REPORT OF THE COMMITTEE REVIEW GROUP – STAGE 2 REVIEW

1   PURPOSE

1.1   This report sets out the recommendations of the Committee Review Group on proposed changes to the Council's scrutiny structure and working arrangements.

1.2   It also proposes changes to the Budget and Policy Framework procedure rules and the terms of reference of the Audit Committee for the reasons set out in the report.

2   BACKGROUND

2.1   At the annual meeting on 23 May, the Council agreed to establish the Committee Review Group. The terms of reference at **Annex 1** stated that the working group will report to Council in two stages:

(a) It will report to Council in July regarding the structure of regulatory and non-executive committees;
(b) It will report to Council in October with proposals for implementation of a new scrutiny structure.

2.2   The objective of the working group was to provide an effective and efficient committee structure to ensure delivery of the Council's functions.

2.3   The membership of the working group was as follows:

Cllr Hiller (Conservative) - Chair
Cllr Ayres (Conservative)
Cllr Fitzgerald (Conservative)
Cllr Holdich (Conservative)
Cllr Peach (Conservative)
Cllr Seaton (Conservative)
Cllr Sandford (Liberal Democrats)
Cllr Ellis (Labour)
Cllr Khan (Labour)
Cllr Lane (Werrington First)
Cllr Okonkowski (UKIP)

2.4   The Group reported to Council on 13 July on its review of the regulatory and non-executive committees. This report reviews the Council's current scrutiny arrangements, and other miscellaneous matters.

3   STAGE TWO OF THE REVIEW

3.1   The Committee Review Group met in mid-July and in the last week of August. The purpose of these meetings was to review the scrutiny structure and procedure rules to ensure an appropriate level of governance for the review of executive functions.

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3.2 The Committee Review Group reviewed and proposed amendments to the following:

(a) The structure and size of scrutiny committees
(b) Scrutiny committee procedure rules, particularly related to pre-scrutiny and call-in
(c) Budget & Policy Procedure rules to comply with current arrangements
(d) Member Officer Working Group and the role of the Audit Committee in relation to constitutional issues.

3.3 Details of their proposals are set out below.

4   SCRUTINY COMMITTEE STRUCTURE

4.1 On 27 January 2016, Council agreed that the current structure set out in Annex 2 was not fit for purpose. This was following advice from the former Design and Implementation Group and consultation with a joint meeting of scrutiny committees held in October and December 2015.

4.2 In January 2016, Council agreed a revised scrutiny structure suitable for a hybrid model consisting of the following three scrutiny committees:

(a) Children and Education Scrutiny Committee
(b) Adults, Health and Communities Scrutiny Committee
(c) Growth, Environment & Resources Scrutiny Committee

4.3 However, Council at its annual meeting in May 2016 decided that members did not wholly support the new structure and requested that the Committee Review Group should reconsider the proposals.

4.4 It was agreed that any proposals should ensure "efficient, effective and timely decision making, which is open, transparent, accountable, and inclusive" and should address the following:

(a) The terms of reference of each committee should be evenly balanced, in terms of the size of each committee's area of responsibilities.

(b) The structure should be aligned to cabinet member roles and to directors' portfolios to build the officer support role for scrutiny. It should also align to the Council's work which falls into two main categories: the family, and the wider environment (including economic development and resources). In other words people and place. This would assist with ensuring the correct matters were added to scrutiny agendas.

4.5 Having further reviewed the structure, the Committee Review Group recommends the establishment of the following four committees:

(a) Children and Education Scrutiny Committee
(b) Adults and Communities Scrutiny Committee
(c) Health Scrutiny Committee
(d) Growth, Environment & Resources Scrutiny Committee.

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4.6   The proposed structure has the following advantages.

(a) The structure aligns cabinet member roles and Directors' portfolios to ensure a balanced workload.

(b) The scrutiny of health, adults and community services, and crime and disorder matters under one committee could make for a very heavy workload.

(c) The Council has an important statutory duty and outward facing role to scrutinise health and local health services under section 244 of the National Health Service Act 2006. Separating health scrutiny from the scrutiny of adult and community services allows the Health Scrutiny Committee time to undertake this important external role.

(d) In addition, the Adults & Community Scrutiny Committee would undertake the Council's statutory duty to scrutinise crime and disorder matters under section 19 & 20 of the Police and Justice Act 2006, including acting as the Council's Crime and Disorder Committee.

(e) The Growth, Environment and Resources Scrutiny Committee would undertake the Council's statutory duty to review and scrutinise flood risk management functions or coastal erosion risk management functions which may affect the local authority's area.

(f) The Children & Education Scrutiny Committee will include the statutory requirement to have church and parent governor representatives for matters related to education.

4.7   As now, there needs to be one committee with overall responsibility for the budget and preferably other corporate issues, in order to highlight and tackle cross-cutting issues which affect the Council as a whole. This would be the Growth, Environment and Resources Scrutiny Committee. However, as stated above there would be separate arrangements for the budget process.

4.8   The management and administration of any committee is resource intensive. Cabinet members and officers should not be shadowing more than one committee, although some overlap cannot be avoided. This suggests that a maximum of four committees is the optimum number.

4.9   It takes account of the first scrutiny workshop's views that Members needed to manage their work programmes differently and would use prioritisation to manage it, such as:

(a) Being selective in choosing items for scrutiny for example, choosing 3 or 4 themes a year to inform their work programming rather than considering a wide range of issues

(b) Once the work programme is set, avoid adding other items throughout the year unless absolutely necessary

(c) Rather than monitoring a myriad of performance indicators for every function, scrutiny should receive PIs on key areas of importance and follow a dashboard/ traffic light system; green for on target; red for target not achieved etc.

(d) eliminating from the agenda "items for information" which can be circulated outside of the committee.

4.10 The Committee Review Group considered that the work of the Scrutiny Commission for Rural Affairs fell into two main areas:

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(a) scrutinising mainstream policies of the Council such as the Housing Strategy

(b) matters relating to rural issues, such as developing the Rural Vision and Parish Charter.

4.11 Whilst the work of the Commission was invaluable, many of the strategies are reported to other mainstream scrutiny committees, such as the Housing Strategy and the Farms Estate and therefore duplicated the work of other scrutiny committees.

4.12 Other matters such as developing a Rural Vision and Parish Charter duplicates the work of the Parish Council Liaison Committee.

4.13 It is proposed that rural issues should be dealt with differently, as follows:

(a) co-opting parish councillors on the new scrutiny committees

(b) expanding the role of the Parish Council Liaison Committee.

4.14 There are currently four parish councillors on the Scrutiny Commission for Rural Communities. Scrutiny Committees may co-opt members onto committees although the power is rarely used. Under the proposed structure, Scrutiny Committees are able to co-opt up to four non-voting members and so can decide to co-opt a representative from a rural area and this should be encouraged. This would mainstream rural affairs within the work of the scrutiny committees, whether they be matters relating to health, adult social care, education or environmental issues.

4.15 Parish Council Liaison Committee currently being consulted on how best to streamline the work of rural and parish council issues into the Council decision making structures particularly into the work of the Council's overview and scrutiny arrangements. It is also being consulted on proposals to strengthen its role.

CRG RECOMMENDATION 1

The Committee Review Group recommends the establishment of the following four committees:

(a) Children and Education Scrutiny Committee
(b) Adults and Communities Scrutiny Committee
(c) Health Scrutiny Committee
(d) Growth, Environment & Resources Scrutiny Committee

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5   SIZE OF COMMITTEES AND POLITICAL BALANCE

5.1 The current structure together with the allocation of seats on each Committee of the Council, subject to political balance seat arrangements is set out below:

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Committee	Seats
Scrutiny Commission for Rural Communities	7
Scrutiny Commission for Health Issues	7
Strong and Supportive Communities Scrutiny Committee	7
Creating Opportunities and Tackling Inequalities Scrutiny Committee	7
Sustainable Growth and Environment Capital Scrutiny Committee	11
Employment Committee	7
Audit Committee	7
Licensing Committee (Regulatory)	11
Planning and Environmental Protection Committee	11
Appeals and Planning Review Committee	11
Corporate Parenting Committee	11
TOTAL	**97**

5.2　The current size of scrutiny committees is between 7 and 11 members (total 39 members). It is recognised that a balance needs to be struck between having sufficient Members for a broad range of views but not too large for effective debate and efficient decision making. A committee of larger than 11 would be too large, taking into account co-opted members.

5.3　As now, there would be statutory education co-opted members on the Children and Education Scrutiny Committee with voting and call-in rights on education matters only. In addition, committees may co-opt non-voting members or partners on to their committees.

5.4　The Council has increased from 57 to 60 members so the Committee Review Group recommends increasing all scrutiny committees to 11 Members (total 44). This would ensure greater engagement of Members.

5.5　If Council agrees to establish four scrutiny committees with 11 members, the overall number of seats on each committee would change from 97 to 102 seats. The Council would need to recalculate the allocations of seats on 3 of the 4 scrutiny committees.

Committee	Seats
Children and Education Scrutiny Committee	11
Adults and Communities Scrutiny Committee	11
Health Scrutiny Committee	11
Growth, Environment & Resources Scrutiny Committee	11
~~Scrutiny Commission for Rural Communities~~	
~~Scrutiny Commission for Health Issues~~	~~7~~
~~Strong and Supportive Communities Scrutiny Committee~~	~~7~~
~~Creating Opportunities and Tackling Inequalities Scrutiny Committee~~	~~7~~
~~Sustainable Growth and Environment Capital Scrutiny Committee~~	~~7~~
Employment Committee	~~11~~

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Audit Committee	7
Licensing Committee (Regulatory)	7
Planning and Environmental Protection Committee	11
Appeals and Planning Review Committee	11
Corporate Parenting Committee	11
	11
TOTAL	**102**

CRG RECOMMENDATION 2

That Council agrees that all scrutiny committees should have 11 seats, and that the political balance calculations would change from 97 to 102 seats.

Committee	Seats
Children and Education Scrutiny Committee	11
Adults and Communities Scrutiny Committee	11
Health Scrutiny Committee	11
Growth, Environment & Resources Scrutiny Committee	11
Employment Committee	7
Audit Committee	7
Licensing Committee (Regulatory)	11
Planning and Environmental Protection Committee	11
Appeals and Planning Review Committee	11
Corporate Parenting Committee	11
TOTAL	**102**

6   PRE-DECISION SCRUTINY AND CALL IN

6.1   The Group agreed that pre-decision scrutiny was always preferable to call in. Although Council had rejected the rigid structure of a hybrid model, the Group noted that Scrutiny Committees already had pre-decision scrutiny powers. The forward plan was a standing item on the agenda so each committee had an opportunity to see all decisions coming before Cabinet in the following month and any Scrutiny Committee could ask to review those reports prior to submission to Cabinet. However, committees rarely used this power to call forward item for pre-decision scrutiny.

6.2   The Group thought that better use of pre-scrutiny of executive decisions would avoid requests to call in executive decisions and that this should be encouraged. Although very few decisions were called in, provision had to be built in to the timetable of a project to take account of this possibility which could cause several months delay in implementing decisions.

6.3   The hybrid model attempted to enshrine pre-scrutiny into the Council's decision making processes. The concern about the hybrid model was that it extended a 28 day timetable for decision making to a minimum of 42 days. In some cases this is impractical and goes beyond the statutory provisions. Although the rigid procedures under the hybrid model should be removed from the scrutiny procedure rules, the following wording should be retained in the terms of reference and functions of scrutiny committees to encourage pre-decision scrutiny.

ARTICLE 7

2   SUMMARY OF OVERVIEW AND SCRUTINY FUNCTIONS

2.1   Within their terms of reference set out in Part 3 Section 4 of the Constitution, the Overview and Scrutiny Committees will:

(a)   Develop policy proposals for consideration by the Executive and make recommendations to the Executive on certain executive decisions;

2.2   In addition to its role in holding the Executive and partners to account, the role of scrutiny is to provide a positive input into decision-making at an early stage; both at the policy development stage and prior to decision making. It has a strong, objective and distinct voice and is a mechanism for bringing a wide range of voices, views, ideas and expertise. As members of an elected body, it will ensure it adds value and transparency at all times.

PART 3, SECTION 4 - OVERVIEW AND SCRUTINY FUNCTIONS

i.   By scrutinising decisions the Executive are planning to make; and

6.4   In addition, the following additional wording could be included in the executive procedure rules:

> By agreement with the relevant Cabinet member, the executive decision making timetable can be delayed to allow a scrutiny committee to consider and make recommendations on a policy proposal or proposed decision, prior to the decision being taken. Should there be any disagreement the Leader shall have the final say in any dispute between the Cabinet Member and the Scrutiny Committee requesting the item for pre-scrutiny.

6.5   To ensure more efficient call in arrangements, the Scrutiny Procedure rules should be redrafted to amend call in arrangements as follows:

(a) To ensure requests for call in should be limited to key decisions in accordance with guidance from the Centre for Public Scrutiny, Practice guide 4 Key decisions;
(b) The power to refer matters to the full Council should be limited to where the Committee considers that a decision is contrary to the policy framework or contrary to or not wholly in accordance with the budget in accordance with statutory guidance when the legislation was brought in;
(c) That a request for call in should be amended to state that any two members of the relevant scrutiny committee can request a call in;

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(d) To allow flexibility for the Monitoring Officer to have more discretion in deciding whether or not to arrange a special meeting of the scrutiny committee or to refer the matter to the next meeting;

(e) To clarify decisions that are subject to call in (eg consultation decisions).

6.6 Speaking arrangements for call in at scrutiny committee meetings have been introduced based on the current speaking arrangements for planning, including the requirement to register to address the committee, to provide a structure for speaking arrangements and to set a time limit of no more than five minutes for groups of speakers to speak at the committee.

CRG RECOMMENDATION 3

1. That the Council agrees to retain the wording in 6.3 in the terms of reference and functions of scrutiny committees to encourage pre-decision.

2. That the Council agrees that the Scrutiny Procedure Rules should be redrafted to take account of the proposals set out above (para 6.4 to 6.6).

3. That the Cabinet be requested to consider amending the Executive procedure rules as suggested in paragraph 6.4.

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7 BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

7.1 The Group noted that the budget and policy framework procedure rules were out of date, did not reflect current Council practice and needed to be updated to accord with current practice.

CRG RECOMMENDATION 4

That Council approve the updated Budget and Policy Framework Procedure Rules.

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8 MEMBER OFFICER WORKING GROUP AND AUDIT COMMITTEE

8.1 The Member Officer Working Group was set up as an informal group to consult members on matters related to services received by Members, such as member support and IT services. More recently it has been used to seek members' views on constitutional matters, in particular matters relating to Council and committee meetings. However, it had no formal terms of reference or membership.

8.2 The Committee Review Group recommends that the Member Officer Working Group has a formal terms of reference and membership, and that the Group reports to the Audit Committee on constitutional matters.

8.3 The proposed terms of reference for the Member Officer Working Group is attached at **Annex 3.** The working group would be responsible for administration of member matters and IT, and constitutional review. Any matters related to the review of the constitution would feed into the Audit Committee for approval before being recommended to Council.

8.4 It is proposed that the Group will consist of one member from each party, and would be chaired by the majority group as at present.

8.5 Currently, the Audit Committee is responsible for maintaining an overview of the Council's constitution in respect of contract procedure rules, and Financial Regulations. This would need to be amended to include all constitutional matters, except where the matter falls under another committee, eg Planning and Licensing. This is in line with practice at other Councils.

CRG RECOMMENDATION 5

That the terms of reference and membership of the Member Officer Working Group as set out in Annex 3 be approved.

That the Audit Committee's terms of reference be amended as follows:

To maintain an overview of the Council's constitution with the exception of those matters under the remit of the Executive or a regulatory committee.

Annex

Annex 1   Committee Review Group terms of reference

Annex 2   Current Scrutiny Committee Structure

Annex 3   Member Officer Working Group terms of reference

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COMMITTEE REVIEW GROUP
TERMS OF REFERENCE

Objective

A politically balanced cross party working group of members to
    (a) Review the existing committee structure to provide an effective body of committees for regulatory and non-executive functions
    (b) Review the structure of scrutiny committees to ensure an appropriate level of governance for the review of executive functions

The working group will report to Council in two stages:
    (a) It will report to Council in July regarding the structure of regulatory and non-executive committees
    (b) It will report to Council in October with proposals for implementation of a new scrutiny structure.

The objective of the working group is to provide an effective and efficient committee structure to ensure delivery of the Council's functions. The re-design of Committees will lead to a revision at each stage of the process to the political balance rules. It will also impact upon the review of member's allowances by the Independent Remuneration Panel and therefore it is intended to report back on the second stage of this review concurrently with the report of the IRP.

Purpose

To review the committee structure to include:
- The role and work programme of each committee to ensure that meetings are efficient
- The frequency of meetings within the civic calendar
- The specific role of any informal committees e.g the Corporate Parenting Panel, and whether such meetings should be committees
- The role of scrutiny committees
- The call-in process
- Changes to the constitution
- Alteration of the civic calendar

Consultation and communication

To undertake consultations with members and senior officers

To report into Group Leaders meetings and Council

Constitution & powers

The working group shall comprise up to 11 members with proportional representation as follows:
Conservative (6)
Labour (2)

Liberal Democrats (1)
Werrington First, Liberals & UKIP (2 seats to be decided across 3 groups)

Group Leaders will nominate to the Working Group. Substitution arrangements will apply.

The Working Group is an informal meeting of members to which the Access to Information rules shall not apply

The Working Group shall appoint a Chair and Vice-Chair at its first meeting

The quorum of the Working Group shall be 3 members

Meetings of the Working Group will be supported and administered by a senior officer within the Governance team. Group Leaders who are not on the working group will be invited to make written representations regarding the committee structure.

EXISTING SCRUTINY STRUCTURE

Scrutiny Committee	Role/functions	Membership
Creating Opportunities and Tackling Inequalities	• Adult Learning and Skills • Children's Services • Education • Safeguarding Children	**(7) (4:2:1:0:0:0)** **Plus 8 co-opted education members**
Strong and Supportive Communities	• Cohesion • Cultural Services • Neighbourhood Services • City Centre Cll's statutory functions under S19 & 20 Police and Justice Act 2006	**(7) (4:2:1:0:0:0)**
Sustainable Growth and Environment Capital	• Business Efficiency • Growth • Planning and Development • Regeneration • Strategic Resources • Environment, Transport & Engineering • Waste Strategy & Management (includes Budget) Corporate Strategy lead)	**(11) (6:3:1:0:1:0)**
Scrutiny Commission for Rural Communities	Any matter related to rural communities	**(7) (4:0:1:0:1:1)** **4 Independent Co-opted members**
Scrutiny Commission for Health Issues	• Adult Social Care • Public Health • Safeguarding Adults • Scrutiny of the NHS	**(4:2:1:0:0:0) (7)**

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**MEMBER AND OFFICER WORKING GROUP
TERMS OF REFERENCE**

1   BACKGROUND AND CONTEXT:

1.1   The Member and Officer Working Group provides a forum for informal feedback on Member issues, and Civic and Members' Services and IT issues. It will also consider Constitutional matters and make recommendations to the Audit Committee

2   THE AIMS ARE:

2.1   To promote and enable discussion between Members and officers on matters of Members' ICT, Members' support and Constitutional matters.

3   ITS FUNCTIONS ARE:

3.1   To keep under review matters that relate to Members' and Members' support.

3.2   To keep under consideration the provision of Member ICT equipment, including the use of mobile phones.

3.3   To consider matters that relate to Member induction and development, such as proposals on the Members' Training and induction scheme Schedule.

3.4   To keep under review the Council's Constitution with the exception of those matters under the remit of the Executive or a regulatory committee and make recommendations to the Audit Committee.

4   MEMBERSHIP

4.1   Membership of the Member and Officer Working Group will comprise at least one Member from each political group on the Council, as put forward by the Group Secretaries. The membership will be kept under review annually.

4.2   The Group will be chaired by a member of the majority group.

5   MEETINGS

5.1   The Working Group will meet in private.

5.2   The Working group will meet up to quarterly. Meetings shall be cancelled and additional meetings called at the discretion of the Chairman, where business needs require.

5.3   It will be supported by the Assistant Director Legal & Democratic Services, who would still be the lead officer for that meeting, supported by Member Services. It would also be supported by a member of Serco IT or the Council's IT contract manager.

5.4   Administrative arrangements to support meetings of the Working Group shall be provided through the City Council's Democratic Services Team.

6   GOVERNANCE AND APPROACH

6.1   The Working Group will function as an informal Group, and will be a working group of the Audit Committee.

6.2   The Group will be a non-decision making body.