions of Interest would then be considered by a Panel of Members which would make a recommendation to Council (or the relevant Committee) to confirm the suitability of the Members who have expressed an interest in the position i.e. confirming that they meet the skills requirement, or otherwise
- It will be a condition of appointment that Members attend an Induction and appropriate training, including refresher training, during the term of their appointment

2.3 It is proposed that the Panel consist of the Leaders of the Administration Groups and the principal Opposition Group, with the Depute Leaders of each group as substitutes.

2.4 This Panel will have no authority to make appointments but will be responsible for assessing the resumes against the skills required and making a recommendation, to the Council or relevant Committee, as to which Members meet the skills requirement and can therefore be considered for appointment.

2.5 It is proposed that the arrangements be applied to new appointments made to the organisations listed in 2.1 above, but that further consideration may be given to extending this in the future to other large outside bodies to which the council provides significant funding.

3 Resource Implications

There are no financial, legal, equalities or rural implications arising directly from this report.

4 **Recommendations**

- 4.1 Members are asked to consider and approve the procedure for the appointments to major external bodies and Arms' Length Organisations, as detailed in 2.1.

Designation: Depute Chief Executive/Director Corporate Development

Date: 21 October 2014

Author: Michelle Morris