

OPEN

## **Corporate Policy Committee**

**21 March 2024**

### **Review of Committee Structure**

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**Report of: David Brown – Director of Governance and Compliance**

**Report Reference No: CP/75/23-24**

**Ward(s) Affected: All Wards**

#### **Purpose of Report**

- 1 This report updates the Committee on the progress with delivering the Medium-Term Financial Strategy (MTFS) saving to reduce the cost of democracy and proposes a number of recommendations for Council to consider as improvements to the future functionality of the Committee System, taking into account the MTFS saving agreed by full Council in February 2023.

#### **Executive Summary**

- 2 At its meeting on [13 December 2023](#), Council resolved that;  
  
‘the functions of the Scrutiny Committee, Audit and Governance Committee and any other committee, sub-committee, panel or working group are reviewed to consider opportunities for streamlining and efficacy of delivery. The outcome of the review is presented to an all-member briefing in February 2024 and presented to Council. The following recommendations be adopted, subject to due process, to be overseen by the Corporate Policy Committee, committees will be either removed, modified or amalgamated and their functions re-distributed to alternative committees in a logical extension of the related functions of those alternative receiving committees.  
  
A1) Cared for Children and Care Leavers Committee: to be amalgamated into the Children and Families Committee.  
A2) Governor Nomination Panel: to be amalgamated into the Children and Families Committee.

A3) General Appeals Sub-Committee: The roles and responsibilities of this Sub-Committee (as identified below), will be disaggregated and allocated to be heard by the relevant service committees as and when required.

A4) General Licensing Sub-Committee and Licensing Act Sub-Committee be amalgamated:

A5) Where appropriate, only the Regulatory or Statutory Officers (as required by good practice) need attend committee meetings. Other officer attendance is to be rationalised and mitigated by their virtual attendance at meetings if needed’.

- 3 As agreed at full Council, an all-member briefing took place in February 2024 and the feedback and officer recommendations are now contained within this report.

## **RECOMMENDATIONS**

That Corporate Policy Committee recommend to Council that:

1. The Scrutiny Committee either:
  - 1a. remain in place, or
  - 1b. Its remit be incorporated within the relevant Service Committees.
2. The functions of the School Governor Nomination Panel be delegated to the Executive Director of Children and Families in consultation with the Chair and Vice-Chair of the Children and Families Committee.
3. The Cared for Children and Care Leavers Committee remain in place.
4. The General Appeals Sub-Committee remain in place.
5. The General Licensing Sub-Committee and Licensing Act Sub-Committee be amalgamated to form one Sub-Committee.
6. Normally, only Directors, Regulatory or Statutory Officers (as required by good practice) should attend committee meetings.
7. Working Groups and Boards be supported by the relevant service area and not Democratic Services.
8. Reports “for noting” should not be placed on agendas, unless there is a statutory requirement to do so, or where they relate to Performance Monitoring, Finance, Risk or LGO complaints. Instead, they will be placed on the Members’ Bulletin, stored on the Councillors Hub and made available to the public on the Council’s Open Data and Transparency Webpage.
9. The Director of Governance and Compliance be empowered to make any necessary changes to the Constitution to reflect the resolution of full Council.

## Background

### Incorporating the functions of the Scrutiny Committee into those of the Audit and Governance Committee

- 4 Local authorities that operate under a committee system are not required to have a bespoke scrutiny committee, nor required to allocate all scrutiny functions to a single committee. There is no legal obstacle to the incorporation of scrutiny functions into those of another committee.
- 5 Therefore, each relevant service committee could become responsible for the statutory scrutiny functions of crime and disorder, flood risk management and health.
- 6 The scrutiny of the external functions, currently undertaken by the Council's bespoke Scrutiny Committee<sup>1</sup> could be allocated to the Audit and Governance Committee or the relevant service committees.

### National Guidance

- 7 CIPFA guidance on Audit Committees<sup>2</sup> recommends that the audit committee should be "established so that it is independent of executive decision making and able to provide objective oversight" and "...in local authorities be independent of both the executive and the scrutiny functions". This guidance is supported by DHLUC and the Home Office.
- 8 The Centre for Governance and Scrutiny guidance 2021 "Audit committees and scrutiny committees: working together". This guidance recommends practical ways of the two committees working together to complement the roles of each committee but ensuring clear distinction in responsibilities and resources. The report recognised the concerns that a single committee risks conflicts of interests, spreading the resource of both councillors and officers too thinly and losing clarity over the distinct statutory functions of each function; "blurring the roles of these functions puts a council at significant risk of weak governance".<sup>3</sup>

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<sup>1</sup> The discharge of the Council's responsibilities under section 19 of the Police and Justice Act 2006, section 244 of the National Health Service Act 2006, and section 9JA and 9JB of the Local Government Act 2000 in relation to flood risk management

<sup>2</sup> [Audit Committees: practical guidance for local authorities and police](#) (CIPFA, 2022)

<sup>3</sup> [Audit committees and scrutiny committees: working together](#) (CfGS, 2021)

## Considerations

- 9 The issues identified are:
- The skills and knowledge desirable for an effective Audit and Governance Committee are not aligned with those needed by Scrutiny Committee Members; significant further training would be required.
  - In accordance with national guidance, as highlighted above, the committee should be independent of the Scrutiny Committee.
  - Meetings would be lengthy, and the frequency of meetings may need to be increased, particularly if there are also standards/code of conduct matters to be considered.
  - The functions of the Scrutiny Committee would be more easily disaggregated to the relevant service committee agenda and there would be less impact on the workload of those committees.
  - The new committee responsible for both functions would need to consider whether a single function meeting would be required for scrutiny or audit. This may require the new committee schedule to retain or combining the meeting schedules of the previous committees.
  - The role of the two Co-opted Independent Members of the Audit and Governance Committee in a “combined” committee would need to be subject to policy and guidance development.

## Savings

- 10 The financial savings associated with the transfer of the Scrutiny Committee to the Audit and Governance Committee, or Service Committees, would include:
- The special responsibility allowance (Scrutiny Committee Chair) - £7,959
  - Potentially associated meeting expenses: mileage claims, some administrative resource dependent upon how the new committee chooses to administer itself.
- 11 A Scrutiny Officer would still be required to support the delivery of the scrutiny function through preparation of reports etc; this expertise/capacity is not available in the services which support the Audit and Governance Committee.
- 12 The potential cost of additional training may reduce the saving in the initial years.

**Member Feedback:** Previous member feedback from the Audit and Governance Committee - The Audit and Governance Committee request that full Council note our concerns and defer the decision relating to the proposals recommended by the Corporate Policy Committee to merge the functions of the Audit and Governance and Scrutiny Committees, which is contrary to advice from CIPFA and the Centre for Governance and Scrutiny.

**Officer Recommendation:** Incorporating the functions of the Scrutiny Committee into those of the Audit and Governance Committee is not recommended by officers, for the reasons highlighted above. The officer preference would be to merge the functions of the Scrutiny Committee with those of the relevant service committees.

**Recommendation A1) Cared for Children and Care Leavers Committee:  
To be amalgamated into the Children and Families Committee.**

- 16 The Council has a statutory responsibility as a Corporate Parent. This function is currently undertaken by the Cared for Children and Care Leavers Committee. This function could be undertaken by the Children and Families Committee, however, an analysis of the impact on workload of that committee has been undertaken below:
- 17 During this municipal year, the Children and Families Committee will have considered 52 substantive items of business, and the Cared for Children and Care Leavers Committee will have considered 13 substantive items of business.
- 18 On average, Children and Families Committee meetings last approximately 3 hours. Merging the Children and Families Committee and the Cared for Children and Care Leavers Committee would increase the meeting of Children and Families Committee by approximately 1 hour.

**Member Feedback** - Concern was expressed about the potential for Children and Families meetings to become too lengthy if the committees were merged. Members also considered there was a risk of the corporate parenting role being diminished. Members supported keeping the committees separate but suggested that consideration be given to scheduling meetings on the same day as the Children and Families Committee to save time and expenses; this might also benefit working Members, who would only need to take a single day off work.

**Officer Recommendation:** That the Cared for Children and Care Leavers Committee remain in place, retaining the same function.

**Recommendation A2) Governor Nomination Panel: To be amalgamated into the Children and Families Committee.**

- 19 This function lies within the remit of the Children and Families Committee and could either be amalgamated within Children and Families Committee, or it could be a function delegated to Officers.

**Member Feedback** - The proposal that the function be delegated was supported by Members but in the interests of democracy, it was suggested that the Chair and Vice Chair of Children and Families Committee be consulted on nominations.

**Officer Recommendation:** That in order for the Children and Families Committee workload to be kept to a minimum, therefore allowing the Committee to concentrate on those matters of strategic importance and meeting the aims of the Corporate Plan, the functions of the School Governor Nomination Panel be delegated to Officers.

**Recommendation A3) General Appeals Sub-Committee:** The roles and responsibilities of this Sub-Committee will be disaggregated and allocated to be heard by the relevant Service Committees as and when required. When there is a Stage 2 appeal to be heard, the Sub-Committee (five Members drawn from a pool of ten) is legally required to convene a meeting within 40 working days and provide notification of the outcome within five working days.

- 20 Between 1 January 2023 and 31 December 2023, six meetings took place over which a total of 15 appeals were heard, which were all related to Transport Appeals - the average length of a meeting was 2.5 hours.
- 21 The Children and Families Committee would have to convene outside of the scheduled meetings to hear appeals within the 40-day timescale.
- 22 Each agenda for Children and Families Committee has an average of eight substantial items. The average length of these meetings is 3 hours. Incorporating General Appeals Sub-Committee into Children and Families Committee would extend the meeting on average by approximately 2.5 hours.

**Member Feedback** - Due to the operational nature of the General Appeals Sub-Committee, Members considered that it would be difficult to disaggregate its functions and supported the officer recommendation of retention.

**Officer recommendation:** That the General Appeals Sub-Committee remain in place.

**Recommendation A4) General Licensing Sub-Committee and Licensing Act Sub-Committee:** These will be amalgamated into a single Committee reflecting the intermittent nature of their requirements.

- 23 In addition, the new “General Licensing and Licensing Act Sub-Committee” will be scheduled either before or after the Licensing Committee wherever possible.
- 24 This will maximise best use of officer and member time and reduce the chronic difficulties currently experienced in terms of member availability from the recruitment ‘pool’.

**Member Feedback** - Members expressed no opinion upon whether to retain or merge the Sub-Committees but stated that, if they were to be retained as at present, the same suggestion proposed at A1 regarding the sequential scheduling of meetings should be considered.

**Officer Recommendation:** General Licensing Sub-Committee and Licensing Act Sub-Committee be amalgamated and arranged on an ad hoc basis due to objections to applications needing to be heard within 10 days.

### **Further Proposals**

- 25 **Working Groups and Boards** - In total, the Democratic Services Team spend around one day per week in total servicing Working Groups and Boards.

**Member Feedback** - This approach (no support via Democratic Services) was supported by Members with the proviso that:

- i) Notes should be taken by service area officers at informal meetings but that alternative solutions be considered (e.g., transcripts);
- ii) The use of technology be employed (online meetings); and
- iii) Directorates be invited to review/justify the need for these Working Groups and Boards.

**Officer Recommendation:** It is proposed that the Democratic Services Team no longer support Working Groups or Boards, except for the

Shareholder Working Group, Constitution Working Group, Member Input Panel, Crewe Town Board and Enhancement Partnership Board.

- 26 **Reports “for noting”** – All committees regularly receive reports “for noting” where no decision is required. These take a great deal of Officer and Member time.

**Member Feedback** - There was some support amongst Members for the proposed approach, but it was suggested that reports “for noting” should be listed on a separate part of the agenda as, if they were only to be added to a central point such as a Hub, they may be overlooked, and it would also remove the opportunity to ask questions or raise concerns. If using a “Central Hub” was necessary, an alert system needed to be put into place to let Members know that a report was available for viewing.

**Officer Recommendation:** A report “for noting” only should not be placed on a committee agenda, unless there is a statutory requirement to do so, or where they relate to Performance Monitoring, Finance, Risk or LGO complaints. Instead, they will be placed on the Members’ Bulletin and stored in the Councillors Hub, and made available to the public on the Council’s Open Data and Transparency Webpage.

- 27 **Officer attendance at meetings should be limited** – Officers regularly attend the various committees of the Council, providing advice and support to Senior Officers and Members.

**Member feedback** - That the following general principle should apply:

- The essential Officers in attendance to be the Service Director and/or Executive Director, representative from legal, representative from finance, and Democratic Services officer.
- Presenting officers to be called into the meeting for their agenda item if the officer was working at the venue where the meeting was taking place.
- If working elsewhere, the officer to attend the meeting via Microsoft Teams for their item.

**Officer Recommendation:** Where appropriate, in addition to the Legal Adviser and Democratic Services Officer, only Executive Directors, Directors, Regulatory or Statutory Officers (as required by good practice) need attend committee meetings. Other officer attendance is to be rationalised and mitigated by their virtual attendance at meetings if



needed. This will be dependent on technology working on the day, which may create risks for timely decision-making.

### Consultation and Engagement

- 28 The proposal to reduce the costs of democracy was consulted upon in January 2023 as part of the Council’s MTFS budget engagement. The MTFS consultation received a total of 2,267 engagements with 665 survey responses made in relation to the proposal to reduce the costs of democracy. The proposal received strong net support (82%) during the consultation. Consultation responses highlighted that residents were supportive of this proposal as it was felt to have a lesser impact on local communities. If no change was made following a period of consultation, please explain why this is the case.
- 29 An All-Member briefing has been held following the resolution of full Council on 13 December 2023.

### Reasons for Recommendations

- 30 To ensure that the Committee System remains fit for purpose, meeting the requirements of Cheshire East Council, partners, and residents.
- 31 To partially meet the saving identified in the MTFS.
- 32 It is best practice to regularly review the Council’s Constitution.
- 33 To comply with the resolution of Full Council on 13 December 2023.

### Other Options Considered

Option	Impact	Risk
Do nothing	The required MTFS saving will not be met. The Constitution is a living document, which needs to be kept under review to ensure that it is fit for purpose and that it meets the needs of the Council. Doing nothing is not appropriate, as this would not result in the Council learning from experience and improving.	Negative impact on the MTFS. That the Council will not implement changes to its decision-making structure in response to what it has learned from the experience of the last two years. Failure to meet Corporate Plan Priorities.

## Implications and Comments

### *Monitoring Officer/Legal*

- 34 The specific legal implications of the proposals are set out within the report. In addition, the reduction in the number of committees would have direct positive impact on the budget in relation to Member allowances, Member and Officer time and travel, etc. The removal of two substantive committees would enable a vacant post within the Democratic Services Team to be removed from the structure, which would save approximately £52,500. This position cannot be achieved from recommendations highlighted within this report alone.
- 35 The proposals give effect to the saving highlighted in the MTFS and the associated High Level Business Cases. If Members do not agree the proposals contained in this report, consideration would need to be given to additional changes to the MTFS to ensure that its proposals balance.
- 36 The proposed amendments to the Constitution are part of the continuing development and review of the Committee System, as well as required to meet the MTFS proposals as agreed by Council in February 2024. Although predominately to ensure consistency with a committee style of governance, changes require approval of Full Council such as those specifically relating to the amendments to terms of reference.
- 37 The Constitution contains details of how the Council works, how and by whom decisions are made as well as being the functioning rule book used by all Officers and Members in driving forward the business of the Council. Like any set of rules, it needs to remain current and consistent with the intent of Council and practicable in the delivery of the Council's objectives.
- 38 The core elements of the Constitution are set through various legislative regimes and the current Constitution appears to meet the substantive legal requirements. In the areas in which the Council has a discretion, the Constitution must also remain broadly reasonable and consistent with the objectives of the Council. Failure to keep the Constitution under review and adapt to the changing needs of the organisation will build in levels of risk into the decision-making process. Those risks may manifest themselves as delay, poor quality decisions or ultimately a challenge to the decision itself.

### *Section 151 Officer/Finance*

- 39 It would not be possible to lose the full-time vacancy in the Democratic Services Team, as these proposals equate to approximately 7.5 hours per week in officer time.

- 40 Since Council agreed to the £135,000 budget saving in relation to the cost of Democracy, only one sub-committee has been removed from the committee structure. The proposals within this report, and the merger of Public Rights of Way Sub-Committee within the remit of the Highways and Transport Committee, do not equate to the loss of one post.
- 41 The proposals do not achieve any savings in relation to Special Responsibilities Allowances.

### *Policy*

#### **An open and enabling organisation**

**Ensure that there is transparency in all aspects of council decision making.**

### *Equality, Diversity and Inclusion*

- 42 An Equality Impact Assessment was completed for the original decision to change governance. The accessibility and intelligibility of the Constitution has remained at the forefront of the drafting process. Accessibility and transparency are core design principles and additional learning has been incorporated through the changes to and the review of remote meetings.

### *Human Resources*

- 43 Further Officer and Member training may be required resulting from any changes to the Constitution and committee structure.

### *Risk Management*

The review of the operational effectiveness of the Committee System and supporting Constitution is an essential component of ensuring an open and enabling organisation and ensuring that there is transparency in all aspects of council decision making.

### *Rural Communities*

- 44 There are no direct implications in relation rural communities.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 46 The removal of the Cared for Children and Care Leavers Committee from the structure may impact on the responsibility of members as corporate parents.

*Public Health*

- 47 There are no direct public health implications.

*Climate Change*

- 48 There are no direct implications for climate change, although the Council would continue to pursue its climate change response by promoting paperless options to its approach to decision-making. Fewer committees would contribute to this.

<b>Access to Information</b>	
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Appendices:	None
Background Papers:	Previous report to Corporate Policy Committee and Full Council and hyperlinked throughout this report.