

AD HOC GOVERNANCE COMMITTEE

30 APRIL 2018

REPORT OF THE CHIEF EXECUTIVE

GOVERNANCE REVIEW

1.0 PURPOSE OF REPORT

- 1.1 To receive an update and request comments on the work carried out by the Governance Development Group ('the Group') which will form the basis of the Chief Executive's report to be considered by an extraordinary meeting of Full Council.
- 1.2 To consider and comment on the deferred items from the Constitution Review 2017/18 that was previously presented to the Governance Committee meeting held on 27 March 2018.

2.0 RECOMMENDATIONS

- 2.1 **To consider and comment on the work carried out to date by the Group which will form the basis of a report from the Chief Executive to the Extraordinary Meeting of the Council to be held on 8 May 2018 regarding the future governance of the Council. The Committee's comments to be reported to the Extraordinary Council Meeting.**
- 2.2 **To consider and comment on an amended Appendix D from the Constitution Review 2017/18 that was previously presented to the Governance Committee held on 27 March 2018 and is to form part of the report to the Extraordinary Meeting of the Council. The Committee's comments to be reported to the Extraordinary Council Meeting to be held on 8 May 2018.**

3.0 KEY ISSUES

3.1 Background

Following the LGA Peer Challenge held in December 2017 a report and list of recommendations together with an Action Plan was accepted by Full 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, which at the same time needs to create a clearer route for policy development.

3.2 Governance Development Group

The informal Governance Development Group ('the Group') met on 10 and 18 April 2018. The Group consists of the Leader (Councillor Orson), Councillors de Burle, Freer-Jones, Greenow and Illingworth, the Chief Executive, the Solicitor to the Council and the Business Manager.

3.3 Committees and Decision-making

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. To achieve this the remit of the committees needs to be reconsidered.

- 3.4 The Group considered a discussion paper prepared by officers, setting out the possible

options based upon the recommendations of the LGA Report. The Group concluded that the current 'policy' committees could 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. In updating the terms of reference for the 3 new policy committees attempts have been made to minimise potential for duplication and to create 3 autonomous committees with a clear scope and responsibility for all matters within their remit; including policy setting, delivery, performance, operational asset management, staffing structures and budget monitoring. Attempts have also been made to align the committee responsibilities and names with the refreshed corporate priorities and new senior management structure increasing coherence between the Council's ambitions and its member and officer accountability and delivery structures. Further rationale for some of the specific changes is set out below:

- 3.5 Given the desire to ensure the link between policy development and financial implications is retained it is proposed that responsibility for budget monitoring will be similar to the current arrangement and each committee will have monitoring and oversight responsibility for its own budgets and only decisions that are outside of the approved budget and policy framework would need to be referred to the Corporate Committee for a decision. Responsibility for oversight of Special Expenses and the Housing Revenue Account will be with the Place Committee. The Corporate Committee would however retain overall control of the Council's general fund financial affairs including budget setting proposals to the Council, the Medium Term Financial Strategy and Treasury Management. The Housing Revenue Account will sit entirely within the remit of the Place Committee. Given the proposed approach has the potential to retain some duplication between committees, particularly where a general fund supplementary estimate is required, it is proposed that to enable policy decisions to be enacted in a timely fashion, it would be beneficial for delegated authority to be provided to the Chief Executive, in consultation with the Leader, to authorise one-off supplementary expenditure up to a cumulative maximum of £100,000 in any one year. This would enable decisions taken by a policy committee which had an additional financial burden to be enacted quickly after the meeting, rather than waiting for the next Corporate Committee for approval. A more fundamental review of the scheme of delegation to support more streamlined decision making more generally is due to take place after the new Director for Legal and Democratic Services commences in June 2018. Crucially the consideration of any requirements for additional funding would not be taken in isolation and discussion regarding policy development and the financial implications across all three committees would take place at a newly established Policy Forum; the details of which are discussed below.
- 3.6 Performance has not previously been reported to the committees but this too is a crucial part of maintaining effective oversight. Therefore each of the new policy committees would be responsible for the monitoring and oversight of performance of its service areas with Full Council receiving an annual report on progress against the Corporate Delivery Plan and service performance. Currently performance is reported to a task group and this was identified as an area to be addressed by the LGA review. The day to day management of service related assets would also be the responsibility of the relevant committee; however strategic decisions regarding acquisition or disposal of all assets would be the responsibility of the Corporate Committee. The Group felt that these changes would remove much of the duplication and overlap between the committees and would improve the speed of decision making; though it should be noted some overlaps will remain which will require further review by the Group as part of the ongoing review of alternative governance options. A proposed new structure and terms of reference for the committees is attached as Appendix A to this report.
- 3.7 **Town Area Committee**
As mentioned the proposed new structure would remove the Town Area Committee. The Group considered its role in light of the LGA findings that it was not widely understood and

created significant overlaps of responsibilities with other committees. Removing it and incorporating its responsibilities within the other committees will help remove duplication and improve clarity of responsibilities. That said, the Group and the LGA recognised that key aspects of the town and place agenda would be better served by engaging a wider set of stakeholders and seeking to build a consensus around a broader place marketing, tourism, and regeneration strategy. Accordingly it is proposed that the Council should support and work towards the development of a new Town and Place Partnership. Crucially, to ensure this new forum achieves a broader appeal, and wider involvement, it must avoid the perception of being a Council controlled forum. Therefore whilst the Council will be an influential partner and provide officer support to guide and develop, the partnership would ultimately benefit from a private sector chair to aid credibility, particularly with the wider business sector. The first steps in establishing the partnership will be the formation of a small Steering Group which would include the Chair and Vice Chair of the Place Committee alongside representatives from other key stakeholders, with a view to holding a much broader engagement session later in the year.

- 3.8 It is proposed any outstanding business for the Town Area Committee be transferred to the appropriate committee. Regarding consultation on planning and licensing applications currently undertaken by the Town Area Committee on items that meet a certain threshold, the provision for all Ward Councillors to make representations in the normal way remains available as part of the planning and licensing processes.

3.9 **Role of Leader and Committee Chairs**

The LGA report highlighted that whilst the current approach to governance was very inclusive it was necessary to create some form of hierarchy as currently the Council's leadership was widely dispersed and to obtain policy direction officers have to consult a wide number of Members on an individual basis. This has then created uncertainty as to whether recommendations will be supported or not increasing the potential for abortive work and has resulted in the Council having an unrealistic list of projects and priorities given its resources. This is currently being addressed through the recent prioritisation exercise and the adoption of a new Corporate Delivery Plan. Going forward it is proposed that the Leader and Chairs take a greater lead in all matters relating to their committees including developing agendas for meetings. It is proposed that training and support will be arranged to help with this new approach.

3.10 **Impact on Member Allowances Scheme**

Due to the redesignations of the existing committees with new terms of reference and removal of the Town Area Committee, there is a need to review the impact on the Member Allowances Scheme. Therefore the Chair of the Welland Independent Remuneration Panel is to be consulted and a meeting has been arranged for 24 April 2018. It is expected that there will be a saving from the removal of the chair and vice chair allowance to the Town Area Committee as outlined in the Financial Implications section of this report.

3.11 **Impact on other Committees**

In drafting the terms of reference of the new policy committees, it has been necessary to review some functions within other committees as to the most appropriate area for these to be located. This has been particularly relevant to the Governance and Planning Committees. With regard to the Planning Committee, the items transferred are those previously listed in the Constitution Review 2017/18 report to the Governance Committee on 27 March 2018 and those items have been assimilated into the new policy committees. The revised terms of reference for these committees are set out at Appendices B and C respectively.

3.12 **Working Groups, Task Groups and Boards**

In addition to the formal committees, there are a large number of sub structures, consisting of working groups, task groups and boards. The LGA review recommended that these should be reduced in number and that their responsibilities should be consolidated within the committees and the roles of the chairs. The Constitution currently lists a number of

such standing arrangements and the Group suggests that these should be removed. Therefore it is proposed that only the Joint Staff Working Group and the Melton Local Development Plan Working Group will currently remain with the proviso that the Melton Local Plan Working Group be disbanded once the Local Plan has been concluded. In the future, it is proposed that informal groups be set up to deal with specific issues on a time limited basis, as required, such as has been the case of the Governance Development Group dealing with the matters in this report. Discipline should however remain to ensure the Council does not re-build a significant number of sub structures and the Policy Forum (and wider group meetings) and then the Committees themselves should be the place where policy is first developed and then agreed.

3.13 Policy Development

In addition to the committee structure the LGA's Review also highlighted the role of Members, particularly the Leader and the chairs of the committees and their role in policy development for the Council. Currently there is no recognised informal policy development route prior to discussion and debate at a formal committee meeting, and no place where competing ideas or options are weighed against each other. This can lead to uncertainty about where officers should go for policy direction and a risk that policy is decided in isolation without consideration of the wider corporate impact. Accepting the recommendation from the LGA, the Group felt it would be appropriate to create a Policy Forum, comprising of the chairs and vice chairs of the three policy committees; which would automatically include the Leader and Deputy Leader, and supported by relevant senior officers. This would become the place where policy formulation would commence, creating the opportunity for ideas to be debated and new proposals considered in the context of existing commitments, taking account of resources and competing priorities before being reported to the appropriate committee. The Group also felt that a similar forum for the chairs and vice chairs of the regulatory committees could also be developed, where matters affecting the regulatory functions could be considered. As a consequence of the creation of these two groups it is proposed the current 'Conservative Chairs' forum would no longer meet. It is important to note that whilst the Policy Forum would become the funnel for policy development, engagement with the wider membership would remain crucial; both through Chairs linking back to their group but also through the continuing use of all-member Away Days which have proved beneficial in ensuring wider understanding of key agendas.

3.14 Keeping Members informed

In line with the LGA recommendations, committees will not typically receive information only items, rather Members will be kept informed of new initiatives and policy development through an improved Members' Bulletin and wider briefings as necessary; as well as more directly through the Chairs and Leader themselves.

3.15 Lead Members, Representatives on Outside Organisations/Partnerships

Several other matters were raised in the review and considered by the Group that will help to clarify the leadership of the Council and help to avoid duplication. These relate to the removal of the Lead Member and Champion roles as currently the functions of these positions were duplicated with the work of the committee chair. The roles of representatives to partnerships and outside organisations were also considered by the Group and it was felt that where possible these should align to the chair or vice chair of the relevant committees and this be the default position unless there was some business reason, such as the work of the organisation was ward related, to appoint a different Member. This will then ensure that any key stakeholders agendas and issues related to the outside organisations can then be fed into the Policy Forum and enable fully informed discussions where these bodies are affected.

3.16 Committee Minutes at Full Council

To also help reduce duplication and make a small saving on production, the group considered the removal of committee minutes on the Council agenda to be a positive step. This would not detract from Members asking questions as 'Questions from Members'

would remain as a standing item on the Full Council agenda.

3.17 **Next Steps**

The LGA also made some clear recommendations about the need to update and modernise the scheme of delegation; to make it more flexible and enable the Council to make decisions in a timely manner. The LGA also advised that the Council should consider the merits of alternative governance models further. These are more fundamental pieces of work and therefore alongside the proposals set out above, the group will seek support to explore them further over the coming year at the forthcoming Extraordinary Council meeting.

- 3.18 There are other transitional arrangements which will need to be in force until work is completed on their implementation. These primarily relate to the realignment of budgets into the new committee structure and responsibilities which will commence when the budgets are set for 2019/20 with budget monitoring under the new arrangements not implemented fully under the 2019/20 financial year. The Council's Constitution and scheme of delegation will need to be fully reviewed including the Financial Procedure Rules and work will commence on these when the Director for Legal and Democratic Services commences. Work also needs to be undertaken on the policy framework following the prioritisation exercise.

3.19 **Calendar of Meetings 2018 19**

With regard to the Calendar of Meetings for 2018/19, it is proposed that this be adjusted to remove the Town Area Committee dates and that the new policy committees utilise the existing policy committee dates already established ie. Corporate replace PFA, People replace CSA and Place replace MEEA. The Calendar of Meetings will then be presented to the Annual Meeting for approval on that basis.

3.20 **Constitution Review 2017 18**

With regards the outstanding items from the Constitution Review 2017/18 report (that was presented to the Governance Committee on 27 March 2018 and deferred to be aligned with this review of the Council's governance arrangements), the items that relate to transferring functions from the Planning Committee have been addressed as mentioned earlier in this report. The remaining outstanding items are presented for comments to this Committee and are set out at Appendix D and will be included as part of the Governance Review report to the Extraordinary Meeting of the Council on 8 May. The Committee's comments will be reported to that Council meeting.

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.

5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 Any financial and resource issues will be met from existing resources.
- 5.2 An interim review of the Council's Member Allowances Scheme by the Chair of the Welland Independent Remuneration Panel will be carried out and taken into account should there be an amendment to the Council's committee structure. Should the proposals outlined in this report be accepted by the Council, it is expected that there will be a saving on Member Allowances from the removal of the Chair and Vice Chair of the Town Area Committee. The saving of the special responsibility allowances attributed to these roles would amount to £5,288 per annum.
- 5.3 With the removal of the Town Area Committee, there is a potential saving of the resources allocated to this committee in the sum of £2,500. However with regard to the direct

administrative support, this will be needed to assist with the new governance and management arrangements.

5.4 Other savings relate to the printing of committee minutes for the Council agenda and it is expected that this would be in the sum of £200 per year. There is also a climate change saving in not printing these minutes.

5.5 Streamlining of governance processes will inevitably have a productivity gain in terms of officer time being released to focus on other priorities. Whilst this cannot be quantified currently it will be evaluated over the coming months and considered in more detail, particularly as alternative governance models are considered further and the scheme of delegation updated.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 There are no direct legal implications arising from this report but any subsequent recommendations will need to be considered in the context of current legislation.

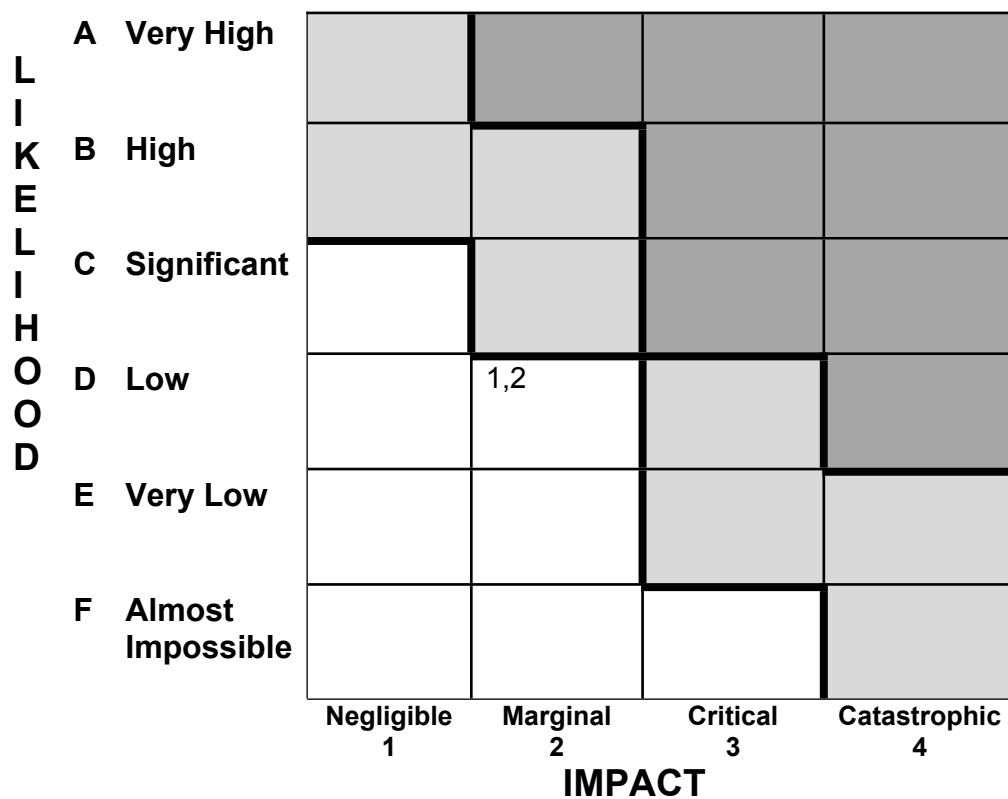
7.0 COMMUNITY SAFETY

7.1 There are no direct community safety implications arising from this report.

8.0 EQUALITIES

8.1 Equalities Screening Assessments have been drafted on constitution matters and most of these matters relate to the legality around governance arrangements.

9.0 RISKS



9.1	Risk No	Risk Description
	1	To not have robust governance arrangements could mean the Council's aims and objectives cannot be met
	2	Duplication of roles and functions impacts on the Council's resources and value for money

10.0 CLIMATE CHANGE

10.1 To remove the requirement for producing hard copy committee minutes at Full Council meetings would reduce the Council's paper usage and waste.

11.0 CONSULTATION

11.1 There have been meetings with the Governance Development Group to consider the way forward and develop the Council's proposed Governance arrangements.

12.0 WARDS AFFECTED

12.1 All wards are indirectly affected by this report.

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Date: April 2018

Appendices : Appendix A : New Committee Structure and Policy Committees TOR
Appendix B : Governance Committee revised TOR
Appendix C : Planning Committee revised TOR
Appendix D : Outstanding deferred items from the Governance Review 2017 18

Background Papers: Peer Challenge Review – December 2017
LGA Governance Review – March 2018

Reference : X : Committees\Governance\2017-18\300418