

Name of meeting: Corporate Governance and Audit Committee

Date: 12 May 2017

Title of report: Proposed Amendments to Overview and Scrutiny 2017-18

Purpose of report: To consider amendments to Overview and Scrutiny structures for the 2017/18 municipal year

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	Not applicable
The Decision - Is it eligible for call in by Scrutiny?	Not applicable The decision will be made by Council therefore call in does not apply
Date signed off by <u>Strategic Director</u> & name	Give name and date for Cabinet reports
Is it also signed off by the Service Director for Finance IT and Transactional Services?	Give name and date for Cabinet reports
Is it also signed off by the Service Director for Governance and Commissioning Support?	Julie Muscroft 04/05/17
Cabinet member portfolio	Cllr Graham Turner

Electoral wards affected: none specific

Ward councillors consulted: Not applicable

Public or private: Public

1. Summary

1.1 The current Overview and Scrutiny structures, which have been in place for two years, have allowed Scrutiny the flexibility to respond to the priority issues facing the Council and develop a focussed and constructive approach. This report reflects on the learning of the last two years and the most recent issues identified through the Children's Services improvement work which have implications for Scrutiny. The report highlights the progress made and puts forward suggested amendments to ensure an integral Overview and Scrutiny function moving forward.

1.2 Any proposals for Overview and Scrutiny also need to have cognisance of the findings and recommendations of the Kirklees Democracy Commission once they are available. Changes to Scrutiny agreed at Annual Council need to be flexible enough to reflect any amendments resulting from the implementation of the Democracy Commission work.

2. Information required to take a decision

Scrutiny 2015 – 2107

2.1 The last two municipal years have seen increased Scrutiny engagement with Cabinet Members and a constructive challenge on strategic pieces of work. It has been a demanding and fast moving agenda for Scrutiny, with Cabinet forward plans, priority theme work and service change all in view.

2.2 Scrutiny has sought to build constructive relationships and carry out its role in a culture of openness; encouraging those attending to have the confidence to be open and honest in responding to scrutiny. Overview and Scrutiny needs to continue to develop this moving forward.

2.2 Irrespective of the structure, the long established principles of Overview and Scrutiny in Kirklees Council, as set out in the Constitution, have remained the same. Overview and Scrutiny is not a form of party political opposition and as such party politics are left at the door. Scrutiny is a constructive and challenging, critical friend. Wherever possible Scrutiny has sought to influence decisions before they are made rather than criticise after the decision is taken. The last two years have seen examples of such pre decision scrutiny work. In order to maximise this core role, pre decision scrutiny needs to become a more routine part of scrutiny work and be embedded within decision making pathways.

2.3 When reflecting on the lessons to learn from the outcomes of the OFSTED inspection and the ongoing improvement work within Children's Services, there is a need to ensure that Scrutiny has the ability to focus in more detail on priority areas for the Council. Any Scrutiny function needs to be responsive and able to adapt to provide the appropriate level of challenge, focussed in the right areas. The Ad Hoc Scrutiny Panel into Children's Services demonstrated how the function could quickly consider a priority issue and present findings and recommendations to the Cabinet and Council in a timely manner.

2.4 The ad hoc scrutiny panels have allowed flexibility and should continue to be an option for in depth Scrutiny work but in some areas there is a need to have standing panels to ensure a detailed focus is maintained on key areas of work.

3. Scrutiny 2017 /18

3.1 Overview and Scrutiny seeks to continue to build on the effective approaches it has used over the last two years. However it also needs to be flexible and agile to be best placed to respond to the need identified for closer scrutiny of Children's Services, changes to organisational structures, key themes and proposals for partnership working.

3.2 An overarching Scrutiny Committee would remain in place to manage and co-ordinate the work programme and the use of Scrutiny resources. It is suggested that the OSMC would have the capacity to take on responsibility for the statutory Scrutiny requirements in relation to scrutiny of crime and disorder and flood risk management. The Chair of Overview and Scrutiny and the Lead Members of standing panels would make up the Management Committee.

3.3 For the reasons described in paragraphs 2.3 / 2.4 there is a need to establish a Scrutiny standing panel in respect of Children's Services to ensure dedicated scrutiny of the ongoing improvement work and service performance.

3.4 Proposals have been put forward for revised partnership working arrangements and it is suggested that it would be helpful if initially Scrutiny was structured to show a clear relationship between structures. This would mean establishing a further standing panel for economy and neighbourhoods.

3.5 It is further proposed that a Corporate Scrutiny Panel be established to pick up those areas that do not fall within the remit of any of the above mentioned panels.

3.6 The key components of Overview and Scrutiny work would fall broadly into the categories below:

- **Pre decision scrutiny** - providing an opportunity for non executive councillors to influence proposed decisions before they are made. If Scrutiny increases the number of standing panels, this will enable more councillors to have the opportunity to develop an understanding of the changing nature of Council provision and contribute to and challenge the development of proposals in key areas.
- **Performance monitoring** - As identified through the Children's Services work, there is a need for the effective oversight and challenge of meaningful performance information. The Casey report identified that Scrutiny has a role "in asking searching questions, drilling down into information and data, ensuring targets are kept to and agreed actions implemented." Included in this will be monitoring the implementation of any agreed Scrutiny recommendations.
- **Service delivery** - at the current time of change across the Council, Scrutiny will largely focus on plans to review how services are delivered, the impacts on citizens, consultation and engagement, decision making processes, the implementation of change and evaluating outcomes and impacts. Scrutiny encouraging forward planning and communication that provides councillors with the opportunity to be better informed and clear on how proposed change affects their role.
- **Policy Review** - If capacity is added to Scrutiny through the addition of panels, then there would be the opportunity for Scrutiny to undertake some policy review work and contribute to policy development.

- **Partnerships and Regional Working** - Where appropriate Scrutiny will also look to scrutinise partners and regional working.
- **Holding decision makers to account** cuts across all strands of overview and scrutiny work. In establishing a panel structure, Scrutiny can build on practice over the last two years with Cabinet portfolio holders and other decision makers, attending panel meetings and being held to account in a public arena for the decisions they are making, thereby enhancing transparency and accountability. It is also important that Overview and Scrutiny considers the impact of significant decisions and whether the Executive achieves the anticipated outcomes.

4. Membership of Overview and Scrutiny

4.1 As previously acknowledged at the Leading Members meeting in March, Overview and Scrutiny is a good arena for new councillors to learn about the Council and develop skills. However there is a need for membership to be balanced with the involvement of experienced members who have the ability and skills to lead or contribute to overview and scrutiny work.

Scrutiny should be led by councillors who can put personal interests to one side and commit the time needed to the role. To be effective in holding the executive to account, the Lead Member and Scrutiny Panel needs to have a constructive relationship with Cabinet portfolio holders and Strategic and Operational Directors. Unless this is underpinned by effective communication and planning, Scrutiny will be unable to effectively exercise the power of influence over decisions to be made.

4.2 The number of members on Scrutiny Panels has varied with a maximum of 9 and minimum of 3. There was a deliberate effort to move away from the formal traditional committee style to an informal “team approach” where all councillors could play a full role in discussions. Both statutory and voluntary scrutiny co-optees have played an essential role in providing a lay perspective to scrutiny work. The last panel structure had 6 councillors on each Panel and a minimum of two scrutiny co-optees.

5. Proposed Structure

5.1 As explained in section 2, in order to respond to the lessons identified by the recent Children’s Services improvement work, an increase in the number of scrutiny panels is required. This would also create the opportunity for more non executive councillors to be involved in scrutiny work.

- Retain overarching **Overview and Scrutiny Management Committee (OSMC)** to manage the overall work programme and prioritise the work of the Scrutiny Panels. The OSMC to continue to carry out the statutory requirements in relation to crime and disorder and flood risk management. The OSMC to be led by the Chair of Overview and Scrutiny and comprise the Leading Members of the standing panels (4).
- Retain the current Health and Social Care Scrutiny Panel but rename **Health and Adult Social Care** to clarify the focus (including Public Health). This panel retains the statutory scrutiny of Health responsibilities. The power to refer concerns about proposals for significant changes to local health services to the Secretary of State is vested in the individual Joint Health Scrutiny Panels.
- Establish a **Children’s Scrutiny Panel**

- Establish an **Economy and Neighbourhoods Scrutiny Panel** (to pick up work under the Economic Resilience theme)
- Establish a **Corporate Scrutiny Panel**
- Standing Panels to be made up of a lead member, 5 councillors and a minimum of 2 co-optees.
- **Ad Hoc Scrutiny Panels** - single issue in depth scrutiny of a priority issue to be established by OSMC with set terms of reference. May be chaired by a Lead Member or a councillor with experience of the topic under scrutiny. An allowance is available to allow for councillors who are not Lead Members to chair.

5.2 A copy of the proposed structure is attached at appendix one together with the consequent changes to the Scrutiny Articles and procedure rules should the changes be approved at Council.

Allowances implications:

5.2 The proposed structure is attached (see appendix 1) and can be delivered within the current allowances envelope.

6. Implications for the Council

6.1 Early Intervention and Prevention (EIP)

No specific implications

6.2 Economic Resilience (ER)

No specific implications

6.3 Improving Outcomes for Children

No specific implications

6.4 Reducing demand of services

No specific implications

6.5 Other (eg Legal/Financial or Human Resources)

The financial implications as set out in paragraph 5.2 of the report indicate that the proposed structure can be supported without an increase in special responsibility allowances

7. Consultees and their opinions

The members of the OSMC are supportive of establishing standing panels

8. Next steps

Following consideration by the Corporate Governance and Audit Committee the report will be referred to Annual Council for discussion and approval of agreed changes.

9. **Officer recommendations and reasons**
 1. That the Committee consider the proposed amendments to Overview and Scrutiny for the 2017/18 municipal year and make any comments or recommendations to Council
 2. That Committee recommend to Council that the Service Director Legal, Governance and Commissioning be delegated with authority to make appropriate changes to the Constitution to reflect the agreed changes to the scrutiny arrangements.
10. **Cabinet portfolio holder's recommendations**
N/A
8. **Contact officer**
Penny Bunker - Governance and Democratic Engagement Officer
9. **Background Papers and History of Decisions**
n/a
10. **Service Director responsible**
Julie Muscroft , Service Director Legal, Governance and Commissioning