

# Supplementary Agenda



*Rural Capital of Food*

|                          |   |
|--------------------------|---|
| <b>Meeting name</b>      | <b>Meeting of the Governance Committee</b>                                |
| <b>Date</b>              | <b>Tuesday, 20 November 2018</b>  |
| <b>Start time</b>        | <b>6.30 pm</b>  |
| <b>Venue</b>             | <b>Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH</b> |
| <b>Other information</b> | <b>This meeting is open to the public</b>                                 |

|                          |  |
|--------------------------|--|
| <b>Meeting enquiries</b> | Catherine Richards   |
| <b>Direct Dial</b>       |  |
| <b>Email</b>             | <a href="mailto:crichards@melton.gov.uk">crichards@melton.gov.uk</a> |

| <b>No.</b> | <b>Item</b>  | <b>Page No.</b> |
|------------|--|-----------------|
| 7.         | <p><b>UPDATE ON GOVERNANCE ARRANGEMENTS</b></p> <p>The Director for Legal and Democratic Services to submit a report receiving the Leader's report on the Governance Development Group's work on the review of Governance arrangements (which is to be considered by the Extraordinary meeting of the Council on 21 November 2018) and requesting the Committee's comments on the Leader's report.</p> | 1 - 46          |

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## GOVERNANCE COMMITTEE

20 NOVEMBER 2018

### REPORT OF DIRECTOR FOR LEGAL AND DEMOCRATIC SERVICES

#### GOVERNANCE REVIEW

##### 1.0 PURPOSE OF REPORT

- 1.1 To receive the Leader's report on the Governance Development Group's work on the review of Governance arrangements which is to be considered by the Extraordinary meeting of the Council on 21 November 2018.
- 1.2 To request the committee's comments on the Leader's report attached as Appendix 1 which will be presented to the Extraordinary meeting of the Council on 21 November 2018.

##### 2.0 RECOMMENDATIONS

- 2.1 **To consider and comment on the Leader's report to the Extraordinary meeting of the Council to be held on 21 November 2018 regarding the future governance of the Council. The Committee's comments to be reported to the Extraordinary Council Meeting.**

##### 3.0 KEY ISSUES

###### 3.1 Background

Following on from the decisions of the Extraordinary Council meeting held on 8 May 2018 and this Committee's involvement in the Governance Review prior to that meeting, the Governance Development Group ('the Group') has met regularly and undertook extensive research and consultation on the principles of good governance and potential decision-making structures. The Group concluded its review of alternative governance models in October 2018.

###### 3.2 Extraordinary Council Meeting – 21 November 2018

The Group has concluded that the current Committee system does not provide the Council with the right structure to achieve our strategic vision and commercial aspirations. This conclusion was based upon a thorough assessment of the alternative governance options and consideration of how best to meet the following objectives:

- To ensure public accountability with clearly identified responsibilities for members
- To increase engagement with stakeholders and the public in policy development and decisions that affect their area
- To ensure that there is effective review and challenge of our decisions
- To make quicker decisions when needed so as to fulfil our aspirations to be more agile and commercial.

Therefore as Chair of the Group, the Leader is to present the Governance Development Group's findings at an Extraordinary meeting of the Council to be held on 21 November 2018. The report is attached as follows :-

- Appendix 1: Leader's Report on Review on Governance Arrangements
- Appendix A : Review of Governance Arrangements by the Governance Development Group
- Appendix B : Public Survey Results
- Appendix C : Action Plan

### 3.3 **Governance Committee role**

As the lead committee on governance arrangements, this committee is requested to make any representations on the Leader's report and these will be reported to the Extraordinary meeting of the Council on 21 November 2018.

It should be noted that this Committee will be consulted on any constitutional reform and there is a timetable set out in the Council report which confirms this.

## 4.0 **POLICY AND CORPORATE IMPLICATIONS**

4.1 Ensuring effective governance is a key component to making the best use of resources and ensuring the effective delivery against the Council's Corporate vision and objectives. The Council's Corporate Delivery Plan includes a specific commitment to become a 'more agile and commercial council.'

## 5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

5.1 Financial comments on alternative governance arrangements are included within the body of the Extraordinary Council report at Appendix 1 and apply to this report.

## 6.0 **LEGAL IMPLICATIONS/POWERS**

6.1 Legal comments on alternative governance arrangements are included within the body of the Extraordinary Council report at Appendix 1 and apply to this report.

## 7.0 **COMMUNITY SAFETY**

7.1 Community Safety implications are included within the body of the Extraordinary Council report at Appendix 1 and apply to this report.

## 8.0 **EQUALITIES**

8.1 An Equality Impact Assessment has been completed.

## 9.0 RISKS

|  |                            |                         |                       |                       |                           |
|--|----------------------------|-------------------------|-----------------------|-----------------------|---------------------------|
| <b>L<br/>I<br/>K<br/>E<br/>L<br/>I<br/>H<br/>O<br/>O<br/>D</b> | <b>A Very High</b>         |                         |                       |                       |                           |
|  | <b>B High</b>              |                         |                       |                       |                           |
|  | <b>C Significant</b>       |                         |                       |                       |                           |
|  | <b>D Low</b>               |                         | 2                     | 1                     |                           |
|  | <b>E Very Low</b>          |                         |                       |                       |                           |
|  | <b>F Almost Impossible</b> |                         |                       |                       |                           |
|  |                            | <b>Negligible<br/>1</b> | <b>Marginal<br/>2</b> | <b>Critical<br/>3</b> | <b>Catastrophic<br/>4</b> |
|  |                            | <b>IMPACT</b>           |                       |                       |                           |

| 9.1 | Risk No | Risk Description  |
|-----|---------|---|
|     | 1       | The Council has made a commitment to become more agile and commercial. Retaining the current committee system will make this more challenging and inhibit the council's ability to achieve these ambitions.   |
|     | 2       | Changing to a new governance arrangement will require a period of adjustment and training for existing councillors and officers. There is a risk of uncertainty during this time. This will be mitigated through a comprehensive support package provided by the council's Democratic Services team |

## 10.0 CLIMATE CHANGE

10.1 There are no direct climate change implications.

## 11.0 CONSULTATION

11.1 All members have been invited to briefings on alternative governance models and the legislative requirements of the Leader and Cabinet model to ensure that they understand the impact of governance changes and its potential effect on decision making with the Council.

## 12.0 WARDS AFFECTED

12.1 All wards are indirectly affected by this report.

Contact Officer      Adele Wylie, Director for Legal and Democratic Services  
 Date:                    November 2018  
 Appendices :         Appendix 1 - Extraordinary Council report – Review of Governance Arrangements – 21  
                               November 2018  
                               Appendix A : Review of Governance Arrangements by Governance Development Group  
                               Appendix B : Results of public survey  
                               Appendix C : Action Plan

Background Papers: Peer Challenge Review – December 2017  
LGA Governance Review – March 2018  
Extraordinary Council – 8 May 2018  
Reference : X : Committees\Governance\2018-19\201118

**EXTRAORDINARY MEETING OF THE COUNCIL****21 NOVEMBER 2018****REPORT OF LEADER OF THE COUNCIL****REVIEW OF GOVERNANCE ARRANGEMENTS****1.0 PURPOSE OF REPORT**

- 1.1 To consider and determine the Council's governance arrangements.
- 1.2 To consider implementation and necessary transitional arrangements to support a change in governance arrangements.
- 1.3 To consider updating and reviewing the constitution to meet the Council's aspirations.

**2.0 RECOMMENDATIONS**

**2.1 To note and acknowledge the work undertaken by the Governance Development Group and accept the Governance Review recommendations as set out at Appendix A and in so doing to:**

**2.1a Cease to operate the current 'Committee System' governance arrangements from the May 2019 Annual Council meeting.**

**2.1b Change governance arrangements to 'Executive Arrangements' effective from the May 2019 Annual Council meeting in accordance with the provisions of the Localism Act 2011**

**2.1c Adopt the Leader and Cabinet form of 'Executive Arrangements', effective from the May 2019 Annual Council meeting, in accordance with the provisions of the Localism Act 2011**

**2.1d Approve the Action Plan as set out in Appendix C which sets out the Council's transitional arrangements in advance of the May 2019 Annual Council meeting.**

**2.1e Delegate authority to the Chief Executive to approve the necessary structural changes to the Legal and Democratic Services structure so as to most effectively support the new governance arrangements including the use of the Corporate Priorities Reserve should this be necessary to meet any one off costs resulting from the associated staffing changes.**

**2.2 Approve the continuation of the 'Governance Development Group' to continue operating as an informal working group responsible for developing proposals regarding the required constitutional reform and the group be requested to make recommendations to the Governance Committee and Council in due course.**

**2.3 To ask the Leader of the Council to nominate up to 5 members to work with him and officers within the 'Governance Development Group'.**

**2.4 To convene an Independent Remuneration Panel to review and provide advice on the Council's Members' Allowance Scheme.**

**3.0 KEY ISSUES**

**3.1 Background**

- (a) Following the LGA Peer Challenge held in December 2017 a report and list of recommendations together with an Action Plan was accepted by Council on 22 February 2018. One of the recommendations was to improve the Council's governance and decision making arrangements.
- (b) The Local Government Association carried out a further review of this aspect between 12 and 14 March 2018, and the LGA report was considered by the Governance Committee at its meeting on 27 March 2018. At that meeting the Governance Committee supported the establishment of an informal member/officer group, subsequently named the 'Governance Development Group' and tasked it with bringing forward proposals to both strengthen and streamline the current committee structure whilst also providing a clearer route for policy development.
- (c) Following the feedback from the LGA Governance Review held in March 2018, and the subsequent work of the Governance Development Group, on 8 May 2018, Council approved the first phase of proposals which sought to streamline and improve the Council's governance arrangements.
- (d) At the same meeting, members also approved the continuation of the Governance Development Group and the second phase of the review to consider the merits of alternative governance models and report to the Governance Committee and subsequently the Council in due course.
- (e) The decision to consider alternative governance models was taken alongside the adoption of the Corporate Delivery Plan which sought to refresh the Council's priorities to better reflect the required focus in the coming years. A key priority of this Plan was "becoming a more agile and commercial council".
- (f) In establishing this priority the Council recently approved a Commercial Strategy which set out a statement of intent on how the Council will move from commercial ambition to delivery. Becoming more commercial is a key aspect of the Council's Budget Management Strategy and imperative to become more financially sustainable.
- (g) A key component of realising the Council's commercial and wider ambitions is to have quick and efficient decision making processes. Without the right governance arrangements in place to support members approved direction, the Council will be at risk of not being able to deliver against its stated objective and at a time when resources continue to be under considerable strain it is imperative that all processes are as streamlined and efficient as possible.

**3.2 Findings of the Governance Development Group**

- (a) Since May the Governance Development Group has met regularly and undertook extensive research and consultation on the principles of good



governance and potential decision-making structures. The Group concluded its review of alternative governance models in October 2018 and produced a report of their findings attached at Appendix A.

- (b) The Group concluded that the current Committee system does not provide the Council with the right structure to achieve our strategic vision and commercial aspirations. This conclusion was based upon a thorough assessment of the alternative governance options and consideration of how best to meet the following objectives:
- To ensure public accountability with clearly identified responsibilities for members
  - To increase engagement with stakeholders and the public in policy development and decisions that affect their area
  - To ensure that there is effective review and challenge of our decisions
  - To make quicker decisions when needed so as to fulfil our aspirations to be more agile and commercial.
- (c) The group concluded that the best way of improving decision making was to adopt the Leader and Cabinet model, whilst also taking measures to improve decision making processes, inclusiveness, and involvement of ward councillors. The conclusions were based not only on the finding that the Committee system is not the right model to achieve the Council's aspirations but also on the results of a public survey, stakeholder engagement and talking to a number of other Councils. The results of the public survey are attached as Appendix B.
- (d) Although there are legislative requirements which govern how the Council must carry out its functions within its chosen governance model, there is still some discretion within it which allows Councils to ensure that it is fit for purpose depending on the size and culture of the organisation.
- (e) If members decide to adopt a Leader and Cabinet model, a revised constitution will be drafted which reflects both legislative requirements and provisions which will be appropriate for Melton Borough Council's approach and aspirations. These will be the subject of further reports to Council over the coming months.
- (f) An Action Plan of proposed constitutional work to be undertaken prior to May 2019 is attached at Appendix C. The revised constitution would be based on the following proposals as to how it envisages the Council would operate the proposed governance model.

### **3.3 Leader and Cabinet**

- (a) The current policy committees (Place, People and Corporate) make decisions on policy matters within the Budget and Policy Framework approved by Council and these would be replaced by Cabinet who would undertake those same policy decisions within the Framework instead. This would ensure decisions are always taken in the context of all related issues rather than in a more fragmented way which is significantly more likely under a committee system. It would ensure members of Cabinet (and the Scrutiny Committee created concurrently and discussed later) have exposure to all policy decisions rather than only being involved in those policy decisions affecting the Committees they are members of.

- (b) The Council's Cabinet must consist of a Leader appointed by the Council. The size of the Cabinet would need to reflect the size of the organisation and consideration about how best to represent the various agendas being pursued by the Council. By legislation the Leader must appoint between 2 and 9 members on the Council's Cabinet. For Melton it is anticipated an appropriate number of members to form a Cabinet would be six or seven including the Leader and alignment will be sought between the portfolios and directorate structure to maximise efficiency and ensure effective working between members and officers. There would be no change to the appointment of the Mayor and Deputy Mayor; however these must not be a member of Cabinet. The Statutory/Regulatory Committee Chairs and Vice Chairs would not normally form part of Cabinet however the Chair and members of the Scrutiny Committee cannot be members of Cabinet. It should be noted that Cabinet will not need to be politically balanced.
- (c) Cabinet Procedure Rules will be drafted as part of the Action Plan and will be approved by Council. They will include provision for the Leader to determine the size of the Cabinet and portfolios for those members, and appoint a member of the Cabinet to be Deputy Leader. Further they will provide the rules for electing and removing a Leader.
- (d) It is proposed that there would be 10 Cabinet meetings in an annual calendar to ensure that formal decisions can be made in a timely manner, something which can sometimes be an issue under the current Committee system. Taken in conjunction with the proposed Scrutiny Committee meetings this would not result in any more meetings than are currently held under the Committee system.
- (e) It is proposed that there would be increased consultation with ward members about decisions which would significantly affect their wards to what is undertaken under the current Committee System. In addition, all members and the public could observe open Cabinet meetings and would be notified in advance of any planned key decisions through the Forward Plan.

### **3.4 Overview and Scrutiny Function**

- (a) Effective scrutiny is a vital part of a Council's wider system of checks and balances and is essential to an effective democratic process. The Council is moving forward on key projects and will need to make important decisions on commercial opportunities in the coming years to ensure that the Council's ambitious agenda is delivered in a financially sustainable way. The adoption of a Leader and Cabinet model requires the establishment of a formal scrutiny function which will need to be strong and effective to support these decisions. It is appropriate that significant decisions are fully considered and competing viewpoints heard. If significant decisions are made without the necessary checks and balances the council could fail to identify the best course of action and be vulnerable to challenges and a perception from the public that it does not have the mechanisms in place to challenge decision makers.
- (b) The Leader and Cabinet model is designed to have robust and effective scrutiny at its heart. If members move towards a change in governance arrangements, it is proposed that one Scrutiny Committee would be established which would allow members of that committee to focus on

important issues across the whole remit of the council, contribute to budget preparation and hold decision makers to account. It would allow scrutiny committee members to have the opportunity to contribute to and have oversight of all policy decisions rather than only those decisions within the remit of the Committees they are members of. The Committee would be politically balanced.

- (c) Scrutiny Procedure Rules will be drafted as part of the Action Plan and will be approved by Council. They will include provision for the Scrutiny Committee to review or scrutinise decisions or actions taken by Cabinet, provide reports on Cabinet functions, non Cabinet functions and on matters which affect the Melton borough or inhabitants of it. Furthermore they will include the ability to 'call in' and review decisions which have been taken but not yet implemented and they will have the ability to appoint sub committees/ task and finish groups to focus on specific topics or corporate agendas.

### **3.5 Statutory/ Regulatory Committees and existing advisory groups**

- (a) Existing Statutory/Regulatory Committees and the existing advisory groups (Joint Staff Working Group and Planning Policy Task Group) would remain established in the same format as they are in the current model of governance although terms of reference will be further reviewed and any revisions submitted for consideration and approval by Council.

### **3.6 Constitutional Reform**

- (a) A change in governance would necessitate a rewrite of much of the constitution. It is proposed that the established Governance Development Group will report regularly to the Governance Committee on progress.
- (b) A move to Cabinet decision-making would involve a shift in the way that major financial decisions are developed and agreed by officers and members. Financial Procedure Rules would therefore be rewritten and agreed by Council.
- (c) Although a change to the Leader and Cabinet model would support the Council's Commercial Strategy, a revised Schemes of Delegation would also be essential for delivery of the Councils aspirations and to meet the objectives of the governance review for more timely and commercial decision making.
- (d) One of the significant benefits of adopting a Leader and Cabinet model is that it enables decisions to be delegated to councillors; something which is not possible under the committee system; where only officers (albeit sometimes in consultation with elected members) are empowered to make decisions outside of a formal meeting. There is a risk that this creates the perception of a Council being 'officer-led' and therefore the adoption of Leader and Cabinet model and an associated Executive Scheme of Delegation would enable members of the Cabinet to take decisions outside of the formal meeting structures where appropriate. These decisions would still be subject to the same requirements for transparency, publication and scrutiny through the 'call in' process. The Executive Scheme of Delegation would be published to ensure transparency and clarity for all members of the Council, members of the public and officers in respect of the discharge of Cabinet functions. This would be accompanied by "key decision" thresholds which would be

determined by Council.

- (e) Members have also identified that the constitution is unnecessarily large and that it needs to be reviewed and updated in light of the Council's renewed ambitions. Updating and streamlining the constitution will therefore be carried out in the coming months.

### 3.7 **Member Allowances**

- (a) An Independent Remuneration Panel (IRP) will need to review any change in governance arrangements and make proposals for changes to Special Responsibility Allowances. Although it is a matter for the IRP to propose any changes in Special Responsibility Allowances to Council, initial benchmarking has been undertaken with Leicestershire Councils already operating Leader and Cabinet arrangements and it is unlikely that there will be significant changes in allowances.

### 3.8 **Expected Timescale for implementation of a change in governance arrangements**

- (a) Should members support the option to operate a Leader and Cabinet system of governance, the following implementation timetable would apply:

| <b>Date</b>   | <b>Action</b>   |
|---|---|
| 26 <sup>th</sup> November 2019                      | Public notified of the change by public notice                              |
| 5 <sup>th</sup> February 2019- Governance Committee | Update on constitutional reform   |
| 27 <sup>th</sup> February 2019- Council             | Report on draft constitution to take effect from the Annual Council Meeting |
| 26 <sup>th</sup> March 2019- Governance Committee   | Update on constitutional reform   |
| 17 <sup>th</sup> April 2019- Council                | Report on draft constitution to take effect from the Annual Council Meeting |
| 16 <sup>th</sup> May 2019- Annual Council Meeting   | New governance arrangements would commence                                  |

### 4.0 **POLICY AND CORPORATE IMPLICATIONS**

- 4.1 Ensuring effective governance is a key component to making the best use of resources and ensuring the effective delivery against the Council's Corporate vision and objectives. The Council's Corporate Delivery Plan includes a specific commitment to become a "more agile and commercial council."

### 5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 The decision will have financial implications associated with the resource that officers will need to put in place to manage the formal transition to a new governance option. This will be met from within existing resources but could have implications for the delivery of other projects which will be managed.
- 5.2 The proposed governance arrangements will require a Scrutiny Officer post to be created and recruited to. Until such time as a job description and job evaluation process is completed the actual costs of the role will not be known. It is

anticipated that the majority of any costs associated with creating this role will be re-directed from existing resources. It is however likely that there will be a small budget growth requirement (c £15k) submitted as part of the budget proposals for 2019/20 to accommodate required governance improvements. It should be noted that it is likely the council would still need to incur some costs in this area even if it did not proceed with the proposed new governance framework as the absence of effective scrutiny of decisions is an issue for the council to address irrespective of which governance approach is adopted. The necessary staffing changes could result in one off costs which if not able to be covered from existing budgets would need to be met from the Corporate Priorities Reserve.

5.3 The proposed governance arrangements will not result in any additional formal meetings and therefore it is unlikely that there will be any additional cost in administering it. There will however be efficiency gains in improved productivity, more effective use of officer time and ability to make more timely decisions.

5.4 It is not known what the financial implications of the review of members allowances will be however as mentioned earlier in the report it is considered unlikely that this result in an increase in the overall base budget.

## 6.0 LEGAL IMPLICATIONS/POWERS

6.1 (a) The Local Government Act 2000 put in place provision for the establishment of so called “executive arrangements” for the operation of the majority of local authorities in England and Wales.

(b) The 2000 Act required most councils to move from the committee system of governance, then universally used in local government, to one of three new governance options – the “Leader and Cabinet” option, the “Mayor and Cabinet” option, and the “Mayor and council manager option” (the third of which was removed by subsequent legislation).

(c) Following the introduction of executive arrangements, only district councils such as Melton Borough Council with a population of less than 85,000 were given the option to retain the committee system method of decision making. The Council chose to retain the committee system.

(d) The Localism Act 2011 introduced new legislation making it easier for local authorities in England to change their governance arrangements.

(e) A local authority may change its governance arrangements to a different type however a resolution of the Council is required before a local authority is able to do so. A notice must also be published informing the public:

- That the local authority has resolved to change its governance arrangements.
- The date that it intends to change the governance arrangements.
- What the main features of the change will be.
- Where copies of any documents detailing the changes can be found, this should be at the local authority’s principal office and the address of its principal office should be provided.

(f) The relevant legislation details the timeframe in which the governance changes must be made. This is called the ‘relevant change time’. A change in

formal governance arrangements must occur at a specified 'change time,' which is at the Council's Annual Meeting (May 2019). Prior to the change time, the Council needs to have resolved formally to make a governance change. There is no minimum period of time between resolution and the change time.

(g) Once a local authority has passed a resolution to change its governance arrangements then it is prevented from doing so again for the next five years (unless a second resolution is approved following a referendum). However, this does not prevent the Council from reviewing and make further changes as necessary to its governance arrangements, such as a reconsideration of committee structures and delegations.

(h) The IRP will be convened under The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) (the 2003 Regulations). These regulations, arising out of the relevant provisions in the Local Government Act 2000, require all local authorities to maintain an IRP to review and provide advice on the Councils' Members' Allowance Scheme. All Councils are required to convene their Independent Remuneration Panel and seek its advice before they make any changes or amendments to their allowances scheme and they must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme. Council retain powers of determination regarding Members' allowances.

## 7.0 COMMUNITY SAFETY

7.1 The Local Government Act 2000 includes crime and disorder scrutiny as one of the functions the council must ensure its scrutiny arrangements cover. The specifics of the duty are set out in the Police and Justice Act 2006. The proposed Scrutiny Committee would carry out the functions of reviewing and scrutinising decisions and actions in respect of the discharge of crime and disorder functions.

## 8.0 EQUALITIES

8.1 An Equality Impact Assessment has been completed.

## 9.0 RISKS

9.1

|  |          |                          |  |   |   |  |
|--|----------|--------------------------|--|---|---|--|
| <b>L<br/>I<br/>K<br/>E<br/>L<br/>I<br/>H<br/>O<br/>O<br/>D</b> | <b>A</b> | <b>Very High</b>         |  |   |   |  |
|  | <b>B</b> | <b>High</b>              |  |   |   |  |
|  | <b>C</b> | <b>Significant</b>       |  |   |   |  |
|  | <b>D</b> | <b>Low</b>               |  | 2 | 1 |  |
|  | <b>E</b> | <b>Very Low</b>          |  |   |   |  |
|  | <b>F</b> | <b>Almost Impossible</b> |  |   |   |  |

|  |  |                         |                       |                       |                           |
|--|--|-------------------------|-----------------------|-----------------------|---------------------------|
|  |  |                         |                       |                       |                           |
|  |  | <b>Negligible<br/>1</b> | <b>Marginal<br/>2</b> | <b>Critical<br/>3</b> | <b>Catastrophic<br/>4</b> |

### IMPACT

9.2

| <b>Risk No</b> | <b>Risk Description</b>   |
|----------------|---|
| <b>1</b>       | The Council has made a commitment to become more agile and commercial. Retaining the current committee system will make this more challenging and inhibit the council's ability to achieve these ambitions.   |
| <b>2</b>       | Changing to a new governance arrangement will require a period of adjustment and training for existing councillors and officers. There is a risk of uncertainty during this time. This will be mitigated through a comprehensive support package provided by the council's Democratic Services team |

### 10.0 CLIMATE CHANGE

10.1 There are no direct climate change implications

### 11.0 CONSULTATION

11.1 All members have been invited to briefings on alternative governance models and the legislative requirements of the Leader and Cabinet model to ensure that they understand the impact of governance changes and its potential effect on decision making with the Council.

### 12.0 WARDS AFFECTED

12.1 All wards are indirectly affected by this report.

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Contact Officer: Adele Wylie  
Date: November 2018  
Appendices: Appendix A : Review of Governance Arrangements by Governance Development Group  
Appendix B : Results of public survey  
Appendix C : Action Plan  
Background Papers: Peer Challenge Review – December 2017,  
LGA Governance Review – March 2018  
Extraordinary Council decisions – 8 May 2018  
Reference : X : Committees – Full Council – 2018 19 – 21-11-2018- Governance Review Update

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# APPENDIX A

## Review of Governance Arrangements

Report of the Governance Development Group



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## Introduction

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Governance can be defined as ‘the action, manner, or system of governing’. Good governance and decision making is key to how the community engage with the council, how the council is perceived and how we deliver for our communities.

The “Delivering Good Governance in Local Government: Framework (Society of Local Authority Chief Executives (SOLACE)/ Chartered Institute of Public Finance and Accountancy (CIPFA) 2007)” states that “Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner .”

In recent years there has been a notable shift towards the public expecting efficient, transparent and accountable decision making and if we are going to continue to improve the services that we provide to Melton residents it is important that the Council satisfies that desire.

Local Authorities also have to consider commercialism as a way of self supporting our finances and to do this we need to ensure that our governance arrangements allow us to support our ambitions.

Following a Corporate Peer Review conducted in December 2017, we began a journey of understanding how we make decisions and how we can better support the Councils ambitions through improved decision making.

We identified the following points as the most successful drivers in any governance structure.

- How publically accountable members are
- How members lead the organisation
- How engaged residents feel in decision making
- How we challenge and scrutinise decisions
- How quickly we can make decisions

We met with Councils throughout the country that had adopted different models of governance and also asked stakeholders and residents for their opinions on how we make decisions and how we can improve it in line with our objectives.

One of our main learning points was that one governance system is not inherently better or worse than the other however the choice of system has to be right for the Council right now. We want to be more commercial, we have had the results of the Peer Review and we want to focus on the projects that are important for our community. Now is the right time to reshape the Council to support Melton’s ambitions.

We would like to thank the councils, stakeholders and the public for their input into our review.

## Background

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Following the LGA Peer Challenge held in December 2017 a report and list of recommendations together with an Action Plan were accepted by Council on 22 February 2018. One of the recommendations was to improve the Council's governance and decision making arrangements. The Local Government Association carried out a further review of this aspect between 12 and 14 March 2018, and the LGA report was considered by the Governance Committee at its meeting on 27 March 2018.

At that meeting the Governance Committee supported the establishment of an informal member/officer group, subsequently named the 'Governance Development Group', and tasked it with bringing forward proposals to both strengthen and streamline the current committee structure, while at the same time creating a clearer route for policy development.

Following the feedback from the LGA Governance Review held in March 2018, and the subsequent work of the Governance Development Group, on 8 May 2018, the Council approved the first phase of proposals which sought to streamline and improve the Council's governance arrangements.

On 8 May 2018, members approved the continuation of the Governance Development Group to review the Council's governance arrangements and consider the merits of alternative governance models and report to the Governance Committee and subsequently the Full Council in due course.

The Governance Development Group membership comprised:

- Councillor Joe Orson
- Councillor Ronnie De Burle
- Councillor Alison Freer-Jones
- Councillor Tom Greenow
- Councillor John Illingworth

The following officers supported the group during its investigations:

- Edd De Coverley (Chief Executive Officer)
- Adele Wylie (Director for Legal and Democratic Services)
- Sarah Evans (Senior Democracy Officer)

## Reasons for the Review

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Melton Borough Council has operated the committee system for a number of years. During this period there have been changes to committees and the governance structure and the most recent changes were approved by Council in April 2018.

One of the key recommendations from the Peer Group was that we needed *"Stable and consistent decision making to provide confidence in delivery"*.

Key findings are shown below.

*“In some areas it was unclear which committee had final ownership of policy-making and decision-making, with the effect that recommendations can go to multiple committees before decisions are made and outcomes are known. It is important that members have the ability to make accurate and timely decisions, and greater clarity on governance/decision-making structures would minimise delay. It would also increase transparency as it would be clearer where decision-making power vested – helping members concentrate their contributions to ‘the debate’ rather than seeing the same decision debated multiple times. Members must have confidence in their ability to make strategic decisions and be assured that their decisions provide the necessary clarity of purpose to allow officers to deliver”*

*“Clarity around the journey and speed of decision-making and policy formulation at the council would improve the ability to deliver. There have been some changes to the way councillors discuss issues through the committee Chairs’ meeting, however there remains more to do in engaging the rest of the councillor community more effectively. This would help remove the risk of blockage or delay through the various committees through whom the decision-making process appears to be repeated. The present system is raising concerns among staff and partners about the council’s ability to make decisions in a timely way. This appears to be impacting negatively on the council’s ability to do its business in a transparent, timely and agile fashion.”*

*“Stable and consistent decision making to provide confidence in delivery: In some areas it was unclear which committee had final ownership of policy-making and decision-making, with the effect that recommendations can go to multiple committees before decisions are made and outcomes are known. It is important that members have the ability to make accurate and timely decisions, and greater clarity on governance/decision-making structures would minimise delay. It would also increase transparency as it would be clearer where decision-making power vested – helping members concentrate their contributions to ‘the debate’ rather than seeing the same decision debated multiple times. Members must have confidence in their ability to make strategic decisions and be assured that their decisions provide the necessary clarity of purpose to allow officers to deliver.”*

## Legislative Context

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Until the passing of the Local Government Act 2000 (‘the 2000 Act’), local government in England operated under a committee system model of governance. The 2000 Act required Councils to replace their committee systems and develop separate executive and scrutiny functions. Councils were required to consult local stakeholders and propose one of three types of arrangements for future council governance:

- Directly elected mayor and an Executive appointed by the mayor
- Council leader appointed by the Executive with the Executive appointed either by the council or the leader

- Directly elected mayor and council manager (this model was later withdrawn in the 2007 Act, so is now no longer an option)

There was a 'fourth option' only open to district councils with populations of less than 85,000, which involved continuing with a committee system. This "fourth option" enabled Melton to remain with the committee system. Since the Localism Act 2011, this option is now available to all councils.

## **Alternative Governance Models available**

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### **Leader and Cabinet**

#### Leader with executive delegations

This is the governance system that most councils operate. In some councils, individual members of the Cabinet have decision-making powers; in others, decisions have to be made by the whole Cabinet. The Cabinet is led by a leader, who is elected by Council for a term determined by the council itself or on a four yearly basis (and will usually be the leader of the largest party on the council). These councils must have at least one overview and scrutiny committee. The Cabinet comprises a group of no more than ten councillors and is responsible for executive functions, with the remaining councillors responsible for setting the budget and policy framework within which the Cabinet must operate, supporting policy development, and scrutinising the performance of the Cabinet.

#### Strong Leader

Under this model, the leader elected by the Council appoints up to nine other councillors to the Cabinet (including a deputy leader) and determines their respective areas of responsibility. The Leader is responsible for the discharge of all executive functions within the council and can choose how to discharge those functions.

### **The Committee System**

Committee system councils make most decisions in committees, which are made up of a mix of councillors from all political parties. These councils may have one or more overview and scrutiny committees but are not required to. Melton previously had a Scrutiny Committee but this was abolished as it was not considered effective at the time.

Council delegates its functions to committees as determined by the council. Councils can be flexible in how they design their committee structure and Melton has used this flexibility in the past year.

### **Hybrid arrangements**

There are variations for each of these models that can lead councils to adopt hybrid approaches; typically, this is a hybrid between Leader and Executive model and the committee system. Councils also have the option of suggesting an approach of their own to the Secretary of State. Most hybrid systems adopt a Cabinet, Scrutiny but also have Cabinet Advisory Boards which act as committees recommending items to the Cabinet.

## Process and Evidence

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### Phase One

The LGA Governance Review Feedback report identified that the first step to be taken by the council was to improve the existing committee structure, its operation and that of the associated boards and groups.

Key Issues were;

*“How and where policy is developed across the council is not clear to members, officers or to us as external observers.”*

*“It is very clear that members have a strong focus on governance being very inclusive, and this extends to the engagement and involvement of the two opposition members on the council. Undoubtedly some members feel very strongly about continuing to be very inclusive, yet the extent of the inclusion and involvement gives an impression that the council’s leadership is widely dispersed. This creates problems for officers in determining who is in charge and who should be consulted across the membership, and seems to involve senior officers regularly having to consult a wide number of members on an individual basis. It also causes frustration for some councillors. Even when policy discussions are held with lead members in advance, the involvement of significant numbers of members, sometimes across multiple committees, leads to uncertainty about whether a recommendation will be supported or not. This leads to the potential to generate lots of work which becomes unrealised or abortive, and which further exacerbates capacity issues”*

*“There are overlaps between the committees and examples of the same issue being bounced across committees. It is not clear whether this is because the remit of each committee is fully understood, or whether there is an unwillingness to make a decision. There is much inclusivity but less apparent ownership from some councillors.”*

*“Overall the council’s governance arrangements need a radical approach. Although what happens now may feel comfortable for members, the system feels archaic and out of kilter with other councils and how they operate.”*

*“Senior members in chairing roles, by virtue of being in those roles, have a responsibility to take a lead in developing policy for their committees. This includes engaging with officers to discuss emerging issues, as well as taking a lead within the group, and being accountable for ideas as they develop into policy”*

Members agreed that that the ‘policy’ committees would be replaced by three committees; People Committee, Place Committee and Corporate Committee. These committees would replace the Community and Social Affairs (CSA), Melton Economic and Environmental Affairs (MEEA), Policy, Finance and Administration (PFA) and Town Area Committees respectively, and have equal standing.

The Joint Staff Working Group and the Melton Local Development Plan Working Group were the only working groups that would remain to reduce the amount of sub structures. These would be advisory in nature.

As it was recognised that there was no informal policy development route prior to discussion and debate at a formal committee meeting, and no place where competing ideas or options were weighed against each other a Policy Forum was created, comprising of the chairs and vice chairs of the three policy committees; which would automatically include the Leader and Deputy Leader, and would be supported by relevant senior officers. A similar forum for the chairs and vice chairs of the regulatory committees was also created, where matters affecting the regulatory functions could be considered. These were advisory meetings only.

## Phase Two

Since the first phase was completed, the Governance Development Group has met on a regular basis to undertake its work in readiness for an Extraordinary Council on 21<sup>st</sup> November 2019.

We agreed that we needed to understand what was important for Melton and what we wanted the outcome to be for any governance arrangement before we could design a model which would deliver the outcomes. The outcomes were identified as;

- To ensure public accountability with clearly identified responsibilities for members
- To increase engagement with stakeholders and the public
- To ensure that there is effective review and challenge of our decisions
- To make quicker decisions when needed

We conducted our research into how other councils were achieving their outcomes by completing desk based exercises, reflecting on local experiences and visiting/communicating with councils throughout the country.

We felt that an analysis of other councils who had made changes to their governance system would give a wide-ranging view of the issues and challenges experienced by them and the solutions they introduced or considered.

We resolved to engage in the widest possible way with all those who may be working in or affected by decisions made by the Council.

It was agreed that we would undertake the following consultations;

- Invite various stakeholders to present to us their thoughts on how we make decisions and what is important to them
- To visit/communicate with other councils who had looked at the issues around governance change
- Public consultation through an online anonymous survey (this was also provided in hard copy to the "Seniors Day" participants)

We also reviewed a number of documents relating to good governance framework, including

Good governance in Local Government framework (SOLACE/CIPFA - 2007)



- Changing governance arrangements- Policy Briefing 4 (Centre for Public Scrutiny – December 2010)
- Musical chairs - Practical issues for local authorities in moving to a committee system (Centre for Public Scrutiny – April 2012)
- Rethinking governance - Practical steps for councils considering changes to their governance arrangements (Local Government Association – January 2014)

#### External Stakeholder Engagement – 21 September 2018

We invited some parish councils representatives and some members of the Town and Place Partnership to a focus group to understand their views on how we make decisions and how well they feel engaged in the decision making process.

Six stakeholders attended the workshop. The stakeholders agreed what they believed to be good governance and identified the following key leaning points;

- All stakeholders agreed that transparency was key to good governance. This is both in terms of what decisions we make and the processes that underpin those decisions.
- There was some concern about the amount of committees making decisions and there wasn't clarity over which committee/councillor made which decision.
- There was a lack of understanding on the current governance structure and Councillors roles in making decisions.
- Ward Councillors should have a role in decision making within their ward.
- There should be a mechanism for scrutiny within decision making, although this should not be open to abuse. If members are to scrutinise decisions, they need the power to take action otherwise it is pointless. It wasn't felt that there was adequate checks and balances in current decision making.
- The Council should be able to make decisions quickly whether this is through formal meetings or by a core group of lead Councillors who can make decisions. Leadership was considered to be important.

The stakeholders also provided views which were useful as we try to improve engagement with the community which will be considered by officers outside of the review.

#### Public Questionnaire

An online survey was issued on 31<sup>st</sup> September 2018 and closed on 4<sup>th</sup> October 2018. There were 98 responses in total. Interestingly 47% of people who responded had attended a meeting of the council and therefore are engaged in decision making within the Borough. The key learning points are identified from the results (full results are attached at Appendix One).

The results identify that the public can not find decisions easily, do not know which Councillors/ Committees are responsible for specific issues/make which decisions or understand councillors roles in decision making.

Over 80% of responses agreed;

- There is a strong appetite for streamed meetings

- The way the council makes decisions isn't open and transparent
- It is important that the council can make quick decisions where it needs to
- There isn't effective scrutiny of decisions
- That they do not feel that there is the opportunity to inform and influence decision making
- Ward Councillors should be consulted about decisions within their local community
- Decisions taken about the Borough should be taken locally

The most important elements of the council's decision making were considered to be;

- Accountability of councillors
- Communication and meaningful engagement with the community and stakeholders
- Effective scrutiny of decisions being made

#### External advice – Local Government Association

We sought the advice and guidance of Judith Hurcombe (Programme Manager at the Local Government Association) at the beginning of this process. Judith has been involved in many Local Government issues and has worked with councils who are reviewing their governance arrangements.

Judith advised that identical systems will operate differently in different councils due to variables such as the size of the majority party, the culture of the leadership, and the perceived public engagement in decision-making. Changing a council's governance structure does not, in itself, make the organisation more open to engagement. Judith provided the Group with some research of councils which operate different models of governance and who had also been on a journey to better understand their decision making.

#### Visits to Councils

We agreed to visit a number of other councils (or skype them in some instances) with different governance models; we agreed that it was important that we understood all of the alternative governance structures and how they worked at each Council. We used a standard set of questions and asked supplemental questions as necessary. It became very clear from the people we met that each council had its own character and that there would not be a 'one size fits all' solution.

Any council has a context, culture and style of its own, and governance has to be created to fit their specific dynamic.

We decided to visit Newark and Sherwood District Council (which had changed from Cabinet to a Committee system in 2013), Tunbridge Wells Borough Council (as it had adopted a 'hybrid' leader and executive structure in 2012), Charnwood Borough Council (which had changed to a Cabinet system in 2000) and South Gloucestershire County Council (which had changed from a Committee system to Cabinet in 2017). South Gloucestershire had adopted the committee model from 2012-2017 and before that they had operated under a Cabinet model and so have experience of both the Cabinet and Committee models of governance.

#### Newark and Sherwood District Council – 16 August 2018

With the introduction of the Localism Act 2011, Councils had the option to review existing governance arrangements and move to a Committee model. At this time Newark & Sherwood was operating a Cabinet model and there was a belief that the committee system was more democratic as it engaged all members/political groups in decision making. Their political make up was fairly evenly balanced.

A Committee structure was approved in 2011 and a thorough review of the proposed new arrangements was undertaken and a new decision-making structure was designed. There are 3 operational committees and the usual regulatory committees which cover planning and licensing. In addition there is a Policy and Finance Committee of seven Members which replicates the role of a Cabinet in that it covers all strategic decisions and the implementation of the policy framework. A system of reservation for any three members to refer any decision to the Council is also in place and is currently not misused. There is no longer an overview and scrutiny committee but each committee embeds overview and scrutiny principles. It is accepted that Scrutiny is not as effective as it needs to be.

There are regular meetings with Lead members and officers of matters coming up and to set committee agendas etc. Group communications are a priority and there are monthly group meetings, before each committee cycle and before each Council meeting. The Leader aims to gain support on new ideas before it gets to committee via Officer Briefings, group meetings, etc and they are conscious that this type of communication makes stronger decisions. There is strong ambassadorial leadership by the Chairs which is recognised across the groups.

Overall most of Newark and Sherwood's members prefer the Committee model and feel more involved in decision-making. It is acknowledged that decision making can be slower than the previous Cabinet structure and there is some duplication as decisions have to go from operational committees to the Policy and Finance Committee.

#### Charnwood Borough Council – 22 August 2018

Charnwood is an advocate of the Cabinet model and took up the opportunity to operate in this way as soon as it was offered by legislation in 2000. They have a Leader and a 10 member Cabinet. Although the Leader has the executive power to do so, he has not delegated decisions to other members of the Cabinet and the Cabinet as a body makes all the decisions. Non-Cabinet members are involved in Scrutiny, Planning, Licensing etc. Ideas from backbenchers are routed to a Cabinet member or to a Scrutiny Chair/Board. Group meetings are quarterly.

There is strong communication between Cabinet members and officers and initial policy ideas arise from weekly informal briefing meetings with Cabinet members. Also informal 'forward programme' meetings are held monthly where Cabinet members and key officers discuss upcoming Cabinet agenda items.

Charnwood has recently had a review of its scrutiny arrangements and they are currently working through the recommendations. There is a facility for the Scrutiny Group to scrutinise policy under development and the Overview Scrutiny Group can select items for pre-decision scrutiny before

each Cabinet meeting. Cabinet agendas, strategies and policies are regularly sent to the Scrutiny Chairs to consider. They are looking to use Scrutiny as a way of gaining community value in their decision making.

#### Tunbridge Wells Borough Council – 23 August 2018

The 'hybrid' system established by Tunbridge Wells involved three Cabinet Advisory Boards (CABs) to consider all the items on the Council's Forward Plan prior to final decision by Cabinet, with a provision for taking urgent items. The CABs are chaired by a Cabinet member, as it was felt that this encourages lead councillors to take greater responsibility for decisions. The CABs afforded an opportunity for non Cabinet members to scrutinise and shape matters before formal consideration by Cabinet. Tunbridge Wells has one Overview and Scrutiny committee, chaired by a councillor from the majority group, which scrutinises issues raised by councillors, often related to the wider Borough.

Backbenchers felt more informed and engaged with the new system. They benefited from a programme of member information sessions, which deliver 1-2 briefings each month on topical or key projects. Officers are expected to advise relevant ward councillors in advance of events in their localities and keep them informed. Communication and transparency with residents was seen to improve, aided by regular meetings with key stakeholders such as the chairmen of Parish Councils and the Town Forum to notify them about the Council's business and receive feedback.

#### South Gloucestershire County Council – 29 August 2018

South Gloucestershire moved to a Cabinet model from Committees in 2017. They had operated committees for 5 years from 2012-2017 and pre-2012 had had a Cabinet. The key reason for the latest change was due to speed of decision making. Whilst operating the Committee system it was felt that some of the big decisions were delayed because it was too difficult to get things done. Ofsted criticised the negative impact of their committee system and has subsequently praised the effectiveness of their Cabinet system. There is quite often pre-scrutiny which may slow things down but they are keen on a wide member engagement. Scrutiny chairs are often involved in discussions on pre-policy review and it is felt that due to this engagement, call in has not been used in the last year.

With regard to inclusivity of the committee model, it was felt that the perception was not the reality and during their time using this model there had been a significant transfer of power from members to officers due to decision making being difficult and therefore more officer delegations being undertaken. Also only the members on relevant committees could have a say on an issue whereas with the Cabinet model any member can feed in views to the Portfolio Holder or there could be involvement through Scrutiny or task and finish development groups. It was noted that the opposition may not feel as engaged as those in the ruling group.

The Leader and Portfolio Holders are able to make executive decisions and it was felt strongly that this meant more decisions were now taken by members rather than officers. The Cabinet model also allowed decisions to be taken more quickly. South Gloucestershire also specifically referred to a view that the public were clearer on who was responsible for decisions and issues and the Cabinet way of working enabled issues to be resolved more quickly.

## Conclusions

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As set out in previous sections of this report, the Governance Development Group has undertaken extensive research and consultation on the principles of good governance and potential decision-making structures. The proposals set out in this section of the report seek to meet the key points which the Group believe contribute to successful decision making and address the issues within our own system.

### Review of our Committee System

The Group is clear that any form of governance model has strengths and weaknesses. Perceived disadvantages of the committee system include:

- widely considered to be inefficient, slow in decision-making and overly focused on operational matters rather than policy and results;
- hard to know who is responsible for decisions (accountability questioned);
- committees could avoid taking responsibility for difficult decisions; and
- Decision making can't be taken by individual members outside of formal meetings therefore organisations become more officer led.
- Cross cutting issues

The Group recognises that the above disadvantages are apparent in our own decision making structure and we need to improve these if we are to achieve our corporate priorities. We note the following issues within our current governance arrangement;

- Councillors feel disengaged with the decision-making process;
- Councillors, officer and the public do not have a high level of understanding of which Committee can make which decisions. Indeed there have been issues in recent months where the policy decision is made in one Committee and the budget decision is made in another which doesn't allow effective decision making or scrutiny.
- Chairs do not have the power to make decisions and are not viewed as leaders within the organisation; this can make the organisation seem officer led.
- Decision making can be slow and waiting for the next Committee cycle can delay important decisions.
- There are inadequate check and balances of decisions made.
- The officer delegation scheme is not used effectively due to Chairs not having the authority to make the decision with them.
- There is inadequate engagement with the public and stakeholders and little opportunity for them to influence decision making in policy decisions.

### What we want to achieve and the right governance arrangements to achieve them

When we started our journey we were all keen to explore the hybrid model of governance. However we all agreed that whilst it provided the benefits of both the Committee System and the Leader and Cabinet model, it was incredibly resource intensive. It also appeared to be slow and bureaucratic. Whilst it may work within other Councils, we did not feel that it would be an appropriate fit for Melton.

After we discounted the hybrid model, we reviewed whether the Committee System or the Leader and Cabinet model would be the best model for Melton right now.

The Group does not believe that the Committee system will provide us with the right structure to achieve the Council's strategic vision. We have streamlined the structure recently and the structure is still not allowing us to move at the speed and with the checks and balances we need to achieve our ambitions.

The Group believes that the best way of improving our decision making to achieve our ambitions is to consider adopting the Leader and Cabinet arrangements, whilst ensuring that measures to improve decision making processes and inclusiveness are adopted through informal processes.

The Group's reasoning linked to the objectives identified at the start of the Phase Two is provided below;

### **1. Make quicker decisions where we need to.**

The inability for councillors to take delegated decisions restricts when decisions can be made. We are therefore a slave to the Committee cycle. Unless we are to increase the amount of Committees, the Committee system will not allow us to make decisions as quickly as we need. To increase the amount of Committees would have an impact on resources and would therefore create a financial impact, this would not present value for money.

The Group believes that the Leader and Cabinet model would provide quicker decisions both in terms of decisions made in formal meetings and Portfolio Holders having the authority to take decisions outside of meetings if required. As is shown below, the number of meetings would not increase from the amount currently in place and therefore there would be no cost implications.

### **2. Having more checks, balances and review in decision making**

The Group is very clear that effective scrutiny is a vital part of the Council's wider system of checks and balances and believes that a Scrutiny Committee would ensure adequate scrutiny of decisions which our current system doesn't. There is no route within our current structure to scrutinise the decisions of Committees and it is unrealistic to think that members will scrutinise itself as it makes the decisions within Committees.

We need to hold decision makers to account and pre scrutinise important matters.

Whilst a Scrutiny Committee could be built into our current system, it would mean an additional allowance to a Chair and additional meetings which would have financial implications.

If the Leader and Cabinet model was adopted, we envisage that one Scrutiny Committee would be established to ensure proper checks and balances and that the Cabinet are held to account. The Scrutiny Committee would have a degree of autonomy to decide what matters it should consider and they could also set up their own panels or working groups to look at specific issues as and when required. Cabinet members would have to regularly attend Scrutiny Committee to answer questions on their relevant portfolios to ensure that they were being held to account.

Whilst the detail of how the Scrutiny Committee would operate, including its composition, would be a matter for the new Council to determine. We envisage that their role would not only be scrutinising decisions that had been made but also pre-scrutinising important Cabinet matters, thereby informing decisions taken by the Cabinet.

Dependent on the matter, this may involve consideration of a discussion paper at a very early stage in respect of a major issue and/or a draft report prior to its formal consideration by the Cabinet. We would also envisage the Scrutiny Committees playing a vital role in budget preparation.

### **3. Increase engagement with stakeholders and the public**

We do not believe that there is adequate public engagement with decision making and the current model can not easily be explained. For example, it is difficult to understand that a substantive issue can be decided by one committee but the finances will be dealt with by another committee. Public consultation made it clear that there was little awareness of which Committee dealt with which issues. We believe that this would be simpler with the Leader and Cabinet model as the roles are more clearly defined.

We also believe that if managed effectively, a Scrutiny Committee would bridge the gap between local communities and the council. Where residents and stakeholders are unsure about how they can influence decision making, they would be able to be involved through task and finish groups and have an active input in the Scrutiny workplan. It is accepted that the Leader and Cabinet model would not work if Scrutiny was not effective.

The Committee could also seek to use Scrutiny as a forum for public engagement in matters of local concern.

### **4. Improve public accountability with clearly identified responsibilities for members;**

Within the current system, the public are not clear about the role of members and how they influence decision making. This is as a direct result of the Committees not being understood. We believe that within a Leader and Cabinet model as Portfolio Holders would have the authority to make decisions and advocate them to the public there would be more public accountability. We would therefore envisage Portfolio Holders taking an active part in promotion of policies and decisions within their portfolios which the Chairs within our current system do not currently do.

Within our current processes we recognise that we do not consult with ward members enough on local issues. Whilst we can improve our current processes to ensure that report authors routinely inform and record the comments of local ward members, the current system does not require us to do so. We believe that it would be more important to record the ward councillors views in a Leader and Cabinet model as they may not be the decision makers and Cabinet members would not want to make decisions without considering the local viewpoint.

Where officers currently make delegated decisions there is less requirement to record or publish them. Whilst we do this voluntarily, if the Leader and Cabinet model was adopted, this would be a requirement and we would the need to consult with Ward members on local decisions before implementing them.

## Financial Considerations

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The Group recognises that in order to ensure effective overview and scrutiny they must be supported by a Scrutiny Officer. Officers should seek to understand the cost of resourcing this post effectively and note that this would form part of the centralisation of the Democratic Services function.

| <b>Meetings in current structure</b> | <b>Number of Meetings annually</b> | <b>Meetings in recommended structure</b> | <b>Number of Meetings annually</b> |
|--------------------------------------|------------------------------------|--|------------------------------------|
| Council                              | 7                                  | Council                                  | 7                                  |
| Place Committee                      | 5                                  | Cabinet                                  | 10                                 |
| People Committee                     | 5                                  | Scrutiny Committee                       | 5                                  |
| Corporate Committee                  | 5                                  | Governance Committee                     | 5                                  |
| Governance Committee                 | 5                                  | Planning Committee                       | 16                                 |
| Planning Committee                   | 16                                 | Licensing Committee                      | 5                                  |
| Licensing Committee                  | 5                                  |  |                                    |
| <b>TOTAL</b>                         | <b>48</b>                          | <b>TOTAL</b>                             | <b>48</b>                          |

## Other Considerations

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The Group considered whether the Planning Committee and Licensing and Regulatory Committee could become one committee. It is not recommended however to proceed with this at the current time and therefore there will be no recommendations to change the structures of the regulatory committees.

## Recommendations

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It is recommended that in order to ensure that the Councils governance structure helps to deliver the Councils ambitions;

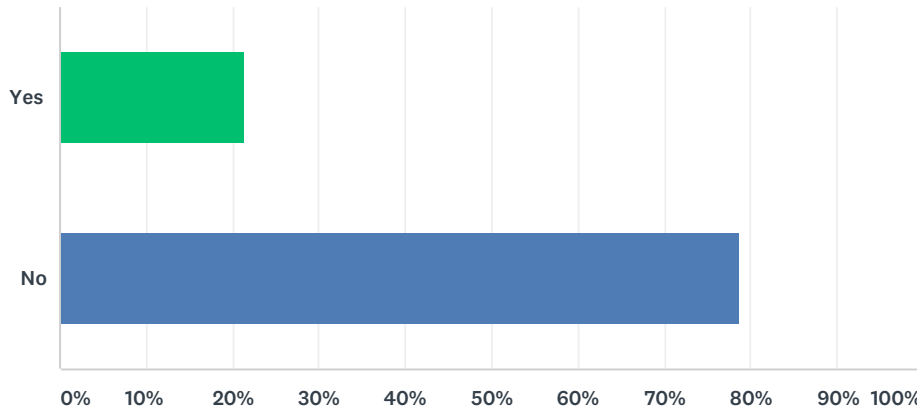
- The Council change its governance structure to a Leader and Cabinet model of governance
- That one Scrutiny Committee be established which would not only scrutinise decisions but have a role in policy development where required
- That consultation with Ward members would be a formal part of any decision making
- That the statutory/regulatory committees are not changed from the current structure

END



### Q1 Do you feel that you are able to easily find records of decisions made by the Council?

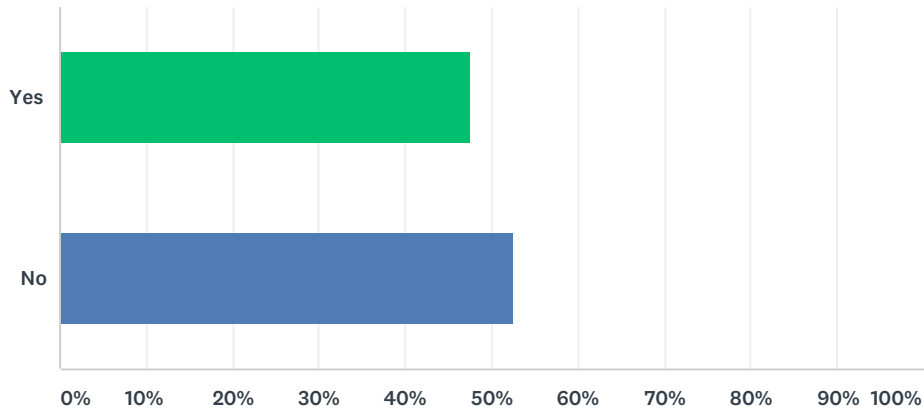
Answered: 98 Skipped: 0



| ANSWER CHOICES | RESPONSES |           |
|----------------|-----------|-----------|
| Yes            | 21.43%    | 21        |
| No             | 78.57%    | 77        |
| <b>TOTAL</b>   |           | <b>98</b> |

## Q2 Have you attended meetings of the Council where formal decisions are made?

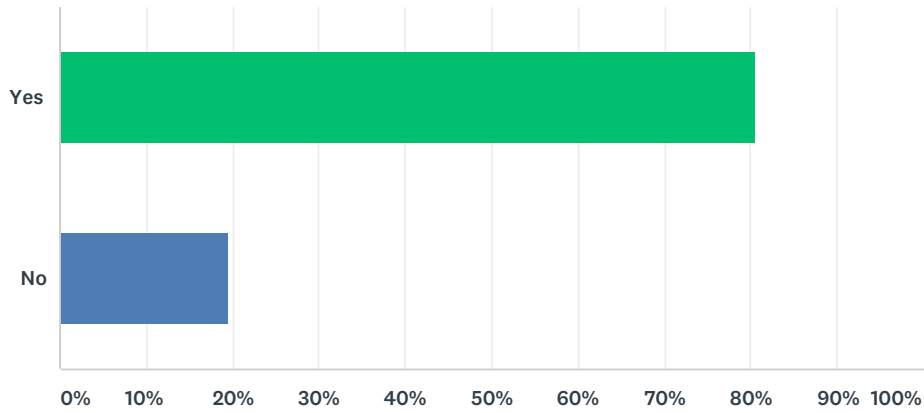
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| ANSWER CHOICES | RESPONSES |    |
|----------------|-----------|----|
| Yes            | 47.42%    | 46 |
| No             | 52.58%    | 51 |
| TOTAL          |           | 97 |

### Q3 Would you watch a formal meeting if it was streamed live or available to download afterwards?

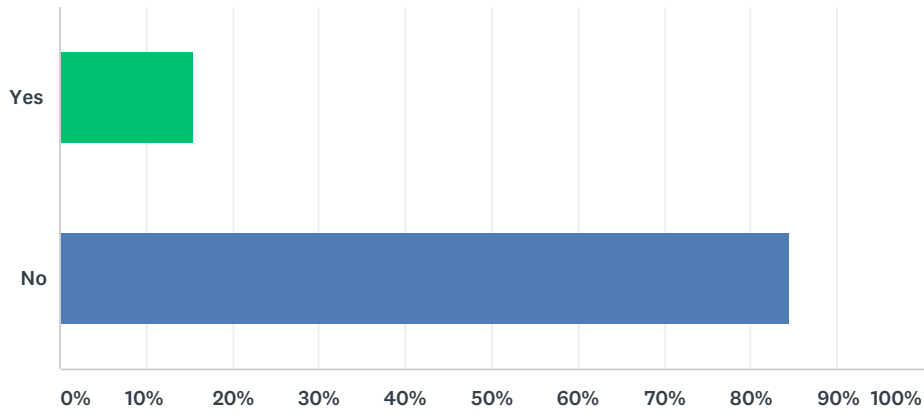
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| ANSWER CHOICES | RESPONSES |    |
|----------------|-----------|----|
| Yes            | 80.61%    | 79 |
| No             | 19.39%    | 19 |
| TOTAL          |           | 98 |

## Q4 Do you feel that the way the Council makes decisions is transparent and open?

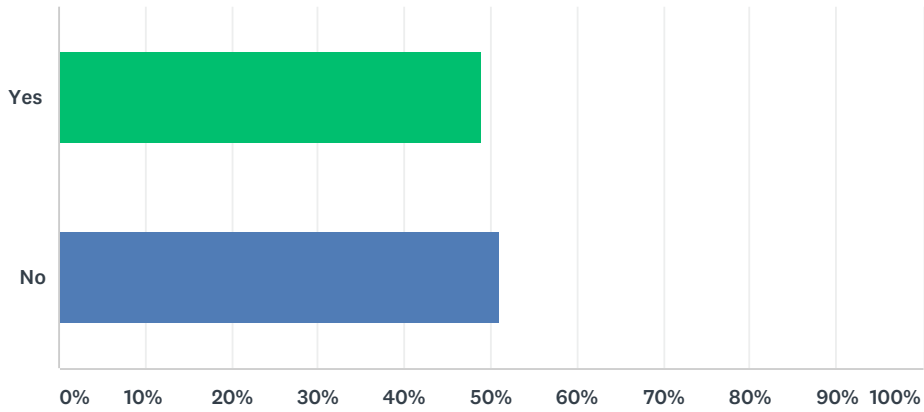
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| ANSWER CHOICES | RESPONSES |    |
|----------------|-----------|----|
| Yes            | 15.46%    | 15 |
| No             | 84.54%    | 82 |
| TOTAL          |           | 97 |

### Q5 Do you understand how the Council makes decisions?

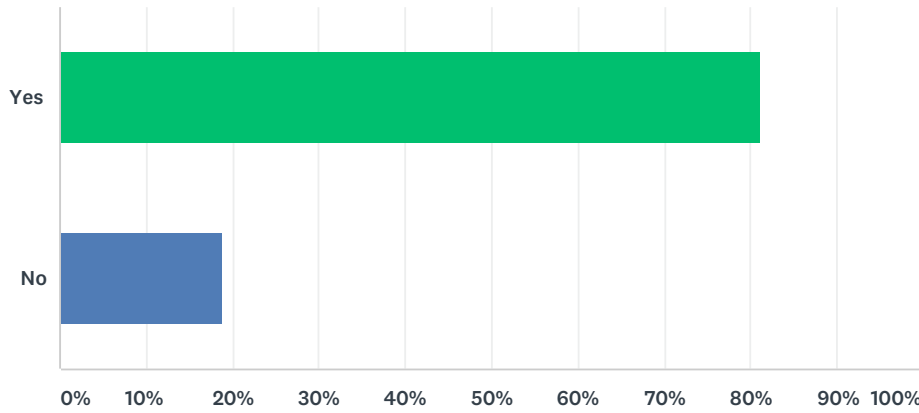
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| ANSWER CHOICES | RESPONSES |    |
|----------------|-----------|----|
| Yes            | 48.96%    | 47 |
| No             | 51.04%    | 49 |
| TOTAL          |           | 96 |

### Q6 Do you think that it's important that the Council is able to make quick decisions when it needs to?

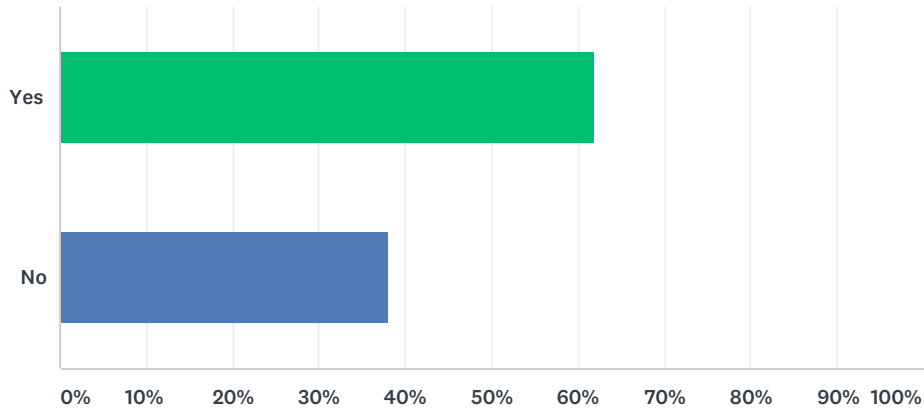
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| ANSWER CHOICES | RESPONSES |    |
|----------------|-----------|----|
| Yes            | 81.25%    | 78 |
| No             | 18.75%    | 18 |
| TOTAL          |           | 96 |

## Q7 Do you understand Councillors' role in decision-making?

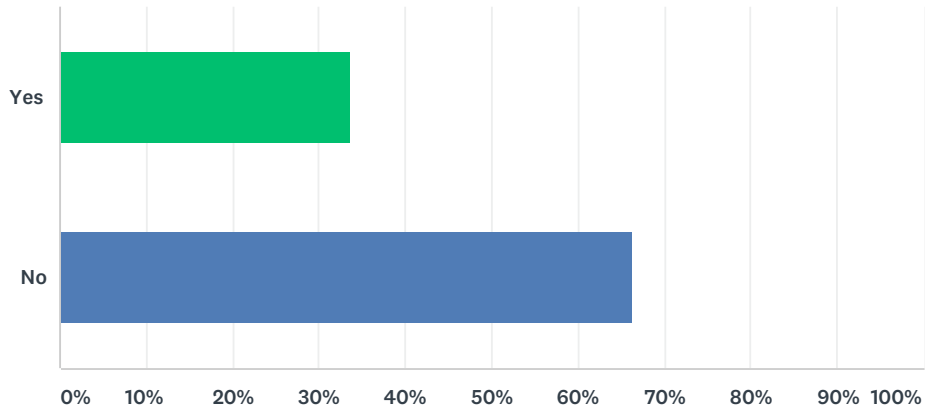
Answered: 92 Skipped: 6



| ANSWER CHOICES | RESPONSES |    |
|----------------|-----------|----|
| Yes            | 61.96%    | 57 |
| No             | 38.04%    | 35 |
| TOTAL          |           | 92 |

### Q8 Do you know which Councillors/Committees make which decisions?

Answered: 92 Skipped: 6

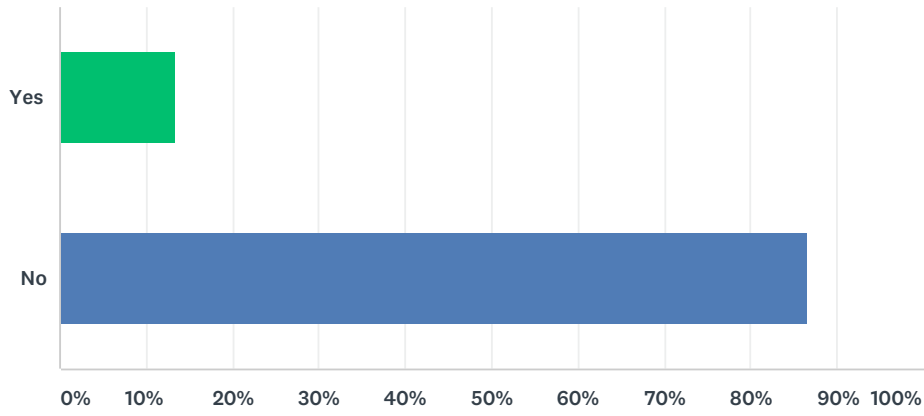


| ANSWER CHOICES | RESPONSES |    |
|----------------|-----------|----|
| Yes            | 33.70%    | 31 |
| No             | 66.30%    | 61 |
| TOTAL          |           | 92 |



### Q9 Do you feel that when the Council makes decisions there is effective scrutiny?

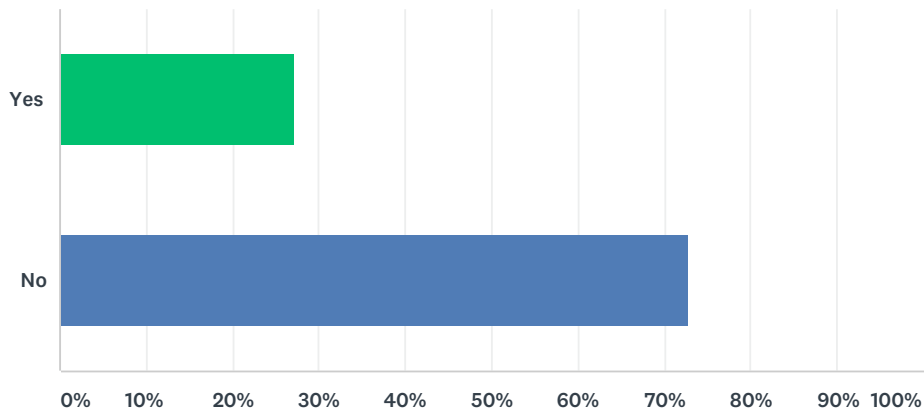
Answered: 90 Skipped: 8



| ANSWER CHOICES | RESPONSES |    |
|----------------|-----------|----|
| Yes            | 13.33%    | 12 |
| No             | 86.67%    | 78 |
| TOTAL          |           | 90 |

### Q10 Do you know which Councillor or Committee is responsible for leading on specific issues ie. housing, anti-social behaviour etc?

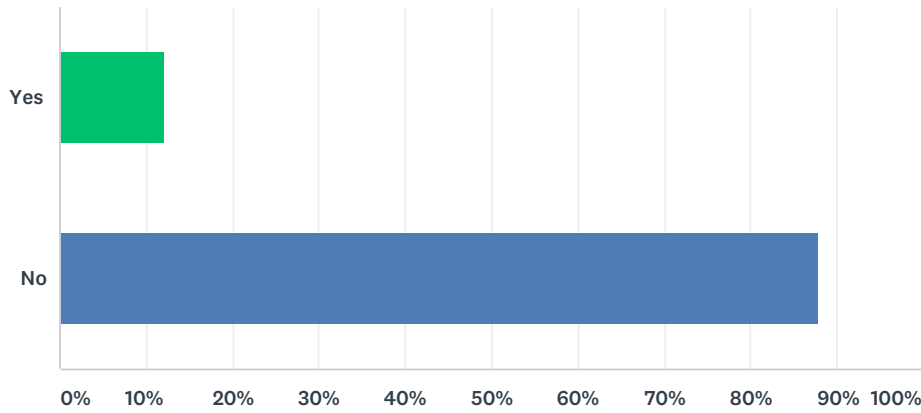
Answered: 92 Skipped: 6



| ANSWER CHOICES | RESPONSES |    |
|----------------|-----------|----|
| Yes            | 27.17%    | 25 |
| No             | 72.83%    | 67 |
| TOTAL          |           | 92 |

### Q11 Do you feel that you have the opportunity to inform and influence decision-making within the Council?

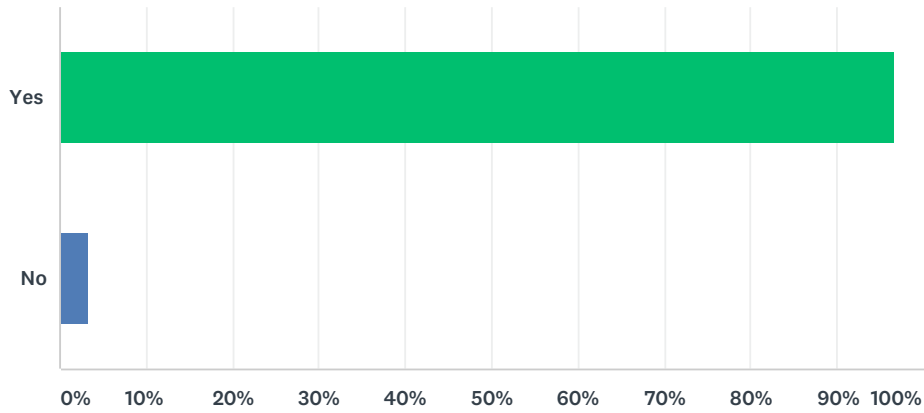
Answered: 91 Skipped: 7



| ANSWER CHOICES | RESPONSES |    |
|----------------|-----------|----|
| Yes            | 12.09%    | 11 |
| No             | 87.91%    | 80 |
| TOTAL          |           | 91 |

### Q12 Do you think that it is important that Ward Councillors are consulted about decisions within their local community?

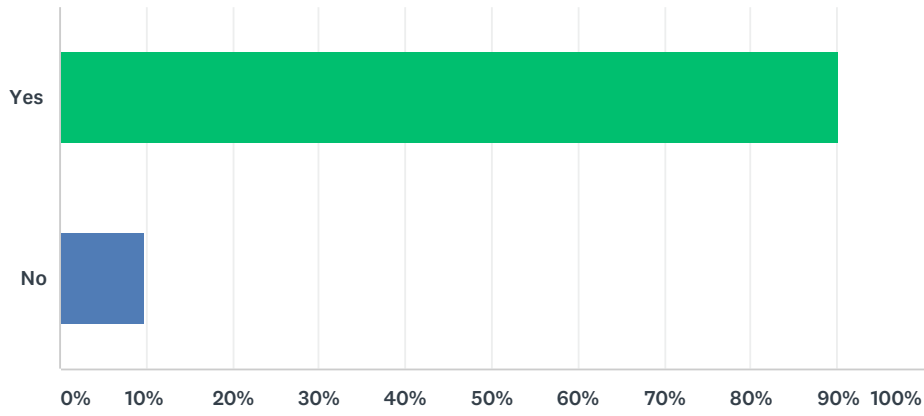
Answered: 92 Skipped: 6



| ANSWER CHOICES | RESPONSES |    |
|----------------|-----------|----|
| Yes            | 96.74%    | 89 |
| No             | 3.26%     | 3  |
| TOTAL          |           | 92 |

### Q13 Do you think that decisions taken about the Borough should be taken locally?

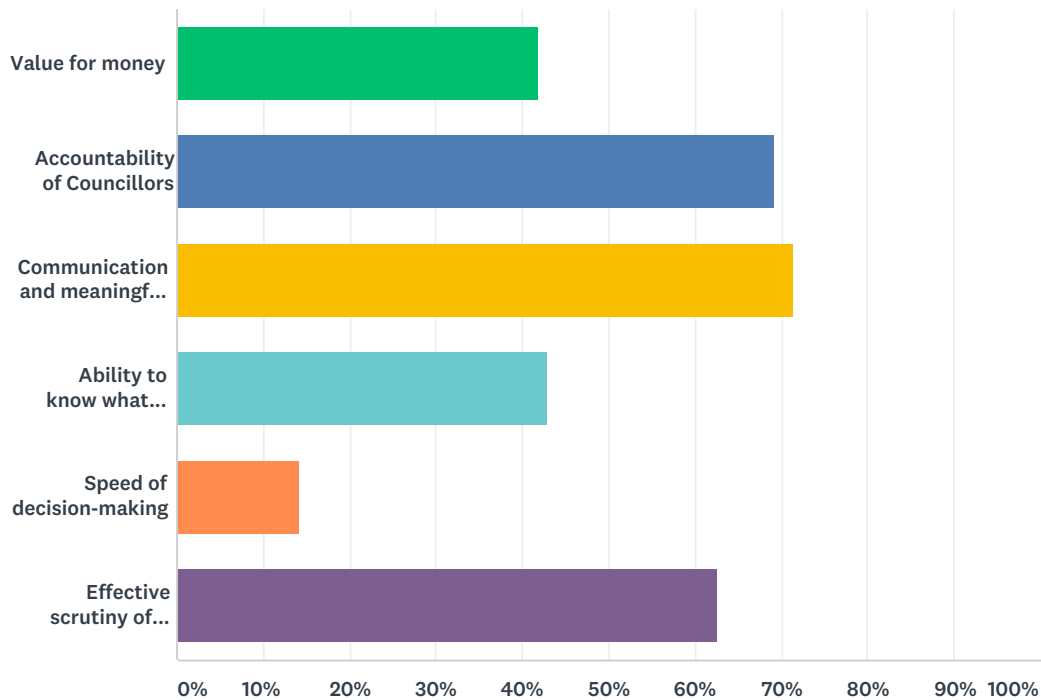
Answered: 92 Skipped: 6



| ANSWER CHOICES | RESPONSES |    |
|----------------|-----------|----|
| Yes            | 90.22%    | 83 |
| No             | 9.78%     | 9  |
| TOTAL          |           | 92 |

## Q14 Please tick which 3 of the following are the most important to the Council's decision-making

Answered: 91 Skipped: 7



| ANSWER CHOICES  | RESPONSES |    |
|---|-----------|----|
| Value for money   | 41.76%    | 38 |
| Accountability of Councillors   | 69.23%    | 63 |
| Communication and meaningful engagement with the community and stakeholders | 71.43%    | 65 |
| Ability to know what decisions are coming up or have been made              | 42.86%    | 39 |
| Speed of decision-making  | 14.29%    | 13 |
| Effective scrutiny of decisions being made                                  | 62.64%    | 57 |
| Total Respondents: 91   |           |    |

# APPENDIX C

## Governance Review – Action Plan – 2018/19

| No  | Action                                  | Complete by   |
|-----|---|---------------|
| 1.  | Council Procedure Rules                 | February 2019 |
| 2.  | Access to Information Rules             | February 2019 |
| 3.  | Budget and Policy Framework Rules       | February 2019 |
| 4.  | Cabinet Procedure Rules                 | February 2019 |
| 5.  | Scrutiny Procedure Rules                | February 2019 |
| 6.  | Call In Procedure                       | February 2019 |
| 7.  | Financial Procedure Rules               | April 2019    |
| 8.  | Contract Procedure Rules                | February 2019 |
| 9.  | Executive Delegation Scheme             | February 2019 |
| 10. | Officer Delegation Scheme               | February 2019 |
| 11. | Review Special Responsibility Allowance | February 2019 |
| 12. | Member Code of Conduct                  | April 2019    |
| 13. | Employee Code of Conduct                | April 2019    |
| 14. | Protocol on Member/Officer Relations    | April 2019    |
| 15. | Gifts and Hospitality                   | April 2019    |
| 16. | Members Roles and Responsibilities      | February 2019 |
| 17. | Committee Terms of Reference            | February 2019 |
| 18. | Substitute Policy                       | February 2019 |
| 19. | Annual calendar                         | December 2019 |

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