

# FINANCE & PERFORMANCE SCRUTINY COMMITTEE – 22ND JUNE 2021

## Report of the Head of Strategic Support

### Part A

#### ITEM 6 NEW SCRUTINY COMMITTEE TERMS OF REFERENCE

##### Purpose of Report

To provide the Committee with information regarding its own remit and terms of reference.

##### Recommendation

That the information regarding the remit and terms of reference of the Committee, set out in Part B of and the appendix to this report, be noted.

##### Reason

To assist the effective working of the Committee as part of the Council's new scrutiny committee structure.

##### Policy Justification and Previous Decisions

Following management reorganisations undertaken by the Chief Executive, the current 3 directorate based scrutiny committees were no longer following the senior leadership team structure, and therefore there was a need to review the arrangements. During the ongoing pandemic the Scrutiny Commission suspended the three directorate based scrutiny committees to allow officers to focus on the response to, and recovery from, the pandemic. This provided an opportunity to re-assess the scrutiny structure.

The Council is facing very significant financial pressures, which means that budget savings had to be identified wherever possible. The budget approved for consultation by Cabinet included 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.

At its 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. On 19th January 2021, the Head of Strategic Support sought the views of all current scrutiny committee members on two options. Of the 23 councillors who were consulted six responded, and it was agreed to implement option 2 (Scrutiny Commission and a Finance & Performance Scrutiny Committee).

A report was submitted to the Scrutiny Commission at its meeting on 8th March 2021, it was resolved (*minute 134, 2020-21 refers*):

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, with the amendment that membership of the respective committees:*
  - *Scrutiny Commission (Membership 7)*
  - *Finance & Performance Scrutiny Committee (Membership 9);*  
*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.*
3. *That a workshop be scheduled following the Council meeting on 26th April 2021 to allow members of the Scrutiny Commission to develop and align their work programme to reflect the new scrutiny structure. This would then be reported back into the Scrutiny Commission for transparency.*

At the full Council meeting on 26th April 2021 it was resolved that (*minute 133 2020-21 refers*):

1. *That the current scrutiny committee structure set out in the Constitution be replaced with the following committees as from the commencement of the 2021/22 civic year:*
  - *Scrutiny Commission (consisting of 7 members selected on a politically balanced basis, quorum to be 4 members),*
  - *Finance and Performance Scrutiny Committee (consisting of 9 members selected on a politically balanced basis, quorum to be 5 members).*
2. *That the overall areas of responsibility for each of the new scrutiny committees be as summarised in Part B of the report of the Monitoring Officer (attached as Annex).*
3. *That delegated authority be given to the Monitoring Officer to make any consequential amendments to the Constitution that may be required.*
4. *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.*

## Implementation Timetable including Future Decisions and Scrutiny

The new scrutiny committee structure will operate from the start of the 2021/22 Council year and scrutiny committees will operate within that structure and the remit and terms of reference set out in the Council's Constitution. A summary of those arrangements is set out in Part B of this report to assist the effective working of the Committee.

### Report Implications

The following implications have been identified for this report.

#### *Financial Implications*

There are no financial implications.

#### *Risk Management*

There are no specific risks associated with this decision.

Background papers: Scrutiny Commission, 8th March 2021 report, [link here](#)

Council 26il April 2021, report, [link here](#)

Appendix: Functions of Scrutiny Committees – Extract from the Council's Constitution

Officers to contact: Adrian Ward  
Head of Strategic Support  
(01509) 634573  
[adrian.ward@charnwood.gov.uk](mailto:adrian.ward@charnwood.gov.uk)

Karen Widdowson  
Democratic Services Manager  
(01509) 634785  
[karen.widdowson@charnwood.gov.uk](mailto:karen.widdowson@charnwood.gov.uk)

## Part B

### Scrutiny Principles

1. Scrutiny is an integral part of local authority governance. Rather than making decisions, the role of scrutiny is to improve decision-making by others through reviewing decisions and actions that have been taken and suggesting improvements that could be made. It ensures that the Cabinet can be held to account and that a broad range of councillors can be involved in policy development. Scrutiny can also provide an opportunity for the views of the public, businesses, community groups and others to be considered when reviewing the Council's activities.
2. One of the key jobs that scrutiny does is to hold decision-makers (especially the Council's Cabinet) to account for their decisions. Scrutiny bodies have the power to require Cabinet members to attend their meetings and explain the decisions they have taken, and progress with delivering the Council's policies and performance targets. Having heard from decision-makers and gathered other evidence, for example from good practice elsewhere, scrutiny bodies are able to make recommendations on how things could be improved.
3. A useful guide to undertaking scrutiny can be to consider the four principles of good scrutiny identified by the Centre for Governance & Scrutiny. These are that scrutiny:
  - (i) provides a 'critical friend' challenge to the Cabinet
  - (ii) enables the voice and concerns of the public to be heard
  - (iii) is independent and owned by scrutiny councillors
  - (iv) drives improvement in local services.
4. 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'.*

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).

5. The Council's Constitution sets out the rules governing how scrutiny committees operate, including the powers that are available to them and their roles and responsibilities. These are set out below and in the attached appendix.

### General Functions

6. The general principles regarding how scrutiny should operate have been incorporated into the rules set out in the Council's Constitution. These set out that the key functions of the Council's scrutiny committees are to:
  - hold the executive to account by reviewing decisions of the Cabinet and the Council's progress in achieving its policy aims and performance targets
  - develop and review policy by studying policy issues in detail, carrying out its own research and consultation on policy and involving the public in developing policy
  - hold other public service providers to account where appropriate.
7. The Constitution also sets out the methods available to scrutiny committees in performing those functions. These are based on the understanding that scrutiny works best when it makes recommendations (principle (i) and principle (iv)) that are based on robust and wide-ranging evidence (principle (ii) and principle (iii)). Those methods are to:
  - require Cabinet members and senior officers to attend their meetings and answer questions
  - invite other people to their meetings and gather evidence from them
  - monitor the Forward Plan and call for reports on items that are coming up
  - send reports and recommendations to the Cabinet or full Council on matters that have been scrutinised
  - hold longer inquiries into more complex matters.

### Functions Specific to the Finance and Performance Scrutiny Committee

8. The Constitution sets out the specific functions of this committee based on these principles and methods. These are set out in full in the appendix to this report.
9. This committee has an additional function of 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.

### Scrutiny Commission Functions

10. The Scrutiny Commission has different functions to reflect its role in co-ordinating the work of scrutiny and undertaking pre-decision scrutiny. Its functions relating to setting the overall scrutiny work programme are discussed in paragraphs 10 and 11 below. The other functions of the Scrutiny Commission are:

- Pre-decision scrutiny – this provides the opportunity for reports to be scrutinised before they are submitted to the Cabinet. The Commission can use this process to examine the reasoning behind the recommendations that are being made to the Cabinet and suggest possible alternative recommendations.
- Monitoring the effectiveness of scrutiny through reviewing the implementation of recommendations – in order to ensure that scrutiny is making a difference the Commission will receive information on the number of recommendations being made by scrutiny committees and panels, the actions agreed by the Cabinet (or other body) in response to those recommendations and the implementation of those actions.
- Responding to Councillor Calls for Action – Councillor Calls for Action provide a means for councillors to raise issues that affect their ward when other attempts to resolve that issues have been unsuccessful. The role of the Commission is to decide whether the issue should be added to the scrutiny work programme.
- Considering petitions holding officers to account in accordance with the Council’s Petition Scheme – if a petition on an issue has at least 2,000 signatures the relevant officer will give evidence about the issue to a meeting of the Commission.

### Work Programming

11. The Scrutiny Commission has overall responsibility for the scrutiny work programme. As a result it can amend the work programmes of the other scrutiny committee and establish standing and ad hoc panels to undertake more detailed scrutiny inquiries. This enables the Commission to keep an overview of the whole of the work of the scrutiny function to ensure that the resources of councillors and officers are used effectively by avoiding duplication and enabling cross-directorate corporate issues to be scrutinised.
12. This scrutiny committee can identify and schedule items for its own work programme as long as they fall within its area of responsibility without needing the approval of the Commission. If the committee identifies a topic for scrutiny that is outside its remit, it can make a recommendation to the Scrutiny Commission that it is added to its work programme or consider a Task and Finish Panel.

## Functions of Scrutiny Committees

<b>Body</b>	<b>Areas of work</b>
Scrutiny Commission	<ul style="list-style-type: none"> <li>i) Setting, managing and controlling the scrutiny work programme and coordinating scrutiny generally</li> <li>ii) Establishing scrutiny panels and determining their scope, terms of reference and timing</li> <li>iii) Considering recommendations from scrutiny panels before they are referred by the Commission to Cabinet, Council or a committee</li> <li>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</li> <li>v) Responding to Councillor Calls for Action</li> <li>vi) Monitoring the effectiveness of scrutiny through reviewing the implementation of recommendations</li> <li>vii) Considering petitions holding officers to account in accordance with the Council's Petition Scheme</li> <li>viii) Considering decisions of the Cabinet and officers which are called-in</li> </ul>
Finance and Performance Scrutiny Committee (politically balanced)	<p>For the services falling within this committee:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(ii) Scrutiny of external public service providers and partners</li> <li>(iii) Scrutiny of the Council's commercialism strategy</li> <li>(v) Scrutiny of outside bodies, especially those which the Council gives grants to and/or has service level agreements with</li> <li>(vi) Scrutiny of services which are shared with other local authorities including joint scrutiny of those services</li> <li>(vii) Receiving regular performance and financial monitoring reports</li> </ul>

<b>Body</b>	<b>Areas of work</b>
	<p>(viii) Identifying areas of underperformance or where performance could be improved which requires further scrutiny</p> <p>(ix) Investigating how improvements in performance can be made through examining best practice and performance at other councils</p> <p>(x) 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</p>