

STANDARDS AND CONSTITUTIONAL OVERSIGHT COMMITTEE

26th November 2019

REPORT TITLE:	GOVERNANCE REVIEW
REPORT OF:	GOVERNANCE REVIEW WORKING GROUP

REPORT SUMMARY

On 14 October 2019 Council passed a resolution that there be a move from Leader and Cabinet Executive arrangements to a Committee System form of governance arrangements to take effect from the Annual Council Meeting in 2020; and charged the Standards and Constitutional Oversight Committee accordingly prepare a draft revised Constitution to propose to the Council meeting of 16 March 2020.

This report provides an update on the work undertaken by the Governance Working Group following the decision of the Council.

RECOMMENDATION/S

That the Committee is recommended:

To note the progress to date in designing the new committee structure and to provide comment upon the proposals outlined in the report.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Governance Review Working Group considered that the recommended proposals for the new committee structure best met their objectives of:
- **Accountability** – responsibilities and accountability should be clear, within the Council and to residents;
 - **Credibility** – governance should assist good decision making, which involved proper and early scrutiny;
 - **Transparency** – the decision making process should be more open and transparent to Members and to the public;
 - **Collaboration** - decision making should be more collaborative across parties and less combative;
 - **Timeliness** – decision making should be both quick and effective and, when necessary, allow for urgent decision making.
- 1.2 The recommended proposals of the Governance Review Working Group are part of a number of pieces of work to be completed to allow for the change of form of governance within the desired timeframe.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Varying alternative forms of Committee arrangements were considered by the Working Group.

3.0 BACKGROUND INFORMATION

- 3.1 At the meeting on 26th September 2019 the Committee resolved to recommend to Council that:

Having considered:

- (a) the materials presented to the Governance Review Working Group; and
- (b) the discussions held at the Working Group's meetings and subsequent Member sessions.

This Committee is of the view that Wirral's residents will now be better served by the introduction of a more accountable and transparent way of conducting the Council's business, policy formulation and decision-making.

It is the opinion of this Committee that the Council should now move to a Committee based structure to be designed, finalised and in place for the next Municipal Year.

The Committee notes that a range of costs have been put forward that apply to the revised arrangements. It is recognised however, that revisions to the existing Constitution have been under discussion for some time and that costs would have been incurred in that process.

The Committee considers that the operational costs of the new system of governance should be the subject of regular reports and that in practice these costs should be minimised.

The Committee:

(1) recommends to the Council: That

- (a) there be a move from Leader and Cabinet Executive arrangements to a Committee System form of governance arrangements to take effect from the Annual Council Meeting in 2020; and
- (b) the Standards and Constitutional Oversight Committee accordingly prepare a draft revised Constitution to propose to the Council meeting of 16 March 2020.

3.2 On 14th October 2019 the recommendation was agreed and the Council formally resolved to move from Leader and Cabinet Executive arrangements to a Committee System form of governance arrangements to take effect from the Annual Council Meeting in 2020; and charged the Standards and Constitutional Oversight Committee accordingly to prepare a draft revised Constitution to propose to the Council meeting of 16th March 2020.

4.0 NEXT STEPS

4.1 Following the resolution by Council to change the form of governance, there then follows a process of formal notification. The legislation provides that, as soon as practicable after the Council has passed a resolution to change the form of its governance arrangements, it must:-

- a. Secure that copies of the document setting out the provisions that are to have effect following the resolution are available at its principal office for inspection by members of the public; and
- b. Publish in one or more newspaper circulating in its area, a notice which:-
 - (i) states that the authority has resolved to make a change in its governance arrangements;
 - (ii) states the date which the change is to have effect;
 - (iii) describes the main features of the change;
 - (iv) states that copies of the document setting out the provisions of the arrangements which are to have effect following the resolution are available at the authority's principal office for inspection by members of the public; and
 - (v) specifies the address of the authority's principal office.

- 4.2 A project plan is now in place supported by officers and forms five separate workstreams. Each workstream is supported by a project plan, staffing and timeline. The workstreams are:
- (i) Committee Design
 - (ii) Constitution Re-write
 - (iii) Training: Members and Officers
 - (iv) Service Review + Staffing Re-design
 - (v) Members Allowances Scheme
- 4.3 The Committee Design Phase required early consideration as later steps are reliant upon that being agreed. The meetings of the Governance Working Group therefore centred on these aspects, including agreeing design principles and considering draft committee structures as a process of iteration to be discussed with the Political Groups and the Working Group throughout November and early December.
- 4.4 Progress to date and the thought processes of the Working Group are described by the presentation slides attached as Appendix A, which were shared with the Local Government Association peers and officers on 18th November 2019.
- 4.5 The LGA has supported the Council through shared engagement of the Centre for Public Scrutiny (CfPS), who was also represented at the meeting of 18th November. The CfPS provided a training proposal agreed by the Working Group.
- 4.6 A further iteration of the full terms of reference for the committees as currently proposed are to be discussed the week commencing 25th November 2019. This will lead to the full drafting of a revised constitution during late December and early January.

5.0 ENGAGEMENT / CONSULTATION

- 5.1 The current recommendation was subject to consideration by the Governance Review Working Group and it was agreed that each member of the Working Group would consult with their own Political Groups and respond to the Director of Governance and Assurance offering opinions upon the proposed options. This would then enable further work to be undertaken refining the proposed structure in readiness for a further meeting of the Working Group in December 2019.
- 5.2 Whilst there is no a legislative requirement to consult on the proposed changes, the Council's Constitution at Article 15.3(ii) states:

“Change from a Leader and Cabinet form of Executive to alternative arrangements

- The Council must take reasonable steps to consult with local electors and other interested parties in the area when drawing up proposals.”

5.3 The public notice on the change also links to a webpage, which will allow interested members of the public to comment upon the proposed committee design.

6.0 LEGAL IMPLICATIONS

6.1 The ability for the Council to change from one of the permissible forms of governance arrangements of a local authority to another is provided for by Chapter 4 of the Local Government Act 2000 (as amended by the Localism Act 2011). Section 9KC of the Act straightforwardly states that a “resolution of a local authority” (a simple majority) is required in order for the council to make such a change in governance arrangements.

6.2 It should be noted, however, that a local authority may not then pass another resolution that makes a change from one to another of the permissible forms of governance arrangements ‘before the end of the period of 5 years’ beginning with the date the first resolution is passed, unless that change is by way of referendum.

6.3 A resolution passed by the Authority to change from one of the permissible forms of governance arrangements to another will then be implemented only during-

- (a) the first annual meeting of the local authority to be held after the resolution to make the change in governance arrangements is passed, or
- (b) a later annual meeting of the local authority specified in that resolution.

7.0 FINANCIAL IMPLICATIONS

7.1 There are direct costs associated with making the change from one system to another. The Centre for Public Scrutiny (CfPS) have reported that the Government has estimated that the costs of moving from one system to another can range from £70,000 to £250,000. The CfPS believes this estimate is rather high, as do the Council’s officers, and consider a more accurate figure is likely to be in the tens of thousands.

7.2 These costs are associated more with the act of making the change, such as redrafting the constitution, making changes to rules of procedure and financial systems, project delivery and impact on forward work programmes as well as training and briefing costs for officers and Members.

7.3 Some of the cost activities will be required to be resourced externally, either directly or to provide alternate support to meet the impact of diverted officer resources. This will be to a greater or lesser extent dependent upon the alternative calls on the time and particular skills of the officer cadre and the pace of change will have a bearing on the eventual costs. For example, a procurement exercise for legal support has begun in preparation, but this is hoped to be largely formed of proofing and support.

7.4 Members' Allowances will require a full review and an exercise is currently underway to recruit new members of the Independent Remuneration Panel

8.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

8.1 There are significant implications for the Council in changing its decision making structure to a new form of governance. There will be an initial orientation, briefing and training impact that will reduce as the change in governance arrangements becomes embedded.

8.2 Project planning resource will be called upon to assist in preparation and for delivery of the drafting process and changes.

8.3 Across the Council, the change to potentially different ways of working and briefing with Members will require greater and different input from officers. The extent of these resource implications in the longer term will vary dependent on the number, frequency and timing of meetings (for example, evening or daytime meetings).

8.4 Democratic Services will directly be affected over the longer term and other authorities that have moved to a committee system have reported that an increase in staffing is required and this is the subject of the Service Staff Re-design workstream. Again, such matters as retention of a separate overview and scrutiny system or not and the number and frequency of meetings will have a direct bearing on this and so costs cannot be estimated at this time.

9.0 RELEVANT RISKS

9.1 A change in the form of arrangements will represent a key and integral element of the overall organisational vision of the Council and also how it interacts with other stakeholders. That process of change will raise a number of associated risks to be identified and managed as part of the development process and implementation.

9.2 A key risk to the objectives of the recommendation is that a change to the form of governance arrangements fails to bring with it the desired change in culture.

10.0 EQUALITY IMPLICATIONS

10.1 There are no identified equality impact implications directly associated with the proposals set out in this report.

11.0 ENVIRONMENTAL & CLIMATE IMPLICATIONS

11.1 There are no environmental and climate implications arising directly out of this report.

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APPENDICES

Appendix A – Update presentation of Committee Structure Design

BACKGROUND PAPERS

- 1) Notes arising from meetings of the Governance Review Working Group