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| COUNCIL | AGENDA ITEM. 13(a) |
| 27 JANUARY 2016 | PUBLIC REPORT |

ALTERNATIVE GOVERNANCE ARRANGEMENTS

| R E C O M M E N D A T I O N S |
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| FROM : Chairman of the Design and Implementation Working Group |
| <p>(1) That in accordance with paragraph 9KC of Schedule 2 of the Localism Act 2011,</p> <ul style="list-style-type: none"> (a) the Council resolves to make changes to its constitutional arrangements to a hybrid model of executive decision making with a greater involvement of pre-scrutiny recommendations as set out in the report of the Design and Implementation Working Group (Appendix 1) to take effect from the Annual Meeting of the Council in May 2016. (b) That copies of the Design and Implementation Working Group's report setting out the provisions of the arrangements should be made available at the Town Hall, and details of the proposals be published in one or more newspapers circulating in the area. <p>(2) That Council approves the following changes to the Constitution to take effect from the Annual meeting of the Council in May 2016:</p> <ul style="list-style-type: none"> (a) Overview and Scrutiny Article 7 (Part 2:Section 7) (b) Overview and Scrutiny Functions (Part 3:Section 4) (c) Scrutiny Committee Procedure Rules (Part 4: Section 8) <p>(3) That the Council notes that the proposed changes to the Cabinet Procedure Rules will be reported to a future meeting of Cabinet for approval and Council for adoption.</p> <p>(4) That the following further consequential changes to the Constitution will be brought to the Council meeting in March:</p> <ul style="list-style-type: none"> (a) Cabinet Procedure Rules (Part 4: Section 7) (b) Budget & Policy Framework Procedure Rules (Part4: Section 6) <p>(5) That a review should be undertaken prior to the Annual Meeting in May 2017 to ensure the proposed scrutiny structure is effective.</p> |

1. PURPOSE AND REASON FOR REPORT

- 1.1 On 15 July 2015 the Council agreed to adopt an alternative form of governance to take effect from the Annual Council meeting in 2016. It noted that the preferred model was a hybrid model of executive decision making with a greater involvement of pre-scrutiny review (a Peterborough model). A 'hybrid' model of governance is where the executive (Cabinet and Leader) is retained but the scrutiny function alters its focus to become an advisory body to the executive in addition to providing its post scrutiny functions. It

also agreed to set up a Design and Implementation Working Group to report their detailed constitutional proposals to Council.

- 1.2 This report sets out the Working Group's proposals for implementing the hybrid model and on a proposed structure for scrutiny committees (Appendix 1). It also includes proposed changes to the Council's Constitution to implement the proposals.
- 1.3 In accordance with paragraph 9KC of Schedule 2 of the Localism Act 2011, the Council must advertise any changes to its governance arrangements and details must be available for public inspection.

2. BACKGROUND

- 2.1 Peterborough City Council has operated executive arrangements since 2001 under a Leader and Cabinet model with delegated decision making resting with the Cabinet or individual Cabinet members according to their portfolios. Traditionally Peterborough has operated a member-led decision making model with limited delegation to officers for non-key executive decisions. The Council retains some principal functions and has responsibility for the budget and the major policy framework of the Council. It also retains some regulatory decision making powers, the majority of which it has delegated to individual committees, (e.g. Planning & Environmental Protection Committee, Employment Committee and Licensing Committee etc.).
- 2.2 The Localism Act 2011 allowed Councils to exercise discretion regarding their governance arrangements and Councils could continue their existing executive arrangements, return to a committee system or adopt other governance arrangements.

3. THE PREFERRED MODEL OF GOVERNANCE

- 3.1 On 15 July 2015 the Council agreed to adopt an alternative form of governance to take effect from the Annual Council meeting in 2016. It noted that the preferred model was a hybrid model of executive decision making with a greater involvement of pre-scrutiny review "a Peterborough model".
- 3.2 Under a hybrid model, the executive system of decision making is retained but reports are, where specified, referred to scrutiny committees in advance of the decision being considered by the executive. Scrutiny committees make recommendations on those reports which the executive take into account before making their decision.
- 3.3 The Leader and Cabinet are therefore retained, providing the leadership and focal point for the Council. With the new role played by scrutiny, this model also allows for backbench and opposition members to take part in the formulation of policy and decision making and so provides more inclusivity for Members; the primary benefit of a new model.

4. DESIGN AND IMPLEMENTATION WORKING GROUP

- 4.1 The Council at the same meeting agreed the formation and terms of reference of a working group to design and implement "a Peterborough model" and requested a report on their detailed constitutional proposals to Council.

- 4.2 Since July, the Design and Implementation Working Group has met monthly to consider:
- (a) the principles for designing a hybrid model,
 - (b) the key elements of the Wandsworth model and how it could be adapted to suit Peterborough,
 - (c) a number of approaches for designing suitable proposals for Peterborough; including deciding those decisions which should go through the pre decision scrutiny process, whether there should be a reference up procedure and the form it should take in addition to the current call in arrangements,
 - (d) options for consulting on the budget under a hybrid model, and
 - (e) the constitutional, process and timetabling implications of the new arrangements.
- 4.3 It recognised the current scrutiny structure would not work under a hybrid model for a number of reasons; any future structures needed to be aligned with cabinet and officer portfolios to ensure the correct matters were referred to scrutiny committees. Decision making needed to be timely and avoid Cabinet members and officers attending numerous scrutiny meetings immediately prior to Cabinet.

5. SCRUTINY WORKSHOPS

- 5.1 The Design and Implementation Working Group also arranged to hold two workshops for all scrutiny members:
- (a) the first workshop in October was to seek scrutiny members' views on key elements of the hybrid model, the current scrutiny arrangements and the improvements they would like to see. The workshop fed back their views on the future role of scrutiny and the design principles for a future scrutiny structure.
 - (b) the second workshop was held on 7 December and focused on a revised structure under the hybrid model and to review their approach to work programming under the new arrangements.
- 5.2 Both workshops were guided by a representative of the Centre for Public Scrutiny. The feedback from the workshops were taken into account when the working group finalised its proposals in January.

6. THE PROPOSED PETERBOROUGH MODEL

- 6.1 The Design and Implementation Working Group met on 5 January to receive feedback from the scrutiny workshop and to finalise its proposals for a hybrid model for Peterborough. Its final proposals are set out in their attached report. (**Appendix 1**). In summary, the proposals are as follows:
- (a) the Chairman of Scrutiny Committees in consultation with the relevant Cabinet Member will call forward any executive decisions that should be taken to a scrutiny committee before the executive decision is made.
 - (b) Should a Cabinet Member (CMDNs) disagree with a scrutiny committee's recommendations, the matter will be referred up to Cabinet.

- (c) Provision will be made for minority reports where a minority of members on a scrutiny committee disagrees with the majority on the committee. If the matter is an individual Cabinet Member decision, the matter will be referred up to Cabinet.
- (d) There should be three scrutiny committees which are aligned to cabinet member portfolios and the officer structure. The scrutiny committees should consist of 10 Members and should meet eight times a year immediately before Cabinet in order to make timely recommendations.

6.2 The Council are asked to agree the report and recommendations in Appendix 1.

7. CONSTITUTIONAL CHANGES

7.1 In order to implement the changes from the annual meeting, the constitution will need to be amended to take account of the proposed changes. This report outlines the first amendments to the Constitution. Any further amendments will either be made by the Monitoring Officer under her delegated powers or be brought to a future meeting of Council. The opportunity has been taken to update the Constitution to take account of changes in legislation. The Council is asked to approve the following:

- (a) Article 7 - Overview and Scrutiny - **Appendix 2**
- (b) Overview and Scrutiny Functions (Part 3:Section 4) - **Appendix 3**
- (c) Scrutiny Committee Procedure Rules (Part 4: Section 8) - **Appendix 4**

7.2 If the Council approves the recommendations of the Design and Implementation Group, the Executive Procedure Rules (Part 4 - Section 7) proposed by the Group will be reported to Cabinet for approval. Subject to Cabinet approval, these will be adopted into the Constitution at the Council meeting in March.

7.3 The report of the Design and Implementation Group comprises an indicative budget process set out in Appendix 1 (b). If these indicative proposals are agreed, the Budget and Policy Framework Procedure Rules (Part4: Section 6) will also be reported back to Council for approval in March.

8. COMMUNICATIONS STRATEGY

8.1 As the proposed changes do not change the principle model; the leader cabinet model, there is no requirement to consult. In addition, the proposed changes are largely internal. The proposals will be communicated as follows:

Advertising the Proposed Changes

8.2 The Localism Act 2011 requires the Council to pass a resolution to make changes to its governance arrangements. It must set out the details of the arrangements in a public document and these must be available at the Town Hall for inspection by the public. Notice of the changes must also be advertised in one or more newspapers circulating in its area. The objective is to inform the public of the changes and the date of their commencement.

Partners

- 8.3 Partners will be advised of the proposed changes as part of the budget consultation process.

Members and Officers

- 8.4 Following approval of the Peterborough model, officers will attend an All Party Policy meeting to model examples of how the new processes will work. The revised arrangements will be communicated to officers and a similar modelling exercise will be undertaken with them.
- 8.5 Following the May election, training will be undertaken as part of the member development programme and the scrutiny work planning.

9. IMPLICATIONS

- 9.1 Financial implications: It is proposed to include £50,000 in the budget for 2016/17 for additional staffing resources within Democratic Services to support this model. Resource implications across the rest of the Council will depend on how the new arrangements are implemented in practice and the volume of work arising. This will be kept under review
- 9.2 Legal implications: The Council can alter its governance arrangements by a resolution at Council as set out in the recommendations.
- 9.3 There are no further implications arising from this report.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985.

Reports of the Design and Implementation Working Group.

Appendixes

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| Appendix 1 | Final report of the Design of the Implementation Group |
| Appendix 2 | Article 7 – Overview & Scrutiny |
| Appendix 3 | Section 4 – Overview & Scrutiny Functions & Terms of Reference |
| Appendix 4 | Section 8 – Scrutiny Committee Procedure Rules |

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