

The Changing Governance of Councils

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Purpose of today's discussion:

- Highlight the changing local government landscape and how that reinforces the need for good governance
- Talk about how that impacts upon the role of DSOs and the key role they can play
- Highlight the particular challenges of partnership governance in the Oxfordshire Housing & Growth Deal
- Some reflections upon governance challenges and improvements in Cambridgeshire & Peterborough Combined Authority

Local Governance – a different beast

Two decades of change!

- ❑ LATCos and the growth of the client/commissioning functions
- ❑ Shared services and outsourcing
- ❑ Cabinet/Executive model of governance
- ❑ Increased emphasis on Partnerships – with different governance cultures
- ❑ Devolution and combined authorities (and now English Devolution Accountability Framework EDAF)
- ❑ Local government re-organisation

No longer always just the traditional service-based committees- life has got more complicated!

Impact on role of DSO to help Members, Officers and the public navigate more complicated governance

Political Change

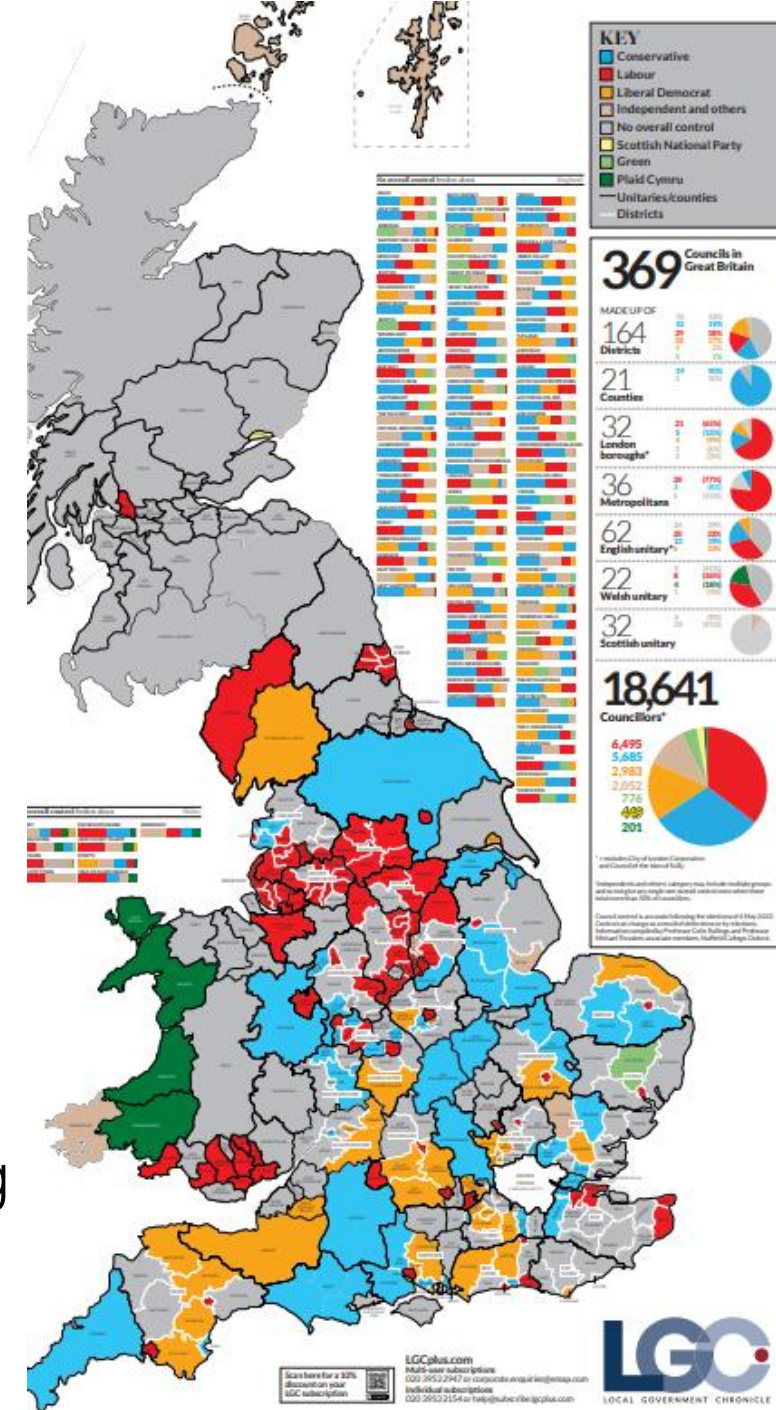
- ❑ Increased political churn, councils switching ruling groups
- ❑ Increased number of coalitions- Oxfordshire's Progressive Alliance

Politically life has got more complicated!

This complex political landscape is demonstrated in the number of Councils in NOC (more than doubled since 2019)

- ❑ 43% of District Councils in NOC
- ❑ 39% of English Unitary Councils in NOC

DSOs develop positive relationships with Councillors, makes them well placed to guide and support effective decision-making through times of change



Drive for Accountability

Multiple tiers of local government, squeezed resources, partnership arrangements, council companies and lack of faith in politics have made accountability more important than ever.

Important in:

- building trust with the public and partners
- operating more effectively
- better serving the public

High profile failures in local government (Woking, Thurrock, Slough etc) illustrate need for good governance and importance of good scrutiny and accountability

Those with strong scrutiny arrangements more likely to avoid significant issues

EDAF recognizes importance of accountability in driving devolution - providing areas with more power and funding flexibility through devolution makes it even more essential to strengthen governance and accountability arrangements to ensure that they are used appropriately to support regional and national priorities.

Oxford's Journey

- ❑ Reductions in government funding
 - 2013/14 RSG = 14% of budget, 2019/20 RSG = 0%
 - 2024/25 60% budget funded by income (fees & charges, commercial rents, investments, company income)
- ❑ The “Oxford Model” – generating income from our assets and Joint Ventures and “insourcing” - using our wholly-owned companies to deliver services and generate returns to the council
- ❑ New and different role for members as Shareholders – holding Company Board Directors to account
- ❑ Striking balance between allowing companies freedom to manage activities and ensuring accountability
- ❑ Good governance is never one and done – needs a continuous improvement mindset informed by changes in legislation, guidance and circumstance



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The challenge of Partnership Governance

The Oxfordshire Housing & Growth Deal

- ❑ £215 million for affordable housing and infrastructure.
 - £150 million for infrastructure to accelerate housing.
 - £60 million for additional affordable housing.
 - £5 million capacity fund, and to deliver a revised OxIS, the Local Industrial Strategy and the Oxfordshire Plan 2050.
- ❑ Timescale of little more than 6-9 months to agree- no implementation period- big challenge to be ready to go from both a delivery and governance perspective

The challenge of Partnership Governance

Why Oxfordshire?

- ❑ An ambitious growth area (then)- noted by Government as such
- ❑ One of few counties that contribute positively to GVA
- ❑ A history of discussion/disagreement about reorganisation
- ❑ Moved to agree with Government that we were aligned as partners and could deliver
- ❑ Deal was offered as a first instalment – meant to be the first of a series, in effect saying ‘prove it to us’.

The challenge of Partnership Governance

Governance Challenges

- Oxfordshire Growth Board (joint committee) was named responsible body- but had no formal decision-making powers delegated.
- OCC was the accountable body.
- Districts had responsibility for the Oxfordshire Plan and the affordable housing fund.
- LEP Board responsible for the LIS.
- In practice all decisions of substance required at the very least common agreement and in the case of the OxPlan formal individual decisions. If one disagreed, we all failed!

The challenge of Partnership Governance

Governance Challenges

- ❑ No established governance infrastructure- had to be built from scratch
- ❑ Advisory groups set up to oversee the Deal in more detail- but again only advisory
- ❑ Officer groups to support all this required DSO input
- ❑ A clear need for a scrutiny function, but no formal basis for scrutiny leading to issues of accountability, but also keeping scrutiny 'on agenda'
- ❑ Some confusion amongst partners as to who had the final say when difficult choices required

The challenge of Partnership Governance

Governance Challenges

- ❑ Change of political leadership at some councils, change in political direction/priority in some partners
- ❑ Change from Growth Board to Future Oxfordshire Partnership
- ❑ Suffered from a loss of collective partnership memory
- ❑ Not always clear who was in charge centrally. Homes England were the named agent of DLUHC- in practice very much the latter
- ❑ Loss of corporate memory in government as well
- ❑ End of the OxPlan 2050 – ramifications saw a tightening of control by government

The challenge of Partnership Governance

Lessons

- Partnership working is tough, and not a given
- We probably didn't give enough time to member training and familiarisation with the Deal
- The lack of an implementation period was crucial.
- A dedicated DSO from the outset would have been beneficial(essential)- missed that trick! Could have guided through governance landscape
- Developing relationships with neighbouring DSO teams and understanding how they work could help smooth the path
- Streamlined and clear accountability is required

Importance of good governance

Experience of improvement work at Cambridge and Peterborough Combined Authority (CPCA)

- ❑ CPCA Best Value Notice – lack of clear governance and accountability was a key issue
- ❑ Member roles and behaviours a continuing and public problem
- ❑ Independent Governance Review concluded *the CA has not established a supported and owned purpose with its membership. It lacks the foundations and fundamentals to build upon*
- ❑ Review led to governance focused Improvement Programme
- ❑ Addressing the need for members to understand the role of a CA- additionality, regionality, collective leadership for benefit of all
- ❑ A partnership – with the challenges that brings at officer and member level.

Importance of good governance

Key foundations are required to build governance on – collective vision, clear strategic objectives & clear roles and responsibilities

- Lack of clarity on above led to consistent political tension
- Mayor's role undeveloped and subject to challenge
- Meetings framework and scheme of delegation was not strategically focused
- Scrutiny role not developed or understood

Urgent need to ensure CA purpose understood - a Combined Authority should focus will be on delivering **additionality** to the region, focusing on delivering what Constituent Authorities cannot do individually but what can be done collectively, allowing the region to be more ambitious in what it can achieve through the devolution of power and resources from government

Importance of good governance

To programme manage the Improvement Plan which included/includes:

- ❑ Initially building political consensus and developing shared vision and strategic plan
- ❑ Then building a governance framework that:
 - Enables strategic thinking and effective decision making
 - Has clear roles & responsibilities and empowering delegations
 - Holds the Mayor and Board to account
 - Effectively engages partners
 - Delivers the additionality required through strategic regional focus
 - Effectively 'plug governance' into core role of successfully developing ideas into projects and bringing additional funding into the region – Assurance Framework
 - Creates strategic nature to scrutiny – move away from LA scrutiny
 - Offers the 'safe space' for politicians to discuss freely- to help build consensus

Governance Team (Democratic Services) key to informing, supporting and delivering the improvement agenda

Importance of good governance

Improvements starting to deliver:

- has created a new governance structure – built around strategic delivery objectives- SAF is key
- has built an informal governance structure to support formal Boards/ Committees – key to driving partnership ways of working
- has created CA based core scrutiny roles
- embraces the English Devolution Accountability Framework – greater business voice, greater checks & balances, clear accountability to government
- ready for future devolution and committed to creating a culture of sustained scrutiny (the scrutiny protocol)

Governance Team key to providing perspective on required improvements.

Importance of good governance

Are we there yet?

- Positive noises from government.
- Awaiting DLUHC approval of the SAF
- Some questions about whether improvements embedded and the effectiveness of partnership working (unfair)
- Awaiting feedback on enhanced devolution discussions
- South Cambs BVN probably not helping!
- Embedding! Key role for DSO

Learnings.....

- Lesson to be learnt on making Governance Team part of Devolution discussions
 - DSOs now front and centre in enabling effective decision-making (guiding through the process, liaising with Members)
 - Clear role as experts in the various governance arrangements is essential
 - Proactivity in examining innovations from the governance perspective
- Experience illustrates how fundamental governance is to successful operation of CA