

Committee(s): Policy & Resources Committee	Date: 23 February 2023
Subject: Light Touch Governance Review – Initial Proposals	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	3,4,8,9,10
Does this proposal require extra revenue and/or capital spending?	N
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: The Town Clerk & Chief Executive	For Decision
Report author: Polly Dunn, Principal Governance and Member Services Manager, Town Clerk’s Department	

Summary

Following implementation of recommendations arising from the Lord Lisvane’s Governance Review in 2022, the Light Touch Governance Review (LTGR) was commissioned by Members to provide an opportunity to address any significant concerns arising out of the various new structures and processes. Officers have been tasked to bring back recommendations in areas that Members feel are clearly not working, where improvements could be made quickly, or where immediate intervention is required.

Given the Court-wide interest and the large volume of feedback on a variety of matters, Members’ initial views are being sought on which elements should be brought forward as a priority, which actions should be pursued thereafter and, if relevant, which require no further action. To assist with Members’ deliberations, the full anonymised list of submissions is available at **Appendix C**, but a summary, along with proposed action, can be found at **Appendix A**. This summary has been presented in three parts: 1- Committees, 2- General Administration and 3- Out of Scope.

At this time, Officers are seeking an initial steer from Members in response to the feedback and the areas to address. This is to ensure Officer time is targeted on the most important issues to be addressed in time for April Court, or identify where longer term consideration is required. All Members will then have a further chance to contribute to considerations at Informal Court on 28 February 2023. This will inform a final report going to Policy & Resources in March, which with detailed options in respect of each Committee within Table 1.

It is recommended that proposals contained within the three tables be explored and prioritised in that order, to ensure that elements requiring Court’s consideration in April, be prepared in good time with sufficient Member consultation.

To support these decisions, work on the Standing Orders and Scheme of Delegations will be considered alongside proposals, where relevant. For completeness, the report also provides an update on action taken in respect of each of the Lord Lisvane’s recommendations – this is provided within **Appendix B**.

Recommendation(s)

Members are asked to:

1. Review the feedback summarised within Appendix A and agree which proposals are to be brought back in detail, to the next Policy & Resources Committee meeting for immediate consideration;
2. Determine which matters are 'out of scope' and require no further action at this stage (Table 3);
3. Note the action taken with regard to the agreed recommendations arising from the Governance Review in December 2021 in Appendix B;
4. Note proposals to produce a consolidated action tracker from the Governance Review and Light Touch Governance Review to be presented routinely to the Committee from May 2023; and
5. Note that reports concerning the necessary changes to the Standing Orders and Officer Scheme of Delegations to enact these recommendations, will be brought back in March and April Policy respectively.

Main Report

Background

1. In September 2019, the Policy and Resources Committee proposed the undertaking of a comprehensive Governance Review of the City Corporation.
2. The Committee received the Review in September 2020 and Members were afforded sufficient time to read and consider the content and implications. The recommendations were far-reaching and wide-ranging, and it was for Members to consider how far they were appropriate, and which should be taken forward.
3. Following a series of engagement and consultation exercises, Members considered the Standards Regime first. Shortly thereafter, the Court came to conclusions in respect of the Competitiveness agenda and, separately, Bridge House Estates. The remaining committee-related recommendations (with the exception of Housing and Planning governance) were considered and agreed by the Court in December 2021 and implemented in April 2022.
4. In March 2022, a number of Standing Orders changes were also made in order to facilitate decisions from the December meeting.
5. The Court of Common Council acknowledged that the governance changes would require some time to bed in, possibly years. However, given the significant volume of changes, it was difficult for Members and Officers alike to predict just how the dust would settle. With this in mind, Members of the Court agreed to conduct a short-term, 'light-touch' review to provide an opportunity to amend elements that they believe required more immediate attention.

6. The focus of the Governance Review had, understandably, been centred around the overall reduction in number of committees. This LTGR provides an opportunity to reconsider what the 'function' and 'performance' should be.

Current Position

7. At the December 2022 informal Court meeting, Members were encouraged by the Chairman of Policy & Resources Committee to articulate any immediate concerns for current governance arrangements by sending these to the dedicated Governance Review inbox. This invitation was shared, by email, to all Members and Chief Officers on 16 December, with a closing date of 9 January. All responses, including those submitted after this date, have been included in Appendix C in an anonymised fashion (unless otherwise requested). This document has not been included in the main pack due to the volume of material and given the summary at Appendix A, but is available to all Members on request.
8. Some submissions have been made orally, by both officers and Members, these remarks have been captured amongst the material supplied in the summary table at Appendix A.
9. Officers received over 100 different comments on various elements of the City's governance structures and processes, which have been grouped thematically rather than by individual submission, for ease of reading and consideration.
10. Reflecting on the outcomes of the original governance review in conjunction with the feedback received, it is apparent that a number of the issues can be attributed to the lack of staffing resource in place to oversee effective implementation of all areas as expeditiously as might ideally be expected, or where implementation has had to be phased out of necessity due to conflicting requirements.
11. Equally, there were other elements of work which were paused which, if completed, would directly address some Members' concerns. For instance, in March 2022, a set of revisions to some Standing Orders were agreed by the Court; however, there was a further tranche of Standing Order changes which, whilst supported in principle, it was asked be brought back as part of the wider review process. It is, therefore, important that this is incorporated accordingly within the current process.
12. Interestingly, many comments were received in areas where there were no changes recommended as part of the Governance Review (e.g. Education) but where some Members now consider that changes would be beneficial.
13. In approaching the LTGR and considering lessons learned, the feedback has been sorted into categories to assist with prioritisation. It is, however, for Members to decide whether this approach is agreeable and/or if there are any tweaks they would like to make on what is progressed at what time.
14. The material has been three categories: Committees; General Governance; and 'Out of Scope'.

15. **Table 1, Appendix A**, contains all the feedback relating to **Committees**. To varying degrees, comments on committees and sub-committees were limited to the following:

- i) Policy & Resources Committee (P&R)
 - a. *Financial Investment Board / Property Investment Board (PIB/FIB) (joint with Finance Committee)*
 - b. *Equality Diversity & Inclusion Sub Committee (EDI) (joint with Corporate Services Committee)*
 - c. *Civic Affairs Sub Committee (CA)*
 - d. *Capital Buildings Board (CBB)*
 - e. *Operational Property and Projects Sub Committee (OPPSC) (joint with Finance Committee)*
- ii) Arrangements around Housing Committees*
- iii) Culture Heritage and Libraries Committee (CHL)
- iv) Markets Board (MB)
- v) Education and Schools*
- vi) Bridge House Estates Board (BHEB)
- vii) Finance Committee
 - a. *Efficiency and Performance Working Party (EP)*
 - b. *Finance Grants Sub-Committee*
- viii) Various Open Spaces Committees*

*Items that refer to a collection of subject-related Grand Committees.
Sub-Committees

16. In line with Members' desire for any immediate committee issues to be addressed, it is recommended that any changes to the committee structure be considered in time to come forward as part of the Court of Common Council's annual appointments of committees. The annual appointment process routinely takes place in April of each year and acts as an opportunity for Members to consider all its committees holistically.

17. To ensure changes are brought to April Court of Common Council, proposals relating to committees must be considered and agreed by the Policy & Resources Committee at its March meeting. If agreed, the staggered approach to the LTGR will ensure that responses and detailed options feedback received for items i) – viii) can be captured and addressed within the desired timeframe.

18. To encourage continued wider-Member engagement, it is planned that the Committee's initial thinking in respect of the various committee proposals be shared for discussion at the Informal Court meeting on the 28 February. This will help inform the final report back to Policy & Resources Committee. It is recommended that Members are also afforded an opportunity to respond in writing, in the event that they are unable to attend this meeting.

19. The Court of Common Council is responsible for appointing Grand Committees. Sub-Committees are appointed by their respective Grand Committees.

20. **Table 2, Appendix A**, contains those General Administrative elements of feedback that are non-committee specific.

- i) Committee Reports
- ii) Decision Making Pathway
- iii) Committee Size and Membership
- iv) Meeting Timings and Sequencing
- v) Delegations to Officers
- vi) Standing Orders
- vii) Member Learning & Development

21. Notwithstanding those matters that require updates to the Standing Orders and Scheme of Delegations, which will be included in reports for March and April P&R respectively, there is arguably less urgency on some of the more operational elements of our governance processes and these can perhaps be addressed and improved with less urgency (i.e., after April Court).

22. For example, the development of an (interactive) tool for both Members and Officers to better understand the roles of each Grand Committee, help in navigating key governing documents, all the way through to the development of a 'best practice' fair recruitment framework for external Member vacancies. These are clearly areas which it would be beneficial to address as soon as possible but can feasibly wait until after April, which will allow sufficient staff resource to progress, whilst also allowing sufficient time for appropriate Member focus and scrutiny.

23. There were some suggestions for change that are in fact already within the gift of Members to address. It is hoped that for now the brief response within the Tables provides some guidance in these areas for immediate assistance, but further information can always be obtained via the Member Services Team. These areas will also be considered in conjunction of some of the Member Learning & Development areas of work.

24. Table 2 is not exhaustive in the detail of how some actions will be taken forward. The Governance and Member Services team wish to be creative in response and will look to working with relevant colleagues across the organisation including IT, HR and Internal Communications to create innovative solutions. Members should be assured that they will be consulted on proposals both formally and informally at appropriate times in appropriate fora.

25. Finally, **Table 3, Appendix A**, contains feedback that has initially been deemed 'out of scope' with no further action to be taken. This allocation has been assigned to matters where either the City Corporation has no direct ability to change arrangements (e.g., the New Museum of London's Project Governance) or where the matter does not fit within the remit of this 'light touch' review as they have otherwise already been addressed following Member consultation (e.g. questions from members of the public). It also features matters that were considered at length within the original Governance Review and do not fit within the 'light touch' approach.

26. Members may redefine matters across all three categories if the Committee so agrees.

Options

27. Option 1: If Members feel that existing governance arrangements are suitable for them to undertake their duties to the City Corporation and deliver effective outcomes in line the City's Corporate Plan, they can agree to make no changes in relation to existing governance structures, framework and relevant documents.
28. Option 2: Members agree to commission officers to report back in March 2023 with full proposals as indicated in Table 1, to allow the detailed consideration of key, time sensitive committee matters. This will allow sufficient time to deliver the urgent proposals. Where appropriate/necessary, matters in Table 2 will be brought back to the relevant committee(s) after April 2023. Matters in Table 3 will not be taken forward at this time.
29. Option 3: Members may wish to re-prioritise matters outlined in Tables 1-3 before being taken forward as proposed in Option 2.

Proposals

30. Whilst some of the feedback received did not relate directly to changes made over 2020-22 as part of the Governance Review, the vast majority is both relevant and useful across a range of issues.
31. It is for Members to decide what areas they wish to be brought back in line with the original ambition of the LTGR: i.e., those that are clearly not working, where improvements could be made quickly, or where immediate intervention is required. Members may also wish to visit new issues/revisit old ones as part of a longer-term piece of work, particularly in the context of a refreshed Court membership after the March 2022 elections.
32. To promote continued wider-Member engagement, it is planned that some initial thinking in respect of the various committee matters, be shared for discussion at the Informal Court meeting on the 28 February. Responses can then be taken into consideration as part of the final proposals.
33. Once considered by Policy & Resources in March, all matters requiring Court's approval will be submitted for consideration in April. Any recommended changes relating to sub-committees will ultimately be referred to the relevant Grand Committee for actioning at their first meetings of the Civic Year (April-June 2023).
34. Where proposals are addressed beyond April 2023, it is suggested that a consolidated Action Tracker (merging Appendices A and B) be reported on a routine basis to the Policy & Resources Committee.

Key Data

35. All feedback has been anonymised unless otherwise advised and can be found within **Appendix C**, which is available upon request to the clerk.

Corporate & Strategic Implications

Strategic implications

The whole purpose of the Governance Review and subsequently the Light Touch Governance Review, is to help ensure that the City Corporation has in place the best governance structures to deliver against our Corporate Plan. To ensure this, continued cross-departmental consultation needs to be undertaken, particularly ahead of the report proposed for March 2023.

Financial implications

See Resource Implications.

Resource implications –

Unlike the recent Governance Review, which saw a significant reduction in the number of bodies incorporated within the Court of Common Council's formal decision-making structure, these proposals are unlikely to see any significant overall increase or decrease in committee volume. Nevertheless, in contrast, the continued move towards more efficient processes will inevitably lead towards reduced costs of bureaucracy. For instance, expedited processes will lead to a reduction in costs associated with delays to approvals; a lesser volume of time spent by officers in producing reports for low-level items and presenting them to multiple committees will also release capacity within the workforce. A reduced central administration burden (through devolving support responsibilities in certain areas) will also provide for flexibility within the Governance & Member Services team to realign service output and requirements.

Legal implications

There are none.

Risk implications

As with any process of significant change, there are risks associated with implementation and unforeseen challenges as the new system embeds. Whilst a new system was brought into effect last year, there was not sufficient resource to communicate this effectively (exacerbated by significant organisational turnover across departments). This risk is therefore mitigated with the request that matters be staggered and brought to Members on a priority basis, so that communications and training piece can assist with Corporation-wide implementation.

Equalities implications

Under the Equality Act 2010, all public bodies have a duty to ensure that when exercising their functions they have due regard to the need to advance equality of opportunity between people who share a protected characteristic and to take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people and encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low. The proposals contained in this report do not have any potential negative impact on a particular group of people based on their protected characteristics.

Climate implications

The proposals included in this paper do not carry any significant implications for the Climate Action programme.

Security implications

There are none.

Conclusion

36. The City Corporation's governance is an inherently complex and difficult system. The feedback received in relation to the LTGR is so wide ranging, at this time Members are asked to consider the contents of appendices A-C and prioritise what matters they wish to be brought forward at its next meeting.

37. This is a realistic approach to delivery that considers capacity to communicate changes, develop tools, and provide the necessary training, to ensure the quality of the final outcome.

Appendices

Appendix A – Summary of Feedback and Proposed action

Appendix B – Updated Governance Review Progress Tracker from November 2021

Appendix C – LTGR Feedback (anonymised unless otherwise requested) – *due to the volume of feedback and summary included at appendix A, this document is available on request from the Governance and Member Services Team.*

Background Papers

[Policy & Resources Committee: Governance Review – November 2021](#)

[Court of Common Council: Governance Review – December 2021](#)

[Court of Common Council: Review of Standing Orders – March 2022](#)

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