GOVERNANCE OF BOARDS – PART 3

Executive summary
1. LG is invited to review the governance and accountability arrangements for the third tranche of boards set up under its auspices to progress the delivery plan.

Issues and Options
2. Last year Leadership Group agreed the key recommendations of an internal audit on governance and accountability. We agreed to “reset” our strategic boards, and other governance approaches, to ensure they were fit for purpose and offered accountability to LG in terms of delivery of the strategy. We also had ambitions to increase the diversity of our boards and embrace a wider range of skills and experience across the organisation. See Annex A.

3. Leadership Group will complete review of its governance and accountability arrangements over subsequent meetings. In terms of diversity and inclusion we are committed to improving this holistically rather than on a board by board basis. That said, we are unlikely to change much if we do not take the opportunity to review arrangements closely at each meeting. As requested the figures on gender diversity have been split between permanent management boards and project boards. In summary the cumulative figures for the first three tranches are as follows:

<table>
<thead>
<tr>
<th>Overall gender split (M:F)</th>
<th>56:44</th>
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</thead>
<tbody>
<tr>
<td>Project Boards (M:F)</td>
<td>65:35</td>
</tr>
<tr>
<td>Management Boards (M:F)</td>
<td>50:50</td>
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4. The Boards being reviewed in this tranche are all permanent management boards dealing with what are largely ‘Run the Parliament’ activities.

5. A few key questions are posed below to help guide our discussion:

- In completing the templates and gathering the required information on the role of the permanent boards, there has been some discussion around the crossover of delegations of certain Group Heads and the remit of the established boards. Is LG satisfied that the lines of accountability are clear in these situations? LG may wish to discuss more the remit of these boards: are they advisory to the GH with the delegated authority/ or to co-ordinate effort/promote change? Is it appropriate to see them as decision making where a GH has a delegated authority.
- The public Engagement Board (PEB) oversees the work of the Public Engagement Group (PEG), which has membership of all offices relating to public engagement work. This can mean PEB (whose membership is
predominantly group heads) has strategic oversight over work and budget allocation of offices that are not represented on PEB. Is LG content that systems are in place to manage this?

- PEB membership is augmented by having the joint chairs of PEG as members. These rotate on a biannual basis. Is this a model other boards could consider promoting development opportunities and diversity?
- The full members of the statutory Health and Safety committee have a gender balance (M:F) of 12:5 and alternate members in the proportion 8:3. Although a few members are appointed based on specialist job role, the majority are representing operational areas – LG may wish to consider whether this board could do more to address diversity.

**Resource Implications**

6. Staff resource/capacity to support delivery of any project or other work agreed by boards needs to be agreed with line management in advance.

**Dependencies**

7. Leadership Group has previously agreed that we will provide training and support for SROs and project board members. This is currently being sourced with the aim of running the first training being rolled out in the Autumn.

**Governance issues**

8. Once Leadership Group has scrutinised all governance and accountability arrangements the Head of Internal Audit will undertake an exercise to update Leadership Group against the agreed recommendations. Scheduled for autumn 2019.

**Publication Scheme**

9. This paper can be published.

**Communications**

10. Leadership Group had previously agreed that opportunities on boards and other governance groups would be transparent and open to SPS.

**Next steps**

11. Agreement on any future changes to governance required and when these will be approved by Leadership Group.

12. Communication of any opportunities for wider staff representation on boards.

13. Last tranche of governance arrangements on management boards to be taken on 17th June on accordance with the schedule here. Chairs of the boards are asked to have the governance template returned to PPO by 3rd June. Boards included are

- Strategic Resources Board (Michelle Hegarty)
- Digital Strategy Board (Alan Balharrie)
• Diversity and Inclusion Board (Including D&I Delivery plan) (Susan Duffy)

**Decision**

14. Leadership Group is invited to:

- Scrutinise the findings from this analysis of governance and accountability and request changes/further consideration as necessary.

- Note any opportunities which should be advertised to SPS arising from this exercise.

**Michelle Hegarty**

Assistant Chief Executive
ANNEX A – AUDIT RECOMMENDATIONS

➢ LG should consider the appropriateness of delegating named responsibility for the detailed work and activities that underpin every Priority within the Strategic Plan.

➢ LG should consider developing arrangements to enable robust challenge, scrutiny and approval of governance frameworks proposed by Strategic Leads with delegated responsibility for areas of strategic importance.

➢ LG should consider setting a maximum number of five LG members to sit as members of any management board.

➢ In instances when the creation of a management board is the preferred and approved governance approach, LG should ensure that the role and reasons for membership of each member is clearly set out.

➢ As part of a future review of membership protocols for management boards, LG should further consider the scope to enhance the diversity and management board membership and create development opportunities which contribute to succession planning arrangements.

➢ As part of its consideration of membership protocols for management boards, LG should further consider requiting management boards to reflect on the added value of identifying and appointing lay members.

➢ LG should consider setting a maximum number of one ACE to sit on each management board other than the SRB.
ANNEX B - Governance Analysis