

Title: Revisions to Scrutiny Arrangements

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Portfolio Holder: Councillor Day

Wards of the District directly affected: None

Approvals required	Date	Name
Portfolio Holder	30/1/23	Andrew Day
Finance	30/1/23	Lorraine Henson
Legal Services		
Chief Executive	30/1/23	Chris Elliott
Programme Director Climate Change	30/1/23	Dave Barber
Head of Service(s)	30/1/23	Andrew Jones
Section 151 Officer	30/1/23	Andrew Rollins
Monitoring Officer	30/1/23	Andrew Jones
Leadership Co-ordination Group		
Final decision by this Committee or rec to another Cttee / Council?	No one decision is required from Council.	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No	
Accessibility Checked?	Yes	

Summary

The report brings forward changes to the Scrutiny arrangements for the Council in recognition of the concerns that have been raised by the Overview & Scrutiny Committee and both the Monitoring Officer and Section 151 Officer.

Recommendations

- (1) That from municipal year 2023/2024, the Overview & Scrutiny Committee has four additional meetings (once a quarter).
 - (2) That the remit of the Budget Review Group, as set out at Appendix 2 to the report, is supported and, subject to support from the Audit & Standards Committee, is recommended to Council for Annexing to the Constitution.
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1 Reasons for the Recommendation

- 1.1 In May 2022, the Council agreed to move to a single Scrutiny Committee. This was a change from previous years where the Council had two Scrutiny Committees (one of which also acted as the Council's Audit committee). The two Committees undertook the scrutiny function from different perspectives.
- 1.2 The remit of the Overview and Scrutiny Committee, before May 2022, was to review items to be considered by the Cabinet, to review past decisions, policy development, health and wellbeing issues, specific issues and problems within any service area. It would also be able to scrutinise any other matter not otherwise delegated to the Finance and Audit Scrutiny Committee.
- 1.3 The remit of the Finance and Audit Scrutiny Committee, before it was disbanded, was to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, issues of an audit nature and to oversee the financial reporting process. The Finance and Audit Scrutiny Committee would:
 - Review the robustness of business cases
 - Promote value for money and good procurement practice
 - Make recommendations on good financial management practices
 - Keep the treasury management performance under review
 - Approve the Statement of Accounts in accordance with regulation 10 of the Accounts and Audit Regulations 2003
 - Review specific Cabinet items and past decisions.
- 1.4 The remit of the Finance & Audit Scrutiny Committee covered a number of areas that are the responsibility of an Audit Committee role rather than scrutiny function. While there will always be some overlap between the work of Scrutiny Committees and the Audit Committee, it is advised against them being a single Committee. This is advised against by both the Chartered Institute of Public Finance and Accountancy (CIPFA) and Centre for Governance & Scrutiny (CfGS).
- 1.5 The approach of combining the Audit Committee with an Overview & Scrutiny Committee risks conflicts of interest, spreading resources too thinly and losing

clarity over both audit and scrutiny committees' important statutory functions. Both functions require distinct support and should be able to operate effectively independently. This aside, because the functions relate to similar areas, there will be matters of common interest where it makes sense to collaborate. Some examples are areas around mindset and culture, securing good governance risk, value for money and wider policy issues (including the impact of council strategy and financial management).

1.6 As a result, for the municipal year 2022/2023, Council approved a new structure around its Scrutiny function, with the Overview & Scrutiny Committee's remit being changed, to add scrutiny of finances as well, and the creation of a new Audit & Standards Committee.

1.7 The close working relationship between these two Committees should be delivered through regular dialogue between the Chairs, who should look at sharing information and areas the respective Committees may wish to look at. At present, there is a strong working relationship between the Chair of the Audit & Standards Committee and Overview & Scrutiny and this is an area that officers will continue to support into the next municipal year, including ensuring they are invited to the others' briefings prior to their Committee meetings.

1.8 In respect of capacity of the Overview & Scrutiny Committee up to December 2022, the Committee had considered the following:

Year	Meetings	Scrutiny reports	Cabinet reports considered
19/20	10	19	20
20/21	9	9	20
21/22	8	15	20
22/23	7	10*	26

*This includes three Treasury Management reports that now fall to Audit & Standards Committee

1.9 In addition to this, the Finance & Audit Scrutiny Committee had considered 82 Cabinet reports between May 2019 and May 2022 over 28 meetings (just under three Cabinet items per meeting). The number being considered had reduced with the introduction of the Overview & Scrutiny Committee Procedure rule 21, as set out at Appendix 1 to the report. It should also be noted that from the Cabinet items considered, 58 were simply noted or supported, 26 had comments provided and in only in six cases were recommendations made to the Cabinet.

1.10 Councillors will be aware of the introduction of pre-scrutiny questions, the answers to which are available via the website. These have helped to further focus and enhance debates at Committee. This has also reduced the number of Cabinet items being considered as simpler queries are answered outside of the formal Committee meeting.

1.11 This aside, concern has been raised by Councillors and Senior Officers that some key strategic financial reports are not receiving robust scrutiny due to lack of time and capacity at the meeting.

1.12 The Chair of the Overview & Scrutiny Committee has considered these points and come to the view that in order to provide additional capacity within Overview & Scrutiny Committee meetings, before Cabinet, the most sustainable approach would be to have four additional meetings a year which would solely

focus on reports to the Committee and not on Cabinet matters, therein creating more capacity at meetings of Scrutiny the night before Cabinet.

- 1.13 In addition to this, the Chair supports the continuation of the Fees & Charges Review Group and the Budget Review Group (Although now a single Group called the Budget Review Group). Currently these are composed of representatives of the Audit & Standards Committee and Overview & Scrutiny Committee, with a representative of each political group from both Committees.
- 1.14 The use of this Group has a number of benefits through sharing skills and knowledge across the Committees, while allowing focus on specific topics. They were an experiment for this municipal year, but have now been built into the Calendar of meetings for 2023/24. To enhance understanding of their role and the associated responsibilities, a brief terms of reference has been produced and is appended to this report for consideration as Appendix 2 to the report.
- 1.15 Councillors have also raised concerns about the level of training received in respect of local government finance and more specifically, understanding Warwick District Council finances. This is considered a particularly important area for Councillors to understand, due to their legal responsibilities in respect of the over £100million a year that the Council is responsible for.
- 1.16 To that end, post-election on 6 June 2023, there will be a training session for all Councillors covering the basic elements of the District Council budgets, where money comes from to fund services and key terminology. This will then be built upon throughout the year with more detailed sessions at appropriate times on other areas, for example, key considerations in setting fees and charges and the art of Treasury Management. Due to the importance of this area, this will be included in a proposal for mandatory training for all Councillors to be considered by the Audit & Standards Committee in February.
- 1.17 There will also be detailed scrutiny training, focused on Overview & Scrutiny Committee Members and substitutes, but open to all Councillors. This will be delivered by the CfGS and with further sessions over the next two years.
- 1.18 In addition to these face-to-face courses, all new Councillors (indeed some will be shared with all candidates once close of nominations has passed) will be provided details of further information they can access and read, for example, the supporting documents to this report.

2 Alternative Options

- 2.1 Consideration was given to a number of alternative options, including reverting to have two Scrutiny Committees of Finance & Audit and Overview & Scrutiny Committee.
- 2.2 In respect of having two Committees as per the previous approach, there are many wider considerations and points raised by Members on this.
- 2.3 The arrangements the Council had previously were: Monday – Group, Tuesday – O&S, Wed – F&A and Thurs – Cabinet.
- 2.4 Members took the decision last year that this was no longer sustainable, with some officers and Councillors having four consecutive nights of meetings every six weeks.
- 2.5 With this in mind, officers considered the potential for this with either Cabinet dropping to the week after, or Group meetings being removed from the calendar. Moving Cabinet to the week after and retaining six-weekly Cabinet and three-weekly planning (then fitting Council and other meetings at set times) did not work. It was also considered not appropriate to remove the

Group meetings or moving them to another time slot due to the benefits these have brought through pre-meeting questions.

- 2.6 The Council could have F&A and O&S on the same night but not at the Town Hall as there is insufficient event space for two meetings and also recognising that there will be development work at the Town Hall coming forward with Future High Street Funds. Without investment in broadcast equipment, we cannot broadcast two committees at the same time, accepting the Council has committed to broadcasting its meetings.
- 2.7 The Council cannot hold Committee meetings remotely (removing the need for space at the Town Hall) as the law does not permit it. The Council could have two Committees simultaneously, with one Committee at another venue, but then the benefit of having everyone in the same space to swap between rooms (catch up etc.) would be lost and there would be a cost associated with use of another venue.

3 Legal Implications

- 3.1 There are no specific legal implications of the report and the proposals comply with the relevant aspects of legislation.

4 Financial

- 4.1 There will be minimal additional cost to the Council of the additional meetings in respect of refreshments, but this can be funded within existing budgets. This will result in lost income opportunity for Town Hall (as the room will not be available for hire for four additional evenings) but this is not expected to materially alter their planned income for the year.
- 4.2 There will also be additional cost in respect of officer time in attending additional meetings but it is anticipated this should be balanced by no overall increase in meeting time.

5 Business Strategy

- 5.1 Warwick District Council has adopted a Business Strategy which sets out key areas for service delivery. This proposal responds to two of those proposals in respect of Maintain or Improve Services and Firm Financial Footing over the Longer Term.
- 5.2 In respect of both of these points, these decisions are being brought forward to provide more robust scrutiny in proposals that come forward to provide assurance to the public on the approaches being taken by the Council.

6 Environmental/Climate Change Implications

- 6.1 There will be an adverse impact on the climate as a result of increased travel to meetings in the evening by Councillors and Officers. While this, overall will be a potentially small negative effect, there will be one. Equally, there will be more carbon emissions from energy use at the Town Hall. At this time, there are no direct mitigations for these.

7 Analysis of the effects on Equality

- 7.1 It is not considered that an equality impact assessment needs to be undertaken for these proposals.

8 Data Protection

- 8.1 There is no change in the handling of personal data as a result of these proposals.

9 Health and Wellbeing

- 9.1 There will be an impact on health and wellbeing as a result of these proposals. There is the potential for shorter meetings so officers and Councillors will not be working as late, recognising the identified impact of trying to reach significant decisions later in the day. However, there is the negative impact of more meetings, which impacts on both Councillors' and officers' private lives. It is anticipated that these will balance each other out and will need to be monitored carefully.
- 9.2 In addition, it is hoped that by having slightly more meetings, the agendas will be shorter for some meetings. Therefore, the reading time required for each meeting will be less significant, therefore reducing pressure.

10 Risk Assessment

- 10.1 The Committee needs to be mindful of the election in May and the new Council may want to change its approach to governance and Committees. This was explored post-election in 2019. The advice to the new Council will be that any proposals considered should be developed over the first 12 months in office with a view to introduction in the second municipal year of the Council.
- 10.2 Combining Audit & Standards Committee. CIPFA also advises against combining the Audit Committee with governance work associated with the Standards Committee. Officers were of the view that this risk was more acceptable based on the relatively low volume of work associated with the Standards Committee compared with the high volume of work of the Scrutiny Committee. In addition to this, by bringing the Standards Committee work with the Audit Committee has the benefit of bringing the views of the Independent Persons on audit matters, as well as the Parish/Town Council representatives, thus providing a more rounded view on matters (which is supported by CIPFA).
- 10.3 As referenced in the Health and Wellbeing section, there is a risk in respect of employees' and Councillors' time by introducing additional meetings without extra resources being available. This will need to be more closely monitored and Committee Services will undertake some comparative work on length of meetings from this municipal year as (as a base) with those in coming years as they occur.

11 Consultation

- 11.1 Discussions have taken place with the Chair of the Overview & Scrutiny Committee who is supportive of the proposal. The Internal Audit & Risk Manager has also been consulted on the report and is content with the approach proposed.

Background papers: None

Supporting documents:

[Centre for Governance & Scrutiny Practitioners Guide](#)
[Centre for Governance & Scrutiny – Audit Committees and Scrutiny: working together](#)
[LGA Councillor workbook: Scrutiny of finance](#)
[Centre for Governance & Scrutiny & CIPFA Financial Scrutiny/practice guide](#)
[LGA a Councillor workbook on scrutiny](#)
[Warwick District Council Cabinet 20 April 2022 – Item 06 Amendments to the Constitution](#)
[MHCLG – Statutory Guidance on Overview & Scrutiny in Local and Combined Authorities](#)

Overview & Scrutiny Committee Procedure rule 21

1. We encourage all members to ask questions about issues that either affect residents or in which they have an interest. Scrutiny is not the only way to do this and members should feel free to raise questions with portfolio holders at any time.
2. Scrutiny committees will consider issues that have due significance with reference to the following criteria:
 - a) The number of residents impacted and the significance of that impact.
 - b) The amount of spend involved.
 - c) It concerns a strategic priority of the Council or key project.
3. Scrutiny committees should only consider items where there is a tangible reason to do so. This should broadly fit into one of the following criteria:
 - a) Where there are concerns about the basis for a recommendation e.g. the data that had led to the recommendation is deficient, or new data or information deemed material to forming a view on the item has been provided too late for a written question and answer to be circulated before the meeting, or members are aware of contradictory evidence.
 - b) There is an alternative policy, development or direction which needs to be explored.
4. Reasons for any request for scrutiny to consider an item should be clearly stated based on the approach outlined above.
5. Where the Chair of the Scrutiny Committee considers the criteria is not met, they can either ask for clarification from the Councillor and, if they remain unsatisfied, decline the request for the item to be considered

Terms of Reference Budget Review Group

The group will be responsible for reviewing the following papers on the evening before Cabinet considers them.

Annual Fees & Charges

Setting of the General Fund Budget

Setting of the Housing Revenue Account (HRA)

Their purpose will be to review the reports and pass comment on the strategic financial robustness of them.

The reports will be subject to pre meeting questions process as used for all Cabinet papers.

The Group will be composed of a Councillor from each Political group on the Council from each of the Audit & Standards and Overview & Scrutiny committee

The Leader of the Cabinet will permit the Chair of this meeting to represent the views of the Group inline with the rights provided to the Chair of the Overview & Scrutiny Committee