

States of Guernsey

Strengthening governance: Policy & Resources Committee

Report of a Governance Review of the Policy and Resources Committee

Full Report

1 Introduction

1.1 What is good governance?

Good governance has long been recognised as a critical success factor for all types of government. Good governance is not a simple concept, it has many different elements which all help to sustain effective organisational structures, systems and behaviours. In government, good governance is co-produced by politicians and civil servants working together, in the interests of their population. It is necessary for States members and civil servants to support each other to develop and sustain good governance because neither group can deliver good governance without open dialogue and the active support and co-operation of the other. Good governance is developed and maintained by the continual, collective application of effort, self-awareness, mutual trust and mutual challenge. Effective governance requires good leadership and management, shared understanding and values.

Key elements of good governance:

- **Independence** – decisions are taken without undue influence from any interest group;
- **Openness and transparency** – every effort is made to share information, unless it is genuinely confidential;
- **Accountability** – each person understands to whom they are accountable, for what, and is willing to be held to account for their decisions;
- **Integrity** – decision makers are guided by consistent moral principles;
- **Clarity of purpose** – each person understands the organisation's priorities and works collaboratively to achieve them; and
- **Effectiveness** – decisions are made and implemented in a timely and efficient way.

1.2 Opportunities and challenges

In many instances, good governance goes unnoticed and unremarked, for the simple reason that it is working well. However, the problems and distress generated by poor

governance can absorb a disproportionate amount of an organisation's attention and energy.

The variety of individual political roles: Deputy; membership of the Assembly; and membership of Committees, Authorities and Boards, provides both opportunities, for Deputies to make a contribution to effective governance, and challenges, because of the complexity of roles, responsibilities, structures and systems.

The individualistic, non-party political nature of Guernsey politics also provides both opportunities and challenges. It enables Deputies to follow their passions and express their own views without the constraints of party discipline. However, it also means that Deputies do not have the political support-structures or development opportunities enjoyed by elected representatives in other parliamentary democracies and, for example, members of UK local authorities. This might be particularly disadvantageous to less experienced Committee members on Principal Committees.

The very different perspectives and motivations of Deputies and civil servants provide opportunities to bring complementary skill-sets together to build a strong and effective organisation. The challenges arise when a lack of shared understanding of roles, responsibilities and accountabilities leads to confusion, misunderstanding and conflict.

Although the overall structure of the States of Guernsey is not directly within the scope of this review, it has not been possible to review the extent to which the Policy & Resources Committee (the Committee) demonstrates good governance without touching on the impact that the current structures have on the Committee's ability to operate effectively. The governance structure of the States of Guernsey, as a whole, presents significant challenges to the ability of the Committee to fulfill its mandated leadership role as well as making the establishment and maintenance of good governance challenging for all committees.

2 Programme of governance reviews

This series of Governance Reviews has been commissioned by the States of Guernsey to support its programme of Public Service Reform and Transformation¹ and has been undertaken by Catherine Staite, Emeritus Professor of Public Management, University of Birmingham. A brief summary of Professor Staite's qualifications and experience is attached at Appendix I.

All three Governance Reviews were undertaken using the same methodology, detailed in section 3 below, which takes a positive 'Appreciative Enquiry'² approach, focusing on what currently works well and asking how governance could be improved.

¹ A Framework for Public Service Reform 2015 – 2025 (www.gov.gg/change)

² Cooperrider, D.L. & Srivasta, S. (1987) Appreciative Enquiry in organizational life. In R. Woodman & W. Passmore (eds.) *Research in Organizational Change and Development: Volume 1* (pp. 129-169). Greenwich, CT: JAI Press.

Committee *for* Health & Social Care 2018

The first Review in this series of Governance Reviews was undertaken in 2018, with the Committee *for* Health & Social Care (CfHSC). The CfHSC was chosen for review because a previous Committee with a health mandate had experienced serious problems with governance and the States of Guernsey wanted to understand how the new Committee had achieved significant improvements and also what critical success factors had helped support those changes.

Briefly, the findings of the Governance Review of the CfHSC in 2018 were that the Committee had an excellent understanding of good governance and also of where there was room for improvement, as well as exemplary leadership on the part of the President. Most of the recommendations of that report related to ways in which cross-organisational systems could be strengthened to support all Principal Committees, e.g. improved approaches to external engagement.

Committee *for* Home Affairs 2019

The second Review, of the Committee *for* Home Affairs (CfHA), was undertaken, at the joint request of the Policy & Resources Committee and the CfHA, between January and May 2019. CfHA was chosen as the second committee to be reviewed because of the serious criticisms of its governance, particularly in relation to maintaining the operational independence of the Head of Law Enforcement (HoLE), that were raised by Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) in a report of following its inspection in 2018³.

Briefly, the findings of the Governance Review of the CfHA were that its governance fell below acceptable standards. There was evidence of confusion about the boundaries between the roles and responsibilities of Committee members and heads of service; the Committee had not provided strategic leadership; and the behaviour of some members of the CfHA towards heads of service was considered unacceptable. The CfHA contested the conclusions of the report of its Governance Review and two members of the Committee resigned. Notwithstanding, the CfHA agreed to implement the recommendations of the Governance Review and to implement a protocol to manage the relationship between the Committee and the HoLE, required by Recommendation 6 of the HMICFRS report and drafted for the CfHA by the reviewer.

Both Governance Reviews also highlighted some issues that can only be resolved at States level:

- The problems relating to the current governance structure;
- The importance of continued personal and professional development about good governance for all Deputies and staff;
- The need for greater clarity about roles and responsibilities; and

³ HMICFRS Report 2018: Law Enforcement Delivery Plan 2017 – 2020

- The need for a more strategic approach to external communication and engagement.

The Policy & Resources Committee 2019

This Committee is the third Committee to be reviewed, at its own request. This report sets out the findings of the Review and recommendations for change and improvement.

The Committee is different from all other committees of the States. Its mandate is to provide leadership and co-ordination of the work of the States, including developing and promoting the States' overall policy objectives and leading the policy planning process. It is also responsible for fiscal policy and economic affairs, as well as external relations and international and constitutional affairs. One of its key tasks is to align available resources with policy by enabling the delivery of the strategic priorities set out in the Policy and Resources Plan (the P&R Plan).

The Committee cannot deliver its mandate and operate effectively without the support and co-operation of the other Principal Committees and other committees and boards, through whom the P&R Plan is delivered. Therefore, the fragmented structure of the States of Guernsey presents challenges to the effectiveness of the Committee.

3 Methodology

This review methodology focuses on the current standards of governance demonstrated by the Committee. It does not provide a detailed analysis of the entirety of the work of the Committee over the past three years.

3.1 Document review: understanding the context

A review of a range of relevant materials has been undertaken. These included Committee agendas and minutes, reports and any other relevant material identified by the reviewer or interviewees. The document review is selective, not exhaustive, in order to focus on the most relevant materials.

A list of documents reviewed is attached at Appendix II.

3.2 Interviews: gathering evidence

Fourteen structured interviews were undertaken in July 2019 with Committee members, senior civil servants and Presidents of other committees. Each interviewee was asked the same questions. The interview questions and list of interviewees are set out at Appendix III.

Interviewees were asked to reflect on their own understanding of good governance (question 1), and to assess the Committee's current performance across six principles

of good governance (question 2). They were also asked to comment on support from senior civil servants (question 3); how well the Committee engages with residents, other parts of the States and partners (questions 4, 5, 6 & 7); and how well Codes of Conduct for States members and staff contribute to good governance (questions 8 & 9). Finally, they were asked to identify those aspects of governance of which they were particularly proud and those which gave them the greatest concern (questions 10 & 11).

The interviewees' responses provide helpful insights into their different perspectives on what constitutes good governance; how Committee members and civil servants currently operate; what they think currently works well; and how they would like governance and ways of working to change in the future.

3.3 First stage of analysis of the evidence: identifying the key issues

The interviews were confidential but the key points were summarised, triangulated with other interview notes and evidence gathered from a range of documents; then they were shared with other participants at a half-day workshop, to stimulate further discussion.

The evidence contained in the interviewees' responses was triangulated with evidence gathered through the document review and observation. Where interviewees gave illustrative examples of governance issues, those have been included in the report, but only when those examples illustrate points for which there are at least three sources of evidence.

In summary, the judgments of interviewees about the extent to which the Committee demonstrated good governance were consistently positive. Some problems were identified, for example, the cumbersome nature of the P&R Plan and the way in which the pressures resulting from the Committee's workload make effective and timely communications difficult. It was clear from frequent mentions of the impact of the structure of the States of Guernsey on the work of the Committee, that this is a significant underlying issue, which militates against good governance, particularly in relation to Clarity of Purpose and Effectiveness.

3.4 Testing and validating the analysis: workshop discussion

A half-day workshop attended by nine of the fourteen interviewees was held to test, validate and refine understanding of the key issues emerging from the document review and interviews. Participants were presented with a summary of the evidence gathered so far. This evidence was discussed and tested by participants and additional evidence and information was offered.

Participants then drew some conclusions about what aspects of governance currently work well and what changes could help to improve performance in the short, medium and long-term.

Suggestions for change and improvement included:

- Strengthening relationships and improving communications between the Committee and other committees by regular meetings and by identifying a link person for each Committee;
- Managing civil service attendance at Committee meetings to release more capacity into the system, so that senior civil servants can spend more time supporting other committees;
- Improving internal and external communications;
- Refining, shortening and simplifying the P&R Plan, and;
- A new focus on creating a Continuing Professional Development (CPD) approach to States Member and civil servant development.

3.5 Exploring ‘what works?’

The reviewer has also explored relevant academic and practical literature to identify theoretical models and examples of good practice, both to challenge the status quo and current thinking, and also to provide evidence to support the recommendations. Each element of the methodology, interviews, document review, workshop discussions and drawing on academic literature has informed the **review of the evidence, analysis of the issues** and **recommendations** (below).

4 Summary review of evidence from interviews, workshop and documents

4.1 Understanding good governance

Interviewees offered a variety of definitions of good governance. Some focused on its role in supporting efficient management, to help achieve shared aims. Others highlighted the way in which good governance helps to instill confidence in leadership and provides an invisible framework to guide decision-making. The divergence between descriptions of good governance provides scope for conflicting expectations about how governance should operate and could impede the Committee’s ability to take action⁴. However, in spite of the diversity of interviewees’ interpretations of good governance, all emphasised the importance of shared, underpinning, core values, which help Committee members to work together, and, as several interviewees put it, *to do the right thing*. A values-based, rather than a rules-based, approach is also evident in the way that the Committee has developed a common understanding with senior civil servants about where the boundaries should lie between their respective roles⁵.

⁴ Grindle, M. (2007) Good Enough Governance Revisited. *Development Policy Review*, 25(1): 533-574

⁵ Gill, A. (2008) Corporate Governance as Social Responsibility: A Research Agenda. *Berkley Journal of International Law* 26 (2) 5

4.2 Key elements of Good Governance

4.2.1 Independence

There was consistent feedback, from all interviewees, that members of the Committee do demonstrate independence of mind: that they seek evidence to support decision-making; and that they are willing and able to challenge each other in an open and constructive way.

These views are borne out by the quantity and quality of information sought by the Committee and provided by civil servants to support decision-making. The Committee minutes also provide evidence of the Committee agreeing to postpone decisions, because of the lack of some of the detailed evidence required to support that decision. The minutes also record some very robust discussions and honest feedback, by Committee members to each other, on matters of both style and substance.

The Committee members do try to moderate their individual independence of mind appropriately, by seeking consensus on all major issues. Some members do have particular concerns that are close to their hearts, and other members do provide the space and time for individuals to air their views and do listen respectfully, even though it is evident, from observation of Committee members' demeanour, that those arguments are familiar to everyone and have been put forward on many previous occasions.

4.2.2 Openness and transparency

All interviewees concurred that members of the Committee do strive to be as open and transparent as possible. Some noted that the Committee can only deliver the P&R Plan with the active collaboration and support of other committees and civil servants across the organisation. Therefore, any sense that Committee members were deliberately being secretive would undermine those relationships and ultimately prevent the Committee from being effective.

However, the Committee also has to take account of the sensitive nature of some of its discussions. The Committee needs to be able to discuss confidential matters and protect confidential third party information as well as maintaining the privileged status of the legal advice it receives. Committee members also need to be able to share their thoughts on challenging situations openly and honestly, for example, about problems arising within other committees, in order to be able to support the identification of effective solutions.

The volume and variety of business on the Committee's agenda also militates against openness and transparency. As one interviewee put it, *things change so quickly it can be hard to share information with those who need to know, before the situation has changed again.*

The minutes of the Committee are very detailed and thorough, which supports the effectiveness of the Committee. However, the level of detail means that it would be impossible to publish the minutes without breaching confidentiality.

4.2.3 Accountability

It is clear from the interview responses and the document review that the Committee operates within a complex framework of accountabilities, some of which, for example, the importance of financial stability and the necessity of meeting the changing needs of residents, can appear contradictory. This raises the question: to what extent are accountabilities understood across the States, including accountabilities shared between the Committee and other committees?

Several interviewees highlighted the potential for conflict between the Committee's over-arching responsibilities, both as an employer and as custodian of the transformation programme.

The Committee members do feel themselves to be held accountable by the political body and feel that they have demonstrated that they take that aspect of their accountability very seriously.

Some interviewees thought that the Committee did not have a sufficiently deep understanding of how all its different accountabilities should be viewed as a whole picture, as a result of which the Committee is not always consistent in its approach to meeting its responsibilities.

Not only does the Committee have a complex web of, sometimes contradictory, accountabilities, it also has to hold the civil service and other committees to account for how they fulfill their roles and deliver their mandates. This issue highlights one of the most fundamental of all the challenges faced by the Committee: the way in which the current organisational structure results in a lack of agency, which is explored in more detail in paragraph 4.2.6 below.

4.2.4 Integrity

Integrity is difficult to define objectively because different people will place different value and emphasis on the various elements of integrity in leadership. Those elements can be summed up as: behaviour which demonstrates consistency of moral and social values, sustained over time, in different contexts and clearly communicated to others. Leaders who act with integrity are not merely passively virtuous but are actively willing to speak up when things go wrong and take action about a lack of integrity on the part of others⁶. Most interviewees expressed the view that the

⁶ Yukl, G.A. and Van Fleet, D.D. (1992) Theory and research on leadership in organizations, in: M.D. Dunnette and L.M. Hough (eds) *Handbook of Industrial and Organizational Psychology*, 2nd edn, vol. 3, pp. 147–197 (Palo Alto, CA: Consulting Psychologists Press).

members of the Committee do try to act with integrity, both individually and collectively.

Some challenges were identified which arise when individual members have strong personal opinions about particular issues. Some Committee members were also thought to pay less attention to some issues than others, for example, showing a greater interest in matters relating to Resources than to those relating to Policy. However, there was strong consensus amongst the interviewees that the Committee did always try to make collective decisions through discussion and that its members did listen to minority views.

Some interviewees felt that the Committee was able to avoid acting unethically, when considering solutions to problems that appeared politically expedient but were potentially unethical, because members are able to challenge each other constructively and effectively.

4.2.5 Clarity of purpose

Evidence gathered through the interviews, document review, the workshop and by observation demonstrates that the Committee does strive for clarity of purpose, particularly in delivering value for money and maintaining financial discipline. However, a number of issues militate against clarity of purpose, for example, the current condition of the P&R Plan.

Every government has to develop and change its strategy over time, as circumstances change. It is as important to remove parts of the strategy, when they are no longer fit for purpose, or have been achieved, as it is to add new information. The P&R Plan has become very unwieldy, at about 300 pages, and the information available to the community, through the States of Guernsey website, is not at all accessible. It is difficult to navigate and does not convey clarity of purpose through a 'golden thread' connecting Core Themes and Policy Priorities to Resources and Outcomes.

Although each individual priority, for example, to support the creation of a community which is inclusive and committed to social justice, is merited, it is hard to understand the relative importance of each Policy Priority and how they contribute to the delivery of the Core Themes. The 2019 P&R Plan Update refers to activity and processes in support of the delivery of the strategy but it does not contain reference to any baseline measures of, for example, levels of poverty or educational attainment, against which progress can be measured. Many of the examples of progress refer to future hopes or current activity rather than measurable change. The supporting documents relating to each Policy Priority do not provide any clarity. Those supporting documents are written in a bureaucratic style and have been authored by different civil servants who are responsible for specific areas of responsibility. They are unlikely to inform, engage or inspire the community. Although those documents are outside the Committee's mandate, it should be possible to create a consistent narrative to enable the community to understand what work is being undertaken and for what purpose.

Interviewees did comment on the complexity of the organisational issues and the need for the P&R Plan to be broken down into its essential elements and for supporting processes to be streamlined.

The volume and variety of the Committee's business also militates against clarity of purpose, because much of it requires a reactive response from the Committee, rather than a strategic, proactive approach. To some extent, that is inevitable because of the Committee's intended overarching leadership role but it does make it harder for the Committee to maintain a strategic focus.

4.2.6 Effectiveness

The Committee does strive to be effective. It is easier for it to be effective in relation to the way it manages its own business and makes decisions than in the way it strives to fulfill its leadership and co-ordination mandate. However, some of the interviewees commented that the speed of delivery and implementation has not really improved in the last three years, which raises the question of whether processes might be too cumbersome.

Many of the barriers to effectiveness relate to the organisational and political structures of the States of Guernsey, over which the Committee has no control and very little influence. As a result, much of the energy of the Committee is diverted into responding to the issues arising from its role as 'first among equals', in what is, it could be argued, a suboptimal political structure.

The Committee's mandate, as set out in the 'Red Book', p.79, accord the Committee the status of 'senior committee' but gives no indication of the extent of any additional authority conferred by that status or any clue as to how conflict should be resolved between its authority and that of other committees. It could be argued that the role of 'senior committee' is an example of the allocation of responsibilities without the accompanying authority to fulfill those responsibilities.

The Committee's ability to be effective in its leadership function is also compromised by conflicting expectations. There are expectations that the Committee will intervene to resolve conflict and 'rescue' other committees from difficult situations, although the Committee does not actually have any power to do so.

Several interviewees commented on what they perceived to be a notable decline in the standards of behaviour exhibited by some Deputies, though by no means all, over the last three years. Some attributed that decline, at least in part, to the perceived leadership vacuum within the committee system. Although the States of Guernsey is not unique in experiencing declining standards in civility, the impact of incivility is greater on individual Deputies and civil servants in such a small community. It has a greater impact on collective effectiveness and reputation, because of the size of the jurisdiction. Bad behaviour, including personal criticism, on the part of opponents,

generates more attention from the media in Guernsey than it would in a much larger jurisdiction.

Issues with behaviour have increased the need for leadership, which the Committee cannot meet, because it lacks any levers or sanctions. The way in which these issues tend to rebound to the Committee further undermines its own ability to be effective.

4.3 Civil service support

Committee members expressed very high levels of respect for the senior civil servants who support them. This demonstrated a shared understanding of the importance of the responsibilities of civil servants to the success of the organisation as whole. These can be summed up as: *political* responsibilities, to take action to achieve the objectives set by politicians; *professional* responsibilities to act in a way that reflects their professional expertise and ethical standards; and *personal* responsibilities, to act in a way that is consistent with their personal values and integrity⁷.

One example of many positive comments about the civil service collectively and individually is that *the CEO is very well motivated and as dedicated as any public servant I've ever met*. Concerns were also expressed that the volume and complexity of the Committee's workload was putting unsustainable pressures on highly regarded civil servants.

Some interviewees recognised that the Committee does make heavy demands on the time of senior civil servants, which makes it harder for those civil servants to find the capacity to support other committees, when necessary. One of the aims of the new organisational structure is to provide a consistently high level of support to Principal Committees and other committees of the States, both in terms of time and expertise. There are, however, concerns on the part of other committees that the new arrangements will disempower them and that accountabilities will become blurred.

Concerns were also raised by some interviewees that senior civil servants act as 'gatekeepers' for the Committee. Although this might be inevitable, in order to manage the Committee's time effectively, it is perceived as a barrier to good communication between the Committee and other parts of government.

All members of the Committee agreed that they receive timely information and expert advice to support good quality decision-making. There is strong evidence of mutual trust, which helps both sides to manage the boundaries between political and managerial matters. There are times when those boundaries can become contested, but the Committee and senior civil servants feel that they are able to agree where the boundary between political and managerial responsibilities should lie⁸.

⁷ Rayner, J., Williams, H., Lawton, A. & Allinson, C. (2011) *Public service ethos: developing a generic measure* Journal of Public Administration Research and Theory, Vol.21, Issue 1, pp 27 – 51.

⁸ Nalbandian, J., (2006) Politics and Administration in Local Government *International Journal of Public Administration* 29, 1049-1063

Legal advice is provided to the Committee by Her Majesty's Procurer (HMP), which is an independent role. Committee members recognised the importance of legal advice, which is proportional, objective and timely. Committee members highlighted their need to have a better understanding of risk in relation to legal issues. Where legal issues arise, new arrangements are now in place to enable HMP to be involved earlier in the Committee's discussions than was the case previously⁹. This change has been widely welcomed and is likely to have a positive impact on effectiveness.

4.4 Engagement

Most interviewees' responses reflected recognition that all forms of internal and external engagement could be improved. However, several interviewees considered external communications with the UK and other Crown Dependencies had improved in recent years, not least because of the notable contribution made by the President of the Committee to raising the profile of the States of Guernsey.

Barriers to effective community engagement identified included the belief, on the part of some Deputies, that the fact that they had been elected and acted as advocates for their communities, removed the need for community engagement. Representative democracy is important but so is participative democracy¹⁰.

Some interviewees suggested the need to make better use of existing data. Some also identified the need to devote more time to engagement; make better use of existing opportunities; and to strengthen mechanisms to improve dialogue.

The States of Guernsey does not have an over-arching strategy for engagement or any universal standards to underpin effective, equitable and inclusive engagement. Although there are examples of good practice, including the efforts by the Police to engage at a community level, engagement mechanisms are not joined together across the States.

4.5 The Code of Conduct for Deputies

Responses, by interviewees, to the question about the extent to which the Code of Conduct for Deputies helped support good governance were consistently negative. One example of a number of comments was that the *problem is not so much with Code but the processes that enforce the Code*.

It was thought that the Code of Conduct process is sometimes abused by those involved in trivial disputes. There was a consistent view that the behaviour

⁹ MoU April 2019 Relationship between the States of Guernsey and the Chambers of the Law Officers of the Crown ("Government Legal Advisers")

¹⁰ Durose, C., et al (2009) *Changing local governance, changing citizens*, The Policy Press: Bristol

demonstrated by some, but by no means all, Deputies is the most challenging experienced in recent years.

Some interviewees were of the view that, when behaviours are toxic, changing the Code of Conduct will not make a difference. The Code of Conduct is under review and it is hoped that a new approach might improve matters, but most interviewees were clearly of the view that politicians need to take responsibility for their own behaviour, adhere to the highest standards and exercise self-discipline.

4.6 Code of Conduct for Established Staff

Not all interviewees had experience of the way in which the Civil Service Code operated. Most of those who had, thought that the processes connected to the Code are too time consuming, which made it hard to get to a resolution. Others thought that although it is necessary to have such a Code, a professional development approach to resolving problems with performance is likely to be much more useful and effective.

One interviewee, who had direct experience of the Code, thought it had worked well because, in that case, the process was carried out *with discretion and got to the truth, so the problems could be dealt with at speed*.

4.7 Things to be proud of

Interviewees identified many examples of progress over the last three years. Although there were some reservations about the way in which the P&R Plan has been developed and delivered, it was generally thought to have been an important step forward. Funding is now linked to policy, which was not always the case in the past.

Discipline about capital expenditure and maintaining a balanced budget were highlighted as sources of pride by most interviewees, as was the strengthening of external relationships which were perceived by one interviewee as enabling the States of Guernsey to *punch above our weight*.

It was notable that both Committee members and other interviewees highlighted the way that Committee members conduct themselves, demonstrating consistent good behaviour, as source of pride, as well as their efforts to resolve tension and policy conflicts within and between other committees.

4.8 Things to worry about

Committee members thought that they need more time to share learning with each other. They also felt that they lack opportunities to develop their personal skills. Such opportunities would be very helpful, in the future, to enable less experienced members to grow and develop in their roles

Some concerns were expressed about the Committee's lack of diversity, with some being of the view that there should be at least two female members, who could then act as role models for future female leaders.

The P&R Plan drawn up in 2016 was thought to be a good starting point, but some interviewees thought it has now grown into something unwieldy.

The leadership paradox, whereby the Committee is expected to maintain financial discipline, but is resented for doing so, was noted by several interviewees.

5 Summary analysis of the issues

Small states, such as the States of Guernsey, can have a number of key advantages. These can include: a reasonably high degree of trust and social cohesion; the ability to agree a shared purpose; and agility. They are usually assumed to have effective institutions, because they are small and therefore manageable¹¹. However, the States of Guernsey is losing out on the advantages of its size because of the institutional design of its government. (see 5.1.1 below)

Attempting to deliver government by consensus, though commendable in principle, actually drains the Committee and its supporting civil service structure of energy. Most of the challenges to the Committee's ability to demonstrate good governance and to support good governance across the States, can be summarised under three key headings: structures, systems, and behaviours.

5.1 Structures

5.1.1 Executive and scrutiny roles

The States of Guernsey is a unicameral government, functioning as both a local and a national government, with a political structure in which the legislature is also the executive. This gives rise to a number of difficulties. These include the inability of the States of Deliberation to hold itself to account for its own actions. It cannot successfully and simultaneously perform an executive and a scrutiny role. Although a Scrutiny Management Committee (SMC) has been established to try and rectify that problem, some interviewees had doubts about the effectiveness of the SMC to provide the necessary degree of objective challenge, commenting that it lacked teeth¹². One example given was the way in which the SMC did not effectively challenge the behaviour of the CfHA, set out in the HMICFRS report of its inspection of law enforcement (Police and Border Agency), at the Scrutiny hearing held in

¹¹ Are small states susceptible to groupthink? Lessons for institutional design
Carolan, E., European Political Science: EPS: Basingstoke Vol. 16, Iss 3 (September 2017): 383 - 399

¹² *The Good Scrutiny Guide 2019* Centre for Public Scrutiny www.cfps.org.uk

December 2018.¹³ This effectively gave the CfHA permission to continue to attempt to interfere in operational matters and to avoid developing a strategy.

Other interviewees commented that the SMC's processes were too slow and cumbersome, leading to a backlog of issues requiring its attention and preventing it from examining problems arising within committees quickly enough to prevent those problems escalating to the point where they become irremediable, with the consequent damage to the reputation of the States of Guernsey.

5.1.2 Power

Power in the States of Guernsey is highly dispersed because of the committee system, and this compounds the problems generated by an executive legislature which is not subject to effective scrutiny. There is very little centralised power, so the Committee, although nominally the 'senior committee', has no levers or sanctions at its disposal to deal with issues of incompetence or bad behaviour or to lead on policy co-ordination effectively.

To be effective, the States of Guernsey committee structure would need to be underpinned by strong relationships of trust between other committees and the Committee; effective collaboration; strong leadership and good communications; but above all, a shared purpose to which all were firmly committed. That is not currently the case. The Assembly's deliberations and decisions should, in theory, provide that shared purpose, expressed through the P&R Plan but they do not currently do so. Recent debates clearly demonstrate that the focus of the Assembly is more on challenge to the role of the Committee rather than with government policy direction and prioritisation.

The evidence available in both the academic and good practice literatures suggest that committee systems consistently have problems because of a lack of clarity about power and accountability, as well as with effective decision-making and organisational agility, which is why most UK local authorities have adopted an executive cabinet and scrutiny model.

5.1.3 Leadership

Leadership is crucial to good governance but is a particularly challenging issue for the Committee in the context in which it operates. Essential elements of successful political leadership include the ability to continually seek knowledge; to develop trusting relationships; and to empower others to fulfill their roles, to the best of their ability, for the benefit of the communities those leaders serve¹⁴.

¹³ Official Report of the States of Guernsey Scrutiny Management Committee: HMIC Report Scrutiny Panel Hearing, 5th December 2018. Hansard

¹⁴ Binney, G., Wilke, G. and Williams, C. (2005) *Loving Leadership: A practical Guide for Ordinary Heroes*. Financial Times/Prentice Hall; 2nd Edition 2009

It is evident, from interviewees' responses; from the reviewer's observation of the Committee at work; and from the minutes of the Committee meetings, that the Committee does display these political leadership skills. In particular, several interviewees praised the leadership provided to the Committee by the President. However, although the Committee's mandate requires it to provide leadership, it does not have any significant power to do so. It is also clear, from interview responses and the document review, that the Committee does seek to exert influence, for example, using persuasion to resolve conflict and leading by example. However, it is very difficult to exercise influence unless it is underpinned by some authority.

It can be argued that the Committee has positional authority because it is the 'senior committee and controls most financial decisions. Any positional authority that the Committee derives from being the 'senior committee' is contested and frequently challenged by other committees and by individual Deputies, who sometimes appear to demand that the Committee simultaneously provides leadership while not 'interfering' with what anyone else wishes to do. The authority of the Committee does not extend far enough for it to be able to hold other committees to account effectively. Interviewees identified instances where other committees had both resisted the Committee's attempts to intervene in their areas of responsibility and also expected the Committee to mount a rescue operation when other committees got into difficulties with finance, policy or behaviours.

The word 'power', used in the context of Guernsey politics, can generate very negative responses, perhaps driven by anxiety about the risks of placing too much power in too few hands. The experience of the committee system in Guernsey demonstrates what can go wrong when authority is spread too widely for it to support effective leadership. It can be argued that the Committee needs to be accorded the necessary authority to enable it to resolve conflicts of interest and to influence how resources are allocated and how priorities are determined and delivered¹⁵. The contestation of the Committee's authority, and a lack of any levers or sanctions to enable the Committee to support the improved performance and behaviours of other committees and Deputies, collectively or individually, also undermines organisational effectiveness and gives rise to significant reputational risks.

5.1.4 Committee system

A notable flaw in the committee system is the tendency for silos to develop. The Committee has tried to take the lead to support engagement between themselves and other committees and between committees, for example, by establishing Oversight Groups. However, this has resulted in some resistance, possibly because of the experience of the previous Policy Council, which was not thought to be particularly successful as an engagement mechanism, and the perceived risk of creating 'talking shops'. Some interviewees considered that political egos and civil service loyalties also act as barriers to good communications between committees.

¹⁵ Morgan, G., (1986) *Images of Organisation*, Sage: CA

The inherent inefficiency of the committee system may be overcome, at least to some extent, if politicians take collective responsibility for the delivery of a shared set of priorities. In order to maximise the effectiveness of a committee system, it is necessary for politicians to demonstrate behaviours that are collaborative, not competitive; collegiate, not maverick; selfless, not self-serving; and considered, not impetuous. A high level of collective political competence is also vital. It is asking a lot of any diverse group of politicians, some of whom are relatively new to their States roles, to demonstrate so many sophisticated political skills in order to enable the committee system to operate effectively. The necessary skills and behaviours are not currently demonstrated consistently by enough Guernsey Deputies to overcome the inherent weaknesses of the committee system, as it operates in the States of Guernsey. It is not possible to place all the responsibility for the perceived decline in standards of behaviour on the power vacuum at the heart of the political structure, but it is likely that it is, at least in part, a consequence of this structure.

5.2 Systems

5.2.1 Strategic planning

The strategic planning process is an essential component of good governance, particularly to achieve 'Clarity of Purpose' and 'Effectiveness'. The P&R Plan combines generic priorities, or Core Themes, with Policy Priorities. The information on the States' website, about Policy Priorities, for example Long Term Infrastructure Development, focuses on processes, such as steering groups and assessments. It makes no reference to desired outcomes or success measures. The P&R Plan has become unwieldy and is difficult to navigate. It is not apparent to the lay reader which aspects of policy and operations require major change and investment and which just need to tick over. There is no clear 'golden thread' showing how the priorities in the Plan relate to each other, and it is necessary to read details of each Policy Priority Area to understand how they contribute to the delivery of ambitions with the Core Themes. It should be possible to design a 'roadmap' or similar visual summary to assist the lay reader, but the problems with the Plan are not just about presentation, they are about the strategic planning process.

Although the Committee is to be commended for using an inclusive engagement process to develop its key priorities, with events for both Deputies and the community, the process of converting generic aims into clear priorities, with achievable and measurable outputs and outcomes, does not appear to have been carried out with sufficient rigour. Several interviewees used the word '*fudge*' to describe the P&R Plan. This lack of clarity makes it hard to unite committees under the banner of the P&R Plan. The very name 'P&R Plan' helps to explain a lack of ownership on the part of other committees and a view, however ill founded, that the P&R Plan restricts action on their part, rather than enabling it.

This is not to underestimate the significant amount of work undertaken by civil servants to identify and plan the delivery of a very wide range of Policy Priorities. That technical work is essential to the successful delivery of the P&R Plan but those policy

documents do not communicate the key ambitions of the P&R Plan to the community effectively.

However, the P&R Plan alone is not capable of ensuring consistency. That requires a shared sense of purpose and understanding on the part of all committees about how their different policy agendas can be knitted together into a coherent whole. The Committee did seek to address these problems through Propositions to streamline the governance of the work which supports the delivery of the P&R Plan but the Propositions were defeated by the Assembly in June 2019. Presidents of all other committees have decided not to follow a consistent template for their updates about delivery of the P&R Plan, and this suggests that an instinct to operate in silos is still much stronger than the drive to collaborate.

5.2.2 Communications

Internal

Good, timely, communications, between the Committee and other committees, are essential for the committee system to function. Barriers to communication include the speed of change and complexity of the issues, as well as the silo-based nature of the organisation.

It may be possible to share a summary version of the minutes of the Committee's meetings, focusing on what was agreed, although that would place further demands on an already stretched support team.

Face to face communication is an essential ingredient of trusting relationships and the Committee has instigated Oversight Groups for this purpose. It is important that this engagement is two-way and links back to other committee members and interested parties such as policy leads, not only committee presidents.

External

International communications, making the case for Guernsey's interests, for example, in relation to Brexit, appear effective. The efforts of the Committee's President to raise the profile of Guernsey are thought to have been very successful.

Engagement and communication with the community and service users is less effective. Although improvements have been made, for example, by the creation of a central communications function, engagement is still patchy and needs to be reviewed and refocused to make the best use of limited resources. It also tends to be reactive, rather than proactive, which can make the States seem defensive. It is important to engage with the right people at right time and in ways that suit them, rather than in ways that suit civil servants and Deputies. Effective engagement brings many benefits, including data on changing needs; higher trust in services and institutions; and more opportunities to increase empowerment and co-production of outcomes.

5.3 Behaviours

There is strong evidence that Committee members demonstrate exemplary good behaviour in their dealings with each other, with other committees, with civil servants and with external stakeholders. This is a major achievement for such a diverse group of Committee members and the effort necessary to maintain this standard of behaviour, when others do not always do so, should not be underestimated.

6 Recommendations

6.1 Structures

6.1.1 Explore opportunities to improve current structures: short-term remedies

As the States reflect on what has been achieved during this administration, it would be helpful to begin honest and open conversations within the States about the extent to which the current structures are fit for purpose and ways in which they could be made more effective. This could include exploring opportunities to improve systems and behaviours and thereby to mitigate the inherent flaws in the current committee structure.

6.1.2 Explore opportunities to reform structures: medium- to long-term remedies

If it is not possible to identify any effective short-term remedies to overcome the problems generated by the current structure, the States should consider adopting a different structure. However, it is important to understand that changing the governance structure alone will not solve the problems being experienced with the current one. Just as 'culture eats strategy for breakfast', it has a similar appetite for governance structures.

It may be tempting to lay the blame for governance problems on the structure of the States of Guernsey alone. Although it can be argued that the current structure encourages the development of silos and disempowers effective leadership, a ministerial system can create similar problems. Therefore, it may well be more useful initially to challenge a culture in which collaborative approaches, which are essential to delivering good governance and better services, have been put in the 'too difficult' box.

All three Governance Reviews of the States of Guernsey have highlighted these difficulties and almost all have their roots in culture and behaviour. It is never easy to challenge unhelpful aspects of organisational culture but unless the current culture is challenged and both Deputies and civil servants are open to change, any new structure is likely to experience similar problems to those faced under the current Committee system.

It will be essential to agree underpinning principles against which the suitability of any alternative governance structure could be judged. These could include that it should:

- strengthen governance, not undermine it;
- enable better engagement with residents and service users;
- provide timely and effective scrutiny;
- support cross-cutting approaches to maximizing efficiency and better outcomes; and
- support the development of an organisational culture which both rewards good behaviour and provides effective sanctions against behaviour which undermines organisational effectiveness or damages the reputation of the States of Guernsey.

6.2 Systems

6.2.1 Policy & Resources Committee Meetings

- Committee members could improve the effectiveness of meetings by exercising more self-discipline about not raising the same issue repeatedly, when it cannot be resolved by the Committee at that meeting.
- Change 'any other business' to 'any other *urgent* business' to avoid being sidetracked by non-urgent matters.
- Consider publishing short summary bulletins with non-confidential information about what issues were discussed and what decisions or actions were agreed on.

6.2.2 Strategic Planning

- Revise and simplify the P&R Plan to create a clear and simple, illustrated narrative which encapsulates:
 - The scope of the States of Guernsey's current and future policy development activities;
 - Its relationship with public service reform;
 - Measures of policy implementation success;
 - The current environment within which the States operate;
 - Strategic allocation and management of resources to priorities;
 - How the States will create capacity by building resources and competencies;
 - The values and expectations of leaders; and

- Achieving specific positive outcomes, for example, the annual report on progress, measured against the OECD 'Better Life Measures'¹⁶.

6.2.3 Communications

- Develop an overarching, States-wide, co-ordinated strategy to improve communications and engagement.

6.3 Behaviours

- Clarify the roles and responsibilities of politicians and civil servants, including the complex web of accountabilities.
- Consider implementing a stronger protocol, including a set of standards of behaviour, which new and returning Deputies will be asked to sign up to.
- Speed up the development of new approaches to redesign and enforce the Code of Conduct for Deputies.
- Introduce a CPD approach to the continuing development of both Deputies and civil servants and make completion of the programme a pre-requisite of continuing to hold, or taking up, any senior political role.

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¹⁶ Johnson, G., Scholes, K., & Whittington (2008) *Exploring corporate strategy: text and cases* (8th edn.) Harlow: FT Prentice Hall