GOVERNANCE OF BOARDS

Executive summary

1. LG is invited to review the governance and accountability arrangements for the second 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 review all 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.

4. A few key questions are posed below to help guide our discussion:
   - There are a mix of governance arrangements reflected from internal and external boards and working groups through to governance within the line, supported by working groups. Are the proposed arrangements appropriate to manage the change and delivery envisioned?
   - It is proposed that the board for the review of the Members Expenses Scheme will evolve after the first phase of work. How will LG wish to review this?
   - The set up of Governance of the Sound and Voting system replacement is at an early stage. At what future points (if any) will LG wish to consider the full governance arrangements?
   - Given discussion of the first tranche of activities, is LG content with the balance of information it is receiving where projects are seeking agreement with the SPCB?
   - Is there any scope to take advantage further of external board members?

Resource Implications

5. Staff resource/capacity to support delivery of any project work needs to be agreed with line management in advance.
Dependencies
6. Leadership Group has previously agreed that we will provide training and support for SROs and project board members. This is currently being sourced.

Governance issues
7. 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
8. This paper can be published.

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

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

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

12. Next tranche of governance arrangements on management boards to be worked up for meetings in May and June on accordance with the schedule [here].

Decision
13. 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.

William Heigh
Head of Project and Programme Office
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 requiring 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