

FULL COUNCIL
14 DECEMBER 2021

PROPOSALS FOR NEW GOVERNANCE ARRANGEMENTS

1.0 Purpose of the Report

- 1.1 To update Full Council on the progress made by the Governance Review Working Group on the design of the new governance arrangements for implementation from May 2022.
- 1.2 To seek Full Council's approval of the arrangements set out in Section 3.

2.0 Background

- 2.1 At its meeting on 4 May 2021 Full Council resolved to adopt a Leader and Cabinet style of governance, with implementation to take effect from May 2022, and appointed a small working group of Members, tasked with formulating the detail of how the new governance arrangements should operate, with the aim of reporting back to Full Council on 14 December 2021, for its consideration and approval.
- 2.2 Since May, the Working Group has met on six occasions to develop the proposals. Two update reports have been presented to the Councillors' Commission seeking feedback on the proposals and a number of comments have been reported back for consideration by the Working Group. Comments from the latest meeting of the Commission held on 2 December have been incorporated into this report.
- 2.3 The proposals are set out in detail in Section 3 of this report.

3.0 Proposals for New Governance

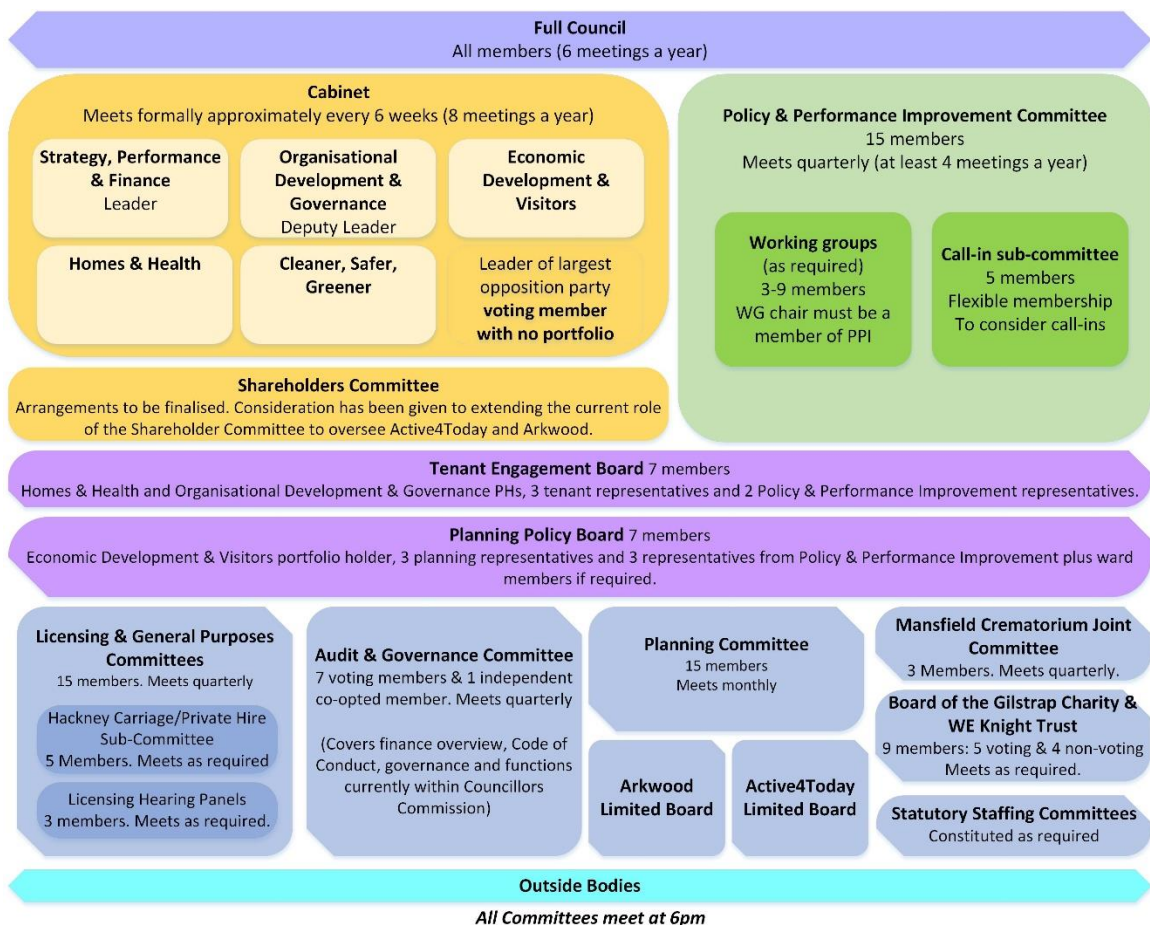
3.1 Principles of the New System

Taking into account the aims and priorities identified in the Full Council report of 4 May 2021, the principles underlying the new arrangements were formalised by the Working Group as follows:

Inclusion	Ownership	Transparent & Agile	Challenge Performance	Modern & Accessible	Connected
<ul style="list-style-type: none"> Members feeling involved and well-informed Members are able to contribute 	<ul style="list-style-type: none"> The Executive operates as a team, but Individual members of the Executive take ownership and accountability for their portfolios 	<ul style="list-style-type: none"> Agile, clear and appropriate decision-making Swift where it needs to be Transparent The 'right' decisions being made at the 'right' level by the 'right' portfolio 	<ul style="list-style-type: none"> Purposeful, constructive and challenging performance review Open to external outlook and input 	<ul style="list-style-type: none"> Modern Bureaucracy light Accessible and easy to understand 	<ul style="list-style-type: none"> Linked up to locality Connected Cabinet and Performance Review

3.2 Proposed Structure

Below is a diagram of the proposed structure of the new governance arrangements.



Full Council will note the diagram contains proposals regarding sizes of Committees, membership requirements if any, and frequency and timing of meetings. Members will be aware that there is a later item on the agenda which proposes a Schedule of Meetings for 2022/23 based on the proposed new governance structure. Members will also note that it is being proposed that as from May 2022, all meetings will commence at 6.00pm.

Consideration has been given to extending the current role of the Shareholder Committee to oversee Active4Today as well as Arkwood Limited. External legal advice has indicated, however, that the current Shareholder Committee exercises purely executive functions so alternative options will need to be considered. The next phase of the project will include developing terms of reference for all parts of the new governance structure and revising the Constitution, all of which will require further Full Council approval.

3.3 **The Cabinet**

Full Council will note that the Cabinet will comprise of five portfolio holders with the Leader of the Largest Opposition Group being appointed as a voting member of the Cabinet without portfolio. The legislation regarding executive arrangements requires the leader of the executive to determine the number of councillors appointed to the executive, up to a maximum of 10, one of whom they must appoint as a deputy. The Councillors Commission suggested that these appointments should be endorsed by Full Council. The proposed remits for portfolio holders are set out in **appendix one**.

3.4 **Executive Decision Making / Key Decisions**

The Working Group also progressed proposals in respect of the Scheme of Delegation and decision making responsibilities for portfolio holders, the Cabinet when operating as a collective and officers. In considering the Scheme of Delegation the Working Party gave consideration to a number of previous reports which had been taken to one of the Council's four existing operational Committees to determine where decision making responsibility would fall under the new governance arrangements.

The Working Party also considered the definition of a key decision. A key decision must be published on a Forward Plan for a minimum of 28 days prior to a decision being taken. It was noted that neighbouring authorities have adopted different financial thresholds. Having regard to this and also a recent discussion at Policy and Finance Committee in the context of the Council's new Acquisitions and Disposals Policy, it is proposed to apply the following definition of a key decision:

- Where expenditure is over £150,000 for revenue or over £300,000 for capital, or
- Where the impact of the decision would be significant in terms of its effect on communities living or working in two or more wards.

£150,000 represents a 2% increase in average Band D Council Tax. The current council tax referendum limit is 2% which the Council has adhered to by increasing Council Tax by no more than this percentage increase. The capital limit is twice this limit as the very nature of capital projects requires a larger budget and therefore a larger threshold.

The table below gives some examples of how the new governance arrangements would apply to decisions taken under our existing Committee system.

Item	Brief description	Delegation Options	Proposed route under new scheme
Ollerton Local Housing Office	Decision to refurbish and re-purpose the local housing office in Ollerton at a cost of £50k. To be added to the Capital Programme.	Consider categorising as key decision as residents of two or more wards affected – is impact significant? Member decision as additional budget required.	Portfolio Holder/Cabinet and liaison with ward members
Yorke Drive Regeneration Project	To progress with the Yorke Drive Project within the existing and previously agreed financial approvals and cost envelope.	Not a key decision given no fresh financial implications and impact on only one Ward.	Officer and liaison with ward members and Portfolio Holder
Electrification of the Council Fleet	To consider a phased approach to the electrification of the Council's fleet of vehicles	Key decision given the potential financial implications.	Cabinet - due to significance in relation to climate change agenda
Exempt Item – Purchase of Land	To purchase land at Quibell's Lane, Newark from Severn Trent	Key decision given exceeding the £300k capital spend threshold	Portfolio Holder/Cabinet – exempt elements
Tenant Access Service Hours	To review and approve the alignment of opening hours for tenant services	Non-key decision as not significant decision in terms of impact	Officer decision following liaison with Portfolio Holder and Tenant Engagement Board. Role for Policy and Performance Review Committee also.
Housing Service Compliance Quarterly Turnout Performance	Overview of compliance performance of the housing service. To ensure homes and services are of a high standard and meet legal and regulatory requirements.	The report is for noting -housing regulator requires elected member oversight of performance	Portfolio Holder and Policy & Performance Improvement

3.5 **Policy & Performance Improvement Committee (PPI)**

Under the proposed arrangements the Policy & Performance Improvement Committee (PPI) would fulfil the statutory role of 'overview and scrutiny' and also have a wider role in policy development and performance review.

The PPI work programme would consist of standing items (set within the work programme) and non-standing items, some examples might include:

- Standing items:
 - Performance against the community plan objectives including an annual review of Community Plan performance targets
 - An annual refresh of the Community Plan and assessment of the results of resident consultation
 - A bi-annual review of customer feedback, customer complaints and freedom of information requests
 - Financial performance including an annual review of the Medium Term Financial Plan
 - The performance of the Community Safety partnership
 - An annual review of community grants awarded
 - Bi-annual workforce review e.g. staff sickness and health and safety
 - Annual reporting on equalities and safeguarding
- Non-standing items:
 - A performance review triggered by performance information submitted to the Policy & Performance Improvement Committee
 - A review of a major initiatives such as Newark Town Deal and Levelling Up Proposals
 - A review of services delivered by NSDC or by partners such as Nottinghamshire Police, the Environment Agency, Network Rail etc.

PPI will, as required, set-up working groups to undertake specific reviews or policy development work. A working group would consist of 3 to 9 members. These Members could be drawn from the whole membership of the Council to ensure appropriate skills and knowledge but will be chaired by a Member from the PPI Committee. The practical arrangements for this will need to be considered, as will opportunities to invite appropriate external advice if required.

The terms of reference for any such group will be agreed by the PPI Committee, having regard to the overarching objective of all reviews being to improve the quality of life of local residents and value for money of local services. It is anticipated that Working Groups would operate on a 'Task and Finish' basis, with regular reports and final recommendations being made to the PPI Committee.

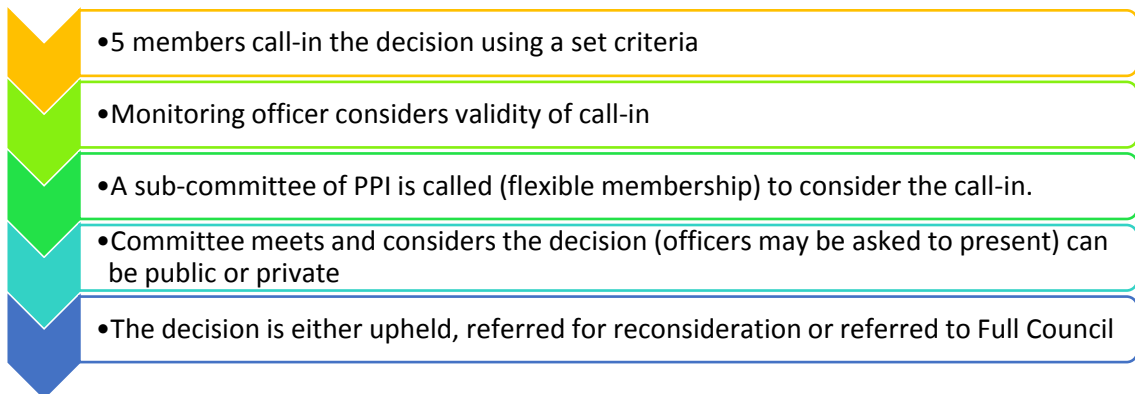
The Governance Review Working Group did not wish to specify a limit to the number of reviews per year but instead to have guiding principles including respecting the resource required and constantly reviewing the programme in light of new suggestions and considering why the review would be of value across the District.

Therefore, in setting up working groups there will be regard for the total number of working groups operational at any one time and their areas of focus - to ensure that undue pressure is not exerted on one area of the Council and to prevent multiple reviews commencing simultaneously that cannot be resourced. The working group reviews will be supported by staff from the Transformation & Service Improvement Business Unit.

3.6 Call-In Procedure

Call-in provides a mechanism for councillors to intervene when they feel that a decision being made by the executive needs to be revisited. It provides a key check and balance in the leader/cabinet system of governance. It should, however, be regarded as a measure that is only needed in exceptional circumstances.

The Policy & Performance Improvement Committee will be responsible for considering any call-ins. In respect of the call-in procedure, the Working Group have proposed the following procedure, presented below:



Five Members will be required to complete a form giving reasons for the call-in which would need to be submitted to the Monitoring Officer by 12 noon on the third working day following the decision being taken. The Monitoring Officer would then consider the validity of the request with the Section 151 Officer and Chief Executive (if required) and arrangements would be made to convene a Call-In sub-committee. This sub-committee will consist of five members, who were not involved in the decision being called-in, drawn from the PPI Committee. A draft criteria for call-ins is attached at **appendix two** by way of example. The Councillors Commission suggested that a 'public interest ground' be added. Once in final form, the criteria will be submitted to Full Council for approval.

3.7 Strengthening the Representative Role of Members

As part of the review of governance, the Working Group also considered how the Council could better support all Members in their roles as community leaders. This included the establishment of Area Committees which was subject to a discussion paper but not considered appropriate at this point in time. As an alternative, it was agreed to progress the following ideas:

- An annual meeting of ward members (clustered into collections of wards) where a set of performance data is presented and consideration given to local priorities for the year(s) ahead.

- Adaptations to the Council's customer services case management system to ensure members receive updates on the status of any requests and to allow an analysis of requests to identify any patterns or repeat issues;
- Identify named local contacts for Members to liaise with for key public facing services;
- An all Member 'What's Going On' presentation twice a year to update on major initiatives / topics;
- Greater informal neighbourhood working with Member walkabouts with partners;
- Possible creation of an annual Member fund with spending linked to the community plan priorities;
- Regular briefings from the Cabinet in the form of a briefing note, newsletter or annual report.
- Development of a business case for the procurement of a tailored case management system for Councillors.

Refining of these ideas will be incorporated into the second phase of the project.

3.8 Training

The Working Group have also considered the delivery of training for all Members (and appropriate staff) in relation to the new governance arrangements. It is proposed to have an all Member session which will outline the new governance arrangements and how they will work, plus training for key Members (portfolio holders, chairs and vice-chairs etc.) on the operation of the Cabinet and Policy and Performance Improvement Committee.

Some of the training will be delivered in house, however it is proposed that some of this training will be delivered by external providers such as the Local Government Association and the Centre for Governance and Scrutiny. Therefore, it is proposed to seek a one-off revenue budget of £5,000 in 2021/22 (with this being rolled over into 2022/23 if required) to cover such activities in 2022.

The Councillor's Commission suggested that Members from another council that recently changed to executive arrangements, for example Melton Borough Council, be invited to a session to provide the benefit of their experience.

3.9 Independent Remuneration Panel

The first meeting of the reconvened Panel is scheduled to take place on 16 December 2021. Comparator data has been shared with the Panel and next steps for the Panel will be to meet with the Council's three Statutory Officers followed by the Members of the Governance Review Working Party.

4.0 Next Steps

- 4.1 The proposals set out in this report will need to be formalised and incorporated into a new Constitution which will need to be adopted by the Full Council at its Annual General Meeting on 17 May 2022, just prior to the new governance arrangements coming into operation.

4.2 Therefore, it is proposed to keep the Governance Review Working Party as a convened body and involve it in reviewing parts of the Constitution as they are drafted. This will include revisions to Council Procedure Rules which will be simplified as part of the overall review of the Constitution. The Councillors Commission will continue to be updated as required.

4.3 Further reports with sections of the Constitution for consideration and approval will be submitted to Full Council ahead of May 2022.

5.0 Financial Implications FIN (21-22/5006)

5.1 The changes in Governance arrangements described above are not anticipated to add any additional costs to the Councils revenue budget going forward. A separate report relating to the changes in remuneration for members will be presented to Full Council once the Independent Remuneration Panel has had chance to consider and recommend its findings. Any financial implications arising as a result of that would be brought to members' attention at that point in time.

5.2 There is however a requirement for a one-off £5,000 training budget in order to fund external training. This can be financed from within the annual change management budget for the 2021/22 financial year.

6.0 RECOMMENDATIONS that:

(a) the proposals in respect of the new governance arrangements as detailed in Section 3 of the report be approved, it being noted that the size of Cabinet, the membership of Cabinet and Cabinet portfolios were matters for the approval of the Leader (as prescribed by legislation) ;

(b) a £5,000 budget be established (financed from the Corporate Change Management budget) to enable the required training for the new governance arrangements to be delivered; and

(c) the Governance Review Working Party continue to meet as required and report back to Full Council with recommended changes to the Constitution and any further refinement to the proposed governance arrangements set out in this report.

Background Papers

Nil.

For further information please contact Nigel Hill on Ext. 5243.

John Robinson
Chief Executive

Proposed Portfolios

Strategy, Performance & Finance (Leader)

- Overall strategy and delivery of agreed Council priorities and objectives through the Community Plan
- Oversight of all Cabinet responsibilities
- Building and developing relationships with partners at a local, regional and national level
- Consultation and engagement
- Climate change
- Budget strategy and budget setting
- Council tax setting
- Financial planning and financial management
- Communications, social media and marketing
- Performance management

Organisational Development & Governance (Deputy Leader)

- Building and maintaining positive relationships with and between elected members and employees
- Promoting and encouraging effective corporate governance and the highest standards of probity
- Human resources
- Equalities and diversities responsibilities
- Digital services and cyber security
- Business continuity for the Council
- Democratic services
- Elections services
- Legal advice and legal services
- Customer services
- Data protection

Economic Development & Visitors

- Regeneration, jobs, employment and town centres
- Licensing
- Business grants, support and advice
- Business rates administration
- Car parks
- Major capital projects
- Local Development Framework
- Neighbourhood planning and assets of community value
- Planning services and enforcement, and planning conservation
- The visitor economy, tourism action groups and tourism campaigns, and the Palace Theatre, National Civil War Centre & Newark Castle

Homes & Health

- Landlord responsibilities

- Planned works on housing stock
- Rents and income
- Tenant engagement
- Supported housing
- Housing options
- Affordable warmth
- Homelessness and temporary accommodation
- Housing regeneration
- Neighbourhood studies
- Disabled facilities grants
- Council tax administration
- Housing benefit administration
- Health and wellbeing
- Social mobility
- Arts development
- Community centres
- Active4Today

Cleaner, Safer, Greener

- Waste and recycling
- Waste education and enforcement
- Street cleansing, littering, dog fouling and fly tipping
- Air pollution
- Community safety partnership
- CCTV and Anti-Social Behaviour (ASB)
- Domestic violence
- Environmental Health
- Food safety
- Health and safety
- Emergency planning
- Grounds maintenance
- Parks and green spaces, tree planting and greening projects
- Environmental conservation and tree protection

NOTICE OF CALL-IN OF KEY DECISION

In accordance with [specific reference paragraph] of the Council’s Constitution, we the undersigned hereby give notice that we wish to Call-In the following key decision:

1. Decision Description and Reference.....

2. Date of the Decision.....

We believe the decision should be called-in on one or more of the following Grounds: -

1. Not in accordance with the Council’s policies, Constitution, procedure or rules
2. Outside of the approved Budget or Policy Framework
3. Outside of the Council’s powers
4. Unlawful

We believe that the following principles of decision making have been breached by the making of this decision (Insert Reason/s and Ground/s against the relevant Principle/s):

Principle		Reasons why breached	Ground/s breached (1-4 above)
a	Proportionality		
b	Due consultation and the taking of professional advice from officers		
c	Respect for human rights and equalities		
d	A presumption in favour of openness		
e	Clarity of aims and desired outcomes		
f	A record of what options were considered and giving the reasons for the decision		

g.	Acting Within the decision-maker's authority		
h.	Taking into account all relevant considerations and ignoring irrelevant considerations		
i.	Ensuring best value		
j.	Having regard to the rules of natural justice		

1.
Signed.....Name.....
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Signed.....Name.....
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Signed.....Name.....
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Signed.....Name.....
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