

Corporate Policy Committee

30 November 2023

Review of the Committee System and Medium-Term Financial Strategy Saving

Report of: David Brown – Director of Governance and Compliance

Report Reference No: CP/57/23-24

Ward(s) Affected: All

Purpose of Report

- 1 This report updates the committee on the progress of delivering the Medium-Term Financial Strategy (MTFS) saving to reduce the cost of democracy, and proposes a recommendation 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.
- 2 Without agreeing the recommendations within this report and the alternative proposals outlined, the MTFS budget saving will not be met.

Executive Summary

- 3 On the [22 February 2023](#), Full Council approved the MTFS for Cheshire East Council for the four years 2023/24 to 2026/27. The MTFS included the approved proposal to reduce the costs of democracy which provided a £135,000 saving. During the MTFS 2023 budget consultation and engagement process, this budget saving proposal received a high level of support from residents.
- 4 The MTFS proposal contained the following detail:
- 5 MTFS Saving Proposal 57: Reduce the Costs of Democracy: Review committee workloads against original design principles. Consider a freeze on member allowances. Reduce the use of external venues,

travel expenses and printing. Review the number of Committees through merging functions.

6 The budget papers at Appendix C page 71 item 57 states

“Post Consultation – This proposal has been clarified to confirm the merger of the Public Rights of Way Committee within the responsibilities of the Environment and Communities Committee, and the merger of the Strategic Planning Committee within the responsibilities of the North and South Planning Committees.”

7 Following the conclusion of the January 2023 MTFS budget consultation and engagement process, this proposal focussed upon the proposed merger of the Public Rights of Way Sub Committee functions into the functions of the Highways and Transport Committee and the merger of the Strategic Planning Committee within the responsibilities of the North and South Planning Committees.

8 At its meeting held on 19 July 2023, Council considered the recommendations of the Corporate Policy Committee to amend the terms of reference of the committees to reflect the Council decision of February 2023 and deferred consideration of the recommendation in relation to Planning Committees. Full Council resolved to:

“1. Approve the amendments to the Constitution as attached at Appendix 1 to the report to the Corporate Policy Committee.

2. Agree that the Public Rights of Way Sub-Committee functions be incorporated into the functions of the Highways and Transport Committee as shown in Appendix 2.

3. Agree to defer consideration of the realignment of the Planning Committees from 3 to 2 to the December meeting of Council to allow further consultation to take place, including with the Planning Committee Chairs, to fully understand the risks.

4. Delegate to the Monitoring Officer, the power to make such consequential changes to the Council’s Constitution as he deems necessary to give effect to the wishes of Council.

5. Note the savings in relation to venues for meetings and printing and postage of agendas.”

9 The amended terms of reference were not approved for the proposed changes to the Planning Committees and therefore the current committee structure remains in place unless changes to it are made when Full Council considers the deferred report on 13 December 2023.

- 10 The decision not to approve the revised terms of reference, means this saving cannot be achieved and represents an additional unplanned expenditure for the Council.
- 11 Since the approval of the MTFS in February 2023, further consideration has been given to the potential merger of Committee functions as set out within the report recommendations.

RECOMMENDATIONS

That Council be recommended to:

1. Note Council's agreed MTFS saving of £135,000 to reduce the costs of democracy and, in the light of this, and taking into account the Council's financial position:
2. Agree that the Finance Sub-Committee functions be incorporated into the functions of the Corporate Policy Committee, as shown in Appendix 1 and that the Corporate Policy Committee be renamed to become the Corporate Policy and Resources Committee.
3. Approve the undertaking of a further annual review and a report on its findings to be presented to the first scheduled meeting held after the Council AGM in 2024.
4. Delegate to the Monitoring Officer, the power to make such consequential changes to the Council's Constitution as he deems necessary to give effect to the decision/s of Council.

Background

- 12 On [22 February 2023](#), Council agreed the MTFS saving proposal to reduce the costs of democracy which committed to achieving a saving of £135,000 through a review of the committee structure and committee workloads to identify opportunities to merge functions, reducing the total number of committees.
- 13 The recommendation to accept the revised terms of reference which would have allowed the constitutional changes in relation to Planning Committees was not agreed by Full Council on [19 July 2023](#) and therefore the agreed MTFS saving has not been made to date. Full Council resolved to defer the decision to allow further consultation to take place. The delay to progressing the proposed MTFS budget saving to reduce the costs of democracy will require Full Council to

identify alternative proposals to rebalance the budget, complying with the budgetary framework.

14 Options:

1. Reducing the number of Place Service Committees from three to two, by incorporating the functions of the Economy and Growth Committee into the functions of the Highways and Transport Committee and the Environment and Communities Committee.
2. Aligning the functions of the Corporate Policy Committee and Finance Sub Committee to create a Corporate Policy and Resources Committee.
3. Incorporating the functions of the Scrutiny Committee within the relevant Service Committees.
4. Looking to a different service area to remove a post, however this may have a detrimental impact on meeting the business needs of the council.

15 Finance Sub Committee

16 The financial implications section of this report details the Special Responsibility Allowances which apply to the Chairs and Vice Chairs of the Finance Sub Committee, together with other meeting-related costs.

17 The Finance Sub Committee makes recommendations to the Corporate Policy Committee on the development of the MTFS, and the setting and monitoring of budgets in line with the Corporate Plan and Policy Framework. It also has its own exclusive responsibilities. The interplay between the Finance Sub Committee and the Corporate Policy Committee has been more evident in 2022/23, particularly in relation to managing the in-year budget and developing the MTFS. There is an opportunity to streamline knowledge and decision-making into a single Corporate Policy and Resources Committee, with the current Finance Sub Committee Working Groups being retained, which would naturally fall within the responsibilities of that Committee.

18 Appendix 1 shows how the responsibilities of the Finance Sub Committee could be incorporated within those of the Corporate Policy Committee, should Members choose to pursue this course of action. The Corporate Policy Committee would become the Corporate Policy and Resources Committee.

Consultation and Engagement

19 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.

Reasons for Recommendations

- 20 To ensure that the Committee System remains fit for purpose, meeting the requirements of Cheshire East Council, partners, and residents.
- 21 To partially meet the saving identified in the MTFS.
- 22 It is best practice to regularly review the Council's Constitution.

Other Options Considered

Option	Impact	Risk
Identify a reduction of an alternative substantive committee	Will achieve the 2023 saving in the next financial year.	Negative impact on the MTFS saving.
Do nothing	<p>The required MTFS Saving will not be met</p> <p>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.</p>	<p>Negative impact on the MTFS</p> <p>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.</p>

Implications and Comments

Monitoring Officer/Legal

- 23 The proposed amendments to the Constitution are part of the continuing development of the Committee System, as well as required to meet the MTFs proposals as agreed by Council in February 2023. 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.
- 24 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.
- 25 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.
- 26 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

- 27 The Finance Sub Committee has 8 Members and meets on a bi-monthly basis. The Chair receives a Special Responsibility Allowance (SRA) of £12,485, and the Vice Chair receives an SRA of £6,242 (subject to the established rule of no more than one SRA being paid to any Member). There are also meeting-related costs associated with travel, subsistence, and officer time.
- 28 The reduction in the number of committees would have direct impact on the budget in relation to Member allowances, Member and officer time and travel etc. The removal of the Finance Sub Committee plus the removal of an additional substantive committee would enable a vacant post within the Democratic Services Team to be removed from the structure, which would save approximately £52,500. This could not be achieved from the removal of Finance Sub-Committee alone.

- 29 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.

Policy

- 30 The recommended changes to the Constitution will, if agreed by Council, result in constitutional change.

An open and enabling organisation

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

Equality, Diversity and Inclusion

- 31 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

- 32 There are direct implications for human resources. Staff (and Members) have requested additional training. Training requests include process training on how decisions are made, and practical issues such as additional training on report writing given the change in audience from Cabinet to committee. Members have sought better understanding of how to obtain best results from officers who present reports, consistency in style of recommendations, to process and procedural issues.

Risk Management

- 33 The risks of changing systems of governance were set out in paragraph 1.6 onwards of the November 2020 [report](#). The Council has continued to effectively manage the strategic risks related to the wider pandemic, changes in legislation on meetings, resource constraints and the fixed time frame set by the November decision. At present these risks appear to have been successfully mitigated.
- 34 The review of the operational effectiveness of the Committee System and supporting Constitution is an essential component of ensuring the

efficacy of corporate decision making which is a key element of continuing risk mitigation.

Rural Communities

- 35 There are direct implications for rural communities, specifically in relation to the proposed retention and bolstering of the responsibilities of the two area planning committees. These committees would, essentially, retain their local focus, but would have enhanced powers, thereby enabling them to exercise those powers with local needs in mind.

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

- 36 There are no direct implications for children and young people.

Public Health

- 37 There are no direct public health implications.

Climate Change

- 38 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.

Access to Information	
Contact Officer:	Brian Reed, Head of Democratic Services and Governance Brian.reed@cheshireeast.gov.uk
Appendices:	Appendix 1 - Proposed changes to the Constitution.
Background Papers:	Previous Full Council reports (as hyperlinked throughout this report)