

From: Roger Gough, Leader of the Council
Dylan Jeffrey, Cabinet Member for Communication and Democratic Services
Ben Watts, General Counsel

To: Governance and Audit Committee, 25 October 2023

Subject: Governance Review

Status: Unrestricted

1. Introduction

- a) There are many aspects to good governance within a local authority. Done properly, they are mutually reinforcing. Over recent years, the Council has taken a number of steps to materially strengthen our key governance documentation and Members of the Governance and Audit Committee have been involved in those changes as part of the Committee's own transformed role.
- b) Since 2018, we have been materially changing the way that we do the Annual Governance Statement. We are self-aware in relation to the need to continuously improve both the way in which the Council operates and the way in which we manage and monitor that. That is an ongoing challenge and the way in which the statement is drafted and the information collated has reflected the significantly challenging operating position for the Council.
- c) Members of the Committee will be aware that this year's statement sets out an unprecedented programme of activity reflective of the commitment to continuously improve and to seek to address the challenges faced and key findings identified. Some of that programme was already planned and contemplated but the statement is the annual recognition of the steps needed to improve.
- d) Separately, Members will have seen the challenges experienced in other authorities that have not faced up to the need to continually review and refresh not only the core documentation but the behaviours and expectations on Members, Officers and external advisors operating within the Governance system.
- e) As part of the programme of activity for External Audit for 2023/24 and in pursuance of the desire and need for continuous improvement, it was agreed that Grant Thornton would undertake a governance review including some of the behaviours underpinning our arrangements. The outcome of that work is appended to this paper and the activities/actions in response are being included in this year's Annual Governance Statement where they have not explicitly been

referenced or delivered elsewhere. The AGS will be presented to the Governance and Audit Committee at their next meeting.

- f) Given the nature of the report and the applicability to all Members, it is recommended that the Committee receive an update on progress against the recommendations at the meeting of April 2024 and ahead of the annual report of the Governance and Audit Committee going forward to County Council next July.

2. Progress since the Report

- a) Whilst the Council is not in the same position as some of those authorities that have had major governance failings, it is recognised that there have been warning signs in recent years that must be heeded around compliance with governance. Both the report and the AGS impress the importance of making changes to avoid making the same mistakes that characterised failure elsewhere. The Council recognises and accepts the importance of the right behaviours being needed to back up the written governance. As set out below, a range of actions and issues have already been undertaken with the remainder to be delivered over the course of the next six months to meaningfully engage and improve.
- b) It is recognised that some of these conversations and changes are difficult but are needed in order to protect the future of the Council. Further guidance has been shared with senior officers in relation to political conversations ensuring a greater demarcation of private political discussions. Cabinet Members Meeting ensures that it takes political discussions separately. The review of the terms of reference alongside the Corporate Board refresh will be introduced before the end of the calendar year as the new Cabinet beds in.
- c) The challenges mentioned in the paper and the AGS around clarity on the Council's financial position and relative priorities have been specifically considered in the recent Cabinet papers for the meetings on 17 August and 5 October 2023.
- d) Importantly, the language and approach to build Securing Kent's Future responds correctly to the challenge in the review around the organisational need to respond as a single entity rather than in a silo/responsibility based way. The prioritisation of the best value obligations and presentation of that as part of the clear methodology for future plans is a definitive change of direction and follows reflection on the recommendations laid down in the report. As a further example of this, the way in which the priority given to the new models of care element of Framing Kent's Future was presented in the Cabinet paper reflects a desire to ensure a whole council approach to such strategic thinking.
- e) Members have previously received a training session and then subsequently a paper in relation to the learning from other local authorities. Importantly, the training session included both Cabinet and Members of the Governance and Audit Committee. The paper was also circulated to Members of Corporate Board and the learning from other authorities has been reflected in Securing Kent's

Future and the executive and officer discussions. Further analysis and activity will be needed given the increasing number of authorities facing challenge.

- f) Progress has been made in relation to the issues around Member development with a paper and discussion at Selection and Member Services Committee on 19 October 2023. The challenges and opportunities around Member development have been noted and understood.
- g) Over the summer, a survey of all Members was carried out to understand needs and inform the future design of training.
- h) The following first tranche of training will pick up on identified learning needs and the lessons learned from prior audit reports, the AGS and the External Audit report:
 - i. Training on Executive Decisions for Cabinet Members
 - ii. Media/Reputation Training for Executive Members, Chairman and Opposition Group Leaders
 - iii. Democratic Services Focussed Training including use of Mod.gov systems
 - iv. Training in chairing meetings
 - v. Priority on training identified in the AGS
 - vi. Member Awareness Sessions on the Armed Forces Covenant and Corporate Parenting
 - vii. Personal Safety
 - viii. Ordinary Committee Training – Regulation Committee, etc.
- i) The Member Development Sub-Committee has recommended a challenging new programme of learning and development and subject to the comments of Selection and Member Services Committee will finalise a delivery plan which will commence from January 2024 and be shared with all Members.
- j) Changes have been made to the Commissioning arrangements within the Council which reflect the key concerns raised, with further work being undertaken as that new model beds down. Importantly, since the report, the Council has finished the planned work on Spending the Council's Money which has been approved and is now being widely communicated. This addresses some of the procurement issues picked up in the report and clarifies accountabilities and responsibilities.
- k) The new Commercial team with responsibility for procurement are prioritising the Contracts Register and Contracts Pipeline which will form part of earlier information sets available in real time to Members and Officers. This will also support greater commercial transparency in supporting FOI queries. Since the report, work has been completed on the fully searchable disclosure logs for FOI ([Kent County Council Disclosure Log \(icasework.com\)](https://www.kent.gov.uk/icasework.com)) meaning that prior FOI responses can be accessed via the Council's website.
- l) The comment on FOI is noted and improvement plans are being developed on FOI and the accountability for timely response is being limited to relevant senior officers within directorates. A Member deep dive is taking place on FOI as part of

the improvement activities and system improvements will mean that the chasing is done by a computer to leave the limited strategic resource available to advise on difficult queries around exemptions.

- m) Members will be kept apprised of all the relevant updates and subject to the views of the Committee this can be tracked in real time.

3. Future Progress and Overview

- a) It is intended that the activities and future actions that have been designed to respond to the recommendations will be included as part of the AGS and tracked through that mechanism.
- b) However, it is recognised that this is an important report which has elements that are also about change in the way in which all Members engage with their role, residents and the Council's governance. The activities include a paper and discussion at other non-executive Committees as well as forthcoming changes to the Constitution which will go to County Council in December.
- c) Governance and Audit Committee is the appropriate Committee to reflect on the way in which the Council has taken the recommendations forwards, particularly given they bring responsibilities for all Members. It is therefore suggested that a further report be brought to Governance and Audit Committee in April to demonstrate the activities undertaken. This will provide an opportunity for the Committee to assure themselves of the actions taken but also to consider the behavioural changes needed as set out by the report across the whole Council before the Committee's annual report to the County Council next July.

4. Recommendations

The Governance and Audit Committee is asked to:

- a) NOTE the report and Governance Review by External Audit
- b) NOTE that a further report be brought to the Governance and Audit Committee in April 2024 for assurance.
- c) NOTE the presentation of the Annual Governance Statement at the next meeting and the inclusion of relevant sections of the report in the statement.

5. Background Documents

None.

6. Report Author and Relevant Director

Ben Watts, General Counsel

03000 416814

benjamin.watts@kent.gov.uk

