Division(s):

CABINET - 17 OCTOBER 2017

GOVERNANCE REVIEW

Report by Nick Graham, Director of Law & Governance

Introduction

1. On 11 July this year, Full Council agreed to ask Cabinet to work with Political Group Leaders to bring forward a plan for implementing revised political governance arrangements. The impetus was to ensure that the Council's governance arrangements are transparent, inclusive and reflect the political dynamics of the Council. The timescale envisaged for implementation of any new structures was 'as soon as practicable'.

2. In order to gauge more fully the views of current County Councillors, an online survey of members was undertaken in August and September. The headline results are outlined below.

3. This report sets out:

   a. the *potential range of outcomes* - changes to the form or structure of decision making
   b. the responses from the *councillor survey*
   c. the *setting up of a cross-party task group* to work up options for Political Group Leaders and Cabinet – working within an agreed *timeframe* and to *specific terms of reference*
   d. the potential use of comparative *costs and benchmarked examples*

Potential governance models - overview

Form of governance

4. The Local Government Act 2000 sets out the range of legitimate governance models that can be adopted by a local authority. In broad terms these are:

   * *Executive arrangements* (for instance a leader and cabinet model, as currently operated by this Council)
   * *Committee system* (where 'executive arrangements' are not operated)
   * *Prescribed arrangements* (effectively, a bespoke arrangement that is neither of the above, and which the Secretary of State may approve provided that he/she is of the view that the model would also work for other authorities).

5. In the case of a *change* from one of these models to another, there is a legal prescription as to timescale. Effectively, the time that such new arrangements will come into operation (the "change time") is the "first annual meeting…after

the resolution to make the change has been passed…Or at a later annual meeting…specified in that resolution".

6. A change in the form of governance can only take place from the date of a Council's Annual Meeting, which is held in May each year. If a change were to be implemented in May 2018 - for example to a committee system - a resolution to do so would have to occur *within* this current municipal year.

7. However, a change in the *form* of governance is not the only change that can be made to decision making arrangements.

Revision of an existing model

8. If the Council decided to retain its current model but wished to make changes to it then this could be done without the statutory constraints as to timeframe.

9. For example, if the Council wished to do any of the following, then it could simply determine to do so:

- Amend the number, scope or working practices of *scrutiny committees*
- Delegate additional powers or functions to *locality meetings*
- Create *area committees*

The Review

10. The decision of Full Council envisaged the consideration of alternative governance or committee models. As such, for completeness, Cabinet may consider it appropriate for the review explicitly to include possible improvements to the current or status quo arrangements, insofar as these could lead to greater transparency, inclusivity and reflect the political dynamics of the Council.

Councillor Survey

11. An online survey was undertaken to obtain the views of current councillors about current and potential governance arrangements. 40 of 63 (64%) of councillors responded. Four did so anonymously. The questions asked were:

   i. How effective is the current model?
   ii. What are the most effective elements?
   iii. How could the current model be improved?
   iv. To what extent do the current arrangements engage you as a councillor?
   v. How might the arrangements better involve local councillors?
   vi. What aspects of being a councillor are most important to you?
      a. Representing the community
      b. Receiving info to help people in my division
      c. Meeting, listening and staying in touch with communities
      d. Taking part more closely in decision making arrangements
      e. Casework and achieving things for people in my division
      f. Empowering communities to take own decisions

    vii.   What principles should underpin any future governance arrangements
- a. Better service delivery
- b. Community engagement
- c. Cost efficiency
- d. Councillor involvement
- e. Speed of decision making
- f. Transparency

12. Rather than a 'tick box' exercise, it was felt important to get qualitative views from councillors. As such, it will be for any cross-party task group to analyse the responses in detail along with other evidence. However **Annex 1** to this report provides a quick overview of the emerging themes.

13. In short, many of the comments, across the political spectrum, raise the themes of information, communication and involvement – and particularly in relation to Cabinet's relationship with councillors generally.

Setting up a task group and timeframe

14. It is suggested that setting up a cross-party task group will be essential to ensuring that the review is member-led.

Purpose:

15. The *purpose* of the Group would be to examine the various options for governance arrangements and to make recommendations on them to Political Group Leaders and to Cabinet. This will also include assessing the relevant evidence and views.

Membership

16. It is suggested that a task group of 7 members be established.   A Group of this size would be both manageable and would not overburden the members of it. While substitution would be possible, a consistency of membership would be useful in order to engage fully with the options and evidence. A similar sized cross-party group also assisted with the periodic electoral boundary review prior to the 2013 elections.

17. One method of achieving this membership could be through the basis of political proportionality. If so, then for a group of 7 members this would be:

- 4 Conservative-Independent Alliance members
- 2 Labour members
- 1 Lib Dem member

18. Once a form of membership is agreed, it is suggested that Group Leaders be asked to make appointments to the Group. This would then enable the Task Group to meet throughout mid to late October and early November to review a wide and solid base of evidence to inform its recommendations.

Terms of Reference

19. In order for the Task Group to be clear about its remit, and for members to have confidence in its recommendations, it is suggested that specific *terms of reference* are agreed. This should also enable the Group to maintain a clear focus in assessing its evidence and framing potential options.

20. Suggested Terms of Reference are included in **Annex 2** to this report.

Timeframe

21. **Annex 3** provides an outline timeframe, for agreement in principle. The timeframe is based on the potential achievement of a decision prior to the end of the current council year. This would allow for any change in the *form* of governance to occur at the Annual Meeting in May 2018, as appropriate.

22. If no such change in the *form* of governance was needed, then of course the timeframe could extend further. However, it's prudent to plan for this now, pending any draft recommendations from the Task Group.

23. In accordance with the resolution from Full Council, Political Group Leaders and Cabinet will receive the recommendations. It is suggested however that the Performance Scrutiny and Audit and Governance Committees should also give their view on the draft recommendations. It will also be important to ensure that the alignment of the Council's senior management arrangements is also considered.

Costs and benchmarked examples

24. It will be essential for the Task Group to consider a range of evidence about potential changes to governance arrangements. The *costs associated* with the various options will of course be an important consideration. The Councillor Survey itself did recognise this – with 'Cost Efficiency' coming top of the list of principles upon which any new arrangements should be built.

25. Issues/evidence for the Task Group – which will be worked up with the assistance of officers – will include:

- Costs of the various models/revisions - operating costs of servicing the decision making arrangements, supporting structures, members' allowances
- Councillor views, preferences and priorities
- Benchmarked examples of other authorities who may already be operating aspects of the various models/potential governance arrangements – this is likely to include discussions with these authorities on their experiences
- Implications for interplay with policy and senior management and alignment with policy directions
- Potential interviews with councillors, officers and partners

RECOMMENDATION

26.   Cabinet is RECOMMENDED to:

   (a)   agree that the governance review should also include a review of potential improvements to the existing arrangements, in the interests of completeness;
   (b)   note the headline themes arising from the councillor survey;
   (c)   agree in principle to the setting up of a Governance Review Task Group in accordance with paragraphs 16 -18 of this report;
   (d)   note that Group Leaders will be asked to make appointments to a Task Group (once Cabinet has agreed to its constitution and terms of reference);
   (e)   agree that the Task Group to report back to Political Group Leaders and to Cabinet with recommended options for change.

NICK GRAHAM
Director of Law and Governance

October 2017

Contact: Glenn Watson, Principal Governance Officer, 07776 997946.