

ANNUAL ASSEMBLY

23 May 2018

Title: Review of Council Governance Arrangements Update Report	
Report of the Chief Executive	
Open Report	For Decision
Wards Affected: None	Key Decision: No
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Accountable Strategic Leadership Directors: Fiona Taylor, Director of Law and Governance (and Monitoring Officer) and Chris Naylor, Chief Executive	
Summary At the meeting on 28 February 2018 (Minute 56 refers), the Assembly approved new committee structure arrangements to take effect from this first meeting of the new Council following the Local Elections. The report also explained the position at that time regarding: <ol style="list-style-type: none">1) further updates that would be made to the Constitution to reflect the roles and responsibilities of Be First and other Council-owned entities, as well as the internal governance arrangements relating to the Shareholder Panel and the Investment Panel, that had been agreed by Cabinet but not yet reflected in the Constitution;2) the intention to extend the integration of health and social care services into the scrutiny arrangements, via an over-arching Joint Overview and Health Scrutiny Committee (JHOSC) with neighbouring boroughs; and3) authorising the Chief Executive, in consultation with the Leader and Cabinet Member for Community Engagement, to develop arrangements for improved public participation in Council meetings. This report gives an update on those issues and includes the relevant chapters of the Constitution that are subject to amendment arising from these arrangements (see appendices).	
Recommendation(s) The Assembly is recommended to: <ol style="list-style-type: none">(i) Note the amendments to relevant chapters of the Constitution as detailed in Appendices A1 to A7 to the report, which implement the decisions of the Cabinet in respect of the establishment of Be First and other Council-owned entities, as well as the internal governance arrangements relating to the Shareholder Panel, the Investment Panel and the delegations to officers;	

- (ii) Agree to re-establish a separate Health Scrutiny Committee for the 2018/19 municipal year and to approve the Committee's Articles, as set out in Appendix B3 to the report;
- (iii) Note the consequential amendments to the articles relating to the Health and Wellbeing Board and the Overview and Scrutiny Committee, as shown in Appendices B1 and B2 respectively;
- (iv) Adopt the new public participation arrangements for Council meetings, as set out in Appendix C to the report; and
- (v) Note that the new Council Constitution shall be published on the Council's website once all the agreed changes have been made.

Reason(s)

To implement the recommendations of the Transformation Task Group and assist the Council in meeting its priority of "a well-run organisation" through improved governance arrangements.

1. Introduction and Background

- 1.1 In July 2014, the Local Government Association (LGA) was invited to carry out a Corporate Peer Challenge of the Council, to assess the organisation's ability and capacity to deliver on its plans, proposals and ambitions. Following on from that, the Council commissioned an independent Growth Commission to review the Council's ambition to be London's growth opportunity, and to recommend how to maximise the contribution of the Borough and our people to the London economy.
- 1.2 A number of recommendations arose from those pieces of work which related to the Council's governance arrangements. These included:
 - Reducing the cost of democracy in the context of the Council's Ambition 2020 transformation programme;
 - The need for clearer Member and officer roles;
 - Enabling Members to spend more time in their communities through a reduction in Council meetings; and
 - Aligning the Council's work programme with the Ambition 2020 transformation programme and Growth Commission recommendations.
- 1.3 To take that work forward a Cabinet Task Group, chaired by Councillor Haroon, was established in late 2015 to consider how Members' roles would change by 2020 through the creation of new Council service blocks and Council-owned companies, and in response to a reinvigorated growth agenda. The main priorities considered by the Task Group were:
 - the findings of the LGA Peer Review in 2014;
 - the need to align the new Council's new structures with Members' roles, including more involvement in developing Council policy; and
 - a more strategic focus on growth and development (i.e. planning matters).

- 1.4 The Task Group considered information including Member Role Profiles, benchmarked committee sizes across London and examined terms of reference for all committees, including attendance rates and outcomes (such as the number of reports produced). It also reflected on the evolving changes to the Council senior management structures and the internal governance arrangements, including the assurance and performance boards. It was subsequently decided that any new arrangements would be implemented for the 2018/19 municipal year.
- 1.5 A new Transformation Task Group, also chaired by Councillor Haroon, was established by the Leader in the summer of 2017 to review the committee structure and wider governance proposals put forward by the earlier Task Group.
- 1.6 The recommendations from that Transformation Task Group formed the basis of a report to the Assembly on 28 February 2018 where a range of changes to the Council's committee and governance arrangements were approved, the main aspects being:
- the creation of a single Overview and Scrutiny Committee, supported by Task and Finish Groups, to replace the existing structure of five themed Select Committees;
 - the creation of an Audit and Standards Committee, which combined the current responsibilities of the Standards Committee and the audit functions held by the Public Accounts and Audit Select Committee;
 - the renaming of the Development Control Board to the Planning Committee and a reduction in the membership from 19 to 10 Members, aimed at enabling more in-depth critical analysis of major development proposals;
 - the establishment of Policy Task Groups and the role of Member Champions under the remit of the Cabinet; and
 - reducing the term of Member appointments to the Pensions Committee from four years to two years.
- 1.7 It was also noted at the meeting on 28 February that there would be further amendments / additions to the Council's Constitution stemming from the new governance arrangements and also developing arrangements for improved public participation in Council meetings. The proposals below represent that further work.

2. Proposals and Issues

2.1 Updates to reflect the roles and responsibilities of Be First and other Council-owned entities, as well as the internal governance arrangements relating to the Shareholder Panel and the Investment Panel

2.1.1 The Constitution has been updated to reflect the decisions taken by the Cabinet in respect of the following:

a) "Investment and Acquisition Strategy" report, 15 November 2016 (Minute 72)

This decision approved the Investment and Acquisition Strategy and established an Investment Budget and a Land and Property Acquisition Budget. It also authorised the Chief Operating Officer to (i) make the appropriate borrowing arrangements; and (ii) agree the appropriate source(s) of funding for each investment or acquisition.

- b) “Proposal to Establish Barking and Dagenham Regeneration Company (Be First)” report, 15 November 2016 (Minute 73)

This decision approved the establishment of Be First.

- c) “Investment and Acquisition Strategy Update” report, 19 September 2017 (Minute 37)

This decision created the Investment Panel, an officer-led advisory panel, to make recommendations to the Cabinet and the Chief Operating Officer, as appropriate, on whether or not to proceed with individual investment proposals in accordance with the Investment and Acquisition Strategy. Also, delegated authority was given to the Chief Operating Officer, in consultation with the Director of Law and Governance and the Cabinet Members for Finance, Growth and Investment and Economic and Social Development, to negotiate terms and agree investment proposals and land and property acquisitions for projects included in the Investment and Acquisition Strategy, subject to the endorsement of individual projects by the Investment Panel.

- d) “Update on Implementation of Be First” report, 19 September 2017 (Minute 38)

This report set out the proposed governance structure and arrangements relating to the Council’s relationship with Be First. It included details of the establishment of a Shareholder Panel, an advisory body designed to support Cabinet decision making around the Council’s role as Shareholder and to provide assurance that all legal Shareholder requirements relating to Be First and other Council commercial entities (such as B&D Reside) were fulfilled and delivered the Council’s strategic objectives.

- e) “Be First Business Plan 2018 - 2023” report, 19 February 2018 (Minute 100)

This decision approved the Be First Business Plan 2018/19 – 2022/23 and the formation, in principle, of a trading vehicle under Be First with up to £100m of development funding. Also, delegated authority was given to the Chief Operating Officer, advised by the Investment Panel, to agree a range of issues relating to the formal establishment of the trading company and the arrangements for drawing down on the £100m funding

2.1.2 Set out at Appendix A are the following parts of the Constitution that have been updated to reflect the issues above. In some cases there are only very minor amendments to reflect new terminology while other sections, particularly the Scheme of Delegation as it relates to the Chief Operating Officer, have quite extensive updates to reflect the Cabinet’s decisions:

- Appendix A1 - Part 2, Chapter 1 (General)
- Appendix A2 - Part 2, Chapter 6 (Cabinet)
- Appendix A3 - Part 2, Chapter 9 (Planning Committee)
- Appendix A4 - Part 3, Chapter 1 (Officer Scheme of Delegation)
- Appendix A5 - Part 4, Chapter 1 (Contract Rules)
- Appendix A6 - Part 4, Chapter 2 (Financial Regulations and Rules)
- Appendix A7 - Part 4, Chapter 4 (Land Acquisition and Disposal Rules)

2.2 **The intention to extend the integration of health and social care services into the scrutiny arrangements, via an over-arching Joint Overview and Health Scrutiny Committee (JHOSC) with neighbouring boroughs**

- 2.2.1 At the meeting on 28 February 2018, the Assembly agreed to the creation of a single Overview and Scrutiny Committee (OSC), supported by Task and Finish Groups, to replace the existing structure of five themed Select Committees.
- 2.2.2 A fundamental aspect underpinning the move to a single OSC was the successful development of arrangements with neighbouring boroughs to integrate health and social care services and scrutiny arrangements into one over-arching JHOSC. It was noted in the February 2018 report, however, that if the arrangements for the new JHOSC were not sufficiently developed by May 2018, it would be necessary to revert to a separate Health Scrutiny Committee.
- 2.2.3 Although discussions are continuing with the neighbouring boroughs it has not been possible to agree any new arrangements in time for the 2018/19 municipal year. Therefore, it is proposed that a separate Health Scrutiny Committee be re-established for the 2018/19 municipal year and reviewed for the 2019/20 municipal year.
- 2.2.4 The Committee would meet quarterly and consist of 6 Members. The Chair and Deputy Chair positions would be remunerated.
- 2.2.5 The relevant sections of the draft May 2018 Constitution have been amended accordingly (amendments shown in revision mode) and are attached as follows:
- Appendix B1 - Part 2, Chapter 7 (Health & Wellbeing Board)
 - Appendix B2 - Part 2, Chapter 8 (Overview & Scrutiny Committee)
 - Appendix B3 - Part 2, Chapter 8a * (Health Scrutiny Committee)

(Note: * This is referred to as Article 8a for the purposes of this report. However, the chapters in Part 2 will be renumbered accordingly prior to publication of the new Constitution)

2.3 **Arrangements for improved public participation in the Council's main decision-making meetings**

- 2.3.1 The February 2018 Assembly report authorised the Chief Executive, in consultation with the Leader and Cabinet Member for Community Engagement, to develop arrangements for improved public participation in Council meetings.
- 2.3.2 Attached at Appendix C are proposed arrangements for public participation in public meetings of the Council including, but not restricted to, the Assembly, Cabinet, Health and Wellbeing Board and scrutiny committees. These arrangements shall not apply to the quasi-judicial meetings that relate to planning and licensing, as these have their own speaking / public involvement arrangements which are set out in the respective Articles within the Constitution.
- 2.3.3 The key principles underpinning the new public participation in Council meetings' arrangements are:

- i) The matter must relate to an item on the agenda for the meeting;
- ii) Notification must be received no later than midday 3 working days prior to the meeting;
- iii) Where the individual submitting the question is present at the meeting, he/she may ask one supplementary question;
- iv) There shall be a maximum time limit of 30 minutes for any questions asked and answers given under this new process.

2.3.4 The new procedure will be incorporated into the 'Meeting Rules – General' section of the Constitution (Part 2, Chapter 3).

3. Options Appraisal

3.1 A range of options were considered by the 2015 and 2017 Task Groups in the development of the proposals presented to this and the February Assembly meeting.

3.2 As with the new Overview and Scrutiny Committee arrangements, the Health Scrutiny Committee arrangements will be reviewed after the first full year of operation to assess whether they are fit for purpose and meeting Members' expectations.

4. Consultation

4.1 The draft proposals have been discussed at senior management level and with relevant Members.

5. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager, Service Finance

5.1 The proposals for the restructuring of Scrutiny result in a reduction in the number of Chairs and Deputy Chairs. This in itself (assuming no changes to allowances) would result in a small saving of around £4,700 (as set out in the February report.) However, as another report on this agenda sets out some proposed changes to allowances the impact of the change may be different in practice. The report on Members' Allowances provides more information on this.

5.2 The proposals to improve public participation in meetings are not expected to have a financial impact as any costs will be met from within existing resources.

6. Legal Implications

Implications completed by: Dr. Paul Feild, Senior Governance Solicitor

6.1 All of the Council's statutory functions will continue to be fulfilled under the proposed new arrangements.

6.2 The Local Government Act 2000 requires Councils to produce, maintain and review the Constitution document as part of their good governance arrangements. The Constitution must contain the Council's Code of Conduct, as required by the

Localism Act, together with standing orders, any other information as the Secretary of State may direct and such other information as the Council considers necessary.

- 6.3 It is a legal requirement that the Council ensures that copies of its constitution are available at its principal office for inspection by members of the public at all reasonable hours. Finally, the Council must supply a copy of its Constitution to any person who requests a copy and who pays to the authority such reasonable fee as the Council may determine.

7. Other Implications

- 7.1 **Risk Management** – Officers will continually monitor the impact and effectiveness of all the new arrangements and bring appropriate reports to the Assembly in the event that changes are required.
- 7.2 **Staffing Issues** – There are no immediate staffing implications arising from the changes proposed in this report.
- 7.3 **Corporate Policy and Customer Impact** – The proposals in this report include improved public participation arrangements in the Council’s governance arrangements, particularly relating to Council meetings.

Public Background Papers Used in the Preparation of the Report:

- Growth Commission’s report “No-one left behind: in pursuit of growth for the benefit of everyone” (<https://www.lbbd.gov.uk/business/growing-the-borough/our-strategy-for-growth/overview-2/>)
- “Review of Council Governance Arrangements” report to Assembly, 28 February 2018 (<https://modgov.lbbd.gov.uk/Internet/ieListDocuments.aspx?CId=179&MId=9405&Ver=4>)

List of appendices:

- Appendix A1 - Part 2, Chapter 1 (General)
- Appendix A2 - Part 2, Chapter 6 (Cabinet)
- Appendix A3 - Part 2, Chapter 9 (Planning Committee)
- Appendix A4 - Part 3, Chapter 1 (Officer Scheme of Delegation)
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- Appendix A7 - Part 4, Chapter 4 (Land Acquisition and Disposal Rules)
- Appendix B1 - Part 2, Chapter 7 (Health & Wellbeing Board)
- Appendix B2 - Part 2, Chapter 8 (Overview & Scrutiny Committee)
- Appendix B3 - Part 2, Chapter 8a (Health Scrutiny Committee)
- Appendix C – New ‘Public Participation in Council Meetings’ arrangements (incorporated into Part 2, Chapter 3 (Meeting Rules – General))