

THE HIGHLAND COUNCIL

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Agenda Item	14
Report No	HC/8/17

**Response to Accounts Commission Report:
Roles and Working Relationships: are you getting it right?**

Report by Depute Chief Executive/Director Corporate Development

Summary

The Accounts Commission has published a report, prepared by Audit Scotland, titled *How Councils Work*. The report is a follow-up to the report published in 2010 on *Roles and working relationships in councils – are you getting it right?*

This report provides a summary of the key issues highlighted and revisits the main themes within the challenges currently being experienced by Councils. It also makes suggestions for actions which Highland Council should take, particularly relevant within the context of the preparation for the new Council in May 2017.

1. Introduction

- 1.1 The report revisits the themes from the 2010 report on roles and relationships. It highlights the issues that are important to the governance of councils in the current climate and is intended to support councillors in their difficult and challenging role. It should also be used to help councils consider their current governance arrangements and make any necessary changes, including their preparation for the intake of new councillors following the May 2017 local government elections. Full copy of the report can be found [here](#).
- 1.2 The messages centre on the main themes of the original report:-
- Clear roles and responsibilities and arrangements for governance are up to date;
 - Effective working relationships, with councillors and officers demonstrating appropriate behaviours;
 - Councillors having the skills and tools to carry out their complex and evolving roles.
- 1.3 Councils need to have strong arrangements for governance and follow the broad principles of good governance set out in the CIPFA/SOLACE Framework which sets out 6 core principles:-
- Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the area;
 - Members and officers working together to achieve a common purpose with clearly defined roles and functions;

- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective;
- Engaging with local people and other stakeholders to ensure robust public accountability;

1.4 The Accounts Commission highlights the changing local government operating environment and the need for councillors and officers to work together in order to effectively manage significant change. The major changes are identified as being:-

- Continuing resource constraints and increasing demand on and expectations of public services;
- The integration of Health & Social Care and the change in governance for services;
- The increasing complexity of service delivery (ALEOs, Trusts, Special Purpose Vehicles, Charities etc) and often in partnership;
- The re-emphasis of Community Planning and the Community Empowerment Act, changing the relationship between councils and communities;
- The City Region Deal Programme, giving councils a more prominent role in leading the development of the local economy;
- The Community Justice (Scotland) Act 2016;
- The potential impact of the Scottish Government's Programme for Government;
- The implications of the UK decision to leave the EU.

1.5 The Commission concludes that the role of councillors is increasingly complex and that while working with communities to enable them to achieve their aspirations, they also need to work within financial constraints which means taking difficult strategic decisions which will impact on those communities. Councils are continuing to take incremental changes to services but that these are not sufficient or sustainable given the scale of the challenge ahead. A more strategic approach is needed with longer-term planning and a greater openness to alternative forms of service delivery, requiring both strong leadership and effective engagement with communities.

2. **Key Themes**

2.1 The report states that councillors and officers are at the heart of local government policy and service delivery and how they work together is fundamental to success. Good governance underpins these working relationships, which in turn provide a firm foundation for Best Value. Across the report the key messages are:

(i) **Councillors and officers must be clear on their roles**

The 2010 Report emphasised that clear governance, particularly officer and member roles and responsibilities, is essential for delivering effective public services. The recent report is clear that this fundamental principle remains valid. The Commission quotes the distinct roles and responsibilities, as identified in the Macintosh Report:

- The full council (comprising all councillors) is the governing body of the council that determines policy. It is ultimately responsible for ensuring the quality of service delivery;
- Councillors are elected to determine policy, not engage in the direct operational management of services – this is the responsibility of council officers;
- Officers advise and service the whole council. The council has a right to expect advice which is candid, expert and impartial.

The Commission goes on to comment that these distinctions are often easier to state than carry out consistently in practice. In addition new forms of service delivery and governance are increasing the complexity of the councillors and officers roles and they need to be able to adapt to working in partnerships and with external service providers.

(ii) Scrutiny is an essential part of effective decision-making

Councils must be transparent about the decisions they make and the quality of services they provide. The council's leadership must be scrutinised and held to account for its plans and performance. A pre-requisite for good scrutiny is that councillors must regularly attend committee meetings and actively take part in scrutiny, it is important to know who is asking questions over risk and resilience.

The Commission's Best Value work has highlighted that scrutiny works best where councillors receive good quality information on which to base their decisions. But, councillors need to be proactive and assure themselves that they have sufficient evidence before decisions are made. The information they receive should be balanced, comprehensive and understandable. If things go wrong it is not enough for councillors to say 'I wasn't told' or 'we were not given the information'.

(iii) The governance of partnerships and arm's-length bodies need to be considered from the outset

The Commission states that councils and their partners must give careful consideration to the governance arrangements for partnerships, joint boards and arm's-length organisations including councillor representation, scrutiny and public accountability which need to be considered at the outset.

(iv) Statutory officers need to have sufficient influence

Statutory officers have specific duties and discharge their role as part of their wider responsibilities within their council. They have an important and independent role in promoting and enforcing good governance and for making sure councils comply with legislation.

Councils must appoint the following statutory officers: Head of Paid Service, Monitoring Officer, Chief Financial Officer, Chief Social Worker and Chief Education Officer. Council Schemes of Delegation should set out what these roles involve and why they are important and the roles should be included in induction schemes for all new councillors. Councillors and committees should know when to seek advice from statutory officers to ensure that they operate legally and responsibly.

(v) Good conduct and behaviours are crucial

The Commission has stressed the importance of councillors and officers working well together. This means good working relationships built on trust, openness and mutual respect between all parties. Where this is absent it is difficult for any organisation to make progress.

Councillors and officers should send clear signals over how their people should behave and interact. Councillors should observe the ethical standards and behaviours set out in the Code of Conduct. Monitoring officers have a role to help them with this. Exit interviews for councillors are seldom done but could provide a useful reflection of how councils are run.

The 2010 report highlighted the benefits of using cross-party meetings to help foster good communication and working relationships between political groups. Similarly member-officer working groups can be useful for members to work more closely with officers.

Monitoring officers need to know how to act, and when. It is important they address issues at an early stage, nipping potential problems in the bud to prevent poor behaviour becoming an accepted part of how the council runs itself.

(vi) Councillors need the skills and tools to carry out their role

The increasing complexity of the local government environment, highlighted in the report, underlines the crucial importance of councillors having the skills, knowledge and confidence to provide demonstrable leadership, to undertake a wide variety of roles, and to manage the complexity effectively.

It is essential that councillors practice effective scrutiny, and decision-making to make sure that every pound they spend is spent wisely. There is an over-riding need for good governance and this can be especially challenging as service delivery arrangements become more complex.

Evidence indicates that councillors take up of training is at best variable and sometimes they have poor perceptions of the training they receive. However all councils provide compulsory training for the quasi-judicial roles in regulatory functions such as planning and licensing.

The Commission urges councils to go further and ensure that councillors receive training in the essential areas of scrutiny, audit and financial decision-making. Involving councillors in the design of training programmes can help to make them more relevant to their needs. However training and development should be an on-going process and newly elected councillors can be over-loaded at the start of their term.

3. Conclusions

- 3.1 The report includes a number of useful checklists for councillors and officers and it is proposed to use these as part of the Induction Programme for the new council and as part of on-going training and development programmes.
- 3.2 Highland Council continues to demonstrate many of the elements of good practice identified by the Accounts Commission including:
- Strong and positive working relationships between officers and councillors;
 - Training and development programmes, for officers and councillors, to promote awareness of roles and responsibilities;
 - The council's key governance documents (Standing Orders and Scheme of Delegation) are reviewed annually and reported to council for approval;
 - The Code of Corporate Governance is reviewed annually and reported to Audit Scrutiny Committee and Highland Council;
 - A Corporate Governance Statement is included in the Annual Accounts;
 - Effective use of cross-party working groups and officer-member working groups e.g. Redesign Board, ICT Executive Board;
 - Effective governance arrangements in place for partnerships and arms-length organisations – for example the City Region Deal, Community Planning and High Life Highland;
 - Community engagement and local decision-making through local committees and local partnerships and good progress in implementing the Community Empowerment Act;
 - The role and influence of Statutory Officers, ensuring that the council upholds good governance and acts legally and responsibly;
 - The preparation which is underway to ensure a proper induction for new councillors in May 2017;
- 3.3 It is important that the Council continues to review its governance and support for councillors and officers to ensure that continuous improvement is sustained in respect of strong corporate governance and positive working relationships between officers and councillors. It is recommended that the principle themes and good practice identified are used to inform and shape the Induction Programme currently being developed for the new council and, similarly, the on-going training and development programmes, for councillors and officers. As well as informing the structure of any new governance arrangements that may be established.

4. Recommendation

Members are asked to endorse the key issues and themes arising from the Accounts Commission report, the good practice already in place within the Council and the future actions to be taken to continue to promote good governance within the new Council from May 2017 onwards.