

Agenda No 7(a)

AGENDA MANAGEMENT SHEET

Report Title:	Review of Overview and Scrutiny Arrangements
Name of Committee:	Council
Date of Meeting:	24 September 2020
Report Director:	Executive Director
Portfolio:	Corporate Resources
Ward Relevance:	All wards
Prior Consultation:	Engagement with members and officers through external training sessions All Group Leaders
Contact Officer:	Mannie Ketley, Executive Director, 01788 533416, Mannie.Ketley@rugby.gov.uk Aftab Razzaq, Legal Democratic & Electoral Services Manager/Monitoring Officer, 01788 533521, Aftab.Razzaq@rugby.gov.uk
Public or Private:	Public
Report Subject to Call-In:	No
Report En-Bloc:	No
Forward Plan:	Yes
Corporate Priorities:	This report relates to the following priority(ies):
(CR) Corporate Resources	<input type="checkbox"/> To provide excellent, value for money services and sustainable growth
(CH) Communities and Homes	<input type="checkbox"/> Achieve financial self-sufficiency by 2020
(EPR) Environment and Public Realm	<input type="checkbox"/> Enable our residents to live healthy, independent lives
(GI) Growth and Investment	<input type="checkbox"/> Optimise income and identify new revenue opportunities (CR)
	<input type="checkbox"/> Prioritise use of resources to meet changing customer needs and demands (CR)
	<input checked="" type="checkbox"/> Ensure that the council works efficiently and effectively (CR)
	<input type="checkbox"/> Ensure residents have a home that works for them and is affordable (CH)
	<input type="checkbox"/> Deliver digitally-enabled services that residents can access (CH)

- Understand our communities and enable people to take an active part in them (CH)
- Enhance our local, open spaces to make them places where people want to be (EPR)
- Continue to improve the efficiency of our waste and recycling services (EPR)
- Protect the public (EPR)
- Promote sustainable growth and economic prosperity (GI)
- Promote and grow Rugby's visitor economy with our partners (GI)
- Encourage healthy and active lifestyles to improve wellbeing within the borough (GI)
- This report does not specifically relate to any Council priorities but

Statutory/Policy Background: The requirement for local authorities in England to establish overview and scrutiny committees is set out in sections 9F to 9FI of the Local Government Act 2000 as amended by the Localism Act 2011

Summary: This report details the proposed recommendations following a review of the Council's current overview and scrutiny arrangements.

Financial Implications: A programme of training has been proposed.

The Chair will be entitled to a special responsibility allowance.

Risk Management Implications: There are no risk management implications arising from this report.

Environmental Implications: There are no environmental implications arising from this report.

Legal Implications: The Council has a statutory obligation (as cited above) to establish an overview and scrutiny committee

Equality and Diversity: There are no equality and diversity implications arising from this report.

Options: Members can elect to approve, amend or reject the recommendations made in this report.

Recommendation: 1) The Communities and Resources Scrutiny Committee and the Environment and Growth Overview and Scrutiny

Committee be replaced by a new single Scrutiny Committee;

- 2) the Scrutiny Committee comprises of nine members and reflects a political proportionate balance. The Scrutiny Committee will consist of 5 Conservative Members, 2 Labour Members and 2 Liberal Democrat Members;
- 3) the proposals set out in the Scrutiny Review Proposals (August 2020) paper (Appendix 1) be adopted in relation to the on-going operation of the Scrutiny Committee;
- 4) the Members as listed in Appendix 2 be nominated and appointed to sit on the Scrutiny Committee;
- 5) delegated authority be granted to the Monitoring Officer for all necessary amendments to be made to the constitution to incorporate the single scrutiny committee structure and the recommendations set out within this report;
- 6) a constitutional requirement be included for each municipal year that mandatory training be undertaken for all members of the Scrutiny Committee. The Chairs and Vice Chairs will also be required to attend separate training for Chairs and Vice Chairs; and
- 7) the meeting dates for the Scrutiny Committee be approved as outlined in Appendix 3 and, if necessary, delegated authority be granted to the Executive Director to amend such dates.

Reasons for Recommendation: To implement improvements to the current overview and scrutiny structure and ensure the Council is undertaking effective scrutiny in accordance with its statutory obligations

Council - 24 September 2020

Review of Overview and Scrutiny Arrangements

Public Report of the Executive Director

Recommendation

- (1) The Communities and Resources Scrutiny Committee and the Environment and Growth Overview and Scrutiny Committee be replaced by a new single Scrutiny Committee;
- (2) the Scrutiny Committee comprises of nine members and reflects a political proportionate balance. The Scrutiny Committee will consist of 5 Conservative Members, 2 Labour Members and 2 Liberal Democrat Members;
- (3) the proposals set out in the Scrutiny Review Proposals (August 2020) paper (Appendix 1) be adopted in relation to the on-going operation of the Scrutiny Committee;
- (4) the Members as listed in Appendix 2 be nominated and appointed to sit on the Scrutiny Committee;
- (5) delegated authority be granted to the Monitoring Officer for all necessary amendments to be made to the constitution to incorporate the single scrutiny committee structure and the recommendations set out within this report;
- (6) a constitutional requirement be included for each municipal year that mandatory training be undertaken for all members of the Scrutiny Committee. The Chairs and Vice Chairs will also be required to attend separate training for Chairs and Vice Chairs; and
- (7) the meeting dates for the Scrutiny Committee be approved as outlined in Appendix 3 and, if necessary, delegated authority be granted to the Executive Director to amend such dates.

1. Background

1.1 The process of scrutiny is derived from statute and has a critical role within the Council.

1.2 Under the Council's executive structure, it is currently delivered through two committees namely:

- Communities and Resources Scrutiny Committee; and
- Environment and Growth Overview and Scrutiny Committee

1.3 The above committees were established through the review of scrutiny that was determined by Full Council in 2019.

1.4 The delivery of scrutiny is made in conjunction with statutory guidance and the nationally recognised Centre of Public Scrutiny.

1.5 Throughout the various forms of guidance, the following key principles are cited as to the form of effective scrutiny:

- provides a constructive “critical friend” challenge;
- amplifies the voices and concerns of the public;
- is led by independent people who take responsibility for their role; and
- drives improvement in public services.

1.6 In addition to the above there is the overriding objective of “*holding the executive to account*” and “*creating a culture of scrutiny*”.

2. Consultation

2.1 Earlier this year the Council arranged an external training session with both members and officers. These were held separately and provided a forum to explore overall guidance on scrutiny, and any areas of improvement.

2.2 The conclusion of these sessions set out the following key principles:

- scrutiny work to be carried out by task groups rather than committee;
- take a more fluid approach to setting the work programme;
- core community engagement by members through attending external organisations’ meetings;
- overall effective community engagement;
- reports having clear recommendations based on outcomes;
- consideration of a rolling longer-term work programme; and
- making scrutiny training mandatory for committee members (beginning of municipal year).

2.3 The consensus in both forums was that a further improvement in scrutiny was required and this requires due consideration, alongside the challenges that have arisen through COVID-19.

3. Proposals

3.1 Further to the external training sessions, a paper titled Scrutiny Review Proposals (August 2020) was prepared by the Monitoring Officer (this paper is appended to the report at Appendix 1). The paper sets out proposals for the creation and operation of a new single Scrutiny Committee.

3.2 The Scrutiny Review Proposals (August 2020) paper has been circulated to political group leaders and thereafter to wider members. for their consideration.

3.3 As set out within this paper the present structure of Scrutiny is led by a two-committee process. These committees are constrained against the relevant portfolios. The constrained approach of the two committees do conflict with the identified strands of the COVID-19 recovery, and the inevitable overlap between the various portfolios will give rise to difficulties in effective scrutiny.

3.4 The recommendation for a single Scrutiny Committee will ensure that a more fluid structure is in place, that is not dictated by Portfolios and can remain in place for the long term.

3.5 The committee will move away from the affiliation with portfolios and it is expected that there will be a strong focus on task and finish groups. This is reflective of both the previous training, guidance, and the forthcoming four strands of recovery. It will be for the committee to determine the terms of reference for these groups and it is envisaged that a single committee structure will create a structure of oversight and board control, which is delegated to these groups with the final decision making determined by the committee.

3.6 The proposed membership of the Scrutiny Committee is attached at Appendix 2.

3.7 The proposed dates for meetings of the Scrutiny Committee for the remainder of the current municipal year are attached at Appendix 3.

4. Conclusion

4.1 The Council is in unprecedented times and it is essential that during such times the Council evolves and responds to the demands of the pandemic and the needs of the public. As set out within the Scrutiny Review Proposals (August 2020) paper, scrutiny has a crucial role to play and given the statutory responsibility associated with this role the Council needs to create a structure that allows effective scrutiny to take place. This is achieved through the recommendations within this report.

Name of Meeting: Council

Date of Meeting: 24 September 2020

Subject Matter: Review of Overview and Scrutiny Arrangements

Originating Department: Corporate Resources

DO ANY BACKGROUND PAPERS APPLY YES NO

LIST OF BACKGROUND PAPERS

Doc No	Title of Document and Hyperlink

The background papers relating to reports on planning applications and which are open to public inspection under Section 100D of the Local Government Act 1972, consist of the planning applications, referred to in the reports, and all written responses to consultations made by the Local Planning Authority, in connection with those applications.

Exempt information is contained in the following documents:

Doc No	Relevant Paragraph of Schedule 12A



SCRUTINY REVIEW PROPOSALS

AUGUST 2020

1. Background

1.1 The process of Scrutiny is derived from statute¹ and has a critical role within the Council.

1.2 Under the Council's Executive Structure, it is delivered through two committees and these are the following;

- Communities and Resources Scrutiny Committee
- Environment and Growth Overview and Scrutiny Committee

1.3 The above committee were established through the review of scrutiny that was determined by Full Council².

2. Present Scrutiny

2.1 The delivery of Scrutiny is made in conjunction with statutory guidance³ and the nationally recognised Centre of Public Scrutiny⁴.

2.2 Throughout the various forms of guidance, the following key principles are cited as to the form of effective scrutiny;

- provides a constructive "critical friend" challenge;
- amplifies the voices and concerns of the public;
- is led by independent people who take responsibility for their role
- drives improvement in public services.

2.3 In addition to the above there is the overriding objective of 'holding the executive to account, and 'creating a culture of scrutiny'.

2.4 Earlier this year the Council arranged an external training session with both Members and Officers. These were held separately and provided a forum to explore overall guidance on Scrutiny, and any areas of improvement. The conclusion of these sessions set out the following key principles;

- Scrutiny work to be carried out by task groups rather than committee.
- Take a more fluid approach to setting the work programme.

¹ sections 9F to 9FI of the Local Government Act 2000 as amended by the Localism Act 2011

² 23rd April 2019 <https://www.rugby.gov.uk/meetings/meeting/908/council>

³ Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities- May 2019
<https://www.gov.uk/government/publications/overview-and-scrutiny-statutory-guidance-for-councils-and-combined-authorities>

⁴ CFPS The good scrutiny guide- June 2019
<https://www.cfps.org.uk/?publication=the-good-scrutiny-guide>

- More community engagement by members through attending external organisations' meetings.
- Overall effective community engagement
- Reports having clear recommendations based on outcomes.
- Consideration of a rolling longer-term work programme
- Making scrutiny training mandatory for committee members (beginning of municipal year)

2.5 The consensus in both forums was that an improvement in Scrutiny was required and this requires due consideration, alongside the challenges that have arisen through COVID-19.

3. COVID-19

3.1 The COVID-19 pandemic has brought and will continue to give rise to several challenges. The fundamental challenge is the recovery process. The form of this recovery was highlighted within the recent Cabinet Report⁵ and set out the following key strands;

- Economy
- Climate
- Health and Communities
- Organisation

3.2 Scrutiny have a crucial role in the recovery process, and at the heart of this is creating a culture of effective scrutiny.

4. Culture

4.1 The statutory guidance⁶ provides a steer as to how such a culture can be created. This includes the following;

Creating a strong organisational culture supports scrutiny work that can add real value by, for example, improving policy-making and the efficient delivery of public services.

4.2 The guidance outlines further detail through the following;

5. Recognising scrutiny's legal and democratic legitimacy

⁵ 1st June 2020- COVID 19 Response- <https://www.rugby.gov.uk/meetings/meeting/1114/cabinet>

⁶ p.8-10 reference Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities- May 2019

<https://www.gov.uk/government/publications/overview-and-scrutiny-statutory-guidance-for-councils-and-combined-authorities>

5.1 Members need to understand the crucial role that will be played by Scrutiny. This point is reflected both within the proposal to review scrutiny and the present absence of an adequate training programme.

6. Identifying a clear role and focus

6.1 The present structure of Scrutiny is led by a two-committee process. These committees are constrained against the relevant portfolios. In the overall review an assessment needs to be undertaken as to whether such a structure will support the recovery process.

6.2 The CFPS has produced a guidance note outlining the approach of Scrutiny during COVID-19.⁷ This note sets out the requirement of a focused approach and the suggestion of a single committee. Although it does note that a formal structure change is not required, the Council does need to consider the identified strands of recovery and their relationship with the existing portfolios and overall structure of scrutiny.

6.3 The constrained approach of the two committees do conflict with the above strands of recovery, and the inevitable overlap between the various portfolios will give rise to difficulties in effective scrutiny.

6.4 In addition to this there are presently two vacant posts within the senior management in respect of the portfolios of Corporate Resources and Environment and Public Realm. These vacant posts will be considered within the wider restructure. The principle of the restructure is being put forward to Full Council in August with final proposals in October. Although we are not yet aware of the form of the restructure, it is highly likely that both portfolios will not retain their existing form. Therefore, this conflicts with the existing committee, which is aligned to these portfolios, and as set out above there is a requirement to move away from this constrained structure.

7. Ensuring early and regular engagement between the executive and scrutiny

7.1 As set out within the guidance note there is a clear distinct role for scrutiny. It is a separate body from the executive, and this will be maintained within these proposals.

8. Communicating scrutiny's role and purpose to the wider authority

8.1 It is imperative that members, officers, and the public understand the role of scrutiny. As to how this will be achieved will be ultimately a decision for the committee; however, the feedback from the training session referred to an improvement in the engagement with the public and this will be coupled with training, media forums, and any additional uses.

9. Maintaining the interest of full Council in the work of the scrutiny committee

9.1 This will be a matter for Scrutiny. However, in making such a due consideration it is important that scrutiny is not within a rigid structure. As an independent body it will be for

⁷ CFPS- COVID-19 support to councils Guide 2: Approaches to scrutiny during the crisis June 2020
<https://www.cfps.org.uk/wp-content/uploads/2020-06-19-covid-guide-2-scrutiny-2nd-edn.pdf>

Scrutiny to determine both its liaison with Full Council, and the Executive within the focused strands of recovery. This cannot be achieved within the existing structure and its overlapping nature within the various portfolios.

9.2 In addition to this the new proposals require effective engagement with Full Council Members in both the work programme and the overall performance of Scrutiny. This engagement further strengthens a positive culture and overall faith in Scrutiny. This principle and importance of culture is set out within p.8 (paragraphs 7,9) of the statutory guidance which states the following;

‘The prevailing organisational culture, behaviours and attitudes of an authority will largely determine whether its scrutiny function succeeds or fails. [...]

Creating a strong organisational culture supports scrutiny work that can add real value [...] in contrast, low levels of support for and engagement with the scrutiny function often lead to poor quality and ill focused work that serves to reinforce the perception that it is of little worth and relevance.’

9.3 This positive engagement with Full Council is set out within the proposed changes.

10. Ensuring scrutiny members are supported in having an independent mindset

10.1 The above will be reflected within any forthcoming training. This will be in addition to the support of the Monitoring Officer which has an overriding objective to ensure members act impartially.

11. Selecting a chair

11.1 The selection of a Chair is crucial in any committee. This point is addressed though both the statutory guidance and that of the CFPS. Both sets of guidance are clear in not imposing onerous obligations, as a direction is simply given upon duties of the Chair rather than any affiliation with political parties.

11.2 The statutory guidance⁸ states the following;

“Chairs should pay special attention to the need to guard the committee’s independence. Importantly, however, they should take care to avoid the committee being, and being viewed as, a de facto opposition to the executive.”

11.3 The above has been considered within the overall assessment of Scrutiny.

11.4 Considering the above guidance, feedback from the training sessions, the issues that have arisen through COVID-19, and overall assessment, changes are required for effective scrutiny to be achieved.

⁸ p.16 Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities- May 2019
<https://www.gov.uk/government/publications/overview-and-scrutiny-statutory-guidance-for-councils-and-combined-authorities>

11.5 Scrutiny has a crucial role in the recovery process and it is essential that a structure is put in place that both reflects the upcoming challenges and overall an effective scrutiny culture is embedded which has the faith of Members, Officers and the public.

12. Proposed Changes

12.1 The proposal is for a single Scrutiny Committee to be created. This single committee will ensure that a more fluid structure is in place, that is not dictated by Portfolios and can remain in place for the long term.

12.2 This structure is in conjunction with the above cited guidance. It is essential that the structure reflects the upcoming challenges.

12.3 The committee will move away from the affiliation with portfolios and it is expected that there will be a strong focus on task and finish groups. This is reflective of both the previous training, guidance, and the forthcoming four strands of recovery. It will be for the committee to determine the terms of reference for these groups and it is envisaged that a single committee structure will create a structure of oversight and board control, which is delegated to these groups with the final decision making determined by the committee.

12.4 The Chair and Vice Chair have a crucial role in managing the committee. This is made clear within paragraph 29 of the statutory guidance which states the following;

'The Chair plays a leadership role on a scrutiny committee as they are largely responsible for establishing its profile, influence and ways of working.'

12.5 This crucial role must be given the required significance and support, and this will be achieved in requiring all Chairs to undertake bespoke training prior to any formal appointment. This training will be focused on chairing skills within the context of scrutiny.

12.6 It is also recognised that the members of the committee should be equally supported. This again strengthens the notion of creating a culture of scrutiny. This can only be achieved through an understanding of scrutiny from both Members and Officers. The proposals for change will include mandatory training for all Scrutiny Members within the municipal year.

12.6 As set out above there is also the requirement of ensuring that wider Full Council is engaged in the performance of scrutiny and has overall faith in its role. If this engagement is confined to its work programme, then this fails to go as far as possible in creating a culture of effective scrutiny, and crucially faith in its role. Such faith and overall culture will be achieved through an annual survey from elected members on both the performance of scrutiny and its chair. This survey will create a culture, accountability, and possible future evolution of the scrutiny committee.

12.7. The forthcoming work programme of scrutiny will provide a crucial role in the effectiveness of scrutiny. This work programme should be transparent and involve all members, including those outside of the committee. It should not be led by the Chair, Vice Chair as they have a distinct role to manage the committee, rather than directly influence

the work programme and those matters that will be dealt with by the committee. This engagement with members will be achieved through annual workshops with all members.

12.8 The proposals of the composition of the committee will consist of 9 Members with a political proportionality balance of the following;

Conservative; 5 Members

Labour; 2 Members

Liberal Democrat; 2 Members

12.9 This structure is in line with the envisaged oversight control of scrutiny, with further capacity being through other members which will be involved within task and finish groups.

12.10 The allowances in respect of the Chair will fall within the special responsibility allowances as per other committees. This currently stands at £3,411 each per year.

12.11 Once appointed, the Chair and Vice Chair will only hold their positions until the next scheduled AGM which will be in May next year.

13. AGM/Nomination Process

13.1 The proposals for a change in Scrutiny will be considered at next available opportunity which will be at Full Council in September.

13.2 A report will be taken setting out the proposals contained within this note, alongside the relevant nominations from the political parties.

14. Conclusion

14.1 The Council is in unprecedented times and it is essential that during such times the Council evolves and responds to the demands of the pandemic and the needs of the public. As set out within this note, Scrutiny has a crucial role to play and given the statutory responsibility associated with this role the Council needs to create a structure that allows effective scrutiny to take place.

**REVIEW OF OVERVIEW AND SCRUTINY ARRANGEMENTS
PROPOSED MEMBERSHIP OF SCRUTINY COMMITTEE 2020/21**

5 Conservative Members:

Councillors Mrs A'Barrow, Cade, Eccleson, Gillias, Picker.

2 Labour Members:

Councillors Mahoney, Mrs O'Rourke

2 Liberal Democrat Members:

Councillors Mrs New and Roodhouse

REVIEW OF OVERVIEW AND SCRUTINY ARRANGEMENTS
PROPOSED DATES OF MEETINGS OF SCRUTINY COMMITTEE 2020/21

The following dates are proposed for meetings of the Scrutiny Committee for the remainder of the 2020/21 municipal year:

2 November 2020
14 December 2020
25 January 2021
8 March 2021
19 April 2021