APPENDIX

CORPORATE GOVERNANCE COMMITTEE

Report of:  Director of Development

Date:  8 February 2016

REVIEW OF OVERVIEW AND SCRUTINY STRUCTURE AND REMITS

Purpose

The purpose of this report is to update Members on the review of the Council’s Overview and Scrutiny Committees, to consider a range of options and agree a preferred option. Subject to in principle support for a preferred option (agreed by Council) further work will be undertaken to develop a detailed model and implementation plan.

Background

Following lengthy consideration by the Democratic Services Committee and, to a lesser extent, Corporate Governance Committee, Council referred the matter of reviewing overview and scrutiny structures and remits back to Corporate Governance Committee at its meeting on the 10 December 2015.

At the Corporate Governance Committee on the 30 November, Members were unable to reach a consensus position between the option to trial a more radical approach and the option to introduce minor or incremental changes. Following the meeting, all Members of the Corporate Governance Committee were written to (on the 14 December), seeking views and opinions on the options. One response was received; the response supported an ‘education committee’, the retention of the existing Overview and Scrutiny Committees – possibly re-named – with more clearly defined topic areas, and the introduction of a facility for all Councillors to speak on a matter of interest that comes up in a Committee.

In addition, two discussion group meetings have been held with Chairs and Vice Chairs of Overview and Scrutiny Committees. No definitive conclusions were agreed, and Members’ views varied from maintaining the status quo, to incremental changes, to some appetite to test new ways of working. With regards to the latter there was general acknowledgement that pre-decision (policy) scrutiny had merit. It was also noted that the Children and Families Overview and Scrutiny Committee model of schools’ performance scrutiny was effective.

The case for change

As outlined in previous reports to both Democratic Services Committee and Corporate Governance Committee, there are a number of drivers for change:
(i) Statutory

- The Well-being of Future Generation (WBFG) Act (2015) requires local authorities to scrutinise the work of Local Service Boards - to be re-titled Public Services Boards and placed on a statutory footing from 1 April 2016.
- In addition, the WBFG Act requires local authorities to work in a different way, based on the five principles of 'long term', integration', 'collaboration', 'involvement' and 'prevention'. In response to this, the WLGA is supporting a new scrutiny model based on:
  - pre-decision scrutiny
  - strategy and policy development
  - assessing impact – performance
  - investigative scrutiny
  - gathering and communicating evidence.

(ii) Policy and performance

A number of recent reports have highlighted both the need and opportunity to review the Council’s existing Overview and Scrutiny Committee arrangements that have operated since 2002.

- ‘Good Scrutiny? Good Question!’ (WAO, 2014) referred to the Commission on Public Service Governance and Delivery report that reported that “the fundamental importance of scrutiny in driving improvement was not recognised”. Included in the WAO outcomes and characteristics model for effective local government scrutiny are:
  - evidence based challenge of decision makers and service providers
  - decision makers give public account for themselves for their portfolio responsibilities.

- ‘An evaluation of Welsh Local Government Executive and Scrutiny arrangements’ (Welsh Government, 2015) found that:
  - scrutiny of partnerships and joint scrutiny is currently poorly developed
  - Councils need to publish the Cabinet Work Programme in a timely fashion, to provide sufficient information to enable scrutiny to effectively support policy development.

- ‘A Picture of Public Services’ (WAO, 2015) highlighted the importance of effective scrutiny in developing policy and monitoring performance.

(iii) Centre for Public Scrutiny (CfPS)

The Centre for Public Scrutiny has been promoting financial scrutiny as a key part of their Member development programme. A recent project in Powys
County Council proved very effective in terms of assisting the Council through their budget setting process. In addition, the CfPS is assisting the development of partnership scrutiny in Anglesey, Gwynedd, Rhondda Cynon Taff and Merthyr Tydfil.

(iv) WAO Corporate Assessment

The Council’s Corporate Assessment report (WAO, Dec 2015) makes a Formal Recommendation that the Council must respond to by 29 February 2016. The recommendation requires the County Council to state, inter alia, how it will ensure ‘timely and robust scrutiny and other appropriate governance arrangements are put in place to manage and deliver change’.

Current Overview and Scrutiny Structures

The current structures can be considered as a mix of thematic e.g. economy and environment, and issue based (e.g. safeguarding) functions that operate in silos. In terms of their roles, they include a mix of scrutiny (e.g. Children and Families work with secondary schools) and overview (e.g. Older Peoples, Health and Well-being review of the role of the Police and Crime Commissioner for Dyfed-Powys). The format, focus and support for Overview and Scrutiny Committees has improved in the last few years. However, there needs to be improvement in the use of pre-decision scrutiny and in adopting a more risk or priority based approach to work programmes, as tangible outputs and outcomes are not easy to quantify across the board.

Future Overview and Scrutiny Committees

The analysis points to the need for the Council to re-focus its scrutiny effort across three areas:

- service performance – driving performance improvement and financial accountability by holding portfolio officers and Members to account
- policy making – improving governance and decision making through pre-decision challenge
- partnerships – improving risk management through scrutiny of partnerships.

‘Must do’
The Council must confirm arrangements to scrutinise the new Public Services Board (PSB) from April 2016.

‘Could do’ – options

(i) No change – other than the need to allocate responsibility for scrutinising the PSB from April 2016.

(ii) Minor changes  (a) Stand alone Safeguarding Overview and Scrutiny Committee ceases and safeguarding is
(b) Merge ‘Environment’ and ‘Economy’ Overview and Scrutiny Committees.

(c) Introduce a ‘Corporate’ Overview and Scrutiny Committee (or similar) to scrutinise corporate functions e.g., Finance, HR, IT. This could also pick up responsibility for the PSB.

(iii) Major changes

(d) New Service Scrutiny Committee/s championing performance improvement by holding portfolio officers and Members to account.

(e) New Policy (pre-decision) Scrutiny Committee that challenges and informs Cabinet Executive decision making.

(f) New Partnerships Committee that scrutinises the PSB (requirement from April 2016) and holds key partnerships (Corporate Partnership Register) to account for their performance.

(iv) Further review

(g) More analysis and fact finding of alternative scrutiny models could be undertaken through the spring and summer with a further report to Corporate Governance Committee in September 2016.

Conclusions

Effective scrutiny is a key component of the Council’s governance and performance improvement agendas. There is a growing body of evidence pointing to both the need and opportunity to realign the Council’s current overview and scrutiny arrangements.

A number of options are proposed. Subject to the Corporate Governance Committee’s deliberations and determination of the preferred option, further work will be undertaken to develop a detailed model for implementation. The detailed model would set out:

- the number, focus and function of each Scrutiny Committee
- frequency of meetings
- clarifying issues such as political balance, co-optees
- resourcing, including Member support, training and development
- where Overview and Scrutiny ‘fits’ in the overall decision-making process of the Council e.g. alignment with Cabinet work programme to enable pre-decision scrutiny.
Implementation programme

Subject to the detailed model being agreed by Corporate Governance Committee and Council, implementation could commence after the summer recess i.e. September 2016. This should enable sufficient time for the existing Overview and Scrutiny Committees to complete their current work programmes. In addition, it would provide an appropriate opportunity to commence scrutiny of the Public Services Board.

The implementation could be trialled through the autumn and winter with a review in spring 2017. Any review recommendations could be implemented after the local government elections in May 2017. The Centre for Public Scrutiny could assist with the review process.

RECOMMENDATIONS:

(I) That the Committee agree, in principle, which of the options (i)-(iv) should be recommended to Council.

(ii) That the Committee agree the date for consideration of the detailed model.

(iii) That the Committee agree the date for implementation of the detailed model.

(iv) That the Committee consider whether the Centre for Public Scrutiny should be approached to provide third party support and review.

Background Papers: None