

REPORT TO: COMMUNITY PLANNING BOARD ON 19 NOVEMBER 2009

SUBJECT: GOVERNANCE ARRANGEMENTS

BY: CORPORATE POLICY UNIT MANAGER

1. REASON FOR REPORT

- 1.1 The Scottish Government expect that the Community Planning Board's role and decision making responsibility will grow over time.
- 1.2 It has already been made clear that, given the current difficult financial climate, there is an expectation that partners will pool and share resources in order to deliver priorities. This is especially important over the next few years when budgets are likely to be constrained and demand for services continues to increase.
- 1.3 Our response to this situation as a partnership necessarily requires that formal governance arrangements be reviewed and agreed between partners in order to ensure proper regulation of Board decisions.
- 1.4 The Community Planning Board is asked to consider a number of issues outlined in this report with a view to finding a way forward which falls in line with government expectations. It would also be useful if partners highlighted any other issues which could usefully be reviewed at this time.

2. RECOMMENDATIONS

A formal response is sought from each partner regarding the following issues in order to guide the future shape of governance arrangements :-

- **Clarity of accountability for delivery of the Single Outcome Agreement**
- **Clarity of accountability and responsibility for delivery of individual outcomes**
- **Development of Service Level Agreements for outcomes delivered in partnership**
- **Ensuring data on outcomes is accurate and robust**
- **Sharing of strategic plans and budgets**
- **Consulting with partners in respect of strategic plans and budgets**
- **Long term aim of establishing the "Total Place" budget**

3. BACKGROUND

- 3.1 Governance is the system by which the Partnership is directed and controlled. Governance specifies the distribution of roles and responsibilities and by doing this, it provides the structure through which the Partnership's objectives are

set, the means of attaining them and how performance is monitored and scrutinised.

Summary of Current Arrangements

- 3.2 At the moment the Community Planning Board oversees the work of the 5 strategic theme groups and the Community Engagement Group. It has overall responsibility for delivery of the Single Outcome Agreement through collective monitoring and challenge.
- 3.3 Individual members of the Community Planning Board are able to release resources within their organisations to assist with the delivery of S.O.A. outcomes and other Community Planning initiatives.
- 3.4 The Community Planning Board holds a small budget with contributions from partners for the purpose of corporate community planning administration.
- 3.5 The Board can delegate responsibility for the delivery of actions to theme groups. While this workload is delegated, ultimate responsibility for delivery of the outcomes remains with the Board.
- 3.6 As recognised within the current Partnership Agreement, Partners within the Community Planning Partnership retain autonomy for their organisation i.e. the Community Planning Partnership works on the basis of co-operation between partners. Where strategic decisions require to be taken then officers can refer the matter back to their respective organisations for consideration. Similarly, the Board cannot seek financial contributions from partners without the matter being subject to consultation with the individual agencies.
- 3.7 The current partnership also takes account of the respective roles of Members and officers within their respective agencies. Within the Partnership Agreement it is expected that partners will respect the operational arrangements of each organisation and how that relates to the workings of the Partnership. This means that Council officers act as advisors and not voting members and that Elected Members have to ensure they do not prejudice their regulatory role within the Council through the Partnerships activities. Officers of other agencies have varying levels of executive responsibility within their own agency and hence the partnership.
- 3.8 Theme groups can delegate responsibility to operational groups to carry out work on their behalf. However, the responsibility for the overall delivery of the initiative still rests with the theme group and ultimately the Board.
- 3.9 Partners can hold and manage funds on behalf of the Community Planning Partnership e.g. the Fairer Scotland Fund where decisions on the allocation of resources are made by the Board. At this stage, however, it is recognised that accountability for the stewardship of those resources resides with the Council.

Future Governance Arrangements

- 3.10 The Scottish Government expect that the Community Planning Board's power and decision making responsibility will grow over time. Scottish Government believe that partners may require to share and pool budgets in order to deliver S.O.A. outcomes in the face of the considerable financial constraints which all partners will face as a result of the economic decline. This will necessarily require that formal governance arrangements are developed by the partnership to ensure proper regulation of decisions. The single outcome agreement includes a commitment to reviewing governance arrangements and it would now be appropriate to review some of the key issues :-

Clarity of accountability for delivery of the Single Outcome Agreement

- 3.11 The Community Planning Board is responsible and accountable for the delivery of the Single Outcome Agreement and all partners have signed the agreement. We need to consider how we will deal with results from the scrutiny process and how we will work together when additional work or resources requires to be applied in a specific area.

Clarity of responsibility and accountability for delivery of outcomes

- 3.12 Currently resources are aligned to support projects and initiatives which are being delivered in partnership with some service level agreements defining proper monitoring and management arrangements.
- 3.13 Service level agreements are not in place in every situation and the level of resources available for specific initiatives can be varied by a single agency which then compromises the partnership's ability to deliver a particular initiative.
- 3.14 There would be real benefit to the partnership in defining the budgets which will be made available to support specific projects and initiatives in order to assist future planning and monitoring. This may, however, conflict with current budgeting or planning processes within individual agencies.
- 3.15 It is proposed that we develop Service Level Agreements for all outcomes which will be delivered in partnership. These agreements will define all budget and resource commitments and contributions required from partners. They will also detail the monitoring arrangements and timescales to ensure outcomes are delivered on time.

Ensuring data on outcomes is accurate and robust

- 3.16 It is planned that monitoring reports on the delivery of S.O.A. outcomes will be submitted to the Community Planning Board and theme groups quarterly. To date, such monitoring reports have relied on updates from each of the partners. However, some partners are better organised to provide information for monitoring than others which leave the monitoring of the Single Outcome Agreement less robust than it could be.
- 3.17 Commitment is required from all partners to provide accurate and timely information for monitoring and reporting purposes.

Sharing of strategic plans and budgets

- 3.18 There is little history of sharing budget information for services in Moray other than in isolated cases such as the Joint Future initiative.
- 3.19 The boundaries of agencies in Moray are not contiguous. The strategic headquarters for health, police and fire services are based in Aberdeen and the enterprise company headquarters is in Inverness. The availability of budget information for services in Moray requires to be clarified. There is also an issue regarding services based outwith Moray which are paid for by requisitions from the Council.
- 3.20 It is also clear that there is an expectation that Moray will contribute to the financing of major strategic projects outwith our boundaries and we need to consider how this information can be captured and considered by the partnership.

Consulting with partners in respect of strategic plans and budgets

- 3.21 Following on from the issue above, there is no history of systematic consultation with community planning partners regarding strategic plans. Information has often been shared only after an annual plan has been printed.
- 3.22 It would be beneficial if the Corporate Plans and the main Strategic Plans of individual partners were provided to the Partnership for consultation prior to final agreement by the host partner. This will allow consideration of how strategic priorities for individual agencies align with Single Outcome Agreement priorities.
- 3.23 Partners reviewing and consulting with each other on draft budget proposals prior to the final budget being agreed by the individual partners would also be of benefit. The collective impact of budget decisions by individual partners may have a wider impact on the community than is anticipated – we need to protect against this. Sharing of information will ensure a collective understanding of the impact of financial savings made by each individual partner on the community. It also ensures that resource and budget commitments are transparent to enable the Community Planning Partnership to hold partners accountable for their contribution to priorities.
- 3.24 There is also a growing expectation from government that we will align our capital budgets and we need to consider whether we should move to this position in the short term.

Long term aim of establishing the “Total Place” budget

- 3.25 To enable proper budget and resource sharing, a “Total Place” budget will have to be established at some date in the future. A Total Place budget would detail all spend in Moray by all partners. This then creates a Moray budget which should align to strategic priorities in the Single Outcome Agreement.
- 3.26 We need to consider how we can move towards sharing budgets and resources to ensure that priorities can be delivered in the current stringent financial climate.

4. SUMMARY OF IMPLICATIONS

(a) Single Outcome Agreement/Service Improvement Plan

The Plans will require to be aligned with the requirements of good governance. As these Plans will need in any event to be aligned with the Single Outcome Agreement the implications should be minimal.

(b) Policy and Legal

These proposals comply with the requirements placed upon the Council in respect of governance, public accountability, scrutiny and the criteria emerging for Best Value 2.

(c) Resources (Financial, Risks, Staffing and Property)

These are resource issues related to these proposals. However lack of sound stewardship of public money will expose the Partnership to risk. Clarity of lines of partner’s accountability and scrutiny is necessary to meet Scottish Government expectations.

(d) Consultations

Chief Executive and Chief Legal Officer, Moray Council who are in agreement with this report.

5.0 CONCLUSION

- 5.1 To move forward, Community Planning Partners requires to discuss a number of potentially difficult issues which will impact on how the various agencies currently plan and budget for services.
- 5.2 It is recognised that these issues offer a significant challenge to all partners. It is, however, essential that they be addressed now if we are to move a situation where we can focus on the delivery of priorities and share and pool budgets.

5.3 After the Community Planning Partnership has considered the individual issues we will be in a better position to move towards the realisation of government expectations for community planning and single outcome agreements.

Author of Report:

Background Papers:

Ref: