

# **WYRE FOREST DISTRICT COUNCIL**

## **POLITICAL MANAGEMENT STRUCTURE MUNICIPAL YEAR 2006/07**

**MAY 2006**

**WYRE FOREST DISTRICT COUNCIL**

**COUNCIL MEETING**  
**WEDNESDAY 17<sup>TH</sup> MAY 2006**

**Political Management Structure 2006/2007**

<b>OPEN</b>	
<b>COMMUNITY STRATEGY THEME</b>	<b>N/A</b>
<b>CORPORATE PLAN THEME:</b>	<b>Providing Community Leadership</b>
<b>KEY PRIORITY:</b>	<b>Local Democracy</b>
<b>CABINET MEMBER:</b>	<b>Cllr. Stephen Clee</b>
<b>RESPONSIBLE OFFICER:</b>	<b>Chief Executive</b>
<b>CONTACT OFFICER:</b>	<b>Walter Delin, Chief Executive walter.delin@wyreforestdc.gov.uk</b>
<b>APPENDICES</b>	<b>Appendix A - Political Management Structure Appendix B - Terms of Reference/Areas of Responsibility Appendix C - Audit Committee Appendix D - Call-In Procedure</b>

**1. PURPOSE OF REPORT**

1.1 This report sets out the proposed Political Management Structure for 2006/2007.

**2. RECOMMENDATION**

**The Council is asked to DECIDE:**

**2.1 The proposed Political Management Structure as set out in Appendix A of this report be adopted for 2006/2007 together with the Terms of Reference and Areas of Responsibility and Call-in procedure in Appendices B,C and D respectively.**

**2.2 The necessary amendments be made to the Council's Constitution and Members' Allowances.**

**3. BACKGROUND**

3.1 The Council is required to constitute a Cabinet, Overview and Scrutiny arrangements, Regulatory and other Committees for the Municipal Year 2006/2007.

3.2 The proposed structure provides clear linkages to the Council's Priorities, Cabinet Portfolios and the responsibilities of the Policy Panels. It is envisaged that the relevant Cabinet Member and Head of Service will contribute to discussions about

the Policy Panel Work Plans and also use the Panels as vehicles for consultation on the development of new policy.

- 3.3 The proposed Scrutiny model requires the membership of a maximum of 48 non-executive members although non-executive members may sit on more than one Policy Panel. The involvement of more non-executive members in the decision making process will assist the Council and the Cabinet to make more effective and informed decisions.
- 3.4 In line with this, it is believed that a closer working relationship will be established between the Cabinet and Scrutiny whilst maintaining an appropriate level of independence.
- 3.5 The Cabinet Scrutiny Committee will agree and co-ordinate the Work Plans of the Policy Panels.
- 3.6 Time limited “task groups” e.g. Budget Review Group will still conduct Scrutiny investigations and these will be agreed and set up by the Policy Panels or the Cabinet Scrutiny Committee.

#### **4. KEY ISSUES**

- 4.1 The Cabinet has been reduced from 6 to 5 members.
- 4.2 The Cabinet Scrutiny Committee’s Terms of Reference have been revised to reflect more accurately the role of the Committee. See Appendix B.
- 4.3 Overview and Scrutiny Policy Panels have been reduced from 5 to 3 and their overall purpose and areas of responsibilities defined in Appendix B.
- 4.4 A modified Call-In procedure is proposed in Appendix D.
- 4.5 The Audit Panel has been renamed the Audit Committee - see Appendix C.
- 4.6 The Planning (Development Control) Committee membership has been reduced from 20 to 12.
- 4.7 There are no changes in the number of Regulatory Committees and other Committees and their Terms of Reference are as set out in the Council's Constitution.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 There are no significant financial implications although members' allowances will be marginally affected.
- 5.2 With reference to the current Council Constitution, the Chair and Vice Chair of the Cabinet Scrutiny Committee and also the Chairs and Vice Chairs of the five Policy Panels receive allowances.
- 5.3 The proposed change reduces the Policy Panels to 3 resulting in a saving in member allowances of £21,135.

- 5.4 The Chair of the Audit Committee will receive an allowance on Band 5 (£5,283).
- 5.5 Internal Costs will be incurred when re-drafting the Council Constitution.

**6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 The proposals comply with the requirements of section 21 of the Local Government Act 2000, which require one or more overview and scrutiny committees to be established. The proposals will require amendments to the Council's Constitution.
- 6.2 The membership of the Cabinet Scrutiny Committee, the Overview and Scrutiny Panels and other Committees will reflect the political balance of the authority in accordance with sections 15 to 17 and Schedule One of the Local Government and Housing Act 1989.

**7. RISK MANAGEMENT**

- 7.1 There are no significant Risk Management issues.

**8. CONCLUSION**

- 8.1 The political management structure 2006/2007 meets the requirements of the Local Government Act 2000 and associated legislation.

**9. CONSULTEES**

- 9.1 Leader of the Council and Party Group Leaders.
- 9.2 CMT

**10. Background Papers**

- 10.1 Council Agenda May 2005

Appendix A on separate file

**TERMS OF REFERENCE**

**1. Cabinet Scrutiny Committee:**

- (a) To examine the Forward Plan decisions of the Cabinet and to offer such advice/recommendations to the Council as may be appropriate on any matters relating to the decision.
- (b) To consider recommendations of the Cabinet to the Council and to offer any advice/recommendations to the Council as may be appropriate in order to assist the Council in making a decision.
- (c) To consider matters which affect the District or its inhabitants and to make reports and recommendations on such matters to the Cabinet and/or the Council.
- (d) To consider matters relating to the performance of the Cabinet and the Council and to report on and make recommendations to the Cabinet or Council. Such matters include the Community Strategy and medium term plan objectives; policies, their implementation and evaluation; statutory plans; service/business plans; performance indicators; and the Cabinet's responsibility for the performance of Officers and partner organisations where it affects the performance of the council, as appropriate.
- (e) To consider any other matter as may be referred to the Committee by the Council, Cabinet or Policy Panels including Call-Ins.
- (f) To agree and co-ordinate the work plans of the Policy Panels.

**Policy Panels**

**Overall Purpose and Areas of Responsibility**

**2. Service Policy Panel:  
*Overall Purpose***

To promote quality front line service delivery identifying and investigating any service issues that are of concern to the District. The Panel will also support improved service standards, customer services improvements, accessibility and value for money. Additionally, the Panel will secure an external focus in respect of services promoted by other local agencies including best practice and shared services as appropriate.

**3. Efficiency Policy Panel:  
*Overall Purpose***

To promote the proper, effective and efficient use of the financial, human, property and information resources available to the Council, ensuring that at all times they are focused on securing maximum benefit for the District. The Panel will also secure an external focus in respect of resources provided in the District by a wide variety of other public and private sector organisations.

**4. Prosperity Policy Panel:  
*Overall Purpose***

To promote the quality of life for Wyre Forest people through a prosperous local economy, effective transportation systems and thriving and active local communities. Additionally, the Panel will secure an external focus in respect of activities carried out by other local authorities, partnerships, voluntary organisations, Environment Agency, Police and Fire Authorities, Regional Development Agency, the Chamber of Commerce and local industry and commerce including transport undertakings.

**OVERVIEW AND SCRUTINY POLICY PANELS**  
**AREAS OF RESPONSIBILITY**

**CABINET SCRUTINY COMMITTEE**

<b>SERVICE PANEL</b>	<b>EFFICIENCY PANEL</b>	<b>PROSPERITY PANEL</b>
Access to Services Customer Services Diversity and Equality Older People Children and Young People Housing and Rural Affairs Sustainability Refuse Collection and Recycling Car Parks Leisure Environmental Health Community Safety Licensing (Policy) Community Health Cemeteries Markets and Public Conveniences	Performance Management Finance Budget and Review IT Communications CPA - Improvement Plan Legal Human Resources Property Single Site	Economic and Business Development Town Centre Management Regeneration Tourism Transportation and Highways Regional Planning Regional Strategies Local Development Framework Emergency Planning
<b>External Focus</b> -Worcestershire Partnership Board -Worcestershire Hub -Wyre Forest Matters -Children and Young Persons Partnership Board	<b>External Focus</b> -Revenue and Benefits Shared Services -Worcestershire Partnership Board -Wyre Forest Matters	<b>External Focus</b> -Advantage West Midlands -Rural Regeneration Zone -Bewdley Development Trust/Stourport Forward -Wyre Forest Matters -Town Centre Partnerships

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Briefing Paper from the Head of Legal and Democratic Services

Audit Committee

In June 2004, the Council established an Audit Panel. This has been an advisory body, which has made great strides in helping to raise the profile of internal control, risk management and financial reporting issues, as well as providing a forum for the discussion of issues raised by internal and external auditors.

Its membership comprised the Joint Chairmen of the Cabinet Scrutiny Committee and the Chairmen of the Policy and Scrutiny Panels. Its Chairman was the Cabinet Member for Finance and Corporate Affairs.

NEED FOR POLITICAL BALANCE

The Council's External Auditors have commended the Council in having set up the Audit Panel before many local authorities had made comparable arrangements. However, they recommend the Council to change the constitution of the Panel so that it **becomes a politically balanced Audit Committee**. The Chartered Institute of Public Finance and Accountancy (CIPFA) support this advice. CIPFA stresses that audit committees have a key role in corporate governance.

CHAIRMAN AND MEMBERS

The main purpose of an audit committee is to give an independent assurance to members and the public, scrutinising financial management and reporting and providing challenge across the Council.

In line with CIPFA advice, **the chairman should not be a cabinet member**. A non-cabinet chairman is seen by CIPFA as important in order to promote the objectivity of the Audit Committee and to enhance its standing in the eyes of the public. This reasoning could mean that it would **also be inadvisable for the vice-chairman to be a cabinet member**.

Financial awareness is essential for members, particularly for the Chairman. However, an accounting background or qualification is less important than a broad understanding of the financial, risk and control and corporate governance issues facing the authority generally.

TERMS OF REFERENCE

It is recommended that the Council appoint a politically balanced Audit Committee with the following Terms of Reference. (see next page)



**AUDIT COMMITTEE**

**TERMS OF REFERENCE**

**External Audit**

1. Receive, comment upon and recommend to the Cabinet, Chief Executive or the Head of Financial Services as appropriate, the:
  - Appointment of external auditors
  - External Audit plan
  - External Annual Audit Letter
  - Any non-audit work undertaken by the external auditors
  - Monitor the implementation of recommendations made by External Audit

**Internal Audit**

2. Receive, comment upon and recommend to the Cabinet, Chief Executive or Head of Financial Services as appropriate the:
  - terms of reference for Internal Audit
  - strategic and annual internal audit plans
3. Consider summaries of reports issued by Internal Audit
4. Consider progress reports including the achievement of the internal audit plan from Internal Audit
5. Monitor the implementation of recommendations from Internal Audit
6. Consider the annual report on the Council's internal control environment from Internal Audit
7. Promote Internal Audit and internal controls
8. Review the annual Internal Audit needs assessment and resources available to the function.
9. Make recommendations for reviews to be undertaken on areas of Council activity not provided for within the Strategic and Annual Internal Audit plans having due regard to the resources available to Internal Audit and the cost effectiveness of such reviews

**Overall Audit Function**

10. Make recommendations, as necessary, with a view to ensuring that Best Value is obtained from the total audit resource, external and internal.

**Risk Management**

11. Monitor and evaluate the development and operation of risk management by the Council.

**Procurement**

12. Monitor and evaluate compliance with the Council's Procurement Policy and Standing Orders Relating To Contracts and Financial Regulations in so far as they relate to procurement.

**External Funding**

13. Monitor the receipt of external funding and assess the efficiency and effectiveness of its application in line with the Council's priorities.

**Any other business**

14. Consider any other **relevant** business deemed appropriate by the Committee.

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**Call-In Procedure**

Decisions of the Cabinet are published and circulated to members within 5 working days. The decisions come into force three working days from the date of publication unless called in for scrutiny. (Standing Order B4)

Under the current arrangements, the call in procedure can be triggered by:

Any three non-Cabinet Members and the Chairman of the relevant Policy and Scrutiny Panel, or any three members of the Cabinet Scrutiny Committee and any member of the relevant Policy and Scrutiny Panel.

**To take account of the revised scrutiny arrangements contained in the new political management structure the following Call-In Procedure is proposed:**

**1. Paragraph 10 (iv) of Part 4 of the Council's Constitution be amended to read:**

**“The call in procedure can be triggered by the Chairman or Vice-Chairman of the Cabinet Scrutiny Committee and any four other non-Cabinet members by giving notice to the Head of Legal and Democratic Services; any such call-in to be referred to the Cabinet Scrutiny Committee.**

**A decision must be called in within three working days of the publication of the Decision Notice. (The call-in period is specified on the Decision Notice). With few exceptions, all decisions can be called in but the Cabinet Scrutiny Committee cannot overturn a decision. It can refer the matter back to the Cabinet for a review in the light of comments made by the Committee or to Council in certain circumstances.”**

**2. Other parts of the Constitution be amended accordingly.**