

How do councils work?

An introduction to council governance for new councillors

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Before we start...

- Please close other applications if you are struggling with connection (e.g. outlook, mail, social media etc.)
 - Please use the chat function for questions
 - A copy of the PowerPoint slides will be uploaded on the LGA website after the session, with a recording to follow
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Our aims today

Understanding:

- How councils are governed and why it matters
- Who checks whether councils are being governed properly
- What this means in practice
- How the LGA can help

What we'll look at

- What is governance?
- Why does good governance matter?
- How are councils governed?
- Councillor and officer roles
- What enables effective decision making?
- What is assurance?
- How does the council improve and keep itself safe?
- LGA support
- Q&A

What is governance?

‘The right people, doing the right thing, in the right way, at the right time’

Why does good governance matter?

- Seven Principles of Public Life: selflessness, integrity, objectivity, accountability, openness, honesty, leadership

- Best Value statutory duty:

Every authority must make arrangements to secure continuous improvements in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

... it's not just what you do – it's the way that you do it!

And it matters even more now...

- Achieving outcomes for local people when...
 - Acute financial pressures in local government
 - Increasing risks
 - A complex and challenging political environment
 - Difficult decisions inevitable
- Multiple examples of governance failing in councils and public bodies in recent years

Common themes from recent inquiries

1. Failure to listen to and act on concerns raised by employees and/or the public
2. Failure to investigate properly when things went wrong
3. Failure of the board to have proper oversight of issues and concerns
4. Overly defensive organisational culture
5. Failure to support a 'speak up' culture
6. Poor relationships within the organisation
7. Failure to understand the unintended consequences of policy decisions
8. Failure to learn from past mistakes, or similar incidents and failures
9. Failure to identify emerging themes that might have alerted the organisation to a developing risk



Grenfell
Tower
Inquiry

POST OFFICE HORIZON IT
INQUIRY

Councillor and officer roles

- Councillors and officers have vital, distinct, but complementary roles in how the council is governed

Councillors	Officers
Set strategic direction	Provide impartial advice
Hold decision makers to account	Provide operational capability
Represent the interests of their communities	Serve the council as a whole

- Together, councillors and officers ensure that public services are delivered economically, efficiently and effectively, in line with local needs and priorities

How are councils governed?

- Governance models:
 - Leader and Cabinet
 - Executive Mayor and Cabinet
 - Committee System
- Full Council and the Executive
- Corporate Statutory Officers
 - Head of Paid Service (Chief Executive)
 - Section 151 Officer (Chief Finance Officer)
 - Monitoring Officer

Good governance is everyone's business!

How are councils governed?

- Key bodies and committees
 - Full Council
 - Executive (Leader/ Mayor and Cabinet) + Overview and Scrutiny committees *OR* Policy and Resources Committee + committees
 - Regulatory committees (planning, licensing)
 - Audit committee (may include delegated responsibility for governance)
 - Standards committee

The constitution

- All councils are required to have a written constitution
- The constitution is the council's governance rulebook
- Defines decision-making structures, procedures, councillor-officer roles and responsibilities, financial rules and codes of conduct
- Only full council has the authority to adopt and amend the constitution

Getting decision making right

- Good decisions = better outcomes, public trust, and minimised risk to the council
- Poorly taken decisions (even with good intentions) risk challenge, delay and damage to residents, the council and you as councillors
- Important decision making principles:
 - Clear aims and intended outcomes
 - Proportionality
 - Considering professional advice
 - Openness and transparency
 - Consultation and engagement
 - Explanation of options and reasons

[Good practice guidance on principles of effective decision-making](#)

What is assurance?

‘Information, evidence and evaluation of how local authorities are delivering their duties, functions and outcomes, which can be used to hold them to account and may give confidence.

There should be no assumption that assurance will always be gained – in some cases the outcome will be “not assured”.

LGA, 2024

Why does it matter?

- Assurance is fundamental to:
 - effective service delivery
 - public trust
 - accountability
 - achieving better value for money
- Internal and external assurance of (for example):
 - financial management
 - managing risk
 - monitoring performance
 - controls, policies and procedures

... as risk increases, so should the level of focus on assurance

What is councillors' role?

'Those charged with governance':

- If Mayor/ Leader/ Cabinet:
 - Executive: considers performance, finance and risk reporting at a strategic level
 - Scrutiny: hold the Executive to account for their decisions and actions
- If committee system:
 - Policy & Resources Committee (or equivalent): strategic performance, finance, risk
 - All committees: effective decision making, scrutiny of proposals
- Audit committee: monitors and reviews the effectiveness of internal controls, risk management and financial reporting, holds internal and external audit to account
- Full Council: ultimate responsibility

[Councillor's guide to the Improvement and assurance framework for local government](#)

Annual governance statement

- Have you seen it?
- Do you recognise it?
- Do you know the areas for improvement?
- Do you know what progress is being made on the action plan?

3 Lines Model of Assurance

First line	Actions by managers and staff responsible for identifying and managing risk as part of day to day activities.
Second line	The way the council oversees the effectiveness of its controls for example, the responsibilities of: <ul style="list-style-type: none"> • Strategic management team • Corporate statutory officers • Audit committee
Third line	Independent assurance, i.e. internal audit. Accountable to full council
Governing body	Full council
External assurance providers	<ul style="list-style-type: none"> • External audit • Regulators, inspectors • LGA Corporate Peer Challenge, regional benchmarking

LGA Support

- [Councillor hub](#) for more information on councillors' roles and responsibilities
- Leadership development programmes –
 - [Leadership Academy](#)
 - [Leadership Essentials](#)
 - [Workbooks](#) and [e-learning](#)
- Benchmarking information available through [LG Inform](#)
- Support through [political group offices](#) and [regional teams](#) (member peers and officers)

Questions?

Final thoughts

- ‘Governance is what lets me sleep at night’ (Council Leader)
- Governance and assurance require compliance with processes **and** the right behaviours - led from the top
- It's not just about what you do but how you do it

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