

SCRUTINY COMMISSION - 8TH MARCH 2021**Report of the Head of Strategic Support****Part A****ITEM SCRUTINY COMMITTEE STRUCTURE**Purpose of Report

To present proposals for amendments to the Scrutiny Committee structure, to enable the Scrutiny Commission to make recommendations to full Council.

Recommendations

1. That it be recommended to Council that, with effect from the 2021/22 civic year:
 - 1a. The Scrutiny Committee structure be amended to consist of the following two standing scrutiny committees, with the responsibilities, functions and membership as set out in Appendix B:
 - Scrutiny Commission
 - Finance & Performance Scrutiny Committee; and
 - 1b. Delegated authority be given to the Monitoring Officer to make any consequential amendments to the Constitution that may be required.
2. That it be noted that the Monitoring Officer will request that the Independent Remuneration Panel consider the special responsibility allowances for the Chair and Vice-chairs of the two committees, and that appropriate recommendations will then be made to Council to amend the Scheme of Member Allowances accordingly.

Reasons

1. To amend the Scrutiny structure following the review that has been undertaken.
2. To ensure that the Scheme of Member Allowances is kept up to date and relevant.

Policy Justification and Previous Decisions

The current Scrutiny Committee structure needs to be reviewed, and in particular the three directorate based committees, as the Chief Executive has made changes to directorates and the services that fall within them.

Also, a review is timely in light of the ongoing pandemic and the significant ongoing financial challenges facing the Council, which have resulted in an urgent need to identify budget savings and efficiencies wherever possible.

Implementation Timetable including Future Decisions and Scrutiny

Any changes will be subject to full Council approval at the meeting on 26th April 2021.

Report Implications

The following implications have been identified for this report.

Financial Implications

The proposals would generate ongoing savings of approximately £10,000 per annum due to a reduction in special responsibility allowances from reducing the number of standing scrutiny committees, although the final savings will depend on the recommendations of the Independent Remuneration Panel and amendments to the Scheme of Member allowances to be agreed by full Council.

There would also be further, non-cashable, efficiency savings in terms of officer time spent on writing reports and attending and supporting a smaller number of scrutiny committees.

Risk Management

There are no risks associated with these proposals.

Officer to contact:

Adrian Ward
Head of Strategic Support
(01509) 634573
adrian.ward@charnwood.gov.uk

Part B

Background

1. The Good Scrutiny Guide, published by the Centre for Governance & Scrutiny (previously the Centre for Public Scrutiny) states that:

'There is no "right approach" to the structure of scrutiny committees. Some councils have a single one, others have many'.

2. The Guide further states that there are a few common models for scrutiny:
 - *'Single committee which does all the work. More common in smaller authorities, this approach sees all scrutiny work happening in a single, formal space,*
 - *Single committee commissioning task and finish group. Here, a committee provides coordination of a number of task and finish groups – the committee will usually also undertake its own substantive work,*
 - *Two committees dividing substantive topics between them (eg "people" and "places"),*
 - *Two committees dividing issues between them differently (eg "policy development" and "performance"),*
 - *Multiple committees (sometimes involving a corporate committee which "leads" the function, sometimes not)'.*
3. The current Scrutiny Committee structure was approved by full Council on 25th February 2019 and consists of the following 4 standing committees, which in total have 24 scheduled meetings per year:
 - Scrutiny Commission (12 scheduled meetings per year)
 - Corporate Services Scrutiny Committee (4 scheduled meetings per year)
 - Housing, Planning, Regeneration & Regulatory Services Scrutiny Committee (4 scheduled meetings per year)
 - Neighbourhoods & Community Wellbeing Scrutiny Committee (4 scheduled meetings per year)
4. In addition to the 4 standing scrutiny committees, there are also the following:
 - Budget Scrutiny Panel (constituted annually to consider the developing budget proposals)
 - Scrutiny Call-in Committee (meets as required to consider any scrutiny call-ins)
 - Task-and-Finish Scrutiny Panels (up to 4 at any one time, including the Budget Scrutiny Panel).
5. A comparison of scrutiny arrangements in the other district councils in Leicestershire has been undertaken and is summarised below (more details are available in Appendix A). This demonstrates that Charnwood has more standing committees with more meetings than any of the other authorities:

	No. of Standing Scrutiny Committees	Estimated No. of Scheduled Committee Meetings per Year
Charnwood	4	24
Blaby	3	18
Harborough	3	12
Hinckley & Bosworth	2	12
North West Leicestershire	2	8
Melton	1	6

6. There are three considerations which make this an opportune time to review the current scrutiny committee structure:
 - a. Following recent management reorganisations undertaken by the Chief Executive, the current 3 directorate based scrutiny committees no longer follow the senior leadership team structure, and therefore there is a need to review the arrangements.
 - b. During the ongoing pandemic, the Scrutiny Commission has suspended the 3 directorate based scrutiny committees to allow officers to focus on the response to, and recovery from, the pandemic. This also provides an opportunity to re-assess the scrutiny structure.
 - c. The Council is facing very significant financial pressures, which means that budget savings have to be identified wherever possible. The draft budget approved for consultation by Cabinet includes a proposal to save £10,000 per annum by having fewer scrutiny committees, leading to reductions in special responsibility allowances, and also additional non-cashable efficiency savings in terms of officer time spent supporting the committees.
7. The Budget Scrutiny Panel expressed some concerns about the proposal to reduce the number of scrutiny committees because of the possible impact on the effectiveness of the scrutiny function.
8. For clarification, where scrutiny work has identified service improvements and efficiencies these have arisen from the recommendations of 'task-and-finish' scrutiny panels, rather than from standing scrutiny committees, and there are no proposals to reduce the number of task-and-finish scrutiny panels that can be supported (ie. up to 4 at any one time, including the Budget Scrutiny Panel).
9. Officers do not therefore consider that a reduction in the number of standing scrutiny committees would impact significantly on opportunities for future scrutiny work to identify budget savings or improvements in services, given that scrutiny task-and-finish panels could continue on the same scale and basis as currently.
10. It is therefore proposed that 2 standing scrutiny committees should be established rather than the current 4, and potential options for these 2 committees are set out in the following sections.

OPTION 1

Scrutiny Commission

11. The Scrutiny Commission would have the following responsibilities:
- Managing the scrutiny work programme
 - Commissioning scrutiny task and finish panels
 - Community Safety Partnership scrutiny
 - Monitoring of performance, budget, capital, and treasury management reports (including commercialisation strategy)
 - Consideration of any call-ins

Membership: 13

Meeting frequency: Quarterly (plus additional meetings for any call-ins if required)

Overview Scrutiny Committee

12. The Overview Scrutiny Committee would have sole responsibility for undertaking Cabinet pre-decision scrutiny.

Membership: 9

Meeting frequency: monthly (in advance of each Cabinet meeting)

OPTION 2

Scrutiny Commission

13. It is proposed that the Scrutiny Commission would continue on the same basis as currently with the existing terms of reference, except that the membership be increased from 7 to 9 and it would consider any scrutiny call-ins. There would continue be 12 scheduled meetings per year (ie. one per month in advance of scheduled Cabinet meetings, to allow for pre-decision scrutiny of forthcoming Cabinet reports).

Finance & Performance Scrutiny Committee

14. This would be a new committee, replacing the current 3 directorate based scrutiny committees, with a proposed membership of 15 councillors. The committee would have 4 scheduled meetings per year, timed to consider the quarterly corporate performance reports. It would also be responsible for considering revenue and capital budget monitoring and outturn reports, treasury management performance, and progress on the Council's commercialism strategy.

Scrutiny Panels (under both Options)

15. As referred to previously, arrangements and support for scrutiny task-and-finish panels would remain unchanged, so that up to 4 of these could be in progress at any one time, including the annual budget scrutiny panel which would also continue on the same basis as currently.

Consultation with Councillors

16. At their meeting on 11th January 2021 the Scrutiny Commission requested that the Head of Strategic Support should consult councillors who are members of the current scrutiny committees on the potential options. Of the 23 councillors who were consulted six responded, and their views are summarised below:
 - Four councillors supported a move to 2 standing scrutiny committees, and all of those four councillors favoured Option 2 (ie. Scrutiny Commission and a Finance & Performance Scrutiny Committee),
 - Of those four councillors, one proposed that the membership of the Finance & Performance Committee should be fewer than 15, and suggested 9 instead,
 - One councillor supported a reduction to 3 standing scrutiny committees, each of 8 members, consisting of a Scrutiny Committee (meeting quarterly), a Policy Overview Committee (meeting either monthly or bi-monthly), and a Landlords & Neighbourhoods Committee, focussing on neighbourhood services and issues around the Council's housing estates with the costs of the committee being funded from the Housing Revenue Account,
 - One other councillor also supported a reduction to 3 standing scrutiny committees, with no more than 8 members each, consisting of a Scrutiny Commission (meeting monthly), a Performance Scrutiny Committee (meeting frequency not specified, but presumably quarterly), and a Community Safety & Neighbourhoods Scrutiny Committee (meeting twice a year). This councillor also suggested that monitoring of the Council's financial performance could potentially be undertaken by the Audit Committee rather than by scrutiny.
17. The majority of those scrutiny councillors who responded supported a reduction to 2 scrutiny committees as set out in Option 2, and this is therefore the proposal that is recommended.
18. Some of the responding councillors felt that the maximum number of members of any scrutiny committee should be 8, and one felt that the membership of the proposed Finance & Performance Scrutiny Committee should be lower than the 15 proposed, with a suggestion of 9. Committee membership numbers is therefore something that the Scrutiny Commission may wish to consider, given that the proposal within Option 2 is for a Scrutiny Commission with 9 members, and a Finance & Performance Scrutiny Committee with 15 members. Those suggested numbers were proposed to ensure that a similar number of councillors could continue to sit on the standing scrutiny committees as currently.

Appendices

- Appendix A: Summary of Scrutiny Committee Meetings for District Councils in Leicestershire
- Appendix B: Option 2 – Proposed Areas of Responsibility & Work

Summary of Scrutiny Meetings for District Councils in Leicestershire

Melton (total of 6 scrutiny meetings per year)
Scrutiny Committee (6 meetings a year)

HBBC (total of 12 scrutiny meetings per year)
Scrutiny Commission (6 meetings per year)
Finance & Performance Scrutiny (6 meetings per year)

Oadby
N/A (Committee structure)

Harborough (total of 12 scrutiny meetings per year)
Scrutiny Commission (4 meetings per year)
Scrutiny Panel – Communities (4 meetings per year)
Scrutiny Panel – Performance (4 meetings per year)

NWL (total of 8 meetings per year)
Community Scrutiny Committee (4 meetings per year)
Corporate Scrutiny Committee (4 meetings per year)

Blaby (total of 19 meetings per year)
Scrutiny Commission (6 meetings per year)
Communities Scrutiny Working Group (6 meetings per year)
Performance Scrutiny Working Group (6 meetings per year)
Joint Community Safety Partnership Overview & Scrutiny Committee (1 meeting per year)

Charnwood (total of 24 scrutiny meetings per year)
Scrutiny Commission (12 meetings per year)
3 x Directorate Based Scrutiny Committees (3 x 4 = 12 meetings per year)

Option 2 - Proposed Areas of Responsibility and Work

Body	Areas of Work
<p>Scrutiny Commission</p> <p>Membership: 9 (politically balanced)</p>	<ul style="list-style-type: none"> (i) Setting, managing and controlling the scrutiny work programme and coordinating scrutiny generally (ii) Establishing scrutiny panels and determining their scope, terms of reference and timing (iii) Considering recommendations from scrutiny panels before they are referred by the Commission to Cabinet, Council or a committee (iv) Reviewing proposed decisions on the Forward Plan and the agenda for forthcoming Cabinet meetings and making recommendations to Cabinet in respect of those proposed decisions (v) Responding to Councillor Calls for Action (vi) Monitoring the effectiveness of scrutiny through reviewing the implementation of recommendations (vii) Considering petitions holding officers to account in accordance with the Council's Petition Scheme (viii) Considering decisions of the Cabinet and officers which are called-in
<p>Finance & Performance Scrutiny Committee</p> <p>Membership: 15 (politically balanced)</p>	<ul style="list-style-type: none"> (i) Acting as the Council's crime and disorder committee by scrutinising the discharge of crime and disorder functions by the Council and other agencies through the Community Safety Partnership (ii) Scrutiny of external public service providers and partners (iii) Scrutiny of outside bodies, especially those which the Council gives grants to and/or has service level agreements with (iv) Scrutiny of services which are shared with other local authorities including joint scrutiny of those services (v) Receiving regular performance and financial monitoring reports (vi) Identifying areas of underperformance or where performance could be improved which requires further scrutiny (vii) Investigating how improvements in performance can be made through examining best practice and performance at other councils (viii) Reviewing the processes used to develop policy, including how consultation and stakeholder engagement are undertaken, the format of policy documents and how the successful implementation of policies is measured