



REPORT

To: Special Shetland Islands Council

7th March 2011

From: Chief Executive & Head of Legal & Administration

REPORT NO: LA-21-F

Improvement Action Plan: GO2

Governance and Shetland Islands Council : Decision-Making Structures

1. Introduction

- 1.1 The purpose of this report is to seek a decision of the Council on future Governance arrangements and in particular the Council's political decision-making structures with a view to implementation in April/May 2011.
- 1.2 At the Council meeting, on 15th February 2011, the Council approved the final cycle of meetings under the old Committee structure and, subject to approval of one of the models described in this report, a new set of diary dates will be worked up for the remaining 5 cycles of meetings of this term of the Council, stretching from May 2011 to the Elections in May 2012.
- 1.3 Subject again to the decisions required today, further seminars and meetings of the Council will be required during March/April to consider and approve a range of constitutional documents which will consider the Terms of Reference, Schemes of Delegation and Administrative Regulations to support the implementation of the Council's approved political management arrangements.

2. Links to Council Priorities

- 2.1 The revision of Political decision-making structures has been accorded the highest priority by the Council as a key stage in its improvement programme.

3. Risk Management

- 3.1 There is a range of inherent risks, mainly falling into the professional, reputational and political categories, in failing to establish an effective structure within which sound decisions can be made. Shetland Islands Council has been criticised in relation to Corporate leadership and for failing to observe Standards of good Governance. Creating an effective structure is a fundamental element in the improvement agenda. The models appended to this report have both received full Member input and either one is believed to be a suitable model to take the Council forward. Furthermore, by implementing a structure such as this a number of the risks identified by Audit Scotland and the Accounts Commission in matters of leadership and Governance should be reduced.

4. Background

- 4.1 In September 2010, as part of his report to the Council addressing key areas for improvements the Chief Executive, having taken soundings from all Councillors concluded that there was a strong appetite for changes to the existing decision-making structure. The Council decision was that some proposals would be identified for Members' consideration by the end of December 2010 with a view to early implementation and certainly within the lifetime of this Council.
- 4.2 The Chief Executive, in consultation with the Head of Legal & Administration, considered that this project would be best assisted by engaging an external practitioner with experience and skills in this field. COSLA was approached and recommended Nigel Stewart, recently retired as Director of Corporate Services from Argyll and Bute Council. Nigel Stewart was, thereafter, commissioned to assist in taking forward this project.
- 4.3 It was agreed, that every Councillor should be involved from the beginning and throughout the production of a proposal. The Council also appointed a Sounding Board chaired by Councillor Cecil Smith with representation of one Councillor from each of our seven multi member wards. This enabled continuous consultation to take place as proposals were developed. Since the middle of December, a number of Councillor seminars have been held to discuss, in detail, the components of the emerging options. The member involvement has resulted in a report containing two options for change.
- 4.4 Model 1 proposes for the creation of a full executive model with an Executive operating with extensive Executive decision-making supported by four Service Planning Forums.
- 4.5 Model 2 proposes some of the components of the Executive model but in the form of an Executive Committee, with a less comprehensive range of powers than the Executive model described

in model 1 but with a key responsibility for policy direction, resource management of the Council, for the development of the organisation, and for strategic planning in partnership with other organisations under Community Planning arrangements. The distinctive feature in model 2 is that instead of four service planning forums focused on planning and performance management, with authority resting in the Executive, in model 2 there is greater leaning towards a Committee based structure where Executive decision making is shared with four functional Committees and all of those functional Committees would have a role in assisting the Executive Committee in Strategic development.

- 4.6 From the seminars with members and the various meetings of the Council's appointed sounding board, as these options have been developed there has been a general acceptance that either model would take the Council forward and would establish a better approach to organising the Council's business.
- 4.7 Members have continued their commitment to an early implementation date so that the pace of change and improvement can be accelerated. There is a genuine belief that either of the two models proposed will enable the Council to work effectively on improving its leadership role, its planning and performance management function and its corporate working.

5. Proposal

- 5.1 The key proposal in this report is that the Council approve a new decision-making structure based on a choice between the two models set out in the review document. However, it is recognised that Member support and ownership of the chosen model will be a key factor in ensuring its success. It is, therefore, appropriate that the main features of both models are set out in the review document.
- 5.2 The Chief Executive, has advised that in his view, an opinion which is shared by the Head of Legal and Administration and Mr Nigel Stewart, Model 1 would enable the Council to move forward further and faster than Model 2. This is a view that is shared by some Councillors. However the approved model, being the one that commands majority support amongst Members will be the model that has greater prospects of enhancing the conduct of council business and it is important that the Council adopts the model which at this stage in its development will enable it to reflect a positive choice. It is entirely appropriate that both models are presented for consideration and the details of each are fully set out in the review document.
- 5.3 What is critical, is that progress is made by the adoption of one of the two models and that progress is made now to put the new arrangements into place. It would also be beneficial if Members would address the making of some of the resulting appointments in order to pave the way for the remaining appointments, which could be deferred to a later date.

6. Financial Implications

- 6.1 There are no financial implications arising directly from the acceptance of the recommendations of this report.

The remuneration, which is available for posts within the structure, is already tightly constrained by regulations under the Local Governance (Scotland) Act 2004.

In terms of that legislation, the following proposal is submitted and follows through to a recommendation in this report.

Convener	£20,294 (Plus Civic Allowance)
Leader of the Council /Vice Convener	£27,058
Chair for Children, Families and Learning	£18,804
Chair for Communities, Health and Wellbeing	£18,804
Chair for Economy and Development	£18,804
Chair for Environment	£18,804
Chair – Audit & Standards	£17,832
Chair- Development Management Board	£17,832
Chair- Licensing Committee	£17,832
Chair –Harbour Board	£17,832
Chair – Shetland College Board	£17,832

Subject to approval, the remuneration arrangements set out above would be effective from the date following the last Council meeting under the current Committee structure (May 18th)

7. Policy and Delegated Authority

- 7.1 The political arrangements of the Council are not a function delegated to any committee and therefore remain a matter reserved to the Council. In any event, key Senior Office bearer positions are rightly the domain of the Council.

8. Conclusions

- 8.1 The Council has already concluded it needs changes to its political management arrangements in order to lead the process of renewal and improvement, during the life of this Council. This report submits proposals for such changes and also a range of consequential appointments that could be made if the Council is so minded.

9. Recommendations

- 9.1 The Chief Executive and the Head of Legal & Administration recommend as follows:-

1. That the Council adopts and establishes a political management framework based on model 2 (Committee system) set out in the review report, in Appendix A.
2. That the Council approves amended role definitions for the positions of Convener, Leader and Committee Chairs as set out in section 4 of the review report.
3. That the Council in line with its approved appointment procedures, appoints Senior Office bearers to the Executive Committee as follows:-
 - (a) Leader of the Council and Vice-Convener (to be chair of the Executive Committee)
 - (b) Chair for Children, Families and Learning
 - (c) Chair for Communities, Health and Wellbeing
 - (d) Chair for Economy and Development
 - (e) Chair for Environment
4. That the Constitutional arrangements for the Audit and Standards Committee, Development Management Board, Licensing Committee, Harbour Board and Shetland College Board be approved as set out in the review report.
5. Members may also wish to proceed to appointments for the remaining remunerated positions as follows:-

Chair – Audit and Standards
 Chair- Development Management Board
 Chair- Licensing Committee
 Chair- Harbour Board
 Chair- Shetland College Board
6. That Members consider whether to then proceed to make a range of appointments to populate the remaining positions on the various committees/forums. It is anticipated that Members would wish the opportunity, having made the principal appointments to reflect on the remaining appointments required, and to enable Ward Members to consider nominations for appointment to Ward-based positions.

However if the Council is minded to proceed immediately to the other appointments the Head of Legal Administration will identify the appointments required to be made and facilitate the process. Otherwise a list of those appointments to be made would be produced for a future Council meeting in advance of implementation of the structure in May.

Chief Executive and Head of Legal and Administration

Report no: LA-21-F
 Our Ref: JRR/SIC

7 March 2011

SHETLAND ISLANDS COUNCIL

REVIEW OF POLITICAL MANAGEMENT ARRANGEMENTS

February 2011

PREFACE

The political management arrangements which are proposed in this report represent stage 1 of a journey. They focus on the Council and they are designed to reconfigure the Council's decision-making structures with the Council in mind. Beyond that the design firmly looks forward to stage 2 – bringing Community Planning more centre stage with the Council exercising its role to lead the Community Planning Partnership - and to stage 3, possible further integration across the public sector in Shetland which may require, or be a response to, future legislation.

The background to the proposals lies in the Improvement Plan adopted by the Council in November 2010 where the revision of the Council's political management arrangements is a key outcome. The proposed political management arrangements have been designed to help the governing body of the organisation – the Council and Councillors - support other important Improvement Plan priorities, including –

- Helping the Council to ensure it has a culture focussed on clear leadership, vision and strategic direction
- Helping the Council emphasise delivering best value services
- Creating and supporting a planning and performance management framework (PPMF)
- Involving and caring for communities and service users through systematic community engagement
- Community planning - delivering the vision for Shetland with our partners
- Helping the Council ensure its systems, structure, process and culture aspire to accepted principles of good governance
- Helping the Council to maintain public confidence in its approach to financial management and accountability

There are two main options set out with some variants, discussed in the report. Model 1, in a nutshell, proposes an Executive with all the powers of the Council to take executive decisions on its behalf, and is supported by four Service Planning Forums. Model 1 is the preferred model. In my view, it will move the Council and cultural change in the organisation forward further faster. Model 2 proposes a Strategy or Policy and Resources or Executive Committee (which is different from and distinct to an Executive in Model 1) with responsibility for the development of the organisation as a whole and for forward strategic planning, where executive decision taking is shared with four functional committees which would also be concerned with helping the Executive Committee in its strategic development role. In this report rather than referring to Strategy or Policy and Resources or Executive Committee for simplicity it is referred to as an Executive Committee.

Both models are about helping ensure political management in Shetland is about moving the organisation forward; about being business like and focussed on outcomes, increasing the pace of change, to become a high performing, achieving Council; and which enables Councillors to work effectively concentrating on their key leadership roles to create and set direction and to monitor and manage performance.

A summary of the main options and proposals for Stage 1 is at Section 11 below. Stage 2 proposes the Council take forward dialogue within the Community Planning Partnership to develop a revised framework of engagement with CP partners

This is not just about structure and process. It's about cultural change. Leadership and cultural change are underpinning elements of the Improvement Plan. Councillors ultimately hold those particular keys.

Alistair Buchan
Chief Executive

February 2011

REVIEW OF POLITICAL MANAGEMENT ARRANGEMENTS

1 Background

- 1.1 Shetland Islands Council comprises 22 Independent Councillors in 6 three-member wards and 1 four-member ward. The introduction of multi-member wards in 2007 brought new dynamics to the operation of the Council at a political level and presented the Council with challenges and opportunities.
- 1.2 The challenge facing the current Council is to leave the next Council, to be elected in May 2012, with the best possible legacy. The effect of inaction now would inevitably mean that the new Council would have to focus its attention in its first year on issues of structure, culture and operation rather than the prime purposes of continuous improvement in service provision and community leadership.
- 1.3 The report recommends the current Council embraces change now in the way it operates at political level so the proposed new arrangements have time to become embedded during the year leading up to the 2012 elections.
- 1.4 It is some time since the Council last reviewed its political management arrangements comprehensively. The Improvement Plan adopted by the Council in November 2010 contains a number of outcomes relevant to the shape of revised political management arrangements, around:–

- Developing clear authoritative leadership with a clear and common purpose
- Creating a leadership body at Councillor level demonstrating shared corporate responsibility
- Creating effective succession planning to ensure the improvement journey is sustained up to and through the 2012 elections
- A Planning and Performance Management Framework (PPMF) incorporating risk based strategic and service planning at all levels through the Council with performance management scorecards appraisal at all levels
- Best Value based challenge to ensure robust appraisal of policy choices
- Understanding standards of good governance
- Clearly defining member and officer roles
- Robust and transparent decision making processes which command confidence
- Delivering the vision for Shetland with our partners through revised Community Planning Partnership governance structures

Those elements of the Improvement Plan derive from a number of sources – Recommendations from the Accounts Commission, BV2 self-evaluation and the Chief Executive's own assessment of the Council's current situation.

- 1.5 As well as that background, the review of possible political management arrangements has taken account of –

- A series of discussions and seminars with Councillors;
- Discussions held with senior Council officials drawn from different departments.

To take forward Councillor involvement in the Review of Governance and Political Management Arrangements, the Sounding Board set up by the Council agreed that

each of its members would act as a conduit for a series of facilitated ward based discussions with Councillors.

The purpose of the discussions was to share understanding about the important governance issues which the Council currently faces. Some of the areas covered included –

- a The Good Governance Standard for Public Services - Independent Commission on Good Governance
- b Member roles, officer roles and member/member and member/officer relations
- c How well current arrangements enable Councillors –
 - to exercise their corporate leadership responsibilities,
 - to develop and communicate clear messages to staff and the community
 - to engage with community interests
 - to make an effective contribution which best reflects their skills and interests, using their time efficiently and effectively
 - to support transparency and accountability.

All-Councillor seminars were also held between December and February to explore emerging issues.

This report has regard to all of those discussions, collective and individual.

2 Good Governance and Leadership

- 2.1 *“Good governance leads to good management, good performance, good use of resources, good public engagement and good outcomes.”*

The opportunity was taken during the discussions with Councillors to examine in some depth *The Good Governance Standard for Public Services* published by the Independent Commission on Good Governance, and to discuss the relevant principles of good governance in the context of current and future political management arrangements and governance systems and processes in Shetland Islands Council.

- 2.2 A desired outcome for this review is to ensure that those in Shetland who govern the organisation have the benefit of systems, structure, process and culture which satisfy those accepted principles of good governance and enable Councillors to make an effective contribution to the leadership, direction, effectiveness and strategic operation of the Council.

- 2.3 For ease of reference the Principles set out in *The Good Governance Standard for Public Services* are –

Principle 1

The organisation focuses on purpose, and outcomes for service users and citizens

- Being clear about the organisation’s purpose and intended outcomes for service users and citizens

- Making sure users receive high quality services
- Making sure taxpayers receive value for money

Principle 2

Good governance means performing effectively in clearly defined functions and roles

- Being clear about the functions of the governing body
- Being clear about the responsibilities of the executive and making sure they are carried out
- Being clear about relationships between the governors and the public

Principle 3

Promoting values for the whole organisation and demonstrating the values of good governance through behaviour

- Being clear about the organisation's values and putting them into practice
- Individual governors behaving in ways to uphold and exemplify good governance

Principle 4

Good governance means taking informed, transparent decisions and managing risk

- Being rigorous and transparent about how decisions are taken
- Having and using good quality information, advice and support
- Making sure there is an effective risk management system

Principle 5

Good governance means developing the capacity of the governing body to be effective

- Making sure governors have the skills, knowledge and experience to perform well
- Developing those with governance responsibilities and evaluating their performance as individuals and as a group
- Striking a balance, in the membership of the governing body, between continuity and renewal

Principle 6

Engaging stakeholders and making accountability real

- Understanding accountability
- Taking an active and planned approach to dialogue with and accountability to the public
- Taking an active and planned approach to responsibility to staff
- Engaging effectively with partners and stakeholders

2.4 As well as that background of good governance, the review has identified a

number of issues against which “fit for purpose” political management arrangements might be developed in Shetland.

2.5 Leadership

Good political management arrangements enable Councillors effectively to exercise their corporate leadership role to—

- Communicate strategic direction, clear outcomes and priorities
- Allocate resources, including money
- Scrutinise performance
- Achieve outcomes
- Promote continuous improvement and a performance based culture
- Provide political legitimacy for all policy decisions
- Exercise good governance and stewardship

2.6 Good political management arrangements need to support the organisation as a whole, and particularly the governing body, across a number of issues.

Good business management is fundamental so that Council business is dealt with effectively and efficiently in organisational terms and in terms of maximising the contribution by individuals – Members and Officers. Of course, good business management will support clear and effective decision taking, effective service delivery and the regulatory and quasi judicial work that involves Members. Strategic planning, service and financial planning, and monitoring and improving performance are key issues. Just as the Chief Executive and senior management are there to support the Council, equally, good political management arrangements will help support the Chief Executive and his team to do their job. Good political management arrangements will help systematically to engage the views of communities of interest, and partnership working through shorter lines of communication with community planning partners.

2.7 It is important that the Council’s political management arrangements need to satisfy a number of things. Firstly, Councillors, like everyone else, are individuals who come to and bring to the Council different interests, skills and experience. It is important to capture that diversity and use it as a strength. Not every Councillor needs to do the same job, nor should they. The strength for the Council will be in seeing those different interests and skills deployed in the best way to the benefit of the organisation in the different functions that it has to fulfil. Recognising this diversity is also important for Councillors individually because using these different interests and skills effectively will reward the sense of involvement and fulfilment that Councillors should experience from making an effective contribution. A second aspect is to ensure easily understood political management which provides a corporate focus and transparency of decision taking in the actions of councillors.

2.8 Planning and Performance Management Framework (PPMF)

The preface to this report suggests that finding political level structures which will best support key elements of the improvement plan and the strategic direction of the council is fundamental.

2.9 One of these is creating a Planning and Performance Management Framework (PPMF). Put simply this is a method for creating cohesive strategic plans which set out clear vision and service plans which set out how the strategic vision will be

achieved through service delivery on the one hand, and a rigorous approach to monitoring and managing achievement on the other. Diagram 1 below shows the ingredients which, along with the vision the Council has for Shetland, will produce a template which will provide for these sharper focused corporate/strategic plans, out of which come SMART (Specific, Measurable, Achievable, Realistic, Time limited) service plans with costed and measurable actions, providing the basis for policy led budgets and the achievement of outcomes. The framework is about enabling the Council to set out and realise its vision through results which achieve desired outcomes - outcomes which its political management arrangements support and control.

Planning and Performance Management Framework

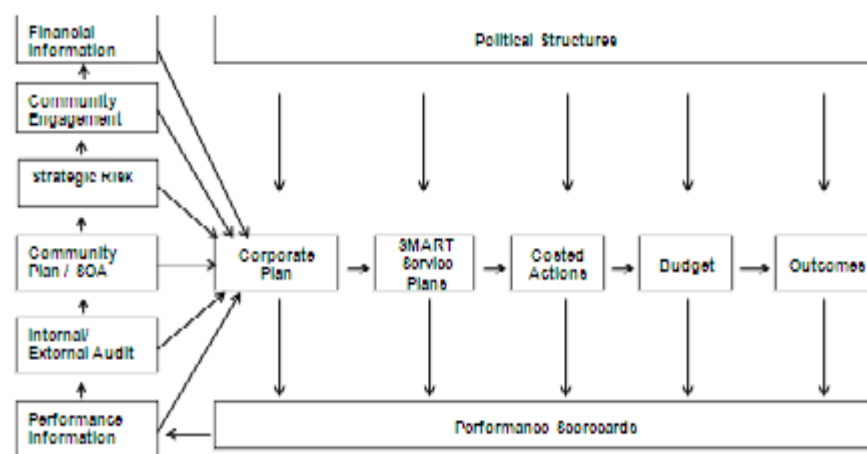


Diagram1

- 2.10 PPMF sets out the framework to plan and manage at each level in the Council, from corporate plan, through strategic and service plans, departmental plans, section plans, team plans, to an individual employee so everyone's contribution is focussed on achieving relevant outcomes.

As shown in diagram 2 - at every level there is a link between planning and performance management with relevant performance scorecards that provide the right information at the right level; and this of course also means the council has regular performance information so it can report performance to the public as part of public performance reporting.

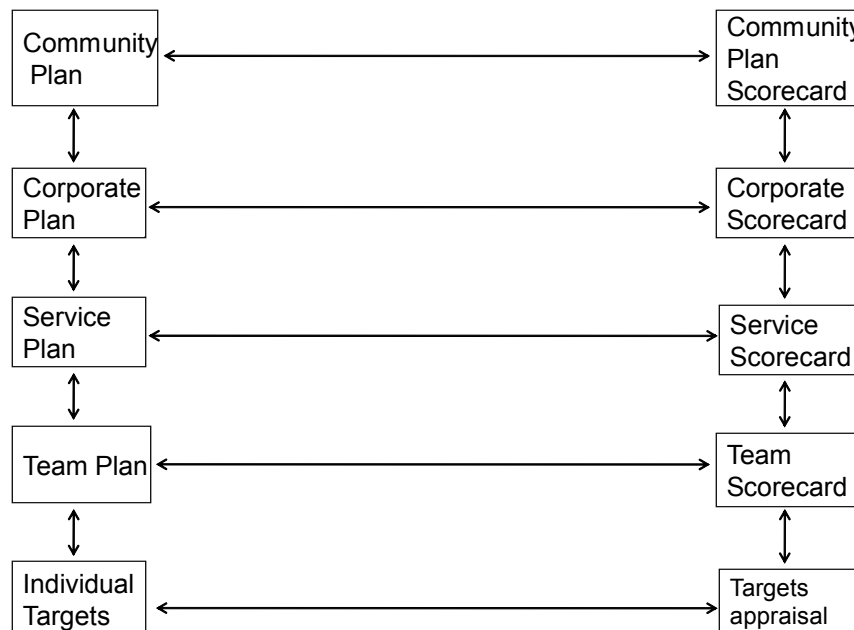


Diagram 2

2.11 The importance of this framework and how important it is to get the political structures right to make this work cannot be underestimated, because this is key to so much else - getting the processes out of the way so you can concentrate on the real business with the following benefits -

- Putting Councillor vision into the direction of service delivery
- Strategic direction is clear at all levels in the organisation
- Plans exist at each appropriate level
- Corporate Plan, Strategic and Service plans, Budget are consistent, affordable and achievable
- Costed plans which inform budget implications
- Policy led budgets
- Measurable plans which allow performance management at all levels

2.12 The review has looked at what political management arrangements need to support, at good governance standards and at the importance of PPMF as fundamental to a performance based culture. Paramount is to ensure that the Council's political structures make sure the organisation is pointing in the direction which will achieve its vision for Shetland. At the highest level this is currently set out in the corporate plan across three themes concerned with Shetland's Economy, Shetland's Society and Shetland's Environment and a fourth – Organising Ourselves Better - about the Council itself.

FUTURE POLITICAL MANAGEMENT ARRANGEMENTS

3 3.1 How might political structures best be organised to ensure the organisation is focussed on achieving that vision of improving and developing Shetland and using PPMF to secure it?

Ultimately the Council itself is responsible for achieving the outcomes in the corporate plan. In the ward discussions nearly all Councillors said they saw the potential of a body of Councillors as the political co-respondent of the Corporate Management Team working towards achieving corporate outcomes and

working in the interests of the corporate development of the organisation as a whole – in other words a body of councillors leading the agenda for change inside the organisation and outside it. Using the PPMF framework to make sure SMART service plans achieve the corporate outcomes and to ensure councillors see the high level service scorecards to be satisfied the organisation is working. This is about making political management arrangements really work to get behind achieving the Council's vision.....all facing in the right direction.....moving forward corporately.

Just as using skills and interest are important factors in helping Councillors make the most effective contribution, character and aptitude for leadership also needs to be recognised. In both models which follow, the Executive or the Executive Committee provides a vehicle for corporate leadership in the Council at political level which the whole Council cannot do.

4

Model 1 – an Executive

4.1

Diagram 3 illustrates one model of political management arrangements based around an Executive.

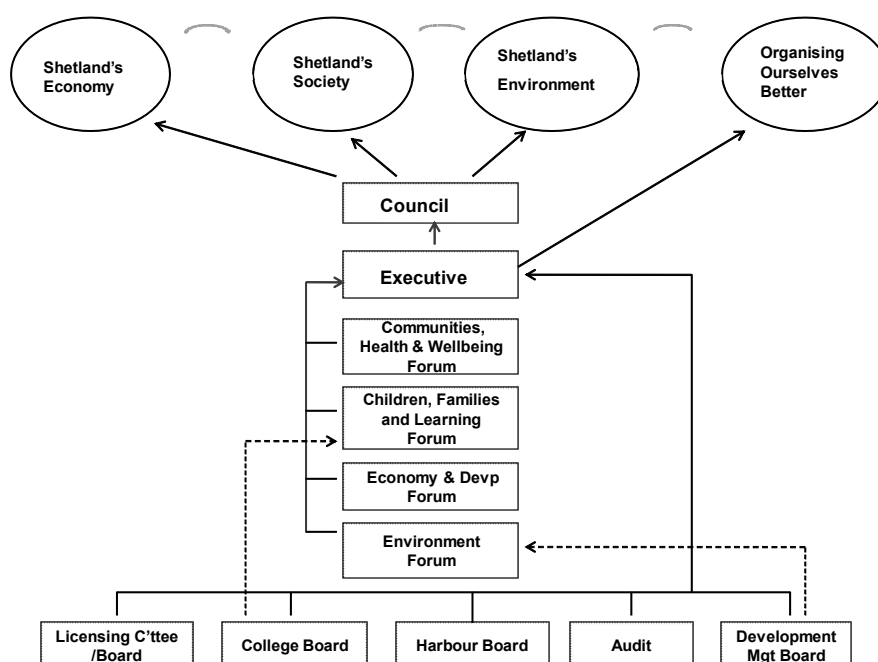


Diagram 3

4.2

In Model 1 the Council would have a group of Councillors (an “Executive”) with all of the powers of the Council apart from those matters reserved to the Council itself as set out in statute or the Constitution. This type of arrangement would provide a focused body both for the development of issues of strategic significance, and for executive decision taking across the range of the Council's functions at a corporate level. The Executive would be supported by four bodies called Service Planning Forums which would concentrate on developing the service plans concerned with service delivery, and managing performance. The other Committees/Boards shown in the diagram are contingent on options which are discussed below.

- 4.3 Model 1 proposes an Executive of 11 Councillors - a Leader of the Council, Depute Leader, 4 Spokespersons and 4 Depute Spokespersons (who would be the chair and vice chair of the relevant Forum), - based around a relationship of Spokesperson and Corporate Plan theme as shown in para 4.8 below plus the Convener.
- 4.4 The Executive is deliberately so called, rather than cabinet. Cabinet implies closed doors. What is envisaged is a body operating in an open and inclusive and whenever possible consensual way. This means all councillors having equal access to information and the ability to influence. So the model envisages all members not just entitled but encouraged to attend Executive meetings and ask questions and make contributions to the debate with the Executive itself taking account of that input in its decision taking. This is about providing a balance - providing the organisation with strong and clear and transparent leadership - with the general consent of the Council as a whole.

Model 2 – an Executive Committee

- 4.5 In Model 2 (as illustrated in Diagram 3 below) the Council would have a group of Councillors, as an Executive Committee. This is a body different from and distinct to the Executive proposed in Model 1. The essential difference is that instead of having all of the powers of the Council to take executive decisions on all business (except that reserved to the Council) it would have some delegated powers within given terms of reference. It would be concerned with considering and recommending to council the corporate plan and high level strategies which span over individual services, the draft budget. It would have delegated powers to take forward all matters concerned with the development of the Council as an organisation, and would have responsibilities overall for the finance and other resources including staff resources.

This type of arrangement also provides a focused body for the development of issues of strategic significance, and crucially would work with the Chief Executive and Corporate Management Team on the development of the organisation and its processes, such as the Planning and Performance Management Framework. The Model provides for four functional Committees which would take decisions, within their respective scope of responsibility, compatible with existing policies, otherwise recommending to the Executive or Council; they would develop the service plans concerned with service delivery, and manage performance. The other Committees/Boards shown in the diagram are contingent on options which are discussed below.

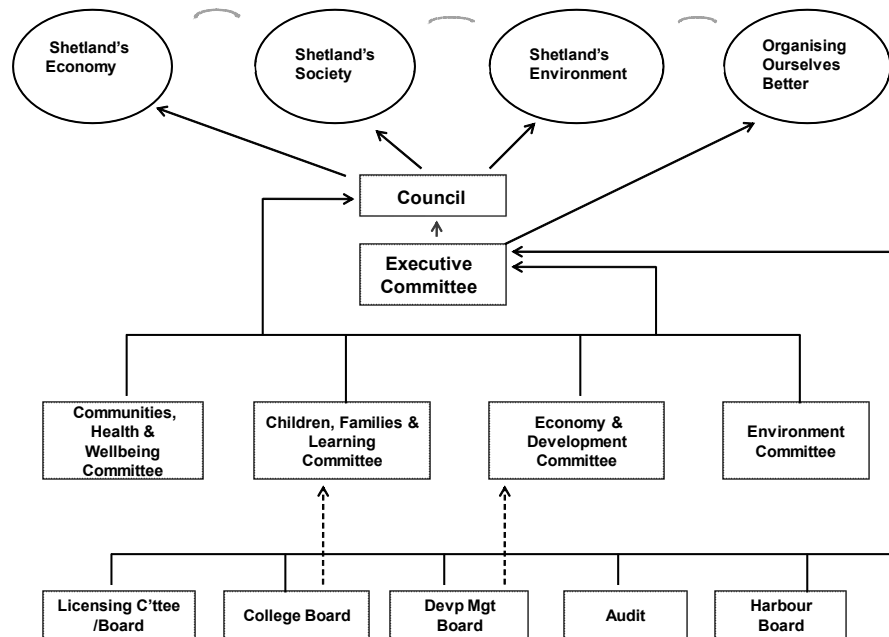


Diagram 4

4.6 Model 2 proposes an Executive Committee of 11 Councillors - a Leader of the Council who would chair the Committee, 4 Chairs for the functional areas shown at para 4.8 below and 4 Vice Chairs, plus the Convener and one other member decided by all Councillors.

4.7 The expectations on the Council, the pace of business nationally and locally, expectations about leadership, and those arising from the salaries paid to senior Councillors all point to the need for a body leading the overall direction of the Council. In both models the Executive or the Executive Committee would work with and complement and support the role of the Chief Executive and the Corporate Management Team each with their distinctive roles to play, taking responsibility for issues associated with, amongst other things –

- the corporate plan and the high level strategies that span over different service areas
- the corporate development and improvement of the Council as an organisation
- the financial and other resources of the Council
- promoting the aims of the corporate strategy inside and outside Shetland
- promoting the leadership role of the Council in Community Planning
- promoting the Council and Shetland, working with businesses and organisations

4.8 **Leader of the Council (and Spokesperson for organisational Development)**

Development and operation of Council, planning and performance, improvement, finance, resources, best value, community planning, local government generally, public sector reform, customer first, shared services, IT, procurement

Committee Chairs (functional Spokespersons)

Children, Families and Learning

Children and families; school; pre-school; young people; and lifelong learning

Communities, Health and Wellbeing

Community care; community health and wellbeing; housing; poverty; community regeneration/development; voluntary sector; arts, culture, leisure and sport

Economy and Development

Strategic regeneration; development and transport planning; economy and business; energy, agriculture, fisheries, tourism,

Environment

Natural environment; heritage; roads, transport and ferry services; building services; environmental and protective services

4.9 As well as acting in a collective leadership role the Leader and Committee Chairs acting as spokespersons would have a clear individual leadership responsibility for areas of activity and for achieving relevant outcomes. The combination of current service committee chairs and vice chairs on the one hand and many spokespersons/deputes on the other makes it difficult to answer the question who at political level is held to account for what? Leadership and accountability at officer and member levels is a pre-requisite of a performance culture focussed on getting things done.

4.10 The Council has adopted an improvement plan and the journey over the next couple of years needs to be sustained. Clearly the Corporate Management Team has an important role to play. So too do councillors. The improvement journey will span over the 2012 elections and it is imperative that the good work which will be done over the next year and a bit is not put at risk by any hiatus before and after election time. Sustaining the journey needs to be seamless so it is important to create a system of leadership that will provide for continuity and renewal and sustain the improvement journey. Either an Executive or an Executive Committee could play that role.

4.11 The models might operate along the following lines –

Model 1 - Executive

- 1 Recommending major policy to Council (eg Corporate Plan, service plans, strategic plans, financial plans and budget etc)
- 2 Executive decision taking with all the powers of the Council, taking decisions on all Council business compatible with policy, otherwise refer business to Council

Model 2 – Executive Committee

- 1 Recommending major policy to Council (eg Corporate Plan, service plans, strategic plans, financial plans and budget etc)
- 2 Executive decision taking within defined terms of reference and delegation

3	Delegated responsibility for Planning and Performance Management	3	Overall Planning and Performance Management Framework with responsibility for service planning and performance management shared with functional committees
4	Delegated responsibility for resources and finance	4	Advisory responsibility for resources and finance
5	Delegated responsibility for developing the Council as an organisation, its processes, procedures and people	5	Delegated responsibility for developing the Council as an organisation, its processes, procedures and people
6	Instructing policy development work and performance review work to Service Planning Forums and considering advice from them	6	Considering policy development advice and performance review issues from functional committees

4.12 The post of Leader does not replace but complements the post of Council Convener. The Council Leader is a different post from the civic head of the Council; the roles are quite distinct. The nature and scale of business in Shetland suggests that the Leader post might also support the civic role when that is necessary and therefore the Leader post could also act as Vice Convener.

Convener		Leader (and Vice Convener)	
1	Chair Council meetings with the statutory powers and duties of Convener	1	Chair Executive or Executive Committee meetings
2	Undertake civic and ceremonial functions on behalf of the Council and the community	2	Provide political leadership and direction for the organisation, lead the Committee Chairs
3	Uphold good governance and the Constitution and be the "conscience of the Council"	3	Work across the Council to establish clear political direction
4	Secure the rights of all Members to participate in Council's decision taking	4	Promote Council interests as political leader
5	Act as a focal point for the whole Shetland community	5	Represent the Council at meetings with Ministers, CoSLA and other partners
6	Act as an ambassador for and promote the Council and Shetland as civic leader	6	Responsible at political level for the management and maintenance of the Council's reputation

- | | | | |
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| 7 | Promote wider involvement in public life | 7 | Provide the key political level link between the officer structure and political structure |
|---|--|---|--|

4.13 The proposed role definition for Committee Chairs acting as spokespersons is –

- 1 Taking a corporate lead in the development of the Council as an organisation and the formulation and achievement of its strategic vision
- 2 Contributing to the development of the Council's corporate strategies to help ensure the development of service policy within the corporate environment
- 3 Leading on service matters of political/policy priority at meetings of the Council, the Executive or Executive Committee and other bodies within the Council
- 4 Facilitating good communication amongst Chairs, all Councillors, the Chief Executive, Directors and Heads of Service.
- 5 Chairing the relevant Service Planning Forum or functional Committee and leading it in its work of service policy development and the performance management of services
- 6 Providing regular reports to Executive or Executive Committee meetings on the areas of work for which they have responsibility, including reporting back on meetings with organisations and other events outside the Council
- 7 Supporting the relevant Directors/Heads of Service in taking forward the development of service policy issues and their effective implementation, involving all relevant employees, service users and partner organisations
- 8 In consultation with the Leader of the Council, promoting awareness of service strategies, achievements and constraints in order to inform the public, government and other organisations; to be an ambassador for the service locally and nationally
- 9 Maintaining good communications with Council employees, providing a bridge between the Council and employees to provide a policy background for, and recognition of, their work

5 Model 1 – Service Planning Forums: Model 2 - Functional Committees

5.1 In both models, Service Planning Forums or Committees are aligned to the high level vision in the Corporate Plan – there might have been 3 in this model – society, economy, environment but the “society theme” is large enough in terms of scope and scale to merit division thus producing four Forums or Committees –

- Children, Families and Learning
- Communities, Health and Wellbeing
- Economy and Development
- Environment

- 5.2 Just as the job of the Executive or the Executive Committee is concerned with creating and maintaining the high level strategies which span over individual services, in both models Service Planning Forums or functional Committees would make a significant contribution to achieving these strategic outcomes by concentrating on developing the service plans concerned with service delivery and managing performance using PPMF as the main tool of policy development and performance management. Scrutiny and best value are equally important functions for elected members.
- 5.3 The Model 1 Forums or Model 2 Committees would operate along the following lines –

Model 1 Forums

Model 2 Committees

- | | | | |
|---|---|---|--|
| 1 | Under the general direction of the Executive, development of policies and plans concerned with service delivery, making recommendations to the Executive | 1 | Development of policies and plans concerned with service delivery, making recommendations to the Executive Committee or the Council |
| 2 | Under the general direction of the Executive, reviewing the overall effectiveness of the Council's work and standards and levels of services through Service and Best Value (BV) reviews | 2 | Reviewing the overall effectiveness of the Council's work and standards and levels of services through programmes of Service and Best Value (BV) reviews approved by the Council on the recommendation of the Executive Committee |
| 3 | Encouraging collaboration and co-ordination, with particular reference to the Community Planning Partnership where the relevant Service Planning Forum would become the core of the relevant Community Planning Partnership theme group, so that, amongst other things, elected members can be scrutinising the progress and performance of the public body partnerships. | 3 | Encouraging collaboration and co-ordination, with particular reference to the Community Planning Partnership where the relevant Committee would become the core of the relevant Community Planning Partnership theme group, so that, amongst other things, elected members can be scrutinising the progress and performance of the public body partnerships. |
| 4 | Taking on the community engagement role for the Council, replacing the myriad of member officer groups and other panels and forums with a transparent and simplified model | 4 | Taking on the community engagement role for the Council, replacing the myriad of member officer groups and other panels and forums with a transparent and simplified model |
| 5 | Forums would be concerned with service policy development and performance | 5 | Committees would be concerned with policy development and service performance monitoring; |

monitoring and management; they would not act in an executive decision taking capacity, that function being for the Executive and the Council; they would work to an assembled work programme under the general direction of the Executive

they would also take executive decisions, within their respective scope of responsibility, compatible with policy, otherwise recommending to the Executive Committee or Council as appropriate; their PPMF work programme would be the product of agreement with the Executive Committee

- 5.4 Each of the four Service Planning Forums in Model 1 or the four functional Committees in Model 2 would comprise 11 Councillors as core members, one from each ward plus the relevant chair and vice chair who would act as the spokesperson with an overall responsibility for the work of the forum or Committee, plus two other members appointed by all Councillors to reflect skill and expertise in the relevant functional area.

In both models, the proposed arrangements for chair (and vice chair) would represent a practical expression of the leadership responsibility referred to at para 4.7 and 4.9 above.

In both models membership would reflect the geography and communities of Shetland so 7 of the members would be one from each ward. Each would act as the political conduit for that particular functional area in any ward discussions with colleagues. On that basis, while clearly the Council would appoint the Spokespersons (and Depute Spokespersons), and the two further members to reflect skill and expertise, it might be appropriate if the ward members were appointed by the Council on the nomination of the members for each ward.

- 5.5 In both models it is important to avoid falling into the trap where these bodies become latter day traditional Service Committees, micro managing individual services. Policy development, performance management, community leadership and engagement are ones for Members. It is for the Chief Executive and the Corporate Management Team to manage the organisation and the role of Councillor and officer is both distinct and complementary.

- 5.6 A further point is the question of the balance that needs to be struck in the role of Service Planning Forums or Committees (and thus their members) to support the Executive or the Executive Committee in the leadership role of the strategic and corporate development of the organisation, and performance management. Forums or functional committees would certainly have a key role to monitor policy and service performance. Political scrutiny – i.e. holding the Executive or the Executive Committee to account is a matter for the Council as a whole.

- 5.7 To emphasise the point made in paragraph 5.3 about effective collaboration with other organisations particularly Community Planning Partnership bodies the latter could be recognised by representatives from some of those bodies (as appropriate) being co-opted, as non-voting members of the relevant Forum or Committee, providing information and advice. These “associate members” are important on a longer term basis (see below – Stage 2), because they would provide, together with Councillors, the basis of the related community planning theme group. In addition, it would be open to a Forum or Committee to invite others to attend - not as members and on a short term basis - to contribute information and advice on particular issues.

- 5.8 It is suggested Forums or Committees might tailor their programme of meetings so that alternately one is used to concentrate on service/policy planning and one for performance management; with executive decision taking (in the case of Model 2 Committees) taking place at either meeting, and in both models community engagement being taken forward in terms of the Community Engagement Strategy to be developed as one of the outcomes in the Improvement Plan
- 5.9 The Forums in Model 1 and the Committees in Model 2 would replace the myriad of member officer groups and other forums and panels. There is one outstanding matter. Statute requires that representatives of local churches are involved in matters relating to the Council as education authority and consideration will need to be given to where they might be involved depending on the model the Council decides to adopt.

6 Audit

- 6.1 In both models it is proposed the current Audit and Scrutiny Committee is replaced with an Audit and Standards Committee re-focussed to support sound corporate governance and promote good internal control in respect of financial management, risk, code of corporate governance and performance management, in order to provide re-assurance to the Council that its relevant systems and processes provide reasonable assurance of effective and efficient operation. It would have a specific role in approving the annual accounts before they are signed off by the S95 Officer and External Auditor.

So while the Audit and Standards Committee might receive performance information as part of testing the veracity of the systems and processes just referred to, active performance monitoring and management will be done by the Executive/Executive Committee and the Service Planning Forums/Committees with the Audit and Standards Committee concentrating on the internal audit strategic plan, monitoring action on internal and external audit recommendations, commenting on the scope and depth of external audit work, reviewing the Council's financial performance, compliance with laws and regulations, and accounting codes of practice.

- 6.2 The current Audit and Standards Committee comprises 8 members. Unlike the Service Planning Forums or functional Committees the imperative is to bring relevant skill and expertise to the work of the Committee as distinct from the geographic/ward interest. It is suggested one additional member is appointed to bring the membership to 9. The Council should also consider co-opting in addition two independent assessor members. This would bring the Committee's membership to 11.
- 6.3 These non-Councillor members would be unremunerated local public appointments, bringing people with suitable experience and skills. The potential is to bring an important external dimension into the work of the council, providing support and challenge and an external perspective. To provide continuity the co-option would be made normally for a four year period to crossover the term of a Council. A further extension in this direction might see those co-opted non-councillors acting as chair and vice chair of the Committee either now or perhaps following the May 2012 elections. Arrangements would need to be made for the first period to recognise that the next Council will be for a 5 year term to 2017.

7 Regulatory Functions – Planning and Licensing

- 7.1 While the model of political management arrangements proposed in this report does not recommend substantial structural change to the arrangements for dealing with regulatory functions, as said earlier the diversity of character, interests, skills and experiences that each Councillor brings to the Council is recognised. This is a strength from which the Council, and Councillors, should benefit and the Council's political management arrangements should make best use of that diversity.
- 7.2 As the discharge of the Council's regulatory functions becomes ever more complex so too does the complexity of each Member's involvement. There is an increasingly high expectation on the skills and knowledge that Councillors should have if they are to discharge these functions effectively in legal and policy terms. Increasingly there is a need for hearings under the relevant legislation to deal with the most complex cases. This aspect includes the new planning regime which has recently been implemented. Taking all of these considerations together needs the Council to be clear that demands on Councillors in terms of training and personal development, and time commitment to the regulatory function should not be underestimated. It is suggested Council should take account of this in making appointments to other bodies within the Council's political level structures.
- 7.3 Another aspect of increasing complexity for Councillors in the regulatory arena arises from the legal and ethical framework that governs how Councillors must conduct themselves in that arena. Members can find themselves walking an ethical tightrope, sometimes because there is a conflict between wishing to promote development for the benefit of their constituents and constituency, while unable to do so because they will be involved in the relevant regulatory process, or because their membership of other organisations can give rise to a perceived conflict of interest.

Development Management Board

- 7.4 Development management is a regulatory function. Development planning, however, is integral to overall development and achievement of Shetland's vision and as such would be properly part of the strategic development work of the Executive in Model 1 with the proposed Economy and Development Forum an appropriate place to provide further support to the Executive. In Model 2 the Executive Committee is seen as the body leading overall strategic planning and community planning. The Economy and Development Committee in this option would assume the responsibility for development planning working closely with the Executive Committee.
- A Development Management Board would supersede the existing Planning Board to undertake the development management functions of the Council in which elected Members are involved. This would distinguish properly between development planning and development management.
- 7.5 It is proposed the composition of the Development Management Board should be 11 Councillors, (in the case of Model 1, none of whom is a member of the Executive) one from each ward, plus a chair and vice chair with an overall responsibility for the work of the board, plus two further members having regard to skill and expertise.

7.6 Finally, further work requires to be undertaken to develop detail around this regulatory mechanism. In that context there may be scope for further delegation of regulatory functions to officers and this should be examined further in order to keep the job of Members manageable.

7.7 **Licensing Committee**

It is proposed that the Licensing Sub Committee be renamed Licensing Committee to recognise that it is part of the independent regulatory arena within the Council. In view of the fact that the membership of the Licensing Committee and the membership of the Licensing Board are the same, and the complication in the Licensing (Scotland) Act regarding timing of membership changes, it is proposed the Committee should comprise the current 8 members of the Licensing Sub-Committee. The Council may wish to alter this from May 2012 to comprise 9 members, one from each ward, plus a chair and vice chair none of whom is a member of the Executive or Executive Committee.

8 Other Functions – Harbour Board, Ferries Board and Shetland College Board

8.1 **Harbour Board & Ferries Board**

The Council currently has a Harbour Board to undertake functions in relation to the management and operation of the Council's harbour undertaking. It also has an Inter Islands Ferries Board which gives guidance to port and ferries management.

While, as would be expected in Shetland, marine related services are extensive, the benefits of both of these two bodies are not clear. Ferry services is one part of roads and transport services which lies with the Environment Committee and it is proposed the Ferries Board should be discontinued accordingly. The Harbour Board would remain to discharge the Council's responsibilities as harbour authority. It is proposed the Board should comprise 8 members, although it is a matter for the Council as to whether it wishes to review the membership of the Board as part of the current review of political management arrangements.

8.2 **Shetland College Board**

The Shetland College Board provides strategic advice in respect of Shetland College and Train Shetland. There are of course other training institutions in Shetland, particularly NAFC which along with Shetland College comprises a UHI campus.

Lifelong Learning is part of the remit for Children, Families and Learning and the relevant Service Planning Forum or Committee is no doubt a vehicle for closer examination of the future provision of vocational/further/higher education in Shetland and how that is best resourced, coordinated and delivered. In the meantime the Shetland College Board should remain in place as currently constituted although it is a matter for the Council as to whether it wishes to review the membership of the Board as part of the current review of political management arrangements. It is also a matter for the Council as to whether the Chair might be the Spokesperson or perhaps Depute Spokesperson for Children, Education and Lifelong Learning

9 Other Functions - Appeals, Review Panels etc

- 9.1 For completeness it is worth recording that the Council requires to have a number of appeals and review bodies, for example Staffing Appeals, Social Work Complaints Review. These will be taken forward as part of implementing the proposals which are agreed by the Council following this review.

10 The Council

- 10.1 The Council itself is, of course, the supreme body in the Council's political management structure and statute and the Council's own constitution reserves matters for decision only by the Council. Inevitably the business that arises before the Council will often be complex and important in policy and political terms. Matters reserved to the Council and thus excluded from delegation to any other body might be as summarised at Appendix 1. Terms of reference for the Executive might be as at Appendix 2A for Model 1 and Appendix 2B for the Executive Committee in Model 2. Terms of reference for Model 1 Service Planning Forums might be as at Appendix 3A and for Model 2 functional Committees as at Appendix 3B.

- 10.2 Coupled with the demands that all of the foregoing may place on Councillors there is an increasing need to cater better for Members in three respects –

- 1 The opportunity for all Councillors to be better involved during the stages of development of corporate wide policies and strategies and not just at the end of the process when these are eventually signed off by the full Council.
- 2 Councillors need information over a variety of subjects and issues on an ongoing basis, hearing from their own professionals but also others from partner organisations and other government and public bodies.
- 3 There is a need to manage how information is presented to Councillors. At present committee agendas contain extensive numbers of reports which are for information, and the balance of discussion in council/committee needs to be adjusted to allow members to concentrate on the real issues of consequence which require decisions. Councillors are no different from anyone else and they need to manage their own jobs to be able to prioritise the important.

- 10.3 Council meeting day is an occasion when all Councillors come together at the same time. There is merit in considering how best Council meeting days should be structured and how best to utilise this time for the benefit of Councillors. The formality of Council meetings is less conducive to satisfying the kinds of considerations referred to at para 10.2. The Council has recently introduced monthly informal seminars.

10.4 Model 1

- Council meets every two months to conduct formal business
- Executive meets every month
- Service Planning Forums meet every 2 months, alternately one for service planning and one for performance management, building in community engagement
-

Model 2

-
- The Council, Executive and functional Committees would meet in accordance with a schedule to be determined to conduct formal business

In both Models there would continue to be monthly informal seminars where, with less formality, presentations can be made, information can be provided, training can be given and developing issues can be discussed. There is always the provision for special meetings.

- 10.5 At formal Council meetings only significant policy and statutory business, normally either on reports from officers or on reports from the Executive or exceptionally Service Planning Forums in Model 1 or from the Executive Committee or functional Committee in Model 2 should be considered. The minutes of various Committees and Groups should not be submitted as a matter of formality as they are at present. Minutes record decisions which have been taken and therefore are for information, and should not require Councillor time to be diverted away from discussing decisions to be taken on important business which would come before the Council on report. Minutes can be viewed by Councillors on the Council's internet site. Similarly, and this applies more generally to agendas, the opportunity should be taken to create a Councillor Information Bulletin by developing the Council's internet or intranet sites so that when officers provide information to Councillors this medium can be used. Performance and financial management information in the relevant scorecards provided in terms of the Planning and Performance Management Framework will provide focussed information which Councillors need to discuss. Apart from that most information can be provided through a Councillor Information Bulletin. In short the general rule should be that agendas contain only reports which require decisions. Further work should also be done to create a new house style for minutes and reports which bring greater clarity and succinctness for the benefit of Members and all who read/use these documents.

11 Implementation of Stage 1 – Summary of Issues for Consideration

11.1 Model 1 – Executive and Service Planning Forums

- 1 Establish an Executive and the political management arrangements as outlined in this report and illustrated in Diagram 3 and –
 - a establish an Executive of 11 Councillors all on the basis of, and with the terms of reference based on those outlined in, section 4 of this report, comprising a Leader of the Council, Depute Leader, 4 Spokespersons, 4 Depute Spokespersons, and the Convener.
 - b approve the role definition of Convener, Leader, and Spokespersons on the basis outlined in section 4, and agree the Leader would act as Vice Convener to support the civic work of the Convener.
 - c appoint -
 - a Leader of the Council
 - a Depute Leader
 - Spokesperson for Children Families and Learning and Depute Spokesperson
 - Spokesperson for Communities, Health and Wellbeing and

- Depute Spokesperson
- Spokesperson for Economy and Development and Depute Spokesperson
- Spokesperson for Environment and Depute Spokesperson

to hold office until the elections in May 2012

- 2 Establish four Service Planning Forums each with 11 Councillor members all on the basis outlined in section 5 and for each –
 - a appoint 7 Councillors, one from each ward, plus the relevant Spokesperson and Depute Spokesperson to be members of the Forum
 - b appoint two further members having regard to skill and expertise
 - c appoint the relevant spokesperson and depute spokesperson to be the chair and vice chair respectively of the corresponding Forum

11.2 **Model 2 – Executive Committee and Functional Committees**

- 1 Establish an Executive Committee and the political management arrangements as outlined in this report and illustrated in Diagram 4 and –
 - a establish an Executive Committee of 11 Councillors all on the basis of, and with the terms of reference based on those outlined in, section 4 of this report, comprising a Leader of the Council, 4 functional Chairs, 4 functional Vice Chairs, the Convener and one other member.
 - b approve the role definition of Convener, Leader, and Committee Chairs as spokespersons on the basis outlined in section 4, and agree the Leader would act as Vice Convener to support the civic work of the Convener.
 - c appoint -
 - a Leader of the Council
 - Chair for Children Families and Learning and Vice Chair
 - Chair for Communities, Health and Wellbeing and Vice Chair
 - Chair for Economy and Development and Vice Chair
 - Chair for Environment and Vice Chair

to hold office until the elections in May 2012
 - d appoint one further member of the Executive Committee.
- 2 Establish four functional Committees each with 11 Councillor members all on the basis outlined in section 5 and for each –
 - a appoint 9 Councillors, one from each ward, plus the relevant Chair and Vice Chair to be members of the Committee

- b appoint two further members having regard to skill and expertise

11.3 **Audit and Standards Committee**

Establish an Audit and Standards Committee all on the basis of, and with terms of reference based on those outlined in section 6 and -

- a appoint 9 councillors to be members of the Committee
- b proceed to put in place arrangements to co-opt two independent assessor members of the committee
- c appoint a chair and vice chair of the committee; or

11.4 **Development Management Board**

Establish a Development Management Board of 11 Councillors (none of whom in Model 1 is a member of the Executive) one from each ward, plus a chair and vice chair with an overall responsibility for the work of the board, plus two further members having regard to skill and expertise to supersede the existing Planning Board and –

- a appoint 7 Councillors, one from each ward
- b appoint two further Councillors to be Chair and Vice chair of the Board
- c appoint two further Councillors having regard to skill and expertise
- d remit to the Chief Executive in consultation with relevant officers to enable terms of reference to be brought forward to distinguish that the Board is responsible for the development management functions of the Council as distinct from development planning which lies elsewhere within the structure of political management arrangements

11.5 **Licensing Committee**

Establish a Licensing Committee with the current terms of reference of the Licensing Sub Committee

- a appoint 8 members of the Licensing Committee
- b appoint a Chair and Vice Chair of the Committee
- c seek a further report to enable consideration to be given to whether from May 2012 the Committee might comprise 9 members – 7 (one from each ward) plus a chair and vice chair, (none of whom is a Spokesperson or member of the Executive in Model 1)

11.6 Harbour Board

Retain the Harbour Board, and -

- a decide whether the members of the current Board continue as members
- b appoint two of those members as chair and vice chair of the Board

11.7 Shetland College Board

Retains the Shetland College Board meantime as currently constituted, and –

- a decide whether the members of the current Board continue as members
- b appoint a chair and vice chair
- c instruct the Children, Families and Learning Forum or Committee to examine the future provision of vocational/further/higher education in Shetland and how that is best resourced, coordinated and delivered and to report back to the Council.

11.8 Appeals and Review Bodies

Note the review and appeals bodies will be taken forward as referred to at para 8.3

11.9 Implementation

- a the bodies recommended in this report are established with their terms of reference formally from a date to be approved by the Council (anticipated May/June) to supersede the present structure of formal committees and replacing the myriad of member officer groups and other panels and forums with a transparent and simplified model
- b the appointments of Leader, Spokespersons or Chairs, and Depute Spokespersons or Vice Chairs take effect immediately (subject to what is said at (c) below), at this stage -
 - i to take forward the work needed to enable all of the arrangements in this report to be progressed
 - ii to ensure that the Planning and Performance Management Framework is in place early in the 2011/12 financial year to enable an effective contribution to planning and performance management activity utilising the new political management arrangements
 - iii to develop work programmes to take forward during 2011/12 particularly programmes of Service and BV reviews

- c In making appointments of Councillors to give effect to the recommendations set out above the Council will need to consider the remuneration arrangements which are to be effective (see paras 12.1 and 12.2 below) to take effect and replace the current arrangements with effect from May 2011.
- d adopts the following arrangements –
 - i **Model 1**
Council meets every two months to conduct formal business
Executive meets every month
Service Planning Forums meet every 2 months
 - ii **Model 2**
Council, Executive Committee and functional Committees meet according to an approved schedule of meetings
 - iii informal monthly seminars for all members as outlined in para 10.4
 - iv the administrative arrangements set out at para 10.5
 - v notes that a full suite of relevant constitutional documents will be brought before the Council to be adopted in time when these arrangements formally take effect.

12.1 **Councillor Remuneration**

The Remuneration Regulations, as applied to Shetland, provide for 4 levels of payment to Councillors –

- (1) Councillor salary of currently £16,234 (= 60% of Leader salary)
- (2) One Leader salary of currently £27,058
- (3) One Civic Head salary of currently £20,294
- (4) Senior Councillors – the maximum number of “Senior Councillors” this Council may have is 9, as specified in the regulations, and it is for the Council to determine the amount to be paid to each within the following parameters –
 - (a) the amount must be more than the amount paid to a Basic Councillor
 - (b) different amounts can be paid to different Senior Councillors (in any combination of the same or different amounts) up to a maximum amount for each which is 75% of the Leader’s salary – thus a maximum of £20,294
 - (c) the total yearly amount payable to all Senior Councillors must not exceed an amount which is calculated by a formula specified in the regulations – in Shetland’s case the total quantum available is £164,376

No Councillor may receive more than one salary. In addition to the salary paid to the Civic Head the Council may pay to that person or any other person deputising for the civic head in carrying out civic duties, a civic allowance of up to £2,000 to reimburse any receipted expenditure incurred by the Civic Head or deputy in carrying out civic duties. This is separate from entitlement to be reimbursed for travel and subsistence costs.

- 12.2 The Council will require to make decisions about remuneration dependent on the political management arrangements it determines in light of this report.

The following illustrates possible ways of applying the regulations, there are others. These examples are prepared without a Depute Leader post. There would need to be a relevant adjustment in the event that this post was established and on the presumption this post would attract a level of remuneration consistent with a Spokesperson in Model 1 or Committee Chair in Model 2.

Package 1

- (1) Leader - £27,058
- (2) Convener - £20,294 + civic allowance
- (3) Spokesperson/Chair – (75% of Leader) x 4
- (4) utilises 4 of the 9 “senior councillor” appointments leaving 5 further appointments available and £83,200 to pay for them
- (5) could provide for 4 appointments at £20,294 (75% of Leader)
- (6) or for 5 appointments at £16,640 (61% approx of Leader)

Package 2

- (1) Leader £27,058
- (2) Convener £20,294 + civic allowance
- (3) Spokesperson/Chair - £18,804 (70% approx of Leader) x 4
- (4) utilises 4 of the 9 “senior councillor” appointments leaving 5 further appointments available and £89,160 to pay for them
- (5) could provide for 5 at £17,832 (66% approx of Leader)

All of the appointments, again depending on the Model and Options chosen, which might derive from this review are at Appendix 4

THE FUTURE – STAGE 2

- 13 13.1 The political management arrangements which are proposed in this report represent stage 1 of a journey. They focus on the Council of course and they are designed with the Council in mind. Beyond that the design firmly looks forward to stage 2 – bringing Community Planning more centre stage through a revised framework of engagement with CP partners - and to stage 3, a footprint towards future integration across the public sector in Shetland towards a single public authority.
- 13.2 A number of actions in the Improvement Plan relate to improvement which can only be delivered in conjunction with our Community Planning Partners. Their involvement in working with the Council on these aspects of the plan will be important to ensuring their success. Communications with our CPP partners needs to be seen in the context of a re-focussed CPP with redefined structures, redefined partnership agreements a Planning and Performance Management Framework (PPMF) and community engagement strategy in which all partners participate.
- 13.3 The aim is to have in place clear procedures for the Council and its partners together to develop and deliver the vision for Shetland. These include for the future -

- Introduce reconfigured partnership agreements
- Introduce PPMF for community planning
- Review the Community Plan to make it more focused, costed and measurable
- Review the structure and partnership groups
- Develop a risk based approach to community planning
- Develop a community engagement strategy

13.4 The PPMF framework sees scorecards at every level in the Council. The priority is to create the Corporate and Service scorecards in the Council, and to move towards thematic plans and scorecards for proposed CP Thematic Groups.

13.5 This is a strategy for the Council but also for CPP partners, and one in which Councillors have a role to play – importantly at the proposed CP Thematic Groups. Building on the Service Planning Forums or functional Committees as illustrated in diagram 5 below it is possible to create Community Planning Partnership theme groups, bringing the CPP processes more centre stage. By co-opting CP partner representatives as “associate members” to the Forums or functional committees, and developing the councils service plans and scorecards into thematic plans and scorecards extending into the community planning partnership provides a much more focussed process to develop the policies which Strategic Partnership Groups will carry out and a sharper way of monitoring and managing their performance.....holding them to account for achievement.

13.6 The revised community engagement strategy envisaged in the Improvement Plan will enable systematic, co-ordinated engagement at a range of levels. Engagement may be at Council wide (strategic) level, area/smaller communities level, or by issue or theme (eg carers or young people). And importantly a revised framework of engagement with CP partners means all of these levels make inputs to the Council and CPP processes.

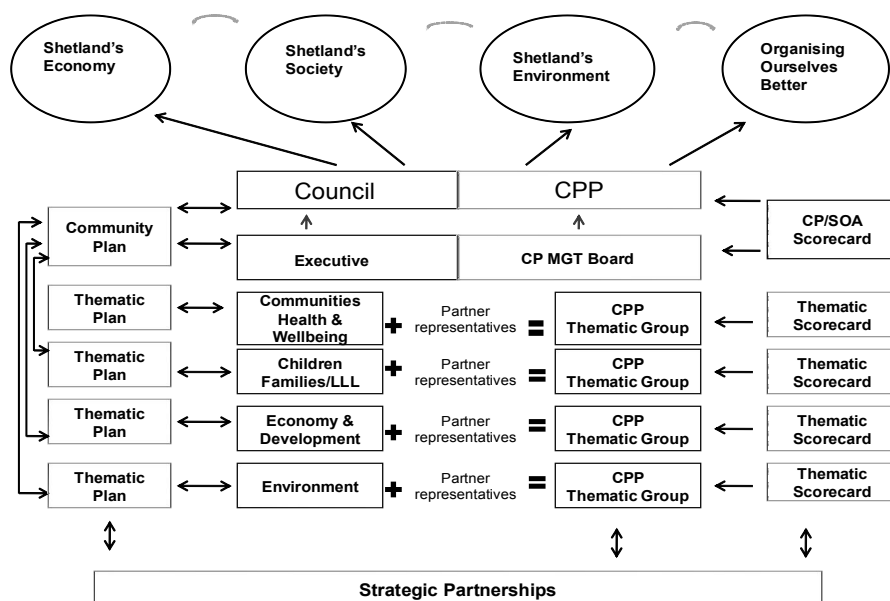


Diagram 5

14 Moving Forward with Stage 2

- | | | |
|------|---|--|
| 14.1 | 1 | Chief Executive and the Leader of the Council as Chair of the Community Planning Partnership to begin a dialogue within the Community Planning Partnership to take forward the developments outlined in section 13 of this report to develop a revised framework of engagement with CP partners. |
| | 2 | The Planning and Performance Management Framework and the Community Engagement Strategy provided for in the Improvement Plan are developed so as to include Community Planning Partners. |
| | 3 | An early action for Stage 2 should be to identify and recruit a suitable number of “associate members” to be co-opted from relevant CP partners when the Service Planning Forums or functional Committees act as a CP Theme Group. |

Matters reserved to the Council

- 1 Matters reserved to the Council by Statute, or otherwise by the Council's constitution including this scheme *[of administration and delegations]*, including-
 - a The appointment of the Convener and other chairpersons and early removal from office
 - b The appointment of a person to a position or body established in terms of this scheme *[of administration and delegations]*
 - c The appointment of Councillors to Statutory Joint Boards or to the Licensing Board
 - d The power to fix the Council Tax
 - e The promotion of or opposition to private legislation
 - f Where required by the Head of Paid Service, reports under section 4 of the Local Government and Housing Act 1989
 - g Reports by the Monitoring Officer under section 5 of the Local Government and Housing Act 1989
 - h Receiving the unaudited and audited accounts of the Council and related certificates and reports
 - i Considering any reports from the Accounts Commission or the Controller of Audit in terms of Section 101 – 103 of the Local Government (Scotland) Act 1973 where the Council is required to consider these
 - j Changing the name of the Council
 - k Admission of honorary freemen
 - l Approval of any annual investment strategy or annual investment report required by any consent issued by the Scottish Ministers by virtue of Section 40 of the Local Government in Scotland Act 2003
- 2 Determining the overall Goals, Values and Strategy Framework Documents *[as referred to elsewhere in the Constitution]* or matters of new policy/strategy or variation of existing policy/strategy which may be inconsistent with those Goals, Values or Strategy Framework Documents
- 3 The approval of any plan which is part of the Strategy Framework and any other plan which introduces new policies of major significance or varies existing plans or policies to a material extent
- 4 The approval of plans which are part of the Council's Planning and Performance Management Framework and the Estimates of Revenue and Capital Expenditure
- 5 The power of incurring any expenditure not provided for in the Annual Estimates of Revenue and Capital expenditure
- 6 The power to fix Council House Rent Levels, or the levels of charges for any services.
- 7 The making, alteration or revocation of any part of any document which forms part of the Council's Constitution
- 8 The determination of planning applications which in terms of the relevant legislation are for (1) national developments; (2) major developments where in the case of the latter there would be a significant departure from the development plan, were the application to be approved

9 The appointment and dismissal of the Chief Executive

Strategy Framework

The Strategy Framework referred to in paras 1 and 2 above means the following plans, policies and strategies

1 Overarching Vision and Priorities

Community Plan / SOA
Corporate Plan

2 Key Strategic Plans

Corporate Improvement Plan
Service Plans

Carbon Reduction Strategy
Biodiversity Strategy
Local Housing Strategy
Fuel Poverty Strategy
Regional Transport Strategy
Childcare Strategy
Skills and Learning Strategy
Fairer Shetland Framework (Poverty and Social Exclusion Strategy)
Development Plan in terms of the Town and Country Planning (Scotland) Acts
Equalities Framework
Community Health and Care Partnership Agreement
Cultural Strategy
Children's Plan
Community Safety Plan, including Domestic Abuse, Anti-Social Behaviour, [Road Safety](#)

Workforce Strategy (including HR policies)
Medium Term Financial Strategy
Asset Strategy
Capital Programme
Procurement Strategy
Risk Management Strategy
BV / Efficiency / Service Review Strategy

3 Budget

The “budget” includes –

- Annually approved Corporate and Service Plans
- Annually approved estimates of revenue expenditure
- Any reserve funds;
- The council tax base and setting the council tax;
- The approved programme of the Council’s capital expenditure and decisions relating to the control of the Council’s borrowing

Terms of Reference – Model 1 - Executive

Subject to exclusions from and limitations of delegations [*set out elsewhere in the constitution*], the Executive is authorised to discharge all the powers and duties of the Council under any enactment.

Terms of Reference – Model 2 – Executive Committee

- | | | |
|----|---|------------------|
| 1a | Develop and recommend the corporate plan, the development plan and the overall framework of strategies contained in the Strategy Framework | Referred |
| 1b | Ensure the outcomes are achieved through service plans concerned with service delivery developed in cooperation with the functional Committees, and manage performance | Delegated |
| 2 | Advise the Council in the development of its strategic objectives, policies and priorities | Referred |
| 3 | Review the overall effectiveness of the Council's work and the standards and levels of service and ensure the Council discharges its functions relating to Best Value | Delegated |
| 4 | Ensure the effectiveness of the Council's planning and performance management framework | Delegated |
| 5 | Co-ordinate with partner organisations in relation to the Council's leadership of the Community Planning Partnership | Delegated |
| 6a | Undertake the planning and preparation of the Council's annual service plans and budget estimates of capital and revenue expenditure | Delegated |
| 6b | and make recommendations to the Council as to:- | |
| | - the corporate and annual service plans | |
| | - the estimates of capital and revenue expenditure | Referred |
| | - the level of Council Tax | |
| | - charges for council services | |
| 7 | Secure the co-ordination, control and proper management of the financial affairs of the Council | Delegated |
| 8 | Be responsible for the development and operation of Council as an organisation and all matters relating to organisational development and staffing, officer structures and systems of performance appraisal | Delegated |
| 9 | Be responsible for the development of cross functional transformational initiatives including for example customer management, workforce deployment and asset management | Delegated |
| 10 | Act as or appoint a panel to make appointments, on behalf of the Council, to the positions of, Directors and Heads of Service. | Delegated |

Terms of Reference – Service Planning Forums (Model 1)

- 1 Advise the Executive and the Council in the development of service objectives, policies and plans concerned with service delivery within the thematic areas noted below and manage performance
- 2 Monitor and review achievement of key outcomes in the Service Plans within the thematic areas noted below by ensuring –
 - (a) appropriate performance measures are in place, and to monitor the relevant PPMF scorecard
 - (b) best value in the use of resources to achieve these key outcomes is met within a performance culture of continuous improvement and customer focus
- 3 Encourage effective collaboration and co-ordination between and within organisations operating in Shetland and particularly lead the work of the relevant CPP theme group, to enable a co-ordinated approach to the development of service policy and performance management across the public body partners
- 4 Undertake community engagement in terms of Council's community engagement strategy

5 Children, Families and Learning

The relevant thematic provisions relate to children and families, school, pre-school, young people and lifelong learning

To lead the Council's participation in the Community Planning Partnership Thematic Group relating to children, families and lifelong learning

6 Communities, Health and Wellbeing

The relevant thematic provisions relate to community care, community health and wellbeing, housing, poverty, community regeneration/development, voluntary sector, arts, culture, leisure and sport.

To lead the Council's participation in the Community Planning Partnership Thematic Group relating to communities, health and wellbeing.

7 Economy and Development

The relevant thematic provisions relate to strategic regeneration; development and transport planning; economy and business; energy, agriculture, fisheries, tourism,

To lead the Council's participation in the Community Planning Partnership Thematic Group relating to the economy and development.

8 Environment

The relevant thematic provisions relate to the natural environment; roads, transport and ferry services; building services; environmental and protective services

To lead the Council's participation in the Community Planning Partnership Thematic Group relating to the environment.

Terms of Reference – Functional Committees (Model 2)

- 1 Advise the Executive Committee and the Council in the development of service objectives, policies and plans concerned with service delivery within the thematic areas noted below and manage performance
- 2 Monitor and review achievement of key outcomes in the Service Plans within the thematic areas noted below by ensuring –
 - (a) appropriate performance measures are in place, and to monitor the relevant PPMF scorecard
 - (b) best value in the use of resources to achieve these key outcomes is met within a performance culture of continuous improvement and customer focus
- 3 Subject to exclusions from and limitations of delegations [*set out elsewhere in the constitution*], and the terms of reference and authority of the Executive Committee, the Committee is authorised to discharge the powers and duties of the Council within the thematic areas noted below in accordance with the policies of the council, and the relevant provisions in its approved revenue and capital budgets
- 4 Encourage effective collaboration and co-ordination between and within organisations operating in Shetland and particularly lead the work of the relevant CPP theme group, to enable a co-ordinated approach to the development of service policy and performance management across the public body partners

5 Children, Families and Learning

The relevant thematic provisions relate to children and families; school; pre-school; young people; and lifelong learning

To lead the Council's participation in the Community Planning Partnership Thematic Group relating to children, families and lifelong learning

6 Communities, Health and Wellbeing

The relevant thematic provisions relate to community care; community health and wellbeing; housing; poverty; community regeneration/development; voluntary sector; arts, culture, leisure and sport.

To lead the Council's participation in the Community Planning Partnership Thematic Group relating to communities, health and wellbeing.

7 Economy and Development

The relevant thematic provisions relate to strategic regeneration; development and transport planning; economy and business; energy, agriculture, fisheries, tourism,

To lead the Council's participation in the Community Planning Partnership Thematic Group relating to the economy and development.

8 Environment

The relevant thematic provisions relate to the natural environment; heritage; roads, transport and ferry services; building services; environmental and protective services

To lead the Council's participation in the Community Planning Partnership Thematic Group relating to the environment.

Revised Political Management Arrangements

Appointments

1 **Convener**

2 **Leader of the Council**

(Leader would act as Vice Convener)

Spokespersons

Children, Families, Lifelong Learning

3 Chair/Spokesperson

4 Vice Chair/Depute Spokesperson

Communities, Health and Wellbeing

5 Chair/Spokesperson

6 Vice Chair/Depute Spokesperson

Economy and Development

7 Chair/Spokesperson

8 Vice Chair/Depute Spokesperson

Environment

9 Chair/Spokesperson

10 Vice Chair/Depute Spokesperson

Audit and Standards

11 Chair

12 Vice Chair

Development Management/Planning Board

13 Chair

14 Vice Chair

Licensing Committee

15 Chair

16 Vice Chair

Harbour Board

17 Chair

18 Vice Chair

Shetland College Board

19 Chair

20 Vice Chair