

Name of meeting: Corporate Governance and Audit Committee

Date: 12 May 2023

Title of report: Proposed Amendments to Overview and Scrutiny

Purpose of the report: The report sets out proposed amendments to the Overview and Scrutiny structure along with an update on the implementation of recommendations of the Kirklees Democracy Commission in relation to the review of governance models.

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 <u>Council's Forward Plan (key decisions and private reports)</u>?	Not applicable
The Decision - Is it eligible for call in by Scrutiny?	Not applicable
Date signed off by <u>Strategic Director</u> & name	Rachel Spencer Henshall – 12th May 2023
Is it also signed off by the Service Director for Finance?	Not applicable
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft – 28th April 2023
Cabinet member portfolio	

Electoral wards affected: All

Ward councillors consulted: Not applicable.

Public or private: Public Report

Has GDPR been considered? Yes. The report does not include any personal data that identifies a living individual.

1. **Summary**

- 1.1 The Council's Democracy Commission reported its findings and recommendations in respect of a review into alternative governance models to Council in January 2023. Having resolved to retain the current Leader and Cabinet model, a number of subsequent recommendations were agreed in relation to the further development of the Council's scrutiny function, including a request to review the current scrutiny panels. A copy of the full recommendations of the Democracy Commission are provided at **Appendix 3**.
- 1.2 The report proposes changes to the current structure and highlights progress in relation to the implementation of the wider recommendations of the Democracy Commission. Any changes to the scrutiny structure needs to be agreed at Annual Council.

2. **Information required to take a decision**

Current Structure

- 2.01 The current Overview and Scrutiny structures, which have been in place since 2017, have allowed Scrutiny the flexibility to respond to the priority issues facing the Council and develop a focussed and constructive approach. The following themed committees are in place to scrutinise decisions and issues falling within their respective remits:
- Corporate Scrutiny Panel
 - Children's Scrutiny Panel
 - Economy and Neighbourhoods Scrutiny Panel
 - Health and Adult Social Care Panel
- 2.02 An overarching Overview and Scrutiny Management Committee (OSMC) manages and co-ordinates the work programmes and the use of Scrutiny resources. In addition, OSMC is also responsible for the statutory Scrutiny requirements in relation to scrutiny of crime and disorder and flood risk management.
- 2.03 Statutory joint committees, relating to health, along with ad-hoc panels, undertaking time limited task-based pieces of work also form part of the current structure which is set out at **Appendix 1**.
- 2.04 Within the current structure a Regeneration Ad-hoc Panel was constituted in April 2022 to scrutinise a number of regeneration projects in Kirklees. This Panel has met throughout the year and its work is ongoing.

3. **Proposed Structure**

- Dis-establish the **Corporate Scrutiny Panel**
- Retain overarching **Overview and Scrutiny Management Committee** (OSMC) to manage the overall work programme and prioritise the work of the Scrutiny Panels. The Panel will pick up high-level performance monitoring in relation to financial management,

scrutinising the performance and implementation of financial policy and the delivery of the Council Plan. The OSMC have responsibility for the Corporate portfolio and will to continue to carry out the statutory requirements in relation to crime and disorder and flood risk management.

- Retain the current **Health and Adult Social Care Scrutiny Panel**. 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.
- Retain a **Children's Scrutiny Panel**
- Rename the **Economy and Neighbourhoods Scrutiny Panel** to **Environment and Climate Change Panel** (to pick up work under the Environment and wider climate change agenda in addition to highways/streetscene and culture)
- Dis-establish **Ad- Hoc Regeneration Panel**
- Establish a **Growth and Regeneration Panel** (remit to include skills, growth and regeneration along with housing)
- Dis-establish the **Democracy Commission**

A proposed structure chart is attached at **Appendix 2**

4. Rationale

- 4.1 Reviewing the operation of the current panels has provided the opportunity to examine the workloads and remits of the existing panels. The setting up of the current Ad-hoc Regeneration Panel was partly as a result of the wide remit of the Economy and Neighbourhoods Panel which had resulted in capacity issues when it came to undertaking in depth scrutiny of a number of ongoing major regeneration projects.
- 4.2 The proposal to formally constitute a standing Regeneration and Housing Panel will reduce the remit of the Economy and Neighbourhoods Panel and allow for a dedicated Panel to scrutinise the wider regeneration and skills agenda in Kirklees. Furthermore, the inclusion of housing will align the remit of the new Panel more closely with the current Directorate structure.
- 4.3 With regard to the dis-establishment of the Corporate Panel, it is proposed that the main corporate strategic items relating to Council finance, and performance monitoring be transferred to the OSMC in their scrutiny role of holding the executive to account and ensuring they scrutinise the performance and implementation of the financial policy. This will allow for high level scrutiny oversight from the Management Committee on these critical areas. It is envisaged that performance monitoring will enable OSMC to offer constructive challenge and refer issues of concern to individual panels or other appropriate forums for in depth consideration where appropriate.
- 4.4 In conclusion, the proposed changes outlined in the report seeks to ensure that remits across the themed Panels are more balanced and more closely aligned with current work areas and portfolios. Strategic oversight of critical areas of corporate focus will fall within the remit of the Management Committee (OSMC).

- 4.5 Where there are cross cutting issues/items, the Chair of Scrutiny will continue to determine which Panel will consider the item in consultation with the respective Lead Member.
- 4.6 The proposed structure retains the same number of standing Panels and can be delivered within existing resources which makes the best use of resources within the financial challenge the Authority faces, with no change to the number and level of allowances paid through the Members Allowance Scheme.
- 4.7 It is also proposed the Democracy Commission is dis-established following the review of the proposal and the approval of the recommendations from Council on 11 January 2023.

5. Wider Scrutiny Development

- 5.1 A number of wider recommendations from the Democracy Commission relate directly to improving the Council's scrutiny function. Set out below is progress in relation to delivery of the recommendations to date.

Pre-Decision Scrutiny

- 5.2 The Democracy Commission outlined a strong desire to enhance pre-decision scrutiny by ensuring there was an understanding that pre-decision scrutiny is carried out some time before a decision is made, at the point decision-makers may still be weighing up different evidence and assessing available options. The Commission recognised that such an approach may require some more time and resources and as such it would be limited to significant strategic matters. All Commission Members supported this view and recognised that it would require a commitment of openness from Cabinet.
- 5.3 To assist the delivery of more effective pre-decision scrutiny a draft protocol is being developed in consultation with the Chair of Scrutiny and the Chair of the Democracy Commission/Cabinet Member for Democracy and Housing will operate within the authority. The pre-decision protocol, will provide a framework to ensure good lines of communication between Lead Members, Cabinet Members and Strategic Directors and will be implemented in the new municipal year. The protocol aims to ensure potential items are identified in a timely manner which allows time for scrutiny to influence and add value to the decision-making process.

Member Training

- 5.4 Arrangements are underway to provide scrutiny training to all Members in advance of the first meeting of the Scrutiny Panels in the 2023/24 Municipal Year. The training will include:
- Scrutiny Structure in Kirklees
 - Relevant Legislation and powers
 - Call-In guidance
 - Meeting Preparations
 - Questioning Techniques
 - Work Programme prioritisation

A finalised programme will be developed in consultation with the Chair of Scrutiny, with a separate additional session being developed for Lead Members.

Progress in relation to the implementation of all the recommendations of the Democracy Commission is set out at **Appendix 3**.

6. Implications for the Council

Working with People

N/A

Working with Partners

N/A

Place Based Working

N/A

Climate Change and Air Quality

N/A

Improving outcomes for children and young people

The proposals within the report do not seek to change the current arrangements in respect of scrutiny of Children's Services

Financial Implications for the people living or working in Kirklees

There are no direct cost impacts on the Kirklees community.

Other (e.g., Legal/Financial or Human Resources)

The proposed structure meets with the requirements of the Local Government Act 2000 and subsequent legislation in relation to the provision of a scrutiny function.

The financial implications as set out in paragraph 4.6 of the report indicate that the proposed structure can be supported without an increase in special responsibility allowances.

Consultation

The Chair of Overview and Scrutiny Management Committee, Chair of the Democracy Commission have been consulted on the proposals.

7. Next steps and timelines

Any recommendations from the Committee in respect of changes to the Council's Scrutiny structures would need approval from full Council.

8. Officer recommendations and reasons

1. That Corporate Governance and Audit committee recommends to Annual Council the changes as set out in paragraph 3 of the report

2. That subject to the agreement of (1) above, the 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.

9. Cabinet Portfolio Holder's recommendations

Not applicable.

10. Contact officer

Samantha Lawton, Head of Governance
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11. Service Director responsible

Julie Muscroft, Service Director, Legal, Governance and Commissioning

Appendices

Insert: Appendix 1 – Current Scrutiny structure
Appendix 2 – Proposed Scrutiny structure
Appendix 3 – Democracy Commission recommendations and update

