

## PLYMOUTH CITY COUNCIL

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| <b>Subject:</b>         | Changes to the governance arrangements of the Council              |
| <b>Committee:</b>       | Council  |
| <b>Date:</b>            | 27 June 2016   |
| <b>Lead Member:</b>     | Councillor John Riley, Cabinet Member for Democracy and Governance |
| <b>CMT Member:</b>      | Giles Perritt, Assistant Chief Executive                           |
| <b>Author:</b>          | Ross Jago  |
| <b>Contact details:</b> | 01752 304469   |
| <b>Ref:</b>             |  |
| <b>Key Decision:</b>    | N/A  |
| <b>Part:</b>            | I  |

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### Purpose of the report:

Following the local elections held on 5 May 2016, no Party or Group achieved an overall majority on Plymouth City Council. A working arrangement between the Conservative Group and the UKIP Group was agreed to enable Members to carry forward the business of the Council.

Within the working arrangement both groups agreed to support an early motion to Council to introduce a “committee system” of governance. The proposals will be based on the following design principles which will ensure a proposed governance system which is -

- **Open and Transparent** in its decision making;
- **Accountable** to the public, a principle which is central to our improvement and performance management approach;
- **Responsive**, providing timely decision making for the 21<sup>st</sup> century;
- **Inclusive**: Establishing dispersed leadership and engaging all councillors appropriately;
- **Clear** about how the public, service users and other stakeholders can influence plans, policies and decisions before they are made;
- **Flexible** to the needs of public, voluntary and private sector partnership working;
- **Best for Plymouth**: in the interests of the city and its people.

This report makes recommendations to implement a committee form of governance from the Annual General Meeting in May 2017, subject to detailed proposals being put before Council and agreed before the implementation date (“Change Time”).

### I. Context

I.1 The Localism Act 2011 (the Act) gives flexibility to councils to choose their own governance arrangements. Under the Act the authority must draw up proposals for the change which must include—

- a timetable with respect to the implementation of the proposals;
- details of any transitional arrangements which are necessary for the implementation of the proposals.

1.2 Copies of the proposals must be available for public inspection at all reasonable times, and notices published in one or more newspapers circulating in its area which –

- states that the authority has drawn up the proposals,
- describes the main features of the proposals,
- states that copies of a document setting out the proposals are available at the authority's principal office for inspection by members of the public at such times as may be specified in the notice, and
- specifies the address of the authority's principal office.

1.3 Having passed a resolution and complied with the publicity requirements above, authorities are required to cease operating their old form of governance arrangements and start operating their new arrangements. This must take place “at the relevant change time” which, in the case of a move from a cabinet system to a committee system, is defined as-

- i. The first annual meeting of the local authority to be held after the resolution to make the change in governance arrangements is passed, or;
- ii. A later annual meeting of the local authority specified in that resolution.

1.4 The Act also specifies that if the Council passes a resolution under the Act to change governance arrangements, it may not pass another resolution to change from one form of governance to another (e.g. from a committee system back to a leader and cabinet system) for 5 years unless a referendum is held on the issue.

## **2. Permitted forms of governance**

2.1 Under the Act, the options available to councils in terms of decision making structures are-

- A leader and cabinet executive;
- A mayor and cabinet executive;
- A committee system;
- Other arrangements approved by the Secretary of State.

2.2 The Secretary of State has power to approve alternative forms of governance arrangements on request from local authorities, provided that they demonstrate that the proposed arrangements would be an improvement on the current arrangements, that they would ensure efficient, transparent and accountable decision making and that they would be appropriate for all local authorities, or a particular type of local authority.

## **3. Overview and Scrutiny**

3.1 The Act is clear that a local authority with committee based governance arrangements may appoint one or more committees as the authority's overview and scrutiny committee or committees. If local authorities operating the committee system decide to appoint one or more overview and scrutiny committees, these will have the same powers and functions as overview and scrutiny committees set up in an authority exercising executive arrangements.

3.2 The statutory duty on the authority to scrutinise health, community safety, and flood prevention would remain in place - under S244 of the National Health Service Act 2006; under S19 of the Police & Justice Act 2006; and under Section 9FH of the Local Government Act 2000 (as amended by Schedule 2 of the Localism Act 2011).

3.3 Councils who choose not to have scrutiny committees must specify how the functions in 3.2 above will be scrutinised, either by the full council or by one of its committees.

#### **4. Preparation of Proposals for New System**

4.1 In order to progress proposals to move to a committee system, the Constitution, Civic and Councillor Development Working Group with support from officers, including the monitoring officer, will be required to draw up the arrangements and draft a new constitution.

4.2 The working group will need to meet on a sufficiently frequent basis to move the process forward and be in a position to make final recommendations to Council in March 2017 although it is anticipated that proposals will be available for consultation before the end of the calendar year 2016.

4.3 Whilst a new committee system of governance cannot be changed for 5 years following its implementation, constitutional changes can still be made as long as the committee system remains in place. It is anticipated that members will wish to review the working of a new constitution at a suitable point following implementation of a new system of governance.

4.4 The working group will be asked to develop a proposal for consideration by Council which reflects as far as possible the “design principles” set out at the beginning of this report. The work of the group will include, but is not limited to, –

- i. the number and names of individual committees and how they will relate to the other committees of the Council;
- ii. the broad roles, responsibilities of those committees, including role of the chair;
- iii. whether, and to what extent, committees will have the power to take open and transparent decisions on matters within their area of responsibility;
- iv. whether there will be an Overview and Scrutiny Committee, and if not, how the Council’s statutory scrutiny duties will be met;
- v. whether there will be a mechanism for matters decided or to be decided by a committee to be referred to the full Council or any other committee for reconsideration;
- vi. how public consultation and engagement can be addressed within the new committee system arrangements;
- vii. the Scheme of Delegation both from Council to committees and from committees to officers;
- viii. how the committee system will demonstrate accountability of decisions taken;
- ix. potential costs associated with the committee system arrangements;
- x. procedure and criteria for urgent decisions when it would not be practical for a meeting to be convened;
- xi. the requirement for and establishment of working groups and sub committees.

#### **5. External assistance**

5.1 External assistance may be sought to work with members on formulating their wishes for the committee structure.

5.2 Members may also examine the arrangements of other committee system authorities and learn from their experience of the process. Site visits will be arranged to benefit from a first-hand experience of a committee system authority.

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## **The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17**

There are no implications for the 2013/14 – 2016/17 Corporate Plan. Subsequent iterations will consider the impact of a new model of governance in its development.

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### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land:**

Officer costs in preparing detailed proposals will be met through existing resources.

Expenditure on specialist external support for the process has been estimated at circa. £10,500 this will be funded from existing corporate budgets.

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### **Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

As part of developing proposals the potential social and community benefits will also be considered.

Risks and opportunities relating to any change to decision making arrangements will be considered and planned for using the council's approved risk management methodology. A risk register will be drafted at the appropriate time to guide the implementation.

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### **Equality and Diversity:**

Has an Equality Impact Assessment been undertaken? No

At this stage no adverse impact has been identified to any protected groups in making a change in governance arrangements but this will need to be assessed as proposals are developed.

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### **Recommendations and Reasons for recommended action:**

Under the provisions of the Localism Act 2011, this Council resolves:

- a) in principle, to change its governance arrangements and start to operate a committee system form of governance and;
- b) that the relevant change time for Plymouth City Council to cease operating the existing form of governance and start operating the new committee form of governance shall be at its Annual General Meeting in May 2017.
- c) to request the Constitution, Civic and Councillor Development Working Group to work up detailed proposals for the operation of the committee system, to be considered at the March 2017 full Council meeting, in advance of the May 2017 implementation date.

**Reason:** The administration of the Council has agreed as part of its working arrangement between the Conservative Group and the UKIP group that the council's governance arrangements need to better reflect the design principles set out in this report. This is considered to be more likely to be achieved in a committee system style of governance.

It has commissioned the Constitution, Civic and Councillor Development Working Group to undertake the work described in the body of this report to allow full consideration of the impact of any such change and to report back to council in March 2017 in advance of any implementation at the Annual General Meeting in May 2017.

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**Alternative options considered and rejected:**

Maintenance of the status quo would not satisfy the working arrangement between the Conservative group and UKIP group.

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**Published work / information:**

- [Local Government Information Unit: Changing to a committee system in a new era \(2014\)](#)
- [Local Government Association and Centre for Public Scrutiny: Rethinking Governance – Practical Steps for councils considering changes to their governance arrangements \(2014\)](#)
- [Centre for Public Scrutiny: Musical Chairs – Practical issues for local authorities in moving to a committee system](#)
- [Local Government Act 2000](#)
- [Localism Act 2011](#)

**Background papers:**

| Title  | Part I | Part II | Exemption Paragraph Number |   |   |   |   |   |   |  |
|--|--------|---------|----------------------------|---|---|---|---|---|---|--|
|  |        |         | 1                          | 2 | 3 | 4 | 5 | 6 | 7 |  |
| A working arrangement for Plymouth City Council (May 2016) | X      |         |                            |   |   |   |   |   |   |  |

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**Sign off:**

|   |                   |     |                  |            |                         |    |  |        |  |    |  |               |  |
|---|-------------------|-----|------------------|------------|-------------------------|----|--|--------|--|----|--|---------------|--|
| Fin   | PC1<br>617.<br>05 | Leg | LT/<br>258<br>75 | Mon<br>Off | DV<br>S/2<br>587<br>5/2 | HR |  | Assets |  | IT |  | Strat<br>Proc |  |
| Originating SMT Member – Giles Perritt / David Shepperd         |                   |     |                  |            |                         |    |  |        |  |    |  |               |  |
| Has the Cabinet Member(s) agreed the content of the report? Yes |                   |     |                  |            |                         |    |  |        |  |    |  |               |  |