

Report to: **Governance Committee**

Date: **19 March 2018**

Report by: **Assistant Chief Executive**

Title of report: **Review of Scrutiny Arrangements**

Purpose of report: **To consider proposed changes to the Scrutiny Committee structure.**

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## **RECOMMENDATIONS**

**The Governance Committee is recommended to recommend the County Council to:**

- 1. agree to the revised scrutiny structure as set out in section 2 of the report;**
  - 2. agree to the proposed remits of the new Scrutiny Committees and the proposed terms of reference of the Audit Committee as set out in Appendix 4;**
  - 3. agree that the Chair of the Audit Committee receive a Special Responsibility Allowance (SRA) at the rate equivalent to that of the Chair of a scrutiny committee;**
  - 4. agree to delegate authority to the Assistant Chief Executive to update the Constitution accordingly; and**
  - 5. note the plans to improve scrutiny as set out in the report.**
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## **1. Background**

1.1 The Cabinet/Leader governance model was adopted in East Sussex County Council in 2001 as a result of the Local Government Act 2000. The work of scrutiny in East Sussex County Council is currently divided between five scrutiny committees; four committees broadly mirror the County Council's Cabinet portfolio responsibilities and are focussed departmentally. A fifth committee, the Health Overview and Scrutiny Committee (HOSC), scrutinises health services.

1.2 All committees manage their own work programmes and establish scrutiny review boards or scrutiny reference groups to carry out in-depth work.

1.3 A review has been undertaken of the scrutiny arrangements to see whether improvements could be made. All Members of the Council were asked to give consideration to the principles set out in Appendix 1. The initial views of the Scrutiny Chairs are set out in Appendix 2.

1.4 Appendix 3 contains the summary of responses from Members during the consultation period. Appendix 4 sets out the remits/terms of reference of the proposed new bodies.

1.5 The review focussed on how to:

- help scrutiny better inform the future direction of the County Council through undertaking more in-depth, forward facing scrutiny reviews;

- align scrutiny committee remits more logically with Lead Member and departmental responsibilities for greater efficiency and simplicity; and
- promote a one-council approach to avoid scrutiny thinking being constrained by departmental 'silos'.

1.6 Members have made a number of observations about the current arrangements that can be used to bring about a range of improvements to the way we do scrutiny:

- there is a perception that there has been a reduction in the volume of forward-looking scrutiny work being undertaken in recent years because there are fewer scrutiny reviews reported to Full Council;
- much of the current scrutiny work is being undertaken by a minority of Members;
- the alignments between scrutiny committees, Lead Member portfolios and departmental responsibilities have become increasingly complex over recent years;
- the current structure struggles to handle the scrutiny of complex, cross-cutting issues such as East Sussex Better Together (ESBT) or the library service reconfiguration; and
- a strong opposition is a key element for successful scrutiny.

## **2. Proposals for change**

2.1 In order to address the above challenges, the proposals for change are focused on:

- a new scrutiny committee structure with fewer but larger scrutiny committees and with broader remits;
- improvements to the process of scrutiny including: selection of topics, better ways to involve witnesses and the public, the use of new technology in scrutiny and Member training and support;
- the recognition that 'best value' is now an integral component of all scrutiny work and not, as the current structure implies, the specific responsibility of one committee; and
- an expansion in the role of the scrutiny chairs and vice chairs to promote good scrutiny effectiveness and training.

### **Committee structure**

2.2 It is proposed to replace the five current scrutiny committees with three scrutiny committees and an Audit Committee. Scrutiny committees would adopt a 'commissioning' role, whereby they establish scrutiny review boards to undertake virtually all detailed scrutiny investigatory work. This would mean that scrutiny committees would themselves become more efficient and manageable. Increasing the number of Members sitting on each scrutiny committee will increase their capacity to carry out more in-depth, forward facing scrutiny reviews.

2.3 The outline remits for these bodies are as follows (with the remits/terms of reference in Appendix 4):

#### **a) People Scrutiny Committee**

- children's and adults' social care
- learning and education
- community safety

- public health.

#### **b) Place Scrutiny Committee**

- economy, transport and environment
- community services
- corporate functions, which may also be considered as part of reviews of the services they support.

#### **c) Health Overview and Scrutiny Committee (HOSC)**

- is considered to be successful in its current form and therefore there are no proposals to change the way it is organised or its remit to scrutinise the NHS.

#### **d) Audit Committee**

2.4 The current Audit, Best Value and Community Services Scrutiny Committee currently operates partly as an audit committee and partly as a scrutiny committee for several 'central' or 'corporate' support functions and a range of community services.

2.5 There is an opportunity to create a clearer and more valuable role for an Audit Committee sitting alongside the scrutiny committees. The position of the Chartered Institute of Public Finance and Accountancy (CIPFA) is that the audit committee should act as the principal non-executive advisory function supporting those charged with governance and be independent of both the executive and scrutiny functions.

2.6 To be fully effective, the Audit Committee would have access to and a close working relationship with scrutiny committees and others responsible for governance. Furthermore, it adds value by taking on certain wider roles such as: risk and control matters and reviewing and monitoring treasury management arrangements.

2.7 In line with the current Constitutional arrangements, it is proposed that the Chair of the Audit Committee is appointed from the largest political group not represented on the Cabinet.

2.8 The Audit Committee will be able to submit reports and recommendations to Full Council.

#### **Scrutiny Chairs and Vice Chairs**

2.9 The Chairs of scrutiny committees currently meet periodically on an informal basis to plan and co-ordinate the process of scrutiny. Where an issue crosses the responsibilities of more than one scrutiny committee, to avoid duplication on the one hand and no aspect being overlooked on the other, the Chairs may agree special arrangements for managing that issue. (Constitution Part 4 (5) 15).

2.10 It is proposed to continue this arrangement and to:

- extend membership to include both chairs and vice chairs;
- include the Chair and Vice Chair of the Audit Committee (to ensure a close working relationship between this committee and scrutiny); and
- extend the role of the chairs and vice chairs to take an overview of Member training and improving effectiveness of these bodies.

2.11 The Scrutiny Chairs and Vice-Chairs would continue to agree any special arrangements for managing cross-cutting issues or for the scrutiny of any function that does not lie within the scope of the scrutiny committees.

## Committee membership and political proportionality

### County councillors

2.12 The current allocation of seats to county councillors across scrutiny committees is as follows:

Current scrutiny committee membership	CON	LIB DEM	LAB	IND	IND DEM	TOTAL	Chair	Vice Chair
Audit, Best Value and Community Services Scrutiny Committee	5	2	0	0	0	7	LIB DEM	CON
Children's Services Scrutiny Committee	5	2	1	0	1	9	CON	LIB DEM
Adult Social Care and Community Safety Scrutiny Committee	4	1	1	1	0	7	CON	LAB
Economy, Transport and Environment Scrutiny Committee	4	2	1	0	0	7	CON	CON
Health Overview and Scrutiny Committee (HOSC)	5	1	0	1	0	7	CON	IND
<b>TOTALS</b>	<b>23</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>37</b>		

2.13 An indicative table showing figures based on a proportionality calculation is shown here. The final allocation of places to ESCC political groups in the new structure will ultimately depend on the allocations across all county council bodies.

PROPOSED COMMITTEE MEMBERSHIP	CON	LIB DEM	LAB	IND	IND DEM	
People Scrutiny Committee	7	2	1	1	0	11
Place Scrutiny Committee	7	2	1	1	0	11
Health Overview and Scrutiny Committee (HOSC)	4	2	0	0	1	7
Audit Committee	4	2	1	0	0	7
<b>TARGET TOTAL</b>	<b>22</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>36</b>

2.14 Noting the importance of opposition members to successful scrutiny, the current arrangements for allocation of chairs and vice chairs in accordance with political balance should continue. Under the current political balance on the County Council, this would result in allocations as follows:

Political Group	Number of Chairs and Vice-Chairs
Conservative	5 (4.80)
Liberal Democrat	2 (1.76) including Chair of Audit Committee
Labour	1 (0.64)
Independent	0 (0.48)
Independent Democrat	0 (0.32)

### Co-opted Members

2.15 It is proposed to make the following provisions for co-opted members in the new structure:

- People Scrutiny Committee: four statutory co-opted members (2 parent governors and 2 denominational representatives) have speaking and voting rights on education matters.
- Health Overview and Scrutiny Committee: five district and borough members with full voting rights and two voluntary sector (non-voting) members – unchanged.

## 3. Other improvements to the way we do scrutiny

### More scrutiny reviews

3.1 There is a widespread view nationally and locally amongst scrutiny practitioners that scrutiny reviews are the most productive and engaging way to do scrutiny and that the emphasis should be on forward-looking scrutiny topics which are aligned to what the Council is trying to achieve. There remains an important place for 'reactive' work or scrutiny that

holds decision makers to account, but these elements need to be part of a balanced work programme which includes a larger proportion of forward-looking reviews.

3.2 The proposed changes to the committee structure described above are designed to encourage and facilitate more scrutiny work being carried out in smaller groups. Some Members consider that it is getting ever harder for scrutiny to achieve truly meaningful impacts, especially as council finances become ever increasingly restricted. So, choosing *what* to scrutinise is key to achieving outcomes that makes a real difference to the lives of people living and working in East Sussex.

### ***General improvements***

3.3 Members have made a number of additional suggestions to support and improve the way we select topics and carry out scrutiny work:

- All Members need to be aware that there is an 'open approach' to bring forward suggestions for possible scrutiny reviews.
- When selecting topics, scrutiny committees should be clear about the questions it is looking to answer as this will result in more focused and productive review board meetings.
- When involving Lead Members in scrutiny committees and scrutiny review board meetings, it would be helpful to clarify the purpose of their attendance.
- There is scope to increase the engagement scrutiny has with users and residents as part of its work; scrutiny can add value by considering 'value to residents' alongside 'value for money'.
- Performance information is often difficult to interpret and yet so important for many scrutiny investigations; as a general rule performance information should ideally encompass: the big picture plus overview plus detail (not just detail).
- Continue to channel scrutiny reviews for discussion at Full Council – an approach endorsed by the recent DCLG report (Effectiveness of local authority overview and scrutiny committees, 15 December 2017).

### ***Digital scrutiny***

3.4 Of the five current scrutiny committees, only HOSC and the Children's Services Scrutiny Committee are webcast. Some Members have suggested that webcasting scrutiny committees can hinder effective Member participation. Cabinet and Full Council meetings are webcast and it is at these meetings where the outcomes of scrutiny work is visible and the discussion itself of greater public interest. There is therefore a good case against the automatic webcasting of meetings of the Place and People scrutiny committees.

3.5 HOSC, on the other hand, undertakes an important role in holding the health service to account and doesn't report to Full Council. On some occasions, its meetings have attracted thousands of webcast views. The media and external partners regularly view HOSC webcasts due to the public interest in the subject matter. It is therefore recommended that HOSC meetings continue to be webcast.

3.6 Given the now widespread access to fast broadband in the County (96% of premises in East Sussex as at February 2018), there is now an opportunity to rethink the use of technology to assist and speed up some aspects of scrutiny work. For example, webcasting technology can be used efficiently to solicit public views as part of a scrutiny review, as can judicial use of social media. Web based surveys can now be deployed quickly and easily using applications such as Survey Monkey. Such technology has already been used to good effect elsewhere.

### ***Member training and support for scrutiny***

3.7 Experienced Members often say that it took them a long time to understand the full extent of what the Council does in all its detail and to gain the skills needed to manage the myriad of means at their disposal by which they can make a meaningful difference within their communities and to East Sussex as a whole.

3.8 Engaging in scrutiny can help Member development because, when done well, scrutiny promotes an 'explorative' approach to problem solving, gradually enabling Members to build up knowledge and valuable skills across a wide range of issues. Scrutiny is empowered to investigate any issue affecting the residents of the local authority area and so, to be effective, it needs to focus wisely yet with flexibility to spot opportunities as they appear.

3.9 Members therefore have asked for good quality training and support in their scrutiny role. Members need to be prepared to undertake a significant part of scrutiny work themselves in order to benefit from the opportunities and to 'stretch' the resources available to support scrutiny. It is proposed that the scrutiny chairs and vice chairs play an active role in taking an overview of training and effectiveness.

3.10 A wide variety of online resources are available aimed at Members internally on the Intranet and by accessing external resources such as the Centre for Public Scrutiny (CfPS) and Local Government Association (LGA) websites. Members suggested:

- visits and presentations relating to different departments to enable Members to get a better understanding of current departmental structures and functions;
- 'pairing' experienced and less experienced Members (even across the political spectrum) to share and build experience;
- Scrutiny training focussed in 'regular bursts' for example, before or after scrutiny committee meetings; and
- Questioning skills training becomes a key focus of scrutiny training programmes.

## **4. Conclusions and next steps**

4.1 This review is intended to lead to a number of practical improvements to the way scrutiny operates in East Sussex County Council. The steps towards approving the new structures and systems are as follows:

27 March 2018	County Council to approve new scrutiny structure and arrangements
15 May 2018	County Council to appoint members to the new structure.

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Background Documents

[House of Commons report on the Effectiveness of local authority overview and scrutiny committees](#) (15 December 2017)

## APPENDICES

Appendix 1: Scrutiny principles consultation

Appendix 2: Views of the scrutiny chairs

Appendix 3: Member responses (summary)

Appendix 4: Remits of the new scrutiny bodies and Audit Committee