

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Council Meeting
2.	Date:	3rd June 2015
3.	Title:	Governance Review of Rotherham Metropolitan Borough Council
4.	Directorate:	Resources

5. Summary

5.1 The report outlines the reasons prompting a review of the governance arrangements for the Council and provides suggested Terms of Reference.

It also suggests a timetable for the review and seeks views on the membership of the review group.

6. Recommendations

Council is asked;

- to consider and approve the Terms of Reference for the review; and
- to recommend the size and membership of the review group.

7. Proposals and Details

- 7.1 Following the decision by the Secretary of State to appoint Commissioners to assume certain powers in managing the Council, he also announced that he would ask the Commissioners to review the governance arrangements. He stated that suggestions had been made to change the governance arrangements to make them more transparent and accountable. He asked the Commissioners for their views to see what would be the most effective and efficient form of governance.
- 7.2 Before making any decisions the Commissioners wish to have the views of members and the community in Rotherham. Therefore the Commissioners wish to establish a group of elected members to review and examine the issue and report the views of the political parties and of the independent councillors to them. Membership of the review group will require significant commitment as there is a significant amount of work to be undertaken over the course of the next six months. The suggested Terms of Reference for the review are at the **Appendix**.
- 7.3 The Localism Act 2011 gives councils greater freedom in deciding the form of governance for their area. This enables councils to have a form of governance that reflects the needs and aspirations of people living within their area.
- 7.4 It is suggested that the review group will report their findings to the Commissioners within six months and a suggested timetable is in the Terms of Reference at the Appendix. The Commissioners will then report to the Secretary of State with any decision being made in advance of the 2016 elections.

8. Finance

- 8.1 The terms of reference suggest that representatives from councils who are operating alternative arrangements be invited to advise the group and there may be some expenses payable. It is also suggested that visits be made to other councils to observe how the arrangements work in practice. Therefore it is envisaged that the exercise will cost no more than £5000.

9. Risks and Uncertainties

- 9.1 Until a decision is made it is not possible assess any risks or uncertainties in a change of governance.

10. Policy and Performance Agenda Implications

- 10.1 Reviewing the governance arrangements for Rotherham Metropolitan Borough Council should lead to a more efficient and effective Council.

11. Background Papers and Consultation

11.1 'Rethinking Governance Guidance – Centre for Public Scrutiny

Contact Name: *Jacqueline Collins, Director of Legal and Democratic Services, telephone 01709 8255768 or e-mail jacqueline.collins@rotherham.gov.uk*

Elected member task and finish group: Future Governance Structure for Rotherham MBC

Draft terms of reference.

Version 3 (29-4-15)

1. Membership

Maximum of 10 elected members, to better reflect political balance and to encourage as wide a participation as possible

Chair: To be determined

2. Background

2.1 The Localism Act 2011 expanded the number of decision-making systems that councils could adopt. A formal decision is required to move to a different decision-making system, and would take effect at the Council's Annual Meeting, therefore the earliest this could be implemented in Rotherham would be at the Annual Meeting in May 2016.

The options are:

- Leader and Cabinet – operated by most councils. Decision-making powers can be given to individual cabinet members or retained by full cabinet. The Leader is elected by Council and the Council must have at least one overview and scrutiny committee. This is the model in operation within Rotherham MBC at the time of Government intervention.
- Mayoral system – directly elected executive mayor, who appoints a cabinet made up of other councillors, who may also have decision making powers. The Council must have at least one overview and scrutiny committee. This should also be viewed in light of the growing emphasis upon introducing elected mayors to support regionalisation.
- Committee system – most decisions are made by committees, which comprise a range of councillors, to reflect the political balance of the Council (this is the only model of the three options that specifically requires political balance). The Council is not required to have overview or scrutiny committees but may choose to do so. Individual members cannot make decisions, although these can be delegated to individual officers

2.2 There are variations to these models leading to potential hybrid options for councils to adopt. Councils also have the option of suggesting an approach of their own to the Secretary of State, provided that it satisfies the tests laid out in s9BA of the Local Government Act 2000. To date no Council has devised such a scheme and had it approved.

Regulatory bodies such as Planning and Licensing remain in operation regardless of the governance model adopted.

Key background papers: Rethinking governance, LGA and CfPS; Accountability works for you, CfPS

3. Purpose, objectives and impact of the Task and Finish Group

3.1 The Secretary of State for Communities and Local Government announced the nature of the government's intervention into Rotherham MBC in a statement to the House of Commons on the 26th February 2015. As part of this statement he announced the following:

“It has also been suggested that the governance of the Authority could be improved – made more transparent and accountable - if it were changed to the committee system. Before taking any steps to implement such a change, I will be inviting the Commissioners views as to what they see would be the most effective and efficient form of governance for the Authority. I am also open to representations from the public.”

3.2 The Review group will be established by the Council, following the recommendation of the Commissioners, to seek Member involvement in the determination of a future governance structure. It will therefore consider the main governance options available and make recommendations to the Commissioners on the most appropriate model. Its objectives will therefore be to:

- Consider the main governance options
- Conduct an analysis of the strengths and weaknesses of such models
- Investigate how the models have been implemented elsewhere in the UK and to consider independent evidence regarding their success
- Consider the case for change, including the strengths and weaknesses of the current decision-making arrangement
- Formulate recommendations on the way forward for the Council

3.3 The recommendations will directly influence the future determination of the governance structure of the Council. The governance model will shape its effectiveness, performance, impact on local communities, accountability and leadership and ultimately contribute to the return to local elected members of the administration of the Council and its services.

3.4 The model of governance is key to ensuring that the Council is transparent and accountable to its electorate, via its elected members. An effective system must therefore take account of the extent to which the various communities of Rotherham will be able to influence the different models were they to be implemented. Similarly,

the impact on vulnerable groups or communities with protected characteristics, need to be considered. It is possible that the models may have differing impacts on such groups' ability to influence decision making effectively. The voice of the child is crucial and there will be consultation with and involvement of young people during the review, to ensure that the future arrangements properly involve and represent their views.

3.5 There will also be budget and cost implications for the different models – this will also need to be considered as part of the review

4. Methodology and Timescales

4.1 The review will commence in June 2015, following the local elections and will report by December 2015 at the latest. It will be completed across a programme of 6 meetings and will focus on the following stages:

Stage 1 – Baseline Assessment

Main tasks:

- Establish why the Council might need to change its arrangements and to consider the different viewpoints and perspectives on this, to include an assessment of the strengths and weakness of the current arrangements.
- Consider relevant background information, in particular on the different governance models.

Stage 2 – Options.

Main tasks:

- Determine the main design principles of an effective system, based on the strengths and weaknesses in stage 1.
- Draw up options to support these principles.
- Assess strengths and weaknesses of the models available

This stage will involve the use of research, case studies, visits and use of expert witnesses and guidance.

Stage 3 – Recommendations.

To formulate the recommendations for a future governance model for the Council

4.2 Any change to the model of governance will require consultation with the public. Members should consider a timescale and methodology of conducting this alongside their review and how it might effectively share its findings as part of the that public consultation

5. External Input

5.1 External input to the workings of the Task and Finish Group will take the form of the following:

- Independent technical support to the group to provide insight and advice into the legal structures associated with the models and crucially to provide challenge to the process therefore making it more robust
- External challenge to ensure that the work of the task and finish group is robust in terms of its deliberations and conclusions.
- Invitation of expert guests – where specific experience from other authorities, e.g. Doncaster, Nottinghamshire is deemed to be important in informing the deliberations of the group

Co-opting independent support to the group, where it is felt that particular perspectives or skills/experience are missing from the membership

6. Dates of Meetings

Stage 1 – Meetings 1 and 2 - June and July 2015

Stage 2 – Meetings 3, 4 and 5 – August – October 2015

Stage 3 – Meeting 6 – October or November 2015

7. Reporting Mechanism

Task and Finish Group to report directly to Commissioner Sir Derek Myers as the Lead Commissioner for this objective

Stuart Fletcher
Service Manager – Commercial Property & Information Governance
Legal Services

29th April 2015