

Notice of Meeting

Governance and Audit Committee

Monday, 14th February, 2011 at 6.00 pm
in Council Chamber Council Offices
Market Street Newbury

Date of despatch of Agenda: Friday, 4 February 2011

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Moira Fraser on (01635) 519045
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Agenda - Governance and Audit Committee to be held on Monday, 14 February 2011
(continued)

To: Councillors Jeff Beck (Chairman), Paul Bryant, David Holtby, Tony Linden, Julian Swift-Hook (Vice-Chairman), Tony Vickers and Quentin Webb

Substitutes: Councillors Brian Bedwell, Adrian Edwards, Keith Lock and Keith Woodhams

Agenda

Part I	Page No.
1. Apologies To receive apologies for inability to attend the meeting (if any).	
2. Minutes To approve as a correct record the Minutes of the meeting of this Committee held on 15 November 2010.	1 - 4
3. Declarations of Interest To receive any Declarations of Interest from Members.	
4. Internal Audit Interim Report for 2010/11 (GAC 2114) <i>Purpose: To update the Committee on the outcomes of the work performed by Internal Audit during 2010-11.</i>	5 - 10
5. Amendments to the Constitution - Changes to the Terms of Reference of the Standards Committee and Governance and Audit Committee (C2195) <i>Purpose: To amend the Terms of reference of the Governance and Audit Committee and the Standards Committee in line with the recommendations of an Internal Audit of the management of the Council's Constitution.</i>	11 - 20
6. Council Governance (C2199) <i>Purpose: To propose a change in the Council's current scrutiny structures with effect from 1 April 2011 and, as a consequence, to amend the previously approved timetable of meetings and to update Council in relation to the Localism Bill and the timetable for the introduction of any new governance structures (Committee System).</i>	21 - 26

Andy Day
Head of Policy and Communication

Agenda - Governance and Audit Committee to be held on Monday, 14 February 2011
(continued)

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Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

GOVERNANCE AND AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON MONDAY, 15 NOVEMBER 2010

Councillors Present: Jeff Beck (Chairman), Paul Bryant, David Holtby, Tony Linden, Julian Swift-Hook (Vice-Chairman), Tony Vickers and Quentin Webb

Also Present: Andy Day (Head of Policy and Communication),

PART I

27. Minutes

The Minutes of the meetings held on 14 (Special) and 27 September 2010 were approved as true and correct records and signed by the Chairman subject to minor typographical errors being corrected.

28. Declarations of Interest

Councillor Julian Swift Hook reported that he was Chairman of West Berkshire Mencap and was unsure whether any item on the agenda would impact on this position but if it did he would be declaring a personal interest

29. Amendments to the Constitution - Scheme of Delegation (C1886)

Andy Day introduced the report and advised that the changes proposed to the Scheme of Delegation were as a direct result of changes post the Senior Management Review and consequent upon the introduction of new legislation.

The Committee expressed some concern at the scale of the proposed changes but accepted that this was merely a tidying up exercise of the Scheme of Delegation.

RESOLVED that the proposed changes to the Scheme of Delegation be forwarded to Council for adoption.

30. Stronger Leader and Cabinet Model - Outcomes of Consultation (C2003)

Andy Day reported that at its meeting on 29 July 2010 Council agreed to undertake a consultation exercise in relation to the need for this Council to adopt one of two forms of governance, namely, the Strong Leader Model or the Elected Mayor model.

The Committee noted that the Mayoral option was not consulted on given that this had been discounted when the new Executive and Scrutiny system was introduced in 2001.

The Committee noted that the Council had received only a few responses the majority of which supported the adoption of the Strong Leader Model.

RESOLVED that, in accordance with the Local Government Public Involvement in Health Act 2007, the Council be recommended to adopt the Strong Leader Model with effect from its Annual meeting in May 2011,

31. Appointment of Designated Scrutiny Officer (C2164)

Andy Day introduced the report and advised that Section 31 of the Local Democracy, Economic Development and Construction Act 2009, required this Council to designate of one its officers as a Scrutiny Officer.

GOVERNANCE AND AUDIT COMMITTEE - 15 NOVEMBER 2010 - MINUTES

The Committee noted that it was proposed to appoint the Scrutiny and Partnerships Manager as the designated Scrutiny Officer.

RESOLVED that Council be requested to designate the Scrutiny and Partnerships Manager as the Scrutiny Officer, in accordance with Section 31 of the Local Democracy, Economic Development and Construction Act 2009.

32. Arrangements for Working Group Considering Future Governance Arrangements (GAC2169)

Andy Day reported that at its meeting on 23 September 2010 the Council considered two motions relating to the Council's governance structures. These motions followed comments from the Communities Minister suggesting that "Councils would be able to run themselves under a governance system that works best for their area".

As a result of this and the two motions the Council had agreed that a small Working Group should be established to look at alternative governance structures. It was proposed therefore that a small Group consisting of four Conservative and two Liberal Democrat Members should be established. It was also proposed that both Group Leaders be regarded as ex officio Members on this Group.

The proposed terms of reference for the Group were set out in paragraph 1.8 of the report. The Committee, having considered the proposed terms of reference, made a number of comments which resulted in the following being agreed:

1. To undertake a review of the current Executive and Scrutiny arrangements which should include the cost of the current arrangements together with how effective, efficient and inclusive the current system is perceived to be.
2. To consider alternative governance options including a committee based decision making structure to ensure that any new system is democratic, accountable, efficient and effective.
3. To examine the resources that will be required to effectively run any revised or current system.

Andy Day reported that despite the Minister's pledge the Council was not in a position at the current time to introduce any new governance arrangements until the existing legislation (Local Government Act 2000) had been amended or repealed.

The Committee agreed that rather than wait for the appropriate legislation to be amended or repealed that work could commence on (1) above. It was agreed that a questionnaire seeking views on the current governance arrangements should be designed and circulated to all Members to complete. This would help to inform the Group's work moving forward.

(Councillors David Holtby and Tony Vickers left the meeting at 7.17pm)

RESOLVED:

- (i) That the terms of reference for the Working Group, as set out above, be approved.
- (ii) That arrangements be made for a questionnaire to be circulated to all members seeking their views on the current governance arrangements.
- (iii) That each Group Leader be requested to nominate the appropriate number of Members for the Working Group.

GOVERNANCE AND AUDIT COMMITTEE - 15 NOVEMBER 2010 - MINUTES

(The meeting commenced at 6:00pm and closed at 7:20pm)

CHAIRMAN

Date of Signature

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Agenda Item 4.

Title of Report:	Internal Audit - Interim Report for 2010-11
Report to be considered by:	Governance and Audit Committee
Date of Meeting:	14 th February
Forward Plan Ref:	GAC2114

Purpose of Report: To update the Committee on the outcomes of work performed by Internal Audit during 2010-11.

Recommended Action: Note the contents of the report and consider whether the actions identified in the report are adequate.

Reason for decision to be taken: This report forms part of the Councils Performance Monitoring Framework

Other options considered: None

Key background documentation: None

The proposals contained in this report will help to achieve the following Council Plan Priority:

CPP2 – Raise levels of educational achievement – improving school performance levels

The proposals will also help achieve the following Council Plan Themes:

CPT13 - Value for Money

CPT14 - Effective People

CPT16 - Excellent Performance Management

The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by:

Ensuring that there are adequate controls in the systems and procedures that are designed to deliver the Council's objectives

Portfolio Member Details	
Name & Telephone No.:	Councillor Keith Chopping - (0118) 983 2057
E-mail Address:	kchopping@westberks.gov.uk
Date Portfolio Member agreed report:	6 th December 2010

Contact Officer Details	
Name:	Ian Priestley
Job Title:	Chief Internal Auditor
Tel. No.:	01635 519253
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Implications

Policy:	none
Financial:	none
Personnel:	non
Legal/Procurement:	none
Property:	none
Risk Management:	none
Equalities Impact Assessment:	none required

Executive Summary

1. Introduction

- 1.1 The purpose of this report is to provide an interim report to the Governance and Audit Committee as required by the Code of Practice for Internal Audit in Local Government.
- 1.2 In the past this report has been produced on a quarterly basis. In line with the resources available to Internal Audit, reporting is now being carried out only half yearly. This is in line with the Code of Practice.

2. Proposals

- 2.1 The work carried out by internal audit demonstrates that the Council's main financial systems are very sound. Six of these key systems have been audited so far and all have been assessed as well controlled.
- 2.2 In addition audits on other systems were all assessed as satisfactory or better.
- 2.3 The one area of concern relates to two follow up audits in Property Services, where the absence of a working asset management database is hampering implementation of agreed recommendations.

3. Conclusion

- 3.1 The Council's key financial systems are robust.

Executive Report

1. Introduction

1.1 The CIPFA Code of Practice for Internal Audit in Local Government requires the “Head of Internal Audit” to make a formal report annually to the Council. The report should:

- include an opinion on the overall adequacy and effectiveness of the organisation’s risk management systems and internal control environment
- disclose any qualifications to that opinion, together with the reasons for the qualification
- present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies
- draw attention to any issues the “Head of Internal Audit” judges particularly relevant to the preparation of the statement on internal control
- compare the work actually undertaken with the work that was planned and summarise the performance of the Internal Audit function against its performance measures and criteria

1.2 In addition to the formal annual report, the Head of Internal Audit should make arrangements for interim reporting to the organisation in the course of the year. Such interim reports should address emerging issues in respect of the whole range of areas to be covered in the formal annual report. This report provides an interim view looking at the first 6 months of the year.

2. Opinion on the “Internal Control Framework”

2.1 No fundamental weaknesses were identified in Council’s internal control framework through the work carried out by Internal Audit. Where audit work identified weaknesses then, in most cases, management action has been taken to resolve issues identified. Overall the internal control framework remains very robust.

2.2 The following summarises the results of the audit work where an opinion was given, and this table demonstrates that, in particular, the main financial systems of the Council are very robust. In addition it should be noted that the identification of weaknesses is an inevitable part of the auditing process. What is then key is that Management responds positively by implementing agreed recommendations.

2.3

Type	Very weak	Weak	Satisfactory	Well Controlled	Very Well Controlled
Key Financial System	0	0	0	6	0
Other systems	0	0	5	2	2

2.4 The following summarises the results of follow up work. This table demonstrates that the Council has responded effectively where weaknesses have been identified.

Type	Unsatisfactory	Satisfactory
------	----------------	--------------

Key Financial System	0	5
Other systems	2	9

- 2.5 The issue of concern in respect of the first unsatisfactory result for the “other system” (Building Maintenance), was in relation to the inadequacy of the Asset Database, which is not functional at present and as a consequence is hampering the operation of the maintenance of the Council’s properties.
- 2.6 The issue of concern in respect of the second unsatisfactory result for the “other systems” (Commercial Rents) was also in relation to the inadequacy of the Asset Database. The service is using excel spreadsheets and hard copy files to manage property and this is not a very effective control mechanism for a complex range of procedures.
- 2.7 The Head of Property and Public Protection has provided the following update in relation to these two audits.
- (1) Work commenced in September on a project to implement a Quality Management System that will introduce formal Process and Procedure to the service. In addition Project Management Methodology is now in place for the implementation of construction and maintenance projects. Lack of Procedural guidance was a criticism within the audit. The QMS is seen as the key solution to meeting the audit recommendations.
 - (2) Capital Finance has been approved for the installation of a new Asset Database. The specification for any new system will ensure that stakeholders/users will be able to access all information relating to their property and thus assist with prioritising maintenance work and allocating budget provisions. The specification requirements are currently being applied to a module within the updated version of the Council's finance system, Agresso. At the time of writing it is not known whether this system will meet the specification sufficiently, however if it does it is hoped that implementation could **commence** April/May 2011.
 - (3) The delay in implementing these solutions has been due to the inability to recruit to the Business Development Manager, the post which has never been filled due to the findings of the Senior Management Review, recent recruitment freeze and savings targets. From September 2010 Property has been given a secondment resource which is now allowing these projects to proceed.

3. Performance of Internal Audit

- 3.1 Delivery of the audit plan was within target in the current year. However, the target is unlikely to be met due to vacancies in the Section.

Appendices

None

Consultees

Local Stakeholders: None

Officers Consulted: Corporate Board

Trade Union: None

Title of Report:	Amendment to the Constitution - Changes to Terms of Reference of Governance and Audit and Standards Committees
Report to be considered by:	Council
Date of Meeting:	03 March 2011
Forward Plan Ref:	C2195

Purpose of Report:

To amend the Terms of reference for the Standards Committee and the Governance and Audit Committee in line with the recommendations of an Internal Audit of the management of the Council's Constitution.

Recommended Action:

1. The Terms of Reference of the Standards Committee be extended as set out in paragraph 2.1 and Appendix B to this report.
2. Part 7 of the Council's Constitution be amended as set out in paragraph 1.6 and 1.7 of this report.
3. Any further corresponding changes to references in the Constitution to the Governance and Audit Committee and the Standards Committee be delegated to the Monitoring Officer to amend (e.g. Part 1 Summary and Explanation).

Reason for decision to be taken:

To ensure that the Council has a Constitution that is in accordance with the statutory requirements and accords with good practice and has a process in place for effective management and maintenance of this document.

Other options considered:

None

Key background documentation:

- West Berkshire Council's Constitution - May 2007
- Terms of Reference of the Governance and Audit Committee
- Terms of Reference of the Standards Committee
- Internal Audit's Final Report into the management of the Constitution February 2010
- The Local Government Act 2000

The proposals will also help achieve the following Council Plan Theme(s):

CPT14 - Effective People

The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by:
 Making the Council's decision making processes more effective and efficient

Portfolio Member Details	
Name & Telephone No.:	Councillor Graham Jones - Tel (01235) 762744
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Date Portfolio Member agreed report:	07 December 2010

Contact Officer Details	
Name:	Moira Fraser
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Implications

Policy: The proposals contained in this report accord with the Council's policy of regularly updating the Council's Constitution

Financial: There are no financial implications associated with this report.

Personnel: None

Legal/Procurement: Amendments to the Constitution as set out in the report

Property: None

Risk Management: None

Equalities Impact Assessment: Stage 1 EIA completed

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval	<input type="checkbox"/>	
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>	
Delays in implementation could compromise the Council's position	<input type="checkbox"/>	
Considered or reviewed by Overview and Scrutiny Commission or associated Task Groups within preceding six months	<input type="checkbox"/>	
Item is Urgent Key Decision	<input type="checkbox"/>	

Executive Summary

1. Introduction

- 1.1 An Internal Audit of the management of the Constitution was undertaken in 2010 to ensure that the Council has established a constitution that is in accordance with statutory requirements/ good practice and that there are processes in place to ensure the effective management and maintenance of the Constitution.
- 1.2 Four of the five recommendations within the Internal Audit Report have been implemented. The remaining recommendation required minor amendments to the Constitution relating to the Terms of Reference of the Standards Committee and the remit of both the Standards Committee and the Governance and Audit Committee primarily set out in Part 7 (Rules of Procedure for the Council's Regulatory Committees) of the Constitution.

2. Proposals

- 2.1 It is proposed that the Terms of Reference of the Standards Committee be extended to include:

Recommending improvements to the relevant sections of the Constitution covering Councillor conduct and ethical standards (see Appendix B);

- 2.2 It is proposed that Part 7 of the Councils Constitution be amended as set out in paragraph 1.6 and 1.7 of this report.
- 2.3 It is proposed that any corresponding references to the Governance and Audit Committee and the Standards Committee be delegated to the Monitoring Officer to amend (e.g. Part 1 Summary and Explanation)

3. Conclusion

- 3.1 These amendments to the Constitution and Terms of Reference of the Standards Committee will assist the Council with ensuring that there are processes in place for the effective management and maintenance of the Constitution. Members are therefore asked to support the recommended action.

Executive Report

1. Introduction

1.1 The Local Government Act 2000 introduced a major change in the organisation of and decision making structures in local government. The Council adopted a new Constitution in 2001 and since that time has carried out a number of reviews to ensure that its decision making processes are as effective and efficient as possible.

1.2 An Internal Audit of the management of the Constitution was undertaken in 2010 to ensure that the Council had established a constitution that is in accordance with statutory requirements/ good practice and that there are processes in place to ensure the effective management and maintenance of the Constitution.

1.3 The overall audit opinion was that controls within the system and procedures were satisfactory. Five recommendations were made to improve internal control which related to putting processes in place to review the Constitution annually and to clearly define responsibility for reviewing and amending the Constitution. Four of these recommendations have subsequently been implemented.

1.4 The remaining recommendations require that:

- Consideration is given to amending the Terms of Reference of the Standards Committee so that it has a role in reviewing proposed amendments to the Constitution where they relate to ethical standards for Councillors. (*The Terms of Reference of the Governance and Audit Committee already include the requirement to consider and make recommendations to the Council on proposed changes to the Constitution.*)
- The Constitution needs to be updated to reflect the role of the Governance and Audit Committee and Standards Committee in considering recommendations for changes of content prior to them being presented to full Council for approval.

1.5 Part 7 of the Council's Constitution sets out the Rules of Procedure for the Council's Regulatory Committees. It is proposed to amend the existing text relating to the Governance and Audit Committee (Paragraph 7.1.5) and insert the following text in relation to the Standards Committee into this section of the Constitution:

1.6 *Governance and Audit Committee*

The Governance and Audit Committee shall consist of 7 Members reflecting the political balance of the Council. The Council will delegate its work in relation to challenge and independent assurance on the Risk Management Framework and associated internal control to this Committee. ~~environment across the Council to Members and the public, independently of the Executive.~~

(Insert) The main roles of the Governance and Audit Committee are to challenge and provide independent assurance on the Risk Management Framework and associated internal controls of the Council, consider and make recommendations to the Council on proposed changes to the Constitution, review the Council's financial statements and review the external auditors annual audit letter.

1.7 *(insert) The Standards Committee*

The Standards Committee shall consist of 12 Members (three Independent Members, three Parish Council Representatives and six District Councillors). The composition of the District Councillors will not reflect the political balance of the Council. The Standards Committee will be chaired by an Independent Member.

The main role of the Standards Committee is to promote and maintain high standards of conduct throughout the Council. In addition it should promote, educate and support Councillors (both District and Parish) in following the highest standards of conduct and ensuring that those standards are fully owned locally.

The Standards Committee has established 3 sub-committees to deal with any complaints received in respect of District or Parish Councillors' behaviour.

The Standards Committee also has a role in considering and recommending improvements to the relevant sections of the Constitution covering the conduct of Councillors and ethical standards of the Council.

- 1.8 It will also be necessary to amend references to the Governance and Audit Committee and the Standards Committee in other part of the Constitution including Part 1 (Summary and Explanation) and that this should be delegated to the Monitoring Officer.

2. **Proposals**

- 2.1 It is proposed that the Terms of Reference of the Standards Committee be extended to include:

Recommending improvements to the relevant sections of the Constitution covering Councillor conduct and ethical standards (see Appendix B);

- 2.2 It is proposed that Part 7 of the Council's Constitution be amended as set out in paragraphs 1.6 and 1.7 of this report.
- 2.3 It is proposed that any further corresponding changes to references in the Constitution to the Governance and Audit Committee and the Standards Committee be delegated to the Monitoring Officer to amend (e.g. Part 1 Summary and Explanation)

Appendices

Appendix A – Terms of Reference of the Governance and Audit Committee

Appendix B – Terms of Reference of the Standards Committee

Consultees

Local Stakeholders: Not consulted

Officers Consulted: David Holling, Andy Day

Trade Union: Not consulted

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Governance and Audit Committee

Terms of Reference

The overall purpose of the Governance and Audit Committee is to provide effective challenge across the Council and independent assurance on the risk management framework and associated internal control environment to members and the public, independently of the Executive.

Specifically the Governance and Audit Committee will:

- consider and make recommendations to the Council on proposed changes to the Constitution
- consider any issues emanating from the Government and determine their effect on the Council's business and governance processes
- Review the effectiveness of the Council's Risk Management arrangements, the control environment and associated Anti Fraud and Corruption arrangements
- Seek assurance that action is being taken on risk related issues identified by auditors and inspectors
- Be satisfied that the Council's assurance statements (currently produced annually by all Heads of Service) and the Annual Governance Statement properly reflect the risk environment and any actions required to improve it.
- Be satisfied that any Partnership that the Council enters into has robust Governance and Risk Management arrangements and that any risk to the Council from the Partnership is minimised.
- Approve the Internal Audit Strategy and Plan (to ensure that there is adequate coverage) and monitor performance (assessing whether adequate skills and resources are available to provide an effective function).
- Review summary internal audit reports and the main issues arising and seek assurances that action has been taken where necessary.
- Receive the annual report of the head of internal audit
- To consider any issues that are brought to the attention of the Committee, or Chair and Vice Chair, by the head of internal audit at any time during the year.
- Consider reports of external audit and inspection agencies
- Ensure that there are effective relationships between external and internal audit and inspection agencies and other relevant bodies and that the value of the audit process is actively promoted.
- Review the financial statements, including the suitability of accounting policies and treatments, provisions or adjustments.
- Review the external auditors annual audit letter, any other reports and opinion and monitor management action in response to issues raised. (Also comment on the external auditors planned work programme.)

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The Standards Committee – Terms of Reference

The general functions of the Standards Committee are:

- Promoting and maintaining high standards of conduct by Members and co-opted Members; and
- Assisting Members and co-opted Members to observe the Code of Conduct.

The terms of reference for the Committee are:

- Promoting, monitoring and reviewing the rules controlling the behaviour of Councillors and Officers (Code of Conduct);
- **Recommending improvements to the relevant sections of the Constitution covering Councillor conduct and ethical standards;**
- To initially assess and review complaints against West Berkshire Councillors and Parish and Town Councillors in West Berkshire and to decide what action (if any) to take;
- To consider the results of any investigation into the behaviour of Councillors and decide whether their behaviour has broken the rules described above. If the Councillor is found to have broken the rules, the Committee decide what punishment to impose;
- To provide advice and guidance to Members, Parish Councillors and Officers and to make arrangements for training them on standards issues; and
- To advise the Council about changes which need to be made to the code of conduct for Members and Officers and to promote, monitor and review these codes.

Each of the Standards Committee's Sub Committees (Assessment Sub-Committee, Review Sub-Committee and Hearing Panel) also has their own Terms of Reference which are available on request from the Democratic Services Manager.

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Title of Report:	Council Governance
Report to be considered by:	Council
Date of Meeting:	3 March 2011
Forward Plan Ref:	C2199

Purpose of Report:

1. To propose a change in the Council's current scrutiny structures with effect from 1 April 2011 and, as a consequence, to amend the previously approved timetable of meetings.

2. To update Council in relation to the Localism Bill and the timetable for the introduction of any new governance structures (Committee System).

Recommended Action:

1. That the Council's current scrutiny governance structures be amended from one Overview and Scrutiny Management Commission and five Select Committees to one Overview and Scrutiny Management Commission with effect from 1 April 2011.

2. That the previously approved timetable of meetings for 2011/12 be amended to reflect the changes to the Council's scrutiny structures.

3. That the Council notes the position in relation to the timetable for the introduction of any new governance structures (Committee system).

Reason for decision to be taken:

1. To accord with the decision of the Executive on 8 November 2010 in relation to staffing reductions, particularly within Policy and Communication.

2. To comply with the Council's Constitution in relation to Motions.

Other options considered:

N/A

Key background documentation:

Part 11 report to the Executive on 8 November 2010.
Localism Bill 2010

The proposals will also help achieve the following Council Plan Theme:

CPT16 - Excellent Performance Management

The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by:

Continuing to have a robust and effective scrutiny function.

Portfolio Member Details	
Name & Telephone No.:	Councillor Graham Jones - Tel (01235) 762744
E-mail Address:	gjones@westberks.gov.uk
Date Portfolio Member agreed report:	20 January 2011

Contact Officer Details	
Name:	Andy Day
Job Title:	Head of Policy and Communication
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Implications

- Policy:** These proposals accord with the Executive's decision on 8 November 2010 in relation to staffing reductions particularly in relation to Policy and Communication and in accordance with the Council's constitution in relation to Motions.
- Financial:** This proposal results in a revenue saving of £36,000.
- Personnel:** N/A
- Legal/Procurement:** The proposals in this report comply with the Local Government Act 2000 in relation to the need to have a scrutiny governance structure as part of its overall decision making structures.
- Property:** N/A
- Risk Management:** N/A
- Equalities Impact Assessment:** Stage 1 Completed.
- Corporate Board's Recommendation:** Corporate Board noted the report, and requested the amended report go to Management Board on the 27 January 2011.

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval		<input checked="" type="checkbox"/>

Executive Summary and Report

1. Introduction

- 1.1 At its meeting on 8 November 2010 the Executive agreed a “package” of savings proposals which included a proposal from the Head of Policy and Communication to reduce the Council’s scrutiny governance structures from one Overview and Scrutiny Management Commission and five Select Committees (see Appendix A) to one Overview and Scrutiny Commission with effect from 1 April 2011. This was, in fact, the scrutiny structure that the Council operated prior to the current structure being introduced on 12 May 2009.
- 1.2 In addition, the Council, at its meeting on 23 September 2010, considered two Motions calling for work to be undertaken on the possible introduction of a Committee System to replace the current Executive arrangements. These Motions were tabled in the light of a commitment by the Coalition Government to include provisions within the Localism Bill allowing Councils to revert back to a Committee System rather than the current Executive arrangements.

2. Proposals

- 2.1 That the Council’s current scrutiny governance structures be amended from one Overview and Scrutiny Management Commission and five Select Committees to one Overview and Scrutiny Management Commission with effect from 1 April 2011.
- 2.2 It is proposed that the terms of reference for the new Overview and Scrutiny Management Commission be as set out in Appendix B.
- 2.2 It is proposed that the Overview and Scrutiny Commission continues to meet two weeks after the Executive and that the Commission be responsible for:
- (i) The scrutiny of “local health service provision” is currently a requirement under Section 7 of the Health and Social Care Act 2001. This function was previously covered by the Healthier Select Committee.
 - (ii) The scrutiny of crime and disorder issues in accordance with Section 19 of the Police and Justice Act 2006. This function was previously covered by the Safer Select Committee.
- 2.3 The new Health White Paper entitled “Equity and excellence: Liberating the NHS” will require Local Authorities to establish “Health” and Wellbeing Boards whose role will be to join up the commissioning of local NHS services, social care and health improvement. This will allow local authorities to take a strategic approach on promoting integration across health and adult social care, children’s services (including safeguarding) and the wider local authority agenda.
- 2.4 Councils will be free to decide how they take forward scrutiny of the health service under this new framework.
- 2.5 It will be necessary to amend the previously approved timetable of meetings for 2011/12 to take account of the proposed changes in the scrutiny structure.

2.6 In relation to the possibility of introducing a new form of Governance (Committee system) it is clear that the Localism Bill 2010 is unlikely to become legislation before December of this year or even early in 2012. Furthermore, the Bill, as drafted, (Chapter 4 - page 45) says that the Council has to first pass a resolution saying that it wishes to change its governance structures and articulate what these will look like (it would therefore have had to draft new terms of reference for the various committees, reflect these changes in any new constitution etc) and then it can only move to operate these new structures at the next ordinary election of Councillors, in our case 2015.

2.7 Based on the above, it is not proposed that any work be undertaken on the possible structures associated with any new Committee based decision making model at this stage. This approach would need to be reported to Council in accordance with the Constitution.

3.0 Conclusion

3.1 Given the current financial climate the Executive agreed that a reduction in the amount of scrutiny activity that the Council undertakes was one of a number of savings proposals which should be supported across the Council. These proposals will be effective from 1 April 2011.

3.2 It is also suggested that no further work be progressed in relation to a Committee based decision making structure given the way in which the Localism Bill has been framed which would mean that the earliest this could be achieved would be May 2015.

Appendices

Appendix A - Current Scrutiny Structure

Appendix B - Proposed Terms of Reference of the Overview and Scrutiny Commission

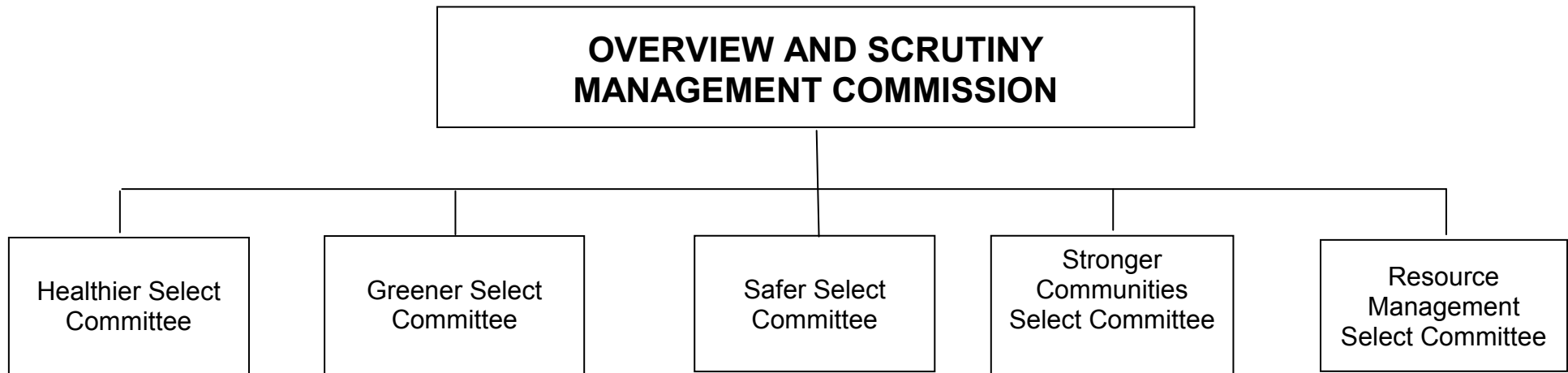
Consultees

Local Stakeholders: N/A

Officers Consulted: Corporate Board, CMT,

Trade Union: N/A

Current Scrutiny Structure



Revised Scrutiny Structure



Proposed Terms of Reference for the Overview and Scrutiny Commission

The Overview and Scrutiny Commission will:

1. Have overall responsibility for the management, co-ordination and development of the scrutiny function through which the decisions taken by the Executive and by committees and officers of the Council are scrutinised and the use of resources/provision of services are reviewed.
2. Be aware of the 'forward plan', the forward work programme and other anticipated decisions of the Executive and council services
3. Monitor the decisions taken by or on behalf of the Executive and the activities of service areas;
4. Exercise the right set out in the Procedure Rules to call in and recommend for reconsideration any decisions made but not yet implemented by or on behalf of the Executive, Leader, Executive Member or Officer;
5. Receive requests from members of the public, Councillors, officers of the Council, co-optees, the West Berkshire Partnership or other organisations for particular topics to be scrutinised and determine the appropriate action.
6. Appoint task-orientated, time-limited overview and scrutiny task groups to review in depth, investigate and report on a particular topic with such terms of reference and duration as it considers appropriate to that topic.
7. Consider and formally agree the reports of all task groups and submit them to the Executive and/or relevant agencies for response and action,
8. Establish and develop effective working relationships between the Overview and Scrutiny Commission the West Berkshire Partnership, the Executive and its members, committees and sub-committees of the Council and its officers.
9. Have responsibility for the development and co-ordination of the overview and scrutiny of partnerships (Health and Social Care Act 2001 and Police Justice Act 2006) and external bodies in accordance with the Local Government Public Involvement in Health Act 2007.
10. Have responsibility for progressing and monitoring the overall objectives of the overview and scrutiny function
11. Agree terms of reference and work programmes of task groups and other time limited groups, (for example those dealing with Community Calls for Action), and monitor their progress.
12. Undertake overview and scrutiny work, in its own right, as deemed appropriate.
13. To manage petitions referred to it in accordance with the Council's Scheme and the Local Government, Economic Development and Construction Act 2009.
14. To manage Councillor Call for Action in accordance with the Local Government Public Involvement in Health Act 2007.