



REPORT

Committee System Working Group Update on Issues Raised at the Previous Committee System Working Group meeting

1. Report Purpose

- 1.1 At its meeting of 27 February 2019, Council resolved to authorise the Strategic Director of Corporate Resources to develop a committee system, based on seven working principles, which were developed by a Councillor/Officer Working Group, with representation from each of the political groups.
- 1.2 On 3 October 2019, the Working Group received a report providing an update on progress to date. This included proposals for how a committee system could be structured in Derby, along with details of a draft committee structure and an assessment of the resources required to deliver it.
- 1.3 At the meeting on 3 October 2019, the Working Group suggested several areas that they felt needed to be explored further:
 - What are the level of allowances payable to councillors at other authorities that have adopted committee systems?
 - Which committee meetings do finance and legal officers attend at other councils who have adopted a committee system?
 - What are the specific arrangements for Urgent Decision making at other councils using committee systems?
 - What arrangements are in place for Joint Committees at other councils using committee systems?
 - What is the financial threshold for determining what goes to committees and what is delegated to officers at other councils using Committee Systems
- 1.4 The purpose of this report is to update the Committee System Working Group on the issues that were raised at the previous meeting and to determine appropriate next steps. This report is intended to be read in conjunction with the update presented to the Working Group on 3 October 2019.

2. Recommendations

- 2.1 To note the update on the issues highlighted by the Working Group at the previous meeting.

3. Committee Structure

- 3.1 Further to the previous analysis on the volume of business considered by committees during the 2018-19 municipal year, the proposed committee structure has been

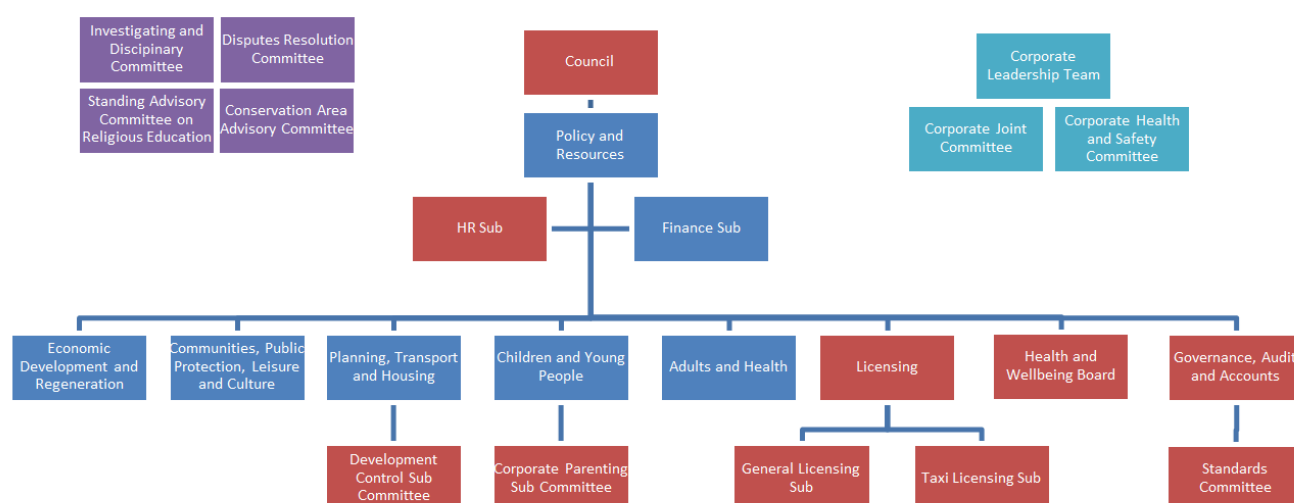
adapted to ensure an even distribution of business across the main service committees. The revised structure is contained in Figure 1 below.

3.2 The changes to the originally proposed committee structure are as follows:

- Due to the likely volume of business, housing has been removed from Adults and Health and placed with the Planning and Transport Committee; leisure and culture has been consolidated under a single committee, together with communities and public protection.
- Following feedback from the Working Group, the separate Overview and Scrutiny Committee has been removed. Statutory scrutiny responsibilities for health, crime and disorder and flood prevention would be fulfilled by designated service committees.
- The Standards Committee has been included in the core committee structure, as a sub-committee of the Governance, Audit and Accounts Committee.

3.3 Further analysis of the likely volume of business to be considered by each committee will be undertaken as part of a final report to Council.

Figure 1 – Revised Committee Structure following feedback from the Working Group



4. Councillors' Allowances

4.1 The Working Group requested that further information was collated in relation to the level of allowances paid by other authorities that operate a committee system.

4.2 This request followed an analysis contained in the original report that estimated an £85,018 saving, based on the assumption that allowances paid to service committee chairs under a committee system would be broadly similar to those paid to the chairs of regulatory committees under the Leader and Cabinet model.

- 4.3 The benchmarking exercise has demonstrated that the sum total of allowances payable under a committee system was significantly underestimated.
- 4.4 Appendix 1 provides a table of Basic Allowances and Special Responsibility Allowances at other authorities with upper tier responsibilities that have been identified as currently using a Committee System. A mean average for Basic Allowance and Special Responsibility Allowances across these councils is also included at Appendix 1.
- 4.5 For the purpose of calculating Special Responsibility Allowances for committee Chairs, committees have been broken down into two tiers:
- Tier 1 Committees: Policy & Resources Committees, Service Committees, Finance Committees etc.
 - Tier 2 Committees: Standards Committees, Licencing Committees, Planning Committees, Overview and Scrutiny Committees etc.
- 4.6 The figures in Appendix 2 show that Basic Allowance and Special Responsibility Allowances at upper tier authorities using committee systems are broadly similar to those currently in place at Derby City Council.
- 4.7 The major exception to this is the average allowance payable to Service Committee Chairs. The current Special Responsibility Allowances for committee and scrutiny board chairs at Derby City Council are similar to the average for 'Tier 2' committee chairs at the other councils identified. However, the average for 'Tier 1' committee chairs is significantly higher and is closer to the Special Responsibility Allowance for Cabinet Members under Derby City Council's allowance scheme. Moreover, the allowance paid to the Chair of the Policy and Resources Committee is more comparable to that payable to the Leader of the Council.
- 4.8 The financial analysis contained in the original report has been updated using the average figures contained in Appendix 1. The anticipated net impact is detailed in Table 3.
- 4.9 Allowances payable under the existing Members' Allowances scheme are included at Table 1 and the analysis contained in the original report are included at Table 2 for reference.
- 4.10 The Independent Remuneration Panel have yet to be consulted formally. The IRP will be invited to prepare a scheme of allowances once a final decision on changes to governance arrangements has been made.

Table 1 - SRAs under existing executive arrangements

Role	Amount £	Number	Total £
Leader	30,229	1	30,229
Deputy Leader	22,672	1	22,672
Council Cabinet Member	15,115	6	90,690
Minority Group Leader	7,557	3	22,671
Deputy Minority Group Leader	3,779	1	3,779
Mayor	7,557	1	7,557
Overview and Scrutiny Chairs	7,557	6	45,342
Overview and Scrutiny Vice Chairs	1,889	6	11,334
Licensing Chair	7,557	1	7,557
Licensing Vice Chair	3,779	4	15,116
Licensing Member	1,889	10	18,890
Audit and Accounts Committee Chair	5,290	1	5,290
Personnel Committee Chair	5,290	1	5,290
Planning Chair	7,557	1	7,557
Planning Vice Chair	3,779	1	3,779
Youth Mayor Bursary	1,000	1	1,000
		Total	298,753

Table 2 – Estimated SRAs under a Committee System (original report)

Role	Amount £	Number	Total £
Policy and Resources Committee Chair (Leader)	7,557	1	7,557
Service Committee Chair	7,557	7	52,899
Service Committee Vice Chair	3,779	7	26,453
Overview and Scrutiny Committee Chair	7,557	1	7,557
Overview and Scrutiny Vice Chair	1,889	1	1,889
HR/Finance Sub Committee Chair	5,290	2	10,580
HR/Finance Sub Committee Vice Chair	1,889	2	3,778
Development Control Sub Committee Chair	7,557	1	7,557
Development Control Sub Committee Vice Chair	3,779	4	15,116
Licensing Vice Chair	3,779	4	15,116
Licensing Member	1,889	10	18,890
Group Leader (4 members or more)	7,557	4	30,228
Deputy Group Leader (10 members or more)	3,779	2	7,558
Mayor	7,557	1	7,557
Youth Mayor Bursary	1,000	1	1,000
Corporate Parenting Sub Committee Chair	0	1	£0
Health and Wellbeing Board Chair (Leader)	0	1	£0
		Total	213,735
		Net	-85,018

Table 3 - Estimated SRAs under a Committee System following benchmarking exercise with comparator authorities

Estimated SRAs under a Committee System			
Policy and Resources Committee Chair (Leader)	£28,972	1	£28,972
Tier 1 Committee Chairs (Service Committees)	£13,587	7	£95,109
Tier 2 Committee Chairs	£7,337	6	£44,022
Vice Chair (Tiers 1 and 2; Licensing x4)	£4,142	16	£66,272
Licensing Member	£1,889	10	£18,890
Group Leader (4 members or more)	£7,557	4	£30,228
Deputy Group Leader (10 members or more)	£3,779	2	£7,558
Mayor	£7,557	1	£7,557
Youth Mayor Bursary	£1,000	1	£1,000
	Total		£299,608
	Net		£855
*Includes Development Control/ HR Sub/Finance Sub/Standards - no allowance for HWB / Corporate Parenting as present			

Finance and Legal Officer support to committees

- 4.11 The Working Group discussed the level of finance and legal support that should be offered to committees with spending powers. It was agreed that evidence would be collated from other authorities operating a committee system.
- 4.12 The information has revealed that the 'Policy Committee' or its equivalent is attended by finance and legal officers, including the Section 151 Officer and Monitoring Officer.
- 4.13 The attendance of finance officers at other committees varies between authorities, but in general finance officers are present at the following committee meetings for most of these councils:
- Audit and Governance Committee, and
 - Financial Performance and Contracts Committee.
- 4.14 Although the attendance of finance officers is not a statutory requirement at other committees, they are expected to attend any meeting on request where ad-hoc specialist advice is required.
- 4.15 The attendance of legal officers at other committees also varies between councils but in general legal officers are present at all policy and regulatory committee meetings including:
- Planning Committees,
 - Area Planning Committees,
 - Licensing Sub-Committees.

- 4.16 Legal officers are also expected to be available to offer advice over the phone in instances where they are not present at meetings at some authorities.
- 4.17 As stated in the original report, given the variety of practice found at other councils operating a committee system, the level of finance and legal support is a matter for local determination. It is for statutory officers and councillors to determine the level of support necessary to ensure the Council makes legally and financially robust decisions.
- 4.18 It is therefore proposed that a joint statement by the Section 151 and Monitoring Officers is incorporated in the final report to Council.

5. Urgent Decision Making

- 5.1 The Working Group also requested further information on the mechanisms available for urgent decision-making, in order to determine which arrangements were most consistent with the working principles.
- 5.2 Most upper tier local authorities using a committee system have an 'Urgency Committee' or an equivalent committee that can take urgent decisions. At some of these authorities the power to make urgent decisions rests with the council's 'Policy Committee'.
- 5.3 Examples of the composition of Urgency Committees include the Leader, Deputy Leader and the Leader of the Opposition. Urgency Committees at other authorities are not able to take urgent decisions if a function is already delegated to an existing committee. In this scenario the committee with jurisdiction over the area in question will be required to establish an urgency sub-committee in order to make any urgent decisions.
- 5.4 Elsewhere, in order for the 'Urgency Committee' to make any decisions on areas that are covered by existing committees, the Leader of the Council and the Chair of the relevant committee must both be in agreement.
- 5.5 The current procedure at Derby is for the Chief Executive to take non-executive decisions on grounds of urgency, in consultation with Group Leaders. This arrangement could be adopted for all committees, if a committee system were introduced.

6. Joint Committees

- 6.1 The Working Group also requested an update on arrangements for the establishment of joint committees.
- 6.2 There is not a universal protocol for the establishment of joint committees amongst other councils using committee systems. Some councils require membership and the terms of reference for joint committees to be approved by Full Council. This

arrangement makes the establishment of joint committees to consider cross-cutting issues more time consuming and may hinder timely decision making.

- 6.3 Our review of practice elsewhere also highlighted that there were issues surrounding the Widdicombe Rules, in establishing joint committees in instances where the Chairs of each individual committee were part of the controlling group. Where this occurred, both Chairs were required to be members of the Joint Committee but this had made complying with the Widdicombe rules more challenging.

7. Delegations Financial Threshold

- 7.1 The Working Group discussed the possibility of allowing officers to take decisions, currently reserved to individual Cabinet Members, with a financial threshold of between £100k and £250k.
- 7.2 It was suggested that under a committee system, Chairs of service committees could request that officers did not exercise their delegated authority and these decisions could be brought before the committee on an exception basis.
- 7.3 Further benchmarking has taken place to establish if authorities operating a committee system have a specified financial threshold over which decisions were automatically referred for determination by councillors. No consistent approach has been established.
- 7.4 Some councils have no financial threshold for delegations to officers other than the requirement for non-budgeted capital spend or savings to be approved by the Policy & Resources Committee.
- 7.5 At others, the Chairs of committees have the authority to delegate financial decision making to Chief Officers, providing these are not key decisions. For example, the financial threshold in place at Barnet Council is decisions which have a value between £181,302 and £500,000.
- 7.6 Some councils allow Chief Officers, if it is necessary, to depart from Council policy or Committee instructions; in this scenario a full report must be submitted to Committee as soon as is practicable.
- 7.7 All councils using a Committee System state that in exercising their delegated powers, Chief Officers and Deputy Chief Officers must act within the law and the council's standing orders and financial regulations, and must follow council policy and the instructions of council committees.

8. Net Financial Impact

- 8.1 Table 4 details the estimated net financial impact of the introduction of a Committee System, based on the revised analysis of councillors' allowances provided at section four and the additional FTEs required as estimated in the previous report.

- 8.2 The anticipated opportunity cost of additional indirect support to committees, as explored in the previous report, is impossible to quantify and therefore has not been included in this calculation.

Table 4: Estimated Net Financial Impact of a Committee System

Direct Costs	
Estimated net impact on Councillors' Allowances	+£855
x1 FTE Democratic Services Officer*	+£38,744
x1 FTE Lawyer*	+£54,207
x1 FTE Accountancy Officer*	+£34,289
Net impact without additional Finance and Legal Support	+£39,559
Net impact with estimated additional Finance and Legal Support required	+£133,365

*Estimations based on current pay scales assuming the mid-point of the grade and inclusive of 27 per cent on-costs.

9. Assessment of findings against Working Group principles

- 9.1 Following the analysis contained in this report, the summary table outlining progress against the working principles has been updated and is included at Table 5. Amendments to the previous assessment have been highlighted in yellow.

Table 5 – Overall Assessment Against Working principles

Working Principle		Progress and known issues	
	No conflict	Potential conflict	Known conflict
1.	Achieve greater councillor engagement in decision-making	Greater number of councillors involved in decision-making	✓
		Potential greater use of urgency provisions	?
		Possible increase in financial threshold of officer delegations	x
2.	No increase in the number of meetings	Broadly comparable to existing model if volume of business remains at similar levels	✓
		Unknown extent to which councillors will seek to utilise entitlement under principle six	?
		Duration of meetings to increase	x
		Timing and venues of meetings	?
3.	No increase in costs	Estimated increase in Councillors' Allowances	x
		Recommended additional x1 FTE in Democratic Services	x
		Committee system would require greater input from Senior Legal/Finance Officer Support, with subsequent impact on capacity.	x
		Unquantifiable opportunity cost of indirect support to committees	?
4.	Avoid unnecessary delays in decision-making	Straightforward decisions taken more quickly	✓
		Decisions requiring the approval of more than one Committee will take longer or result in reduced councillor engagement	x
5.	Inclusion of call-in	To be undertaken by a nominated committee, rather than dedicated O&S committee	?
6.	Allow councillors to put items on the agenda of committees	Could lead to additional meetings if utilised extensively	?
		Forthcoming councillor items agreed at conclusion of previous meeting by the Committee for report to be prepared by relevant officers	✓
7.	Fit for purpose officer delegation scheme	Officer delegations increased to £250k, with committees able to request decisions in excess of £100k for determination	✓

10. Next Steps

- 10.1 Capacity issues relating to the recent General Election has delayed progress on the development of a committee system of governance. However, it is intended that work on the project will be accelerated in January 2020.
- 10.2 Evidence contained within the two update reports received to date will be collated into a report for Council.
- 10.3 A further meeting of the Councillor Working Group can be convened at the request of councillors.

Acknowledgements:

Paul Simpson, Strategic Director of Corporate Resources

Emily Feenan, Director of Legal, Procurement and Democratic Services

Dom Monahan, Democratic Services Officer

Alex Hough

Acting Head of Democracy, December 2019

Appendix 1

Allowances comparison between Upper Tier Authorities using a Committee System

*Tier 1 Committees: Policy & Resources Committees, Service Committees, Finance Committees etc.

**Tier 2 Committees: Standards Committees, Licencing Committees, Planning Committees, Overview and Scrutiny Committees etc.

	Brighton and Hove City Council	Reading Borough Council	Kingston London Borough Council	Nottinghamshire County council	Barnet London Borough Council	Sutton London Borough Council	Average
Authority Type	-Unitary Authority -Upper Tier	-Unitary Authority -Upper Tier	-London Borough Council -Unitary Authority -Upper Tier	-Non-metropolitan County Council -Upper Tier	-London Borough Council -Unitary Authority -Upper Tier	London Borough Council -Unitary Authority -Upper Tier	N/A
Basic Allowance	£11,762	£8,220	£8,086	£13,190	£10,597	£11,164	£10,502
Leader	£31,200	£7,004	£25,276 (plus £311 per member)	£32,608	£34,000	£43,748	£28,972
Deputy Leader	£21,840	£5,722	£18,663	£22,822	£27,000	£29,802	£20,974
Tier 1* Committee Chairs	£10,920	£2,147	£12,439	£21,739	£15,333	£19,052	£13,587
Tier 2** Committee Chairs	£6,240	£2,147	£6,219	£10,869	£8,852	£9,700	£7,337
Committee Vice Chairs	£2,184	£1,074	N/A	£8,000	£2,368	£7000	£4,142
Opposition Leader	£10,920	£3,816	£12,442 (plus £311 per member)	£21,739	£15,333	£16,153	£13,400

Allowances comparison between other councils and Derby City Council

*Tier 1 Committees: Policy & Resources Committees, Service Committees, Finance Committees etc.

**Tier 2 Committees: Standards Committees, Licencing Committees, Planning Committees, Overview and Scrutiny Committees etc.

	Derby City Council	Average for Upper Tier Authorities using a Committee System
Basic Allowance	£10,076	£10,502
Leader	£30,229	£28,972
Deputy Leader	£22,672	£20,974
Tier 1* Committee Chairs	(Cabinet Members under Derby City Council's current Allowance Scheme) £15,115	£13,587
Tier 2** Committee Chairs	(Committee and Overview and Scrutiny Board Chairs under Derby City Council's current Allowance Scheme) £7,557	£7,337
Committee Vice Chairs	£3,779	£4,142
Opposition Leader	£7,557	£13,400