



GA.23 16/17

**Governance and Audit
Committee**

15th September 2016

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Subject: Reviewing West Lindsey Governance Arrangements

Report by:

Monitoring Officer

Contact Officer:

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Purpose / Summary:

To receive a briefing on the process for changing governance arrangements and consideration on appointing a Member/Officer Working Group to consider feedback from members and the public, options presented and make recommendations for change to Governance and Audit Committee.

RECOMMENDATION(S): That Members

- i) Note the process and timelines presented; and**
- ii) Appoint a Governance Arrangements Task and Finish Group comprised of Members and Officers to evaluate views gathered and make sound recommendations to Governance and Audit Committee; and**
- iii) Agree the Terms of Reference for the Governance Arrangements Task and Finish Group.**

IMPLICATIONS

Legal: The timelines and process detailed within this report comply with the legal requirements set out in the Local Government Act 2000 and its amendments from the Localism Act 2011.

Financial : The process for considering change will have a cost that will be met within existing budgets. Further down the line, and based on the decisions that Members take, there may be a financial pressure associated with staffing within the Democratic Services team. This would be due to capacity to deliver to timescales dictated by Members. This financial pressure should not exceed £6000. Further, if timescales do not allow for in-house corrections of the Constitution, an expected cost of £15k would be incurred to procure consultancy services.

Staffing : For the initial scoping of the project, staffing has been allocated to support Members in developing options and supporting the consultation process. As detailed above, dependant on the decisions that Members make as we move through the project, staffing and financial pressures will be identified along with decisions to be made.

Equality and Diversity including Human Rights : None at this point in the project.

Risk Assessment : There are no risks associated with the consideration of different arrangements and evaluation of our current delivery of Governance. Project risks will be identified and reported to Members through the established Task and Finish Group, and any specific risks associated with Options presented will be highlighted to GA Committee along with Financial Implications.

Climate Related Risks and Opportunities : As Members have previously considered, Devolution will have an impact on West Lindsey, and in light of decisions, options for future operation will be considered.

Title and Location of any Background Papers used in the preparation of this report:

Local Government Act 1972

Local Government Act 2000

Localism Act 2011

LGA Paper – Rethinking Governance

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1. INTRODUCTION

- 1.1 Previously Governance and Audit Committee received information in regard to considering options for operating under different governance arrangements.
- 1.2 This paper is designed to outline the key timetables for change, the steps that need to be taken on the journey and facts and issues that Members need to be aware of at this stage in the project.

2. QUICK FACTS

- 2.1 Any change in governance structure needs to be agreed at a meeting of Full Council and requires a majority vote (51% +).
- 2.2 Any major change will require public consultation (or at least it is recommended) – this may or may not include a referendum.
- 2.3 Any change will have a financial impact. The process of change will cost money, a referendum/consultation can be expensive and time consuming, different governance models require different resources to deliver.
- 2.4 Changes can only occur from an Annual Council (if we miss 2017 it will have to wait until 2018) and last 5 years min. If a referendum is held, governance options cannot be considered for a further 10 years.
- 2.5 We previously consulted on a leader/cabinet model in 2008, and reviewed in 2011 and both times no change was made.

3. TIMETABLE TO DELIVER TO ANNUAL COUNCIL

- 3.1 An options timetable has been drawn up detailing the steps to take and projected deadlines up to implementation at Annual Council. Only in some scenarios is this achievable.

- 3.2 You will note from the flow charts that should a referendum be held, it is very unlikely that a change could be implemented by May 17 as requested by Members in the original brief. However, if Members were to agree only a partial or minor changes, it MAY be possible, subject to quick approval by the Secretary of State (SoS).
- 3.3 If the political appetite is for change, then the SoS will be contacted at the earliest point to gauge how long it would take to gain approval.
- 3.4 Further, in pressing to a May 17 timetable for delivery of a new option, there will be greater resource implications in order to have process and procedures ready for implementation. This would include consultancy on rewriting the constitution, rather than doing it in-house (capacity issue rather than capability), and additional hours within the Democratic Services Team.

4. STEPS TO AN IMPROVED GOVERNANCE ARRANGEMENT

- 4.1 Through the timeline (attached as appendix A) to bring about change, there are steps that will be addressed.

STEP 1 – PLANNING

Evaluate the current position – how are we accountable, how does WL involve its members, how transparent are our decisions, is what we deliver efficient use of our resources?	LGA Workshop Member / Officer Working Group
Establish a purpose for a change – why change, what is needed from change?	Member / Officer working Group
Develop a scope for the process – Member involvement, views of interested parties, consider impact outside of the Council, evaluate the democratic expectations of WLs residents.	Lead Officer
Assess our delivery – involvement of members in decisions/developing, integration of the public voice, effectiveness of delegations, forward planning arrangements and access to information for both Members and the public.	Member / Officer Working Group

4.2 STEP 2 – CONSIDER DESIGN PRINCIPALS

Look at our strengths and weaknesses in areas such as: <ul style="list-style-type: none"> • Member/officer relationships • Forward planning / work programming • Decision information • Involving the public in our decisions 	Member / Officer Working Group
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Consider not only the pros and cons of 4 th option, but how we operate within it.	Member / Officer Working Group
Set tangible aims for operating in any model – e.g.: provide a speedy but fully involved decision making process.	Member / Officer Working Group

4.3 STEP 3 – ESTABLISHING A SYSTEM THAT MEETS SET AIMS

Look at clear rules about forward planning	Lead Officer
Key decision processes involving the public and members	Lead Officer
Can 4 th option deliver the aims set with minor change?	Lead Officer
Transparency, scrutiny development etc	Lead Officer
Would a new model assure Members of good decision making / involvement?	Member / Officer Working Group
Find Solutions <ul style="list-style-type: none"> • Minor constitutional changes • Major changes to scheme of delegation / processes / systems / public engagements whilst retaining 4th Option • Formal change to decision making (hybrid) • All out change (Elected Mayor/Leader/Cabinet) 	Lead Officer
Establish risks and mitigating actions that could be taken.	Lead Officer
Weigh up change: <ul style="list-style-type: none"> • Clear rationale required • Does it achieve aims and purpose set • How will it strengthen our governance • Does it establish a break in bad practice • Does it deliver Devolution requirements / improved partnership working 	Member / Officer Working Group

4.4 STEP 4: MAKE A CHANGE

Financial Procedure (including Audit)	MO
Access to Performance Information / Financials	MO
Forward Planning / Strategic Decisions	MO
Changes of Structures	MO
Formal Changes in Governance	MO / All Member Agreement

4.5 STEP 5: REVIEW WL'S DECISIONS

After a year, the Council should review its decisions made. There is always opportunity for further refinement without making major changes.

5. ISSUES / DISCUSSION POINTS

- 5.1 At this point in this project, Governance and Audit Committee need to be aware that to deliver to the timelines set will require a dedication of Member time and Governance resources. It would be helpful to receive confirmation that this is still the timeline required, and this will be identified along with project costs. The Project Initiation Document is attached for information only at Appendix B.
- 5.2 There is a real risk of non-delivery to this timeline if Members pursue substantial change.
- 5.3 Do Governance and Audit Committee wish to appoint a Task and Finish Group to assist with project delivery as a way of involving Members in the process?

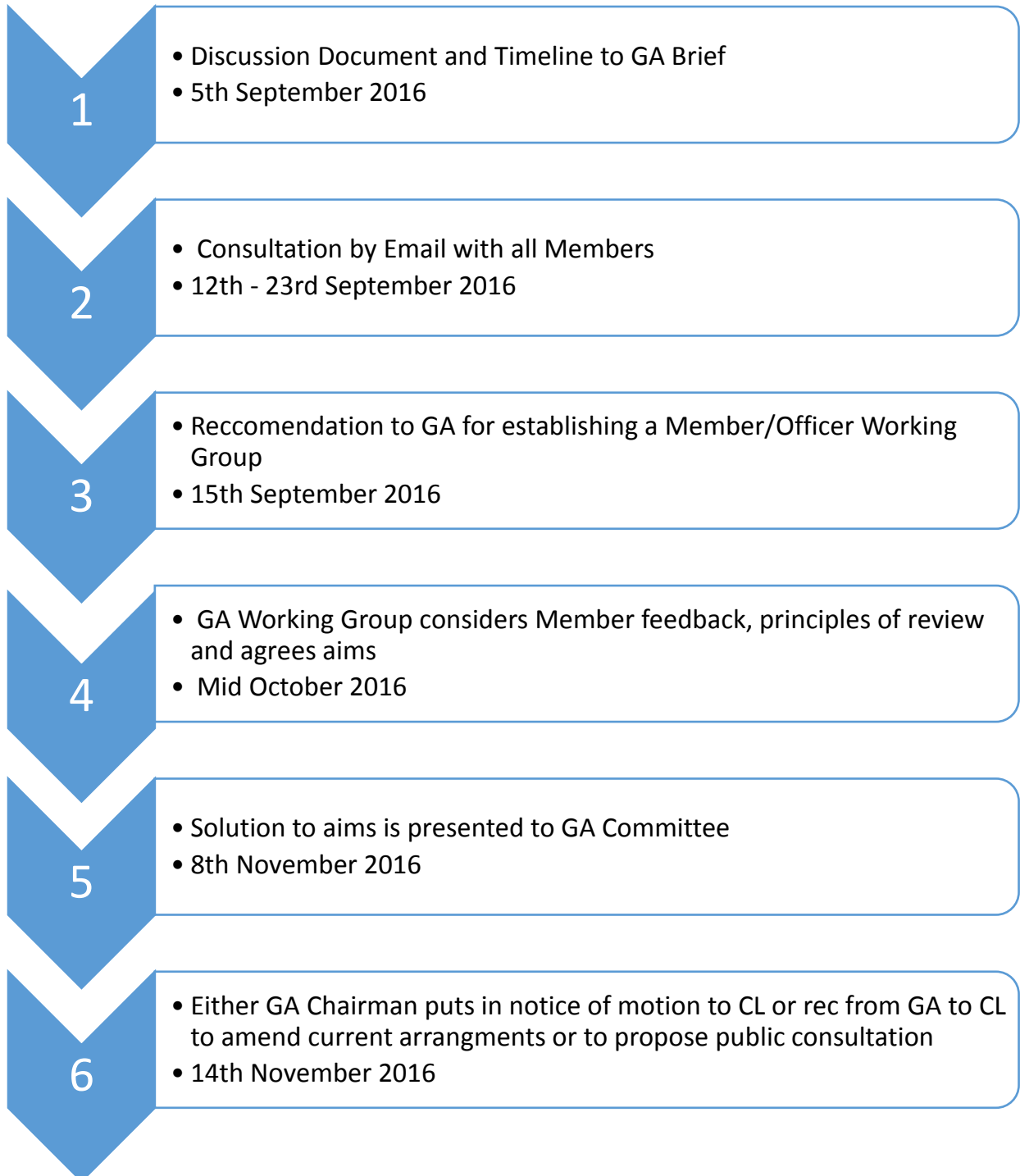
6. RECOMMENDATIONS

- 6.1 That Governance and Audit Committee appoint a cross-party Task and Finish Group to work alongside officers to consider Member and Public Feedback, discuss options in detail and make recommendations to Governance and Audit Committee in line with the timelines set out in Appendix A.
- 6.2 That Governance and Audit Committee consider the timelines set out in Appendix A and consider their aspirations for achieving a decision in May 2017.
- 6.3 That Members approve the Terms of Reference for a Governance Arrangements Task and Finish Group as set out in Appendix C.

APPENDIX A

SUBJECT: Timetable and Process for Changing Governance Arrangements

PART 1

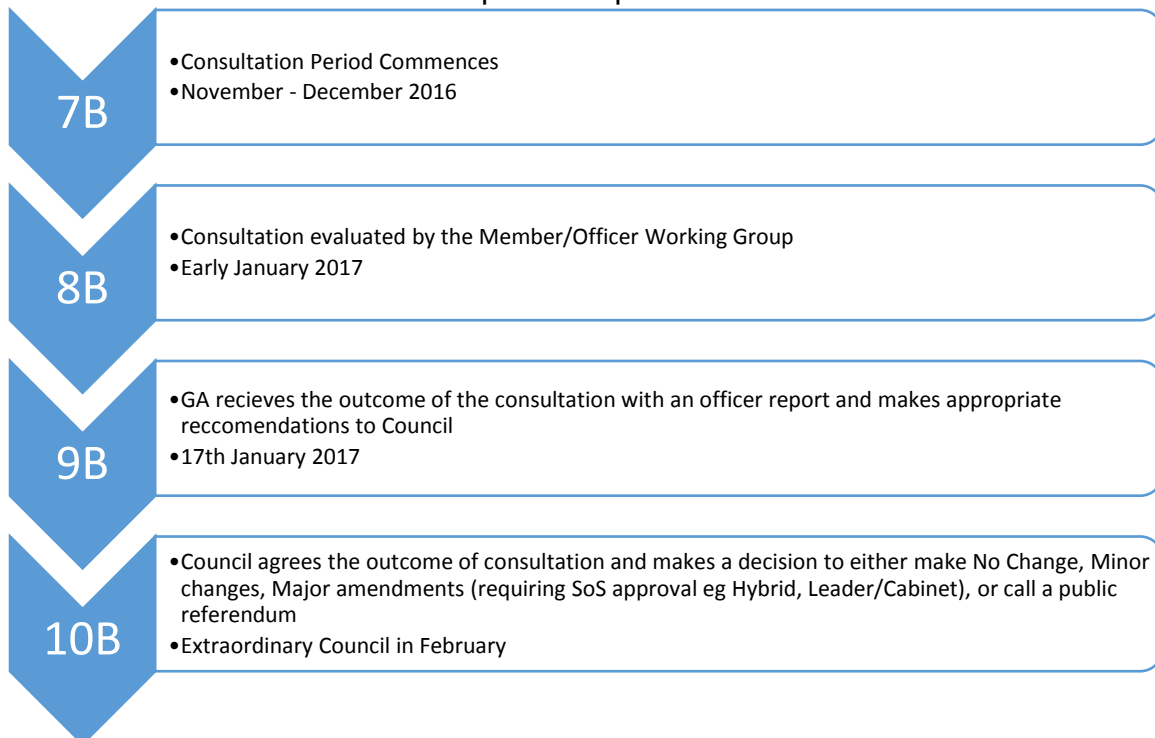


PART 2:

OPTION A: If amending current arrangements, with minor changes (tweaking governance procedures e.g. better forward planning, greater transparency), a constitutional review will commence to bring in changes ready for Annual Council. The process would be as follows:

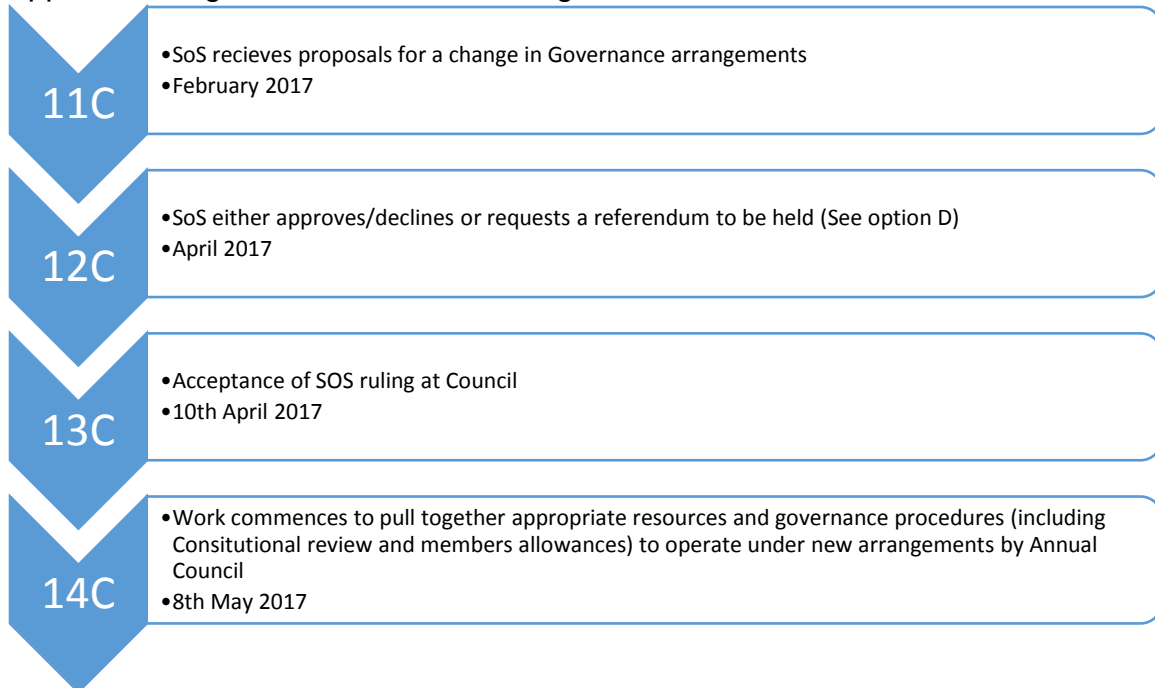


OPTION B: If considering substantial change (different governance model / hybrid), Members should choose to set a period of public consultation.

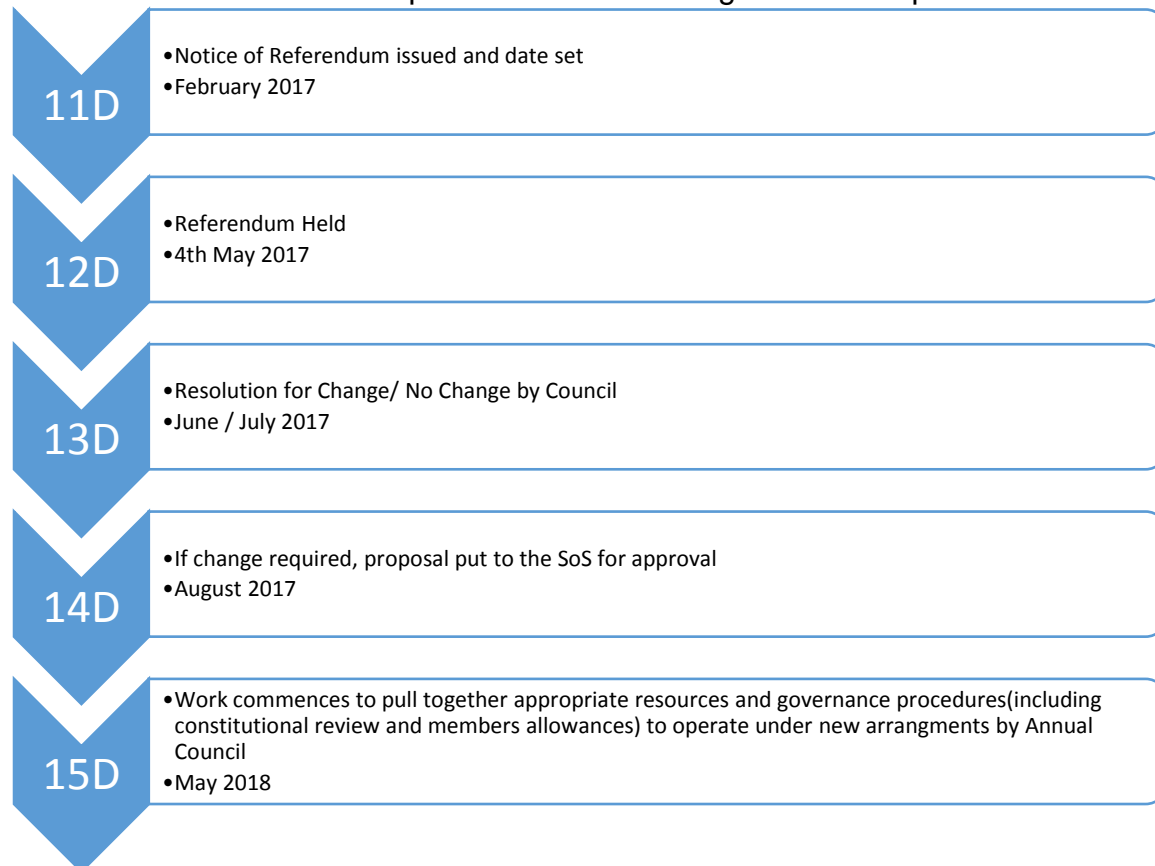


PART 3

OPTION C: At this point, a proposal would be submitted to the Secretary of State to approve changes in Governance arrangements for WLDC



OPTION D: Members call a public referendum on governance operations



PROJECT TITLE:

STAGE 1 – Project Initiation & Board Approval

1. What is the evidence of need, demand or gap?

The Leader of the Council requires autonomy to make decisions on behalf of West Lindsey in the proposed Greater Lincolnshire Authority, the current governance arrangements in place make this unclear. Further, Members felt this an opportunity to refine procedures to combat a perceived slow pace in decision-making, address decision predetermination, accountability of decisions as well as connectivity, duplication of discussion, and value for money on the decision making process.

2. What is the idea?

To fully review the governance arrangements in place, and provide Members with options for future delivery that address (to the best extent) the requirements identified. Further to ensure efficiency, transparency and accountability to its best potential for decisions made at West Lindsey.

3. What outcomes are you trying to deliver?

1. Speed of Decision Making – The Council’s decision making process allows it to take advantage of opportunities on commercial projects and ensure that WLDC can work as quickly as it’s colleagues in Greater Lincolnshire
2. Empowering Individuals – Those Members charged with representing the Council with partners have the authority to act and take responsibility for the decisions they make.
3. Effective Council Governance and roles of Members and Officers – to ensure the Council has maximum influence and impact with any potential Mayor and combined authority to the benefit of West Lindsey.
4. Specialist Knowledge – Members have the knowledge and skills to make good, well informed, and safe decisions.
5. Transparency – Governance arrangements that ensure that residents can see that decisions are made reasonably and fairly.
6. Accountability – there is clear accountability for success and failure for both members and officers.
7. Involvement – Members are able to set policy and take ownership of clear decisions.

4. Stakeholders and Expectations:

Stakeholders	Expectations	How will their expectations be addressed?
Members	<p>To be fully briefed throughout the development process</p> <p>To be provided with sound information from which to base decisions</p> <p>To be involved and consulted in this major decision</p> <p>To be delivered options that reflect their desired outcomes</p> <p>The political parties will have a voice in the process, and it is not completely administration-led</p> <p>Delivery to identified timescales</p>	<p>Regular email briefing notes. Planned reports on a regular basis to GA Committee and Full Council.</p> <p>Good research, well presented in simple option format weighing risks, financial implications and strengths and weaknesses.</p> <p>Member/Officer working group to be established. Email consultation with all members.</p> <p>Establish Members top 3 outcomes at the beginning of the process, and base presented options on how they deliver to those outcomes</p> <p>Cross-Party representation on Member/Officer working group. Group leader involvement in the development process. Independent facilitation of Member Engagement workshops.</p>

		Sound project management with projected timelines and milestones. Slippage with reasons regularly reported to Members.
Chief Officers	<p>Delivery to identified timescales</p> <p>Delivery within agreed budgets with risks identified</p> <p>Potential Resource implications / efficiencies are identified and communicated</p> <p>To be fully briefed throughout the development process</p>	<p>Sound project management with projected timelines and milestones. Slippage with reasons regularly reported to Chief Officers.</p> <p>Financial Implications identified at the start of the process with risk management and mitigating actions identified and monitored regularly.</p> <p>Finance and HR appraised of risks / opportunities.</p> <p>Regular email briefing notes. Planned reports on a regular basis to GA Committee and Full Council.</p>
Public	<p>For the Council to make best use of resources on a Governance process</p> <p>Quick, clear decisions</p> <p>Accountable and transparent decisions</p> <p>Consultation on major change at some level</p>	<p>Facilitate good decision making by producing clear, well informed reports with detailed background information.</p> <p>Review speed and clarity of publication of decisions</p> <p>Review public display of documents, public involvement and participation.</p> <p>Involve Citizens panel in consultation on any change, even if Member chose not to pursue a public consultation / referendum exercise.</p>
Democratic Services / MO	<p>A constitution reflective of any change</p> <p>A staffing structure that supports the requirements of the arrangements chosen</p> <p>Training and development opportunities considered through the planning process</p> <p>To be fully involved in the development and change process</p> <p>To be fully briefed to support members through the process</p> <p>That unrealistic aims and objectives are mitigated with Members</p> <p>A safe decision making process is agreed</p>	<p>Any changes to Governance Arrangements be built in to a full Constitutional review or the Annual Review dependant on their complexity and impact.</p> <p>HR and the Team Manager be fully appraised through the process.</p> <p>HR and the Team Manager be fully appraised through the process to highlight risks and opportunities.</p> <p>Regular feedback to be sought from team members on the developments made. Sharing draft reports for comment.</p> <p>Regular feedback to be sought from team members on the developments made. Sharing draft reports for comment. Regular briefings to be held with team members.</p> <p>Regular feedback to be sought from team members on the developments made. Sharing draft reports for comment. Regular briefings to be held with team members.</p> <p>Careful consideration be given to procedures and processes around any changes to governance arrangements.</p>
Secretary of State	To be given notice of receipt of any proposal for changes in Governance Arrangements.	Good Communication at all points of the process.

	To receive a final proposal document without requirement for clarity on contents.	Understand the requirements of such a proposal in advance of writing. Good communication at all points of the process.
West Lindsey Staff	To understand the implications of any changes and consider the impact on working arrangements. To fully understand any amendments to processes and timescales.	Corporate Updates to be used as a communication and engagement mechanism. Training and communication be rolled out following any decision through SLT, and team workshops.
Member / Officer Working Group	To have a clear remit and scope to work within To have an understanding of their role and limitations To have full exposure to all issues, risks, opportunities To be fully informed on processes, timescales and options	Terms of reference to be developed. Terms of reference to be developed. Reports delivered with clear recommendations. Regular meetings, with clearly presented and current information. Email communication on pressing issues. Regular meetings, with clearly presented and current information. Email communication on pressing issues.

5. How will the project be funded?

The initial scoping exercises will be delivered within existing resources. Further financial implications will arise through the project development. No funding for these implications has been identified at present.

6. Scoping Team

Nicola Calver, Project Manager
 Alan Robinson, Lead Officer / Project Sponsor
 Emma Redwood, Project Sponsor
 Democratic Services, Support

7. Date Project Considered by Board:

NA

8. Board Comments:

NA

APPENDIX C

Draft Terms of Reference – Governance Arrangements Task and Finish Group

a) **Membership 2016/17**

The Membership of the GA T&F is appointed at Governance and Audit Committee.

- Cllr
- Cllr
- Cllr
- Project Manager
- Project Sponsor

The Membership will remain for the duration of the task.

All Members of Council are welcome to feed in to the discussions of the group.

b) **Purpose**

The purpose of the GA T&F is to:

- To fully review the governance arrangements in place, and develop options for future delivery that address (to the best extent) the requirements identified within the specified outcomes:
 1. Speed of Decision Making – The Council’s decision making process allows it to take advantage of opportunities on commercial projects and ensure that WLDC can work as quickly as it’s colleagues in Greater Lincolnshire
 2. Empowering Individuals – Those Members charged with representing the Council with partners have the authority to act and take responsibility for the decisions they make.
 3. Effective Council Governance and roles of Members and Officers – to ensure the Council has maximum influence and impact with any potential Mayor and combined authority to the benefit of West Lindsey.
 4. Specialist Knowledge – Members have the knowledge and skills to make good, well informed, and safe decisions.
 5. Transparency – Governance arrangements that ensure that residents can see that decisions are made reasonably and fairly.
 6. Accountability – there is clear accountability for success and failure for both members and officers.
 7. Involvement – Members are able to set policy and take ownership of clear decisions.
- To evaluate evidence presented and request evidence to support proposals for different arrangements to ensure efficiency, transparency and accountability to its best potential for decisions made at West Lindsey
- to consider refined procedures to combat a perceived slow pace in decision-making, address decision predetermination, accountability of decisions as well as connectivity, duplication of discussion, and value for money on the decision making process.
- To make recommendations with evidence and implications to G&A Committee for full consideration.

c) Role

- The GA T&F group aims to meet its objectives, and then will be disbanded.
- The GA T&F Group represents cross party working and considers the views of all Members and political parties.
- The GA T&F Group reports directly to GA Cttee, and is not a decision making body.

d) Responsibilities

The GA T&F Group take collective responsibility for:

- Engaging all Members in the work it undertakes;
- Reporting on a regular basis and when requested to its parent committee (Governance and Audit Committee);
- Developing ideas to further its objectives;
- Making recommendations, where necessary to its parent committee.

e) Modes of Operation

- The Group tailors its ways of working to its various functions;
- The Group meets on a regular basis, as business progression dictates.
- Agendas and Minutes are produced for each meeting, and Minutes are provided to the parent committee on a regular basis by email.