

Report

Council

Part 1

25 September 2012

Item No. 8

Subject **Fairness Commission**

Purpose The Administration has committed to the establishment of a Fairness Commission in order to provide a means of testing and informing the implications of policy and budgetary decisions proposed by the Council. This report sets out proposed Terms of Reference regarding the establishment of the Commission and information regarding membership.

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Ward All

Summary As part of the Administration's *Standing Up For Newport* 2012 Manifesto, a specific commitment was made to "... monitor all key Council decisions for fairness through a new 'Fairness Commission' ...".

Fairness Commissions have been established elsewhere in the UK and are used as a ways of informing the Council's budget planning. A Commission would also test budget proposals for unintended consequences, e.g. increasing poverty or disadvantaging communities, and providing an arena for further debate on issues affecting our communities.

A report was considered by Cabinet at its July 2012 meeting where it was agreed that Council be requested endorse the establishment of a Fairness Commission, approve Terms of Reference and to endorse the nomination of Professor Steve Smith (Newport University) to chair the Commission.

Proposal Council is asked to:

- (a) Endorse the proposal to establish a Newport Fairness Commission
- (b) Agree the Terms of Reference outlined in the report
- (c) Endorse the nomination of Professor Steve Smith as Chair of the Commission

Action by Corporate Director (Care & Customers)

Timetable Immediate

This report was prepared after consultation with:

- Corporate Directors
- Head of Legal Services
- Head of Finance
- Head of HR, Policy & Performance

Background

1.0 Purpose

- 1.1 As part of the Administration's *Standing Up For Newport* 2012 Manifesto, a specific commitment was made to "... monitor all key Council decisions for fairness through a new 'Fairness Commission' ...".
- 1.2 Where provided in a number of English local authorities (some examples are appended to this report), these commissions present a means of testing and informing the implications of policy and budgetary decisions proposed by the Council.
- 1.3 The establishment of a Fairness Commission demonstrates long-term commitment and builds understanding and ownership – it could contribute to policy development within services and other agencies and provide an opportunity for wider debate and involvement.

2.0 Context – Newport's population and community profile

- 2.1 In the City, neighbourhoods with some of the country's highest levels of social deprivation sit next to some of those with the greatest affluence.
- 2.2 The Wales Index of Multiple Deprivation (WIMD) is the official measure of deprivation in Wales, with the 2011 Index made up of eight "domains" - employment, income, education, health, community safety, geographical access to services, housing and physical environment.
- 2.3 Wales is divided into 1,896 "Lower-Layer Super Output Areas" each having about 1,500 people – the City has 94 LSOAs and as a whole is ranked as the fourth most deprived local authority in Wales.
- 2.4 We have 16% of our LSOAs in the most deprived 10% in Wales – 56% are in the most deprived 50% in Wales.
- 2.5 The Council's focus is on narrowing the gap between the most disadvantaged and most affluent areas of the City and ensuring that policy and financial decisions do not adversely affect this priority, and by enabling local people to contribute to debate and decision-making.

3.0 Establishing a Newport Fairness Commission

- 3.1 The overarching purpose of a Commission is to test strategic implications arising from decisions regarding the allocation of Council finances.

Terms of Reference

- i The Commission's findings will be used to provide and reaffirm the direction of the Administration's work.
- ii The work of the Commission will build on research, much of which is already available, about the damaging effects of inequality, and will not seek to replicate research already in place.

- iii The Commission will consider how improved outcomes for local people can be delivered by examining how the Council can make the best use of its powers, duties and resources to achieve the best and fairest outcomes.
- iv The work and recommendations of the Commission should help to build consensus in the city, when difficult choices have to be made, so that decisions, and the processes that underpin them, are seen as fair and do not damage cohesion or lead to greater inequality.
- v Perceptions of unfairness are important because they can fuel community tensions, even when the perception is not an accurate reflection of real inequalities. The Commission will consider ways for the Council and its partners to challenge perceptions of unfairness, in order to foster greater community cohesion and greater trust between the City's residents and its public bodies and promote social justice.
- vi The Commission will consider budget proposals and test them to ensure that the consequences are clear for all people in the city and where necessary it will seek to minimise the impact of decisions on the most vulnerable people and communities.
- vii Its work programme during 2012/13 will be:
 - influencing and informing the Council's budget (2013/14 and beyond)
 - testing budget proposals to make sure there are no unintended consequences which may increase poverty or disadvantage communities
 - making strategic assessments of the nature and extent of inequalities in the City and make recommendations for tackling them

Pending agreement of the work programme, it is proposed that the Commission meets quarterly.

4.0 Structure

- 4.1 The general consensus nationally is that the Chair would need to be, and be seen to be, independent.

Expectations of the Chair would include:

- Impartial
- Credible locally/nationally (Wales)
- Good communicator
- Explicit connection with Newport

Expectations of all Commissioners would include:

- Knowledgeable
- Could bring a particular perspective eg political, business, voluntary sector, academic
- Experience of tackling complex issues

5.0 Membership

5.1 Individuals serving on the Fairness Commission should not represent specific interests, but should help the City be as fair and prosperous as possible and a place in which all residents feel included.

Potential members could be invited from:

- The voluntary sector
- Trade Unions
- Youth Council
- Further/Higher Education
- The business community
- Communities First
- Newport Access Group
- Senior Citizens' Forum
- SEWREC

All three political groups at the Council would also take part in the Commission and therefore the proposal is that the membership should be no more than 15 people, with an independent chairperson and a membership that reflects the diversity of the city

6.0 Outputs/Deliverables

6.1 The Commission would provide reports with recommendations to be considered by Cabinet and Scrutiny as part of the annual budget and improvement planning cycle and where appropriate reports summarising its work for consideration by cabinet and/or council. Initial outcomes would be:

- Widening the knowledge of the population of the business of the council and where appropriate other public sector bodies
- Contributing to budget planning for 2013/14 and being part of shaping public sector services in the City
- Understanding the nature of diversity and inequality in the City
- Contributing to greater social mobility in the City

7.0 Financial Summary

7.1 Costs would consist solely of the payment of expenses. A total budget of £5,000 would be adequate to meet these costs.

7.2 Other resources required to support the work of the Commission include officer time, particularly from Democratic Services and Corporate Policy for logistics/support and policy work and analysis

8.0 Risks

Risks	Mitigation
<ul style="list-style-type: none">• Capacity of Council to support Commissioners.• Expectations are raised and not met and a danger that it could be a 'talking shop' and lack focus• Recommendations are not accepted or acted upon.	<ul style="list-style-type: none">• Build into relevant business plans appropriate levels of officer support• Set out a clear work programme at the outset to maintain focus - timeline and expected deliverables etc.• Timeline of activity to reflect and complement policy framework• Ensure that decision-making reports include adequate 'risk' and 'impact assessment' commentary• Select a chair with proven track record

9.0 Links to Council Policies and Priorities

9.1 The principle of social justice is central to the Council's programme and is evident throughout the Corporate Plan, Community Strategy and the Improvement Plan. The establishment of a Fairness Commission provides a means of testing decisions and ensuring perspectives of local people are included in these processes.

10.0 Options available

The options available are:

- (a) To endorse the establishment of a Newport Fairness Commission as indicated in this report, including Terms of Reference, planned outcomes and the nomination of Professor Steve Smith as Chair of the Commission.
- (b) To not endorse the establishment of a Newport Fairness Commission

14 Preferred Option and Why

The preferred option is (a).

The Administration's *Standing Up For Newport* manifesto makes a clear commitment to test decisions for fairness via a Fairness Commission. This body would provide a means of testing and informing the implications of policy and budgetary decisions proposed by the Council. Also the establishment of a Fairness Commission demonstrates long-term commitment and provides an opportunity for wider debate and involvement. The nomination of Professor Smith would also provide the Commission with an independent and impartial Chair, bringing a wealth of experience and expertise in the field of welfare and equalities.

Comments of the Chief Financial Officer

The Cabinet has earmarked a budget for implementation of its manifesto commitments and the Fairness Commission forms part of that work. If an attendance rate were to be considered, it could be set in accordance with the levels payable to co-opted members of statutory committees / forums. Payments to members of the commission for their attendance would be subject to deductions in the normal manner

Comments of the Monitoring Officer

In some areas, the Commission has been established to undertake a specific independent review and to produce a report and findings on a particular issue (in the same way that the Council established the "Bridge" Commission to look at the issues relating to the housing stock transfer). However, in this case, it is assumed that the Fairness Commission will take the form of a standing consultative and advisory body, looking at the fairness of budgetary and policy issues generally.

Council will, therefore, need to consider how the Commission should be formally constituted. On the one hand, it could take the form of a purely consultative body (as with the Citizens Panel) and have no formal role, as such, in the decision-making processes. On the other hand, if the Fairness Commission is to have a specific role and defined terms of reference, then it will need to be formally constituted as an advisory committee of the Council in accordance with Section 102(4) of the Local Government Act 1972.

It can only be an "advisory" as opposed to a decision-making body because the law prohibits any financial or budgetary matters being considered by non-Members of the authority. If it is to be established as an advisory committee, then the independent members would effectively become "co-opted" members of the authority, with voting rights (albeit that they could only make advisory recommendations) and, if more than 3 Councillors were to be appointed to the Commission, the political balance rules would apply. With regard to the consultative and advisory role of the Commission generally, this could only be in addition to, and not instead of, any specific statutory consultation or equalities impact assessment process.

Staffing Implications – Comments of the Head of Human Resources and Policy

The report contains no direct staffing implications. In Policy terms, evidence from Fairness Commissions established elsewhere indicate that they provide an extra level of challenge to test whether budgetary and policy decisions made by the Council and its partners do not inadvertently disadvantage communities or individuals.

The Council's workforce provides an excellent source of intelligence about the experiences of residents and service users - in this connection, it will be important to consider how staff and their representatives can have an opportunity to contribute to the work of a Fairness Commission in Newport.

Annex

Examples of Commissions elsewhere

A number of other local authorities have set up Fairness Commissions:

Islington

The Islington Fairness Commission was set up in June 2010 to look into how to make the borough a fairer place. The Commission was co-chaired by Professor Richard Wilkinson, and included senior figures from Islington Council, Islington Police, NHS, Homes for Islington, Islington Trades Council, Islington Chamber of Commerce, City and Islington College, Cripplegate Foundation, and London School of Economics.

Seven priority areas were identified with key recommendations in each area to help make the borough a “fairer” place for all – the final report was published and presented at Full Council in June 2011. It made 19 recommendations on issues covering income; work; families; communities; safety; housing; and health.

York

The York Fairness Commission is an independent advisory body which is examining matters of social justice in York as part of preparations for the Council’s spending priorities review for 2012-2014. It has a three-pronged approach - Well-being, Access, and Work.

The Archbishop of York Dr John Sentamu sponsors the Commission – it has four Commissioners and a Chair appointed on the basis of their expertise and commitment to social justice, including the Joseph Rowntree Foundation, the University of York, and Aviva.

The York Labour Party manifesto said “ ... the the work of the York Fairness Commission will form the basis for a transformation in City of York Council’s public services that will culminate in a two year council budget being proposed in May 2012.”

Liverpool

The Liverpool Fairness Commission is investigating poverty in the city and aims to look at the main causes and effects of poverty, identify inequalities and challenges, and aims to better understand the problems faced by communities in order to develop clear long term plans to make Liverpool a fairer place to live.

It is being chaired by the Chief Executive of a successful social enterprise charity and includes representation from all political parties on the council, trade unions as well as universities, business, housing and the independent and voluntary sectors.

It will consider issues including health, housing, social care, education, employment and crime using an approach taken by Islington Borough Council.