

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**9 OCTOBER 2014**

**REPORT OF DIRECTOR OF LAW  
AND DEMOCRACY**

### **CABINET / COUNCIL DECISION**

**Leader of the Council – Councillor Cook**

#### **FUTURE ROLE OF SCRUTINY**

1. Summary

This report provides an overview of the Council's scrutiny arrangements and discusses the future of scrutiny at Stockton. The proposals in this paper fulfil the Leaders commitment to review Cabinet and Scrutiny structures to contribute to the 15% efficiency savings target of £130,000. Agreement of this proposal would result in savings of £20,100 in addition to the Cabinet savings proposal which if agreed would save £24,120. Savings proposed by the Independent Remuneration Panel (15/16) and agreed by Council are part of a wider set of savings including e.g. Members. LGPS membership ending, budget savings total £103,560 not including £10,416 from freezing Basic Allowances for two years.

2. Recommendations

Cabinet is requested to recommend to Council that the number of Scrutiny Committees is reduced by two as detailed in **Appendix 1** to this report.

3. Reasons for Recommendations

To contribute and support the MTFP targeted savings.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

### **Disclosable Pecuniary Interests**

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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### SUMMARY

This report provides an overview of the Council's scrutiny arrangements and discusses the future of scrutiny at Stockton. The proposals in this paper fulfil the Leaders commitment to review Cabinet and Scrutiny structures to contribute to the 15% efficiency savings target of £130,000. Agreement of this proposal would result in savings of £20,100 in addition to the Cabinet savings proposal which if agreed would save £24,120. Savings proposed by the Independent Remuneration Panel (15/16) and agreed by Council are part of a wider set of savings including e.g. Members. LGPS membership ending, budget savings total £103,560 not including £10,416 from freezing Basic Allowances for two years.

### RECOMMENDATIONS

Cabinet is requested to recommend to Council that the number of Scrutiny Committees is reduced by two as detailed in **Appendix 1** to this report.

### DETAIL

#### Background

1. At Stockton, scrutiny has provided an excellent platform for non-executive Members to have direct involvement with policy review and development, performance review and championing of community issues. The development of collaborative scrutiny arrangements has ensured that the scrutiny work programme has supported delivery of the Council's priorities including the efficiency agenda. Scrutiny has proved to be particularly valuable when addressing sensitive issues or reviewing public facing services.

#### Scrutiny – Statutory Requirements

2. **Scrutiny is a statutory requirement introduced under the provisions of the Local Government Act 2000.** The Act required Councils operating Executive arrangements to have a scrutiny function. The main legislative provisions of the Local Government Act 2000 in relation to scrutiny enable Committees and their Members to:-

Review and/or scrutinise

- Decisions made by Cabinet and Council Officers in relation to key decisions
- Actions carried out within the remit of the Council

- The performance of the Council in relation to targets and policy objectives; and
  - Have the right to call in and examine (in accordance with the agreed timescale), decisions made by Cabinet, before the decision is implemented
3. **Local Authorities also have the power to scrutinise health issues and services, as introduced in the Health and Social Care Act 2001.** The Health Select Committee may review any matter relating to the planning, provision and operation of health services. In relation to major health service re-design, the Health Select Committee must be consulted on proposals and Council has the power to refer a proposal to the Secretary of State.
  4. **Legislation also requires the designation of a Committee to scrutinise crime and disorder matters.** Housing and Community Safety Committee has been so designated at Stockton.
  5. Legislation identifies key partner agencies that have a duty to co-operate with the scrutiny process. In respect of health scrutiny, legislation has extended this power to cover all providers of NHS-funded healthcare.
  6. **The Police Reform and Social Responsibility Act 2011 established the Police and Crime Panel to scrutinise the Police and Crime Commissioner.** Police and Crime Panels also undertake review work to complement their other roles.
  7. The Localism Act allows gave Councils greater flexibility over governance models including a power to return to a Committee model (whilst allowing overview and scrutiny to operate within a Committee model). Other minor changes were introduced including the requirement for Executive members to respond to Scrutiny recommendations within two months and provision for Members of the Council who are not members of an Overview and Scrutiny Committee to refer an item to one of the Council's Overview and Scrutiny Committees as long as the matter is relevant to the functions of the Committee. The Act also removed the link between the scrutiny committee powers to scrutinise partner authorities and improvement targets in LAA. Partners are required to have regard to the reports and recommendations of the Overview & Scrutiny Committees that relate to any of their functions exercised in relation to the committee's area or residents of that area. This widens the partners' activities that overview & scrutiny committees can scrutinise.
  8. Councils must also appoint a Designated Scrutiny Officer to support the work of the Council's overview and scrutiny committees which in Stockton's case is the Head of Democratic Services
  9. Increasingly, there is an expectation by external inspection regimes that Member scrutiny should play an integral part in self-regulation providing independent review and challenge of Council services.

### **History – Stockton's Scrutiny Arrangements**

10. In December **2005**, Council approved new arrangements which sought to strengthen co-ordination of the scrutiny work programme. Key features of the new arrangements, which are still in place today, include:
  - Greater emphasis on policy review and development work

- Establishment of Executive Scrutiny Committee to co-ordinate the work programme
- Strengthened project management of in depth scrutiny reviews
- Establishment of a Scrutiny Liaison Forum to facilitate dialogue between scrutiny and Cabinet Members. This enables CMT and Cabinet Members to comment on priorities for the scrutiny work programme.
- Improved communication mechanisms, including regular “tri partite” discussions between Scrutiny Members, Cabinet Members and Officers during the course of reviews and the appointment of a Link Officer.

## Changes and Improvements

11. The Council’s scrutiny function has consistently received positive feedback from external inspection. The last corporate assessment in **2008** stated that Scrutiny provided rigorous policy review and had made a significant contribution to service improvement. However, the assessment commented that the scrutiny process would benefit from additional opportunities for challenge. In response to this and in reviewing best practice across the Region, annual overview meetings were established to provide Members with an overview of all the services reporting to the various Select Committees and to question Cabinet Members and Senior Officers on their performance.
12. In addition, arrangements to monitor the implementation of agreed scrutiny recommendations were introduced. Progress reports submitted to Select Committee monitor the implementation of recommendation but also help the Committees to understand the impact of review work.
13. The function has also been praised in more recent inspections. In **2010**, the Care Quality Commission Inspection stated that Overview and Scrutiny Committees were effective with Members giving detailed attention to key policy issues. The safeguarding inspection by OFSTED stated that good scrutiny arrangements are in place with good examples of the engagement of children and young people in reviewing processes leading to change and that scrutiny arrangements have had an impact on developing services and achieving cost effectiveness.
14. The Council’s scrutiny function has proved itself to be flexible and adaptable to changing priorities. The Select Committee work programme from **2009** onwards played a key role in supporting the Council’s EIT programme enabling non-executive Councillors to challenge services and have meaningful input into reviews. Close involvement of scrutiny with the EIT process at Stockton helped it to remain transparent, accountable and open to Stockton residents and enabled Councillors to have a meaningful input to reviews and inform difficult decisions on service priorities.
15. In response to high profile cases in the media relating to the quality and safety of health and social care services and the increased expectation on Councils to put in place internal mechanisms to undertake rigorous review and challenge, Children and Young People Select Committee now receive quarterly performance reports in respect of children’s services – this includes a selection of performance indicators linked to priorities in the Council Plan, along with commentary on other performance issues arising during each quarter. In addition, reports are considered in respect of the challenges identified at the last overview meeting such as adoption timescales, School and Academy Performance and NEETs.

16. Adult Services and Health Select Committee also receive six-monthly performance reports on adult social care issues and a range of other reports and updates are provided as part of the enhanced performance management arrangements. This ensures an increased focus on safeguarding and the quality of health and care services. These include Annual Reports from the Adult Services and CQC, SBC Quality Standards Frameworks for Care Homes, NHS Quality Accounts; and reports from Healthwatch including Enter and View Reports etc. In addition all relevant CQC inspection reports are now circulated to all Members.

## Future Direction

17. With the abolition of external inspection regimes, an increasingly important role has emerged for scrutiny to play in self-regulation. In addition, the quality and safety of health and care services (e.g. Mid Staffordshire Inquiry, Winterbourne View, Rotherham Sexual Exploitation) has been a matter of intense public interest reinforcing the importance of robust scrutiny of health and social care and also children's services. Any future framework for scrutiny should seek to ensure greater focus on these areas utilising enhanced scrutiny powers to scrutinise all commissioners and providers.
18. It is essential that resources are deployed in the most effective way continuing to demonstrate the value added through scrutiny. It is therefore proposed that a scrutiny model is developed that continues to strengthen the role of scrutiny focusing on statutory functions, the quality and safety of services for vulnerable groups and holding services to account. It is proposed that in line with the reduction Cabinet Member posts that the number of Standing Select Committee's is reduced from seven to five whilst retaining Executive Scrutiny Committee as the co-ordinating scrutiny body. **Appendix 1** details the existing and proposed scrutiny structure.
19. In the new model, Executive Scrutiny Committee would retain its co-ordinating role but would also be responsible for any task and finish reviews that arise in relation to corporate issues.
20. The Children and Young People Select Committee, Crime and Disorder Select Committee and Adult Services and Health Select Committee would be responsible for the priority issues for scrutiny and Members serving on these Committees would need to have / develop a robust knowledge of the services and legislative framework in relation to matters falling within their remit. These Committees will also need to have a detailed understanding of the performance framework within the context of their Committees. The Corporate Director of Children, Education and Social Care is continuing to work with the Head of Democratic Services and the Committees to strengthen this role particularly in relation to the role of Children and Young People Select Committee under the new OFSETD Inspection Framework.
21. Under the proposed structure, the People and Place Committees would undertake scrutiny reviews within these themes, for example, an issue relating to the arts or leisure could be considered by the People Select Committee whilst an issue relating to housing or the built environment could be considered by the Place Select Committee. This would continue to allow Councillors to opt to sit on Committees where they had a particular interest in the subject matter. However, it is proposed that the current flexibility is retained for Select Committees to undertake review work outside of their remits where priorities dictate.
22. Although there has been an on-going programme of training and development offered to scrutiny Members to respond to national and local developments, this will again

need to be reviewed to ensure that the Committees have the necessary skills and competencies to meet their new roles. Stockton has scoped and successfully lobbied to secure regional funding to develop a package of scrutiny training. The Regional Scrutiny Joint Member/ Officer Network approved the use of funding to develop a programme which Councils will be able to use in-house within their own Committees.

### **Committee Size**

23. In reducing the number of Select Committees, consideration could be given to increasing the size of the Committees (currently nine members per Committee).
24. However, retaining the size of Select Committees at nine, although this would mean that non-executive Councillors would sit on just one Select Committee, this would have the benefit of each Member being able to devote more time and attention to the work of their Select Committee. It may also alleviate the problems that have been experienced recently with Members' time and attention being spread too thinly, leading to attendance issues at some Committees. Increasing the size of the Select Committees may lead to problems with Committees being too large and unwieldy and giving Members less time to devote to the work of their Committee(s).
25. In addition Members will still be required to fulfil roles on quasi-judicial committees - Planning and Licensing, plus a range of other roles including outside bodies, Audit Committee, Health and Wellbeing Board, Appeals and Complaints etc.

### **CONSULTATION**

26. This paper represents the result of initial consultation with respect to any review of the Council's scrutiny structure.

### **TIMESCALE**

27. It is proposed that any new arrangements agreed should be implemented in 2015 at the Annual Meeting following the Local Elections.

### **RISK MANAGEMENT**

28. There is a need to meet legislative requirements and for the Council to put in place internal mechanisms to ensure the safety and quality of key services in addition to deploying resources in the most effective way.

### **FINANCIAL IMPLICATIONS**

29. Reducing the number of Select Committees from seven to five would result in savings of £20,100 from the Members' Allowances Budget. This would contribute to the savings target of £130,000 on Members Allowances to be delivered by 2015/16 as identified from the Democratic Services EIT Review. Agreement of this proposal is in addition to the Cabinet savings proposal which if agreed would save £24,120 and are part of a wider set of savings including e.g. Members. LGPS membership ending, budget savings total £103,560 not including £10,416 from freezing Basic Allowances for two years.

### **Director of Law and Democracy**

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Background Papers: Not applicable  
Ward(s) and Ward Councillors: Not Ward Specific  
Property Implications: None



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**Proposed Scrutiny Model**

**EXECUTIVE SCRUTINY COMMITTEE**

**Children and Young People**

**Crime and Disorder**

**Adult Services And Health**

**Police and Crime Panel**

**People**

**Place**

**TV Joint Health Committee**

**Existing Scrutiny Model**

**EXECUTIVE SCRUTINY COMMITTEE**

**Children and Young People**

**Adult Services and Health**

**Housing & Community Safety**

**TV Joint Health Committee**

**Arts Leisure and Culture**

**Corporate & Social Inclusion**

**Environment**

**Police and Crime Panel**

**Regeneration and Transport**