

# Somerset West and Taunton Council

## Special Full Council – 29 April 2021

### Report of the Council Governance Arrangements Working Group

**This matter is the responsibility of the Council Governance Arrangements Working Group – Chair, Councillor Ross Henley**

**Report Author:** Amy Tregellas, Governance Manager and Monitoring Officer

#### **1. Executive Summary / Purpose of the Report**

- 1.1 The purpose of this report is to provide Members with an update on the work of the Council Governance Arrangements Working Group and to make recommendations as to how to proceed.

#### **2. Recommendations**

The Council Governance Arrangements Working Group recommends to Full Council that:

##### Relating to the 2022 Municipal Year

- 2.1 The Council moves to a Committee system of governance from the Council AGM on 10 May 2022, unless a decision is made to set up a Unitary Council for the area from 2023.
- 2.2 The Council proposes to the Unitary Shadow Authority that a committee system of governance is adopted, if set up as the principal council for the area.
- 2.3 The Council writes to the Chief Executives and Leaders of the County and Districts to request ask that they consider that the Shadow Authority governance arrangements are set up as a Committee system

##### Relating to the 2021 Municipal Year

- 2.4 That a second Scrutiny Committee is introduced from the AGM in 2021, and the name is changed to Policy and Scrutiny Committees for the 2021/22 Municipal Year with the focus being Corporate Policy and Scrutiny Committee and Community Policy and Scrutiny Committee. The split of workload for the two Policy and Scrutiny Committees (see Annex A at the end of this report) is approved
- 2.5 That the number of seats on both Policy and Scrutiny Committees is 15 from the start of the 2021/2022 Municipal Year
- 2.6 The Audit, Governance and Standards Committee is split into two separate Committees from the AGM in 2021, for the 2021/22 Municipal Year and becomes Audit and Governance Committee and Standards Committee. The Terms of Reference for both Committees (see Annex B and Annex C at the end of this report) is approved.

- 2.7 That the number of seats on the Audit and Governance Committee is 11 from the start of the 2021/2022 Municipal Year
- 2.8 That the number of seats on the Standards Committee is 9 from the start of the 2021/2022 Municipal Year
- 2.9 The role of Shadow Portfolio Holders is included within the Constitution as per the wording in Annex D to this report
- 2.10 Officers and Portfolio Holders are reminded of requirements to provide information and notifications to Ward Councillors as per the Member Officer Protocol
- 2.11 The Corporate Policy and Scrutiny Committee are asked to work with officers to consider a system for communicating reports to Members from representatives from outside bodies

### **3. Risk Assessment**

- 3.1 The timing of a change of governance arrangements is the biggest risk.
- 3.2 The Localism Act 2011 states that, whilst the resolution to move to a Committee System can be taken at any point in the Municipal Year, the changes can only come into effect from the Council AGM (see section 8.1).
- 3.3 As outlined in later sections of this report and from professional officer advice, it is not logistically possible to move to a Committee system of governance from the AGM in 2021. No resolution has yet been made by Council, and as set out in sections 4.23 and 5, there are a number of steps to go through, once the resolution has been made.
- 3.4 In terms of the move to a Committee System from the AGM in May 2022 there are three main risks to consider, which are:
  - Risk 1 – The move to a Committee system being superseded by the move to a Shadow Unitary Authority. As set out in section 5, the shadow unitary Council arrangements would come into effect from 1 April 2022 and would run for 12 months before the Unitary Council went live from 1 April 2023. This would mean that a change to a Committee system would be in place for one year when the Council was in the process of being wound down. Therefore recommendation 2.1 covers this potential risk stating ‘The Council moves to a Committee system of governance from the Council AGM on 10 May 2022, unless a decision is made to set up a Unitary Council for the area from 2023’
  - Risk 2 – A report went to Council on 30 March 2021 outlining that the Community Governance Review for the Unparished Area is the key priority task for the Governance Team in the next 12 months. This was agreed by Council. Any further key projects will mean that additional resource would need to be allocated to the Governance Team and this has a knock on financial implication.
  - Risk 3 – In terms of changing the schedule of meetings and adding more meetings in, the risk to be noted is that not only does this impact on the resource of the Governance Team, it also has wider implications for officers in other directorates who would attend Committee meetings. It must also be noted that the more time

the Governance Team spend administering meetings the less time they have to deliver key projects such as the Community Governance Review for the Unparished Area of Taunton.

#### **4. Background and Full details of the Report**

- 4.1 The Local Government Association (LGA) and Centre for Public Scrutiny (CfPS) guidance titled '*Rethinking Governance: practical steps for councils considering changes to their governance arrangements*', when talking about the importance of good governance states:

'The difficult funding situation for local government means that councils are increasingly having to make decisions that will have profound, far-reaching implications both for the way that they and their partners deliver services, and on the lives of local people. These changes will involve a permanent shift in people's expectations of what local government does, and does not, do. They will also involve a shift in the way that councils work with others in their areas. Local people need the confidence to know that decisions made in their name are high-quality, evidence based and considered openly and accountably. This is why, now more than ever, good governance is vital. Councils have a responsibility to ensure that decision-making is as effective as it can be: decision making should critically benefit from the perspective of all councillors, but also be accountable, and involve the public.'

- 4.2 The Local Government Act 2000 made provision for the following governance structures:
1. Leader and Cabinet
  2. Elected Mayor and Cabinet
  3. Elected Mayor and Council Manager (withdrawn in 2007)

Section 31 of the Local Government Act 2000 allowed District Councils in two tier areas, with populations under 85,000 to remain as 4<sup>th</sup> option and to retain their Committee System arrangements.

- 4.3 The Localism Act 2011 allowed Principal Authorities to return to decision making by Committees. Following the introduction of the Localism Act in 2011, a number of Councils have reviewed their Council Governance Arrangements and made amendments where appropriate. However, if a Council moves to a Committee structure, it cannot change its governance arrangements again for a period of 5 years.

#### **Council Governance Arrangements Working Group**

- 4.4 At its meeting on 7 July 2020, Full Council resolved that:
- a) An all Member 'away day' was arranged to consider the items listed at section 4.5;
  - b) A cross party Members Working Group was established to investigate the options and to report back through the appropriate democratic pathway;
  - c) The Terms of Reference for the Council Governance Arrangements Working Group were approved; and
  - d) Seven Councillors were selected to form the Working Group along with the Portfolio Holder for Corporate Resources.
- 4.5 The Cross Party Working Group was set up and consisted of Councillors Henley, Lithgow, Mansell, Perry, Pugsley, Stone, Weston and Whetlor. Cllrs Henley and

Whetlor were appointed as the Chair and Vice Chair, respectively, of the Working Group.

- 4.6 Throughout the review the Working Group used the guidance listed below:
- Local Government Association (LGA) and Centre for Public Scrutiny (CfPS) guidance titled '*Rethinking Governance: practical steps for councils considering changes to their governance arrangements*'
  - CfPS guidance titled '*Musical Chairs: practical issues for local authorities in moving to a committee system*'
  - CfPS guidance titled '*Rethinking Governance: A summary of council activities on governance change*' (published November 2020)
- 4.7 At the first meeting of the Working Group scoping of the work plan took place to consider:
- Research to gain an understanding of the models of governance to consider during the review
  - Research to investigate the governance models that have been adopted by other councils
  - The importance of getting the views of the wider Membership to get views on the current arrangements and further down the line to get views on the options being considered by the Working Group
  - How best to get the views of the wider Membership due to the Coronavirus Pandemic preventing the holding of a Members Away Day
- 4.8 The decision was taken to draft a survey to send to all Members, in lieu of being able to hold a Members Away Day. The questions asked were:
1. What do you feel works well with the current governance arrangements – i.e. having an Executive system
  2. What do you feel doesn't work well with the current governance arrangements?
  3. What are your suggestions for improving the Council's governance arrangements?
  4. Do you feel that you can influence policy and the decision-making process?  
Yes/No/Unsure
  5. Please explain your answer to question 4
- A summary of the feedback from this survey is attached as Appendix 1
- 4.9 The CfPS Report titled '*Musical Chairs: practical issues for local authorities in moving to a committee system*' set out a number of reasons for making the change to governance arrangements. The common themes (as set out in their report) are:
- 'The move comes from a desire for backbench members to be more actively involved in decision-making;
  - There is a prevailing view that a properly designed committee system will be just as swift for decision-making as the cabinet system;
  - There is a view that scrutiny is somehow ineffective and unable to alter or influence executive decisions. We should stress that a wide range of evidence suggests that this is by no means the case – in fact, scrutiny is able to demonstrate significant success in making concrete changes that affect people's lives – changes that would not otherwise have occurred;
  - The move will allow all councillors to develop a detailed subject expertise, enhancing the "added value" of member decision-making;

- The move will enhance transparency and democracy in a more general sense, and will link councils, councillors and local communities closer together.'

4.10 The results from the first Member survey, echoed many of the themes above and these became the aims and objectives of the Working Group. The overarching aim of the review was to enhance democracy, improve accountability and transparency.

4.11 The next stage of the work done by the Working Group was to consider the main types of governance models in operation (which are relevant to SWT):

- **Executive Arrangements - Leader and cabinet (also known as Executive)**

As outlined above, this system was brought in by the Local Government Act 2000 and is still the governance system that most councils operate. In some councils, individual members of the cabinet have decision-making powers; in others, decisions have to be made by the whole cabinet. Cabinet is led by a leader, who is elected by full council for a term determined by the council itself or on a four yearly basis (and will usually be the leader of the largest party on the council). These councils must have at least one overview and scrutiny committee.

- **Committee System**

Since the Localism Act this option is now available to all councils. Previously it was available only to district councils with populations under 85,000.

Committee system councils make most decisions in committees, which are made up of a mix of councillors from all political parties. These councils may have one or more overview and scrutiny committees but are not required to.

The way that Committee systems are set up can vary significantly and can include:

- The fully-fledged committee system, with significant autonomy between committees, and with little to no individual member delegation.
- A Committee system with a strong overarching committee to deal with cross cutting issues and provide oversight.
- A system with a more streamlined committee system that sees fewer committees, more delegation and some form of overview and scrutiny

- **Hybrid System**

Most commonly this is a hybrid between leader/cabinet and the committee system (with such an approach usually seen legally as being a modified version of the leader/cabinet system, and therefore not requiring a formal change via the Secretary of State under the Localism Act)

The way that Hybrid systems are set up can vary and could include:

- Cabinet Committees which shape policy and make recommendations to the Executive
- Policy Development Groups which shape policy and make recommendations to the Executive
- A number of Scrutiny Committees with different areas of focus
- Scrutiny Committees and Cabinet Advisory Groups

4.12 The Working Group then used the documents listed in section 4.6 to look at the examples of Councils that had carried out governance reviews and the models adopted by them. This included:

- Councils which considered a formal change, but decided against it and stayed with Executive arrangements

- Councils which moved from Executive arrangements to a Committee System
- Councils which moved from Executive arrangements to a Hybrid system
- Councils which moved from Hybrid system to a Committee System
- Councils which changed from Executive to Committee then back to Executive again
- Councils which moved from a Committee system to Executive arrangements
- Councils which are currently considering their governance arrangements

4.13 A total of 42 Councils were reviewed and officers then drilled down to obtain more detail for each Council. A summary of this information can be found in Appendix 2

4.14 Following this piece of work, the Working Group then put together some options of models that could be considered by the wider Membership. This included options for a Committee system and a Hybrid system either based on the SWT Corporate Priorities, Directorate areas or areas of Portfolio Holder responsibility. The Working Group discounted a number of options and narrowed the options to:

1. Executive arrangements – stay as we are
2. Executive arrangements plus (with the potential to add an additional Scrutiny Committee as an option)
3. Committee structure (to mirror the 4 Directorates)
4. Hybrid System (to mirror the 4 Directorates)

A summary of the options and costs can be found in Appendix 3

4.15 A survey was sent to all Members asking them to rank their preference of these options with 1 being their preferred option to 4 being their least preferred option. Members were also given the opportunity to provide feedback on each of the models. A summary of the survey responses can be found in Appendix 4

4.16 There was an excellent rate of response from Members with 51 responses (based on a total number of 58 Councillors – following the resignation of Cllr Martin Hill):

In terms of Member's first preference the totals are:

- Executive/Executive plus = 21
- Committee System = 28
- Hybrid System = 2
- 7 Councillors did not respond

If you remove Hybrid as the least favoured option (and consider the two Councillors second preferred option) the figures then become:

- Executive/Executive plus = 23
- Committee System = 28
- 7 Councillors did not respond

4.17 The survey showed that the preferred option of Members was the Committee System. However, the Executive/Executive plus option was a close second place.

4.18 Following the outcome of the survey results, there was a clear steer from the Working Group that it was the appropriate time to take a report through the democratic pathway and to get a resolution from Council as to which option Members wished to proceed with. The Working Group are recommending that the Council moves to a Committee System of governance from the AGM on 10 May 2022 (see recommendation 2.1).

- 4.19 The Working Group are also keen that the Chief Executives and Leaders of the County and District Councils are written to, to ask them to consider setting up the Shadow Authority and new Unitary Council(s) as a Committee system of governance (reflected in recommendations 2.2 and 2.3)

Process, procedure and timescales

- 4.20 The Terms of Reference resolved by Council in July 2020, set out the democratic pathway for the report of the Council Governance Arrangements Working Group, which is to go to the Audit, Governance and Standards Committee and Executive before going to Full Council.
- 4.21 The report was considered by the Working Group at its meeting on the 24 March 2021. The scheduled timetable for the democratic pathway is:
- Audit, Governance and Standards (AGS) Committee – 12 April 2021
  - Executive – 21 April 2021
  - Full Council – 27 April 2021 or before the AGM on the same evening (due to the fact that we cannot hold virtual meetings after the 6 May 2021 and also taking into consideration the pre-election period)
- 4.22 To clarify, as per the Terms of Reference signed off by Council in July 2020, the AGS Committee and Executive will consider the report and give comments. However, Full Council is the decision making body and, whilst Council can consider the feedback from AGS and Executive, the decision rests with them.
- 4.23 In terms of timescales once a decision has been made by Council, the following steps would need to take place (assuming that the decision is to move to a Committee System):
- Step 1 – May 2021 – End October 2021  
Design the new Committee System - Items to focus on would include:
    - What the structure would look like
    - How the structure would work
    - How decisions are made
    - Whether to keep an Overview and Scrutiny Committee
    - The roles and remit of each Committee
    - Whether the system would include delegation to individual Members
    - Ensuring that the aims and objectives for the review are fully addressed in the final structure and approach to decision making

The Working Group and wider membership would need to be involved with this design phase (perhaps through an Away Day – Covid restrictions permitting). The Localism Act 2011 requires the council to formally publish the proposal and consult on it – considering how we can improve the way we engage with our citizens

There is also an opportunity to hold wider stakeholder focus groups to get their views on any change of system

A report setting out what the new system would look like to go through the democratic pathway for approval by Full Council

- Step 2 – November 2021 – End March 2022  
Once Step 1 has been completed and there is agreement as to what the arrangements will look like and operate, the Constitution will be reviewed and amended to reflect the new governance arrangements.  
This would then need to go through the democratic pathway set out in the Constitution - AGS Committee and then Council for approval, prior to the May 2022 AGM
- Step 3 – November 2021 – End April 2022  
Again, once Step 1 has been completed, a review of the Members Allowances Scheme would need to be completed by the Joint Independent Remuneration Panel and signed off by Council (the timescale for this is outside of our control as it is an 'independent' review – however it normally takes at least 3 months – and this has been confirmed by the JIRP who have confirmed that they would need to work to a 5-6 month timeframe)  
This would then need to go before Council for approval, prior to the May 2022 AGM

## 5. Matters to draw to Members Attention

### Timetable for delivery

- 5.1 Chapter 4 of Schedule 2 of the Localism Act 2011 requires that a change in formal governance arrangements must occur at a specified “change time”, which is at the council’s Annual General Meeting (AGM). Prior to the change time, the council needs to have resolved formally to make a governance change. This is as set out in the Localism Act 2011 and the legal implications section 8.1 of this report.
- 5.2 Whilst there is no minimum period of time between the resolution and the change time set out in legislation or the LGA and CfPS guidance, practically there does need to be enough time to deliver the steps outlined in section 4.23 above. The guidance documents set out in section 4.6 make it clear that ‘getting a new system right is more important than doing it quickly’ and it would be difficult to plan and deliver a new form of governance in an authority with less than six months’ notice of political intent’ i.e. a resolution of Council.
- 5.3 The Monitoring Officer has advised the Council Governance Arrangements Working Group that logistically SWT cannot bring a change of governance arrangements in from the AGM in 2021. To give due and proper consideration to the steps outlined in section 4.23 above, a timescale of at least 3-6 months is needed. Therefore, the earliest this could be brought in is from the AGM in May 2022, as the Council has not yet made a resolution as to which option it wishes to take.
- 5.4 Basildon Council has been quoted as an example of a Council that has changed its governance arrangements urgently and quickly. In this case, a motion was put before Council in December 2016 to go to a Committee system of governance. This was agreed and then officers had 5 months to do the design work, rewrite the Constitution and have the Members Allowances Scheme independently reviewed before the change came into effect from their AGM in May 2017. This gave officers a timescale of approximately 5 months to implement the decision of the Council.
- 5.5 Whilst officers and the Working Group appreciate that a number of Members will be disappointed that the change of governance arrangements cannot come into place from the AGM in 2021, the Working Group has considered if a number of other, minor

changes can be made from the AGM in 2021. These are set out in recommendations 2.4 to 2.11 and are as follows:

- That a second Scrutiny Committee is introduced from the AGM in 2021, and the name is changed to Policy and Scrutiny Committees for the 2021/22 Municipal Year with the focus being Corporate Policy and Scrutiny Committee and Community Policy and Scrutiny Committee. The split of workload for the two Policy and Scrutiny Committees (see Annex A at the end of the report) is approved
- That the number of seats on both Policy and Scrutiny Committee is 15 from the start of the 2021/2022 Municipal Year
- The Audit, Governance and Standards Committee is split into two separate Committees from the AGM in 2021, for the 2021/22 Municipal Year and becomes Audit and Governance Committee and Standards Committee. The Terms of Reference for both Committees (see Annex B and Annex C at the end of the report) is approved.
- That the number of seats on the Audit and Governance Committee is 11 from the start of the 2021/2022 Municipal Year
- That the number of seats on the Standards Committee is 9 from the start of the 2021/2022 Municipal Year
- The role of Shadow Portfolio Holders is included within the Constitution as per the wording in Annex D to this report
- Officers and Portfolio Holders are reminded of requirements to provide information and notifications to Ward Councillors as per the Member Officer Protocol
- The Corporate Policy and Scrutiny Committee are asked to work with officers to consider a system for communicating reports to Members from representatives from outside bodies

#### Local Government Reorganisation in Somerset

- 5.6 As Members will be aware, the Government is currently consulting on both the Stronger Somerset and One Somerset set proposals to move to a Unitary model of Local Government from 1 April 2023 (as per current timescales).
- 5.7 The Secretary of State is anticipated to make his decision by June/July 2021, meaning that SWT will likely be entering into Shadow Authority arrangements for the new Authority from 1 April 2022.
- 5.8 This would mean that, potentially, the Council would be starting to operate a Committee system at the same time as the Districts and County Councils enter into the Shadow Authority arrangements in April/May 2022. Part of the work of the Shadow Authority will be to set out and determine the governance arrangements of the new Unitary Council.
- 5.9 It would also mean that SWT would only operate the Committee System for the last 12 months of its life before becoming a Unitary Council from 1 April 2023. Therefore

recommendation 2.1 includes the caveat not to proceed with a Committee system of governance if the decision is made to set up a Unitary Council(s) for the area from 2023.

### Organisational Culture

- 5.10 The guidance published by the LGA and CfPS talks about the issue of organisational culture.
- 5.11 The LGA and CfPS guidance titled '*Rethinking Governance: practical steps for councils considering changes to their governance arrangements*' states 'No one governance system is intrinsically better than another and no system is more or less expensive to operate; however some systems allow more members to be directly involved in voting on decisions. It is important to note that activity at committee level is not the same as member involvement in policymaking. Member involvement in policymaking is a longer-term, more involved process and can happen under any governance option'
- 5.12 The CfPS guidance titled '*Musical Chairs: practical issues for local authorities in moving to a committee system*' states 'some councils think that changing governance arrangements will solve organisational and/or political problems or will result in "more democratic" governance. A focus on structure risks missing opportunities to think about cultures and values. Success will depend much more on the prevailing organisational and leadership culture in the organisation than the structure that is established – but this doesn't mean that structure isn't important... CfPS's long-standing view about council governance is that no one option is necessarily "better" or "worse" than any other. Good governance is about more than structures and processes – as we outlined in our "Accountability Works" research published in 2010. Political and organisational cultures, attitudes and behaviours are what make systems successful. Authorities seeking to change governance arrangements on the assumption that such a change will automatically make services more transparent, accountable and inclusive – whether for non-executive councillors or, more importantly, for the public – are mistaken.'

## **6. Links to Corporate Strategy**

- 6.1 Having effective and efficient governance arrangements is a fundamental element of being a 'well managed' council
- 6.2 The governance arrangements of the Council also links to theme 2 within the SWT Corporate Strategy i.e. a transparent and customer focused council. Objective 7 - Review the Council's decision making arrangements to enable greater participation by all Councillors and the public.

## **7. Finance / Resource Implications**

- 7.1 As per recommendation 2.1, and the risks highlighted in section 3, if we do not move to a unitary authority, there would then be a very strong expectation that SWT would move to a committee system from May 2022. Resource would be needed to complete the work, at the same time as doing the Community Governance Review. Some resilience has been built into the Governance Team budget and it is proposed that this is kept under regular review. If additional resources are needed the Governance Manager will take a business case to the Senior Management Team for consideration.

- 7.2 The estimated financial costs of making a change to the Governance Arrangements are set out in Appendix 3. However, this comes with the caveat that they are best estimates only, and that finalised costs will only be available once a review of the Members Allowances Scheme has been completed by the Joint Independent Remuneration Panel. These costs would need to be factored into the budget for 2022/23
- 7.3 In terms of adding an additional Scrutiny Committee for the 2021/2022 Municipal Year, this would cost £4,665 (additional Special Responsibility Allowance).
- 7.4 In terms of splitting the Audit, Governance and Standards Committee into separate Audit and Governance Committee and Standards Committee for the 2021/2022 Municipal Year, this would cost £2,346 (additional Special Responsibility Allowance).
- 7.5 The total cost of making the minor changes for the 2021/2022 Municipal Year is £7,011.

## **8. Legal Implications**

- 8.1 The Localism Act 2011 enables Councils to return to a Committee system of Governance and Chapter 4 of Schedule 2 states the following:

'If the local authority is not currently operating a mayor and cabinet executive and the change does not provide for the local authority to operate a mayor and cabinet executive, a "relevant change time" ...is a time during—  
(a) the first annual meeting of the local authority to be held after the resolution to make the change in governance arrangements is passed, or  
(b) a later annual meeting of the local authority specified in that resolution.'

- 8.2 The Localism Act 2011 states that, whilst the resolution to move to a Committee System can be taken at any point in the Municipal Year, the changes can only come into effect from the Council AGM.
- 8.3 However, the Localism Act also makes it clear that if a Council moves to a Committee structure, it cannot change its governance arrangements again for a period of 5 years.

## **9. Climate and Sustainability Implications**

- 9.1 None arising from this report

## **10. Safeguarding and/or Community Safety Implications**

- 10.1 None arising from this report

## **11. Equality and Diversity Implications**

- 11.1 None arising from this report

## **12. Social Value Implications**

- 12.1 None arising from this report

## **13. Partnership Implications**

13.1 None arising from this report

#### **14. Health and Wellbeing Implications**

14.1 None arising from this report

#### **15. Asset Management Implications**

15.1 None arising from this report

#### **16. Data Protection Implications**

16.1 None arising from this report

#### **17. Consultation Implications**

17.1 None arising from this report

#### **Audit, Governance and Standards Committee Comments / Recommendation(s) –**

Comments from the Audit, Governance and Standards Committee are appended to this report in Appendix 5.

**Executive Comments / Recommendation(s) (if any)** – due to the national period of mourning following the death of Prince Philip, the Executive meeting has been moved from the 21 April to 27 April. This is two days before the Council meeting on the 29 April. Officers will add an addendum to include any feedback from the Executive as soon as is practicable following the meeting on the 27 April.

#### **Democratic Path:**

- **Audit, Governance and Standards Committee – Yes** (12 April 2021)
- **Executive – Yes** (27 April 2021)
- **Full Council – Yes** (29 April 2021)

#### **List of Appendices (background papers to the report)**

Appendix 1	First Member Survey feedback
Appendix 2	Review of other Council Governance Arrangements
Appendix 3	Options and costs for governance models
Appendix 4	Member survey feedback on the governance model options
Appendix 5	Feedback and amended recommendations from the Audit, Governance and Standards Committee meeting on 12 April 2021

#### **Contact Officers**

Name	Amy Tregellas
Direct Dial	01823 785034
Email	<a href="mailto:a.tregellas@somersetwestandtaunton.gov.uk">a.tregellas@somersetwestandtaunton.gov.uk</a>

## Policy and Scrutiny Committees

It is suggested that the workload for the Corporate Policy and Scrutiny Committee and Community Policy and Scrutiny Committee are split as follows:

<b>Corporate</b>	<b>Community</b>
<p>Matters relating to the Internal Operations Directorate, including:</p> <ul style="list-style-type: none"> <li>• Finance</li> <li>• Revenues and Benefits</li> <li>• Income Control</li> <li>• Procurement</li> <li>• Communications (Internal &amp; External)</li> <li>• HR and People</li> <li>• Health &amp; Safety</li> <li>• Payroll</li> <li>• Business Continuity</li> <li>• Internal Change</li> <li>• Information Technology</li> <li>• Governance</li> <li>• Business Intelligence</li> </ul>	<p>Matters relating to the External Operations &amp; Climate Change Directorate, including:</p> <ul style="list-style-type: none"> <li>• Climate Change</li> <li>• Emergency Planning</li> <li>• Coastal Protection</li> <li>• Asset Management</li> <li>• Parks &amp; Open Spaces</li> <li>• Major contracts</li> <li>• Street Scene</li> <li>• Environmental Services</li> <li>• Regulatory Services</li> <li>• Commercial Services</li> <li>• Public Health &amp; wellbeing</li> </ul>
<p>Matters relating to the Development and Place Directorate, including:</p> <ul style="list-style-type: none"> <li>• Regeneration capital projects</li> <li>• Taunton Garden Town</li> <li>• Commercial Investment Portfolio</li> <li>• Heritage</li> <li>• Hinkley</li> <li>• Strategic Place Planning</li> <li>• Development Management</li> <li>• Economic Recovery &amp; Economic Growth</li> </ul>	<p>Matters relating to the Housing and Communities Directorate, including:</p> <ul style="list-style-type: none"> <li>• Housing Revenue Account 30 year Business Plan</li> <li>• Tenancy Management</li> <li>• Sheltered and Extra Care Housing Service</li> <li>• Housing Options, Homelessness and Homefinder</li> <li>• Rough Sleepers</li> <li>• Safeguarding</li> <li>• Community resilience and engagement</li> <li>• Community grants</li> <li>• Housing Property (including repairs and maintenance, voids, safety compliance)</li> <li>• Housing development and regeneration (affordable housing, projects such as North Taunton)</li> </ul>

	Woolaway Project and low carbon homes)
Performance Indicators relating to the areas under this Committee	Performance Indicators relating to the areas under this Committee
Budget Monitoring relating to the areas under this Committee	Budget Monitoring relating to the areas under this Committee
	Crime and Disorder Committee (as per S19 of the Police and Justice Act) with responsibility for scrutinising crime and disorder

# AUDIT AND GOVERNANCE COMMITTEE

## Membership and Meetings

The Audit and Governance Committee will be composed of:

- 11 elected Councillors, except any councillor who is a member of the Executive;

The Quorum for the Audit and Governance Standards Committee shall be 4 voting members of the Committee.

The Committee will normally meet on a quarterly basis.

## Scope

The Audit and Governance Committee will have overall responsibility for governance and audit matters as set out in the terms of reference.

## Terms of Reference

The Audit and Governance Committee will have the following roles and functions:

### A. Corporate Governance

1. Oversee the Council's use of risk management.
2. Approving the Local Code of Corporate Governance.
3. Approving the Annual Governance Statement.
4. Considering and approving the Council's Risk Management Statement and Strategy.
5. Monitor and review the Council's internal and external audit functions.
6. Monitor and review the Council's systems of internal control
7. To make recommendations to the Council regarding any suggested major changes to the Constitution.
8. Monitoring and reviewing the operation of the Council's Constitution, particularly in respect of financial procedures and protocols, procurement procedures and guidelines.

9. Reviewing any corporate governance issue referred to the Committee by the Chief Executive, the Section 151 Officer or the Monitoring Officer, the Leader/Executive or any other committee of the Council.
10. Considering the Council's arrangements for corporate governance and necessary actions to ensure compliance with best practice, together with any relevant issues referred by the Leadership Team or Statutory Officers.
11. Considering the Council's compliance with its own and other published standards and controls.
12. Considering the annual report regarding complaints about the Council referred to the Local Government Ombudsman.
13. Approving payments or other benefits of a value greater than £5,000 arising from complaints to the Local Government Ombudsman.
14. Monitoring the effectiveness of the Council's policies and procedures that ensure sound governance arrangements, including:
  - a) whistle-blowing procedure;
  - b) anti-fraud and corruption policy;
  - c) anti-bribery policy and procedure;
  - d) complaints procedure;and making appropriate recommendations to the Executive.
15. Monitoring and auditing of the Council's equalities and diversity policies.

## **B. Audit and Accounts**

1. Agreeing the internal and external audit plans and monitoring delivery of the plans.
2. Review and challenge any significant issues and the action plans arising in the annual audit report and management letter for the Council.
3. Monitoring the implementation of significant audit recommendations.
4. Raising the profile of internal control within the authority.
5. Reviewing and approving the annual Statement of Accounts and Narrative Statement.

6. To regularly review the effectiveness of overall governance arrangements for the Hinkley Point Project and receive both internal and external audit reports including those undertaken by EDF.
7. Considering reports dealing with the management and performance of the providers of the internal audit function.
8. Considering reports from internal audit on recommendations agreed with service leaders as a result of an internal audit review which have not been implemented within a reasonable timescale.
9. Considering specific reports submitted by the internal or external auditors.
10. Commenting on the scope and depth of external audit work and ensuring that it gives value for money.
11. Considering any other matter referred by the Section 151 Officer.

## **Annual Report**

The Audit and Governance Committee must report annually to the Full Council on its work undertaken during the year, its future work programme and amended working methods if appropriate.

## **STANDARDS COMMITTEE**

### **Membership and Meetings**

The Standards Committee will be composed of:

- 9 elected Councillors, except any councillor who is a member of the Executive;
- 2 Independent co-opted persons who are not Councillors or officers of the Council (independent members);
- 2 co-opted members of any town/parish councils in the Council's area (town/parish members).

The Chair and Vice-Chair of the Committee shall be Councillors. Where a lead Councillor is appointed as a member of the Committee, they shall not be elected Chair or Vice-Chair.

The co-opted independent members and town/parish members will not be entitled to vote at meetings Standards Committee or any of its Sub-Committees.

The Quorum for the Standards Committee shall be 3 voting members of the Committee.

The Committee will normally meet on a quarterly basis.

### **Scope**

The Council shall establish a Standards Committee to carry out its functions relating to ethical matters under the Localism Act 2011. The Standards Committee will have overall responsibility for ensuring probity, propriety and ethics in the organisation.

### **Terms of Reference**

The Standards Committee will have the following roles and functions:

1. Promoting and maintaining high standards of conduct by Councillors and co-opted members.
2. Assisting Councillors and co-opted members to observe the Councillors' Code of Conduct.
3. Advising the Council on the adoption or revision of the Councillors' Code of Conduct.
4. Monitoring the operation of the Councillors' Code of Conduct.
5. Advising, training or arranging to train district, town and parish Councillors and any co-opted members on matters relating to the Councillors' Code of Conduct and wider propriety issues, including issuing guidance where appropriate.

6. Granting dispensations to Councillors and any co-opted members from requirements relating to interests set out in the Councillors' Code of Conduct or delegating such power to a sub-committee, who will be authorised to determine such dispensations based on principles agreed by the Committee.
7. Advise on the management of statutory and other registers of interest and gifts/hospitality received.
8. Advise the Council on possible changes to the Constitution in relation to the key documents and protocols dealing with members' conduct and ethical standards.
9. Determining, by delegating such power to a sub-committee or by way of a hearing, those allegations of misconduct by district, town or parish councillors within Somerset West and Taunton or co-opted members where a formal investigation has found evidence of failure to comply with the Code of Conduct and where a local resolution has not been agreed.
10. Determining, by delegating such power to a sub-committee or following a hearing, on action to be taken against any Councillor or co-opted member found to have failed to comply with the Code of Conduct.
11. Making recommendations, by delegating such power to a sub-committee or following a hearing, to any town or parish council in the Council's area on action to be taken against any Councillor or co-opted member of that town or parish council found to have failed to comply with that Council's Code of Conduct.
12. Implementing, monitoring and reviewing the operation of the Code of Conduct for staff.
13. Considering any other matter referred by the Monitoring Officer.

### **Hearings Sub-Committee**

The Hearings Sub-Committee shall conduct local hearings on misconduct allegations against Councillors and co-opted members of the district council or town or parish councils within Somerset West and Taunton. These hearings shall be conducted in accordance with the Arrangements for Dealing with Standards Allegations.

The Hearings Sub-Committee shall be politically balanced and comprise of 3 voting members of the Standards Committee. The composition of the Sub-Committee shall be determined by the Monitoring Officer after consultation with the Chair of the Standards Committee. A Chair shall be elected from among the voting members.

The Independent Person must be present when misconduct complaints against councillors and co-opted members are being considered by the Hearings Sub-Committee.

At least one co-opted town/parish member of the Committee and one independent member, together with the Independent Person, must be present when misconduct

complaints against members or co-opted members of Town/Parish councils are being considered by the Hearings Sub-Committee.

Following on from a Hearing, the Hearings Sub-Committee may make a decision including the use of the following actions/penalties:

- Reporting its findings to Council (or to the Town/Parish Council) for information;
- Recommending to the Councillor's Group Leader that a Councillor be removed from any or all Committees or Sub-Committees of the Council;
- Recommending to the Leader of the Council that a Councillor be removed from the Executive, or removed from particular Portfolio responsibilities should the complaint refer to a Portfolio holder;
- Instructing the Monitoring Officer to (or recommend that the Town/Parish Council) arrange training for a Councillor;
- Removing (or recommend to the Town/Parish Council that a Councillor be removed) a Councillor from all outside appointments to which he/she has been appointed or nominated by the authority (or by the Town/Parish Council);
- Withdrawing (or recommend to the Town/Parish Council that it withdraws) facilities provided to a Councillor by the Council, such as a computer, website and/or email and Internet access;
- Restricting contact to named officers or requiring contact be through named officers;
- Excluding (or recommend that the Town/Parish Council exclude) a Councillor from the Council's offices or other premises, with the exception of meeting rooms as necessary for attending Council, Committee and Sub-Committee meetings;
- Publish its findings in respect of the Councillor's conduct
- Issue a formal letter of advice as to future conduct to the Councillor;
- Request that the Councillor tender an apology to such persons as were aggrieved by his or her actions; or,
- Where the Monitoring Officer and the Independent Person are not satisfied that the Councillor has tendered the apology described above or completed such training as arranged above, then the Monitoring Officer shall report the matter to the Chair of the Audit, Governance and Standards Committee who shall cause a meeting of the Hearings Sub-Committee to take place with the purpose of resolving to apply an alternative sanction.

## **Shadow Portfolio Holders**

It is recommended that the following is added to the Roles and Responsibilities section of the Constitution:

### **Shadow Portfolio Holder**

Purpose of Role:

To assist the Leader of the majority opposition group by providing informed comment and advice in respect of their particular shadow portfolio and with regard to the work being undertaken by the current Portfolio Holder.

Duties and responsibilities (in addition to those of a Ward Councillor):

- a) To provide constructive challenge to the policies of the administration.
- b) To assist in shaping the policy of the opposition group with regard to its shadow portfolio.
- c) To liaise and work with other shadow portfolio holders on cross-cutting areas of responsibility.
- d) To receive briefings at regular intervals from senior officers of the Council as required. These briefings may be held together with the Executive Members if this can be agreed, or separately if it cannot. Service officers will alert Shadow Executive Members to issues of importance affecting their shadow portfolio.
- e) To participate effectively as a member of the Shadow Executive by becoming thoroughly conversant with the area of expertise relevant to their specific portfolio