

COUNCIL – 17 MAY 2016

DECISION MAKING STRUCTURE PROPOSALS, CALENDAR OF MEETINGS 2016/17 AND APPOINTMENTS TO COUNCIL BODIES **REPORT OF MONITORING OFFICER**



Hinckley & Bosworth
Borough Council

A Borough to be proud of

WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 1.1 To propose a revised decision making structure and calendar of meetings for 2016/17.

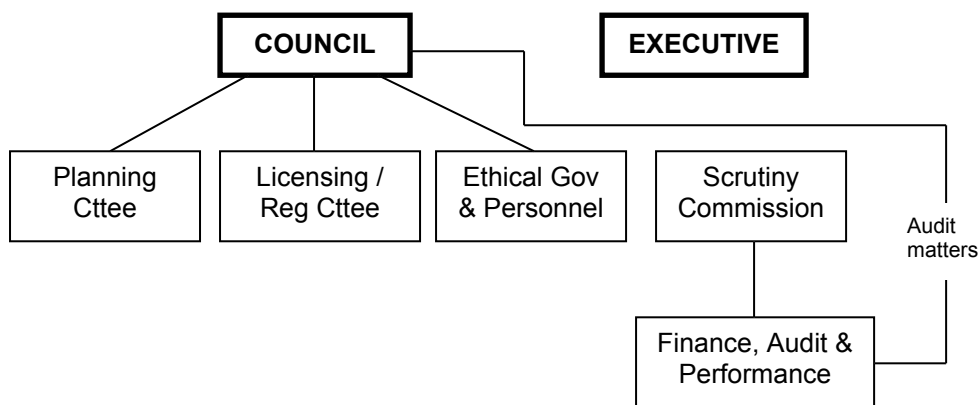
2. RECOMMENDATION

- 2.1 The revised decision making structure outlined in paragraph 3.8 be approved.
- 2.2 The Terms of Reference included in the appendices be approved as an amendment to the Constitution.
- 2.3 The calendar of meetings for the period May 2016 to December 2017 be approved.
- 2.4 Membership of council bodies be approved.
- 2.5 The Constitution be amended as appropriate to reflect the frequency of meetings in the new calendar.
- 2.6 A supplementary budget of £2,500 to fund the revised structure is approved.

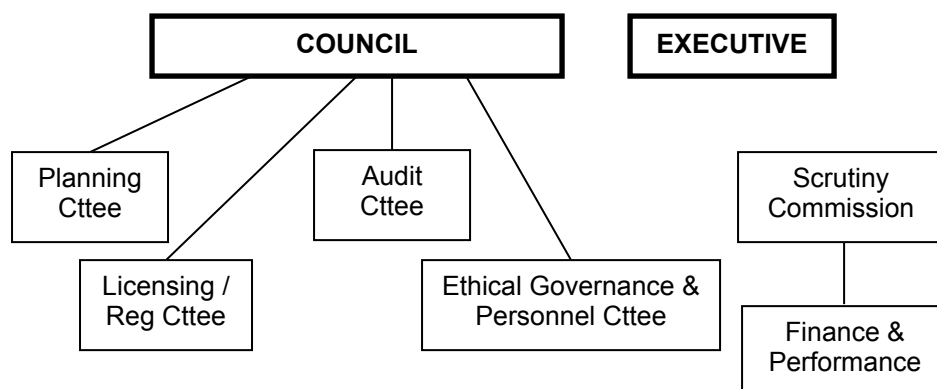
3. BACKGROUND TO THE REPORT

- 3.1 This report has been revised following deferral by Council on 12 April for consideration by the Scrutiny Commission. Following a meeting between the Chairman of the Commission, the Leader of the Council and the Deputy Leader of the opposition group, the Scrutiny Commission discussed the report on 14 April. An extract from the minutes of this meeting are appended to this report.
- 3.2 Due to changing requirements over the past few years, gaps in the reporting structure have become apparent. The particular issues are the lack of clarity in relation to Audit matters, and the need for more focus on performance as part of the Overview & Scrutiny function.
- 3.3 Whilst not a statutory requirement for the authority to have an Audit Committee, it is recommended practice. This has been met by using the Finance, Audit & Performance Committee (previously Finance & Audit Services Select Committee) which is part of the Overview & Scrutiny Function. The risk of combining the Audit Committee function with that of an overview and scrutiny function is that it may be diluted by the pressure of other business and, as has become the case with our current arrangements, the proper functions of the body have become less clear.
- 3.4 CIPFA guidance suggests that having a body specifically acting as an 'Audit Committee' adds weight when considering audit and related issues, gives non-executive councillors clear roles, and separates the roles of scrutiny and audit in the mind of members and the public. This has also been raised by our previous external auditor directly in relation to our authority and they recommended separating the audit and scrutiny functions.

- 3.5 In 2011, the Council Services Select Committee and Finance & Audit Services Select Committee merged to form the Finance, Audit & Performance Committee, with the intention of it performing the full roles of both of those bodies, but removing the duplication that was frequently seen. The front line performance monitoring role of that committee has, however, been overshadowed by the focus on finance and audit. It is therefore recommended that the remit of this committee is narrowed to enable an equal focus on both finance and front line performance.
- 3.6 With increasing financial pressures on the authority resulting in smaller budgets, it is important that delivery and performance of services are regularly reviewed to ensure targets are met and customer satisfaction is maintained. The reconfiguration of the decision making structure will enable this requirement to be met by Finance & Performance Scrutiny.
- 3.7 The current decision making structure is shown below:



- 3.8 Other bodies that are outside of this review do not appear on the chart above, these include the Appeals Panel, Hinckley Area Committee and working groups of Council or Overview & Scrutiny.
- 3.9 The proposed new structure creates a new Audit Committee and separates the audit function from that of overview & scrutiny.



- 3.10 This new structure would require an additional Special Responsibility Allowance (SRA) for the Chairman of the new Audit Committee, and a reduction in the SRA for the chair of Finance & Performance Scrutiny due to the Audit function, which paid a higher SRA previously, being removed. These changes to the Scheme of Allowances would be subject to recommendation of the Independent Remuneration Panel, approval by Council and inclusion in an approved Scheme of Allowances.

- 3.11 Consideration has been given to other options, for example joining the Planning and Licensing Committees to form a 'Regulatory Committee', but it is felt that this option would make agendas too large and business too varied to be carried out effectively and may also result in licensing issues being overshadowed by the more contentious planning matters and therefore not being debated as thoroughly as it is currently by a dedicated licensing body. Separating functions (standards, personnel and audit) into separate committees has also been considered, but it is considered that there would be insufficient business for each meeting.
- 3.12 Before decisions being made, the recommendations for amending the SRA(s) would need to be considered by the Independent Remuneration Panel. This can coincide with the annual review of members' allowances.
- 3.13 Whilst not part of the statutory decision-making structure, it should be noted that it is not intended to continue with meetings of the Local Joint & Safety Panel. Both the consultative and the safety aspect of these meetings is duplicated by internal processes and meetings. The Ethical Governance & Personnel Committee has endorsed the recommendation that any staffing or safety issues not resolved satisfactorily internally be taken to that committee. This meets any regulatory or contractual requirements.
- 3.14 Members are also asked to consider the proposed calendar of meetings for 2016-17 which is linked to approval of the revised decision-making structure, and appointments to council bodies for 2016/17.

4. FINANCIAL IMPLICATIONS (FMC)

- 4.1 The estimated cost of the change is summarised below. If the change is approved a supplementary budget of £2,500 will be required.

Additional Special Responsibility Allowance – Audit Committee	£3,500
Additional Special Responsibility Allowance – Finance & Performance	£2,500
Reduced Special Responsibility Allowance - Chairman of the Finance, Audit & Performance Committee	-£3,500
Total Increase in Costs	<u>£2,500</u>

5. LEGAL IMPLICATIONS (JB)

- 5.1 None

6. CORPORATE PLAN IMPLICATIONS

- 6.1 The recommendations contained within this report support all corporate aims as they ensure clear decision making processes and compliance with statutory requirements.

7. CONSULTATION

- 7.1 None.

8. RISK IMPLICATIONS

- 8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 8.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Failure to comply with statutory requirements	Ensure decision making processes are clear and meet legislative requirements	Monitoring Officer

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 9.1 The recommendations contained within this report do not impact on any particular community, group or parish but support all residents and businesses equally in ensuring open and transparent decision making.
- 9.2 This is not a new service or policy, therefore an equality impact assessment is not necessary.

10. CORPORATE IMPLICATIONS

- 10.1 By submitting this report, the report author has taken the following into account:
- Community Safety implications
 - Environmental implications
 - ICT implications
 - Asset Management implications
 - Procurement implications
 - Human Resources implications
 - Planning implications
 - Data Protection implications
 - Voluntary Sector

Background papers: None

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