



GOVERNANCE REVIEW REPORT 2013

COUNCIL MEETING 11TH SEPTEMBER 2013	CLASSIFICATION: OPEN
WARD(S) AFFECTED ALL WARDS	
TIM SHIELDS, CHIEF EXECUTIVE	

1. INTRODUCTION

- 1.1 In October 2012 Shared Intelligence (Si) were commissioned to carry out a review of the governance arrangements for the London Borough of Hackney. Their report at Appendix A sets out their findings.
- 1.2 This report sets out a series of recommendations that Council are being asked to endorse. They are based on the findings of Si's independent review. They are further informed by the Executive's Response to Si's review, agreed by Cabinet on 22 July 2013.
- 1.3 Should these recommendations be agreed, they will come into effect in June 2014 following the Council's Annual General Meeting.

2. RECOMMENDATIONS

Council is asked to agree the following recommendations, namely that:

2.1 In respect of Full Council meetings:

- 2.1.1 **Full Council meets 5 times a year, with a streamlined agenda giving priority to questions, deputations and motions.**
- 2.1.2 **Consideration is given to developing new approaches to encourage debate at Council meetings in order to provide an early input to policy making and scrutiny processes.**
- 2.1.3 **Urgent deputations relating to Council services should be received at cabinet meetings rather than Full Council subject to the agreement of the Councillor introducing the deputation.**

2.2 In respect of committees:

- 2.2.1 **A new Corporate Committee is established that would be responsible for non-executive Council matters – HR policies, electoral, planning and regulatory issues and the audit function.**
- 2.2.2 **A Pensions Committee is established that deals with pensions issues.**
- 2.2.3 **The Standards Committee should have two planned meetings a year with extraordinary meetings if necessary to hold hearings. Sub-Committees will continue to process complaints.**
- 2.2.4 **The current Licensing Committee and Sub-Committees to continue in their current form.**
- 2.2.5 **Every committee should review its meeting arrangements to balance cost, public access and Members' commitments.**

2.3 In respect of Overview and Scrutiny

2.3.1 The overview and scrutiny board should be disbanded and replaced with a twice yearly conference of Scrutiny Commission chairs and vice-chairs to maintain an overview of the scrutiny programme as a whole and hold question times for the Mayor and Chief Executive.

2.3.2 Cabinet questions would be handled by the relevant scrutiny commission.

2.3.3 More attention should be given to crafting focused scrutiny recommendations based on good practice in the Council.

3. REASONS FOR DECISION

This report proposes changes to the Governance arrangements within the Council, and by extension the wider constitution, and therefore requires member approval.

4. BACKGROUND

4.1 In October 2012 Shared Intelligence (Si) were commissioned to carry out a review of the governance arrangements for the London Borough of Hackney. Their report at Appendix A sets out their findings and recommendations.

4.2 The Terms of Reference for the review were to:

- a) Examine options and make recommendations relating to the Council's future governance structure;
- b) To consider the frequency, format and timing of meetings in all areas of the Council's calendar, including Council, Cabinet, the Regulatory and Licensing Committees (and their Sub-Committees) and Overview and Scrutiny.
- c) To consider the cost of the governance process including Members' allowances, cost of administration and officer support;
- d) To examine and clarify the role of backbench Members in any new governance structure

4.3 As part of the review process, Si have spoken to the Mayor; every Cabinet Member; the chairs of every committee and the vice chair of the Overview and Scrutiny Board; the overview and scrutiny commission chairs and vice chairs; three "back bench" councillors; the majority group whip; the Independent Remuneration Panel; and the former Chair of Standards Committee.

4.4 Si also met with the three political groups on the Council; attended a meeting of Team Hackney; attended three meetings of the Governance and Resources Scrutiny Commission; attended a meeting of Hackney CEN;

observed a meeting of full Council, and; reviewed agendas for the 2012/13 Municipal Year for Council, Overview and Scrutiny, the Regulatory Committee and the Licensing Committee.

4.5 The reference group met four times. In addition, the Chief Executive updated the Governance and Resources Committee on progress at its April meeting.

4.6 As outlined above, Si worked closely with Members throughout the process. It is important to stress however that while those discussions have been critical to the overarching direction of the review, the recommendations contained within the appended report are independent of the Council.

4.7 Within the framework of the review's terms of reference, the recommendations attempt to provide an independent perspective on future options in respect of the Council's governance arrangements, particularly the ways in which non-executive members can play fulfilling roles that contribute to the work of the council.

4.8 The Chief Executive presented Si's report, and recommendations, to Cabinet for an Executive view in the first instance. Cabinet considered the report at their meeting on 22 July 2013.

4.9 The Executive welcomed the report and agreed with the recommendations found in paragraph 2 (of Shared Intelligence's report), with the following exceptions (the numbering in the boxes refers to the paragraph number in Shared Intelligence's report):

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2.10

Scrutiny reports should only be submitted to full Council meetings in specified circumstances.

4.10.1 Cabinet's response: Scrutiny should decide whether reports should go to full Council or not. The independence and effectiveness of scrutiny is valued and recognised. It would be inappropriate to interfere with this independence.

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Licensing and planning committee should be established to oversee all the Council's regulatory activities with a planning sub-committee and an annual meeting of a statutory licensing committee to appoint 5 licensing sub-committees.

4.11.1 Cabinet's response: The Executive do not believe the recommendation to set up a separate licensing and planning

committee will improve the quality of those functions. The Executive recommends to Council that a working group is established to drive through better working between the Licensing Committee and the Planning Sub-Committee. The Executive supports pre application consultation for strategic applications.

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We also recommend that:

- Each commission should normally carry out one substantive review each year (rather than two as at present);
- The number of reports on the implementation of previous reviews each commission receives should be limited to one report (per previous review) per year.

4.12.1 Cabinet's response: The Executive do not agree that the recommendations in relation to scrutiny reviews and updates are necessary. Individual scrutiny boards are best placed to decide their own work plans and updates on reviews.

4.13 Following consideration at Cabinet, this report (that incorporates and reflects the views expressed by the Executive) asks Full Council to agree the recommendations as laid out in paragraph 3 above.

5. WAY FORWARD

5.1 Should Council agree the recommendations at paragraph 3, incorporating the agreed Executive Response, the Independent Remuneration Panel will work on the Members' Allowances Scheme for June 2014/15.

5.2 The Corporate Director for Legal, HR and Regulatory Services will work with the Constitution Review Officer Group to amend the Council's Constitution to reflect the agreed changes.

5.3 The Members' Allowances revised Scheme and the updated Constitution will come to Full Council for agreement early in 2014.

5.4 The new arrangements will come into effect in June 2014 following the AGM.

6. COMMENTS OF THE CORPORATE DIRECTOR OF FINANCE AND RESOURCES

6.1 As set out in the body of the report, part of the Terms of Reference for the Governance Review was to consider the cost of the governance process including Members allowances, cost of administration and officer support.

6.2 The report does not at this stage include detailed costings as these will depend on the actual decisions taken regarding future governance arrangements. It is clear though that should the proposals in the current form be approved, the overall number of meetings will reduce and therefore the costs of supporting those should also reduce.

6.3 It is recommended within this report that the new arrangements come into effect in June 2014, during the 2014/15 financial year. As 2014/15 budget is already balanced, it is also recommended by the Corporate Director of Finance and Resources that consideration be given at a later date in respect of the use of any further savings that may accrue from the implementation of this review during 2014/15. Going forward, the savings accrued will contribute to the savings required by the Scrutiny and Governance Services teams, in balancing the budget requirements for 2015/16 and future years.

7. COMMENTS OF THE CORPORATE DIRECTOR OF LEGAL, HR AND REGULATORY SERVICES

7.1 Any agreed changes will be incorporated into a revised Constitution for adoption by Council. The new constitution will then come into force from the date of the AGM in 2014.

APPENDICES

APPENDIX A: Hackney Governance Review: Final Report (May 2013) by Shared Intelligence (Si)

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