



Name of meeting: Corporate Governance and Audit

Date: 2 December 2022

Title of report: Committee System Proposal – Democracy Commission Report

Purpose of report: To consider the recommendations of the Democracy Commission in addressing the terms of reference agreed by Corporate Governance and Audit Committee.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)?</u>	No
The Decision - Is it eligible for call in by Scrutiny?	No
Date signed off by <u>Strategic Director</u> & name Is it also signed off by the Service Director for Finance? Is it also signed off by the Service Director for Legal Governance and Commissioning?	Rachel Spencer Henshall – Eamonn Croston – 16th November 2022 Julie Muscroft – 24th November 2022
Cabinet member portfoliohttp://www.kirklees.gov.uk/you-kmc/kmc-howcouncilworks/cabinet/cabinet.asp	Cllr Paul Davies

Electoral wards affected: All

Ward councillors consulted: No

Public or private: Public

Has GDPR been considered? No GDPR implications

1. Summary

1.1 The Corporate Governance and Audit Committee has a clearly defined and important role in ensuring the adequacy of the Corporate Governance arrangements and monitoring and reviewing the operation of the Council's constitution. As a result, the Committee has been central in the oversight of the ongoing work in relation to the review and examination of alternative models of Governance.

2 Information required to take a decision

Background

2.1 On 24th September 2021 Council approved the appointment of the Local Government Advisor (LGA), Mark Edgell to advise and work with Councillors on the governance review process. Council further approved that the Corporate Governance and Audit committee be tasked with determining the next steps of the proposal for a committee system arrangement

2.2 Subsequently, an informal session was arranged on 13th October 2021 with this Committee to receive further advice from the LGA and discuss the approach to the review of the different governance models available. Mr Edgell attended that session and discussed the various governance models available, the approach to a governance review and the issues specific to Kirklees.

2.3 On 4th November 2021 an all-Councillor committee system session was held to discuss the issues together, in a balanced, neutral way and to capture the views of all members. The outcome report of that session was considered by this committee on 26 November 2022. The Committee determined that further work should be undertaken to consider:

- (i) further evidence from LA's who had moved from cabinet and scrutiny model to a committee system
- (ii) further evidence from LA's who had moved from committee system to cabinet and scrutiny model
- (iii) further evidence from LA's who had returned to a cabinet and scrutiny system after changing to a committee system
- (iv) how the evidence base for decision making could be improved
- (v) how the rationale for decision making could be more effectively communicated
- (vi) how non-executive members could influence decision making
- (vii) how pre-scrutiny consideration could be improved.

2.4 On 26th November 2021 the Corporate Governance and Audit Committee resolved that the Democracy Commission be convened to undertake this work. The Terms of Reference for the review were set and agreed by the Corporate Governance and Audit Committee on 21st January 2022 and are set out at paragraph 2.7 below.

- 2.6 The Democracy Commission's findings and report is set out and attached at **Appendix 1**.
- 2.7 DEMOCRACY COMMISSION TERMS OF REFERENCE:** To review the advice, conclusions and recommendations of the LGA Independent Advisor.
1. *To consider evidence from other Local Authorities operating under alternative models of governance such as those who have changed from:*
 - *Leader and Cabinet model to a Committee System.*
 - *Committee System to Leader and Cabinet model.*
 - *Leader and Cabinet and changed to Committee system and back to a Leader and Cabinet model*
 2. *To review the current model in light of evidence from other Councils/Models and consider whether more inclusive decision making can be achieved through:*
 - *Strengthening the impact of scrutiny – Increased member involvement and focus on pre-decision scrutiny*
 - *Increased understanding of evidence, openness and transparency in relation to Cabinet Decision Making*
 - *Improved flow of information and processes in place*
 3. *To submit a report to Corporate Governance and Audit Committee setting out findings and recommendations arising from the review.*
 4. *The Commission will report back to Corporate Governance & Audit committee at every meeting.*
- 2.8 The Commission have regularly updated the Corporate Governance and Audit Committee at each meeting.
- 2.9 A Swot analysis of each governance model is appended at **Appendix 2 and 3** of the Democracy Commission's report.
- 2.10 Corporate Governance and Audit Committee are asked to consider the findings in the attached report and recommendations from the Democracy Commission.

3 Implications for the Council

The Council's capacity to work effectively and to deliver all aspects of its corporate outcomes is underpinned by ensuring that it takes informed and transparent decisions with openness and accountability. The Council's choice of governance arrangements is fundamental to this. The decision-making structure of the Council should provide a framework of transparent accountability to users, stakeholders, and the wider community.

If the recommendations are not approved, it would mean that there would be time and financial resource implications and further consideration of what those are will be required to be established once the finer details are determined.

The current recommendations are in line with the Localism Act 2011 and the Local Government Acts.

3.1 Early intervention and Prevention (EIP)

No implications

3.2 Economic Resilience (ER)

No implications

3.3 Improving Outcomes for Children

No implications

3.4 Reducing Demand on Services

No implications

Next steps and timelines

That CGA consider the report of the Democracy Commission and if approved, the recommendations are to be submitted to Council in January 2023 for consideration and approval.

4 Officer recommendations and reasons

That Corporate Governance and Audit committee thanks the Democracy commission for the work undertaken on behalf of this Committee. The Committee also notes and endorses the following recommendations of the Democracy Commission and recommends that they be taken to Council for approval: -

The Commission recommends that

1. The Council supports the retention of the current model of governance (Cabinet Strong Leader Model) with the suggested improvements set out below: -
2. The Council recognises the key role of the scrutiny function, including key strategy formation in engaging non cabinet members in the decision-making process, which can be further developed through the following suggested enhancements:
 - (i) Improvements to enhance and improve pre-decision scrutiny to include reviewing the current scrutiny panels
 - (ii) Clear guidance as far as reasonably practicable in defining pre-decision scrutiny and associated timelines

- (iii) Annual training and work programme briefings provided to all Members of the Council's Scrutiny Panels.
 - (iv) Providing clear information to Members and officers on the benefits of pre decision scrutiny and to ensure there is an understanding of the requirements to engage in early pre-decision scrutiny to enhance good decision making
3. The Council recognises that good scrutiny and decision making relies on the provision of transparent, accessible information in a timely manner and supports the development of sharing information to raise awareness, increase understanding of and ensure clarity for Members and Officers around scrutiny, Access to Information Rules and the sharing of information.
 4. That Cabinet be requested to explore increasing dialogue on key strategic issues with Members to increase transparency and explore developing both formal and informal engagement with Members.
 5. That consultation be undertaken with Group Business Managers and Members, to identify any potential barriers preventing some Members being appointed to Committees/Panels such as timing, frequency, location, format of meetings and any actions appropriately co-ordinated.
 6. That information be communicated to all Members (across different roles) in relation to engagement with the decision-making process, including access to information rules, scrutiny, raising a notice of concern, speaking and questioning rights at committees.
 7. That work is considered to explore enhancing training and development for Councillors to help understand and carry out their roles.
 8. To note and thank Mark Edgell and the Local Government Association for the advice, report and recommendations which has provided the panel with an independent starting point for the review by the Commission.
 9. To note and thank the Local Authorities and stakeholders who gave their time and shared their experiences with the Commission.

5 Cabinet Portfolio Holder's recommendations

Not applicable

6 Contact officer

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7. Background Papers and History of Decisions

AGM: 19 May 2021

[Agenda for Annual Council on Wednesday 19th May 2021, 12.30 pm | Kirklees Council](#)

Council: 8 September 2021

[Agenda for Council on Wednesday 8th September 2021, 5.30 pm | Kirklees Council](#)

Corporate, Governance and Audit: 24 September 2021

[Agenda for Corporate Governance and Audit Committee on Friday 24th September 2021, 10.00 am | Kirklees Council](#)

Corporate, Governance and Audit: 26 November 2021

[Agenda for Corporate Governance and Audit Committee on Friday 26th November 2021, 10.00 am | Kirklees Council](#)

Corporate, Governance and Audit: 21 January 2022

[Agenda for Corporate Governance and Audit Committee on Friday 21st January 2022, 10.00 am | Kirklees Council](#)

7 Service Director responsible

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