



Transformation Committee 20 February 2019

Local Government Reform – Proposed Joint Committee

Purpose of report

To consider establishment of a Joint Committee between councils with functions related to implementation of local government reform for North Northamptonshire, particularly in respect of the operation of a shadow authority.

Appendices

A – Draft Terms of Reference for the North Northamptonshire Joint Committee

1.0 Background

- 1.1 Members will be aware from previous reports that 7 of the 8 principal authorities in Northamptonshire submitted a proposal on 31st August 2018 to replace the 8 councils with two unitary authorities, West and North Northamptonshire. (Corby Borough Council was the exception.)
- 1.2 At the time of agreeing to submit the Joint Proposal, all councils (including Corby) agreed to interim (and informal) arrangements for managing the associated work programme. These have included a North Northamptonshire Steering Group involving Leaders and Chief Executives, officer programme boards involving Chief Executives and the Central Programme Unit staff, and meetings of key officer groups such as Monitoring Officers to prepare key documents such as this report. The current interim arrangements have proved useful, but these steering groups and programme boards do not have authority to make decisions on behalf of relevant councils in respect of many of the details of prospective local government reorganisation.
- 1.3 The next steps for the prospective reorganisation will include the governance arrangements for a shadow authority. It is therefore now considered timely to recommend establishment of a formal North Northamptonshire Joint Committee. Experience from other local government reorganisations indicates that such a Joint Committee helps demonstrate co-ordinated local leadership and enables adoption of clear and strong common positions. They also ensure better preparation locally and a basis for negotiations with Government officials when prompt decisions are expected to be required given the challenging timeframe.
- 1.4 Whilst there have not been any substantive issues requiring formal Council decisions since the Joint Proposal was submitted, this is expected to change once the consultation responses have been considered. In particular, the key process for establishing new shadow and unitary authorities is agreement of a Structural Change Order (SCO) by both Houses of Parliament. A separate paper on this agenda outlines the issues that the SCO will cover. Whilst there has been time to bring this initial set of local proposals for approval by individual councils, this almost certainly won't be the case going forward. If a North Northamptonshire Joint Committee is established it can consider any iterations of the draft Order and provide the common position on behalf of the North Northamptonshire councils to Government officials in a timely fashion.

- 1.5 A North Northamptonshire Joint Committee would be the single point of resolution and able to handle matters in a more timely fashion. Without a Joint Committee, any such decisions of political consequence would need to be presented separately to each of the five individual councils, with differing programmes of meetings. A further important feature of a Joint Committee is that, unlike the interim governance arrangements, its meetings would normally be in public and thus provide openness and transparency on the approach going forward.
- 1.6 A North Northamptonshire Joint Committee would also guide the development of recommendations for the Shadow Authority on obligatory matters such as a Constitution, including Standing Orders and a Code of Conduct for Members, together with nominations for interim statutory officers and preparing for the recruitment of the permanent Chief Executive. Collective recommendations by a Joint Committee on these and other governance matters would give a Shadow Authority the opportunity to 'hit the ground running' and allow it to spend more of its time preparing the budgets and plans that it considers necessary or desirable for a new unitary authority. This in turn would help a new unitary authority to be in a better position to focus early on service delivery.
- 1.7 It is not proposed to give wider-ranging responsibilities to such a Joint Committee at this time. For example, it would not be involved in service planning for any authority. In addition, it will be for a Shadow Authority to decide if it wishes to accept a Joint Committee's recommendations and, whilst such a Joint Committee would be represented by a few of each council's current Members, the Shadow Authority would comprise all Members of the relevant councils.

2.0 Proposals for a Joint Committee

- 2.1 The terms of reference set out in Appendix A for the proposed North Northamptonshire Joint Committee would discharge primarily 'influencing' functions within its limited remit and lifespan. These terms of reference are as recommended by the North Northamptonshire Steering Group. It should also be noted that the North Northamptonshire Joint Committee with the proposed terms of reference would continue to be supported by the interim governance arrangements already in place – including the Steering Group and Programme Board for North Northamptonshire.
- 2.2 The Terms of Reference agreed for the Joint Committee can be reviewed if appropriate. This might be necessary if a Shadow Authority is planned to be established later rather than sooner, and 'Vesting Day' for a new unitary is not extended in compensation.

3.0 Membership and Meeting Arrangements of a Joint Committee

- 3.1 The recommendation of the North Northamptonshire Steering Group is that the North Northamptonshire Joint Committee would have three Members from each council (making a Committee of 15). This number has been devised to keep the committee to a manageable size with appropriate proportionate representation and to respect the equal interest of all councils in securing a smooth transition for their residents, businesses and areas.
- 3.2 Under political balance rules, if a joint committee is established with at least three Members per council, the appointments made to it by each authority have to comply

with political balance rules. Those rules apply to each authority individually (save for the County Council because this is not affecting the whole of its administrative area). It is not the balance of the collective grouping that is to be achieved, but the balance of each council's representation on it.

- 3.3 Furthermore, such a new committee requires the review of the overall balance of seats on all committees of this Council once it is established, unless it is decided that this Council wishes to adopt committee memberships which do not accord with political balance arrangement. To do this, non-politically balanced membership from this Council must be agreed at a full council meeting without any Member voting against the proposal. Hence, the recommendations cover confirmation of representation on both the Joint Committee and all of this council's other committees.
- 3.4 For this Council, the political balance in establishing the North Northamptonshire Joint Committee (with three Members) would be a requirement for two Conservative Members and one other from either of the Independent or Labour Groups, with consequent changes across the other committees to maintain a politically balanced position.
- 3.5 The Joint Committee would be as per a conventional committee in compliance with national rules. It is proposed that the Chairman of the Joint Committee be elected by the Committee at its inaugural meeting.
- 3.6 To formalise the arrangements for the Joint Committee it is also proposed to create a partnership agreement (to support the terms of reference) and provide clarity on its rule of operation such as meeting administration arrangements, the committee procedure rules to follow, sharing of support costs, information and data protection, scrutiny and audit arrangements, and termination arrangements. Meeting administration support would be given by existing personnel from one or more of the councils, either via a single lead governance team for the Committee or from the governance team of the council where the meeting is being held.
- 3.7 In terms of committee procedures, it would be sensible and expedient that the rules of one of the councils be deployed to cover areas such as tabling of motions and questions, provision for recorded votes if required, rules of debate etc. It would also set a quorum (expected to be one quarter of Committee membership). Given timeframes, it is proposed that the partnership agreement be produced by the Monitoring Officers of the councils concerned.
- 3.8 It is proposed that the North Northamptonshire Joint Committee would commence after the Secretary of State has made a positive decision to support the Joint Proposal and continue to meet until a North Northamptonshire Shadow Authority is established (expected to be Summer 2019). Such timing would enable preparations for the new Unitary Council to proceed in the event of any further delay in Government decision-making, particularly to the timings for laying and agreeing the Order. Of course, if the ultimate decision is not to lay an Order, or the Order was not agreed, the Joint Committee would have no further purpose and would be ceased.

4.0 Equality and Diversity Implications

- 4.1 There are no equality or diversity implications arising directly from this report

5.0 Privacy Impact Implications

- 5.1 There are no privacy implications arising directly from this report. The work undertaken by the Joint Committee will be at the preliminary stage of preparation for local government reorganisation and will not involve the exchange of personal data.

6.0 Legal Implications

- 6.1 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 authority. Under Section 102 of the 1972 Act, local authorities are empowered to appoint joint committees to discharge functions of the councils or to advise the councils. It is for full Council to establish such a committee and this is reflected in the Council's Constitution.

- 6.2 Political balance requirements are embodied in the Local Government and Housing Act 1989. In particular, Section 15 of the Act comprises the duty to allocate committee seats to political groups and Section 16 comprises the duty to appoint Members to them. There are various secondary regulations detailing the requirements.

7.0 Risk Management

- 7.1 Creation of a Joint Committee helps mitigate the risk that timely decisions in relation to content of the Structural Change Order cannot be made via the individual existing councils and that the local influence on key decisions is weakened or lost.

- 7.2 As the local government reorganisation process develops, risks are being added to the risk register as they emerge. Risks will be discussed regularly and escalated as and when necessary to the Governance and Audit Committee.

8.0 Resource and Financial 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. 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 costs would be funded from existing budgets or from the £500k earmarked reserves the council has set aside for LGR. It is likely there will be further requests to add monies to this reserve during 2019/20.

9.0 Constitutional Implications

- 9.1 Creation of a North Northamptonshire Joint Committee will need to be reflected in consequential amendments to the Constitution. It is proposed that delegated authority be given to the Monitoring Officer, following consultation with the Chair of the Governance and Audit Committee, to make these changes.

10.0 Implications for our Customers

- 10.1 There are no direct implications for our customers in terms of current service delivery as a result of this report. The creation of the Joint Committee will, however, create openness and transparency about the preparations for the new Shadow Authority.

11.0 Corporate Outcomes

11.1 If and when the Council is abolished in 2020, it will be the outcomes adopted by the new North Northamptonshire Council that will become relevant. The creation of the Joint Committee will help establish the foundation for their development and delivery.

12.0 Recommendations

12.1 The Committee **resolves to recommend** to Council:

- a) That a North Northamptonshire Joint Committee' of 15 seats (three per council) be established with the Borough Council of Wellingborough, Corby Borough Council, Kettering Borough Council and Northamptonshire County Council:
 - effective from the date of the Secretary of State deciding to create two new unitaries
 - with delegated functions as set out in the terms of reference at Appendix A
 - subject to these other councils so resolving.
- b) Subject to the resolutions above, that the Monitoring Officer be delegated authority to produce a 'North Northamptonshire Joint Committee Agreement' identifying appropriate standing orders and operating practices for the Committee and, in consultation with the Leader of the Council, to negotiate, finalise and enter into the proposed agreement with the other councils in North Northamptonshire.
- c) That delegated authority be given to the Monitoring Officer, following consultation with the Chair of the Governance and Audit Committee, to make any consequential changes to the Council's Constitution arising from the creation of the Joint Committee.

[Reason; to enable prompt and efficient preparation for the Shadow Authority which will drive forward the creation of the new Unitary Authority if the Secretary of State approves the joint proposal]

12.2 The resultant changes to the statutory allocation of seats to political groups be noted and the nominations for appointments to committees in accordance with the wishes of the political groups be submitted to full Council for approval.

Legal	Power: Section 101(5) of the Local Government Act 1972				
	Other considerations:				
Background Papers:					
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Date: 5 th February 2019					
CFO		MO 07/02/19		CX 07/02/19	

Appendix A

North Northamptonshire Joint Committee – Draft Terms of Reference

1. To consider produce and recommend a Constitution to be adopted by the North Northamptonshire Shadow Authority at its inaugural Full Council meeting;
2. To consider and recommend a Members' Code of Conduct to be adopted for consideration 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 Interim Monitoring Officer for the Shadow Authority and recommend to the Shadow Authority at its inaugural Full Council meeting nominations for the three interim statutory Officers;
4. To consider and recommend to the Shadow Authority at its inaugural Full Council meeting a nomination for the post of Returning Officer;
5. To consider appropriate mechanisms for the recruitment of a permanent Chief Executive (Head of Paid Service), including provisional terms and conditions, including salary and method of selection, so that the earliest possible appointment can be made by the Shadow Authority.
6. 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 Council for North Northamptonshire and to establish/agree relevant protocols or processes to manage the risks to LGR;
7. To establish and propose a Calendar of Meetings for the Shadow Authority for adoption at its inaugural meeting;
8. To respond to consultations on the content of orders, consents or any other matters where specifically requested to do so by the North Northamptonshire Steering Group;
9. To establish/agree any protocol or process which, if not implemented in a timely manner, may threaten the establishment of a Unitary Council within the deadline set by the Secretary of State;
10. 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.
11. 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;
12. Membership will comprise 3 Cllrs nominated by each of the following Councils: Borough Council of Wellingborough, Corby Borough Council, East Northamptonshire Council, Kettering Borough Council and Northamptonshire County Council.