



## Review of Scrutiny Arrangements

### Report of the Business Overview & Scrutiny Committee

September 2019



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## 1.0 INTRODUCTION

At the meeting of Council on 14th May 2019, the following resolution was agreed within agenda item 13 'Appointment, Constitution and Chairs of Committees 2019/20':

*"That this is subject to the Council charging the:*

*(a) Standards and Constitutional Oversight Committee to conduct a review of the governance arrangements of the Council, with the objective to produce, in September 2019, an interim report on options and preferred outline for further consideration; and*

*(b) Business Overview & Scrutiny Committee conduct a review of the Council's overview and scrutiny committee arrangements, in consultation with the Committee Chairs and group representatives, to consider the number of committees and their respective terms of reference to report back on suggested steps to improve the arrangement in sufficient time for them to be received and considered by the Standards and Constitutional Oversight Committee at its meeting in September."*

In order to fulfil the above Council resolution, the Chair and Party Spokespersons of the Business Overview & Scrutiny (O&S) Committee formed a Review Panel to consider the review scope and approach in order to ensure that all non-executive Members were able to comment on current and future scrutiny arrangements. This scope was agreed at a meeting of the Chair and Party Spokesperson held on 12<sup>th</sup> June 2019, with the review carried out between June and September 2019.

The key focus of the review was a workshop held for all non-executive members to review current scrutiny arrangements in Wirral and discuss preferred models. In advance of this, an extensive research exercise was undertaken by the Scrutiny Team in order to explore governance arrangements at authorities with statistical similarities to Wirral, as well as the experiences of Councils in the UK where committee systems had been introduced. This information was compiled in a briefing pack, which was presented to the Chairs and Party Spokespersons of all four O&S Committees at a pre-workshop meeting, and subsequently circulated to all non-executive Members.

The scoping document and briefing pack are included as an appendix to this report.

## 2.0 CURRENT ARRANGEMENTS AT WIRRAL

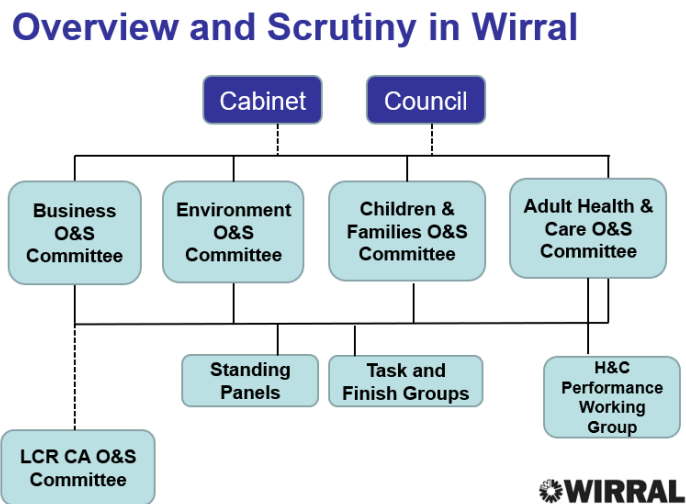
Wirral currently operates an executive model of governance, which allows for the Leader of the Council to have ultimate autonomy over who can make an executive decision, and how that decision is made. Within the executive model, there is a statutory requirement for scrutiny arrangements to be in place, although each local authority has the freedom to decide the arrangements that are most suitable.

There are currently four Overview and Scrutiny Committees in Wirral:

- Adult Care and Health
- Children and Families
- Environment
- Business

These committees were established to align with the three key themes of the Wirral Plan 2020; Environment, Business and People. In 2017, the People O&S Committee was restructured, with the Adult Care and Health & Children and Families O&S Committees established in order to ensure enhanced oversight to these key areas.

All four Overview & Scrutiny Committees are able to oversee the formation of Standing Panels and Task and Finish Groups in order to scrutinise key topics in more detail. The Adult Care and Health O&S Committee has formally established a Health & Care Performance Working Group which further examines, evaluates and monitors the performance of health and social care providers in Wirral and reports back to the main Committee.



In addition, three Wirral Members sit on the Overview & Scrutiny Committee of the Liverpool City Region Combined Authority (LCRCA), with regular meetings held throughout the year. LCRCA Overview & Scrutiny Committee activity is reported back to the Business O&S Committee at Wirral to ensure oversight and input into the combined authority work programme.

## 2.1 Statutory Guidance on Overview & Scrutiny in Local Government

In May 2019, the Ministry for Housing Communities and Local Government published a statutory document on Overview & Scrutiny in local government. Authorities with a scrutiny arrangement have an obligation to hold the guidance in regard when exercising their scrutiny function, although it is nationally recognised that each authority is best placed to determine its own scrutiny arrangements.

The guidance seeks to ensure local authorities and combined authorities are aware of the purpose of overview and scrutiny, what effective scrutiny looks like, how to conduct it effectively and the benefits it can bring. It is encouraging to see that Wirral’s scrutiny function already fulfils several of the controllable areas of focus included in the guidance paper and aligns with best practice in relation to most of the key points. The areas that need work, such as organisational culture, are long-term issues that will require change over an extended period.

### **Resourcing**

As referenced in the guidance, ‘effectively resourced scrutiny adds value to the authority, improves ability to meet the needs of local people and can help policy formulation.’ The designation of a Statutory Scrutiny Officer is required, alongside a team of dedicated scrutiny officers who are structurally independent from those areas they scrutinise, in order to ensure impartiality of advice. Wirral currently delivers all aspects of best practice regarding resourcing, with a statutory scrutiny officer, scrutiny team leader and dedicated team of three independent scrutiny officers in place.

### **Selecting Committee Members**

The paper states that selecting Members for scrutiny committees with the right skills and commitment is essential, and effective induction and training should be ensured. Outside expertise in the form of co-option of individuals and technical advisors can also be useful.

At Wirral, there is no formal selection process in place for Overview & Scrutiny Committees and Groups make arrangements within their own parties for Members to be assigned as they see fit. There is a corporate Member Development programme in place, with scrutiny-specific training and development often arranged by the Scrutiny Team. In 2018/19, this included:

- ‘Delivering Effective Scrutiny’ Induction Training
- Clinical Senate Workshop
- National Health Scrutiny & Assurance Conference
- Risk Workshop
- Chairs Training (facilitated by the Centre for Public Scrutiny)

In addition to this, Committees also have the freedom to arrange the attendance of co-opted members, with the Children & Families O&S Committee membership including diocesan and parent governor representation.

### **Access to Information**

Scrutiny Members should be able to access any information that they require and receive it in good time, with care taken not to limit or refuse information unless necessary. Often, O&S Committees at Wirral make use of closed scrutiny sessions if requested information is financially or commercially sensitive although Members are keen that, where possible, information is presented to the Committee to keep discussion open and transparent.

### **Work Planning and Considerations for Work Programmes**

The guidance suggests that O&S Committees draw up long-term work programmes, making them flexible enough to accommodate any urgent issues that arise during the year. In addition, it is suggested that work is prioritised, with emphasis given to subjects that involve risk, finance or partnership working, and that partners, stakeholders and executive Members are engaged with.

Each of Wirral’s O&S Committees hold dedicated work planning sessions at the start of the municipal year in order to agree a framework for the work programme. This includes use of a set of principles for prioritisation – a clear list of criteria to ensure that the most significant topics are prioritised. Alongside this initial planning session, the agenda for each meeting is reviewed throughout the year to allow urgent issues to be addressed and the work programme to remain as flexible as possible.

There is a focus on pre-decision scrutiny as part of the work planning arrangements at Wirral, with a comprehensive change programme detailing the schedule of upcoming projects that include scrutiny involvement before decisions are made. In addition to separate O&S Committee agenda setting sessions, a quarterly Chair's Meeting is held for the four scrutiny Chairs to discuss their work programmes and ensure there is no duplication of subjects and that cross-committee items are tackled in the most efficient way.

### **Evidence Sessions**

The publication advocates the use of evidence sessions in informing the recommendations of O&S Committees. These sessions can include workshops or task and finish groups, and should have clear objectives to start, and evaluation of evidence presented. In the 2018/19 municipal year, Wirral's O&S Committees completed the following evidence sessions:

- Integrated Mental Health Service Procurement
- Child and Adolescent Mental Health Services (CAMHS) Workshop
- Four Budget Scrutiny Workshops
- Future Multi-Agency Safeguarding arrangements.
- Pooled Funding Workshop
- Quality Accounts 2018/19 Task and Finish
- Wirral Waters Scrutiny Workshop
- Commercial Strategy Scrutiny Workshop
- Council Company Governance Workshop
- Universal Credit Scrutiny Workshop
- Wirral Growth Company Scrutiny Workshop
- Modern Slavery Task and Finish
- Continuing Healthcare Task and Finish

In addition, four 'Reality Check' visits were held for Members of the Children & Families O&S Committee and the Adult Care and Health O&S Committee to visit frontline services to engage with staff, residents and gather evidence on the effectiveness of services and partner organisations.

### **Culture**

A crucial area of focus within the guidance was the idea of a strong organisational culture which recognises the value of scrutiny. In addition, the paper states that early engagement between the Executive and Scrutiny is key, and that Scrutiny Members are supported to have an independent mindset and a high profile within the organisation. Organisational culture within Wirral is an area that requires change and improvement over a period of time to ensure a collaborative environment.

#### 2.1.1 Scrutiny Recommendations

Principally, the biggest impact that scrutiny can have is its power to influence policy and decisions made by the Council and other organisations delivering public services. This impact at Wirral can be evidenced by the number of recommendations made by Overview & Scrutiny Committees that have subsequently been accepted by Cabinet.

**Recommendations made to Cabinet/Cabinet Member - 2018/19:**

O&S Committee	Review Topic	Recommendations accepted by Cabinet
Environment O&S	Dogs Public Space Protection Orders	1
Business O&S	Commercial Strategy	4
Business O&S	Celtic Manor	1
Adult Care and Health O&S	Continuing Healthcare	7
Adult Care and Health O&S	Pooled Fund Agreement	6
<b>Total Recommendations Accepted: 19</b>		

**Recommendations made to Cabinet – Previous Years:**

Municipal Year	Number of Recommendations accepted by Cabinet
2017/18	3
2016/17	33
2015/16	20
<b>Total Recommendations Accepted: 56</b>	

Since 2015/16, just two recommendations made to Cabinet have not been accepted – both recommendations were put forward as part of the Resident Parking Review.

**2.2 Governance Review and Scrutiny**

It is important to note that a review of Council governance arrangements was undertaken by a working group of the Standards and Constitutional Oversight Committee at the same time that the Business Overview & Scrutiny Committee conducted this review of scrutiny arrangements. Both review findings will be presented to the Standards and Constitutional Oversight Committee in September 2019.

The primary objective of the governance review working group was to explore different governance options that could be implemented at Wirral; the current executive model, the committee system or the potential for a hybrid set of arrangements. The Governance Review therefore has implications for the Scrutiny Review as some governance models do not require Scrutiny.

## The Reviews Underway



### 3.0 MEMBER WORKSHOP

One of the key areas included in the initial scope of the review was that the process be a consultative one, with the Chair and Party Spokespersons of the Business O&S Committee keen to include not just the other O&S Chairs and Spokespersons, but all O&S Members in any discussion around change.

A workshop was held on 17<sup>th</sup> July 2019 in order to include the views of all O&S Members from across political parties and to allow open discussion. The workshop was attended by 11 Elected Members, as well as the key members of the Strategic Leadership Team. The workshop was introduced by the Chair of the Business Overview and Scrutiny Committee.

As part of the workshop, the Statutory Scrutiny Officer facilitated the session in order to ensure the objectives of the session were clear and to provide an overview of current arrangements and key points to be considered as part of the workshop.

The workshop activities were constituted of two main areas of deliberation:

- to gain an understanding of positive areas of the current scrutiny system that members thought should be included into any new arrangements
- to produce a preferred structure of committees that Members agree could work well within a new governance model.

➤ ***Which elements of Overview & Scrutiny should be included in new Wirral governance arrangements?***

Members were asked to consider the following points during the session:

- What works well?
- What key principles of O&S are important?
- Organisational culture
- Pre-decision scrutiny
- Budget scrutiny



- Performance monitoring
- Should O&S be included if a committee/ hybrid model is developed?

Following discussion, a number of key themes were identified by Members – innovative and valuable features of the current system that there was a collective desire to take forward into any new governance model, along with areas of improvement that Members were keen to address and develop to ensure improved decision-making in the future.

### **Positive Areas of Current Scrutiny**

#### **Open Challenge and Debate**

Members welcomed the opportunity that scrutiny provides to choose who and what comes before the scrutiny committee for detailed review, and how it enables open and transparent debate. They appreciated the ability that scrutiny has to bring items of public interest to the fore, and to ‘shine a light’ on subjects that require comprehensive examination in a public forum.

#### **Task & Finish**

Members expressed interest in ensuring that there is still opportunity for task & finish groups to be established as part of any new governance arrangements. Members stated that these groups are currently a positive way of deep diving into complex issues to ensure meaningful results.

#### **Cross-Cutting Issues, Sub-Committees and Workshops**

Discussion took place around the use of workshops and sub-committees in order to cover cross-cutting issues and topics that require further detail, such as the formation of the Health and Care Performance Panel. Members expressed a real desire for cross-cutting issues to be adequately monitored within any new governance arrangements to ensure that nothing falls between the cracks if not easily identified within the remit of a Committee. In addition, the use of workshops or spotlight sessions as a way to scrutinise topics that require input from more than one committee was welcomed.

#### **Partnership Working and Involvement of Stakeholders**

Scrutiny provides an environment where frank discussion can be held between the authority and its partner organisations, stakeholders, staff and residents. In 2018/19, a number of witnesses attended O&S meetings – whether they were ordinary committees, specially convened committees or ‘call-ins’ – allowing scrutiny to be a forum in which a variety of different voices and opinions were able to be heard.

#### **Budget and Performance Scrutiny**

Through O&S, elected Members have the power and ability to request, monitor and probe any area of service and budget performance. This oversight stretches beyond Council-delivered services and includes monitoring of key partners - ensuring openness and transparency. Within current scrutiny arrangements, there are dedicated budget scrutiny sessions covering the remit of all four O&S Committees, as well as a Health and Care Performance Working Group which allows Members to carry out more detailed examination and evaluation of health and care performance.

### **Areas for Improvement**

#### **Member Engagement and Culture**

Councillors questioned whether there was a perception amongst Committee Members that scrutiny lacked impact on decision-making, and whether scrutiny members are less engaged as a result of this. There was discussion around the fact that there may be a belief amongst some Members that scrutiny

'doesn't make a difference', meaning they are then less willing to be fully involved. Some Members felt that the executive model meant that there was no parity of esteem between Cabinet and non-executive members, however it was noted that since the local elections in May 2019, and the change of Cabinet that this was changing 'for the better' and there was more engagement. There was agreement among Members that they needed to work together more effectively.

Ultimately, the idea that recommendations can be overlooked by Cabinet means that the current system allows only a small number of Members to make real decisions – this lack of ownership for the majority of the 66 members could be the primary cause of issues with engagement. Discussion also took place around the tendency for the same Members to contribute to debate and to put themselves forward for working groups etc. (although it was understood that sometimes this can be due to other commitments/working patterns).

Some Members felt that engagement would be improved by a committee system of governance. However, others were concerned about the ability to properly scrutinise decisions under a committee system and felt a hybrid model would be more efficient.

### **Recommendations and 'Closing the Loop'**

Members stated that, historically, there has been no formal mechanism in place to follow up on previous recommendations accepted by Cabinet and subsequently implemented. This was stated as another possible reason that Members seem to be less engaged with scrutiny. Although, it was noted that in recent years, O&S Committees have made strides in requesting follow up reports on scrutiny reviews – for example, the Continuing Healthcare scrutiny review was brought back to the March 2019 meeting of the Adult Care and Health O&S Committee so that Members could be kept apprised of progress within the service.

### **Quality of Reports and Information**

A small number of Members stated that reports can be lacking in detailed information or are provided too late for scrutiny to be able to make any meaningful contribution (this links to a lack of pre-decision scrutiny), although it was appreciated that there is a difficult balance to strike in regard to provision of information. Some felt that the current system was reliant on officer reports and Members were not always confident that they were getting the full picture. Members generally agreed that workshops and reality check visits allowed for more frank and open discussion, often from the frontline, which was preferred to officer reports. They also found workshops to be useful as an information gathering mechanism, meaning they had access to further background information in advance of formal reports to Committees.

### **Role of the Chair**

Some Members voiced concern that on occasion, O&S Chairs can have their own priorities, and only want to look at issues that fit their own agenda. It was widely agreed by Members that good scrutiny is very much dependent on the ability of the Chair, and that this can sometimes be inconsistent. Opposition Members were pleased with the appointment of opposition Chairs, as they felt more included in the O&S Committee meetings as a result of this representation.

### **Forward Plan/Pre-Decision Scrutiny**

Several members were unfamiliar with the corporate 'Forward Plan' and found it lacking in detail and hard to navigate. Although work programmes are developed by Members themselves and they have the power to ask for whatever information they feel necessary, it was the perception of some that there

was insufficient pre-decision scrutiny, and that decisions have already been made by the time O&S are given opportunity to scrutinise them.

### **Member appointment to Committees**

Some Members felt that assignment to current O&S Committees was not always based on expertise or interest in the subject matter. Although the selection process varies between Groups, some Members queried how members would be fairly appointed in the instance of a committee system being introduced, with a number in attendance voicing concerns that the incorrect selection of Members could be a real hindrance to decision making.

#### **➤ *What is your preferred approach to develop a fit for purpose O&S model for Wirral?***

Members were asked to consider the following:

- What would your ideal model of O&S for Wirral?
- Should the O&S structure be based on existing Directorates, functional areas, portfolios or strategic priorities?
- What about scrutiny of partners?
- How can it best provide pre-decision scrutiny?

In order to assist with development of Members' preferred models, packs were supplied to the group which provided an overview of services, alongside current portfolios, directorates, functional areas and strategic priorities. In addition, Members were also reminded of the necessity to include Wirral's continued involvement in the Liverpool City Region Combined Authority O&S arrangements as part of their considerations.

The following committee models were constructed based on discussions held between Members within their workshop groups, as an outline of where O&S may fit in such a model and as a potential basis for terms of reference:

## Model 1

<b>Health and Care</b> <i>Current Portfolio: Adult Care, Health &amp; Wellbeing</i>	<b>Children</b> <i>Current Portfolio: Children, Families &amp; Education</i>	<b>Environment</b> <i>Current Portfolio: Community Services Environment &amp; Climate Change</i>
<i>Services:</i> Public Health Adult Social Care Commissioning & Contracts Disability & Mental Health NHS Partners Statutory Health Scrutiny	<i>Services:</i> Early Help & Prevention Specialist Services Modernisation and Support Schools Commissioning and support.  * Some members thought 'Education' should have its own separate Committee, however there was no general consensus.	<i>Services:</i> Highways & Traffic One Stop Shops Customer Service Safer Wirral Services Street Scene Statutory Crime & Disorder Scrutiny Statutory Flooding Scrutiny
<b>Business</b> <i>Current Portfolio: Regeneration &amp; Growth The Local Plan Housing &amp; Planning</i>	<b>Culture and Leisure</b> <i>Current Portfolio: Culture &amp; Tourism</i>	<b>Administration</b> <i>Current Portfolio: Finance &amp; Resources</i>
<i>Services:</i> Major Planning Assets & Transport Regen. & Inward Investment	<i>Services:</i> Culture & Visitor Economy Floral, Williamson & Priory Leisure & Libraries Parks and Countryside	<i>Services:</i> Governance & Assurance Communication and Marketing ICT Strategy HR/OD Wirral Intelligence Service Income, Debt & Payments Facilities Management
<b>Climate Change – Across all Committees</b>		

## Model 2

<b>Adult Care and Health</b> <i>Current Portfolio: Adult Care, Health &amp; Wellbeing</i>	<b>Children and Families</b> <i>Current Portfolio: Children, Families &amp; Education</i>	<b>Community Services</b> <i>Current Portfolio: Community Services</i>
<i>Services:</i> Public Health Adult Social Care Commissioning & Contracts Disability & Mental Health NHS Partners Statutory Health Scrutiny	<i>Services:</i> Early Help & Prevention Commissioning Specialist Services Community Safety -Primarily C&F Partners	<i>Services:</i> Highways & Traffic Parks & Countryside One Stop Shops Customer Service Leisure & Libraries Statutory Crime & Disorder Scrutiny
<b>Environment and Climate Change</b> <i>Current Portfolio: Environment &amp; Climate Change Regeneration &amp; Growth The Local Plan Housing &amp; Planning</i>	<b>Culture and Tourism</b> <i>Current Portfolio: Culture &amp; Tourism</i>	<b>Business, Audit and Risk</b> <i>Current Portfolio: Finance &amp; Resources</i>
<i>Services:</i> Facilities Major Planning Assets & Transport Climate Change Regen. & Inward Investment Statutory Flooding Scrutiny	<i>Services:</i> Culture & Visitor Econ Floral, Williamson & Priory	<i>Services:</i> Governance & Assurance Finance & Investment ICT Strategy HR/OD WIS Income, Debt & Payments
<b>Communication &amp; Marketing – Across all Committees</b>		

These models are based on the assumption of a committee or hybrid system of governance being adopted – with decision making committees aligning with current portfolio areas. There was broad agreement by Members that dedicated O&S Committee may not be required, but instead the areas of current scrutiny arrangements that work well should be woven into a committee or hybrid system – particularly to ensure that key areas of scrutiny (health, crime & disorder and flood risk) are still carried out effectively.

## 4.0 SUMMARY AND FINDINGS

As a result of the Member workshop, a number of crucial findings were gathered. In discussing the potential model of a committee or hybrid system at Wirral, there was agreement that retention of the following key principles of effective scrutiny would be required in a new governance model to ensure that decision-making is effective, efficient and legitimate:

- i) Openness and Transparency – Members should be able to access all necessary information required to inform decision making, with open debate and the ability to challenge preserved within any new model of governance.
- ii) Ensuring effective oversight - budget and performance scrutiny and monitoring should be retained in order to ensure that there is effective oversight of financial matters and delivery of programmes of work and improved outcomes for Wirral residents.
- iii) Holding partners to account – Wirral currently delivers a number of services with and through partner organisations. It is essential that the positive aspects of partnership oversight currently in the O&S function are carried over, and that independence of this monitoring is retained.
- iv) The use of Task & Finish and Scrutiny Review groups for each decision-making committee was welcomed, however, to ensure that these sub-groups are truly effective, they will require a focus on improving the organisational culture of the authority, ensuring pre-decision scrutiny remains at the forefront of the Council agenda and that all Members are proactive in horizon scanning and work planning.
- v) Effective assignment of Members with appropriate knowledge and skills and across political groups to relevant Committees and sub-Committees.
- vi) Continued engagement with stakeholders through their attendance at Committees as external witnesses in order that the views and opinions of residents, staff and partners is taken into account as part of the decision-making process. The innovative approach of Reality Check visits is also encouraged as an important way of ensuring frontline views are heard.

### 4.1 Recommendations

The Business O&S Committee Review Group recommend that:

1. The findings of this review of scrutiny arrangements be taken into account as part any new governance model, with the six key principles of effective scrutiny formally included within the new model of decision-making.
2. The effectiveness of the Overview & Scrutiny arrangements of the new governance model at Wirral should be reviewed after 12 months to ensure the good practice currently in operation is continued.

3. The new governance model should ensure full consideration of Wirral's involvement in the Liverpool City Region Combined Authority Overview & Scrutiny function.