

<b>Committee:</b>	Council	<b>Date:</b>	Tuesday, 30 July 2019
<b>Title:</b>	Governance Review: Proposal to establish a Council Working Group		
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## Summary

1. The Leader of the Council has proposed the establishment of a Council Working Group to carry out a review of the Council's governance framework. It currently operates a "Leader and Cabinet" model of governance. There have been suggestions that reverting to the "Committee" model of governance might be desirable. However, there may also be ways of adapting the "Leader and Cabinet" model to meet members' aspirations for governance arrangements. The third available governance model is the "Elected Mayor" model.
2. The Leader, in agreement with all group leaders, proposes the establishment of a working group of nine members made up as follows:
  - Residents for Uttlesford Group – 5 members
  - Liberal Democrat Group – 2 members
  - Conservative Group – 1 member
  - Uttlesford Independents Group – 1 member.

Council will be asked to confirm nominations from the groups and appoint a Chair.

## Recommendation

3. That the Council appoints a Governance Working Group to review the current governance model for Uttlesford District Council and to make recommendations to full Council.

## Financial Implications

4. This is a major project and will need additional staffing resource, estimated at 0.4 fte with a cost of approximately £24,000 including on-costs. A provision for external advice, guidance and training should be established of £20,000, which would include expert legal advice in the event the council determines to change its governance structure, requiring a new constitution to be written. If public consultation and engagement is to be undertaken, further financial provision may need to be made.

## 5. Background Papers

- *"Rethinking governance: Practical steps for councils considering changes to their*

*governance arrangements.*” (Local Government Association/ Centre for Public Scrutiny - <https://www.cfps.org.uk/wp-content/uploads/Rethinking-Governance.pdf>)

- “*Musical chairs: Practical issues for local authorities in moving to a committee system.*” (Centre for Public Scrutiny - <https://www.cfps.org.uk/wp-content/uploads/Musical-Chairs.pdf>)

## Impact

6.

Communication/Consultation	None, at this stage. The Working Group will need to consider what consultation is appropriate, although a timetable providing for implementation in May 2020 will allow very limited time for consultation.
Community Safety	None.
Equalities	None.
Health and Safety	None.
Human Rights/Legal Implications	None, other than that any new arrangements will need to be legally compliant.
Sustainability	None.
Ward-specific impacts	None.
Workforce/Workplace	Any new arrangements will need to have clear delegation arrangements to ensure effective roles and responsibilities; it will need to be adopted with sufficient time to enable training for officers.

## Background

7. Governance, in this context, refers to how the Council makes decisions. The decision-making framework is set out in legislation and the Council must make sure that its decision-making framework is legally compliant.
8. There are three main types of governance arrangements:
  - ***Leader and Cabinet***

This is the current governance model adopted by UDC. In some councils, individual members of the cabinet have decision-making powers; in others, decisions have to

be made by the whole cabinet. Cabinet is led by a leader, who is elected by full council for a term determined by the council itself or on a four yearly basis (and will usually be the leader of the largest party on the council). These councils must have at least one overview and scrutiny committee. It is possible, under this system to involve a wider range of members in decision-making by way of a “pre-scrutiny” system or by way of working groups that support cabinet members.

- **Mayoral system**

This involves a directly-elected executive mayor with wide decision-making powers. The mayor appoints a cabinet made up of other councillors, who may also have decision-making powers. There must be at least one overview and scrutiny committee.

- **Committee system**

Decision-making lies primarily in committees, which are made up of a mix of councillors from all political parties. Councils operating a committee system may have one or more overview and scrutiny committees but are not required to. Under a committee system, there is no scope for individual councillors being given responsibility for decision-making – decisions by councillors need to be made collectively through a committee or sub-committee.

9. There are advantages and disadvantages with all three models. The Working Group will need to weigh these carefully. There is also quite a lot of flexibility within the models and one possible outcome might be significantly revised Leader and Cabinet arrangements.

### **Reviewing the current governance model**

10. The Local Government Association and the Centre for Public Scrutiny have published helpful guidance on approaching a review of governance arrangements. This identifies five stages to a review. In summary, these are:

#### ***Step 1: plan your approach and assess your current position***

11. This stage includes, firstly, establishing the purpose of the work: why does the Council want and need to change its governance arrangements? What are the strengths and weaknesses of current arrangements? The second element is to establish the scope of the work. Is it just about internal decision-making or are there wider issues involving engagement with other organisations and local residents and businesses. How will the review be carried out?

#### ***Step 2: consider some design principles***

12. This is about identifying what the Council wants to achieve from the review. Rather than deciding straight away on an alternative model, members should identify the principles that are important to them and be guided by these in developing proposals. The LGA/CfPS give examples of possible design principles but it will be for UDC to decide what is important for Uttlesford. The examples given include:

- Involving all councillors in the development of key policies

- Focusing member involvement on strategic decision-making and officer involvement on operational decisions.
- Providing a key role for councillors in performance management and in-year financial monitoring.

***Step 3: think of ways to establish a system that meets the requirements of these principles and put a plan in place***

13. It may be that the objectives and design principles identified at steps 1 and 2 can be met without a formal change in governance; e.g. through bolstering the role that councillors play through the overview and scrutiny process. If change is needed, the LGA/CfPS identify the following non-exhaustive list of options:

- A leader-cabinet system with individual cabinet member decision-making.
- A mayor, with various different approaches to cabinet autonomy. Different mayors take different approaches to the appointment of their cabinets, and the amount of powers those cabinets have.
- A traditional committee system with service committees aligned fairly closely with council departments and possibly a coordinating policy and resources committee to knit together work programmes.
- A streamlined committee system consisting of two or three service committees, which may be supplemented by one or more overview and scrutiny committees.
- A hybrid system whereby a cabinet ratifies decisions made by a number of cabinet committees.
- A leader-cabinet system with collective cabinet decision-making (as currently adopted by UDC).

***Step 4: making the change***

14. If the Council decides to change the governance model, the changes can only be implemented from an annual meeting of the Council. It cannot then change its governance arrangements for five years, unless changes are approved by a referendum.

***Step 5: return to the issue and review how things have gone***

15. It is important to evaluate how things have gone after a year or so, in order to see whether the changes in governance have made the difference you hoped. However, it is important for members to note that a formal change of governance structure is binding on the council for 5 years

**Outline Implementation Timetable**

16. If changes were to take effect from May 2020, an indicative timetable is:

30 July 2019	Council agrees to establish a working group, appoint members and possibly outline terms of reference
August 2019	All member briefing on the principles of the models, pros and cons, different ways of doing it (and possibly the experience of other councils)
August – October 2019	Working group meetings identifying the objectives to be achieved from new/different model, pros and cons, what works what doesn't work currently, consult public about their perception of democratic deficit if time permits – (it will be very tight to design and deliver the consultation and to analyse results to inform recommendations)
November 2019	Report to GAP Committee 21 November on outline principles and proposals for any change. (The deadline for preparation of a report is 8 November.)
21 November 2019	GAP review the outline principles and proposals for any changes or a modified governance model
3 December 2019	Council agrees any change or determines in principle to modify governance model
Subject to the decision above	
6 February 2020 (or later special meeting in March 2020)	GAP reviews a new draft constitution and detailed proposals for governance arrangements.
By early April 2020	Independent Remuneration Panel members have considered the new governance arrangements and have recommended a revised allowances scheme.
22 April 2020	Council approve revised constitution and resolves to adopt a new governance

	model from 21 May 2020.
22 April to 21 May 2020	Deliver training for new ways of working to members and officers

17. The Council and the Working Group need to think seriously about the timetable for considering and implementing changes. It is very important to get this right and adequate time needs to be allowed for deliberation, research, evidence gathering and consultation. The officers' advice is that a two-year period, leading to implementation of changes in May 2021 is more realistic, although it may be possible to implement "quick wins" sooner.

### Risk Analysis

18.

Risk	Likelihood	Impact	Mitigating actions
That the project is inadequately resourced and does not achieve the intended outcome and/or is delayed	4	3	Project planning includes identification of an adequate timescale and provision of the resources needed
That governance changes proposed or adopted are not lawful	3	3	Adequate time allowed, proper advice obtained and adequate resource provided.
That governance changes do not meet the objectives set by members and either do not improve how the Council works or make things worse.	3	3	Proper project planning and evidence gathering. Active involvement by members of the working group and engagement throughout the process by all councillors.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.