

Committee:	Date:
Policy and Resources Committee	3 June 2021
Subject: Governance Review: Constitutional Issues; the principle of Ward Committees	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	Corporate Plan Outcomes 1-12
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Town Clerk	For Decision
Report author: Greg Moore	

Summary

In September 2020, Lord Lisvane submitted the findings of his review into the City Corporation's governances. Members determined that the many proposals therein should be considered in a structured and methodical way in the coming period, with Members afforded sufficient time to read and consider the content and implications. It was noted that the recommendations were extensive and it would be for Members to consider how far they were appropriate and which should be taken forward. It was also agreed that it would be of the utmost importance to ensure that the process provided for all Members of the Court to continue to have the opportunity to input and comment on the Review.

To that end, a series of informal Member engagement sessions were arranged to afford all Members opportunities to express their views on the various aspects of the Review as they are considered. These would then be fed back to the Resource Allocation Sub-Committee to help inform its initial consideration of specific items.

Engagement sessions have now been held in respect of Sections 2-5 of the Lisvane Review, in relation to Constitutional Issues. The discussions from those sessions are set out in the appendices to this report.

In addition, it was requested that a specific engagement session be held on Lord Lisvane's recommendation around Ward Committees, contained within Section 7 (paragraphs 270-272) of his Review (with the implication of that decision alluded to more widely elsewhere). The discussion notes from that session are also attached as an appendix to this report.

Members of the Resource Allocation Sub-Committee subsequently considered the various proposals relating to these elements, in the context of Members' observations and reflections at the various informal sessions, at their meeting on 12 May 2021. *(NB*

- The minutes of that meeting are set out at Item 3(D) on today's agenda and the recording of the meeting is available at the following link: <https://www.youtube.com/watch?v=7dCvI3B4bj4>). Their determinations are now presented to the Policy and Resources Committee for further consideration, prior to any formal submission to the Court.

Recommendations

That Members:-

- Note the proposals in relation to Constitutional Issues made by Lord Lisvane in Sections 2-5 of his Review (Appendix 1).
- Note the proposals in relation to Ward Committees made by Lord Lisvane in Section 7, paragraphs 270-272 (Appendix 1).
- Note the feedback provided by Members through the informal engagement process (Appendix 2).
- Consider the items in respect of the aforementioned various proposals, as set out in this report and Lord Lisvane's Review, and make recommendations as to a way forward.

Main Report

Background

1. In September 2019, the Policy and Resources Committee, proposed the undertaking of a comprehensive Governance Review of the City Corporation. The Committee was conscious that some potentially contentious issues needed to be addressed and that some radical changes may need to be considered. It was, therefore, agreed that the review should be undertaken independently and Robert Rodgers, The Lord Lisvane, was appointed to conduct the Review.
2. The Committee received Lord Lisvane's Review in September 2020 and determined that the many proposals therein should be considered in a structured and methodical way in the coming period, with Members afforded sufficient time to read and consider the content and implications. It was noted that the recommendations were far-reaching and wide-ranging and it would be for Members to consider how far they were appropriate and which should be taken forward. It was also agreed that it would be of the utmost importance to ensure that the process provided for all Members of the Court to continue to have the opportunity to input and comment on the Review.
3. The Governance Review will affect all aspects of the City Corporation's governance and all Members as a consequence. It is, therefore, imperative that any implementation reflects the view of the Court, and it is likely that all Members will have views on particular elements. Their continued input remains integral and incorporating all Members' views within the next steps of the process will be vital in ensuring that the recommendations which are ultimately put to the Court are viable.
4. To that end, a series of informal Member engagement sessions were arranged to afford all Members opportunities to express their views on the various aspects of the Review as they are considered. These would then be fed back to the

Resource Allocation Sub-Committee to help inform its initial consideration of specific items.

5. During February and March, engagement sessions were held on Lord Lisvane's recommendations within Sections 2-5 of the Governance Review, concerning the Corporation's wider existence and the operation of its key decision-making body, the Court of Common Council.
6. In particular, Sections 2 and 3 of Lord Lisvane's Review look at the Corporation as it exists and the City which it serves, whilst Section 4 then goes on to assess its strengths and weaknesses. Section 5 then looks at the Court of Common Council itself and the overarching Standing Orders which set the framework for the Corporation's decision-making activities.
7. In addition, a further one-off session was held in relation to the principle of Ward Committees' continued existence and Lord Lisvane's specific proposal that they be abolished (Section 7, paragraphs 270-272).
8. Views are now sought as to the various proposals put forward by Lisvane in relation to these sections, their implications, and how they might be taken forward.

Section 2, the Corporation

9. Beginning with Section 2, Lisvane first sets out a concise summary of the history and structure of the City Corporation (beginning at paragraph 28), before making recommendations in respect of three specific areas.
10. Firstly, at paragraphs 47-49 Lisvane considers the Ward structure, recommending that no change be pursued to the existing division into 25 areas.
11. Paragraphs 50-54 look at the relationship between the Court of Common Council and the Court of Aldermen, in which Lisvane notes the current arrangements and advises no amendment.
12. Finally, paragraphs 55-58 concern the relationship with the Livery. Whilst proposing no change in respect of the role of the Livery through Common Hall, Lisvane does advocate for a more coherent approach with regard to engagement with the Livery as a body – perhaps through the Livery Committee or Pan-Livery Initiative. This is with particular reference to the Livery's role in education and charitable activities.
13. Members are asked to consider whether they are content with Lord Lisvane's recommendations that there be no change in respect of the above, whilst also reflecting on his commentary in respect of engagement with the Livery.

Section 3, the City the Corporation serves

14. At Section 3, Lisvane reflects on the City itself. Beginning at paragraph 59 he touches on demography, before turning to the impact of the Covid-19 pandemic and the challenges of the future.

15. The closing commentary to this section then outlines the impact on the Corporation's decision-making, particularly the need for clear-sighted and decisive action, which supports the view that radical changes to the Corporation's overall governance arrangements are required.
16. Members are asked to note Lord Lisvane's commentary and reflect on whether they have any specific observations in relation to them.

Section 4, the Corporation's Strengths and Weaknesses

17. Section 4 expounds on the Corporation's various strengths and weaknesses.
18. Paragraphs 81-90 outline key strengths, including the Corporation's reach, the expertise and skills of its people, its convening power, and its diversity of activity. However, with reference to the latter, Lisvane does raise the question of whether the Corporation should continue to cover quite so diverse a portfolio as it does (a subject which is returned to for greater consideration in Section 9).
19. Paragraphs 91-115 then outline what Lisvane perceives to be the Corporation's weaknesses. These include external perception, lack of corporate endeavour, the multiplicity of committees and blurred lines of responsibility thereof, silo-working, and the local/national tension.
20. His particular recommendations are: at paragraph 91, to get a grip on the perception of "slowness in decision-taking, lack of effective political co-operation, poor lines of accountability, and undeserved benefits"; at paragraph 108, for changes to the business planning process to be implemented; and at paragraph 110 for a Chief Operating Officer to be appointed. This latter recommendation has now been addressed through the Target Operating Model activity.
21. Members are asked to note Lord Lisvane's commentary and consider his particular recommendations in relation to business planning processes (paragraph 108) and associated with greater control over various elements of decision-making and associated facets thereof (paragraph 91).

Section 5, the Court of Common Council

22. Within Section 5, Lord Lisvane considers the operation of the Court of Common Council. The various recommendations are set out below and Members are invited to consider Lord Lisvane's proposals thereon.
23. **Number of Members:** At paragraphs 116-123, Lisvane considers the number of elected Members, ultimately concluding that any consideration as to overall numbers must come after a new governance structure is decided upon (and, therefore, no change be **recommended** at this time).

24. **Franchise:** Paragraphs 124-128 set out Lisvane's views on the franchise, in which he advocates against seeking changes through primary legislation. However, he does **suggest** that making effective participation in elections a condition of Corporation leases on premises occupied by employers might be worth following up on.
25. **Diversity:** Within paragraphs 129-141, Lisvane touches on diversity issues facing the Corporation and references a number of considerations to bear in mind, such as the timing of meetings, mentoring of new Members, and representation amongst senior officers. He makes two specific **recommendations** at paragraphs 139 and 140, which are that the Corporation should do more to demonstrate diversity in its outwards-facing activities, and that training on diversity issues should be mandatory for Members (with appointment to any Committee strictly conditional on compliance).
26. **Remuneration:** The subject of remuneration for Members is covered in paragraphs 142-146, where Lisvane **commends** the proposition and notes that a proposal is due to come to the Court of Common Council in due course.
27. **Standing Orders:** The substantive part of Section 5 relates to Standing Orders and various proposed corrections or improvements (paragraphs 147-165). It is important to note that he observes there will be many others, related to committees and what ultimately emerges from the new committee structure, which will need further consideration and review in due course. However, in summary, Lisvane's **recommendations** in this section are as follows:-
- **Housekeeping** (paragraph 147) – Lisvane observes that Standing Orders have been the product of piecemeal and ad hoc changes over the years, leading to inconsistent / unclear drafting in places. He **recommends**, therefore, a review to undertake a housekeeping / redrafting exercise.
 - **Ballots** (paragraphs 149 and 159) – Lisvane advocates for the abolition of all secret ballots and **recommends** a move to open and recorded votes across the board.
 - **Motions** (paragraphs 150 and 151) – **Recommendations** are made concerning the number of names required to submit a valid Motion and the ability to withdraw a Motion under discussion (which he advances should require the approval of the Court).
 - **Questions** (paragraphs 152-156) – These paragraphs set out **proposals** to require questions to be published (obviating the requirement for oral delivery and accompanying speeches, whilst improving transparency), tightening the rules around supplementary questions (a decrease from 2 to 1 supplementary per Member, but increasing the number of Members allowed to ask them from 3 to 6), allowing additional questions (up to six) in relation to Policy Statements, and dealing with questions not answered within the allotted time through written response.
 - **Setting of Terms of Reference** (paragraph 157) – Lisvane suggests that Standing Order 26 relating to this practice is redundant and should be **deleted**.

- **Joint meetings** (paragraph 158) – It is observed that the relevant Standing Order is insufficiently clear that it refers to a meeting of two committees and so should be **amended**.
- **Quorum** (paragraphs 160 and 161) – Lisvane recommends the establishment of a general quorum provision for all committees and sub-committees.
- **Voting in Committees** (paragraphs 162 and 163) – The **recommendation** is, in essence, that any Member should be able to call for a recorded vote on any item.
- **Delegations** (paragraph 164) – Whilst Lisvane recommends greater delegations to officers be pursued in general elsewhere in his report, here specifically he makes a particular **allusion** in respect of the need to change the limit for write-offs.
- **Paperless meetings** (paragraphs 165) – A number of suggestions to editing Standing Orders are made to facilitate further proposals at paragraphs 166-174, where Lisvane articulates his view of the necessity of a move to an entirely paperless process and **recommends** this, as well as the continued streaming of meetings into the future.

Section 7, paragraphs 270-272 – Ward Committees

28. One aspect addressed by Lord Lisvane in relation to the current committee structure and recommended for change relates to the operation of Ward Committees.
29. As this issue raised considerable debate during meetings held in February 2021, a further session took place focusing only on the issue of Ward Committees' continued existence in principle and whether Members felt there was greater merit in either the abolition or continued operation of such bodies under a refreshed committee structure (noting that wider structural discussions would follow).
30. Lord Lisvane, in his Review, comments that: "It is important that Members sitting on Committees should remember that as Committee Members their role is not to represent their Wards but to contribute in a dispassionate way to the Committee's deliberations and decisions" (paragraph 253).
31. He contends that he sees no justifiable rationale for the retention of Ward Committees and proposes they be abolished, replaced (where appropriate) with smaller non-Ward Committees of 12-15 Members, and attendant changes required to SOs are also outlined.
32. However, a number of counter-arguments, articulating the various benefits of Ward Committees were advanced at the Member Engagement session, with many arguing for retention. The notes of that session are set out in the appendices to this report.

Consideration and Proposals

33. Members of the Resource Allocation Sub-Committee were asked at their 12 May 2021 meeting to give consideration to the various recommendations in the context of those discussions and the views expressed by Members of the Court. The minute of the Sub-Committee's discussions is set out at Item 3(D) on the agenda for today's meeting and summarised below.
34. Having considered the various recommendations, the Resource Allocation Sub-Committee determined its position as follows:

- **Section 2, the Corporation**

The Sub-Committee agreed the recommendation that no changes be pursued in respect of the various constitutional items set out by Lord Lisvane, but that closer working and engagement with the Livery as a body should be promoted.

- **Section 3, the City the Corporation serves**

The Sub-Committee noted that there were no substantive recommendations within this section, with the discussion centred on increasing electoral registration numbers, work on which was already in train.

- **Section 4, the Corporation's Strengths and Weaknesses**

The Sub-Committee noted the issues raised in this section, including a perceived lack of corporate endeavour and slowness of decision-making. It was also noted that the recommendation to appoint a Chief Operating Officer had been addressed through the Target Operating Model activity.

- **Section 5, the Court of Common Council**

The Sub-Committee agreed to make recommendations relating to the operation of the Court of Common Council as follows:-

- **Number of Members:** Noting Lord Lisvane's advice that consideration as to overall number of Members should come after a new governance structure was decided upon, no recommendation was made at this time.
- **Franchise:** No changes to the franchise should be sought through primary legislation.
- **Diversity:** Members supported the recommendation that the Corporation should do more to demonstrate diversity in its outwards-facing activities. There was no unanimity in respect of the question of mandatory training, with it felt that there might be some areas where compulsory training would be necessary; however, in other areas, stronger encouragement stopping short of enforcement would be more appropriate.
- **Remuneration:** It was noted that a proposal on remuneration was due to be presented to the next meeting of Policy and Resources and thereafter the Court of Common Council.
- **Standing Orders: Housekeeping** (paragraph 147) – It was agreed that Standing Orders would benefit from being refreshed and thorough housekeeping exercise undertaken, particularly given necessary changes

likely to be required as a consequence of decisions about the new committee structure.

- **Ballots and voting in committees:** The Sub-Committee was minded that elections and appointments should continue to be made by secret ballot, as this allows more freedom and reflected wider electoral process. However, Members were not opposed to increasing transparency by making greater use of recorded votes against Court and Committee decisions.
 - **Motions:** The Sub-Committee agreed that, in addition to a minimum number of names required to submit a valid Motion, a maximum number of names also be introduced.
 - **Questions:** Members expressed some concern at proposals which might inhibit the ability to ask questions and it was felt that this matter should be taken away for further consideration as part of the wider Standing Orders review.
 - **Setting of Terms of Reference, Joint meetings, Quorum:** These items could be picked up through the wider housekeeping / review exercise for Standing Orders.
 - **Delegations:** It was noted that Members would need to give thought to the corporate Scheme of Delegations and revising some thresholds, as certain current arrangements contributed to the slow pace of decision-making and numbers of committees required to consider certain matters.
 - **Paperless meetings:** The Sub-Committee noted this would be the subject of separate discussions.
- **Section 7 Ward Committees**

The Sub-Committee noted the strength of feeling in respect of the retention of Ward Committees where appropriate and the value such arrangements provided. Consequently, Lord Lisvane's recommendation to abolish Ward Committees was not supported. However, it would be important as part of the wider consideration to reflect on which committees were best suited as Ward Committees in any new system, noting this would not necessarily be the same ones as we currently so arranged. There had also been some mechanisms that might be explored to reduce the size of ward committees.

Conclusion

33. Various proposals have been made by Lord Lisvane in relation to Constitutional Issues, in Sections 2-5 of his Review, as well as a specific recommendation in respect of Ward Committees in Section 7. Members are now required to consider his proposals and the attendant implications of any decisions, summarised above and set out in the Review. Particular mind should be paid to the views of all Members, made through the informal engagement process and set out in the appendices to this report, when coming to a view.
34. It is intended that any recommendations, subject to points of qualification or clarification, are put to the Policy & Resources Committee for further consideration. Thereafter, proposals are to be submitted to the Court of Common

Council meeting, to facilitate the finalisation and implementation of any new arrangements.

Appendices:

- **Appendix 1:** Extract, Sections 2-5 (Section 2: The Corporation, Section 3: The City which Corporation serves, Section 4: The Corporation's Strengths and Weaknesses, Section 5: The Court of Common Council and Proceedings), and Section 7 paragraphs 270-272 (Ward Committees), Governance Review
- **Appendix 2:** Notes from Member Engagement Sessions.