



Report to:	Shadow Strategic Policy and Resources Committee
Subject:	Overview of the Governance process in preparation for the new Council
Date:	Friday 26th September 2014
Reporting Officer:	Suzanne Wylie, Chief Executive
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1.0	BACKGROUND
1.1	<p>As Members will be aware, the initial one year “shadow period” of the new Council will come to an end on 31 March 2015 with the new Council assuming full powers and responsibilities from 1 April 2015 onwards.</p> <p>As the planning and regeneration authority for the city and with the new convening power of Community Planning, the Council and elected Members will play a more strategic leadership role within the city and will be a more outward facing organisation, working in partnership to deliver against identified city outcomes. Developing strategic relationships with key stakeholders at a city, thematic and area-level will be a cornerstone of the Council’s approach to community and strategic planning for the city and will be a key lever to stimulating continued investment and supporting the social, economic, environmental and physical renewal of the city and its neighbourhoods.</p> <p>It will therefore be necessary for the new Council to agree upon a preferred set of governance arrangements (including a suitable form of governance and a new committee structure) for the four year term beginning in April 2015 and ending with the local government elections in May 2019.</p> <p>The Local Government Act (Northern Ireland) 2014 provides for the new Council to hold a second Annual General Meeting (AGM) during the “shadow period”, in order to allow the Council to fill the Positions of Responsibility and to appoint Councillors to Committees in advance of 1 April 2015.</p> <p>However, there are a number of key governance decisions which must be taken in advance of this AGM in order to ensure that the new Council is ready to function from the 1 April 2015 onwards. These include:</p> <ul style="list-style-type: none">- agreement on the permitted form of governance (executive, traditional committee or prescribed)- agreement on the committee structure (including the number, size and role of committees)

	<ul style="list-style-type: none"> - agreement on the method for filling positions of responsibility - agreement on the method for appointing Councillors to committees - the remuneration of Councillors (including the allocation of Special Responsibility Allowances)
1.2	<p>The purpose of this paper is to provide Members with an initial overview of the key decisions which will be required over the next number of months and to outline an indicative plan of work to ensure that the new Council has time to discuss and agree upon its preferred governance arrangements in advance of April 2015. (Appendix 1 provides a timeline of key decisions and associated papers which will be brought through the Committee decision making process)</p> <p>Members will note that, commencing in October 2014, a series of Party Group briefings will be held in order to discuss the process with Members and to take direction on the proposed way forward.</p>
1.3	The governance arrangements will also be informed by work with Members to develop the future strategic direction of the organisation and its organisational design.
2.0	KEY DECISIONS REQUIRED
2.1	The following section provides Members with a summary of each of the decisions which will be required to be made over the next few months. Many of these decisions were required for the establishment of the Shadow Council's governance arrangements for the one year shadow period and will therefore be familiar to Members.
2.2	Permitted Form of Governance
2.2.1	The Council will be required to select an overall form of governance for the four year term 2015 to 2019.
2.2.2	The Local Government Act 2014 provides for three permitted forms of governance. The default system is the "committee" system unless the Council decides to select either "executive arrangements" or "prescribed arrangements" - both of which would be subject to a qualified majority vote of the Council.
2.2.3	A significant amount of consultation with party groups on permitted forms of governance took place as part of deciding the governance structures for the shadow period. All parties agreed that, in order to ensure an inclusive decision making process, the Council should adopt a traditional committee system and there was no support for an executive or cabinet model. Therefore a traditional committee model was adopted during the Shadow period with four standing committees ¹ , all of which report into the full Council. If Members are still in agreement that the traditional committee system is the most appropriate form of governance for the new Council then officers can proceed with developing options for committee structures on that basis.
2.3	Council Charter / Name
2.3.1	The new Council will be required to decide whether or not to continue the county borough charter and city status of the existing Belfast City Council.

2.3.2	Regulations to make provisions in relation to borough charters of existing councils and their continuation in relation to a new council are due to be issued by the DoE in December. As one of the two county boroughs in Northern Ireland (along with Derry/Londonderry), Belfast will be given the option to continue the existing council's county borough (and city) status. The two alternative options open to the new council; to apply for a new borough status, or to remain a district council would both result in the loss of Belfast's city status.
2.3.3	If the new council decide to continue with the existing county borough charter, then the council name would officially revert back to Belfast City Council with immediate effect on 1 April 2015 and both city and county borough status would be retained.
2.4	Committee Structure
2.4.1	The new Council will be required to identify an agreed committee structure including the number, role and size of each committee established for the four year term 2015 to 2019 and will also need to agree on the method for appointing Councillors to the committees.
2.4.2	The selection of a preferred Committee Structure and the roles and responsibilities which will be allocated to each committee will be informed by the strategic direction the organisation wishes to take over the next four years. A separate report on the Committee's agenda, in respect of Organisational Development and Strategic Planning, deals with the processes being put in place to ensure that Members are supported by leading experts to develop this strategic direction to support decisions about the most effective and fit for purpose approach to governance and organisational design.
2.5	Appointment Councillors to Committees
2.5.1	The agreed number and size of each committee will also have an impact on the method of appointing Councillors to committees (Quota Greatest Remainder or Droop Quota) and the resulting allocation of committee places to Parties. The appointment of Councillors to committees must be undertaken at the AGM of the Council in accordance with Schedule 2 of the Local Government Act 2014. Standing committees may be supported by working groups as required.
2.5.2	Members will be aware, that for the operation of committees during the Shadow Period, the new Council selected the default Quota Greatest Remainder method of appointment.
2.6	Positions of Responsibility
2.6.1	The new Council will be required to decide upon a method for filling positions of responsibility and must then proceed to allocate each position over the full four year term (April 2015 to May 2019) at the AGM in March 2015 in accordance with Schedule 1 of the Local Government Act 2014. The number of positions of responsibility will be dependent on the number of committees and also the number of external representatives of the Council on outside bodies.
2.6.2	The Act provides three possible methods for filling positions of responsibility - d'Hondt, Sainte Lague, and the Single Transferable Vote. The d'Hondt method is the default method unless a

	qualified majority of Members decide to select one of the other options.
2.6.3	During the Shadow Period, the positions of responsibility were restricted to the Presiding and Deputy Presiding Officers, the Committee Chairs and Vice-Chairs and the Partnership Panel (11 positions of responsibility in total) for one year only. Members will recall that the d'Hondt method was selected for the filling of positions of responsibility during the Shadow Period. Neither the positions filled during the shadow period nor the method selected to fill those positions will have any bearing on the filling of positions of responsibility (or the method to do so) over the subsequent four year term. The process is effectively beginning again.
2.6.4	For the forthcoming four year term, the positions of responsibility will be extended to include external representatives of the Council. It is not possible to calculate the total number of external positions of responsibility until the DOE have completed an exercise to identify those outside bodies which will require councillor representation and a further discussion of council will be needed to agree this.
2.7	Remuneration and Special Responsibility Allowances
2.7.1	The new Council will be required to agree upon the breakdown of the £108,000 Special Responsibility Allowance (SRA) between Members of the Council during the first year (2015/2016). The Minister for the Environment has already agreed the scheme of allowances payable to Members of the new Councils in April 2015 (basic allowance, travel and subsistence, caring or dependent carer's allowance, etc) so no decision is required on that aspect of Member's remuneration.
2.7.2	The division of the Special Responsibility Allowance is based upon the positions held by individual Members either as Chair and Deputy Chair of Committees or as Officers within the Political Parties. The Shadow Council agreed upon a SRA allocation during the shadow period which was based on the same general principles that have been used to determine SRA allowance in the past.
2.7.3	It is anticipated that these same principles will be discussed with Members in order to determine a suitable allocation of SRA during the first year of the new Council (2015/2016). The main difference will be the removal of SRA allocations for the Presiding and Deputy Presiding Councillor as these positions are likely to be filled by Lord Mayor and Deputy Lord Mayor, who along with the High Sheriff position – will be subject to separate remuneration under a Civic Dignitaries Allowance.
2.8	Constitution
2.8.1	The new Council will be required to publish a Council Constitution by the 30 th April 2015. The key supporting governance related frameworks required by the date of the AGM will be (i) agreed Standing Orders which will set out how the new Council and associated Committees will operate; and (ii) a Scheme of Delegation outlining the delegated authority from Council to Committee and from Committee to Officers
2.8.2	Members shall note that final direction from the DoE about the information to be contained in a council's Constitution, together with a model constitution, and regulations in respect of the

	content of Standing Orders with a model Standing Orders document, are all due to be issued in October 2014.
2.9	Other Considerations
2.9.1	<p>Decisions taken over the next few months on the strategic direction of the organisation post 2014 and on the organisational design required to support this will inevitably directly impact upon the agreed governance arrangements. Other key considerations include:</p> <ul style="list-style-type: none"> • Planning – as previously discussed with Members, given the quasi-judicial nature of planning and the associated statutory requirements placed upon the Council, it is envisaged that any new governance arrangements brought forward will include a Planning Committee. Any such Committee will require specific governance arrangements to be put in place in relation to, for example, the optimum size of a planning committee, code of conduct around planning, scheme of delegation etc. It should be noted that, typically, planning committees in England have between 10 and 15 Members. Clearly these governance arrangements will sit within the wider governance framework in terms of the development. • It is therefore recommended that work in relation to the establishment of the Planning Committee and associated supporting governance arrangements commence immediately; in parallel with the ongoing engagement and work with Members and Committee in relation to the development and agreement of the Governance structure and political management arrangements for the new Belfast council. It will be important that both the Shadow SP&R Committee and Shadow Planning Committee are fully engaged and input into the proposals brought forward around the Planning Committee and that this informs the Members capacity building programme being rolled-out. • Working Groups - in moving forward and giving the expanded remit of elected Members and the associated capacity and resource pressures that this creates, Members will need to explore the future role and status of Member Working Groups (such as the Audit Panel and the Budget and Transformation Panel) and including the Area Working Groups reflecting the larger city. • Support to Members and Party Groupings - the additional functions and responsibilities of the new Council will place a much greater demand on Members' time and will impact on their capacity to serve their constituents. A review of the current and required level of officer support to Members will be carried out with a view to producing options for Members around the potential provision of additional political / policy assistance to Party Groups. • Civic Initiatives Fund - Further work will also be required to determine the scope and remit of a potential Civic Initiatives Fund for future.
2.10	Notices of motion
2.10.1	<p>Members are advised that there were two Notices of Motion raised at the Shadow Council meeting on 9 September 2014 which have been referred to the Shadow SP&R Committee as they relate to governance issues. The two Notices referred to the Shadow SP&R Committee are listed below:</p> <ul style="list-style-type: none"> • Notice of Motion - Challenging d'Hondt

	<p>Councillor Julie-Anne Corr moved that:</p> <p><i>“This Council, mindful of its responsibility to represent the diverse population of our City, agrees to re-examine the method it employs for appointing Members to positions of responsibility, namely, the d’Hondt system.</i></p> <p><i>This Council agrees that it will give due consideration to adopting the Sainte Laguë method as the means for filling such positions since it is considered to be a more inclusive method of promoting diversity and equality.</i></p> <p><i>The Council believes that such a step would be in accordance with the decision taken by the Shadow Council on 11th June when, in endorsing its Corporate Plan for the Shadow Council period, it had agreed that “inclusivity” would be added to the list of values which would guide the work of the Shadow Council”</i></p> <ul style="list-style-type: none"> • Notice of Motion – Health Scrutiny Committee <p>Councillor Attwood moved that:</p> <p><i>“Belfast District Council (Shadow) notes with deep concern the scale of the potential cuts facing the Health service which will affect the most vulnerable sections of our community and which may put people lives at risk.</i></p> <p><i>The Shadow Council recognises the dedication of our health service workers in hospitals, in the community and in social care who provide an excellent service to patients in difficult financial circumstances.</i></p> <p><i>Accordingly, the Shadow Council agrees to consider the establishment of a Health Scrutiny Committee in Belfast to monitor and scrutinise the impact of health service cuts and to engage with the Belfast Health and Social Services Trust, health unions and health professionals to protect the health service in Belfast.”</i></p>
2.10.2	<p>Members are advised that both of the Notices of Motion above refer to key decisions (i.e. the method of determining positions of responsibility and the committee structure for the new council) which will necessarily be considered as part of the wider governance arrangements plan of work outlined at Appendix 1. As such, both decisions referenced will be considered in due course by the Shadow SP&R Committee and will be subject to full Council approval prior to April 2015.</p>
3.0	Resource Implications
3.1	None
4.0	Equality and Good Relations Implications
4.1	None
5.0	Call in
5.1	This report is subject to call in.

6.0	Recommendations
6.1	<p>It is recommended that Members:</p> <ol style="list-style-type: none"> 1. agree that officers begin to develop options for new political governance structures based on a traditional committee system. 2. note the above report and the key decisions required over the next seven months. 3. agree that work on the establishment of a Planning Committee and supporting governance frameworks be taken forward in parallel with the wider engagement with Members on the new Governance structure and political management arrangements for the council; and 4. agree that the decisions referred to in the two Notices of Motion (see paragraph 2.9), raised at Shadow Council on 9 September 2014, be considered by the Shadow SP&R Committee as part of the overall governance work plan outlined at Appendix 1.
7.0	Documents attached
7.1	Appendix 1 – Timeline to agree future governance arrangements.

ⁱ a **Shadow Strategic Policy and Resources committee** to cover the budgetary, governance, organisational design and planning and performance functions (Similar to the type of work currently undertaken by the SP&R Committee in the existing Council); a **Transition committee** to cover the transfer of services from central government and the extension of current functions to the new extended boundary. (Including overseeing the transfer of staff and assets, service standards, accommodation etc); a **Transformation committee** to commence development of the community and local development plans and prepare the organisation for its future regeneration role and a **Planning committee** to prepare for its own future regulatory role in respect of planning through capacity building, awareness raising and case studies and visits.