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## **Proposals for change – improving Council Governance**

### **Background and context**

- 1** There is a need to review the effectiveness and soundness of parts of the Council's governance arrangements – how decisions are taken and how members discharge their various roles. The Governance Committee has, in the context of externally raised concerns, considered options for change that may improve things and ensure the interests of residents are better served.
- 2** In June 2019 an adverse Ofsted report into the Council's Children's Services identified ineffectiveness in the scrutiny of this area of the Council's business. It also raised concerns about the quality of the Council's oversight of corporate parenting responsibilities. The HMICFRS inspection report into the Fire and Rescue Service received in June also raised concerns about arrangements the Council has for the governance of its Fire and Rescue functions.
- 3** In July 2019 the Government published revised guidance on local authority scrutiny arrangements and a member panel was established to consider options for the improvement of the scrutiny function. This coincided with a decision to commission the Centre for Public Scrutiny to undertake a 'health check' of the Council's scrutiny arrangements focused on the scrutiny of children's services. The Committee has considered the work of the Panel and of the health check.
- 4** The adverse Ofsted report led the Department for Education to appoint a Commissioner to prepare a report on the capacity and capability of the Council to secure the necessary improvement to its Children's Services. The Commissioner's findings were reported to the Department for Education and the Department has issued a Direction to the County Council with requirements for the improvement of Children's Services. One of the requirements is to address aspects of the Council's governance. In particular the report identified the following concerns:
  - Inadequate transparency in executive decision making
  - A lack of collective Cabinet responsibility in important business
  - Excessive effort and resource needed to process committee and executive decision reports, stifling the Council's ability to move at pace
  - Insufficient engagement with partners and other agencies as part of business planning and decision making
- 5** Some changes have already been implemented, as set out below, and the Committee has endorsed these.
  - Changes to the scheme of delegation to enhance collective cabinet decision-making were approved by Council in October
  - Cabinet has scheduled monthly meetings in public to enable more executive decisions to be taken collectively and in public
  - These meetings will include opportunities for contributions from select committee chairmen and leaders of the main opposition groups.
  - The Forward Plan has been revised to identify the key decisions allocated for collective decision by the Cabinet meeting in public

### **Effectiveness of scrutiny**

- 6** The challenge for members is to settle what is meant by effectiveness in scrutiny

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and to determine the changes needed to better achieve those aims. They can perhaps be summarised as:

- Influencing policy ideas or proposals before they are developed.
- Spending time on matters critical to service outcomes for residents
- Meaningful challenge to the performance management of services
- Showing the difference scrutiny makes to service outcomes for residents

The Committee has considered the proposals for change against these aims.

- 7** Concentrating on decision preview or call-in may be the least effective way of influencing policy development and so the greater use of task and finish groups or member reference groups will provide a more agile and influential use of member time and provide more opportunities for scrutiny members to have an impact.
- 8** Members should identify what service outcomes are at issue, what lines of enquiry should provide the focus for them and which areas of performance to examine rather than be overwhelmed by an excess of data. There is a need to have clearer criteria for agenda planning and the allocation of work to small member groups and for a more structured dialogue with cabinet members to inform that work.
- 9** Then there are the challenges of member skill and capacity. If scrutiny committees are to achieve the aims set out above their members must have the skills, tools and sources of advice to enable them to do so.
- 10** The health-check carried out by the Centre for Public Scrutiny includes a set of recommendations that will help to address some of these areas for improvement. The member panel endorsed these recommendations and identified a number of actions which have been agreed by the Governance Committee.

## **Proposals**

### **Proposals for Cabinet and the executive**

- 11** It is proposed that a schedule of monthly Cabinet meetings be published to accompany the Forward Plan of key decisions and that the format for these meetings **set out in Appendix 1** be approved for inclusion in the Constitution. Also included are consequential changes to Standing Orders.
- 12** It is proposed that a simplified decision report template be adopted and that the number of officers able to contribute to the text of a report be defined, that strict timetables for the completion of reports be adopted and that the Modern.Gov system be used as soon as possible to provide a single version of a draft report. Publication deadlines will provide additional discipline.
- 13** It is proposed that a programme of training of report authors and senior officers be arranged to promote better report writing.

### **Proposals for scrutiny – select committee for the Fire & Rescue Service**

- 14** The Governance Committee has endorsed the recommendation of the Panel that a separate committee for the scrutiny of Fire & Rescue business, should be established with effect from April 2020. Whilst it was accepted that the need to improve the transparency of the Council's governance of its Fire and Rescue

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functions will be addressed primarily by raising the profile of collective responsibility of the Cabinet which discharges the executive functions of Fire and Rescue, members felt a separate select committee would ensure there is enough time to scrutinise the service properly and that this justifies the additional cost. It will also be important for the County Council, as the Fire and Rescue Authority, to ensure that areas for debate, notices of motion, questions to the executive and other strategic issues affecting the service are given due prominence at Council. Proposed terms of reference for the select committee are **set out at Appendix 2**. Other consequential changes are **set out at Appendix 3**.

### **Proposals for scrutiny – general**

- 15** It is recommended that select committees should be known as **scrutiny committees**. This is in line with the approach taken by other councils. It will also help to make their role clear to the public.
- 16** The Committee supported a recommendation to take immediate effect that the **Economy portfolio**, which currently sits within the Environment, Communities and Fire Select Committee (ECSS) portfolio of responsibilities, should be transferred to the Performance and Finance Select Committee (PFSC). This will ease the workload on ECFSC and the Economy is considered to sit better within the PFSC portfolio terms of reference. Changes to the Constitution **are set out at Appendix 3**.
- 17** Consideration was given to the **call-in procedure**. In most other councils the role of deciding whether or not call-in requests should be accepted is undertaken by the Monitoring Officer or Chief Executive. It is recommended that the decision to accept or reject a call-in request be removed from the BPGs and become the responsibility of the Monitoring Officer. This will remove any perception of political bias. The criteria for considering a call-in request are still considered to be appropriate and should remain. The Monitoring Officer should report back to the relevant committee on any decisions to reject call-in requests to include reasons. Consequential changes to the Constitution **are set out at Appendix 4**.
- 18** The Governance Committee considered options for changing the **process by which select committee chairmen are appointed**. Currently the chairmen are nominated by the Leader of the Council and approved at County Council. The Committee recommends that, with effect from the annual Council meeting in April 2020, annual appointments are made by each select committee using a secret ballot at its first meeting after the annual meeting of the Council.
- 19** This recommendation has an impact on both the timing of the appointment of members to and the proportionality of the make-up of the Performance and Finance Select Committee (PFBC) as it currently includes the chairmen of the other select committees. Even if the membership of PFSC was adjusted after the other select committee had appointed their chairmen, there is no guarantee that the appointments could be reconciled with the proportionality rules. In order to avoid such a conflict, it is recommended that, with effect from April 2020, the **membership of PFSC should no longer automatically include the chairmen of the other select committees**. This will not preclude select committee chairmen sitting on PFSC.

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- 20** It is also suggested that there should be an automatic right for chairmen of the service select committees who do not sit on PFSC to attend its meetings and speak when the select committee work programme or annual report are considered. In addition, it is proposed that there are regular informal liaison meetings between select committee chairmen and vice-chairmen to provide oversight of the scrutiny function.
- 21** This complements the new Cabinet arrangements whereby select committee chairmen will be able to attend Cabinet meetings to represent the views of their committee on any item relevant to the committee's terms of reference.
- 22** Changes to the Constitution relating to the appointment of select committee chairmen and vice-chairmen and associated changes **are set out in Appendices 3 and 5**. These changes will take effect after the annual meeting in April 2020.
- 23** The Governance Committee has approved measures to improve scrutiny for immediate implementation, to be overseen by the Performance and Finance Select Committee. These include:
- The Centre for Public Scrutiny health-check recommendations and actions identified by the member panel
  - Greater emphasis on business and agenda planning, including strengthening and clarifying the work of business planning groups and pre-agenda meetings and the use of a new guide and checklist for business planning, referred to in **Appendix 3**
  - Having a clear focus for scrutiny in reports, to include key lines of enquiry
  - More effective use of external evidence and witnesses
  - That the principal focus for scrutiny should be the Cabinet Member, to ensure a strategic approach focusing on democratic accountability and to help avoid scrutiny drifting into operational detail.
  - A schedule of skills and development for members of scrutiny committees

## **Recommended**

### **Cabinet and the executive**

- (1) That the proposals for changes to executive arrangements, as set out in Appendix 1, be approved;

### **Scrutiny**

- (2) That Select committees be renamed scrutiny committees;
- (3) That a separate select committee for the Fire & Rescue Service be established with effect from the annual Council meeting in April 2020, to be reviewed in March 2022 and that the terms of reference in Appendix 2 and other constitutional changes set out in Appendix 3 be approved;
- (4) That responsibility for scrutinising the Economy portfolio be transferred from the Environment, Communities and Fire Select Committee to the Performance and Finance Select Committee, as set out in Appendix 3, with immediate effect;

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- (5) That the decision to accept or reject call-in requests be transferred to the Monitoring Officer (or Deputy), using the criteria in the Constitution, the Monitoring Officer to report to the relevant select committee on reasons for rejecting/accepting any call-in requests and that the changes to the Constitution set out in Appendix 4 be approved;
- (6) That, with effect from the annual Council meeting in April 2020, appointments of select committee chairmen and vice-chairmen be made by the select committee using a secret ballot at its first meeting after the annual meeting of the Council and that the consequential changes set out in paragraphs 20 and 21 above and in Appendices 3 and 5 be approved; and
- (7) That the Director of Law and Assurance, in consultation with the Chairman, be authorised to make any consequential changes to the Constitution following from the recommendations set out above.

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**Appendices**

- Appendix 1: Changes to the executive
- Appendix 2: New Fire & Rescue Service Select Committee
- Appendix 3: Consequential changes in relation to scrutiny (description of select committees, business planning groups and procedures at meetings)
- Appendix 4: Changes to the call-in procedure
- Appendix 5: Changes to appointment of select committee chairmen and vice-chairman and the constitution of the Performance and Finance Select Committee

**Background papers**

None