

REPORT OF THE CHIEF EXECUTIVE

**SUBJECT:
REVIEW OF GOVERNANCE ARRANGEMENTS**

Introduction

In order to meet the requirements of the Local Government Measure, the Authority is required to produce and agree an Annual Governance Statement. This was a new requirement for 2011-2012. While the Statement agreed by the Authority met the requirements of the Measure, feedback from officers of the Wales Audit Office, suggested that the Authority needed to undertake a process of reviewing its governance arrangements.

Discussions with our Internal Auditors at Pembrokeshire County Council suggested that we review our governance arrangements against standards identified by the Chartered Institute of Public Finance and Accountancy (CIPFA) for "*Delivering Good Governance in Local Government (Guidance for Welsh Authorities)*".

Officers have undertaken an exercise and a copy is provided as Annex A.

Members are invited to discuss the document and suggest amendments before agreeing the document.

Recommendation: Members are invited to discuss the document and suggest amendments before agreeing the document.

(For further information contact Tegryn Jones – Chief Executive)

ANNUAL GOVERNANCE STATEMENT AND REVIEW 2012 - 2013

Indicative overarching assessment questions for Authority Members & Authorities to ask themselves. [Source: CIPFA - Delivering Good Governance in Local Government (Guidance for Welsh Authorities)] Scores 5 Good – 1 Poor

Core Principle and related Questions	Response/Assessment
1. Good governance means focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area	
<ul style="list-style-type: none"> ▪ How clear are we about what we are trying to achieve as an Authority? 	5 – NPMP, Corporate Strategy, Staff survey, liP
<ul style="list-style-type: none"> ▪ Do we always have this at the front of our minds when we are planning or taking decisions? 	4 – Limited evidence, should evaluate against corp outcomes Zero based budgeting exercise
<ul style="list-style-type: none"> ▪ How well are we doing in achieving our intended outcomes? 	3 – Positive AIR report, however, some areas could be improved. Mixed results, affordable housing poor
<ul style="list-style-type: none"> ▪ How well do we communicate our vision to the community? 	3 – Limited evidence, mixed picture Consultation with Community Councils and partners
<ul style="list-style-type: none"> ▪ To what extent does the information that we have about the quality of service for users help us to make rigorous decisions about improving quality? 	2 – insufficient surveys asking right questions
<ul style="list-style-type: none"> ▪ Do we receive regular and comprehensive information on users' views of quality? 	3 – We are setting up a scorecard on Ffynnon to identify customer service data collected.
<ul style="list-style-type: none"> ▪ How could this information be improved? 	This will be identified following a review of the above
<ul style="list-style-type: none"> ▪ How well does the Organisation understand the views of the public and service users? 	Need a better understanding
<ul style="list-style-type: none"> ▪ Do we receive comprehensive and reliable information about these views and do we use it in decision making? 	Use of surveys has influenced decision making
2. Good governance means members and officers working together to achieve a common purpose with clearly defined functions and roles	
<ul style="list-style-type: none"> ▪ Do we all know what we are supposed to be doing? 	5 – Members charter & appraisal linked to Corporate Strategy
<ul style="list-style-type: none"> ▪ Is our approach to each of the Authority's main functions clearly set out and understood by all the Authority members and the Chair and senior Members? 	5 – Corporate Strategy
<ul style="list-style-type: none"> ▪ Have we formally agreed on the types of decisions that are delegated to the executive/committees and those that are reserved for the Full Authority? 	4 – being reviewed and formalised
<ul style="list-style-type: none"> ▪ What does the size and complexity of our Organisation mean for the ways in which we approach each of the main functions of governance? 	5 – Small organisation with good co-operation

Core Principle and related Questions	Response/Assessment
<ul style="list-style-type: none"> ▪ Are the governance arrangements understood throughout the Authority? What efforts have been made to 'demystify' the concepts of governance? Have they been successful? 	4 - Recent changes in management team and introduction of Leadership group has spread governance more widely
<ul style="list-style-type: none"> ▪ How clearly have we defined the respective roles and responsibilities of the non-executives and the executive, and of the Chair and the Chief Executive? 	3 – may need to be reviewed and formally agreed
<ul style="list-style-type: none"> ▪ Do all members of the Authority take collective responsibility for its decisions? 	4 – Yes
<p>3. Good governance means promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour</p>	
<ul style="list-style-type: none"> ▪ In what ways does our behaviour, collectively as a 'governing body' and individually as 'governors', show that we take our responsibilities to the Organisation and its stakeholders very seriously? 	5 – high member attendance, good quality of debate at committee, good relationship between members and officers
<ul style="list-style-type: none"> ▪ Are there any ways in which our behaviour might weaken the Organisation's aims and values? 	In some cases the informality of meetings may create this impression, but this is not generally an issue.
<ul style="list-style-type: none"> ▪ Does the Standards Committee act as the main means to raise awareness? Does it take the lead in ensuring high standards of conduct are firmly embedded within the local culture? 	No. This role is undertaken by the Chair, Monitoring Officer, Chief Executive and Administration and Democratic Services Manager
<ul style="list-style-type: none"> ▪ What are the values that we expect the staff to demonstrate in their behaviour and actions? 	Honesty, integrity, transparency and the Values identified in the Corporate Strategy
<ul style="list-style-type: none"> ▪ How well are these values reflected in our approach to decision making? 	5 – good
<ul style="list-style-type: none"> ▪ What more should we do to ensure these values guide our actions and those of staff? 	Better communication
<p>4. Good governance means taking informed, transparent decisions which are subject to effective scrutiny and managing risk</p>	
<ul style="list-style-type: none"> ▪ How well do our meetings work? 	5 – open, transparent, good quality of reports
<ul style="list-style-type: none"> ▪ What could we do to make them more productive and do our business more effectively? 	Pilot different approaches such evening meetings and holding meetings at different locations.
<ul style="list-style-type: none"> ▪ Is the quality of information received across service areas consistent, including partnerships? 	4 – We are currently implementing Ffynnon which is providing consistency .Some partners not always willing to provide information or make decisions – RoW delegation

Core Principle and related Questions	Response/Assessment
<ul style="list-style-type: none"> ▪ To what extent does the information that we have on costs and performance help us to make rigorous decisions about improving value for money? 	5 – accurate and current budget data always available
<ul style="list-style-type: none"> ▪ How effectively do we use this information when we are planning and taking decisions? How well do we understand how the value we provide compares with that of similar Organisations? 	3 – need better bench mark data, although often difficult to find genuine comparable authorities
<ul style="list-style-type: none"> ▪ Is this set out in a clear and up-to-date statement? 	1 – Not currently
<ul style="list-style-type: none"> ▪ How effective is this as a guide to action for the Full Authority and Committees/Executive? 	NA
<ul style="list-style-type: none"> ▪ How well do we explain the reasons for our decisions to all those who might be affected by them? 	3 – We need to improve
<ul style="list-style-type: none"> ▪ Are decision-making processes properly adhered to? 	4 – Yes, although we need to improve recording of decision making
<ul style="list-style-type: none"> ▪ How do we ensure the Full Authority maintains a key role in debating decisions? 	5 – All decisions except planning are made by full authority
<ul style="list-style-type: none"> ▪ Is the information received by all Authority Members robust and objective and appropriate for their needs? 	5 – Member surveys confirmed info quality. Additional data provided if requested.
<ul style="list-style-type: none"> ▪ How could the information received be improved to help improve our decision making? 	Regular consultation with Members to ensure they are happy with information
<ul style="list-style-type: none"> ▪ Do we take professional advice to inform and support our decision making when it is sensible and appropriate to do so? 	5 – legal and expert advice sought when necessary. Solva case, Sageston, Carew etc
<ul style="list-style-type: none"> ▪ How effective is the Organisation’s risk management system? 	3 – Reasonable cover, but needs to be developed further and linked to work programmes
<ul style="list-style-type: none"> ▪ How do we review whether this system is working effectively? 	Recent changes to our Risk Management process. We will review effectiveness next year
<ul style="list-style-type: none"> ▪ Do we develop an action plan to correct any deficiencies in the systems? 	Currently no, but will develop one after the review
<ul style="list-style-type: none"> ▪ If so, do we publish this each year? 	We will do
<ul style="list-style-type: none"> ▪ Is the scrutiny function adequately resourced? 	2 – in the process of being developed – with BBNP
<ul style="list-style-type: none"> ▪ Does the scrutiny function work effectively? Is the outcome of constructive scrutiny taken into account? 	2 – in pilot stage, but will be introduced during 2012
<p>5. Good governance means developing the capacity and capability of Members and Officers to be effective</p>	
<ul style="list-style-type: none"> ▪ What skills have we decided that Members must have to do their jobs effectively? 	Skills identified as part of the Member Charter process
<ul style="list-style-type: none"> ▪ How well do the political parties identify people with the necessary skills to seek election and reach people from a wide cross-section of society? 	Not relevant to NPA

Core Principle and related Questions	Response/Assessment
<ul style="list-style-type: none"> What more could we do to make sure that becoming an authority member is practical for as many people as possible? 	Encourage local groups to apply for WG appointment
<ul style="list-style-type: none"> How effective are we at developing our skills and updating our knowledge? 	4 – Good induction for officers and members, regular workshops, training programmes
<ul style="list-style-type: none"> How effective are political parties at reviewing the performance of individual members? 	Not relevant
<ul style="list-style-type: none"> Do we put into practice action plans for improving our performance as an authority? 	4 – member development programme
<ul style="list-style-type: none"> How do we ensure officers have the necessary skills to do their jobs? Are officers adequately resourced? 	Twice yearly appraisals to agree work programme and training needs
<ul style="list-style-type: none"> Is it possible to find a balance between continuity of knowledge and renewal of thinking in the authority membership? Do we have a policy on succession planning? 	WG appointees have limited membership period
<ul style="list-style-type: none"> Does this need to be reviewed? 	No
6. Good governance means engaging with local people and other stakeholders to ensure robust public accountability	
<ul style="list-style-type: none"> Who are we accountable to and for what? 	Welsh –Government and residents and visitors to the National Park
<ul style="list-style-type: none"> How well does each of these accountability relationships work? 	5 – Regular meetings with Minister and WG officials. Communication with the public
<ul style="list-style-type: none"> Do we need to take steps to clarify or strengthen any relationships? 	WG preparing new policy statement and revising approach to Strategic Grant Letter. We could improve our communication with the public
<ul style="list-style-type: none"> Do we need to negotiate a shift in the balance between different accountability relationships? 	No
<ul style="list-style-type: none"> How do we deal with competing demands and priorities from different sections of the community? Are the processes we use effective? 	Consultation, surveys, community meetings.
<ul style="list-style-type: none"> What is our policy on how the Organisation should consult the public and service users? 	We currently do not have a policy
<ul style="list-style-type: none"> Does it explain clearly the sorts of issues on which it will consult which groups and how it will use the information it receives? 	NA
<ul style="list-style-type: none"> Do we need to review this policy and its implementation? 	NA
<ul style="list-style-type: none"> What is our policy on consulting and involving staff and their representatives in decision making? 	Staff reps group, staff forum with members, union reps when relevant and Staff meetings
<ul style="list-style-type: none"> Is this communicated clearly to staff? 	Yes

Core Principle and related Questions	Response/Assessment
<ul style="list-style-type: none"> ▪ How well do we follow this in practice? 	5 –
<ul style="list-style-type: none"> ▪ How effective are systems within the Organisation for protecting the rights of staff? 	5 - clear personnel procedures
<ul style="list-style-type: none"> ▪ Who are the institutional stakeholders that we need to have good relationships with? 	WG, CCW, PCC, NT, Cadw
<ul style="list-style-type: none"> ▪ How do we organise ourselves to take the lead in developing relationships with other Organisations at the most senior level? 	At CEO/Director level, and with member if appropriate
<ul style="list-style-type: none"> ▪ How well do we exercise ‘leadership’ for the community? 	3 We only have a limited range of areas where we are the community lead?
<ul style="list-style-type: none"> ▪ Are we upholding and demonstrating the spirit and ethos of good governance that the Framework sets out to capture? 	5 -
<ul style="list-style-type: none"> ▪ Do we have a process for regularly reviewing our governance arrangements and practice against the Framework? 	3 – first review underway
<ul style="list-style-type: none"> ▪ What further improvements do we need to make? 	To be identified following review
<ul style="list-style-type: none"> ▪ Are we making public the results of our reviews and our plans for future improvements? Are we inviting feedback from stakeholders and service users? 	Will be included in corporate assessment and reported to members.