

**Meeting of the Full Council
Meeting to be held on 18 December 2014**

Report submitted by: The County Secretary and Solicitor

Part A

Electoral Division affected:
None

Political Governance Structures
(Appendices A - E refer)

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Executive Summary

The Full Council agreed at its meeting on the 27 February 2014 (see Appendix A) to establish a cross party member officer working group to thoroughly investigate options for any change in political management structure and make recommendations to the Council on a future governance structure.

This report presents the findings of that Working Group and requests that the Full Council determine the most appropriate future political governance structure for Lancashire County Council.

Three options are presented for consideration: A cabinet system, a hybrid system and a committee system. Full details of the proposed options, with implications and analysis are contained in Appendices B-E

Recommendation

Full Council is asked to:

- i. Note the findings of the Working Group as set out in this report and accompanying Appendices.
- ii. Consider and approve the preferred option for the future political governance structure of the County Council, to be further developed and refined by the Working Group.
- iii. If the decision of Full Council is to change to a committee system of governance, to agree the publication of the statutory notice of the intention to change the governance system.
- iv. Agree that the Working Group reconvenes to consider and report back on

any implications arising from the Full Council's decision on its preferred governance system, including the timetable for implementation of any new structure and consideration of the issues outlined for all systems in Appendix C.

Background and Advice

The Full Council at its meeting on the 12 December 2013 debated a Notice of Motion on a possible return by the authority to a Committee system and resolved:

"The County Secretary and Solicitor is instructed to bring a Report to the Full Council Meeting on the 27 February 2014 setting out the options and necessary actions that need to be taken to discontinue the existing Leader and Cabinet system of decision making and revert back to a Committee system.

We also instruct the Interim Chief Executive to give an indicative time scale for the introduction of such a change, given that several other County Councils have made or are making this transition."

The Full Council at its meeting on the 27 February 2014 considered a detailed report from the interim Chief Executive in relation to the County Council's political governance structure and options available within the statutory framework outlining the following:

- the current statutory position
- the process required for any change
- the current programme for organisational transformation facing the County Council and the implications and relationship to the County Council's political management structure
- existing Cabinet and Committee systems operating under current legislation and the advantages and disadvantages of each system
- the County Council's currently adopted Committee system
- implications for the County Council of any change

The Full Council also received brief details of alternative options to a Cabinet or Committee system and an outline of those authorities who have adopted or are considering adopting a Committee system or an alternative.

A copy of the detailed report presented to Full Council is set out at Appendix A.

The Full Council decided:

1. To establish a cross party member officer working group, on the basis of 3 Labour, 2 Conservative, 1 Liberal Democrat and 1 Independent Member, to thoroughly investigate options for any change in political management structure and make recommendations to the Council on a future governance structure.
2. That regular progress reports be provided by the working group to the Full Council.

3. That the member officer working group be requested to report back on its proposals to the Full Council in December 2014.

Method of the Review

In undertaking the review of the Council's Political Management Structure, the Working Group considered;

- Existing research produced by the LGA and Centre for Public Scrutiny.
- Evidence from other authorities that had changed, or considered changing, governance structures, including Norfolk, Cambridgeshire, Nottinghamshire, Kent and Cornwall.
- Legislation and guidance relating to governance systems and structures.
- The specific traditions, practices and culture within Lancashire County Council.
- The views of Councillors and Officers in Lancashire.

The Working Group agreed the following set of criteria as determining factors to develop possible models for consideration;

- Cost and resources.
- Councillor time and commitment.
- Speed and efficiency of decision making.
- Inclusivity (councillors).
- Transparency and openness.
- Accountability.
- Locality area Working/Partnerships.

Findings

The Working Group has met on a number of times and has thoroughly examined all potential options for change taking into account national research and evidence obtained from other Local Authorities (including Nottinghamshire, Kent and Cornwall). The Working Group has identified three models as options for a future political governance structure for the County Council, and agreed that it would be appropriate to present the three models to Full Council to consider and identify the most appropriate for Lancashire. The models (the detail of which is set out in the Appendices) are:

- Cabinet model.
- Hybrid model.
- Committee model.

Note that, in assessing the advantages and disadvantages of the three models, the Working Group felt that there was a significant issue in relation to the committee system of balancing the need to keep decision making efficient and streamlined, and yet to ensure that there were sufficient meetings in the calendar. For this reason, Appendices D and E offer two versions of the Committee system, one meeting monthly and the other 6 weekly.

The Working Group present the following supporting information set out in the attached Appendices:

- Appendix B – Summary of the systems
- Appendix C – Issues for consideration common to all systems
- Appendix D – Resource implications
- Appendix E – Financial resource comparison

The Working Group are clear that, in assessing the three options, the following issues must be fully taken into account by Full Council.

1. Effective, transparent and efficient decision making and accountability arrangements.
2. The impact on service delivery, the community and the Council's partner organisations.
3. The impact on resources, both in terms of direct Democratic Services support to committees and decision making, and the wider support structures and officer arrangements for advising and supporting councillors, and supporting the political arrangements. The Working Group are clear that given the scale of financial savings facing the Authority that the impact on resources should be in line with the overall imperative to reduce the costs of being in business.
4. It is clear that the system of governance making decisions and the organisational structure supporting and implementing those decisions need to be fully aligned and complementary. The Working Group have given particular prominence to the need to align any new political governance structure with the agreed new management structure to be implemented in 2016.
5. The significant impact on the County Council's Constitution and the decision making rules and process within it including Scheme of Delegations to members and officers, standing orders and financial regulations.
6. The future options for locality working arrangements.

These issues have been taken into account in developing the options which are set out at Appendices B and C, and it is clear that significant work will be needed in further development following the selection of the Council's favoured option, particularly in relation to items 5 and 6.

Once Full Council has identified its preferred option, detailed work on a revision and appropriate changes to the Council's constitution will be required to ensure that the model can be fully implemented.

Issues relevant to all systems

The working group agreed a number of points which would apply across all systems.

- Standard committee membership to be 13. This allows all groups to be represented on all committees whilst keeping the committees to a reasonable size.
- The role of Full Council would be reviewed to ensure its effectiveness.
- Locality and Area member bodies should be further reviewed, taking into account the overall governance model chosen, recent full council resolutions on devolution and options for future working arrangements with other local authorities.
- There would be no immediate changes to O&S procedures such as Call In, although these could be reviewed in the next stages of the review once Full Council has identified its preferred model.
- There would need to be a review of allowances in all systems.
- Whatever the system chosen, there would need to be further work on the Scheme of Delegation, in accordance with the principle previously agreed by Full Council that, going forward, chief officers would have the power to take all decisions except where specifically reserved to the Full Council, a Committee or the Executive (either the Cabinet or a Cabinet Member).

Consultations

A number of other authorities have recently changed or are considering changing governance structures. The Working group received evidence from a number of these, notably Cornwall, Kent and Nottinghamshire, representing different approaches. In general, it was clear that the proposals developed in these authorities reflected the political culture and specific requirements of the authority. It was clear from all authorities that there was a feeling that there was a need to keep all arrangements under regular review. Those authorities who have chosen hybrid arrangements or modified cabinet arrangements have particularly highlighted the flexibility this approach gives them. The Working Group have taken the experiences of other authorities and attempted to develop options suitable specifically for Lancashire. One very important way in which this can be seen is in the hybrid proposal. In most other authorities, it is cabinet committees which have been created to advise the cabinet member. In Lancashire, the proposal is for scrutiny committees to take on a similar role, highlighting the emphasis on strengthening accountability and creating a positive balance between cabinet and council.

Implications:

This item has the following implications, as indicated:

Risk management

See Appendix B for the advantages and disadvantages of the options before Full Council.

Legal

In law, both the Cabinet and the Hybrid systems are deemed to be "Cabinet systems", and there is no formal statutory process to undergo in order to change from one to the other. However, if the Full Council chooses to implement a Committee system, the Council is required to give formal public notice of the date when the change will be effective (which must be at the next or a future Full Council AGM) and cannot change its system again within 5 years of the date of the change (except where such a change is required as the result of a local referendum).

Financial

See Appendix E

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
N/A		
Reason for inclusion in Part II, if appropriate		
N/A		