



**COUNCIL**

**24<sup>TH</sup> FEBRUARY 2015**

**AGENDA ITEM (11)**

**MEMBER DECISION-MAKING STRUCTURE 2015/16**

<b>Accountable Members</b>	All Councillors
<b>Accountable Officer</b>	Nigel Adams Head of Democratic Services 01285 623202 nigel.adams@cotswold.gov.uk
<b>Purpose of Report</b>	To consider possible changes to the Member decision-making structure with effect from the 2015/16 Municipal Year, given that the Council will operate with 34 Members from that time.
<b>Recommendations</b>	<b>(a) That the Council considers the options contained in this report;</b> <b>(b) that the Head of Democratic Services be authorised to (i) implement any changes and (ii) make the relevant amendments to the Council's Constitution arising from the decisions of Council (as necessary).</b>
<b>Reason(s) for Recommendation(s)</b>	To review operational arrangements in the light of the forthcoming changes to councillor numbers, to ensure that they are fit for purpose and represent good practice.
<b>Ward(s) Affected</b>	N/A
<b>Key Decision</b>	No
<b>Recommendation to Council</b>	N/A
<b>Financial Implications</b>	Some options could impact on the levels and overall amount of Special Responsibility Allowances payable - see Section 6.
<b>Legal and Human Rights Implications</b>	Any revised structure will need to comply with legal requirements. The Council's Constitution will need to be amended to reflect any changes agreed.
<b>Environmental and Sustainability Implications</b>	None

<b>Human Resource Implications</b>	Some options, if implemented, could be less resource intensive from an Officer perspective.
<b>Key Risks</b>	None
<b>Equalities Impact Assessment</b>	Not required
<b>Related Decisions</b>	(i) Council, 1 <sup>st</sup> May 2012 - Review of Constitutional Arrangements (Minute 82 refers) (ii) Council, 14 <sup>th</sup> May 2013 - Committee Matters (Minute CL.65 refers)
<b>Background Documents</b>	None
<b>Appendices</b>	None
<b>Performance Management Follow Up</b>	Implement Council decision(s)
<b>Options for Joint Working</b>	Whilst joint working is a strategic aim at Officer level, the Council has always stated that it would wish to retain its independence at Member level.

<b>Background Information</b>	
1. <u>General</u>	
1.1 Officers regularly keep decision-making arrangements and other Constitutional matters under review, having regard to any legislative changes and/or operational matters that arise from time to time, and present any suggestions to Council (usually so that any changes can be implemented in time for an ensuing Municipal Year). Such 'informal' reviews supplement more periodic major reviews that are conducted, often involving a working group of Members.	
1.2 Arising out of the recent District Electoral Review conducted by the Local Government Boundary Commission for England (LGBCE), CDC will operate with 34 councillors with effect from the 2015/16 Municipal Year, i.e. 10 fewer than as at present. It is therefore appropriate to review the Member decision-making structure, to ensure that it is fit-for-purpose.	
1.3 This issue was explored to some extent as part of the joint submission of the CDC Conservative and Liberal Democrat Groups to LGBCE relating to future Council Size (in May 2013). That submission provided largely for the retention of the current structure, with the only differences being that the Liberal Democrat Group favoured a separation across Audit and Overview and Scrutiny (which was consistent with that Group's opposition to the creation of a combined committee, effective from May 2013), and slightly fewer numbers on the Planning Committee (12 instead of 15).	

1.4 Since that time, the Council has benefitted from almost two years' experience of operating the current structure, which will enable Members to make a more informed decision as to the way forward.

1.5 In addition to the future arrangements for audit/overview and scrutiny, a number of other issues are put forward for Member consideration (in the light of operational experience).

## 2. Audit and Overview and Scrutiny - To Combine or Not to Combine?

2.1 It is fair to say that the structure around Audit and Scrutiny has given rise to the most comments, and indeed differences of opinion, in the past year or so.

2.2 The two Committees have been combined since May 2013. However, whilst the Council decision at the time had been based on an assumption that an audit sub-group would be established, the new Committee did not support the Council's suggested sub-group arrangements, as it felt that it would merely replicate the former two committee structure. As a result, the workload has been largely undertaken by the Committee as a whole.

2.3 The rationale behind the combination had been as follows:-

- Reduced bureaucracy
- Brought together a broader range of experience and expertise - removed the 'silos'
- Broadened availability of backbench councillors to participate
- Enabled a broader debate on a range of key issues, e.g. Statement of Accounts and Budget
- Reduced overlaps
- Generated financial savings - one less Chairman SRA
- Acknowledged the very limited use of call-in - which suggested that decision-making was robust

2.4 Initial concerns raised had been as follows:-

- Not strictly in accordance with best practice (BUT within Government guidelines) - this is still the case
- Might create a significant/unmanageable workload
- Different skill sets required for audit and for scrutiny

2.5 The Committee has fulfilled its work requirements, and some of the positive outcomes have been as follows:-

- Cabinet Member questioning and challenge
- External scrutiny, through bringing in outside organisations
- Topic reviews, through working groups
- More Members engaged at an earlier stage in the accounts and budget processes
- Contribution to joint scrutiny, particularly with GCC.

2.6 However, the combination has led to some issues of concern:-

- Combined agendas sometimes lead to lengthy meetings - loss of focus, Members have to leave early
- Impact on key Officer attendances (e.g. Chief Finance Officer) - more meetings and more preparatory work
- The skills sets required for the two distinct roles are different, meaning that the combination has not necessarily led to a broader overall knowledge and expertise across both areas.

2.7 The Chief Finance Officer's (CFO's) comments are as follows:-

'The Audit and Scrutiny Committee Members were keen to operate an agenda which contains both items of "audit" business and "scrutiny" business. This has resulted in an increased number of meetings for officers to support (e.g. agenda and report production, preparation and review of minutes etc.) and, from my perspective as CFO, an increase in officer time to attend the Committee. There have been occasions where the Agenda has been too full and, as a result, some Members have either had to leave the meeting before the conclusion of the agenda or time spent on "audit" business has been constrained.

One option for Members to consider is the possibility of have a "Scrutiny Committee" to consider Executive decisions and service related scrutiny matters (i.e. the more traditional scrutiny function) and a second Finance Scrutiny (*or Audit*) Committee which could perform the audit related business and scrutinise financial arrangements such as the budget and treasury management proposals and performance. This Committee could also perform a role in providing support to Officers on any Treasury Management issues which might require Member advice (e.g. investing in more longer term or higher risk investment vehicles).

Alternatively, the Finance Scrutiny Committee could be a sub-committee of the overall Scrutiny Committee but comprising of Members with specific skills or interests in financial matters. The Chair of the Scrutiny Committee could also Chair the sub-committee to ensure that we maintain the existing value for money arrangements through the current Audit and Scrutiny Committee arrangements.'

2.8 The Chief Internal Auditor has made the following comments:-

- There remains no legislative requirement for Audit to be separate from Scrutiny.
- However, best practice advice and some of the new (but not as yet in force) elements of the Local Audit & Accountability Act 2014 supports a split role for audit and scrutiny.
- Part of the key role of the Audit Committee is to gain assurances that the Executive and Scrutiny functions are operating effectively as part of the overall control framework of the Local Authority. Therefore it is considered best practice for the Audit Committee to be independent of both the Executive and Scrutiny functions.

2.9 The comments of the Council's external auditors are as follows:-

'In my experience it is the norm to separate Audit from Scrutiny so that an Audit Committee can focus on its governance role. I am aware of very few combined audit and scrutiny committees and personally would not recommend this and CIPFA also do not recommend this. It is fairly common to combine audit and governance committees.

I am not aware of any guidance on the size of audit committees (as quality is more important than quantity); however, in my experience Audit Committees often have around 5 or 6 members. An Audit Committee with more than 10 members is unusual and could become unwieldy.'

2.10 The issue was due to be debated by the Audit and Scrutiny Committee at its Meeting on 27<sup>th</sup> January 2015 but, due to time pressures, it was agreed that the views of Committee Members would be canvassed via e-mail.

2.11 The comments received thus far are divided. The views of those in favour of the return to two separate committees can be summarised as follows:-

- Meetings have been too long due to so much being on each agenda. This has led to many councillors not being able to stay for the whole meeting. Key items are then either debated by a small number of Members or not given the attention they deserve due to lack of time.
- Audit and of scrutiny are different - scrutiny committees are just that, i.e. they scrutinise the work of the Council, whilst audit is more broad in its role and should be treated separately.
- The skill sets required for audit and for scrutiny are not complementary - one is about ensuring procedures are followed, boxes ticked and checked, the other is more inclined to challenge procedures and go wherever a line of questioning leads.
- By combining the two, it diminishes the importance of both Audit and Scrutiny within the Council.
- There is less focus across the two disciplines.

2.12 Those who have expressed support for the retention of a combined committee have commented as follows:-

- Members have benefitted from dealing with a broader range of duties and tasks.
- Opportunities for synergies between the two disciplines have been maximised and duplication reduced.
- The increased membership has brought a wider range of skills and expertise not only to the Committee, but also to the topic working groups.
- Timing issues can be addressed through better agenda and time management.
- A combined committee can accommodate the key challenges of both disciplines.

### 3. Licensing Committee

3.1 Much of the work relating to licensing is now conducted by small sub-committees.

3.2 In the current year, only one meeting of the main committee has been held, for a single item. Another meeting may be necessary before year end, but again for a single item. During 2013/14, there were two main committee meetings dealing with three items (one of which - relating to scrap metal dealers - can now be dealt with by the executive).

3.3 However, the Council must by law have a licensing committee (or a committee designated as such), with at least 10 members but no more than 15.

### 4. Appeals Committee

4.1 The Appeals Committee has been in existence since 2004, and its role is to act as a forum for hearing and determining appeals in respect of those functions where there are no rights of appeal through the Court system. The membership of the Committee is organised on an ad hoc basis and any Member can serve on the Committee provided that they do not have a prejudicial interest in the matter under consideration.

4.2 In practice, the only matters that have been discussed and determined by the Committee have been objections to Tree Preservation Orders (TPOs). Research has established that very few authorities appear to operate with a stand-alone appeals committee; and that objections to TPOs are dealt with either by the Planning Committee or by Officers (following consultation with relevant Members).

4.3 At CDC, the vast majority of TPOs are authorised by Officers under delegation from the Planning Committee. On occasions, albeit rarely, an order will be authorised by the Committee, usually in response to a planning application or an enforcement issue.

4.4 During the period 2009-2014, 95 TPOs have been served, of which 28 were the subject of objections considered by the Appeals Committee, with three resulting in the original order not being confirmed.

4.5 The current procedure is complicated and there can be a considerable delay between the time the TPO objection is submitted and the final decision on confirmation. It can also be demanding on Officer and Member time.

4.6 While an alternative procedure, involving Officer decisions, would streamline the process and allow faster decision making, while still ensuring that TPO objections are considered properly, the retention of Member decision-making may be considered more preferable and transparent.

## 5. Options

5.1 A number of options appear feasible, all of which retain the principle previously adopted by the Council that each non-executive councillor is able to serve on at least one committee should they so wish and, also, that the Chairman of the Council would not serve on any committee:-

**Option 1** - retain the existing structure, and amend membership numbers accordingly. An example might be:-

- Cabinet - 6 Members
- Planning - 15 Members
- Licensing - 10 Members
- Audit and Scrutiny - 11 Members
- Appeals - 3 Members (ad hoc appointments as now);

**Option 2** - largely retain the existing structure BUT revert to standalone Audit Committee and Overview and Scrutiny Committee, and amend membership numbers accordingly. An example might be:-

- Cabinet - 6 Members
- Planning - 15 Members
- Licensing - 10 Members
- Audit - 5 Members
- Overview and Scrutiny - 6/7 Members
- Appeals - 3 Members (ad hoc appointments as now).

**Option 3** - combine the Planning and Licensing Committees into a single Regulatory Committee. In addition to a strategic role, the combined committee would take on the development control role. Operational sub-committees would be established for (i) licensing (2003 Act matters, e.g. premises licences, temporary event notices); (ii) licensing (hackney carriage/private hire/street trading matters); and (iii) current appeals committee business (if retained as a Member function). An example might be:-

- Cabinet - 6 Members
- Planning and Licensing - 15 Members
- Audit - 5 Members
- Overview and Scrutiny - 7 Members.

If a combined committee was retained for Audit and Scrutiny, Member numbers could be 13.

5.2 Option 3 perhaps best reflects the limited strategic work of both the Planning and Licensing Committees, and the limited workload of the ad hoc Appeals Committee.

5.3 Stand-alone committees for Audit and Overview & Scrutiny could increase Member take-up for some of those committee places, and may provide greater clarity and focus of role - even though overall numbers on those committees could be relatively small.

5.4 There could also be other options based on a combination of the various elements.

## 6. Financial Costs of Options

6.1 The financial costs of the various options, in terms of Special Responsibility Allowance (SRA) payments, should be capable of being limited to the existing budget spend while, perhaps, adjusting some of the amounts to better reflect workloads/levels of responsibility.

6.2 The current Members' Allowances Scheme provides, inter alia, for the following SRA payments:-

• Chairman of the Planning Committee	-	£4,000
• Vice-Chairman of the Planning Committee	-	£1,333
• Chairman of the Licensing Committee	-	£4,000
• Chairman of the Audit and Scrutiny Committee	-	£4,000
Total	-	£13,333

6.3 The potential allocation of SRAs under the identified options could be:-

### Option 1 -

• Chairman of the Planning Committee	-	£4,000
• Vice-Chairman of the Planning Committee	-	£1,333
• Chairman of the Licensing Committee	-	£4,000
• Chairman of the Audit and Scrutiny Committee	-	£4,000
Total	-	£13,333

Alternatively, to better reflect workloads, the SRA for the Chairman of the Planning Committee could be increased to, say, £6,000 and that for the Chairman of the Licensing Committee could be reduced to, say, £2,000. This would be cost-neutral. However, if the current differential between the Chairman and Vice-Chairman of the Planning Committee was to be retained, the Vice-Chairman SRA would increase to £2,000 and the overall budget by £667.

### Option 2 -

• Chairman of the Planning Committee	-	£4,000
• Vice-Chairman of the Planning Committee	-	£1,333
• Chairman of the Licensing Committee	-	£4,000
• Chairman of the Audit Committee	-	£4,000
• Chairman of the Overview and Scrutiny Committee	-	£4,000
Total	-	£17,333

N.B. Budget increase of £4,000.

Alternatively, to better reflect workloads, the SRA for the Chairman of the Planning Committee could be increased to, say, £6,000; those for the Chairmen of the Licensing, Audit, and Overview and Scrutiny Committee could all be set at, say, £2,000. This would then remain cost-neutral UNLESS the current differential between the Chairman and Vice-Chairman of the Planning Committee was to be retained, whereby the Vice-Chairman SRA would increase to £2,000 and the overall budget by £667.

**Option 3 -**

• Chairman of the Planning and Licensing Committee	-	£6,000
• Vice-Chairman of the Planning and Licensing Committee	-	£2,000
• Chairman of the Audit Committee	-	£2,000
• Chairman of the Overview and Scrutiny Committee	-	£2,000
Total	-	£12,000

If a combined committee was retained for Audit and Scrutiny, its Chairman could receive £4,000.

N.B. Budget reduction of £1,333 (irrespective of A&S options).

**7. Summary**

**7.1** Based on the information provided above, the Council is requested to determine:-

- (i) whether to retain a combined Audit and Scrutiny Committee, or to revert to a standalone Audit Committee and a standalone Overview and Scrutiny Committee;
- (ii) whether to retain a standalone Planning Committee and a standalone Licensing Committee, or to create a combined committee with appropriate sub-committees;
- (iii) how it wishes to discharge the work currently undertaken by the Appeals Committee, i.e. retain the current standalone committee; create a sub-committee; delegate such matters to Officers;
- (iv) the number of Members to be allocated to the various Committees and Sub-Committees (if relevant);
- (v) the levels of Special Responsibility Allowances to be awarded.

**7.2** As previously stated, any changes would be effective from the 2015/16 Municipal Year, when overall Member numbers are reduced.

(END)