



Agenda Item Introduction

Committee	CORPORATE SCRUTINY COMMITTEE
Date	12 MARCH 2024
Topic	FUTURE GOVERNANCE

Background

1. In May 2023, Cllr Geoff Brodie put forward a motion that 'Full Council agrees to establish a politically proportionate 'Future Governance Working Group' to make recommendations to Full Council January 2024 regarding moving to a Committee system of governance (including the future Committee structure, decision-making powers, etc.). The intention being to recommend for approval a formal resolution to that meeting to bring about such a change in governance with effect on and from the Annual Council 2024.'
2. In July 2023, Full Council agreed to establish a politically proportionate 'Future Governance Working Group' to make recommendations to Full Council via the Audit and Governance Committee, regarding the motion.
3. The Future Governance Working Group should, amongst other things, consider how other local authorities have made a transition back to the Committee system of governance model and what lessons can be learnt from that experience, and should consider examples of best practice, to inform those recommendations.

Focus for Scrutiny

- What is the timetable for the decision-making process?
- What is the timetable for the implementation of a governance change?
- What are the legal and technical considerations regarding the timetabling of the decision and implementation?
- What consultation is going to take place with the public, councillors, unions/staff within the suggested timetable?
- What are the assumptions built into the decision-making process?
- What analysis is going to be provided on the pros and cons of both Cabinet and Committee systems of governance?
- What flexibility will there be in utilising parts of both a Cabinet and Committee system?
- Would it be technically possible to make a decision in May 2024 but roll out the implementation later in the year?

Approach

4. To hear from the Chairman of the Future Governance Working Group.

Document(s) Attached

5. Report of the Future Governance Working Group
6. Appendix 1: High level project plan
7. Appendix 2: Communications and engagement plan
8. Appendix 3: Indicative committee system structure

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Scrutiny Report

ISLE OF WIGHT COUNCIL

Meeting	CORPORATE SCRUTINY
Date	12 MARCH 2024
Title	FUTURE GOVERNANCE ARRANGEMENTS
Report of	FUTURE GOVERNANCE WORKING GROUP

Executive Summary

1. Full Council at its annual meeting on 17 May 2023 endorsed a motion proposed by Cllr Brodie to consider the introduction of a new committee system of governance for the Isle of Wight Council.
2. After consideration of that motion through the appropriate committees, Full Council at its later meeting of 19 July 2023 resolved unanimously that a politically proportionate Future Governance Working Group should be established to pursue moving towards a committee system of governance and to make recommendation for bringing about a change in governance with effect from Annual Council in May 2024.
3. The Future Governance Working Group, chaired by Cllr Brodie was established and have undertaken in accordance with their terms of reference to examine:
 - Changes to a committee system elsewhere
 - Views of our senior officers/colleagues and elsewhere
 - Possible structures of a committee system
 - Cabinet based alternatives to committees.
4. At the conclusion of the future governance working group deliberations in November 2023, the Audit and Governance Committee at its meeting of 11 December 2023 received a report from Cllr Brodie as chair of the working group, in which it was determined that the working group would recommend to Full Council that it moves towards the introduction of a committee system with effect from May 2024.
5. Full Council at its meeting of 17 January 2024 resolved to note the recommendation of the future governance working group and that the working group would now work with the monitoring officer and senior officers on constitutional changes required with a progress report being provided to Full Council in March 2024.

6. In advance of Audit and Governance Committee/Full Council deliberation on the progress report being presented at their scheduled meetings for March 2024, corporate scrutiny committee have established key lines of enquiry, to complement the considerations that need to take place.

Key Lines of Enquiry

What is the timetable for decision-making?

7. Following the resolution of Full Council at its meeting of 17 January 2024 for the Future Governance Working Group to work with the monitoring officer and senior officers on the constitutional changes required to introduce a committee system of decision making, a high-level project plan has been put in place to assist with the delivery of the necessary activity to secure a change in governance arrangements from Annual Council in May 2024.
8. The key elements of decision making to instigate such a change are:
 - (a) Depending upon any resolutions made by the Audit and Governance Committee upon receipt of the progress report scheduled to be received by them and Full Council at their March meetings, an extra-ordinary meeting of audit and governance committee in April/May 2024 may be required to consider a full options report and to make recommendation to Full Council.
 - (b) At an extra-ordinary meeting of Full Council in May 2024, members will receive a full options report as mentioned above. This report will allow members to make an informed and legally compliant decision on whether to proceed with a change in governance arrangements. This report will set out the benefits and disbenefits of each of the options open to the council and must be taken account of in making a final decision. If there is agreement to proceed, the council will need to pass a resolution to change its governance arrangements in accordance with section 9KC of the Local Government Act 2000, together with a compliant date when this will take effect.
 - (c) To comply with Chapter 4 of the Local Government Act 2000 it will be then necessary, as soon as practicable after the passing of the section 9KC resolution, to make available for public inspection a document that sets out the provisions of the new arrangements that are to have effect and publish in one or more newspapers circulating in the area, a notice of the changes that are to take effect.
 - (d) At the Annual Council meeting in May 2024, members will receive a final report in which they will be asked to approve the new constitution upon which the new governance arrangements are to be operated; to agree a new scheme of member allowances proposed by the Independent Remuneration Panel; financial regulations; contract standing orders and to appoint the leader of the council and chairs to each of the service committees.

What is the timetable for the implementation of a committee system of governance?

9. Full Council at its meeting of 17 January 2024 in making resolution for the Future Governance Working Group to work with the monitoring officer and senior officers on the constitutional changes required to introduce a committee system of decision making, had noted the recommendation from the Audit and Governance Committee that it moves towards the introduction of a committee system with effect from May 2024. This is the basis upon which operational preparation and planning is being undertaken. Appendix 1 shows the high-level project plan in operation.

What are the legal and technical considerations regarding the timetabling of the decision and implementation?

10. The legislative provisions for changing a council's governance arrangements are set out in Chapter 4 of the Local Government Act 2000. Section 9KC of the Act stipulates that a resolution of a local authority is required for the authority to make a change in governance arrangements. The Act also provides that the "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.
11. Full council as part of their considerations will therefore need to decide as to whether to change the form of governance and to confirm the date upon which it should take effect, that being a date of a future Annual Council meeting.
12. After a resolution has been made, as soon as practicable after, the local authority is required to:
 - a) Ensure copies of a document setting out the provisions of the arrangements that are to have effect following the resolution are available at its principal office for inspection by members of the public and,
 - b) publish in one or more newspapers circulating in its area a notice which:
 - i) states that the authority has resolved to make a change in its governance arrangements
 - ii) states the date on which the change is to have effect
 - iii) describes the main features of the change
 - iv) states that copies of a document setting out the provisions of the arrangements that are to have effect following the resolution are available at the authority's principal office for inspection by members of the public, and
 - v) specifies the address of the authority's principal office.
13. The local authority may not pass another resolution that makes a change in governance arrangements before the end of the period of five years beginning with the date of the resolution passed unless a referendum is held.

What consultation is going to take place with the public, councillors, unions/staff within the suggested timetable?

14. There is no formal statutory duty for the council to undertake public consultation in proposing a change in governance arrangements although it must be mindful of its duties under Section 3 of the Local Government Act 1999 which requires local authorities to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness. In fulfilling this duty, the council is obliged to consult with key stakeholders. However, there is statutory requirement for the council to consult with its affected employees, where any changes proposed will change their terms and conditions or contractual requirements of employment. This will be undertaken in accordance with the council's employment policy and procedures and in conjunction with recognised trade unions.
15. Following Full Council's endorsement to proceed with the necessary preparatory work to progress towards the introduction of a committee system at its meeting of 17 January 2024, a communications plan has been put in place to build engagement and understanding of the potential changes a move to a committee system will bring. An initial press release has been made to announce the proposed changes together with an email address having been set up to provide a single feedback point for resident views. There are plans to hold both a public engagement and town, parish, and community council events in which there will be opportunity to discuss, familiarise and seek feedback on the proposed change in governance arrangements.
16. Closer to the point of implementation there will be familiarisation activities undertaken for all members and staff. Plans will also be put in place, in addition to Scrutiny and Audit and Governance committee considerations, for wider councillor engagement through briefing sessions in advance of the extra-Ordinary Full Council meeting in May 2024. Appendix 2 is the communications and engagement strategy associated with this work programme.

What are the assumptions built into the decision-making process?

17. Evidence from other local authorities that have instigated such a governance model change have afforded a minimum period of twelve months from the point of passing a Section 9KC resolution to implementation to allow for all the considerations and preparations to take place efficiently and effectively. This allows for all members to be fully engaged in the preparation of the constitutional changes necessary for a change in governance arrangements; refresh elements that require improvement; member and officer familiarisation with new operating procedures through shadow committees.
18. Given the short timescale available to the council to deliver the required change by May 2024, a pragmatic approach is by necessity, being taken. The Future Governance Working Group, supported by officers and specialist external legal advisers, are providing the overall direction for the initial introduction of the committee system model. Appendix 3 provides an overview of the proposed changes to governance arrangements.

19. To this end, the working model being adopted, is that any aspect of the current constitutional arrangements that are not directly affected by the proposed change will be transported across to the new system unchanged. This is to allow appropriate focus to be given to the essential aspects of operating a new governance model. Refinement and more comprehensive arrangements can then be undertaken post implementation and will allow for adjustments to be made once operational experience and learning has taken place. There are risks associated with this approach in that there will be limited opportunity for council members to take a comprehensive view on any constitutional changes being made and there will be limited time to secure familiarisation with the new working practices. However, this approach allows the council to implement the new model at speed, should that be the will of the council and it provides opportunity for a compliant change to take effect in May 2024.
20. The delivery of a new governance model for the council is an iterative process and as such proposals may change or be refined based on feedback from elected members and public engagement activities although this will be restricted to what is feasible to achieve within the timescale and in accordance with the working model adopted as set out above.

What analysis is going to be provided on the pros and cons of both cabinet and committee systems of governance?

21. As set out above, once the preparatory work has been concluded, to make a lawful decision, Full Council must consider the options for its future governance arrangements prior to making a final decision to proceed with a change, taking account of any recommendations from the audit and governance committee.
22. Full Council at an extraordinary meeting in May 2024, will receive a full options report that will allow an informed and lawful decision to be taken on the council's future governance arrangements. This report will provide details of the benefits and disbenefits of all options open to the council and all the usual considerations (such as the legal implications, risks and issues, equality and diversity implications and any other relevant information) that members are asked to consider before making a final decision.

What flexibility will there be in utilising parts of both a cabinet and committee system?

23. The Local Government Act 2000 sets out the permitted forms of governance for local authorities which are:
 - Executive arrangements – which can take the form of either a directly elected mayor and cabinet appointed by the mayor, or an executive leader appointed by Full Council and cabinet appointed by the leader.
 - A committee system, or
 - Prescribed arrangements as determined by the Secretary of State
24. While it is necessary to determine which form of governance is to be operated, there are options in which a hybrid form of governance arrangement can be put in place. This is where the features of more than one governance model are combined. A hybrid model is one where the adopted form of governance is that of

an executive leader and cabinet, but with feature elements of a committee system. There are two basic forms:

- (a) A model where committees (legally defined as scrutiny committees) that carry out detailed debate and discussion on forthcoming cabinet decisions and make recommendation to the cabinet on the preferred option. This means that they are in effect decision making committees.
- (b) A model where politically balanced cabinet advisory committees are established as sub committees of the cabinet with a distinct scrutiny function operating alongside.

25. The Future Governance Working Group have explored these options as part of their investigations although subsequently ruled out a hybrid model during its deliberations and in making its recommendation. This will however form part of the options report to the extra-ordinary Full Council meeting in May 2024.

Would it be technically possible to make a decision in May, but roll out implementation later in the year?

26. Section 9KC of the Local Government Act 2000 stipulates that a resolution of a local authority is required for the authority to make a change in governance arrangements. The act also provides that the “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.

27. This means that the council if passing a formal resolution to make a change to its governance arrangements must state when the new arrangements are to take effect. Under the legislative provisions in this set of circumstances would mean either at the Annual Council meeting in May 2024 or at a future Annual Council meeting, say May 2025 or beyond.

Appendices

- 28. Appendix 1: High level project plan
- 29. Appendix 2: Communications and engagement plan
- 30. Appendix 3: Indicative committee system structure

Background Papers

- 31. Annual Council – [17 May 2023](#) consideration of motion from Cllr Brodie
- 32. Cabinet - [8 June 2023](#) consideration of referred motion from Full Council
- 33. Full Council - [19 July 2023](#) consideration of Cabinet recommendation
- 34. Audit and Governance Committee - [11 December 2023](#) Future Governance Working Party Update Report
- 35. Full Council - [17 January 2024](#) – Future governance arrangements update

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