



AGENDA

For a Special meeting of the
CONSTITUTION AND ACCOUNTS COMMITTEE

to be held on

MONDAY, 26 MARCH 2007

at

2.30 PM

in the

**WITHAM ROOM, COUNCIL OFFICES, ST PETER'S HILL,
GRANTHAM**

Duncan Kerr, Chief Executive

**Panel
Members:** Councillor Reginald Howard, Councillor John Hurst, Councillor Reg Lovelock M.B.E. (Vice-Chairman), Councillor Peter Martin-Mayhew and Councillor Mrs. Linda Neal (Chairman)

**Committee Support
Officer:** Lucy Bonshor 01476 406120 l.bonshor@southkesteven.gov.uk

Members of the Committee are invited to attend the above meeting to consider the items of business listed below.

1. MEMBERSHIP

The Chief Executive to notify the Committee of any substitute members.

2. APOLOGIES

3. DECLARATIONS OF INTEREST

Members are asked to declare any interests in matters for consideration at the meeting.

4. MINUTES OF THE MEETING HELD 26TH FEBRUARY 2007

(Enclosure)

5. COMMITTEE ARRANGEMENTS

Report Number CB01 from the Leader of the Council.

(Enclosure)

6. ANY OTHER BUSINESS, WHICH THE CHAIRMAN, BY REASONS OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT



MINUTES

CONSTITUTION AND ACCOUNTS COMMITTEE

MONDAY, 26 FEBRUARY 2007

COMMITTEE MEMBERS PRESENT

Councillor Vic Kerr
Councillor Reg Lovelock M.B.E. (Vice-Chairman)

Councillor Peter Martin-Mayhew
Councillor Mrs. Linda Neal (Chairman)

OFFICERS

Strategic Director (Ian Yates)
Corporate Head of Finance and Resources
Monitoring Officer
Democratic Officer

44. MEMBERSHIP

None.

45. APOLOGIES

An apology for absence was received from Councillor John Hurst.

46. DECLARATIONS OF INTEREST

The question as to whether membership of the Development Control Committee required a declaration was again raised. The Monitoring Officer reiterated what she had indicated at the previous meeting that no declaration of interest was required.

47. MINUTES OF MEETING HELD ON 13TH DECEMBER 2006

The minutes of the meeting held on 13th December were agreed as a correct record.

48. ESTABLISHMENT OF A GOVERNANCE AND AUDIT COMMITTEE

Decision

The Constitution and Accounts Committee recommends to Council the following:

- 1) ***That a Governance and Audit Committee be established with the terms of reference contained in Appendix 1 to report CHFR034.***

- 2) *That the Governance and Audit Committee be comprised of five members and be subject to political balance with the Chairman retaining a casting vote. A quorum of the committee to be three members. An external individual to be co-opted to the committee with voting rights.*
- 3) *Membership of the Committee will be subject to having the appropriate skills as set out in Appendix 2 to report CHFR034 and there will be a requirement for mandatory training of members of the Committee.*
- 4) *That the role and function of the Constitution and Accounts Committee, as set out in article 10 of the Constitution be amended to delete points f) to j) and the name of the committee to be changed to 'Constitution Committee'.*

The Corporate Head of Finance and Resources informed the Committee that if the council wished to progress to level 3 in the Audit Commissions Use of Resources assessment the key lines of enquiry for level 3 relating to internal control included "the council has arrangements in place to maintain a sound system of internal control". It also stated that the council needed to be able to demonstrate that it can effectively deliver the core functions of an audit committee as identified in the CIPFA guidance; that it had provided for the ability to challenge the executive when required and provided for effective leadership on government, financial reporting and audit issues.

The report gave the background on the current arrangements in place and the Corporate Head of Finance and Resources referred members to section 3.2 of the report which listed the core functions of an audit committee as described in CIPFA guidance. Paragraph 3.3 dealt with membership of a Governance and Audit Committee and the CIPFA guidance suggested a membership of between three and five with an appropriate quorum set within the terms of reference. A short discussion followed on how many members the new Governance and Audit Committee should have. One Member felt that five was too low a number and it should be between seven and nine; other members felt that due to the need to understand both financial and accounting issues that was too high a number even with the mandatory training that would be required. The issue of a co-opted member was then raised and the Monitoring Officer said that they would be advertised externally much in the same was as members for the Standard Committee had been. Allowances would also be calculated in the same way as external members of the Standards Committee. Advice was then given by the Monitoring Officer on political balance. The name of the Committee was then discussed and the need for it to be both a Governance and Audit Committee with clarification being given about the work undertaken by the Governance and Audit Committee and the Constitution Committee. The recommendations were then individually put to the Committee. Recommendation 1 was agreed. Further discussion took place with regard to recommendation 2, the number of members within the new committee. Seven members was proposed, however this proposal did not receive a seconder and therefore the vote for five members with one external

co-opted member, a quorum of three and the Chairman retaining the casting vote was put forward and carried. Recommendations 3 and 4 were both agreed.

49. CHANGES TO THE DELEGATION SCHEME & TERMINATION OF THE PLANNING PANEL

Members noted the extract from the minutes.

50. DEVELOPMENT CONTROL COMMITTEE ADMINISTRATIVE ARRANGEMENTS

Members noted the extract from the minutes.

51. ANY OTHER BUSINESS, WHICH THE CHAIRMAN, BY REASONS OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT

None.

52. CLOSE OF MEETING

The meeting closed at 3.10pm.

Agenda Item 5

REPORT TO CONSTITUTION & ACCOUNTS COMMITTEE

REPORT OF: Cllr Mrs. Linda Neal

REPORT NO.: CB01

DATE: 26th March 2007

TITLE:	Committee Arrangements	
COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Democratic Representation Cllr Linda Neal; Leader of the Council	
CORPORATE PRIORITY:	Democratic Process	
CRIME AND DISORDER IMPLICATIONS:	None	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? N/A	Full impact assessment required? N/A
BACKGROUND PAPERS:	None	

Introduction

1. The Chief Executive prepared a report which was considered by the Scrutiny Co-ordinating Committee on Monday the 9 March 2007. Unfortunately because the meeting had to be called at short notice it was not possible for all members of this group to attend.
2. I understand that whilst several members of the group were in support of these proposals, the majority were not. I have now had an opportunity to discuss this matter further with some members of the group and as a result of this have made some changes to the proposed size of the Scrutiny Committee. I believe it to be in the interests of the Council as a whole for the paper to be considered in full by the Constitution and Accounts Committee. I have also had a discussion with the Chairman of the Development Control Committee which has led me to make certain recommendations regarding the size of this Committee also.

Recommendation

3. That the Constitution and Accounts Committee agree in principle to these proposals and the changes to the constitution necessary to implement them.

That this matter is reported to Council on the 19th April again seeking an in principle agreement and determining the size of the new Committees so that they can come into effect from the Council's AGM. Also that membership of the Development Control Committee be reduced from 17 to 15 members.

That a detailed report is made to the AGM of the Council on the 17th May to approve the detail of the new arrangements and the consequential changes to the Constitution.

Current Situation

4. Since May 2004, the Council has operated a system of 5 Development and Scrutiny Panels each comprising 9 members. These panels undertake both pre and post-decision scrutiny along with the development of new policy.

Surveys by the scrutiny support staff demonstrate that members of the Council consider these arrangements to be an improvement on the previous system which comprised 3 committees each with 17 members. Whilst there have been no call-ins over the past year this is not a good measure of performance since it could simply be a consequence of the strength of the working relationship. The annual report on scrutiny outlines several occasions when policies have been developed or amended as a result of DSP consideration.

Looking to the Future

5. The white paper makes it clear that the role of scrutiny will continue to develop within local authorities. A recent report from the Centre for Public Services also makes it clear that there is a strong correlation between effective scrutiny and a good CPA assessment.

In the light of this there seems to be two challenges that face us:

1. To develop a strong, independent and robust scrutiny process served by members who have the analytical and investigatory skills necessary to discharge these functions impartially and effectively.
2. To broaden the responsibility for policy development so that non-executive members have a greater involvement, subject of course, to the constraints imposed by the Local Government Act 2000.

6. It seems to me that for policy development to be effective (i.e. aligned with the Council's objectives) and efficient (i.e. avoiding duplication and the bureaucracy involved in operating large committees) there needs to be a close working relationship between the work of the portfolio-holders and those non-executive members who wish to make a contribution.
7. The current system imposes a structural limitation on the development of this relationship because it couples scrutiny and policy development roles. These functions are difficult to reconcile indeed, it is probably impossible to adequately scrutinise something when you have made a personal contribution to its development. A further problem is that the emphasis within the current DSPs on

the independence necessary to safe-guard their scrutiny functions leaves the portfolio-holders without any other member support for the development, or review, of policies.

8. The new scrutiny responsibilities pose both an opportunity and a challenge to the Council. Whilst it may not quite be "quasi-judicial" it is nevertheless apparent that to effectively scrutinise other, often complex agencies, which may have resources that exceeds our own, will require a high degree of skill. The process will demand a high degree of impartiality and careful analysis of data and can give little weight to anecdotal evidence. We can, perhaps, see a foretaste of the skills required in the current PCT consultation process.
9. The concept of separating scrutiny from development has been adopted by an increasing number of other authorities. Indeed, it was considered during the discussion that led to the revision in our scrutiny arrangements two years ago.

Mapping the Future – What these new arrangements could look like

Scrutiny

10. Taking these trends into account it would seem that the most effective format for scrutiny would be a dedicated panel of say 11 members. By making it a smaller number it would be possible to provide the training and development that will be needed to discharge these responsibilities over other agencies. In accordance with the Local Government Act, rules on political balance would apply, and guidance would recommend that to demonstrate impartiality the panel should be chaired by a non-administration member.

Policy Development

11. Separating policy development from scrutiny makes it much easier to align this role with both the priorities of the Council and the interests of non-executive members.

Using the term "Policy Development Group" (PDG)s. The remit of these groups would be to work with the relevant portfolio-holders to develop new policies and review the effectiveness of existing ones. In recognition of the Council's current priorities, the following remits could be assigned:

- Resources (including finance, people, IT and climate change issues)
- Engagement (including communications, access and diversity)
- Communities (including anti-social behaviour, town-centre regeneration, affordable housing and planning)

12. These groups would also be subject to political balance with a Chairman appointed by Council using the same procedure as currently deployed for DSP chairmen.

To maintain the transition away from the pre-2000 committee system it is recommended that numbers are kept low to encourage team working and to enable members to choose to become involved in area where they have a real interest. It is proposed that these groups consist of seven members.

13. Because of the need for close working with the portfolio-holder, often on sensitive issues regarding policy development or evaluation, it is also recommended that these groups adopt a practice of meeting both informally in private as well as in public. Whilst no decision would be made at any private meeting, this type of meeting provides an opportunity to explore different ways of working. If the current cycle of six meetings per year is maintained it is suggested that three of these be public meetings and three private briefings.

In order to avoid duplication between the PDG and the Cabinet it is also recommended that the current co-ordinating group be continued with an invitation extended to all the PDG Chairmen and Vic-chairman and all members of the Cabinet.

Development Control Committee

14. I am aware that with a new Council in May there will be a need for an intensive programme of training for members of the Development Control Committee. This will pose considerable demands on members and I therefore propose that the membership of this Committee is reduced from 17 to 15 members.

Total Membership

15. If each PDG comprised seven members and the Scrutiny Committee has eleven it would provide for 32 places. Together with the 28 places on quasi-judicial Committees, 15 places on the Standards, Constitution and Corporate Governance and Audit Committees and 6 places on Cabinet, and taking account of the reduction in the DC Committee there would be a total of 79 places to be shared out between the 58 members of the Council.

Comments of the Legal Officer

16. These will be available at the meeting.

Comments of the S151 Officer

17. If the proposed changes are implemented, the Members Remuneration Panel should consider the impact of these changes on the levels of Special Responsibility Allowance payable to Members.

Councillor Linda Neal
Leader of the Council