

EXTRAORDINARY MEETING OF THE COUNCIL

8 MAY 2018

REPORT OF THE LEADER OF THE COUNCIL

RESETING THE DIRECTION OF THE COUNCIL: GOVERNANCE REVIEW PROPOSALS

1.0 PURPOSE OF REPORT

- 1.1 Following the feedback from the LGA Governance Review held in March 2018, and the subsequent work of the governance development group, the Council is requested to consider and approve the first phase of proposals which seek to streamline and improve the Council's governance arrangements.
- 1.2 To receive the comments of the Ad hoc Governance Committee on the Governance Review report that was presented to the Ad hoc meeting of the Committee on 30 April 2018 (Appendix F – to follow).
- 1.3 To receive the comments of the Ad hoc Governance Committee on the deferred items from the Constitution Review 2017/18 at Appendix E that was previously presented to the Governance Committee meeting held on 27 March 2018 and subsequently considered for comment at the Ad hoc Governance Committee held on 30 April 2018 (Appendix F – to follow).
- 1.4 To note that a second phase of the review is proposed which will consider aligning budgetary and constitutional arrangements, updating and modernising the Scheme of Delegations to Officers and the policy framework, as well as exploring the merits of alternative governance models.

2.0 RECOMMENDATIONS

- 2.1 **To note the comments of the Ad hoc Governance Committee held on 30 April 2018 on the proposed new Governance arrangements (Appendix F – to follow).**
- 2.2 **To approve the new Committee structure as set out at Appendix A and this come into effect from the Annual Meeting on 15 May 2018.**
- 2.3 **To approve that a new policy committee be created called 'Corporate Committee' and this replace the existing Policy, Finance and Administration Committee in name and the terms of reference for this committee be as set out at Appendix A and the new committee come into effect from the Annual Meeting on 15 May 2018.**
- 2.4 **To approve that a new policy committee be created called 'People Committee' and this replace the existing Community and Social Affairs Committee in name and the terms of reference for this committee be as set out at Appendix A and the new committee come into effect from the Annual Meeting on 15 May 2018.**
- 2.5 **To approve that a new policy committee be created called 'Place Committee' and this replace the existing Rural, Economic and Environmental Committee**

in name and the terms of reference for this committee be as set out at Appendix A and the new committee come into effect from the Annual Meeting on 15 May 2018.

- 2.6 To approve a new delegation to the Chief Executive in consultation with the Leader of the Council to authorise one-off supplementary expenditure, required as a consequence of decisions made from the policy committees, up to a cumulative maximum of £100,000 in any one year.
- 2.7 To approve that the Town Area Committee be disestablished and removed from the Council's decision-making structure with effect from the Annual Meeting on 15 May 2018.
- 2.8 To approve that special expenses be the responsibility of the Place Committee and any outstanding business for the Town Area Committee be transferred to the appropriate committee with effect from the Annual Meeting on 15 May 2018.
- 2.9 To approve that the Council work with partners and support the development of a new town and place partnership involving local stakeholders and businesses, the terms of reference for which to be determined once the membership is established. An informal steering group of representatives from key stakeholders; including the Chair and Vice Chair of the Place Committee be convened to develop the approach.
- 2.10 To approve the revised terms of reference of the Governance Committee with effect from the Annual Meeting on 15 May 2018.
- 2.11 To approve the revised terms of reference of the Planning Committee with effect from the Annual Meeting on 15 May 2018.
- 2.12 To approve the revised terms of reference of the Licensing and Regulatory Committee with effect from the Annual Meeting on 15 May 2018.
- 2.13 To approve that an informal Policy Forum be developed to replace the existing Conservative Chairs group and the membership of this group be the Leader, Deputy Leader, Chairs and Vice Chairs of the People and Place Committees and senior officers as determined by the Chief Executive.
- 2.14 To approve that an informal Regulatory Forum be developed and the membership of this group be the Chairs and Vice Chairs of the Regulatory Committees and senior officers as determined by the Chief Executive.
- 2.15 To approve that the following working groups be disbanded with effect from the Annual Meeting on 15 May 2018 :-
 - Budget and Strategic Planning Working Group
 - Cattle Market Working Group
 - Economy Board
 - Planning Enforcement Working Group
 - Sports, Leisure and Culture Working Group
 - Tenant Consultative Working Group

- 2.16 To approve that Lead Members be removed from the Constitution and no longer be part of the governance arrangements with effect from the Annual Meeting on 15 May 2018. The same applies to the term 'Champions', that these no longer form part of the Council's governance arrangements.
- 2.17 To approve that representatives on Outside Organisations and Partnerships be the Leader or relevant Committee Chair as the default position except where there is a business reason for a different Member. The Leader or Committee Chair may nominate their Deputy or Vice chair as required.
- 2.18 To approve that committee minutes no longer be included on the Full Council agenda under the item 'Questions from Members'. Members will still be able to submit questions to the Leader and Committee Chairs as they do currently.
- 2.19 To approve that 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.
- 2.20 Taking into account the views of the Chairman of the Welland Independent Remuneration Panel to approve that the Special Responsibility Allowances (SRA) for the Leader, Deputy Leader, Chair and Vice Chair roles of the three existing policy committees transfer to the three new policy committee roles as set out at para 3.12 of this report and the Member Allowances Scheme be updated accordingly with effect from 16 May 2018.
- 2.21 To approve that the SRA for the Chair and Vice Chair of the Town Area Committee be deleted from the Member Allowance Scheme and the scheme be updated accordingly with effect from 16 May 2018.
- 2.22 To approve that a short interim review of any impact on Special Responsibility Allowances as a result of these changes should take place in January 2019 once the new arrangements have had a chance to embed. This would be subject to any wider governance changes being proposed.
- 2.23 To approve the principle that the Calendar of Meetings for 2018 19 remain as previously drafted and considered by the Governance Committee on 27 March 2018 subject to removal of the Town Area Committee dates and the three existing policy committees be replaced by the three new policy committee names ie. Corporate (PFA), People (CSA), Place (MEEA). The Calendar of Meetings to be considered for approval at the Annual Meeting of the Council on 15 May 2018.
- 2.24 To approve the deferred items for adoption in the Constitution that were previously presented to the Governance Committee held on 27 March 2018 and to the Ad hoc Governance Committee held on 30 April 2018 as set out at Appendix E.
- 2.25 To approve that the Constitution be updated in respect of all matters listed and subsequently approved above where appropriate.
- 2.26 To approve that the Governance Development Group be retained in its current format and membership and continue to review the Council's

governance arrangements including a review of the scheme of delegation to officers to offer more flexibility and consider the merits of alternative governance models and report to the Governance Committee and subsequently the Full Council in due course.

- 2.27 **To note that as a result of the new Governance arrangements, transitional arrangements need to be in force until work is completed on their implementation including a review of the Council's Constitution including the Financial Procedure Rules and the Policy Framework following the prioritisation exercise and 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.**

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 A similar report to this is to be presented to an Ad hoc meeting of the Governance Committee on 30 April 2018 for comments. As the Ad hoc meeting is to be held after despatch of the agenda for this meeting, the Governance Committee's comments will be circulated as soon as these are available as Appendix F.

3.3 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.

3.4 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.

- 3.5 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:

- 3.6 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 scrutiny. 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.
- 3.7 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.

3.8 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.

3.9 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.

3.10 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.

3.11 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 views of the Chair of the Welland Independent Remuneration Panel have been sought. His view is that as a consequence of the governance changes a short interim review of any impact on Special Responsibility Allowances should take place in January 2019 once the new arrangements have had a chance to embed. This would be subject to any wider governance changes being proposed. It is noted that the proposals offer 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.

- 3.12 The redesignations of the three policy committees have the following affect on the Special Responsibility Allowances of the Leader, Deputy Leader, Chairs and Vice Chairs and their existing and proposed new roles are listed below. Should the new committee proposals be approved the following roles will be transferred with effect from 16 May 2018 and the Chair and Vice Chair of the Town Area Committee will be deleted from the Member Allowances Scheme.

Existing role	Proposed new role
Chair : Policy, Finance & Administration Committee; Recruitment Committee <i>(Chair of these committees is included within the Leader role)</i>	Chair : Corporate Committee; Recruitment Committee <i>(Chair of these committees is included within the Leader role)</i>
Vice Chair : Policy, Finance & Administration Committee; Recruitment Committee <i>(Vice Chair of these committees is included within the Deputy Leader role)</i>	Vice Chair : Corporate Committee; Recruitment Committee <i>(Vice Chair of these committees is included within the Deputy Leader role)</i>
Chair : Community & Social Affairs Committee	Chair : People Committee
Vice Chair : Community & Social Affairs Committee	Vice Chair : People Committee
Chair : Melton, Economic & Environmental Affairs Committee	Chair : Place Committee
Vice Chair : Melton, Economic & Environmental Affairs Committee	Vice Chair : Place Committee

3.13 **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. To avoid duplication and confusion of some licensing matters being considered at a policy committee and the Licensing and Regulatory Committee, all licensing policy matters have been added to the Licensing and Regulatory Committee (except policies under the Licensing Act 2003 and the Gambling Act 2005 which are to be approved at Full Council). The revised terms of reference for these committees are set out at Appendices B, C and D respectively.

3.14 **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 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.

3.15 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 and briefings which have proved beneficial in ensuring wider understanding of key agendas.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

3.20 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.

3.21 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.

3.22 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 and considered by the Ad hoc Governance Committee on 30 April 2018), 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 approval and are set out at Appendix E. The Governance Committee's comments will be reported to the Council as part of Appendix F and as indicated previously in this report this will be a 'to follow' item.

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 With regard to the Council's Member Allowances Scheme, the Chair of the Welland Independent Remuneration Panel has been consulted. Should the proposals outlined in this report be approved, there will be a saving on the Special Responsibility Allowances due to 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 positive climate change impact 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

L I K E L I H O O D	A Very High				
	B High				
	C Significant				
	D Low		1,2		
	E Very Low				
	F Almost Impossible				
		Negligible 1	Marginal 2	Critical 3	Catastrophic 4
		IMPACT			

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.

Contact Officer: Edd de Coverly, Chief Executive
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 : Licensing & Regulatory Committee revised TOR
 Appendix E : Outstanding deferred items from the Governance Review 2017 18

Appendix F : Comments of the Ad hoc Governance Committee of 30 April 2018 (to follow)

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

Reference : X : Committees\Council\2017-18\080518 Extraordinary