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## Democracy

Democracy:

London Borough of Sutton

Civic Offices

St. Nicholas Way

Sutton

SM1 1EA

020 8770 5000

## Decision details

### New Governance Proposals

- [Find out more about this issue](#)

Decision maker: The Executive

Decision status: Recommendations Approved

Is Key decision?: Yes

Is subject to call in?: No

#### **Purpose:**

To consider changing the governance arrangements for Council and Committee meetings; to consider the draft calendar of Council and Committee Meetings and the members Allowances Scheme for 2012/13

#### **Decisions:**

##### **a) Governance Proposals**

It was reported that, under the Localism Act 2011, Council's now had the ability to move from their current system of governance to a Committee system. To this end, the Community Leadership Advisory Group had, in October 2011, established a working party to consider changing the Council's governance arrangements. That working party had met on several occasions and reported back to the Community Leadership Advisory Group. That Group now recommended that the Council consider changing its form of governance from the existing model to a committee system. This change would involve more councillors in the decision

making process without compromising the efficiency and transparency of the decision making process.

The Executive had before it proposals to achieve this objective. The proposals were to replace the existing Executive, the four scrutiny committees and the five advisory groups with five cross cutting committees and a single scrutiny committee. The other regulatory committees and the six Local Committees would remain. The new committees would meet five times a year and be politically balanced. They would determine how to manage their business and could establish their own working groups or sub-committees if required having regard to the resource implications to ensure that these groups could be properly supported by officers. There would also be specific lead roles for members in certain areas e.g. Resources.

Each of the proposed committees would have ten Councillors on them, apart from the Strategy and Resources Committee which would have 15. All the Committees could have up to three substitute members. The Chair of the proposed Children, Family and Education Committee would be the lead Councillor for Children's Services under the Children's Act 2004. The Committees would also be able to invite persons with appropriate expertise in specific areas to provide independent advice. A representative from both the Church of England and Roman Catholic Churches and two Parent Governors, one representing primary schools and the other secondary schools could also be invited to serve on the Children, Family and Education Committee as additional representatives without voting rights.

With the introduction of these new committees, it was felt that the current system of Delegated Decision Notices could be deleted. Those decisions that Strategic Directors could currently take would be added to their delegated decisions. All other decisions would be submitted to the relevant Committee for approval. The existing requisitioning procedure, i.e. calling in a decision for further consideration, would be retained though the period of time to allow call in would be extended by one day to 10am on the third working day following the date of the meeting. The existing Urgency Procedure would also be retained though it would no longer involve the Mayor or Deputy Mayor. In future, the Leader or Deputy Leader and the Chair or Vice Chair of the relevant Committee would be required to approve action under this procedure. The call in procedure for decisions outside the policy framework would be deleted.

The proposed terms of reference of the new committees were reported. Two additional terms of reference for the Children, Families and Education Committee were suggested. It was noted that the Scrutiny Committee would be limited to carrying out statutory functions though, in exceptional circumstances, other committees could ask that committee to carry out a specific piece of work. That Committee would continue to be able to require members from other committees to appear before it.

It was noted that the Councillors Code of Conduct and investigation procedure would also be changing later in the year. A revised code of conduct and investigation procedure was before the Committee.

Assuming that the proposals before The Executive would be agreed, a series of training courses for members and officers had been arranged, details of which were reported.

The Government proposed to publish Regulations on the implementation of changes to a committee system of governance. It was hoped that these would be received by the end of April 2012.

Mr Andrew Theobald, a co-opted member of the Children and Young People Scrutiny Committee addressed the committee concerning these proposals on behalf of the Roman Catholic and Church of England co-opted representatives. A letter that had been received from Mrs Sue Smith, on behalf of the Sutton Teachers Committee was also mentioned.

### **b) Proposed Changes to the Constitution**

Following on from the proposed changes to the governance arrangements, the consequent changes to the Council's constitution were before the meeting. It was also noted that, during the past year, the titles of senior officers had changed or their roles subsumed. The opportunity had been taken of updating the list of delegations to officers to reflect these changes. Specific attention was drawn to the proposed changes to Contract Standing Orders. It was also noted that Financial Regulations had been rewritten to take account of structural changes within the Resources Group and to have greater synergy with the rest of the constitution.

The responsibility for financial management now rested explicitly with Strategic Directors and Heads of Service; all staff had some responsibilities in relation to financial management, which was integrated with service management throughout the planning, monitoring and reporting cycle. Specific attention was drawn to the proposal to increase the limits for approving revenue budget virements to £250,000 for Strategic Directors and £500,000 for the Strategic Director – Resources. Parallel requirements for dealing with capital estimates were also proposed, including budgets between years.

### **c) Members Allowances Scheme**

Consequent upon the proposals to change the governance structure of the Council, proposals for altering the Members' Allowances Scheme were put forward.

The proposal was for the basic allowance to remain unaltered at £10,191 whilst the special responsibility allowance payments should be changed to reflect the new governance structure without increasing overall expenditure. A suggested schedule of special responsibility allowance payments was considered. The schedule reflected the responsibilities of the new committee chairs, paid an allowance to the vice chairs of the new committees and Development Control Committee in view of their increased work load and gave an allowance for specific lead member roles i.e. Resources.

The opportunity had been taken to review the amount of money that members could claim for fuel and other travel costs. These had been amended to reflect recent changes in the amount that officers could claim. It was noted that, following the increased roles for independent persons on the Standards Committee, it might be necessary, at some future date, to have to reconsider the previous decision not to pay an allowance to those persons.

Role descriptions for Councillors would also be revised and reported to a future meeting of this Committee.

#### **d) Implementation of the new Governance Arrangements**

The Executive had before them proposals for implementing the proposed new governance arrangements that would involve different ways of working by both Councillors and officers. These included the ways that reports were prepared, how agendas were put together and meetings prepared for. A series of workshops for members and officers had also been organised.

#### **RECOMMENDED:**

(i) That, with effect from its annual meeting in May 2012, the Council dissolves the existing Executive, five Advisory Groups and four Scrutiny Committees and introduces a committee system of governance;

(ii) That the following new Committees be established with the number of members indicated, appointed proportionally in accordance with the Local Government and Housing Act 1989 each with three substitute members:

Strategy and Resources Committee (15 members)

Environment and Neighbourhood Committee (10 members)

Children, Family and Education Committee (10 Members)

Housing, Economy and Business Committee (10 Members)

Adult Social Services and Health Committee (10 Members)

Scrutiny Committee (10 Members out of a pool of 20 Councillors)

(iii) That, subject to the addition of "Safeguarding" and "Children's Trust" in the terms of Reference for the Children, Families and Education Committee, the terms of reference for the new Committees be as set out in Appendix A Section 2 of the report;

(iv) To note that the Children, Family and Education Committee may have a non-voting representative from the Church of England, a non-voting representative from the Roman Catholic Church and two non-voting Parent Governor representatives (one representing primary schools and other representing secondary schools) to participate in matters concerning Education;

(v) That each of the new Committees consider whether or not they wish to invite representatives from specific areas of expertise within their responsibilities to assist them in their deliberations and that any such representatives that are appointed do not have voting rights.

(vi) That the existing Delegated Decision Notices Scheme be deleted; those Category 1 and Category 2 DDNs (i.e. those relatively uncontroversial delegations that are not subject to de-delegation by Members) be absorbed within the officer scheme of delegations and arrangements be made for those decisions to be reported to the

appropriate Committees on a regular basis, as set out in Appendix A Section 3 to the report;

(vii) To note that matters previously dealt with under existing Category 3 and 4 DDNs will now be reported to the appropriate Committee for a decision;

(viii) That the current system of requisitioning be retained subject to the period of notice required to be given by members to the Chief Executive (currently by 10am on the second working following the meeting) should be extended to by 10am on the third working day after the meeting as set out in Appendix A Section 4

(ix) That the proposed amendments to the Urgency Procedure, as set out in Appendix A, Section 4 be adopted;

(x) To note the agreed timetable for Council and Committee meetings in 2012/13, set out as Appendix B to the report,

(xii) To adopt the Councillors Code of Conduct set out as Appendix E to the report and investigation procedure for complaints made against Councillors.

(xi) That the provisions of standing Order 1.7 be waived to allow the changes to the Constitution set out in Appendices A, D and E in the report to be adopted and brought into effect from the annual Council meeting in May 2012;

(xii) That the proposed changes to the Members Allowance Scheme, as set out in Appendix A to these Minutes be adopted with effect from the annual Council meeting in May 2012;

(xiii) To note that the above decisions are subject to any Regulations that the Government has yet to publish concerning changes to a committee system of governance.

Report author: Sanjay Prashar

Publication date: 13/04/2012

Date of decision: 26/03/2012

Decided at meeting: [26/03/2012 - The Executive](#)

Accompanying Documents:

- [Governance Proposed Governance Changes and other matters 120326 PDF 266 KB](#)
- [Governance amended Appendix A - addendums in one document 120315 PDF 256 KB](#)
- [Governance amended Appendix B - calendar 120309 PDF 180 KB](#)
- [Governance amended Appendix C - New Governance LD Plan 120309 PDF 154 KB](#)
- [Governance amended Appendix D - LBS FINANCIAL REGULATIONS draft 2102122 GB changes 120315 PDF 118 KB](#)

- [Governance Appendix E Complaints Procedure 2012 DRAFT PDF 83 KB](#)
- [Governance amended appendix F - Members Allowances 201213 draft 120309 PDF 50 KB](#)
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## London Borough of Sutton

The Executive - 26 March 2012

Council - 30 April 2012

## Report of the Executive Head of Legal and Democratic Services

## FUTURE GOVERNANCE ARRANGEMENTS

<b>Ward Location:</b>	Not Applicable	<b>Author(s) and Contact Phone Number(s):</b>
		Sanjay Prashar 8770 5064; Richard Shortman 8770 5120
<b>Area Served:</b>	Borough wide	<b>Executive Councillor: Sean Brennan</b>

## Key Decision Report

**Summary**

This report sets out proposed changes to the Council's system of governance. On the assumption that these changes are approved, the report also contains the consequential and other amendments to the Council's constitution and amendments to the Members Allowances Scheme to reflect these changes.

**Recommendations**

The Executive to recommend to Full Council:

- (i) That, with effect from its annual meeting in May 2012, the Council dissolves the existing Executive and introduces a committee system of governance;
- (ii) That the following new Committees be established with the number of members indicated, appointed proportionally in accordance with the Local Government and Housing Act 1989 each with three substitute members:
  - Strategy and Resources Committee (15 members)
  - Environment and Neighbourhood Committee (10 members)
  - Children, Family and Education Committee (10 Members)
  - Housing, Economy and Business Committee (10 Members)
  - Adult Social Services and Health Committee (10 Members)
  - Scrutiny Committee (10 Members)
- (iii) That the terms of reference for the new Committees be as set out in Appendix A Section 2 of this report;
- (iv) To note that the Children, Family and Education Committee may have a non-voting representative from the Church of England, a non-voting representative from the Roman Catholic Church and two non-voting Parent Governor representatives (one representing primary schools and other representing secondary schools) to participate in matters concerning Education;
- (v) That each of the new Committees consider whether or not they wish to invite representatives from specific areas of expertise within their responsibilities to assist them in their deliberations and that any such representatives that are appointed do not have voting rights.
- (vi) That the existing Delegated Decision Notices Scheme be deleted; those Category 1

and Category 2 DDNs (i.e. those relatively uncontroversial delegations that are not subject to de-delegation by Members) be absorbed within the officer scheme of delegations and arrangements be made for those decisions to be reported to the appropriate Committees on a regular basis, as set out in Appendix A Section 3 to this report;

(vii) To note that matters previously dealt with under existing Category 3 and 4 DDNs will, now be reported to the appropriate Committee for a decision;

(viii) That the current system of requisitioning be retained subject to the period of notice required to be given by members to the Chief Executive (currently by 10am on the second working following the meeting) should be extended to by 10am on the third working day after the meeting) as set out in Appendix A Section 4

(ix) That the proposed amendments to the Urgency Procedure, as set out in Appendix A, Section 4 be adopted;

(x) To note the agreed ~~the draft~~ timetable for Council and Committee meetings in 2012/13, set out as Appendix B to this report,

(xii) To adopt the Code of Conduct set out as Appendix E and investigation procedure for complaints made against Councillors.

(xi) That the provisions of standing Order 1.7 be waived to allow the changes to the Constitution set out in Appendices A, D and E to be adopted and brought into effect from the annual Council meeting in May 2012;

(xii) That the changes to the levels of Special Responsibility Allowance in the Members Allowance Scheme be adopted with effect from the annual Council meeting in May 2012;

## **1. Background**

- 1.1 The Localism Act has opened up the option for local authorities to replace current Executive structures with committee led systems of governance. At its meeting in October, 2011, the Community Leadership Advisory Group decided to establish a member level working group to look at proposals for a committee led system of governance and to make recommendations to this Advisory Group.
- 1.2 The Governance Working Group has met on a number of occasions and has brought forward proposals, which would involve more councillors in decision making processes without compromising the efficiency and transparency of those processes.
- 1.3 Those proposals have been discussed at meetings of the Community Leadership Advisory Group and the Governance Working Party. This report reflects the outcome of discussions at those meetings. At their last meeting, the Community Leadership Advisory Group endorsed the recommendations in this report.
- 1.4 The Statutory Instruments which will trigger the relevant provisions in the Localism Act to enable the Council to move to a committee system are still awaited. The latest information received from the Department of Communities and Local Government is that the legislation will be in place by 4 May 2012. It should also be noted that, under the Localism Act, if the Council changes its governance system, then it cannot change it again for a period of five years, unless the change is triggered by a referendum seeking a change in the governance arrangements.
- 1.5 The report also contains proposed changes to the Council's constitution. Article 14 of the Constitution requires the Monitoring Officer to monitor and review the operation of the Constitution to ensure that its aims and principles are given full effect. Any changes considered necessary are subject to approval by Full Council following prior consideration by the Monitoring Officer, the Community Leadership Advisory Group and The Executive. Section 37 of the Local Government Act 2000



also requires the Council to keep its Constitution under review.

- 1.6 The Constitution is the Council's primary document which sets out how the Council operates its decision making processes. Although certain parts of the Constitution are required by law, the Council does have discretion over other processes.
- 1.7 The Council is also required to review its Members Allowances Scheme annually after taking into account the advice provided from an independent Remuneration Panel. That Panel, which is organised by London Councils on behalf of all London local authorities, last met in 2010.

## **2. Future Governance Arrangements**

### Proposed Committees and Terms of Reference

- 2.1 The Community Leadership Advisory Group is recommending that the Council adopt a new system of governance with effect from its annual Council meeting in May 2012, replacing the current Executive arrangements with a committee system based around
  - Five main Committees
  - Four Regulatory Committees
  - A reconstituted Standards Committee
  - A Scrutiny Committee with a focus on statutory scrutiny responsibilities
  - Six Local Committees
- 2.2 The proposed titles of the main committees are:
  - Strategy and Resources (15 members)
  - Adult Social Services and Health (10 members)
  - Children, Family and Education (10 members)
  - Environment and Neighbourhood (10 members)
  - , Housing, Economy and Business (10 members)
  - Scrutiny (10 members)
- 2.3 The main Committees would meet once every 6 to 8 weeks (five times a year). They will be all party and politically balanced.
- 2.4 The existing Local Committees and the Regulatory Committees (Audit, Pension, Licensing and Development Control) will remain. Standards Committee will also be retained but with revised duties and powers to reflect the changes brought about by the Localism Act 2011.
- 2.5 The terms of reference and composition for each of these proposed committees are set out in Appendix A – Section 2. The overall business and financial planning would be agreed by the Strategy and Resources Committee for recommendation to full Council for approval. All the Committees would be responsible for implementation in their relevant service area, working within the overall policy and budget framework as determined by the Council. Committees will also consider and develop policy for recommendation to Council for approval.
- 2.6 The proposed change to a Committee system of governance envisages abolishing Advisory Groups. It would be up to individual committees to determine how to manage the business that they are responsible for. Individual committees would have the freedom to establish their own working groups, or sub-committees, to look at and make recommendations to them on specific areas for which they are

responsible. Before establishing such groups, the Committee must have regard to the resource implications to ensure that these groups can be properly supported by officers as it is expected that these groups would meet in public.

- 2.7 The Councillor membership of any sub-committee or working group must be balanced according to political affiliation. However, specific persons with expertise from outside the Council could also be invited to serve on any Sub-Committee or Working Group in an advisory capacity without voting rights.

Allocation of seats on committees

- 2.8 Each of the committees (except the Strategy and Resources Committee) should have 10 members who will be required to reflect the political proportionality of the Council. This would currently mean having eight Liberal Democrat and two Conservative members on each of these Committees.
- 2.9 For the Strategy and Resources Committee it is suggested that the membership comprise 15 Councillors. Again this is required to be politically balanced which would mean an allocation of 12 seats to the Liberal Democrat Group and 3 seats to the Conservative Group. This would provide for a larger number of Councillors to be involved in the decision making process, give some flexibility to each party group as to who they put forward for membership of the Committee and give greater flexibility if the proportionality of the membership of the Council changes.
- 2.10 It is also suggested that the existing provision within the Constitution should allow for substitute representatives to be retained. It is suggested that three substitute members (two Liberal Democrats and one Conservative) be appointed to each of the five main Committees.

Co-opted Members and Additional Representatives without voting rights

- 2.11 Under the Children Act 2004 there is a requirement to have a specific Councillor to act as lead member for children's services. It is suggested that the Chair of the Children, Family and Education Committee perform this role.
- 2.12 In the past, the Council has had a representative from the Church of England, a representative from the Roman Catholic Church and two Parent Governor representatives (one representing primary schools and other representing secondary schools) on the scrutiny committee dealing with education matters. This was a legal requirement under the Local Government Act 2000. However, this requirement has not been carried forward into the Localism Act 2011 under the committee system. If this is to be continued, it is proposed that these persons would be included on the Children, Family and Education Committee as Additional Representatives without voting rights where they would normally only be entitled to speak on Education matters. It would be at the Chair's discretion if they were allowed to contribute to the debate on other issues.
- 2.13 It has also been the Council's practice in the past to invite persons with appropriate experience in specific areas to provide independent advice to some Council committees. It is suggested that it would be for the members of the new committees to determine whether they wished to be advised by persons who had expertise in specific areas of the committee's responsibilities. If it was decided that such persons were required as standing Committee members, rather than as ad-hoc advisers, they would be called Additional Representatives without voting rights.
- 2.14 Additional Representatives without voting rights could also be appointed to serve on any Sub-Committees or Working Groups that might be formed.

Delegated Decision Notices (DDNs)

- 2.15 DDNs were introduced in Sutton by the then Strategy Committee on 3 July 2000. The intention at the time was to remove as many operational items as possible from that Committee's agenda. The current arrangement set out in the Council's constitution allows for decisions otherwise constitutionally reserved to the Executive or a local committee to be taken at senior officer level.
- 2.16 The constitution allows for the delegation of 4 separate categories of decisions subject to certain procedures being followed. These include, in certain circumstances, the right of Executive Members, Opposition and Deputy Opposition Leaders, Shadow Portfolio Holders and Local Committee members to de-delegate such decisions thus requiring that they are presented to either the Executive or the relevant local committee.
- 2.17 Currently, there are four categories of Delegated Decision Notice:  
 Category 1 – where the decision has to be signed off by the Strategic Director alone;  
 Category 2 – where the decision has to be signed by the Strategic Director together with the Strategic Director Resources and/or the Executive Head of Legal and Democratic Services  
 Category 3 – decisions that would normally be taken by The Executive and where specific Councillors have the power to dedelegate or call the proposed action in for consideration by The Executive  
 Category 4 – decisions for a local improvement scheme to be funded by Section 106 monies that can be called in by local committee members.
- 2.18 The DDN procedure whilst providing a robust mechanism for reducing the burden on the Executive has on at least two occasions in the last 18 months resulted in the process being challenged internally by Members. Moreover, given the proposal for the Executive to be replaced by 5 committees, the increased capacity and resilience across those committees goes some way to obviating the need for the DDN process within the new arrangements.
- 2.19 A desktop analysis based on recent Executive and DDN business carried out over 3 committee cycles by the Democratic Services Manager suggested that the same business if undertaken within the proposed structure would result in the following delineation of work between the committees;

<b><u>Committee</u></b>	<b><u>Items to Executive</u></b>	<b><u>Cat 3 &amp; Cat 4 DDNs**</u></b>
Strategy and Resources	12	4
Adult Social Services and Health	4	5
Children, Family and Education	4	8
Environment and Neighbourhood	5	5
Housing, Economy and Business	1	5
Local Committees	-	14

\* \*Category 3 and Category 4 DDNs are those which are subject to de-delegation by Members.

- 2.20 Whilst this is admittedly only a snapshot, it is evident that during the three month period in question;
- Except for the Strategy and Resources Committee, business would have been relatively light
  - The referrals under the DDN procedure were comparatively significant
- 2.21 It is therefore recommended that the Delegated Decision Notices Scheme be deleted and those Category 1 and Category 2 DDNs (i.e. those relatively uncontroversial delegations that are not subject to de-delegation by Members) be absorbed within the officer scheme of delegations with decisions taken under these delegations being reported back to the appropriate Committees on a regular basis. Decisions that would have been taken under Category 3 and 4 DDNs would, in future, be dealt with by way of report to the appropriate Committee.

#### Requisitions

- 2.22 The current process of requisitioning, i.e. calling in a decision for further consideration, is set out in Standing Order 24.4 of the Council's constitution. It was introduced by the administration in 1978. (Prior to that every committee decision was referred to Council for ratification.) That administration took the step of conferring decision making powers on committees. The requisition procedure was introduced concurrently in order to ensure full debate before all members on any key areas of contention. Indeed as recently as 2006 a significant part of Council business dealt with requisitioned items.
- 2.23 The process enables any four councillors to require the decision of any Council Committee to be referred to another Council body (normally Full Council) before the decision can take effect.
- 2.24 The proposal is to increase the period of time that a requisition can be received from 10am on the second working day after the committee meeting to 10am on the third working day.

#### Urgency Procedure

- 2.25 Standing Orders currently contain a method for Strategic Directors, with the consent of the Chief Executive and the Leader of the Council and the Mayor or Deputy Mayor to take decisions on matters that are urgent and cannot wait for the next Committee meeting. Currently this involves the Chair or Vice Chair of the Committee and the Mayor or Deputy Mayor
- 2.26 It has been suggested that the Mayor and Deputy Mayor should not be part of this process because they are ceremonial rather than an integral part of the decision making process. It is therefore suggested that the agreement of the Leader/Deputy Leader and the Chair/Vice Chair of the relevant Committee should be sought when seeking approval to a course of action by Urgency Procedure. It is expected that this procedure would only be applied in exceptional circumstances.
- 2.27 In completing the request for a decision to be taken under the Urgency Procedure any financial implications are required to be commented on and signed off by the Strategic Director – Resources.
- 2.28 This procedure is outlined in Standing Order 49 and has always been available for use. In recent years it has been rarely used as the fortnightly DDN procedure provided an alternative method of decision making.

#### Call in of decisions outside the Policy Framework

- 2.29 These powers are no longer required and can be deleted from the constitution.

Scrutiny

- 2.30 The Localism Act states that “A committee system local authority may by resolution appoint one or more committees as the authority’s overview and scrutiny committee, or as the case may be committees.” The Act does reserve to the Secretary of State the power to make regulations as to the functions, composition and procedures of such committees.
- 2.31 Unless and until Regulations have been introduced requiring otherwise, it would appear that under committee arrangements there is no specific requirement to maintain a scrutiny function except in certain circumstances. These circumstances include flood risk management (specifically contained in the Localism Act) crime and disorder and the scrutiny of health functions. It is proposed that a Scrutiny Committee be established to scrutinise these functions. The Committee would comprise ten Councillors from a pool of twenty.
- 2.32 It is also suggested that, in exceptional circumstances a main committee may ask the Scrutiny Committee to carry out an investigation into a specific subject. That suggestion has been included within the proposed duties and powers of the Scrutiny Committee.
- 2.33 It should also be noted that if a scrutiny Committee is retained, then it will have the same powers to require members from other committees to appear before it as if the Council were operating the previous system of governance.

Standards Committee

- 2.33 The Standards Committee has considered a draft version of the revised Code of Conduct and the investigation procedure for complaints against Councillors. The proposed draft Code and investigation procedure is attached as Appendix E.

Committee timetable 2012/13

- 2.34 A calendar of meetings is attached as Appendix B and is based on these proposals, amended to take into account the concerns expressed at previous meetings. In overall terms the same number of Council meetings has been retained. Strategy and Resources Committee will meet before each Council meeting. With the DDN process being abolished, any urgent decisions that couldn’t wait until the next Committee meeting would be dealt with by urgency procedure although this is expected to be minimal. The Calendar of meetings has now been approved and is included in this report for noting.

Training for officers and members

- 2.35 It is recognised that changing the method of governance in the way that is proposed will require specific training for members and officers alike to enable them to become familiar with the new system. Arrangements are being made for appropriate training to be put together and implemented at the appropriate time. The proposals are attached as Appendix C.

Outside Bodies

- 2.36 The list of outside bodies that the Council appoints to has been reviewed. No changes are proposed to be made to that list as part of this process

Outstanding matters

- 2.37 The proposed changes to the governance system have been placed on the Council’s web site to enable the public and stakeholders to comment on them. The comments that are received will be reported to The Executive, when it considers these proposals on 26 March 2012.

- 2.38 The only outstanding matter is to do with Council meetings and whether the business should include reports from the Chairs of the Committees. One proposal is to have a "State of Sutton" debate possibly at the July Council meeting, which would involve the Chair of the Strategy and Resources Committee. The Chairs of the other new Committees could then give a report on their committees work at the other four Council meetings during the municipal year. These proposals will be developed further and will be considered by the Community Leadership Advisory Group at a future meeting.

### **3. Proposed Changes to the Constitution**

- 3.1 As well as considering a change in its Governance arrangements, a general review of the Council's constitution has also been carried out. The proposals in this report cover any resultant amendments of the Governance structure and also other proposed changes that have been suggested as part of an internal review process within the Council.
- 3.2 The changes that are proposed to be made to the constitution are shown in Appendix A to this report. There have, however, during the year been a number of instances where the titles of senior officers have changed or their posts have been subsumed. These minor textual changes have not been included in the appendix. Furthermore, the proposed change in the governance system would mean the deletion of The Executive and the insertion of the relevant committee's name throughout the constitution. Again, those textual changes have not been included in this report. However, a full version of the Constitution, showing these changes has been placed in the Members Library.
- 3.3 One change to draw to the attention of members in Contract Standing Orders is a proposal to increase the value of tenders that Strategic Directors, in conjunction with the Strategic Director – Resources, are allowed to accept from £150,000 to £500,000. Use of this delegation will be reported back to the relevant Committee.

#### Financial Regulations

- 3.4 These have been amended to take account of both structural changes within the Finance service and to achieve greater synergy with the rest of the constitution. The revised version is attached as Appendix D.
- 3.5 The proposed regulations explicitly place the responsibility for financial management with Strategic Directors and Heads of Service. They also make clear that all staff have some responsibilities in relation to financial management. Financial management is integrated with service management throughout the planning, monitoring and reporting cycle.
- 3.6 It is proposed to increase the limits for approving revenue budget virements to £250,000 for Strategic Directors and £500,000 for the Strategic Director – Resources (currently £100,000 and £250,000 respectively). It is also proposed to introduce parallel arrangements for capital virements (with limits of £100,000 for Strategic Directors and £250,000 for the Strategic Director – Resources) including moving budgets between years ('slippage'). This will introduce improved accountability and control over slippage which has been limited under the current regulations

### **4. Members Allowances Scheme**

- 4.1 A review of the Members Allowances Scheme has also taken place. Changes brought about by that review will be included in the constitution.

Basic Allowance

- 4.2 The current Basic Allowance paid by Sutton is £10,191. That figure was set in April 2009. The allowance is increased annually by the same percentage as the pay increase for Council officers and therefore has been frozen since then.

Special Responsibility Allowances

- 4.3 When Special Responsibility Allowances were introduced, the Remuneration Panel introduced some guidelines which they asked authorities to adhere to. These were that no more than 50% of members in any one authority received a special responsibility allowance and that no member received more than one special responsibility allowance at a time. Those guidelines are still recommended by the Panel.
- 4.4 The Remuneration Panel's report, in its appendix, suggests the levels at which specific roles within the authority should be remunerated..
- 4.5 Attached at Appendix F is a table of suggested rates of Special Responsibility Allowance taking into account the new responsibilities that the proposed change in Governance Structure would bring about. Consideration has been given to a number of matters as follows:
- levels of responsibility for the new Committee Chairs;
  - whether the level of payment for the new Chairs should be in line with the existing Executive Member allowance or closer to existing committee chair rates e.g. Development Control;
  - arrangements whereby Vice-chairs are expected to have additional responsibility that should be remunerated to recognise their role in specific service areas, leading sub-committees and/or working groups as well as in helping to manage the business of the Committee;
  - the fact that the Vice Chairs of Development Control and Scrutiny Committees have significant responsibilities consequent to the demanding number of meetings and the Council's imminent public health role.
  - where there is a statutory role for a lead Member, the only one written in formally in statute is for children's services (Children Act 2004);
  - whether there are any other specific lead Member roles that should be remunerated e.g. Finance

Other parts of the Allowances Scheme

- 4.6 The Allowance Scheme also sets out the amounts that may be claimed for fuel and other travel costs. It is suggested that these be amended to reflect the amounts officers will be allowed to claim from 1 April 2012. No other changes are being suggested to the allowances scheme. Currently, the Council has decided not to pay an allowance to independent members of the Standards Committee. Following the introduction of the Localism Act, the role of the independent member will change. It may, therefore, be necessary to revisit this decision following the next review by the Independent Remuneration Panel expected in 2014.

Role Descriptions

- 4.7 If the proposed change in the Governance structure comes about, then new Job Descriptions for Councillors will be required. These will be worked on and brought to a future meeting of the Community Leadership Advisory Group for discussion and agreement.

**5. Implementation of the New Governance proposals**

5.1 If the proposed change in governance procedures is adopted, changes to the committee process will result. This section sets out some suggestions as to how this process will change.

Forward Plans

5.2 It will be imperative to have accurate forward plans of the items due to go to them. These forward plans will be maintained by each Service Group. Each Strategic Director will ensure that one person within their Group (usually the Strategic Director's PA) is responsible for maintaining and updating the forward plan and forwarding it to the Committee Managers. It is the Committee Managers who will be responsible for taking the items from the forward plans and compiling them into an agenda. It will be important for whoever is responsible for the Forward Plan in each of the Groups to have a close liaison with the relevant Committee Manager, to be aware of what the Committee process is and the deadlines involved. The forwards plans will be reviewed on a regular basis alongside each other.

Officer responsibility

5.3 Each of the Committees will have a lead officer responsible for the coordination of the work of the Committee. This would generally be the relevant Strategic Director who has responsibility for the majority of the remit of the committee.

5.4 Due to their cross cutting nature, a representative (probably second, third or fourth tier) from each service group will be responsible within their Group for the work associated with a particular Committee liaising closely with the Committee Manager. In some instances, there may be more than one representative from each group depending on the nature of the service – e.g. Resources Group would wish to specify which officer will take responsibility for finance matters and which will provide legal advice. Those officers will be expected to read all draft reports for the particular committee and arrange for any appropriate action/response to be obtained and given. In addition, they will be expected to attend the pre agenda meetings and, where necessary, the chairs call over and the meeting itself possibly with the relevant Strategic Director. There will need to be a regular meeting of those responsible for individual committees alongside the relevant Committee staff to ensure common approaches and sharing of good practice.

Meeting Preparation

5.5 It is suggested that the timetable for preparing for a meeting should look as follows, working back from the date of the meeting:

Meeting date	M Day
Agenda Despatch	M Day minus 10 days
Pre Agenda Meeting	M Day minus 17 days

The pre-agenda meeting, is where the Chair and Vice Chair together with the Strategic Director and other officers would go through the finalised reports before the agenda is published. Prior to that, reports would have been circulated to all relevant officers for comment and signed off by the Strategic Director who would have previously agreed the items on the agenda with the Chair and Vice Chair in conjunction with officers from Democratic Services.

5.6 Agenda despatch will continue to be 10 days in advance of the meeting. Agendas will be delivered to Councillors on Tuesday and Friday evenings. All reports for agenda despatch must be with the Committee Manager at least 24 hours before agenda despatch. The aim must be for only one agenda despatch. Anything else



is costly in terms of staff time and printing and does not help members at the meetings in moving between papers.

- 5.7 Briefings on specific items would be provided to party groups on request.
- 5.8 At the committee meeting, officers would speak to their report and answer questions. The meetings would be recorded and the recording made available on the Council's web site. The Committee Manager would produce a set of minutes and circulate it for comments in the normal way before seeking the chairs approval.
- 5.9 It is also possible that some reports will need to go to more than one committee in the same round of meetings. That is something that the committee manager would coordinate.
- 5.10 Some reports, probably all the reports going to Strategy and Resources Committee and major reports to the other committees, will need to be shared with all senior officers, before the pre agenda meeting.

#### Urgent Items

- 5.11 By law, the Item "Any Other Business" is not allowed to be included on Council agendas. This is to prevent anyone raising anything that has not been previously agreed or included on a forward plan. What can be included is the item "Any Urgent Business Brought Forward at the direction of the Chair". Anyone who wishes to raise a matter of urgent business at the end of the meeting must inform the Committee Manager of that intention before the start of the meeting. The Committee Manager will then contact the Committee Chair and seek permission for the matter to be raised. In talking about the item and in writing the Minute, the reason why the item is urgent must be included.

#### Meetings Timetable

- 5.12 Once the timetable for committee meetings in 2012/13 has been approved, (Appendix B) the Democratic Services Team will produce a calendar showing pre agenda and agenda despatch dates which will be circulated for comments. Venues (and the times) for pre agenda meetings will be arranged by the relevant Committee Manager, following consultation with the relevant Strategic Director and Committee Chairs.
- 5.13 Appropriate explanations/training in the new system will be provided to staff before May by the learning and development team. Committee Managers will also be available to help and assist with the new procedures.

### **6. Learning and Development**

- 6.1 Appropriate learning and development proposals are being put together to help members and officers understand and operate the new system of governance. In addition, an analysis of the key areas of change against the principles of good governance will be undertaken.

### **7. Financial Implications**

- 7.1 It is intended that no additional costs should arise from the proposals to change the system of Governance or the proposed changes to the Constitution. If a number of sub-committees are set up there may need to be a review of resources in order to ensure that there is sufficient capacity to service any additional requirements. The proposed changes to the members Allowances Scheme will result in a small saving of £30,200 in a full year.

### **8. Influence of the Council's Core Values**

- 8.1 The proposals will enable a greater number of Councillors to be involved with policy

formulation, introduction and assessment over a wider range of responsibilities than at present.

8.2 Reviewing and amending the Constitution contributes to the Council's democratic and decision making process by making the way that the Council operates more easily understood and accessible to members of the public. Once the changes have been agreed and the document updated, it will be posted on the Council's website and placed in local libraries.

8.3 The Council Allowances scheme is designed to reassure persons who stand for election to Council that a significant proportion of the costs they incur if they are elected will be covered. While financial reward is not and should not be the main motivation to serve as a Councillor, a reasonable remuneration can make it possible for a wider range of people to stand for election. As the Report from the Independent Panel on the Remuneration of Councillors states, "the quality of local democracy depends on the ability of Councils to attract able people to serve as Councillors. Excellent Councils have excellent members."

**9. Equality Impact Assessment**

9.1 An Equality Impact Assessment for the change in governance procedures is attached as Appendix G.

9.2 The Constitution ensures that Council procedures are fair and transparent for everyone having regard to its statutory responsibilities pursuant to Equalities legislation as well as good practice.

**10. Background Papers**

London wide Remuneration Panel Report – May 2010

London Borough of Sutton Members Allowances Scheme 2011

**Appendices**

A – Proposed Changes to the Constitution

B – Calendar of Meetings 2012/13

C – Training plan

D – Financial Regulations

E – Draft Code of Conduct and Investigation Procedure

F – Members Allowance Rates

G – Equality Impact Assessment