

REPORT TO:	Full Council 2nd March 2020
SUBJECT:	Final Report of the Governance Review Panel
LEAD OFFICER:	Jacqueline Harris Baker Executive Director of Resources and Council Monitoring Officer Dame Moira Gibb Independent Chair of the Governance Review Panel
CABINET MEMBER:	Councillor Tony Newman, Leader of the Council Councillor Hamida Ali, Cabinet Member for Safer Croydon & Communities Councillor Simon Hall, Cabinet Member for Finance & Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON:	
<p>The Labour Administration in its 2018 manifesto made a commitment to hold an independent review of the Council's governance structure bringing together best practice across the country and beyond to develop a model tailored to the needs and aspirations of Croydon residents. The main goal of the review was to assess if change to governance arrangements could enhance Councillor involvement, local democracy and community engagement. This is embodied in the Council's Corporate Plan 2018 to 22. The Council's capacity to work effectively and to deliver all aspects of its strategic framework is conditioned by its ability to take informed decisions with openness and inclusivity.</p>	
FINANCIAL IMPACT:	
<p>While the full costs of implementing the recommendations of the review are not yet possible to determine, additional budget allocation of up to £250k is proposed for the 2020/21 budget.</p>	

1. RECOMMENDATIONS

Council is recommended to:

- (i) Note the report by the Governance Review Panel as detailed in Appendix 8.1 to this report;
- (ii) Agree the recommendations of the Panel contained within the Governance Review Panel report and also detailed in Appendix 8.2 to this report;
- (iii) Agree the establishment of the Member-led implementation working group as detailed in paragraphs 5 to 5.4 of this report;
- (iv) Agree terms of reference for that working group as detailed in Appendix 8.3 to this report; and
- (v) Note the timetable for implementation of the Panel's recommendations as detailed in paragraph 5.5 of this report.

2. EXECUTIVE SUMMARY

- 2.1 This report recommends that Council notes the final report of the Governance Review Panel and considers and agrees the Panel's recommendations, designed to improve the council's governance arrangements and to enhance local democracy and community engagement.
- 2.2. The report also recommends that Council establishes a Member-led implementation working group to oversee the delivery of the recommendations in the report, agrees the terms of reference for that group and notes the timeline for implementation.

3. BACKGROUND

- 3.1 At its meeting on 8 October 2018, the council agreed to establish a cross party governance review panel to assess and review the Council's governance arrangements.
- 3.2 The main terms of reference for the panel were to:
 - i) Hear the views of councillors and other stakeholders including, residents, community and voluntary groups, business, MPs and other participants in local democracy;
 - ii) Hear the views and seek advice from experts on participation in local democracy;
 - iii) Identify those aspects of the council's governance that works well and identify opportunities to enhance councillor and other stakeholder participation in the local democratic processes;
 - iv) Benchmark good practice from areas with higher levels of participation and consider how this can be delivered in Croydon;
 - v) Identify the cost and value for money implications of any recommendations that it makes
- 3.3 In October 2018, Dame Moira Gibb was appointed as Independent Chair, and the Panel has been undertaking its review since then. At its meeting on 15 July 2019 (Minute no. 50/19 refers), Council received the Panel's progress report

detailing its initial findings as well as planned activities and seeking to extend the completion date of the Panel's review.

- 3.4 At its meeting in July 2019, Council agreed to extend the completion date, to allow it to report its findings by December 2019. As a consequence of the 'snap' general election held on 12 December 2019, the submission of the Panel's final report has been delayed until this meeting of Council.

4. THE FINAL REPORT OF THE PANEL

- 4.1 The final report of the panel is attached at Appendix 8.1. The report details 11 recommendations across four themes. Those recommendation themes are:

- i) An open and engaging Council;
- ii) The right political and organisational culture;
- iii) The right Member support; and
- iv) Structures to support participation.

- 4.2 The recommendations made by the Panel have been based upon evidence heard and considered during a full programme of work over the past sixteen months, which is detailed in the supplementary evidence report to be published alongside the main report. Activity undertaken during the review has included:

- i) 18 meetings and workshops of the Panel;
- ii) Workshops with 50 councillors and a survey of serving and retired councillors;
- iii) A residents survey with over 1000 responses;
- iv) Consideration of 402 written contributions from residents and residents associations;
- v) Interviews and surveys of local MPs, LSP partners and senior council officers;
- vi) Expert witness sessions with other local authorities;
- vii) Reviewing best practice from across the sector; and
- viii) Receiving expert support from the Centre for Public Scrutiny and the LGA's Planning Advisory Service

- 4.3 Council is asked to consider the Panel's final report and to agree the recommendations contained in the Governance Review Panel report and also detailed in Appendix 8.2.

- 4.4 Overall, the eleven recommendations made by the panel are designed to:
- i) Give residents more opportunities to influence council decisions, earlier in the process;
 - ii) Put local communities at the heart of how council services are delivered;
 - iii) Give all councillors more opportunity to influence and shape decisions before they are taken;
 - iv) Make decision making more open and transparent;
 - v) Give more support to all councillors and greater recognition of their role as community leaders; and
 - vi) Improve the culture of decision making across the council.

- 4.5 An area of strong interest for Members will be the proposal to move to a hybrid model of Council decision making and the introduction of Cabinet Member Advisory Committees. This will result in a significant repositioning of decision making in Croydon that promotes greater resident participation and enshrines opportunities for all Members to be able to participate in decisions before they are taken.
- 4.6 Those changes have been reinforced by the Leader of the Council making a formal commitment to delegating his executive decision making powers to the Cabinet, either collectively or individually. While in practice the Leader rarely exercises those powers in isolation, this will now be a commitment formalised in the Leader's Scheme of Delegation.
- 4.7 The Panel's recommendations represent a substantial shift in the way the Council operates and will require a number of formal changes to the Constitution and schemes of delegation to ensure they accurately reflect the desired change.

5. ESTABLISHING A MEMBER LED IMPLEMENTATION WORKING GROUP

- 5.1 In considering the Panel's final recommendations, Members will note that they are a combination of short term measures, issue specific improvements and more ambitious longer term changes.
- 5.2 As both the timescales and costs associated with the implementation of the recommendations vary significantly, the Panel has recommended that a Member-led implementation working group, supported by officers, be established in the transition period of up to 2 years to drive and oversee the embedding of these recommendations in the Council's future governance arrangements.
- 5.3 The primary roles of such a working group would be:
- i) To oversee the creation of a delivery programme in response to the governance review panel's recommendations;
 - ii) To ensure that recommendations are implemented in keeping with the spirit of the governance review
 - iii) To work with key officers and oversee any further engagement with Members
 - iv) To drive and oversee the timely delivery of the agreed improvements
 - v) To oversee effective internal and external communication and periodic updates to Council on the progress
 - vi) To make recommendations to Council on how to evaluate the effectiveness of the changes made as a result of implementing the Panel's recommendations.
- 5.4 The proposed terms of reference for the working group are attached in full at Appendix 8.3. Council is recommended to agree to establish the Implementation Working Group and these terms of reference.
- 5.5 The timeline for implementation of recommendations is as follows:

Key dates	Key milestones
2 nd March 2020	The Council approves the Governance Review Recommendations and establishes the implementation working group
Mar – May 2020	The Group works on options scoping and action planning that details how the Panel’s recommendations are proposed to be implemented, including necessary Constitutional amendments
In June 2020	The Council formally establishes the new Cabinet Member Advisory Committees (constitutional changes approved) and appointments are made to their Memberships Action plan is noted by the Council
June 2020 to June 2021	The Working Group oversees implementation and reports on progress Most recommendations requiring proposals scoping and one-off improvement / development delivered
By June 2023	All recommendations fully delivered and the Council to receive a report on improvement implementation including delivery against measures of success

6. CONSULTATION

- 6.1 In undertaking the review, the Panel has conducted engagements with Members, residents, other elected representatives and expert witnesses to help inform the work of the Panel. The Panel has further consulted all Members of the Council on its draft findings and recommendations prior to their publication.

7. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 7.1 There are likely to be financial implications should the Council act upon the recommendations detailed in the panel’s report. These likely costs will include both one-off expenses associated with activities such as redrafting the Constitution and ongoing costs associated with activities such as operating additional decision making meetings.
- 7.2 Given the number and scale of the recommendations made by the Panel, it is likely that additional costs arising from their implementation will be profiled over at least two years. There is also an opportunity for some of the additional costs to be offset against savings made by ceasing existing activity that will no longer be required and / or refocusing existing resources, as the Panel’s recommendations are implemented.
- 7.3 While it is not currently possible to fully quantify the costs of implementing the Panel’s recommendations, an additional budget allocation of £250k has been identified for the 2020/21 budget. Full details of the financial implications of

implementing the recommendations will form part of the work of the implementation working group and will be considered as the group's proposals are brought forward for formal decision making.

(Approved by: Lisa Taylor Director of Finance, Investment and Risk and S151 Officer)

8. LEGAL CONSIDERATION

- 8.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that there are a number of key pieces of legislation which have influenced the current governance arrangements operated by the Council.
- 8.2 The Local Government Act 2000 ('the 2000 Act') introduced a separation of powers into local government for all but the smallest local authorities with the aim of making council decision-making efficient, transparent and accountable. The 2000 Act required most local authorities to change governance arrangements from the committee system to an executive-cabinet model. The Council adopted the leader and cabinet model in May 2001.
- 8.3 In 2007 The Local Government and Public Involvement in Health Act ('the 2007 Act') restricted the governance options available to local authorities. The 2007 Act required the Council to introduce a choice of two models: a directly elected mayor or a new style 'strong' council leader model. The Council resolved to introduce the strong leader and cabinet model following the local election in May 2010.
- 8.4 The Localism Act 2011 ('the 2011 Act') increased the governance options for local authorities to include Executive arrangements (leader and cabinet or directly elected mayor and cabinet), a committee system or 'prescribed arrangements' which require approval of the Secretary of State.
- 6.5 Whilst the recommendations of the Governance Review Panel do not propose a formal 'legal' change to the Council's governance model the recommendations do propose a re-positioning of the current model by the creation of Cabinet Member Advisory Committees and other measures to improve opportunities for participation by both the public and Members. These proposals will require a review and update to the Council's Constitution. Other recommendations within the report will also likely require changes to the Council's Constitution.

(Approved by: Sandra Herbert Head of Litigation and Corporate Law on behalf of the Director of Law and Governance and Deputy Monitoring Officer)

9. HUMAN RESOURCES IMPACT

- 9.1 There are no immediate Human Resources issues for Council employees arising from the report.

(Approved by: Gillian Bevan, Head of Human Resources on behalf of the Director of Human Resources)

10. EQUALITIES IMPACT

- 10.1 A goal of the review and proposed improvements is to enhance community engagement and participation.
- 10.2 An equality analysis will be undertaken to examine the options and improvements put forward as a result of the review to ensure the potential impact of the proposed changes on groups that share protected characteristics and all communities are fully considered. This will be completed alongside the development of the delivery programme.

11. DATA PROTECTION IMPLICATIONS

WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

- 11.1 There is no processing of personal data as a direct consequence of this report.
- 11.2 Members may be aware that a Governance Review Privacy Notice has been published in relation to any personal data processed as part of the review. This notice can be seen at: <https://www.croydon.gov.uk/democracy/data-protection-freedom-information/privacy-notices/governance-review-privacy-notice>

HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

- 11.3 As there is no processing of personal data as a direct consequence of this report, completion of DPIA was not required.

(Approved by: Sandra Herbert, Head of Litigation and Corporate Law for and on behalf of The Director of Law and Governance and Deputy Monitoring Officer)

CONTACT OFFICER: Stephen Rowan, Head of Democratic Services and Scrutiny.

APPENDICES TO THIS REPORT

Appendix 8.1 - Final Report of the Governance Review Panel

Appendix 8.2 - Recommendations of the Governance Review Panel

Appendix 8.3 - Draft Terms of Reference for the Implementation Working Group

BACKGROUND DOCUMENTS:

The following public background report is not printed with this agenda but is available as a background document on the Croydon Council website which can be found via this link [Council Agendas](#): Governance Review - Supplementary Evidence Report.