

**Centre for Governance and Scrutiny**

**PETERBOROUGH CITY COUNCIL – SUPPORT ON GOVERNANCE RENEWAL**

**REPORT**

**Final draft – 12 December 2023**

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## **Introduction**

The Centre for Governance and Scrutiny has been commissioned by Peterborough City Council (the Council), in concert with the Local Government Association (LGA), to provide support in the undertaking of a review of the governance arrangements.

## **Method**

The paper is based on the following evidence:

A series of 14 interviews carried out over MS Teams in June and July 2023;

Some email correspondence;

A confidential survey<sup>1</sup> was issued to approximately 100 people of which 67 people (Members, 26 and Officers, 41) responded. This is an encouraging response rate of 67%. Officers in receipt of the survey were drawn from the Council's Extended Leadership Team and additional officers who could attest to the health, or otherwise, of the Council's governance processes.

A desktop analysis of:

- The current constitution, and connected parts of the governance framework, to understand how decision-making and oversight systems operate;
- Reviewing the process in which a small number of executive decisions were made;
- The Forward Plan;
- Business undertaken by the Overview and Scrutiny function, by the review and analysis of agendas, minutes and, if available, audio recordings/webinars.
- Business undertaken by the audit committee, by the review and analysis of agendas, minutes and, if available, audio recordings/webinars.

Previous work undertaken: CfGS notes that work was carried out by the Council in 2014-16 and again in 2022-23 to review governance options. Detailed information on the proceedings of these exercises

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<sup>1</sup> The survey was issued to Members, Extended Corporate Leadership Team and forwarded to those staff who have a close relationship to the Council's executive decision making system. It is understood that 100 individuals were invited to make comments.

was not passed by CfGS, although we were aware of them. We would note that this material did not form the basis of detailed study as there appeared to us to be limited appetite to undertake formal governance change amongst interviewees.

## **Executive Summary and Moving Forward**

This Council has undergone, and will continue to undergo, significant change due to the installation of an Improvement Panel – the lowest level of statutory intervention as part of the Local Government Act 1999 – as a result of the financial challenges the Council faced in 2021/22.

The CfGS has surfaced, as part of this review, a positive step change in culture, transparency and openness which has been felt and clearly articulated by Members and Officers alike. Efforts are being actively made to improve governance and transparency and the Council should acknowledge this.

However, there remains opportunities to go further. Our work has highlighted a range of ways in which to take active steps to strengthen governance and decision making at the Council. These cover a range of areas such as improved decision planning, creating and strengthening relationships across officers and between Members and Officers, improving report writing, amplifying the roles and responsibilities of individual Statutory Officers and their role as a cohesive team as well as the Council’s decision-making architecture. We also make recommendations on the role of the Audit Committee and Overview and Scrutiny. Individually they require a range of efforts but collectively require considerable initial and longer-term effort to affect change and build on the improvement culture in place.

Linked to this, we have also surfaced evidence in respect of a move to the Committee System. In order to re-engage in this topic we would suggest that the Council would need to demonstrate relatively substantial member interest in re-opening the issue; in Peterborough’s case this is not present. That said, we recognise that this is not a universal view.

Next Steps:

1. That the Council considers the report and recommendations made;
2. That the Council makes plans to deliver the recommendations identified in the report.

## **Key Finding – Forward Planning, Reports and Decision Making**

### **Forward Planning**

We heard, as part of the extensive interviews we have undertaken, that strategic planning has improved at the City Council. A new, evidence based strategic plan and clearer delivery arrangements via a Corporate Delivery Unit. This has enabled the Council to prioritise resources, drive engagement and ultimately delivery.

A small number of conversations did however reference the current electoral cycle as a barrier to longer term planning. It is understood that the Improvement Panel have called on the Council *for a second time* to strongly consider moving to ‘all out’ elections. It is hoped that this request is carefully considered, again, by the Council.

A reasonably recent change has been the creation of the Financial Sustainability Working Group (FSWG) which brings together Political Group Leaders and Deputies. This Group receives extensive information relating to the Council’s finance and governance improvement, as well as relevant key issues and upcoming decisions, to drive understanding, consider choices and gain consensus. It is understood that highly sensitive information is shared and that Members of all parties are trusted to maintain confidentiality. Members wholeheartedly welcome this approach and we are of the view that such an arrangement would be the envy of a great number of Councils in England.

This however must be balanced against our survey responses in which just under 50% of Councillors and Senior Officers were not of the clear view that there is a strong focus on looking to the future to set

priorities. The electoral cycle which the City has could be a driver to this. That said, we encourage the Council to maintain such forums once the work of the Improvement Panel comes to an end, ensuring that Members are firmly cited on the strategic issues facing the city and the Council's budget.

We also understood from Senior Officers interviewed that the Council had, with the support of the Improvement Panel, moved to taking key decisions collectively at Cabinet instead of individual cabinet member decisions. This was to drive better coordination of decisions and foster collective responsibility across the Cabinet for decisions of magnitude. We found no significant evidence (or appetite) for a return to the previous model although we recognise that there is not consensus on this issue. As such, we would encourage the Council to maintain this local principle. We did find a decision that did not meet this working principle, that of the resurfacing of a temporary car park to support the Regional Pool, which we discuss later in this report.

We reviewed a number of iterations of the Forward Plan to assess the alignment of strong *strategic* planning, to strong *operational* planning in respect of decision making. We have seen good evidence that systems are working. Some decisions are being placed on the Forward Plan at short notice - the most current example being investment in Peterborough HE Property Company. However, the bulk of items are being placed in a timely, and in some cases a very timely fashion. This is good practice in respect of transparency for the public and enabling the Overview and Scrutiny function to add significant value via its work programme. The Council may wish to explore augmenting the current approach towards the Forward Plan by expanding the timeframe to capture decisions over a longer period. This could provide additional benefits in respect of planning work and ensuring the timing of decisions is in alignment with wider needs.

**Recommendation 1:** That the Council considers extending the timeframe of the forward plan to cover decisions made over a longer period eg. four months to further strengthen the alignment of strategic and operational planning in respect of decision making.

We also reviewed the use of urgency provisions under executive arrangements. Since June 2022 and June 2023 there have been a series of decisions that have used at least one of the urgency provisions. These decisions cover commercial deals, Government funding, procurements, small grants et al. Those decisions and the conditions around making those decisions is provided to Council in varying levels of detail. The Council and those officers with responsibilities for those areas have the sharp understanding of the conditions in which urgency was used and should continually learn lessons to improve on planning and overall accuracy.

The use of urgency, over that time period, has lessened. In the survey we undertook, questions relating to urgency were an outlier against other questions asked. A little over 30% of responses disagreed or strongly disagreed that decision making was working at the correct speed. Given what we have seen and heard, we are of the view this relates to decisions being made too quickly. We heard no evidence that decision making is too slow.

Reducing the number of urgent decisions is particularly relevant for Councils who have had financial challenges in recent history to ensure proper consideration of options in good time and have significant regard for the advice of Statutory Officers. To that end, the Council should work hard to effectively identify the individual governance needs of decisions. A healthy reduction in the use of urgency is a key indicator of how well the Council translates its strategic plans into operational decision making and ultimately, transparency of decision making. This Council is demonstrating clear improvement, but there are further opportunities.

Later in this report, we review a small number of decisions made with some urgency and outline opportunities for learning. To that end, it would be prudent for the Council to actively discuss the role of urgency, what a reasonable use of urgency is, the roles of Members and Officers, and why overuse is unhealthy.

**Recommendation 2:** That the Monitoring Officer, supported by the Head of Paid Service, the S.151 Officer and the wider governance team make plans to upskill colleagues, Scrutiny Chairs, Executive

Members and the Mayor in the appropriate use of urgency. *This could take the form of a workshop/s setting out the role of urgency, when to use and roles and responsibilities.*

We also noted that there have been four extraordinary meetings of Cabinet since September 2022. Whilst it is a strength of the Council to ensure decisions can be taken swiftly, and sometimes decisions do require urgency, it could signal a gap in translating the organisation's longer-term strategy into decision making, and possibly challenges in coordinating work and the input of senior colleagues and Members.

## **Decision Making and Reports**

The survey issued received a very encouraging response rate and that survey raised some questions about how the Council performs its governance responsibilities. We noted that against questions relating to the council's commitment to accountability, the value of overview and scrutiny as well as risk management, confidence in making difficult decisions and use of evidence to make decisions, a proportion of respondents (range 26% and 38%) responded that they neither agreed nor disagreed with the precise question posed. That appears to be a significant amount of senior people including Councillors who are somewhat unclear as to how well, or otherwise, the Council performs these responsibilities. This also came across in some of the interviews we held with Members and one Member stated with some conviction that 'one third of Members have no role on the Council'. Put together, we found this to be a very curious set of responses which the CfGS were unable to explain within our diagnostic. We share the complete responses at **Appendix 1**.

**Recommendation 3:** That the Council reflects on the survey results with especial reference to the level of responses in which respondents could neither agree or disagree to provoke discussion, understanding of what these results could indicate and take any required action.

As part of our methodology, we reviewed a series of key and non – key executive decisions. This is to act as an indicator of the overall health and quality of the decision-making process and provide reflections on the material used to make decisions and any other related matters.

This doesn't represent an audit of these decisions nor does it represent a view on whether the decisions should or shouldn't have been made. The three decisions we reviewed were: -

- Acquisition of Sand Martin House – April 2023
- Award of Contract For Construction of A New Temporary Surface Car Park Supporting the Regional Pool and the University of Peterborough Project – March 2023
- Compensation for Stage 2 Statutory Complaint Outcome – February 2023

The three decisions, and earlier consideration of the Forward Plan, demonstrate that the decision-making system can operate to a variety of different speeds. Two of these decisions were made within 2-3 weeks and both of them utilised urgency provisions including the waiving of call in by the relevant Scrutiny Committee Chairman or the Mayor.

Cross cutting themes arising from the three decisions are presented first, with decision specific recommendations following.

## **Report writing**

We noted that across the three decisions, the underpinning reports could have provide additional detail to support the decisions to be made. Ultimately, the more significant the decision, the greater the need for a sound report and Members should make an informed decision based on what is presented to them at a meeting purposefully called to take the decision. We recognise the immense pressures that colleagues are under and that reports can take significant time and coordination to craft. However, they are an essential tool to arriving at and ultimately making good decisions that serve the best interests of the authority.

**Recommendation 4:** That the Monitoring Officer, supported by the Head of Paid Service and the S.151 Officer provide support to the organisation on report writing and arrive at ways in which to incorporate additional quality assurance into reports. *This could be delivered through training or guidance notes.*

*An accompanying, and more muscular approach, should be a shared commitment from statutory officers or their nominated deputies to not clear reports that are not of a good standard. This will require Executive Member and Statutory Officer support.*

### **Process and Role of Statutory Officers**

We have heard of the need to strengthen the accountability of officers who have responsibility for providing Members with advice prior to decision making. Whilst a positive move, it would appear that the refresh of processes to drive such accountability has led to some inefficiencies in how this is done in practice. This came across in the survey and during the interviews. Furthermore, there remains a lack of commitment to these processes in some parts of the organisation and restating their importance would be timely.

Robust advice shared by the S151, MO and Head of Paid Service must be heard and considered in light of their statutory responsibilities. We noted that the Council typically uses a sign off sheet at the rear of all Cabinet reports to provide assurance to decision makers that relevant issues relating to the decision have been taken into consideration and clearances sought from its most senior officers.

In respect of the key decision to purchase Sand Martin House, it is understood that the S151 drafted the report with relevant advice and clearances from the Deputy s151 and the Monitoring Officer. We also understand that very detailed and extensive work had taken place over a series of months with Council colleagues and those sitting on the Improvement Panel to provide rigorous check and challenge to strengthen the case to Members in which to facilitate the purchase of the building.

In respect of the decision to resurface a temporary car park, this key decision (taken as a Cabinet Member Decision and therefore outside of the agreed practice of key decisions being taken at Cabinet) was cleared below S151 level. It is understood that this is a demonstration of the strong working confidence the S151 Officer has in her staff to sign off decisions that meet specific tests. However, there could be opportunities for the S151 and other Golden Triangle colleagues to have a stronger, direct grip on the most significant and/or key decisions that the Council will make.

Given that revised *Best Value Standards and Intervention*<sup>2</sup> guidance by DLUHC is soon to be issued there could be opportunities to use this as a moment to place all statutory officers on a stronger and clearer footing within the organisation's decision-making systems and architecture - directing standards, ensuring that internal processes are met and continually improved upon. Relevant here is the following passage from the draft guidance:-

*'Statutory officers must work effectively together and all must have a voice for key decisions'*

The value of the 'Golden Triangle' is critical to a well-functioning authority and there are opportunities for colleagues to refresh current practices where it will be useful to.

**Recommendation 5:** That statutory officers reflect on how they can have a stronger role within the governance framework of the Council. That they strengthen and embed their collective approach to good governance and role model that approach.

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<sup>2</sup> The consultation on the draft came to an end early August 2023. The department will publish it shortly.

*This could take the form of internal conversations, facilitated by CfGS, if needed and with support from organisations such as CIPFA and LLG, again, if needed.*

**Recommendation 6:** That the Monitoring Officer revisits current principles and the operation of those principles and processes in which to handle reports and secure departmental and/or statutory officer clearance for all executive decisions.

*As with the recommendation above, this could take the form of facilitated conversations and refreshed working documents, if needed.*

### **Award of Contract For Construction of A New Temporary Surface Car Park Supporting the Regional Pool and the University of Peterborough Project – March 2023**

We noted that HMGs Getting Building Fund was used to fund the cost of this work but understood that Government’s intentions for this fund were ‘to deliver jobs, skills and infrastructure across the country...to fuel local recovery and jobs’. This appears a little at variance to the stated ambition of the investment to temporarily resurface a car park to strengthen temporary access and patronage to a swimming pool as stated in the report.

In summary, a total of c.£1m was spent on a temporary car park under urgency (which we have already shared recommendations on). The report states extensive works and landscaping which doesn’t immediately lend itself to being temporary in nature. However, we understand that Members were very keen to ensure that this development properly provided for safe, accessible access for people with disabilities which could further explain the costs of this project. It is also understood that a more conservative scheme could have put the work investment from the Combined Authority at risk. Works were also awarded to an organisation approved to undertake works up to £500k and these works were awarded at £800k. It would have been prudent to flag this in the report if it were known.

### **Acquisition of Sand Martin House – April 2023**

We understand that the essence of this decision relates to futureproofing a key building within the Council’s estate and correcting a less than favourable rental arrangement entered into in years previous. We are of the view that this highly significant decision, which commits the authority to c£48m of expenditure warranted additional information within the report to support the decision to be made. We noted this Cabinet decision was made within the pre-election period with Council approval in May and we also noted that the Council were of the view that they needed to move at pace to secure this favourable deal.

Given the size of expenditure, the risks associated with commercial deals/property and that the Council is in a challenging financial position we would have expected to see a more detailed public report which identified the source of funding and was accompanied by other options and a strengthened risk assessment. Ultimately the balance of information between the public facing report, and the private one, is a matter for the MO to determine, in close consultation with the S151 officer in particular. Access to Information regulations and balancing the public interest to disclose must be considered.

### **Compensation for Stage 2 Statutory Complaint Outcome – February 2023**

The report articulates a financial reward for a care leaver but is light in relation to how the precise figure was arrived at, other alternatives (such as a smaller award, or a larger one) or even mediation.

**Recommendation 7:** That Statutory Officers reflect on the three decisions with a view to sharing lessons learned on the overall process, and inputs into it, to improve future practice.

*This could take the form of facilitated conversations with CfGS or other organisations, if needed.*

## **Key Finding – Relationships**

Overall, we heard of good working relationships between officers and Members, a culture of respect and regard. We heard pockets of concern in respect of pressure placed on officers by Members to make decisions at pace, sometimes at variance with officer advice and plans. This could explain decisions made with urgency, extraordinary cabinet meetings etc. We also heard that relationships between officers and Members could be ‘relaxed’.

We also heard of isolated pockets of sub optimal relationships between officers.

We heard of improved relationships between political groups and that much of this has come about in very recent times stemming from the work of the improvement panel, new chief officer cadre and ultimately hard graft. Whilst completely outside of the scope of this review, this work has been conducted over a time period in which a number of Conservative Councillors have left the administration Group, with one Member alleging a toxic culture of bullying and harassment within the Group (an allegation that the Group have rejected).

Strong officer / member relationships are important. The running of a successful council is a partnership between officers and Members. For this to occur good communication, trust and, above all, the ability of relationships to weather challenge and robustness from both Members and officers must be present.

**Recommendation 8:** That the Council makes a commitment to strengthen all relationships at the council – officer/officer, Member/member and Member/officer that places a strong emphasis and value on robust discussion and advice.

*This could be done through staff and member induction led by the Monitoring Officer and a continuous amplification of the codes of conduct and role modelling by senior officers.*

### **Key Finding – Governance Documents**

The Council’s Constitution and the Annual Governance Statements were reviewed by our Deputy Chief Executive, Ed Hammond.

#### Constitution

We have undertaken a light touch review of the Constitution and observations / suggested amendments have been shared with the Council’s legal team.

The Constitution reflects the framing and drafting of the “modular constitution” produced by Government as statutory guidance in 2000 to inform councils’ then-new constitutional arrangements. As such it suffers from the same weaknesses that afflict that document – repetition between sections and difficult navigability.

Whilst we are of the view that it provides a sound working document, albeit with some updates to accuracy and improvements to accessibility, colleagues at the City Council wish to undertake some deeper work to a slightly longer timescale to further improve clarity and navigability. We consider that changes may need to be made to standing orders, and to officer delegations. There were a couple of instances where references to legislation needed to be updated.

During the course of our conversations, the remits of the Constitution and Ethics Committee and the Employment Committee were raised.

#### Constitution and Ethics Committee

On occasion, time at Governance and Ethics has been taken up by the minutiae of the Civic Protocol, and matters of formal etiquette relating to the Mayoralty. Such discussion on the civic protocol should take place at a more operational level.

**Recommendation 9:** That the Chairman of the Committee, appropriately supported by officers, ensures that the Committee’s time is focussed on strategic conversations around the constitutional frameworks of the Council and their effective operation.

*This could be implemented by the delivery of Chairing skills training to all Chairs of Committees at the Council as well as advice being provided at Committee by the lead officer.*

#### Employment Committee

We heard differing views on the operation of this Committee’s express functions based on its wider than usual remit. Specifically, this Committee has a role in the recruitment of Directors and Heads of Service. It is assumed that the Committee also appoints Chief and Statutory Officers given the agendas for this meeting over the past 12 months. We note that the terms of reference has not been considered formally by the Committee for some time (even though it is dated August 2022, it appears from the agenda that it was not taken to the Committee) and therefore, it is opportune for the Committee to undertake a review.

We heard strongly that Members value involvement in the appointment of its senior staff, that it provides assurance to Members of their competence and provides the ability for Members to test, directly, the ability of the candidate to interface with Members. Other evidence we collected suggested that it slowed the overall process down and that Member time and expertise was essential to getting the most senior officer appointments right as this is where the majority of Member interface needed to sit. Whilst outside of the scope of this review, we did hear that the candidate experience of engaging with the employment committee, and the organisation and optics around it, was sub optimal. Any future change in respect of the Committee’s remit must ensure clearly understood, and mutually arrived at Member / officer boundaries.

**Recommendation 10:** That conversations with the Chair and Vice Chair of the Employment Committee, the Head of Paid Service, the Director of HR and the Monitoring Officer commence in which to revisit the terms of reference to reflect the evidence gathered and consider a consolidation of the Committee’s role to focus on statutory and Chief Officer appointments only, and to ensure that the work of the Employment Committee aligns with the work of the Council.

#### Annual Governance Statement (AGS)

We reviewed the draft AGS 2022/23 in the latter stages of our diagnostic and also reviewed the 2020/21 and 2021/22 documents.

There appears to be a good deal of similarities between the 2020/21 and 2021/22 AGSs. It appeared difficult to track complete/incomplete actions from one year to the next. We also noted a good deal of assertions, replicated in both years, about the presence of certain systems without direct evidence to back them up. The actions on governance / risks identified appear wide ranging but they are not prioritised, there have been some risks open for some time, the state of mitigation is unclear and it isn’t obvious the extent to which governance issues identified in the AGS are treated. Given that the improvement panel has been in place, and a key theme of its work has been governance and risk, we expected to see a clear difference between those two documents in terms of additional granularity around governance improvement.

The 2022/23 AGS however appears much more connected to the work of the panel, its themes and above all the strategic direction of the organisation. There is more evidence, but additional information pointing to that evidence would be helpful to provide even more assurance to Members. We would wish to draw the Council’s attention to the ‘significant governance issues’ section which is a list of issues and risks (which are different yet treated the same). They could be better categorised and prioritised to assist Members to sift through and understand the totality of work to do, and the challenges presented by that work to do.

Reflections on the content of the 2022/23 AGS were provided and warmly welcomed.



**Recommendation 11:** That the Council strengthens the content of the AGS to enable Members to have additional information to improve the provision of assurance to Members.

#### **Key Finding – Process for Selecting Mayor and Deputy**

In the course of carrying out this work it has become apparent that there is confusion about the operation of the process by which the Mayor and Deputy Mayor are appointed. The Council's Constitution sets out a process but it has been suggested that custom and practice has, for some time, been different. To avoid the risk of confusion officers have undertaken to provide a report to members to clarify the position.

It is important to have a clear process which is marshalled by Democratic Services and political groups. Some Councils operate somewhat opaque processes in which nominations are handled solely within the majority group and in some cases, the Mayor is selected only from within that group.

Appointment appears to be based on a seniority principle. If the Council wished to make changes it could consider removing the tradition of long service from the process to open the role of First Citizen to a wider range of candidates.

**Recommendation 12:** That the Council confirms, or otherwise, its current processes for selecting the Deputy Mayor. *This could be done by the Constitution and Ethics Committee at a future meeting.*

#### **Key Finding - Overview and Scrutiny**

We have heard and observed a clear commitment of scrutiny members and officers to undertaking good scrutiny at Peterborough. Desk top research was carried out to review agenda packs, minutes and audio/video recordings of the five overview and scrutiny committees. We heard of improvements made to the overall operation, effectiveness and support to the function since the inception of the Improvement Panel from Members and officers. We have found discreet areas of improvement for the Council to focus on.

There is a process for determining which items are taken to scrutiny committees, however this is largely led by Council officers. This view was widely shared amongst those we interviewed. There was little evidence of any insight being drawn from other stakeholder groups such as the wider Councillor community, partners or members of the public. Feedback from interviews suggested that work programmes were compiled by officers so that committees could 'nod them through' and as such committee members had little investment in the topics brought in front of them.

As discussed much earlier in the report, there appears to be an opportunity to strengthen the translation of strategic plans into operational decision making. We believe that by strengthening Member led work programming to 'dock in' overview and scrutiny at an early point would act as a catalyst to strengthen corporate planning and decision making. We also believe it would strengthen the regard for the function, as noted in the survey results enclosed at **Appendix 1**.

As part of our enquiries, we explored the relationship between the Council's Scrutiny function and that of the Cambridgeshire and Peterborough Combined Authority in which the Council is a constituent member. We are of the view that the relationship is underdeveloped and there are significant opportunities to strengthen relationships and collaboration in respect of work programming.

**Recommendation 13:** That the process to arrive at each Committee's work programme is completely revisited to ensure it is Member led, aligns to the forward plan and other plans to enable 'pre scrutiny' to take place. It should balance the strategic dimensions of Council business and issues of local concern. It should also have regard to the work of the Combined Authority.

Pre-scrutiny is likely to be useful on matters of particular local contention, or where a forthcoming decision is likely to be especially high profile. Discussions with Cabinet, and chief officers, should identify where opportunities for pre-scrutiny might exist for decisions some months in advance,

allowing for careful planning. We do not consider that this process would be necessary or appropriate for more than a handful of decisions per year. Adopting this approach would mean that time and effort can be put in to making sure that scrutiny's input into a comparatively small number of decisions will meaningfully add value. It would be up to the relevant scrutiny committee to decide at the work programming stage what decisions they wanted to pre-scrutinise.

*In respect of work programming more generally, scrutiny could prioritise its work by creating a clear longlisting and shortlisting process. Within that a series of informal conversations should be held at the end of the previous municipal year or the very start of the new one between Chairs and Deputies, the Executive and Senior Officers, as well as key individuals at the Combined Authority (where appropriate) in respect of plans for the year ahead to align executive and scrutiny interests and timetables. This informal engagement must continue throughout the year.*

Agenda packs tend to be lengthy and in excess of 100 pages. The bulk of the content tends to be from large appendices rather than long reports. It would appear that not all of the appendices are relevant to scrutiny's work and at times pertain to detailed action plans/delivery schedules. This does not support Members to navigate material well enough and can lead to a lack of confidence and, ultimately, Member interest. We have already made recommendations on report writing elsewhere in this paper and that recommendation is directly relevant here. A consideration could be to create a bespoke template for Scrutiny reports.

We heard high praise for officers directly supporting the scrutiny function and a call from a Member within the survey to review the resources allocated to the function, in light of the Flockhart Review, to ensure they are commensurate with need.

**Recommendation 14:** That the Council reflects on the FTE aligned to the overview and scrutiny function and assures itself it is sufficient or otherwise to carry out its activities.

Overall, there would appear to be a lack of understanding on the purpose of overview and scrutiny and the role of Members in visibly leading the function. Feedback from the interviews conducted found that some Councillors do not understand the difference between regulatory committees and the scrutiny function. It is understood that some scrutiny training is offered but a more extensive programme would be welcomed.

**Recommendation 15:** That a spectrum of scrutiny training is offered to Councillors as part of continuous Member development.

*This would look like a year long programme (so not to bombard Members at the start of the year) of knowledge and skills-based training.*

#### **Key finding – Risk and The Audit Committee**

Using the CfGS's published work, Governance Risk and Resilience Framework an analysis was undertaken.

The Audit Committee provides independent assurance that the risk management and associated control environment of the council meets adequate standards. It also provides independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment; and oversees the financial reporting process. We note that there are two independent members of the Committee, with this being a recent innovation. We noted that the Council was in the process of refreshing its strategic risk register towards the latter stages of our diagnostic and was to be reviewed by SLT.

Our research highlighted that the Audit Committee meets to a regular timetable and we noted that agenda pack sizes range from 100-300 pages. We know from our experience gathered elsewhere that Members often cite a lack of confidence around engaging with the audit and over-large packs of technical information is a barrier. A balance must be struck between summative, concise information

and technical background information. We have already identified report writing as a key finding elsewhere in this report.

**Recommendation 16:** That the Council ensures written information to the Audit Committee drives Member engagement, understanding and confidence to fully discharge their duties.

*This could be implemented through a wash up session with Members at the end of Committee to ensure information provided met need.*

Using the minutes as evidence, we noted that there is a recognition from Members that they have a responsibility for ensuring good governance. Members have the confidence to ask questions but we have noticed the phrase ‘Members were informed’ is often used. This could be for stylistic reasons or that Officers take a lead at the meetings with Members operating in a more passive context.

A review of committee minutes indicate that oversight by members is sought from officers. Scrutiny of meeting minutes indicates that committee members and the committee as a whole have a good grasp of oversight through audit. Members are seen, somewhat, in the minutes, to raise concerns they might have. Review of minutes suggest that, as a whole the state of member oversight of audit within the committee is good. This can be evidenced by locating several instances documented in the minutes, such as, the key area of ensuring that internal controls were tighter to prevent some of the issues that had gone before from happening again; ensuring that decisions were taken in a transparent way relating to the Work Programme and taking action, in combination with officers, regarding the procurement process.

Insight from interviews told us that there have been some historic issues with the Audit Committee. Elected Members noted that there was a need for members to be upskilled in key areas of finance and risk and there was a suggestion that committee members may not have contributed previously as they did not feel they understood their role or that they didn’t have the required knowledge or skills to undertake the role effectively.

**Recommendation 17:** That an annual skills audit is conducted with an accompanying learning and development plan for Committee members.

*This would look like a shared appraisal of the current Membership’s skills and experience and align relevant briefings, formal and informal learning to each Member to ensure their confidence to discharge their responsibilities with confidence. This work should be done as a shared endeavour between the Internal Audit function and those with responsibilities for Member development.*

### **Key Finding – Governance Change**

The CfGS were explicitly asked to engage the Council on the matter of formal governance change – a move away from the present executive system to the committee system. Such a change must not be underestimated – it requires wide support from Members and officers to facilitate this change and will ultimately impact on the formal and informal nature of decision making, and the role and relationships of Members and officers.

CfGS’s view is that there are no inherent “pros and cons” of any one of the governance models currently available to councils. A judgement about what approach to take needs to rest on the aspects of a council’s current arrangements which might seem weak, an assessment of the principles of good governance that are most important to members, and a conclusion on whether those weaknesses can be addressed to bring them in line with members’ principles and priorities under the current system.

As such, as part of our interviews we asked Members in particular to share with us what they believed the issues were of the *current* system. We used the LGA / CfGS publication ‘rethinking governance’ to structure our findings.

#### Strengths and weaknesses in the member/officer relationship

As we have already outlined, relationships are good in the main with some pockets of challenge. We have made recommendations in this area. Structures such as the FSWG are widely seen as positive developments by Members and Officers which has strengthened transparency and engagement between Members and Members and officers.

We also heard of the commitment from the S151 officer and her team to credibly support opposition Group Leaders to develop alternative budgets.

#### Strengths and weaknesses in the way forward planning / work programming occurs

As we have already outlined, we have heard that the Council has an evidenced and well supported strategic plan and a clear articulation of the architecture that is needed to deliver it. We have seen some opportunities to strengthen the translation of the plan to operational decision making and we have also surfaced opportunities in which to strengthen the Member – led and pre-decision nature of scrutiny work programming for Members to add greater value to the work of the Council and ultimately its partners. This will also enable back bench members to get involved in shaping decision making.

To do this, work programming will require a reset at the Council and we have made recommendations in this area that we hope the Council will strongly consider.

#### Strengths and weaknesses in the way that information about decisions is published and used

As we have already outlined, reports (executive decisions and scrutiny) could be significantly improved to ensure good decision-making, taking account of all relevant information. We are encouraged to hear that Senior Members are receiving more information on decision making, and more information of a confidential nature as part of the FSWG. This is a marked change from a year or so ago and Members expressed a clear regard for this way of working to continue. This information must extend to all strategic dimensions of Council business.

We heard pockets of concern that the executive system is not open and transparent. This is disappointing to hear. We have encouraged the Council to enhance Overview and Scrutiny, its forward planning processes and how it uses urgency. The Council has also made provisions to take Key Decisions at Cabinet, as opposed to individual member decision making. Put together, this should enhance openness at this Council.

#### Strengths and weaknesses in the way that the Council involves the public in major decisions

The Council will consult the public on its budget proposals and we did see the use of twitter to elicit the views of the public on matters relating to the fountains in Peterborough city centre.

We understand that work is ongoing in which to strengthen ‘corporately’ the Council’s approach to communications and engagement.

#### Summary

During our interviews we were not consistently apprised of evidence that suggests the present executive system is failing Peterborough City Council. A very small number of references were made, especially in the survey, to the present system not being open and transparent enough. Some members wanted to see a greater role for Overview and Scrutiny in pre-decision making. From a small minority of councillors there were calls to move to the Committee system or a hybrid system.

We were apprised of options that could reform the executive system to make it more pluralistic and collaborative. Particularly in a no overall control environment, we think that there may be an opportunity to explore this further. Our recommendations relating to forward planning, decision making and strengthening pre-scrutiny are all designed to support the council to consider its options.

To that end, the CfGS would recommend that the Council focusses on reform within the executive system and find ways in which to engage more Members within it.

**Recommendation 18:** The Council considers the evidence gathered and reflects on the worthwhile nature, or not, of formal governance change. *In its deliberations the Council should strongly note that support for doing so amongst the current member cohort appears minimal.*

**Appendix 1 - Excerpt of Survey Results**

	STRONGLY AGREE	AGREE	NEITHER AGREE OR DISAGREE	DISAGREE	STRONGLY DISAGREE	TOTAL	WEIGHTED AVERAGE
There is a clear commitment to openness and transparency	9.09% 6	56.06% 37	18.18% 12	10.61% 7	6.06% 4	66	2.48
There is transparency in the way decisions are made	6.15% 4	46.15% 30	26.15% 17	15.38% 10	6.15% 4	65	2.69
It is clear who is democratically accountable	10.77% 7	49.23% 32	26.15% 17	9.23% 6	4.62% 3	65	2.48
There is a strong focus on looking to the future to set decision-making priorities	7.58% 5	46.97% 31	33.33% 22	9.09% 6	3.03% 2	66	2.53
Views of key stakeholders are sought and listened to, including diverse voices	7.58% 5	37.88% 25	27.27% 18	22.73% 15	4.55% 3	66	2.79
Formal consultation, when required, is proactive	10.61% 7	42.42% 28	28.79% 19	12.12% 8	6.06% 4	66	2.61
The Council is confident when making difficult decisions	4.55% 3	45.45% 30	37.88% 25	9.09% 6	3.03% 2	66	2.61
Decision-makers can evidence why decisions are made	6.06% 4	50.00% 33	33.33% 22	7.58% 5	3.03% 2	66	2.52
Democratic decision-makers are held to account	7.58% 5	45.45% 30	31.82% 21	12.12% 8	3.03% 2	66	2.58
Risks associated with taking decisions are appropriately evaluated and managed effectively	4.48% 3	41.79% 28	34.33% 23	16.42% 11	2.99% 2	67	2.72
Overview and scrutiny is valued, has influence and takes place in a public setting	10.61% 7	46.97% 31	25.76% 17	10.61% 7	6.06% 4	66	2.55
There is easy access to relevant information to support Overview and Scrutiny, and decision-making	7.58% 5	50.00% 33	28.79% 19	12.12% 8	1.52% 1	66	2.50