

LGA Commercial Skills Offer for Councillors

Purpose

For discussion.

Summary

Following the development of a commercial skills training programme for officers earlier this year, consideration is being given to the design of a one day training module on the same subject for councillors. The aim is to explain their fiduciary duties as members of boards and the importance of robust corporate governance.

This paper asks members to consider the content of a councillor training offer on commercial skills, including governance and the role of councillors on boards of companies.

Recommendations

That the Improvement Board;

1. Agree to the delivery of two, pilot one day workshops during the 2017/18 financial year and give guidance on the content of the workshops.
2. Identify a small number of members who would be willing to work with officers to contribute to the further development of the workshops.

Action

Officers to progress in line with members' guidance.

Contact officer: Alison Edwards
Position: Adviser, Leadership and Localism
Phone no: 020 7665 3857
Email: alison.edwards@local.gov.uk

LGA Commercial Skills Offer for Councillors

Background

1. Following discussions with the LGA Advanced Commercialisation Group and Shared Chief Executives Network in 2015, a need was identified for senior managers within councils to gain increased knowledge and commercial skills as more councils undertake commercial ventures. As a result of these discussions it was agreed to fund a pilot programme of the Institute of Directors Certificate in Company Direction between February and May 2016. This programme proved very successful in terms of providing additional knowledge, expertise and skills to a cohort of twenty officers in councils across England. The intention is to repeat this programme at least twice in a revised format in 2017.
2. The completion of this programme identified the potential need for councillors who sit on boards of companies, in their capacity as an elected representative of the council, to gain insight into the governance and fiduciary duties incumbent on them in their role as company directors, as well as wider commercial skills. As a result it is proposed to develop two pilot one day workshops during the 2017/18 financial year.

Issues

3. The development of these proposed one day workshops could be something that would complement the proposed officer development programme currently being designed for delivery in 2017. This would allow councillors sitting on the same boards as officers of the council to better appreciate the roles and responsibilities of being a company director.
4. Development of these workshops will add to the suite of political leadership programmes offered by the LGA for senior councillors in particular. This could have some financial and resource implications for the work of the Leadership and Localism team, especially if continued beyond the initial two pilot events.
5. Anecdotal evidence from senior managers in councils suggests that there is a need for this type of one day, non-residential event. It would provide a 'taster' session of sufficient length to impart the essential elements of the roles and responsibilities of being a company director, plus wider commercial skills. At this stage it is not thought that a longer, more detailed programme involving leadership and strategy would be as valuable given the wider responsibilities of councillors and the offers already made available in this area by the LGA.

Content

6. Members' advice on the content of the workshops is invited. It is suggested that the workshops might cover:
 - 6.1. Corporate governance – what it is, where has it come from and where is it going?
 - 6.2. The company's legal and regulatory environment – features of a company, disclosure of information;
 - 6.3. The director's role – the different types of directors, directors' duties;
 - 6.4. Board structure, operations and practice – understanding of the different roles on a board, strategic role of the board;

- 6.5. Strategic risk evaluation and management – risk management and assessment, defining risk appetite in the context of the public sector environment;
- 6.6. The role of overview and scrutiny in commercial ventures.

Implications for Wales

- 7. The funding for this programme comes from DCLG funding for English Authorities so the programme applies to England alone.

Financial Implications

- 8. The initial costs of these two pilot events will be met from the Productivity Team's commercial support to councils budget from the DCLG grant.

Next steps

- 9. The content of the workshop will be developed in the light of members' guidance. The Board is also invited to identify a small number of members who would be willing to work with officers to contribute to the further development of the workshops.