

REVIEW OF GOVERNANCE STRUCTURE

SUMMARY:

Rushmoor's current decision making structure has been in place for over fifteen years with little change. Whilst processes have been altered and adjustments made to the portfolios, there has been no fundamental review of the structure. Over the last year, with the support of Cabinet Members, options for change have been looked at. The structure was also highlighted in the recent Peer Review report, which urged the Council to review and modernise aspects of its governance arrangements. That report drew attention to the need to undertake a root and branch review of the scrutiny arrangements in general and rationalisation of the panel structure whilst ensuring that there were appropriate development opportunities for Members involved in the scrutiny process.

As a result of the discussions, this report proposes changes to the structure. This will mean that the existing panels will be replaced by one Overview and Scrutiny Committee and a Policy and Project Advisory Board. There are also a number of changes to be made to the Cabinet working arrangements, although the review of portfolio responsibilities is still to be completed. This will be determined by the Leader, who has authority to do this within the Constitution. Finally, this report proposes a number of consequential changes to documents within the Constitution.

RECOMMENDATIONS:

The Committee is requested to recommend to the Council that:

- (i) The proposed changes to the decision making structure set out in this report be endorsed;
- (ii) The changes to the Constitution set out in Appendix 2 (incorporating Annexes 1 – 6) be approved;
- (iii) The Head of Democratic and Customer Services, in consultation with the Cabinet Member for Corporate Services and the Chairman of the Committee, be authorised to make any further consequential changes to the Constitution resulting from these proposals, the Leader's decision on portfolio responsibilities and the outcome of the internal review of the structure of the organisation; and
- (iv) The Head of Democratic and Customer Services, in consultation with the Chairman of the Committee, be authorised to make any minor changes to the report to the Council on 19th April, 2018 following this meeting.

Note: In accordance with Standing Order 29, the proposed amendments to the 'Standing Orders for the Regulation of Business' (Annex 4, Appendix 2) will stand adjourned without discussion to the Annual Council Meeting. The Council will also be asked at the Annual Meeting to waive the Council Procedure Rules in order for the changes to take immediate effect.

1. INTRODUCTION

- 1.1 Rushmoor's decision making structure was set up in 2000 to reflect changes in legislation which established executive forms of governance arrangements. At the time, Rushmoor established the basis of its existing structure based around a Cabinet, five Policy and Review Panels and three Committees. Over the years, some adjustments have been made to the system, especially around the Committees and the portfolio responsibilities, although the basis has remained the same. Whilst that system has worked well, it has been clear for some time that changes needed to be made to streamline and modernise the arrangements.
- 1.2 Over the last couple of years advances have been made to the way the organisation works as a result of changes within the Cabinet and the appointment of the Chief Executive. In addition, Rushmoor has been seeking to modernise other aspects of its operations and it has become clear that a review of the governance structure, both at a Member level and within the organisation, is needed.

2. BACKGROUND TO THE REVIEW

- 2.1 The vast majority of local authorities in the UK have some form of executive governance arrangements, most of which have a Cabinet. In this respect Rushmoor is similar, although the arrangements for carrying out overview and scrutiny are unusual amongst authorities in that Rushmoor has five Policy and Review Panels to carry out scrutiny and policy development. Most other authorities, particularly of Rushmoor's size, have only one or two scrutiny committees. Rushmoor has looked at this structure in the past but has retained the panel structure.
- 2.2 The current Cabinet was appointed in May, 2016 and has a strong focus on the Council moving forward and delivering a wide range of priorities through its Council Plan. The Cabinet has also been keen to involve other Members in delivering the Council Plan and ensuring that there are development opportunities, which it has felt could be better achieved through a different approach.
- 2.3 In December, 2017 the Council was subject to a Peer Challenge Review and the report drew out the need to progress the review of governance with some urgency. In particular, it saw the need for a change in approach to scrutiny in Rushmoor where it considered that five Policy and Review Panels were excessive with the focus being on service and project

updates rather than scrutiny. It also envisaged an approach where the Council had one Overview and Scrutiny Committee (to undertake performance review and pre decision scrutiny) and a Policy and Project Advisory Board (to help develop policy).

2.4 In undertaking this review, the following objectives have been used to develop the new structure and working arrangements:

- re-working the portfolios to secure a more even spread of responsibilities
- providing a focus for the delivery of the Council Plan and Member priorities
- streamlining and re-working the policy and review panel structure to provide clarity for scrutiny and policy development
- establishing opportunities for Members to develop their roles.

3. CABINET WORKING ARRANGEMENTS

3.1 Taking these objectives into account, changes are being developed to the Cabinet working arrangements. As part of the work and restructuring of the internal organisation, the portfolios are being reviewed, potentially to reflect the new internal service structure. As this is yet to be finalised, the portfolios will be agreed by the Leader once the necessary decisions have been made. It is also intended to ensure that the portfolios are balanced as much as possible and that there is a focus on the Council's biggest priorities. Under this arrangement it is likely that the Deputy Leader will not have a portfolio but will focus on corporate planning and performance together with the delivery of the Rushmoor 2020 improvement plan.

3.2 Under this structure some of the existing standing groups would remain and would report into the Cabinet. The Cabinet could review them on an annual basis and could establish others if it wished. The main current groups are:

- Budget Strategy Working Group
- Member Development Group
- Community Cohesion Group
- Elections Group (formally set up by the Borough Services Panel/Licensing and General Purposes Committee)

3.3 The Cabinet is also keen to establish some roles that would provide development opportunities for elected Members not on the Cabinet. Therefore, it is proposed that Cabinet Champions could be used to work on a particular area or project that does not fall naturally within an existing portfolio. These are likely to reflect certain priorities within the annual Council Plan. There would be a maximum of three per year to be reviewed

annually by the Cabinet and for 2018/19 these might include delivering the Military Covenant (Councillor John Woolley already undertakes this role).

- 3.4 Whilst the overall workload of the Cabinet has not changed in total, the new arrangements are likely to require a review of the special responsibility allowances. Member Champions might be eligible for a specific allowance for their roles.

4. OVERVIEW AND SCRUTINY

- 4.1 The current system of scrutiny does not work effectively with the Policy and Review Panels mainly receiving service/project updates and undertaking some policy work (although it is recognised that some aspects of external scrutiny work well). The Peer Review gave a clear recommendation that the arrangements needed to change and benchmarking shows that many other authorities carry out their scrutiny function through one committee. It is proposed that Rushmoor moves to a system of one overview and scrutiny committee which will co-ordinate the Council's work on scrutiny. The arrangements would be as follows:

- One committee established to drive the scrutiny process, concentrating on the performance of the Council plus other services in the Borough together with pre-decision scrutiny of items on the Cabinet Work Programme.
- The committee would consist of eleven Members with a Chairman and two Vice-Chairmen who would provide active support to the Chairman by chairing task and finish groups and co-ordinating the work.
- Task and finish groups would be established to carry out specific areas of scrutiny identified by the committee and would consist of Members drawn from the whole Council and not necessarily just from the Committee.
- The Chairman and Vice-Chairmen would be required to undergo training for chairing meetings and managing the scrutiny process.

- 4.2 The Chairman of the Committee would receive a Special Responsibility Allowance and a decision will need to be made as to whether the Vice-Chairmen should receive an allowance for carrying out their work.

5. POLICY AND PROJECT ADVISORY BOARD

- 5.1 One of the key roles for the Council is to develop policy. Under the existing arrangements, some work is carried out through the Cabinet and other work by the Policy and Review Panels and their sub-groups. This proposal envisages the setting up of a Policy and Project Advisory Board which would look at a range of priorities, policy and project areas that will then report into the Cabinet or potentially the Council. The arrangements for this Board will be:

- A stand-alone group cutting across the Council's activities, consisting of non-executive Members but with direct input from and to the Cabinet.
- The Board would consist of eleven Members with a Chairman and two Vice-Chairmen. The Vice-Chairmen would lead specific projects and chair task and finish groups, working in a similar way to the Vice-Chairmen on the Overview and Scrutiny Committee.
- Task and finish groups would be established to carry out specific areas of work that would include Members from across the Council, including Cabinet Members. They would include some of the work of existing groups. Examples are:
 - Aldershot Regeneration
 - Farnborough Regeneration
 - Leisure Contracts
- The Chairman and Vice-Chairmen would be required to undergo training for chairing meetings.

5.2 The Chairman of the Committee would receive a Special Responsibility Allowance and consideration would be given to whether the Vice-Chairmen should receive an allowance for carrying out their work.

6. CONSEQUENTIAL ISSUES

6.1 The new structure is set out in Appendix 1. At this stage the arrangements for the Development Management and the Licensing and General Purposes Committees will stay the same although the terms of reference of the Licensing and General Purposes Committee are being reviewed in the light of recommendations from the Auditors. Any changes will be subject to a report to the Committee.

6.2 As a result of the proposed new structure, a significant number of changes will need to be made to the Constitution. The main changes are set out in the summary list attached (Appendix 2) and accompanying papers (Annexes 1 – 6). In addition, the opportunity has been taken to include a number of updates to the provisions. In accordance with Standing Order 29, the proposed changes to the Council's Standing Orders for the Regulation of Business (Annex 4 to Appendix 2) will stand adjourned at the Council meeting on 19th April, 2018 until the Annual Meeting on 22nd May, 2018 when it will also be necessary to waive the Council Procedure Rules for the changes to be made at the Annual Meeting.

6.3 At the Cabinet meeting on 17th April, 2018, the Chief Executive is scheduled to submit a report setting out proposals for a new internal structure for the organisation. The proposals will have an impact on the portfolios and some other aspects of the Constitution, including the Scheme of Delegation and the Cabinet Procedure Rules. The Leader will

determine the new portfolio arrangements and a report will also be submitted to the Cabinet early in the 2018/19 Municipal Year. It is proposed that the consequential changes to the Constitution are then agreed by the Head of Democratic and Customer Services in consultation with the Portfolio Holder for Corporate Services and the Chairman of the Licensing and General Purposes Committee.

- 6.4 Given the significance of the proposals, there are implications for the Council's Members' Allowances Scheme. Therefore, arrangements have been made to constitute the Independent Remuneration Panel to review the Members' Allowances Scheme. The scheduled dates for the Panel to meet are 23rd/24th April, 2018. The Panel will be looking at the scheme in the light of the new structure and will also be reviewing some of the existing provisions, such as around the IT/Telecommunications allowance and the impact of the new General Data Protection Regulations regime. The report from the Panel is expected in May, 2018.
- 6.5 As a result of the new structure some changes have also been made to the Calendar of Meetings and this is also attached for information (Appendix 3).
- 6.6 After the elections, there will be an induction programme for the new Members and at one of the sessions it is proposed to provide further information about how the new structure will work in practice and the outcomes of the review by the Independent Remuneration Panel. All Members will be invited to this session.

7. CONCLUSIONS

- 7.1 Whilst the existing governance structure has served the Council well in the past, a new structure will provide a more modern approach that reflects the Council's priorities and operating arrangements. A new structure will also provide Members with opportunities to develop new roles and specialise in areas of interest. The new structure will take time to settle in and will be kept under review and the arrangements for doing this will be discussed with Members through the Member Development Group.

BACKGROUND DOCUMENTS:

2017 Rushmoor Borough Council Peer Review

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