



Belfast City Council

| | |
|---------------------------|--|
| Report to | Strategic Policy and Resources Committee |
| Subject: | Future Governance Arrangements for the Shadow Council Period |
| Date: | 4 April 2014 |
| Reporting Officer: | Ronan Cregan, Director of Finance and Resources |
| Contact Officer: | Emer Husbands, Strategic Performance Manager Stephen McCrory, Democratic Services Manager |

| | |
|------------|---|
| 1.0 | Background |
| 1.1 | At the Strategic Policy and Resources Committee on 13th December 2013, Members were updated on the three possible forms of governance available to new councils as provided for in Part 5 of the Local Government Bill: (a) executive arrangements (either cabinet or streamlined committee); (b) a traditional committee system; or (c) prescribed arrangements. |
| 1.2 | At the meeting, Members agreed on a process of engagement, to facilitate discussions on potential new political management arrangements for the operation of the new council during the Shadow period (May 2014 – March 2015). |
| 1.3 | Party Group briefings took place in January 2014, facilitated by Jonathan Huish from the Improvement and Efficiency Social Enterprise (IESE), at which Members explored the issues associated with each model. Jonathan Huish provided feedback to the Committee at its meeting on 7 th February where it was agreed that officers should work with the Governance Steering Panel to develop options for possible committee structures for the Shadow period based on a more streamlined traditional committee system. These options would then be discussed with party groups before a final report was brought back to SP&R and STC in April. |
| 1.4 | This report therefore sets out recommendations on the proposed interim governance arrangements for the shadow period June 2014 – March 2015. |
| 2.0 | Existing Council |
| 2.1 | In considering arrangements for the Shadow Council, Members firstly discussed the governance structures for the existing council, as both structures will operate simultaneously from June 2014 to March 2015. |
| 2.2 | The Annual Meeting of the existing council has been scheduled for Monday 2 nd June 2014, where the Council will appoint a Lord Mayor, Deputy Lord Mayor and committee membership for the period ending on 31st March 2015. The current council will have to oversee the work of the departments as laid out in the departmental plans and revenue estimates and it is therefore recommended that the current committee structures remain in place during this period to fulfil this function. As the year progresses, depending on the volume of business, it may be possible to review the frequency of meetings of these committees to free up members time. |
| 2.3 | Members will be aware that the committees are supported by a large number of working groups (details of committee and working group meeting is attached at Appendix 1). Given the demands on Members' time in the shadow period it is recommended that a review of the working groups is undertaken with a view to |

reducing the number where possible.

3.0 The Role of The Shadow Council

3.1 While the current council will continue to oversee day to day delivery of service the Shadow council will work to prepare the organisation for the adoption of full functions, powers and responsibilities in April 2015. A consultation document on regulations for the shadow period has been released which sets out the requirements of the Shadow Council up to April 2015. A summary of key actions is set out below

| | |
|-------------------------|---|
| Governance | <ul style="list-style-type: none"> Identify and design the preferred governance model - including the number, size and roles of committees for the adoption of full powers on 1st April 2015 Agree a method for filling positions of responsibility (by nomination or election) for the 4 year period between 2015 and 2019 Agree the allocation of Special Responsibility Allowance (SRA) Agree the name of the new council Develop Standing Orders for the new council post April 2015 Prepare a Scheme of Delegation for the new council post April 2015 Define and agree the constitution for the new council Develop a Corporate and Business Plan for the new council |
| People | <ul style="list-style-type: none"> Appoint staff – HR and Finance Build capacity in preparation for new functions – particularly planning |
| Financial | <ul style="list-style-type: none"> Striking the Rate for 2015 – 2016 Agree budget for new Council Medium Term Financial Plan Capital Programme |
| Operational | <ul style="list-style-type: none"> Prepare service convergence plans to ensure continuity of service within new areas Prepare for the transfer of functions from central to local government (planning, regeneration, community planning, local economic development, housing, off street parking) Design and agree the organisational structure of the new council |
| Transformational | <ul style="list-style-type: none"> Commence the development of the Community Plan and Local Development Plan Develop the Councils approach to strategic regeneration Develop the approach to area working Agree outcomes framework |

4.0 Proposed Governance Structures for the Shadow Council

4.1 In order to fulfil these functions, two options for possible committee structures were presented at the party group briefings. All parties agreed that an enhanced traditional committee system with the following four standing committees was the preferred option;

- a **strategic committee** which would take decisions or make recommendations in relation to budgets, governance arrangements, organisational development and design, corporate planning and performance processes etc. This is similar to the type of work currently undertaken by the current

| | |
|----------------------------------|---|
| <p>4.2</p> <p>4.3</p> <p>4.4</p> | <p>SP&R Committee.</p> <ul style="list-style-type: none"> - The inclusion of a transition committee with responsibility for ensuring the smooth transfer of services from central government including planning, regeneration, housing, off street car parking and the extension of current council functions to the new ratepayers from Lisburn and Castlereagh. This will include overseeing the transfer of staff and assets transfer, service standards, accommodation etc. - a transformation committee with responsibility to commence the development of the community plan, local development plan and prepare the organisation for its future role as a regeneration authority. This will include the development of a city vision and priorities, an outcomes framework, establishing an external partnership reference group and formulating the Councils approach to area working. - a regulatory committee which, during the Shadow period, would prepare for its own future regulatory role in respect of planning through capacity building, awareness raising and case studies/visits. <p>These standing committees could be supported by working groups where needed and this requirement would be fed into the review of working groups for the current council to make the best use of Members' time.</p> <p>As with a traditional committee system, all committees will report into the full Council. A schematic of the preferred option is set out in Appendix 2 and details of the high level decisions and activity required by each committee for the duration of the Shadow Council are included in Appendix 3.</p> <p>If Members agree this option officers will work up the terms of reference for each committee to inform the Standing Orders for the shadow period.</p> |
| <p>5.0</p> | <p>Process for the implementation of the Shadow Governance Arrangements</p> |
| <p>5.1</p> <p>5.2</p> <p>5.3</p> | <p>Interim Governance arrangements will need to be in place to allow the Shadow Council to function and to carry out the actions outlined above. A number of key issues need to be addressed almost immediately after the May elections in order that later deadlines can be met.</p> <p>The Annual Meeting of the Shadow Council must take place within 21 days of the Local Election – ie by 12th June 2013. Officers will work with party groups during this timeframe to ensure key decisions can be taken at this first meeting including;</p> <ul style="list-style-type: none"> • Agree the preferred interim governance model for the shadow period – including the number, size and responsibilities of committees • Agree the allocation of special responsibility allowance for the shadow period • Agree Standing Orders for the shadow period • Agree a full work plan (Corporate Plan) for the shadow period <p>A draft Agenda for the first meeting of the Shadow Council is set out at Appendix 4.</p> <p>There are a number of key considerations which must be taken into account regardless of the governance arrangements selected. The decision about the final structure and composition of the committees for the Shadow period will need to take account of the following:</p> <ul style="list-style-type: none"> • Call – in - decisions will be subject to 'call-in' whereby 15% of Members (9 out of 60) may call for any committee decision to be reconsidered on the basis that (a) a decision was not arrived at after proper consideration of the relevant facts and issues (due process) or (b) that the decision would disproportionately affect adversely any section of the inhabitants of the district (adverse impact). • Qualified Majority Voting (QMV) - all decisions are subject to 'simple majority' voting. However a number of decisions (to be specified by DOE and included in standing orders) will be subject to 'Qualified Majority Voting (QMV)' where the support of 80% of the Members of a council present and voting at a meeting will be required for a specified decision or resolution to be agreed. • Number, size and composition of Committees - although no limit has been imposed on the size of Committees within the Traditional Committee system, any decision should be considered in the light of its impact on the degree of political representativeness, the speed of decision-making and how it might affect remuneration generally. The Council will need to determine how many Members should sit on |

each Committee and how often they should meet.

- **Positions of Responsibility / Allocation of Special Responsibility Allowances (SRA)** - The Chair and Deputy Chair of any committee are currently considered as positions of responsibility as are the positions of Party Leader and Deputy Party Leader and Party Secretary (depending upon party strength). As positions of responsibility will be entitled to Special Responsibility Allowance (SRA), the number of committees will also impact on the division of the SRA allocation amongst Members. Indications are that the SRA will be capped at £108,000 per annum for Belfast City Council.
- **The role of working groups and panels - non-decision making bodies** - this layer of governance may include a Governance working group, Audit and Budget Panels and Area Working Groups. These advisory groups will have no decision making powers but will provide advice and recommendations to the Committees into which they report and inform its decision-making process.
- **Review of existing working groups** – As outlined in 2.0 Members will also need to undertake a review of the number and constitution of existing working groups taking account of the dual governance arrangements which will exist during the shadow period, the revised geography of the council area and the additional pressure which will be placed upon Members' time as a result of the adoption of new powers, functions and responsibilities.

6.0 Recommendations

6.1 It is recommended that Members:

1. Agree to continue with the current committee structures for the current council from June 2014 – March 2015.
2. Review the number and role of the existing working groups to take account of the dual governance systems which will exist during the shadow period.
3. Agree to the traditional committee system with four standing committees as set out in the report as the governance structures for the Shadow Council to operate from June 2014 – March 2015.
4. Agree that officers now work up terms of reference for each committee to inform the standing orders for the Shadow Council.
5. Agree the draft Agenda for the first meeting of the Shadow Council