



# Stanway

## Parish Council

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### Corporate Governance Review Stages 1 & 2 - Working Paper

*Extract from email provided by Cllr Cotter, 12<sup>th</sup> February 2021 as requested by Corporate Governance Committee during February 11<sup>th</sup> 2021 Meeting*

## Council Strategy, Plans and Policies

3 levels, 'ends, ways and means'; what we are trying to achieve, how we are going to get there, and the tools we use to do that:

- **Strategy** - looks 3-5 years out, high level document, our vision (see below).
- Annual management **plan** - linked to budget and reviewed in line with budget setting process. So I would say that our intention not to increase the precept fits in here, within a strategy of seeking good VFM, within public spending, etc. Includes services, assets, budget, etc.
- **Policies**, procedures - how we conduct our business, powers of delegation, audit, oversight, Standing orders, etc.

Suggest we need 5-10 x strategic objectives/themes (CBC use 5 x strategic themes, each with 3 x priorities per theme) and our strategy and plans need to be **SMART**:

**Specific.** This means that objectives must be clear, for example it must state that a business needs to make more profit, reduce waste, reduce environmental impact, increase sales.

**Measurable.** A business must be able to measure whether they have met an objective. A business needs to specify an amount. For example, a business may want a £10,000 increase or a 25% decrease.

**Agreed.** Stakeholders in a business must agree about their objectives, this will give objectives a much better chance of succeeding. This is where committee chairs are involved in the process.

**Realistic.** Objectives must be realistic for the size and scale of the business. For example, a small café wouldn't have an objective to make £1 million profit.

**Time-bound.** Objectives must have a time limit, for example 6 months or 1 year.

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**Strategic Themes** - I've sort of clumped them into 5 areas and they are in no particular order, other than perhaps the first one which is the reason for all this.

- Provide services and amenities to the parish that are fit for purpose (based on size of parish, anticipated growth), provide a tangible benefit to the community, enhance physical and mental wellbeing of parishioners, are of a high standard, etc.
- Financially responsible, value for money, prudent, spending public funds, sufficient reserves to meet unexpected costs, etc.
- Green, minimise environmental impact by: reducing waste, using green energy where possible, sustainable, etc.
- Local, use local services, contractors, shop local, stay local whilst continuing to get fair value for the community, etc.
- Compliant with all our regulatory and statutory obligations, etc.

So in the case of the **plan** to update the streetlights it fits within our **strategy** of providing high quality services, that are financially prudent, meet our sustainability goals, and comply with our statutory obligations, and might be carried out by a local contractor. Both the plan and strategy are also SMART in that they are specific, measurable in that we can quantify costs (of installing and savings to be made), agreed (community assets ctte, Full Council), realistic and we can impose a timeframe (roiling programme, all to be complete by 2023).

It might also be worth thinking about a **vision** statement, which is less SMART and a bit more intangible like 'making Stanway a wonderful place to live...'.

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## **David Lines Email Regarding Initial Corporate Governance Overview of Stages**

Dear Councillors, As you will recall, the Council underwent a restructuring two years ago, streamlining the Committee structure but, more importantly, delegating greater authority and autonomy to the new Committees and Sub-Committees. To support that and to try to make the decision-making/management process of the Council more efficient, greater authority was also delegated to officers.

The Corporate Governance Committee has proposed that now is an appropriate time to look at how the new system has bedded in, and to see if anything needs changing or improving. This will be a three-stage process, with the aim of producing a complete document for the AGM on May 27<sup>th</sup>. There, it can be discussed and agreed, probably with a proviso to undertake another review in, say, a year's time.

The first stage of the review looks at the wider context of the Council's strategic aims and over-arching vision. This is something that we have not really tackled before, if only because there has been an awful lot going on recently and in the more distant past. The thinking is that all decisions (whether policy or finance, at whatever level) should clearly and unmistakably fit within those aims and that vision.

As you can see from the attached, a Stage 1 draft has been produced and I have been asked to circulate it to you. **Please feel free to offer any comments or alternative suggestions.**

The consultation for Stage 2 has started, with CGC members offering their own views at their last meeting. This is now an opportunity for everyone to provide their own thoughts and suggestions, contributing to the overall discussion. This can be as simple as replying to this email, phoning me for a chat or joining a Working Group Zoom call (to be arranged on demand at a convenient time to all).

**Stage 2** will look closely at the current arrangements, covering the following topics:

**The number of Committees and their Terms of Reference** – do they need changing?

**Committee membership** (too few/too many) and if changes are needed

**Delegated authorities and decision-making powers** – too great/too little?

**Decision-making retained exclusively at Full Council level** (over and above statutory requirements) – will that ensure full participation in the most important decisions or will it be a retrograde step?

**Oversight, if required, of committee budgets** – is it important to have an independent view of how spending is conducted, measured against the above-mentioned strategic aims and vision?

**Introduction of a 'Call-In' process** – if three or more members of the Council wish to challenge a decision, it could be brought back to the decision-maker (or an independent committee) to be discussed again.

### **Anything else that needs consideration**

**Stage 3** will commence in a couple of weeks' time but is a more laborious process. This will involve creating or updating the policies, supported by the Medium-Term Financial Strategy, which are required to support Stages 1 and 2. The aim is to produce a definitive list, with a menu of contents in each, for approval at the AGM. To write up all policies afresh will take a matter of months, meaning that their formal approval can be made in the autumn.

If you have any questions on any of the above, please let me know. The timetable has slipped a little bit on this review, simply because it is a particularly busy time of the year.

I shall be submitting a draft Stage 2 document to CGC next Wednesday but this does not mean the conversation will be closed. This review remains open for discussion and contributions right until May, although it is proposed that the final report will be ready for approval by CGC on May 12<sup>th</sup>, for recommendation to the AGM two weeks later.

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*Extract from Corporate Governance Committee 11<sup>th</sup> March - Supporting Papers*



**Stanway**  
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## **CORPORATE GOVERNANCE REVIEW MAY 2021** **Working Document – (Stage 1)**

### **Introduction**

Two years ago, the Council undertook a structural reorganisation, leading to a greater autonomy through delegation of authority to committees, sub-committees and officers. At the same time, a greater transparency and frequency to financial reporting was introduced. The goal was to make decision-making and the implementation of projects timely and efficient. It seems an appropriate time to assess the impact of that reorganisation, to see if further additions and improvements can be made in light of the experience of the last two years.

Recent preliminary discussions have highlighted the desirability for the Parish Council to define its over-arching strategy which will be defined by a number of themes or objectives, with closely correlated business plans and policies. The purpose is to provide a template by which all decision-making relating to the Council's expenditure can be measured, to ensure a consistent approach. This paper is the first stage in the review.

### **The Parish Council's Vision and Strategic Objectives**

Typically, an over-arching strategy will have two components, a 'softer' vision, supported by a small range of 'harder' objectives or themes. Its time frame should, ideally, span five years before a formal review and there should be what is known as a Medium-Term Financial Strategy closely aligned to it, informed and supported by the Budget and the management of reserves.

### Vision

A simple, often-used example of a vision for a council is **"To (help) make Stanway a great place to live, work and visit"**. The word 'help' has been inserted because SPC is one of many service and facility providers in the Parish, all of whom should be contributors to that vision.

That could be developed to read **"To help, in cooperation and coordination with others, make Stanway a great place to live, work and visit"**.

Another example is **"To provide high quality amenities and services to the residents of Stanway"**.

Some organisations are tempted to use hyperbole to quantify their aspirations, such as use of the phrase "world-class". That seems too intangible, in all probability totally impossible to prove and risks ridicule. By the same token, use of words like "Good" may attract criticism as lacking in ambition, even if that description is more in line with a realistic assessment of the Council's capabilities.

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### Strategic Objectives

This component is probably easier to define because the Parish Council, as stated above, is a provider of facilities and services, knows the extent of its budget and has a good awareness of its limitations. Using one of the vision statements, these are some suggestions.

**The Parish Council's Vision is to help, in cooperation and coordination with others, make Stanway a great place to live, work and visit.**

**To that end, it will....**

- **Provide high quality services and amenities**, independently or in partnership, which provide a tangible benefit to our community in enhancing their physical and mental wellbeing.
- **Continue to be financially responsible**, ensuring prudence in spending public funds whilst maintaining sufficient reserves to fulfil future obligations and to meet unexpected costs.
- **Develop and pursue an environmental-friendly policy** which will minimise the Council's environmental impact, for example, by reducing waste and using green energy.
- **Stay Local**, using local contractors and suppliers as much as possible whilst ensuring good value for public money.
- **Maintain full compliance** with all regulatory and statutory obligations which apply to local councils.

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## David Lines Email Corporate Governance Review, Stage 2

Dear Councillors and Colleagues

Following on from my email below, I am sharing the working document (CG Review Stage 2) that will be presented to Corporate Governance tomorrow evening.

As I have already indicated, the discussion is ongoing and the conversation is far from closed. CGC just want to make sure that everyone is involved and has an opportunity to comment if they wish.

As such, this is not the finished article, although, in time, it will inform the final recommendations. Thank you to those that have contributed or plan to contribute - your comments are either included or will be added in due course.

## Extract from Corporate Governance Committee 14<sup>th</sup> April - Supporting Papers

### Item 8—Corporate Governance Review Part 2

#### Corporate Governance Review – Stage 2 (working paper)

**The number of Committees and their Terms of Reference** – do they need changing?

- General satisfaction with current structure.
- Suggested that Burial Grounds becomes a full committee, with appropriate delegated powers.

**Committee membership** - Too few/too many, and if changes are needed?

- Concern that membership in excess of six makes a committee unwieldy and counterproductive.
- Less 'popular' but key committees, with only 3 or 4 members, run frequent risk of being inoperative.
- Substitute members trial may offer a solution to one or both the above.

**Delegated authorities and decision-making powers** – too great/too little?

#### Committees

- Delegated authority levels seem about right, to cover all but the most significant expenditure.
- Some thought required about reallocation of management of new significant and complex projects to Corporate Governance.

#### Officers

- Continuing dilemma of extent of delegation.
- Essentially a balance of authority between (non-executive) members (meeting once a month in executive session) and officers (with full-time executive powers).
- In other words, only officers can make decisions between meetings but controlled by the Council's policies, the relevant job description and the appropriate budget (except in an emergency).
- Discussions with Internal Auditor suggest current expenditure authority limits are appropriate, if a little low for the size and activity of the Council.

**Decision-making retained exclusively at Full Council level** (over and above statutory requirements) – will that ensure full participation in the most important decisions or will it be a retrograde step?

- Concern about return to continuous referral/re-referral between Full Council and different committees, with detrimental effect on the Council's efficiency.
- Role of Council to set corporate vision and objectives, supported by the budget and reserve management.
- Potential for 'micro-management' rather than concentrating on strategic decision-making.
- Clear definition of "most important decisions" required.

**Oversight, if required, of committee budgets** – is it important to have an independent view of how spending is conducted, measured against the above-mentioned strategic aims and vision?

- Worries about a disguised 'land grab'.
- If decisions are properly researched, within budgets and democratically arrived at, they are lawful, even if others disagree with them.
- Committee decision-making should be improved if consistently measured against Corporate Vision and Objectives, as set by Full Council.

**Introduction of a 'Call-In' process** – where three or more members of the Council wish to challenge a decision by a committee.

- Used at Borough/County Council level and higher to challenge delegated decisions by Executive Members (Leader and Cabinet) and Planning Officers. Only confers power to seek a review of the decision.
- As no executive members or planning officers exist at Parish Council level, referral to Full Council seems the only option which is likely to be equitable and effective. Legally, only the Council can overturn a committee decision, although Standing Order 7 - Previous Resolutions (the 'six-month rule') applies and may need re-examining.

**Anything else that needs consideration.**