Proposed Interim Governance Arrangements – Joint Committee

1 Purpose of report

To note the proposed governance arrangements that are envisaged for North Northamptonshire during the transitional period up to “Vesting Day”, should the Secretary of State for Housing, Communities and Local Government approve the proposal to replace the existing two tier form of local government in Northamptonshire with two new unitary authorities.

2 Executive summary

A decision on the proposal for local government reform in Northamptonshire is anticipated before Parliament’s Easter recess (4 – 23 April) but there is the potential for delay. The formation of shadow authorities may not be done until much later in the year and so it is considered prudent to establish a politically balanced formal joint committee to influence governance matters ahead of the establishment of a shadow authority.

3 Appendices

Appendix 1 – Illustrative terms of reference for the joint committee.

4 Proposed action:

To NOTE the:

4.1 Proposed governance arrangements for North Northamptonshire for the transitional period leading up to the establishment of a shadow authority should the Secretary of State for Housing, Communities and Local Government agree to the proposal submitted in August 2018 for two new unitary authorities covering North and West Northamptonshire.

5 Background

5.1 In August 2018, 7 of the 8 Northamptonshire councils submitted the ‘Northamptonshire Local Government Reform’ proposal to the Secretary of State for Housing Communities and Local Government. The proposal is to replace the existing two tier form of local government with two new unitary authorities one covering the North and the other covering the West.
5.2 The Secretary of State has carried out an eight week public consultation on the proposal which ended on the 25 January 2019 and is now considering the responses received. It is anticipated that a decision will be forthcoming before Parliament’s Easter recess (i.e. before 4 April 2019) but could be delayed due to other urgent government business which is currently taking place.

5.3 If the decision is to approve the proposal and to create a new unitary authority for North Northants then a shadow unitary authority will be established by means of a Structural Change Order (SCO) from late Spring 2019, however this may be delayed. There is a significant amount to be done before “Vesting Day” (the commencement date for the new unitary authority and the corresponding winding up/dissolution of the existing councils) which is expected to be 1 April 2020 and there is a requirement for key decisions to be made during the transitional period. In order to do this new governance arrangements will need to be put in place by the sovereign councils.

5.4 In order to mitigate the risk of delay it is considered prudent to establish a formal joint committee to achieve consistent decision making and influence governance matters ahead of the shadow authority. If the Secretary of State does not approve the proposal then a joint committee would have no further purpose and would cease.

6 Discussion

6.1 The key process for establishing new shadow and unitary authorities is agreement of a Structural Change Order by both Houses of Parliament. The SCO sets out the basic governance and operating principles for the shadow authority and subsequent unitary council. It will be drafted by Government officials but it is considered prudent for the councils to seek to influence the content of the SCO’s. This is covered by a further report to this committee elsewhere on its agenda.

6.2 The risk to consistency of approach is greater without a single formal decision making body. If established, a joint committee would help provide a smooth transition towards a shadow authority, and could usefully develop recommendations for the shadow authority on statutory matters such as a constitution, a Code of Conduct for Members and the nomination of interim statutory officers.

6.3 Collective recommendations by a joint committee on these and other governance matters, which will be specified in the joint committees terms of reference (an illustration of which is shown at Appendix 1), would give a shadow authority the opportunity to ‘hit the ground running’ and it to spend more of its time preparing budgets and plans that it considers necessary or desirable for a new unitary authority. This in turn would put a new unitary authority in a better position to focus on service delivery.

6.4 In terms of numbers the recommendation is that the joint committee would have 3 members from each council making a committee of 15 in the North. This number has been devised to keep the joint committee to a manageable size with
appropriate representation and to respect the equal interest of all councils in securing a smooth transition for their residents, businesses and areas.

6.5 Under political balance rules, if a joint committee is established the appointment to it has to be made by each authority to comply with the rules. These rules apply to each council individually. It is not the balance of the collective grouping that is to be achieved rather it is the balance of each council’s representation on it that has to be achieved. For this council, the political balance in establishing a joint committee would be a requirement for 2 members of the administration and 1 member of the opposition.

6.6 If the prospective Parliamentary timetable materialises as expected, the joint committee would likely only meet on a couple of occasions before a shadow authority is established. However, there is the possibility of delay in Government decision making, particularly to the laying and agreeing of the SCO, making it prudent to establish a joint committee in any event. If the ultimate decision is not to lay the SCO or the SCO was not agreed, the joint committee would have no further purpose and would cease.

6.7 It is proposed that the Chairman of the joint committee be elected by the committee at its inaugural meeting.

6.8 The joint committee would be as per a conventional committee in compliance with national rules.

6.9 No decisions on the creation of or terms of reference for a joint committee have yet been agreed. These will be presented to the steering groups for discussion and recommendations made for each sovereign council to agree.

7 Legal powers

7.1 Section 101(5) of the Local Government Act 1972, enables a local authority to enter into arrangements for the discharge of its functions jointly with, or by, one or more other authorities.

7.2 Section 102 of the Local Government Act 1972 empowers local authorities to appoint a joint committee to discharge functions of the councils or to advise councils. It is for full council to establish such a joint committee.

8 Financial and value for money implications

8.1 Under the Local Government Act 1972, the expenses incurred by a joint committee shall be defrayed by the constituent councils in such proportions as they may agree or, in the case of disagreement, by an arbitrator appointed by the Secretary of State.

8.2 It is proposed that the costs be defrayed in proportion to the number of members appointed to the joint committee by each council i.e. equally. These would be funded from existing budgets as no additional remuneration is identified.
9 Risk analysis

<table>
<thead>
<tr>
<th>Nature of risk</th>
<th>Consequences if realised</th>
<th>Likelihood of occurrence</th>
<th>Control measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delay in a decision on the proposal for local government reform in Northamptonshire or delay in laying or agreeing the Structural Change Order</td>
<td>It may not be possible to prepare everything required by the new unitary authority by Vesting Day of 1 April 2020</td>
<td>medium</td>
<td>Establish a formal joint committee</td>
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</tbody>
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10 Implications for resources

Support to the joint committee would be given by existing personnel from one or more of the councils. This will be clarified in a formal agreement and could be from a single lead governance team or the governance team of the council where the meeting is being held if rotated.

11 Implications for stronger and safer communities and equalities

Whatever the council does and however it makes its decisions, the impact on our communities is of paramount importance. The proposals here should not have any adverse impact on our communities or on how the council meets its statutory duties relating to equalities and other legislation. Indeed, by having more efficient governance arrangements it is likely that the council will serve its communities even better.

12 Author and contact officer

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13 Consultees

Julie Thomas, Monitoring Officer
Karen Denton, Assistant Director

14 Background papers

Submission to the Secretary of State for Housing Communities and Local Government of the ‘Northamptonshire Local Government Reform Proposal’. (August 2018)
Appendix 1 – Illustrative Joint Committee Terms of Reference

1. To consider and recommend a Constitution to be adopted by the Shadow Authority at its inaugural Full Council meeting;
2. To consider and recommend a Members Code of Conduct to be adopted by the Shadow Authority at its inaugural Full Council meeting;
3. To agree and undertake the recruitment process for the selection of the posts of Interim Head of Paid Service, Interim Chief Finance Officer (section 151 Officer) and Monitoring Officer for the Shadow Authority and recommend to the Shadow Authority at its inaugural meeting nominations for the three interim statutory Officers;
4. To consider and recommend to the Shadow Authority at its inaugural meeting a nomination for the post of Returning Officer;
5. To monitor and seek to mitigate any potential risks associated with the Local Government Reform programme (LGR), the creation of a Shadow Authority and creation of a unitary authority for West Northamptonshire and to establish/agree relevant protocols or process’s to manage the risks to LGR;
6. To establish and propose a Calendar of Meetings for the Shadow Council for adoption at its inaugural meeting.
7. To establish/agree any protocol or process which, if not implemented promptly, may threaten the establishment of a Unitary Council within the deadline set by the Secretary of State.
8. To receive recommendations/reports from work streams that require Joint Committee approval so long as those relate to the Joint Committee’s terms of reference referenced above.
9. To agree the process for an independent review of a scheme of Members Allowances for the Shadow Authority, including the setting up of an Independent Remuneration Panel and to recommend to the Shadow Authority a scheme of Members Allowances for adoption at its inaugural meeting;