

## Resources Portfolio Governance Pilot: A new way of working

### Purpose

For information.

### Summary

Following the recommendations of a member-led Task and Finish group, the Leadership Board agreed to trial a new portfolio holder governance structure for the LGA. The Resources Board was identified as one of two policy areas to pilot the new structure during 2015/16.

This paper sets out the pilot model for the Resources policy areas that supports efficient, effective and transparent decision making, driven by high levels of member engagement and underpinned by clear lines of political accountability. This model will be trialled by the Resources area for 6 months, with a review in April 2016.

### Recommendations

That the Resources Lead Members:

- i. note the membership of the Portfolio attached at **Appendix A**;
- ii. agree the Portfolios Terms of Reference attached at **Appendix B**; and
- iii. note the pilot Portfolio Holder governance model for Resources.

### Actions

As directed by Members.

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## **Resources Portfolio Governance Pilot: Future way of working**

### **Background**

1. The LGA's independent peer review in January 2015 found that *"a consistent message from stakeholders was the need for a more flexible governance arrangement that better reflects the changing nature of local government, and is quicker in bringing about decisions and focus on priorities... A number of stakeholders, including some Board members, told us that a more radical approach is needed and structures should be less rigid"*.
2. Following the peer review report, a Task Group of four LGA members was set up to review the LGA's governance arrangements. Cllr Kober (Resources Portfolio Holder) was a member of this cross party member driven group. The Task Group proposed a new governance model based on three core principles:
  - 2.1. It is more efficient than the existing arrangements;
  - 2.2. It is less costly than the existing arrangements; and
  - 2.3. It creates high levels of involvement by members and member councils.
3. Following consultation with Board Chairs and the LGA's Political Group Offices, on 15 July the Leadership Board agreed to pilot the portfolio holder governance model from 1 September, with a review after six months, in two areas: the Community Wellbeing and Resources.
4. This paper sets out the delivery model for the Resources policy areas co-designed by Resources Lead Members that supports efficient, effective and transparent decision making, driven by high levels of member engagement and underpinned by clear lines of political accountability.

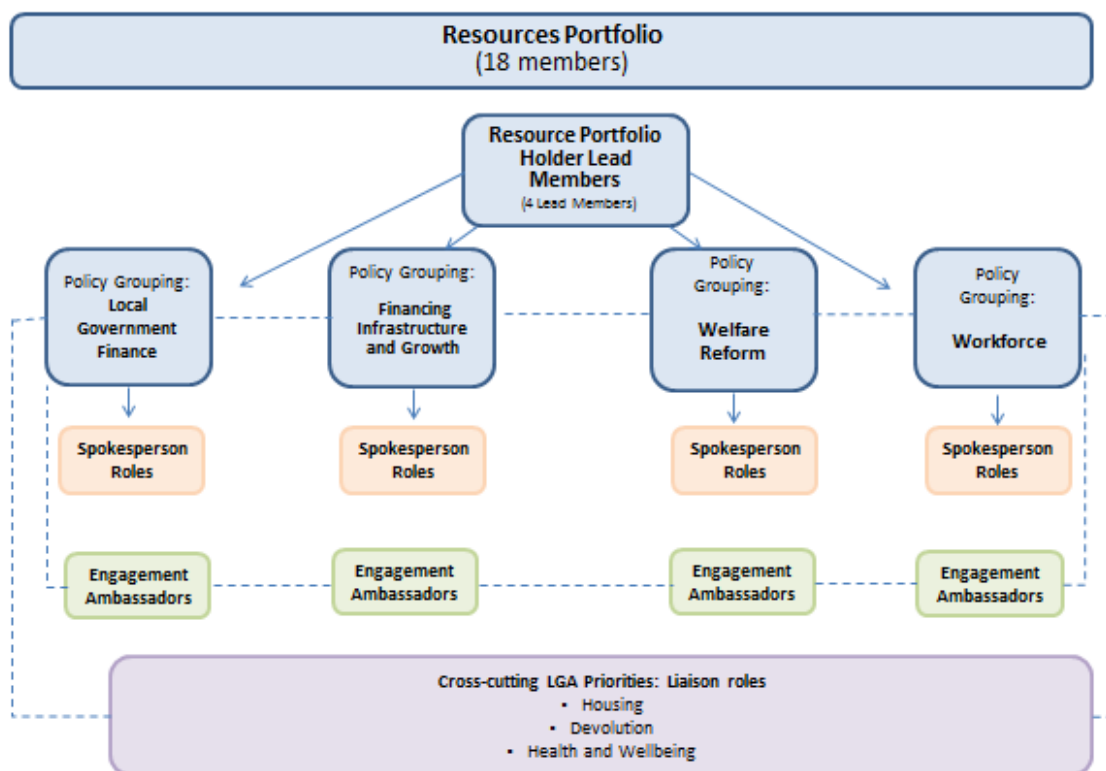
### **A new way of working**

5. The model is structured around four Portfolio areas, each led by a Lead Members (i.e. the Resources Lead, Vice and Deputy Portfolio Holders). Underpinning each of these Portfolio areas are groups of members who provide support and act as a sounding board for the Portfolio Holder.
6. This approach has a number of benefits:
  - 6.1. The Resources work theme covers four distinct areas: Local Government Finance; Strategic Finance for Growth, Infrastructure and Devolution; Workforce; and Welfare Reform. Each policy area has its own work programme and in most cases their own distinct constituencies amongst portfolio holders in member councils. These areas would therefore be a logical means of developing distinct Portfolio Holder remits.
  - 6.2. Implementing the new Portfolio Holder arrangements carries a degree of risk in ensuring the work is driven forward, especially as the Government is making key decisions about the future funding of public services through the Spending Review. Taking an approach that builds on and adapts the established system of Lead Members Portfolios that the Resources Board has operated over the past 12 months offers a means of minimising that risk through developing both individual portfolios

and ensuring that there is a robust leadership group who can coordinate across the breadth of the Resources brief.

- 6.3. The Community Wellbeing Portfolio has also opted for a similar model; based on four Portfolio areas, each led by a Lead Member and supported by a larger group of members. A consistent approach across the two Portfolio Holder model pilots would provide a useful benchmark for evaluating the success of the pilots.
7. The Resources Portfolio pilot could be established as follows, although the number of specific 'spokesperson' and 'ambassador' roles will vary depending on the appetite and capacity of members to undertake them.

**The Model**



**Portfolio Holders Lead Members**

8. This will comprise of the Resources Portfolio Lead Members (Cllrs Kober, Fuller, Hudson and Barrett). This will meet on a six weekly basis with the aim of being more innovative in how it conducts its business (including meeting in person, via teleconference or videoconferencing), and will set LGA policy on matters within the Resources Portfolio. Members of the Group will approve work carried out across the Portfolio, represent the Portfolio at external events and meetings as well as LGA events, engage with key national stakeholders and act as spokespeople for the portfolio in the media. It will also oversee - though not necessarily lead on - cross-cutting work with other LGA Boards/Portfolios.
9. The Portfolio Holders each will lead on the following Portfolio areas:

- 9.1. Local Government Finance: Cllr Claire Kober OBE (Portfolio Holder)
- 9.2. Strategic Finance for Growth, Infrastructure & Devolution: Cllr John Fuller (Vice Portfolio Holder)
- 9.3. Welfare: Cllr Claire Hudson (Deputy Portfolio Holder)
- 9.4. Workforce: Cllr Clarence Barrett (Deputy Portfolio Holder)

#### **Four Policy Groups**

10. There will be a Policy Group underpinning each of the four priority areas set out in paragraph 9, and would be made up of members from the wider Portfolio membership.
11. Each Policy Group will determine priorities in its own area and then deliver specific pieces of work, represent the portfolio at external and LGA events relevant to its policy area, engage with stakeholders and develop awareness of practice in other authorities. Where significant new policy work was needed in their area, a Group would develop a constructive conversation about the LGA position with this being approved by the Portfolio Lead Members.
12. All the members of each Policy Group would contribute to its work, though there is also the option of assigning particular areas of work to particular members dependent on interest, expertise and capacity. As with the Portfolio Holders Group, the intention is for the Policy Groups to be innovative in how they conduct their work, therefore they will operate predominantly on a virtual basis with much of their work being conducted through email and teleconference. The frequency of interaction would vary depending on the policy area and be driven by the work programme and any reactive work that develops throughout the year.
13. To ensure the Policy Groups are as effective as possible and enable high levels of member engagement, Portfolio Members will be invited to volunteer for as many groups as they wish to and have capacity to engage with. Achieving political balance will not be a requirement; however Lead Members will keep this under close review to ensure that outputs remains cross party and equitable. Lead Members are keen to avoid any restraints on membership, however it may be necessary to set a limit on the size of each Policy Group should the membership size prohibit flexible working and agile decision making.
14. Following the Workshop session on 9 October, full members of the Portfolio will be invited to express an interest for one or more of the four Portfolios areas they would like to be involved with. Lead Members will then review the size of the Policy Groups to ensure they are manageable, before the membership of the Policy Groups is confirmed.
15. The new structure will provide opportunities for those who have been nominated as substitute members to contribute to the work such as through attendance at Forums; however substitutes will not form part of the Policy Groups.

#### **Additional Spokesperson and Engagement Roles**

16. Each Policy Group may wish to consider if there are other roles that would provide added value such as:

##### Engagement Ambassadors

- 16.1. Increasing engagement with member councils was a key recommendation of the Task Group. Appointing 'Ambassadors' from within the Portfolio's membership

would provide a means of increasing the Portfolio's engagement with member authorities. The Ambassadors could represent the Portfolio at a regional level and would have responsibility for feeding in intelligence from their localities as well as promoting the work of the Portfolio more widely within member councils.

Cross-cutting liaisons roles

- 16.2. The Leadership Board has commissioned from the relevant policy Boards/Portfolios the four cross-cutting areas of work. These are: devolution and the future shape of local government; housing; local government finance; and promoting health and wellbeing. (Item 4 on the agenda will provide for further details on these cross cutting pieces of work and enable members to discuss the scope of the Finance one in more detail). The Resources Portfolio cuts across all four pieces of work to greater or lesser degrees. To facilitate joined up working, specific liaison members could be appointed with specific responsibility for feeding the Resources Portfolio views into the cross-cutting commissions and joining up priorities with other LGA Boards/Portfolios.

Spokespeople on specific issues

- 16.3. Within the four policy areas, there are certain issues that could benefit from having an identified Spokesperson. These are set out at **Appendix C**.

**Forums**

17. Annual Forums will provide an additional mechanism to connect with the wider membership, as a means to set out what work the LGA has been carrying out for member authorities within the remit of the Resources Portfolio, to seek member authority views on current issues related to the work of the Portfolio, and to check that the priorities identified across the Portfolio are ones that member authorities share.
18. These meetings where possible will be linked to existing relevant conferences (i.e. the annual Local Government Finance Conference) and given the distinct policy themes within the Portfolio; certain policy areas such as Workforce will hold separate Forums.

**Evaluation and review of the portfolio holder structures**

19. A review of how the Portfolio Holder model is working will be conducted in April 2016.
20. The criteria against which the success or otherwise of the new arrangements will be reviewed was set out by the Task Group as the core principles underlying the proposals and are outlined in paragraph 2.

**Financial Implications**

21. No additional funding should be required to deliver the new arrangements as in line with the Task and Finish Group's recommendations, the new way of working should be 'less costly than the existing arrangements'.

## Appendix A: Resources Portfolio Membership 2015/2016

<b>Councillor</b>	<b>Authority</b>
<b>Conservative ( 7 )</b>	
Cllr John Fuller (Vice-Chairman)	South Norfolk District Council
Cllr James Jamieson	Central Bedfordshire Council
Cllr Nigel Ashton	North Somerset Council
Cllr Melvyn Caplan	Westminster City Council
Cllr Adrian Hardman	Worcestershire County Council
Cllr Roger Phillips	Herefordshire Council
Cllr David Renard	Swindon Borough Council
<b>Substitutes</b>	
Cllr Rodney Rose	Oxfordshire County Council
Cllr May Haines	Borough of Poole
Cllr Andrew Leadbetter	Exeter City Council
Cllr Mary Malin	Kettering Borough Council
<b>Labour ( 7 )</b>	
Cllr Claire Kober OBE (Chair)	Haringey Council
Cllr Sue Murphy	Manchester City Council
Cllr Aaron Shotton	Flintshire County Council
Cllr Sharon Taylor OBE	Stevenage Borough Council
Cllr Sian Timoney	Luton Borough Council
Cllr Tom Beattie	Corby Borough Council
Cllr Peter Marland	Milton Keynes Council
<b>Substitutes</b>	
Cllr Norman Keats	Knowsley Metropolitan Borough Council
Cllr Michael Mordey	Sunderland City Council
<b>Independent ( 2 )</b>	
Cllr Clarence Barrett (Deputy Chair)	Havering London Borough Council
Cllr Linda van den Hende	Havering London Borough Council
<b>Substitutes</b>	
Cllr Bob Dutton OBE	Wrexham County Borough Council
Cllr Adrian Naylor	Bradford Metropolitan District Council
<b>Liberal Democrat ( 2 )</b>	
Cllr Claire Hudson (Deputy Chair)	Mendip District Council
Cllr Simon Shaw	Sefton Metropolitan Borough Council
<b>Substitutes</b>	
Cllr David Brown	Borough of Poole

## **Appendix B: Resources Portfolio Terms of Reference**

The LGA's Resources Portfolio will shape and develop the Association's policies and programmes in line with the LGA priorities in relation to: Local Government Finance; Strategic Finance for Growth, Infrastructure and Devolution; Welfare Reform; and Workforce issues.

### **Specific responsibilities**

- Local Government Finance: issues relating to the financing of local government expenditure.
- Strategic Finance for Growth, Infrastructure and Devolution: issues relating to supporting councils to plan and fund growth, infrastructure and devolution.
- Welfare Reform: issues relating to welfare reform.
- Workforce Issues: including pay and reward; productivity; pensions; the role and responsibilities of the employers the LGA represent; workforce development; and equalities and other strategic workforce challenges.

### **Operational accountabilities**

The Portfolio will seek to involve councillors in supporting the delivery of these priorities (through Forums, policy grouping, Special Interest Groups (SIGs), regional networks and other means of wider engagement); essentially operating as the centre of a network connecting to all councils and drawing on the expertise of key advisors from the sector.

The Resources Portfolio will be responsible for:

1. Ensuring the priorities of councils are fed into the business planning process.
2. Developing a work programme to deliver their brief, covering lobbying, campaigns, research, improvement support and events and linking with other boards where appropriate.
3. Sharing good practice and ideas to stimulate innovation and improvement.
4. Representing and lobbying on behalf of the LGA, including making public statements on its areas of responsibility.
5. Building and maintaining relationships with key stakeholders.
6. Involving representatives from councils in its work, through task groups, Commissions, SIGs, regional networks and mechanisms.
7. Responding to specific issues referred to the Board by one or more member councils or groupings of councils.

8. Providing views, as appropriate, to inform the decision making responsibilities of the national negotiating committees and the Local Government Pension Committee.

The Resources Portfolio may:

- Appoint members to relevant outside bodies in accordance with the Political Conventions.
- Appoint member champion and spokespersons from the Portfolio to lead on key issues.

*Updated August 2015*



## Appendix C: Portfolio Areas and Spokesperson Roles

Portfolio Area	Spokesperson Roles
<b>Local Government Finance</b>	<ul style="list-style-type: none"> <li>• Local taxation (could be sub-divided between council tax and business rates)</li> <li>• Levels of funding and spending</li> <li>• New approaches to Local Government Finance</li> </ul>
<b>Workforce</b>	<ul style="list-style-type: none"> <li>• Skills and Apprenticeships</li> <li>• Pensions</li> <li>• Workforce Strategy</li> </ul>
<b>Welfare Reform</b>	<ul style="list-style-type: none"> <li>• Welfare Reform Bill</li> <li>• Universal Credit</li> </ul>
<b>Financing Growth and Infrastructure</b>	<ul style="list-style-type: none"> <li>• Housing Finance</li> <li>• Infrastructure Finance/Local Growth Fund</li> <li>• Financing arrangements for One Public Estate Programme</li> <li>• Capital Finance</li> <li>• European Funding</li> </ul>