

**EXETER CITY COUNCIL**

**EXECUTIVE  
9 APRIL 2013**

**COUNCIL  
23 APRIL 2013**

**REPORT OF THE SCRUTINY REVIEW MEMBER WORKING GROUP**

**1 PURPOSE OF THE REPORT**

- 1.1 To consider the recommendations of the Scrutiny Review Member Working Group on the operation of the scrutiny function in the Council.

**2 BACKGROUND TO THE REVIEW**

- 2.1 Council on 16 October 2012 approved the establishment of a Member Working Group to review the operation of scrutiny within the Council. Membership comprised the following Chairs and members of Scrutiny Committees:

Cllr Margaret Baldwin – Chair  
Cllr Tyna Crow  
Cllr Norman Shiel  
Cllr Phil Bialyk  
Cllr Simon Bowkett  
Cllr Margaret Clark (replaced Cllr Heather Morris)  
Cllr Ollie Pearson  
Cllr Rod Ruffle

- 2.2 The group, which met on four occasions, was advised and supported by the Strategic Director (Mark Parkinson), the Corporate Manager Democratic and Civic Support (John Street), the Corporate Manager Legal (Baan Al-Khafaji) and the Member Services Manager (Rowena Whiter). The Group received a presentation from Dr Stephanie Snape, of the Local Government Centre, Warwick Business School, a tutor for the LGA Leadership Academy. Dr Snape is a highly experienced facilitator, adviser and researcher on political management and leadership with particular expertise in scrutiny. She discussed with members the key factors contributing to effective scrutiny and informed them of the models and procedures operated by other Councils.

**3 CURRENT OPERATION OF SCRUTINY IN THE COUNCIL**

- 3.1 The working group acknowledged many positive aspects of the current scrutiny system in Exeter City Council, amongst them:-
- “pre-scrutiny” enabled Scrutiny Committees to feed into issues before consideration by Executive, rather than retrospective call-in of decisions that had often, in effect, already been made
  - a number of cross-party Task and Finish Groups had undertaken successful reviews on a wide range of subjects
  - the Constitution already permitted extensive scrutiny powers

- Scrutiny Committees received presentations on a variety of relevant topics from a range of external speakers

Dr Snape identified the good working relationships between the political groups at Exeter City Council as a particular strength and excellent foundation for effective scrutiny.

3.2 The following specific issues were also raised:

- pre-scrutiny often entailed a long lead-in time and repetition of reports through Scrutiny Committees and Executive
- the current system provided little opportunity for the input of residents and community groups
- Scrutiny Committee agendas were over-long and superficially skimmed a broad range of subjects rather than focussing on a smaller number of topics in greater depth
- issues raised in reports or presentations were often not followed through
- the existing scrutiny role was generally perceived as inward-looking and passive, receiving information rather than being pro-active
- there was a perception that Executive did not always pay adequate attention to the comments and concerns of Scrutiny Committees
- the responsibilities of portfolio holders and the revised senior management structure no longer aligned with the scrutiny committee structure, which caused confusion in terms of accountability

3.3 The working group acknowledged that the Council's Constitution already provided Scrutiny Committees with a range of powers to facilitate effective scrutiny, amongst them:-

- to set their own work programme
- to scrutinise and review decisions made by Executive and require the Leader, Portfolio Holder or any senior officer to attend the Committee to explain the matter
- to set up "task and finish groups", hold inquiries and investigate options for policy development, seeking the views of advisers
- Standing Order 18 enables any councillor to place an item on the agenda of a scrutiny committee and speak on it
- Standing Order 19 enables a member of the public to ask the Chair of the Scrutiny Committee or Portfolio Holder any relevant question
- Standing Order 20 enables any Councillor to ask the portfolio holder a question on any matter relevant to the Committee's powers without giving advance notice

## **4 PROPOSALS FOR IMPROVING SCRUTINY**

4.1 The Group identified the following aspirations for an effective scrutiny function:

- to undertake a more in-depth analysis of specified issues
- to enable effective input of the views of residents, community and interest groups
- to look beyond Exeter City Council at issues affecting the quality of life of Exeter citizens
- to assist in the delivery of joined-up public and other services by focussing on outcomes and improvements
- to monitor Council performance and hold the Executive to account

- to improve the contribution that the overview and scrutiny function makes to the development and delivery of Council services
- 4.2 The operation of scrutiny in other authorities was discussed by the Group and the respective merits and disadvantages identified. Members of the Group emphasised their desire for more outward-looking scrutiny, focussing on issues affecting the lives of Exeter citizens and not restricted to the services delivered by this Council. They wished to involve Exeter residents to a much greater extent, both in identifying topics for scrutiny and, where appropriate, actively participating in reviews. Members would particularly welcome the opportunity to invite representatives of other public bodies, such as NHS Devon, to attend Scrutiny Committees to answer questions.
- 4.3 The Group proposed a range of measures to improve the operation of scrutiny within the Council:

#### **Establishment of Audit and Governance Committee**

- 4.3.1 The Group supported the creation of a separate Committee to undertake the audit function of the Council, in order to demonstrate clear independence from the Executive and Scrutiny functions. Its key responsibilities would include the implementation and active monitoring of audit processes and actions, risk management, approval of the Internal Audit Strategy and annual audit plan, as well as reviewing internal audit reports, the Audit Manager's annual report and the external Auditor's annual letter.
- 4.3.2. In addition to Audit activities, it is proposed that the Committee would maintain an overview of the Regulatory Framework, including the Council's Constitution and arrangements for corporate governance. It would undertake a number of the functions of the existing Standards Committee including monitoring the Council's Whistleblowing Policy and Anti-fraud, Anti-bribery and Anti-corruption Strategy. It is proposed that the new Committee would also take over the responsibilities of the existing Final Accounts Committee which meets once a year in September to approve the Council's Statement of Accounts. The proposed terms of reference of the Committee are set out in Appendix 1.
- 4.3.3 Since the Audit and Governance Committee would undertake the key duties of Standards Committee, it is proposed that the latter Committee is dissolved. Whilst Councils are required to have a Members' Code of Conduct, there is no longer a statutory requirement for local authorities to have a Standards Committee. In practice the workload of the main Committee has been insubstantial since complaints about Councillor conduct, of which historically there have been very few in Exeter, are investigated by the Monitoring Officer in consultation with the Independent Person or considered by a Hearings Panel. The operation of these arrangements would not change but the Audit and Governance Committee would take over responsibility for the function and the Hearings Panel would become a Sub-Committee of that new Committee in future.
- 4.3.4 The Group recommended that the Audit and Governance Committee should meet on a quarterly basis and report directly to full Council. It should comprise 11 members, excluding Executive members and the Group proposed that the chairmanship should be the subject of local protocol. Acknowledging the level of responsibility the role of Chair would entail, the Working Group recommended it should attract a Special Responsibility Allowance equivalent to that paid to the Chair of the Licensing Committee.

The Independent Remuneration Panel on Councillors' Allowances, which met on 17 January 2013 and reported to Executive on 5 February 2013, noted that a review of the Scrutiny function within the Council was underway and acknowledged that this may require an amendment to the Members' Allowances scheme in 2013/14. The Panel has subsequently recommended the payment of the allowance at this level.

### **Review of Scrutiny Committees**

- 4.3.5 In view of the proposal to allocate many of the responsibilities of the Scrutiny Committee - Resources to the new Audit and Governance Committee, the Working Group deliberated on whether that Scrutiny Committee would retain sufficient responsibilities to warrant its continuation as a separate Committee. It examined the residual terms of reference of the Committee and was mindful of its very important role in overseeing and scrutinising corporate finances. After careful consideration of the options the Working Group concluded that the Scrutiny Committee – Resources would still have an important role in the Council's governance structure and recommended its retention, meeting on a quarterly basis, subject to review after one year of operation. Some consequential amendment would be required to the terms of reference of Scrutiny Committee - Resources and the Constitution to reflect the transfer of certain functions to the Audit and Governance Committee.
- 4.3.6 Subject to this change and having considered alternative scrutiny models adopted by other authorities, the Group concluded that the current allocation of responsibilities to the three existing Scrutiny Committees remained largely appropriate. Members recommended therefore the retention of the existing three Scrutiny Committees in order to maintain the involvement of as wide a range of Councillors as possible in this important process. The amended terms of reference of the Scrutiny Committees are set out in Appendix 2.

### **Scrutiny Procedures and Training**

- 4.3.7 The Group recognised that the Council's existing Standing Orders and Scrutiny Procedure Rules included in the Constitution, already provided a comprehensive range of scrutiny "tools" and acknowledged that Scrutiny Committees did not always make full use of these.
- 4.3.8 Briefings on the role and operation of Scrutiny, together with other procedural matters are covered within the induction programme for new Councillors and a chapter on the subject is included in the Councillors' Handbook. In order to ensure that all members are fully equipped to make use of the extensive scrutiny powers, the Group proposed that a dedicated training session on the subject be held annually which all Scrutiny Committee members would be expected to attend. In addition to a generic session on scrutiny procedures, however, the Group recommended more specialised training to enhance members' understanding and critical analysis of the detail and context of the stewardship and monitoring reports presented to them.
- 4.3.9. Members were also strongly of the view that effective scrutiny would be considerably assisted by the clearer presentation of data and requested officers to review the current format and content of financial monitoring reports to facilitate this. It was suggested that the presentation and monitoring of information could in itself form the subject of a scrutiny review

## **Scrutiny Work Programme**

- 4.3.10 Scrutiny members emphasised their view that the role of scrutiny should be constructive and complementary to that of Executive. As well as scrutinising topics of their own choice, they wished to scrutinise issues proposed by residents, community and interest groups in addition to those identified by Executive itself. They proposed that further consideration should be given to the mechanism by which these individuals and groups could nominate topics. The topics should also be subject to agreed criteria, for example:
- the matter affects people living within the city
  - it must relate to a service, event or issue in which the Council has a significant stake or influence and not to an individual complaint
  - it must not relate to routine matters dealt with by other Council Committees
- 4.3.11 The use of a work programme, identifying and prioritising issues for scrutiny, was widely commended. It was proposed that Scrutiny Chairs and Deputy Chairs should meet with Portfolio Holders annually in June to agree a scrutiny work programme for the forthcoming year.
- 4.3.12 In addition to the preparation of reports by officers, Scrutiny reviews should continue to be undertaken by cross-party Task and Finish Groups or even, where appropriate, individual Councillors, who would report their findings back to Scrutiny Committee and Executive as necessary.

## **Scrutiny Committee Agendas**

- 4.3.13 In order that Scrutiny Committees could spend more time on in-depth discussion at the meeting itself, the Working Group suggested that greater attention should be paid to the order of items on the agenda, including placing items for detailed consideration higher on the agenda than those for information. The majority of information matters should only be discussed by exception and members should be encouraged to give prior notice of detailed questions, where appropriate, to enable an informed response to be given at the meeting. The onus would be on the Chair to ensure that the Committee concentrated on the substantive business before it. Where appropriate, matters for information may be published elsewhere such as on CityNet, the Council's intranet, and through briefing notes. Furthermore it was proposed that an area of the Council's website could be specifically dedicated to Scrutiny matters in order to increase the profile of the function.
- 4.3.14 The facility for Councillors and members of the public to ask questions at Scrutiny Committees should be retained. Questions of a policy nature should be encouraged rather than on detailed service matters which could more effectively be addressed by officers outside of the Committee forum.
- 4.3.15 It was suggested that separate tables should be provided for Portfolio Holders at Scrutiny Committee meetings and for Scrutiny Chairs at Executive. The Group felt that this would underline their formal role at the meeting without compromising their independence from the Committee.

## **5. OVERALL IMPACT ON COMMITTEE STRUCTURE AND CONSTITUTION**

- 5.1 The main impact of the proposals on the Council's Committee structure would be the creation of an Audit and Governance Committee, which would take on board the responsibilities of Final Accounts Committee and Standards Committee, both of which would be dissolved.
- 5.2 It is proposed to retain the three existing Scrutiny Committees but some consequential amendment would be required to the terms of reference of Scrutiny Committee – Resources and other areas of the Council's Constitution to reflect these changes. It is proposed that these amendments are delegated to the Corporate Manager Democratic and Civic Support.
- 5.3 The proposed reporting lines for Council services are set out in Appendix 3.

## **6 RESOURCE IMPLICATIONS**

### **Support for Scrutiny function**

- 6.1 The Working Group considered the resources required to deliver effective scrutiny and Members were strongly of the view that dedicated support was required to give real value to the function. This would include the following key responsibilities: to collate information, organise and support task and finish groups, arrange witnesses and construct reports to the Scrutiny Committees on behalf of task and finish groups.
- 6.2 The Working Group proposed the creation of a dedicated part-time Scrutiny Programme Officer within Member Services, reporting directly to the Corporate Manager Democratic and Civic Support, to undertake this role. The post would require additional resources in the unit and could provide a redeployment opportunity for a member of staff elsewhere in the Council who would otherwise be made redundant. The cost of such a post on the basis of 18 hours per week is estimated to be in the region of £14,000, plus on-costs, subject to job evaluation.
- 6.3 It was suggested that the potential for engaging external support, for example University of Exeter students, to undertake occasional scrutiny projects should also be explored, though it was acknowledged that this was unlikely to generate a significant time resource.

### **Special Responsibility Allowance**

- 6.4 In view of the significant responsibilities which the Chair of the Audit and Governance Committee will hold, the Working Group recommended that the post should attract a Special Responsibility Allowance (SRA). It is proposed that this should be £2,237 per annum, in line with the SRA paid to the Chair of the Licensing Committee. This additional payment will be partially offset by the cessation of the allowance of £1,119 per annum paid to the Chair of the Standards Committee.

## **7 RECOMMENDED to Council:-**

- (1) to support the principles for the effective operation of the scrutiny function as set out in paragraph 4.3 of the report, including appropriate training for members;

- (2) to agree the establishment of an Audit and Governance Committee, with the terms of reference set out in Appendix 1, and the deletion of the existing Final Accounts Committee and Standards Committee;
- (3) to approve the payment of a Special Responsibility Allowance of £2,237 per annum to the Chair of the Audit and Governance Committee, with effect from 15 May 2013;
- (4) to agree the terms of reference for the three Scrutiny Committees as set out in Appendix 2;
- (5) to agree the reporting lines to the Scrutiny Committees and the Audit and Governance Committee, as set out in Appendix 3;
- (6) to delegate to the Corporate Manager Democratic and Civic Support all consequential amendments required to the Constitution;
- (7) to agree the establishment of a part-time Scrutiny Programme Officer post in Member Services as set out in paragraph 6;
- (8) to review the operation of the new arrangements approximately one year after implementation.

#### SCRUTINY REVIEW MEMBER WORKING GROUP

22.03.13

#### COMMUNITY & ENVIRONMENT DIRECTORATE

**Local Government (Access to Information) Act 1985 (as amended)  
Background papers used in compiling this report:**

None