REVIEW OF SCRUTINY – BRIEFING FOR POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE, 6 DECEMBER 2016

Introduction

1 The Council is currently undertaking a Review of Scrutiny, to identify proposals for the scrutiny arrangements to be put in place following the May 2017 Council elections. The reasons for undertaking the Review are set out in paragraphs 12 - 18 below.

2 This report summarises the research for the Review that has recently been carried out by scrutiny officers, and the primary evidence gathered from different groups of stakeholders. The report is designed to inform Members of the Committee so that they can provide views on a number of key questions on issues such as: committee structure; balance in work programming; roles and responsibilities; reports and information; citizen focus; and other pertinent issues.

3 These views will be fed into a process of modelling of options during December, which will be consulted upon in January 2017 with political Groups, Council managers, and key external partners such as Health, Police and Cardiff Third Sector Council. This will in turn inform a report to Constitution Committee's 9 February meeting, which will offer recommendations for consideration by a future Full Council. The establishment of Scrutiny Committees is a standing item on the agenda of the Annual Council, which takes place in May 2017.

4 This report sets the background to the Review, the key evidence sets and issues, and suggests some areas that Members may wish to focus their scrutiny. There are hyperlinks to background evidence and research, should Members wish to undertake further reading before the meeting.

5 At the Committee meeting, Director of Governance and Legal Services Davina Fiore will present the report, supported by Operational Manager for Scrutiny and

Equalities Paul Keeping. Councillor Daniel De'Ath, Cabinet Member with Portfolio responsibility for Local Democracy will also be in attendance.

6 Members are recommended to provide their views on the issues contained in the report, and on issues arising at the meeting.

Cardiff's Current Scrutiny Model

7 Cardiff's five Committee model is arranged as a hybrid of Directorate and Portfolio areas. Although it has steadily evolved during the past 16 years since it was first introduced, the structure has stood the test of time. As an overview, the model is:

- 5 Committees
- Each Committee has 11 formal meetings per year[1] plus additional meetings as required.
- Each Committee* has 9 Members[2]**
- Committees each develop task and finish Inquiries
- Some Committees have Budget / Performance Panels to consider key issues.

8 Scrutiny is supported by a team of scrutiny officers, and also makes use of the following resources:

- Elected Scrutiny Members and Cabinet Members
- Committee Services officers – clerking, webcasting
- Directors and senior officers
- External witnesses.

9 In 2015/16 there were:

- 66 Formal Committee meetings (122 agenda items)

[1] Plus some regular special meetings
[2] * As a temporary measure, reduced for 2016 to 8 Members per committee. Children and Young People Scrutiny Committee also has 4 co-optees.

- 144 Chairs' letters to Cabinet Members
- 181 external witnesses

- 13 in depth Task and Finish inquiries (55 T&F meetings)
- 90 Task and Finish Inquiry Recommendations – 85% accepted
- 14 Budget & Performance Panel meetings

- 22 Scrutiny Research reports
- 4 Scrutiny surveys with 397 respondents

- 6 formal Public Questions
- 6 Scrutiny Chairs' Liaison Forum meetings.

10 Cardiff's scrutiny model is similar to that of many other Core Cities, who arrange their scrutiny as below. Most Core Cities also have a range of partnership scrutiny bodies, notably (as mandatory in England) a Health Partnership Committee:

- **Liverpool -** 7 Committees grouped as a hybrid of Directorate and Portfolio.
- **Bristol -** 1 Overview and Scrutiny Board, 4 Committees, grouped by Directorate, 1 Call in Committee.
- **Leeds -** 6 Committees, grouped by Directorate.
- **Manchester -** 6 Committees, grouped by areas of the Manchester Partnership).
- **Birmingham**- 5 Committees, grouped by Portfolio.
- **Cardiff -** 5 Committees, grouped as hybrid of Directorate and Portfolio.
- **Sheffield -** 5 Committees, grouped by Portfolio.
- **Glasgow -** 2 Committees.
- **Newcastle -** 1 Overview and Scrutiny Committee.
- **Nottingham-** 1 Overview and Scrutiny Board, 1 Call-in Panel.

11 Cardiff's model is similar to that of many other Welsh Councils. Several of these have five Committees, several have four Committees, and several have three. There is an even balance between arrangement by Directorate, by Portfolio and as a hybrid of the two. Two authorities (Pembrokeshire and Denbighshire) have

a thematic (Policy Development, Performance Monitoring, Partnership, Pre-Decision) arrangement, and two (Swansea and Anglesey) have a single Committee model.

Why is the Review being Undertaken?

12 In their September 2015 “Improving Scrutiny” report, the Council’s five scrutiny chairs said that a number of issues relating to strategic national and local changes to governance that were then on scrutiny’s “horizon” would need closer examination during the 2016/17 municipal year.

13 In their February 2016 Corporate Assessment Follow On report, Wales Audit Office (WAO) recommended that Cardiff Council developed an approach to the scrutiny of cross cutting issues, relating to changes to service governance emanating from implementation of the Wellbeing of Future Generations Act 2015 and the draft Local Government Act (Wales). WAO also asked the Council to address scrutiny of the key strategic challenges facing the governance of local authorities at this point in time.

14 During the 2008/9 financial year Scrutiny Services had a revenue budget of £761,320. The revenue budget for 2016/17 is £451,110, a reduction of 41%. The budget has reduced by 24% since 2012.

15 In addition, the Council’s February 2016 Budget report identified a £50,000 cut to the Scrutiny Service. At the same time a one year balancing figure of £50,000 was provided for the 2016/17 financial year, awaiting a Review of Scrutiny. This money is unlikely to be available in the future.

16 At the same time, recent and planned changes to legislation (including the 2011 Local Government Measure (Wales), the 2015 Wellbeing of Future Generations Act and the proposed Local Government Act (Wales)) all have provisions relating to scrutiny. Emerging local government policy (notably the increase in collaborative local and regional service delivery) and Cardiff-specific service

development and governance changes are creating different expectations of scrutiny.

17 As a statutory minimum, Councils in Wales are required to provide:

- At least one Scrutiny Committee (Local Government Act 2000) to hold Executive to account;
- Scrutiny of performance as an integral part of Local Government Improvement (Local Government Act 2009)
- Scrutiny of Crime and Disorder services (Police and Justice Act 2006);
- Scrutiny of the area's Public Services Board (Wellbeing of Future Generations Act 2015).

18 There are, however, a number of local policy priorities and external expectations shaping and developing Scrutiny in Cardiff: Scrutiny research in October 2016 identified 17 existing bodies or new entities (of a significant scale) which currently or will (within the next five years) require scrutiny. 14 of these bodies have been set up (or are in the process of being created) since 2014 with only three being established prior to this date. Nine of the bodies / entities identified during this exercise (53%) have been established (or are in the process of being created) in 2016. They fall into the following categories:

- **Local Alternative Delivery Models:** eg Leisure partnership with Greenwich Leisure Limited, Arts Venue Operator, Flat Holm Island, Children's Play. **(Cardiff Council expectation).**

- **Regional Scrutiny of Service Delivery:** eg Shared Regulatory Service, Rent Smart Wales, Prosiect Gwyrdd phase 2, Education Consortium, National and Regional Adoption Service, Integrating Health & Social Care (Cardiff & Vale Regional Partnership Board). **(Welsh Government expectation).**

- **Partnership with External Auditors, Inspectors and Regulators:** Expectation of effective joint working with Wales Audit Office, CSSIW and Estyn. **(Welsh Government expectation).**

- **Collaborative Working:** eg Cardiff Public Services Board **(statutory requirement)**, Community Safety Partnership, Safeguarding Boards for Adults and Children, Cardiff Capital Region City Deal **(Cardiff Council expectation)**.

- **New Cross Cutting Service Delivery:** eg Community Hubs, Single View of the Citizen, Information Advice & Assistance, Commercial and Collaborative Service, recommissioning of Advice, Domiciliary Care, Supported Housing, Domestic Violence, Buildings Maintenance etc **(Cardiff Council expectation)**.

- **Citizen Focus**: eg citizen questions to scrutiny, citizen work programming suggestions, webcasting, scrutiny meetings in community venues **(Welsh Government expectation)**.

The Process of the Review

19 Scrutiny Officers have carried out research which are available by clicking the hyperlinks below. The reports provide an overview of the context in which scrutiny is currently operating in Cardiff, and drivers influencing change:

- An analysis of the statutory requirements and guidance on scrutiny;
- Scrutiny arrangements in Wales and core cities, with 6 case studies;
- Current Cardiff scrutiny arrangements & structure, 2015/16 activities and outputs;
- An assertion of perceived current outcomes of scrutiny in Cardiff;
- Scrutiny officers' views on the factors influencing the effectiveness of existing scrutiny arrangements in Cardiff;
- An analysis of Members' evaluation of scrutiny 2015/16;

- Analysis of lessons from past Scrutiny Reviews;
- The governance and scrutiny implications of recent and planned organisational changes within the Council.

20 In November 2016 the Review arranged a series of evidence-gathering workshops with Scrutiny Committee Chairs, Senior Management Team, the Group Whips, and a Review workshop attended by scrutiny councillors, co-optees and Cabinet Members. The Review was also discussed at the bi-monthly Group Leaders Meeting. Policy Review and Performance Scrutiny Committee will consider the Review as the final piece of primary engagement at this stage.

21 From all the research and engagement feedback, officers will seek to draw key findings during December 2016 and model these into effective options for future scrutiny delivery. Political Groups, managers, scrutiny committee chairs, officers from the Council's strategic partners and third sector/citizen stakeholders will be consulted on these options in January 2017, to inform a report with draft proposals to be considered at Constitution Committee on 9 February 2017. The Committee's recommendations will be offered for consideration and agreement by a future Full Council meeting. The establishment of Scrutiny Committees is a standing item on the agenda of the Annual Council, which takes place in May 2017.

The Scope of Scrutiny by this Committee

22 On 9 February 2017, the Constitution Committee will consider an optimal model for scrutiny that the new Administration could adopt. In advance of that meeting, and the consultation with stakeholders that will precede it in January 2017, it will be helpful if Members of Policy Review and Scrutiny Committee could consider some early drafts of optional models that are attached at **Appendix 1**. These illustrate:

- **Model One: A "Standard" arrangement** – such as the one currently in place in Cardiff, where Committees' terms of reference are arranged as a hybrid of Political portfolio and organisational Directorate structure.

- **Model Two: A "Thematic" arrangement** – where committees are arranged around the type of scrutiny they specialise in – such as Pre-Decision, Performance Monitoring, Policy Development, Partnership etc.

- **Model Three: A "Single Committee" arrangement** – where there is just one formal Scrutiny committee, and a range of informal activities arranged below it.

23 Each model is accompanied by:

- An outline of the perceived key advantages and disadvantages of each model;
- A short list of issues and questions arising from each model; and
- Relevant Member and manager feedback received at the recent evidence gathering workshops.

24 The views provided at the recent engagement sessions by Members and managers on each of these models, and their perceptions of the current strengths and weaknesses in local scrutiny are currently being written up, and will be circulated to Members before the meeting.

25 In overview, in terms of views on committee structure, Scrutiny Chairs said that while they valued the holding to account and the accessibility to the citizen provided through public meetings, they recognised that for productive task and finish activity to be facilitated it might be necessary to limit the number of formal meetings held. They also noted that the "standard" model allowed Members to undertake work aligned with their particular interests. Senior Management Team expressed contentment with a hybrid "standard" four committee model with task and finish groups, but felt that in any case the number of formal meetings should not be increased. At the all Member workshop some Members reinforced this view, while one Member favoured a thematic model, and another

favoured a One Committee model. Members are asked for their views on the preferred model for the next Administration.

26 Within each model, there is also scope for variety in terms of the balance of work undertaken within scrutiny work programmes (ie the amount of time spent in policy development, performance monitoring and pre-decision scrutiny). In Cardiff during the 2015/16 Municipal Year there were 159 scrutiny items, broken down as follows:

- Monitoring Performance / Delivery 46
- Policy Development and Review 33
- Pre-Decision 30
- Items of Scrutiny Research 22
- Briefing Information Reports 15
- Monitoring Impact of Past Scrutiny 9
- Call-In 4

27 It will therefore be appreciated if Members could indicate whether they feel that there should be changes to the current level of focus on each of the key types of scrutiny.

28 Most Members providing views have indicated that they would like to spend less time in formal committee meetings, and more in task and finish as they find these more helpful. During 2015/16, there were 13 in depth Task and Finish inquiries, with 55 T&F meetings. These produced 90 Inquiry Recommendations, 85% of which the Cabinet accepted.

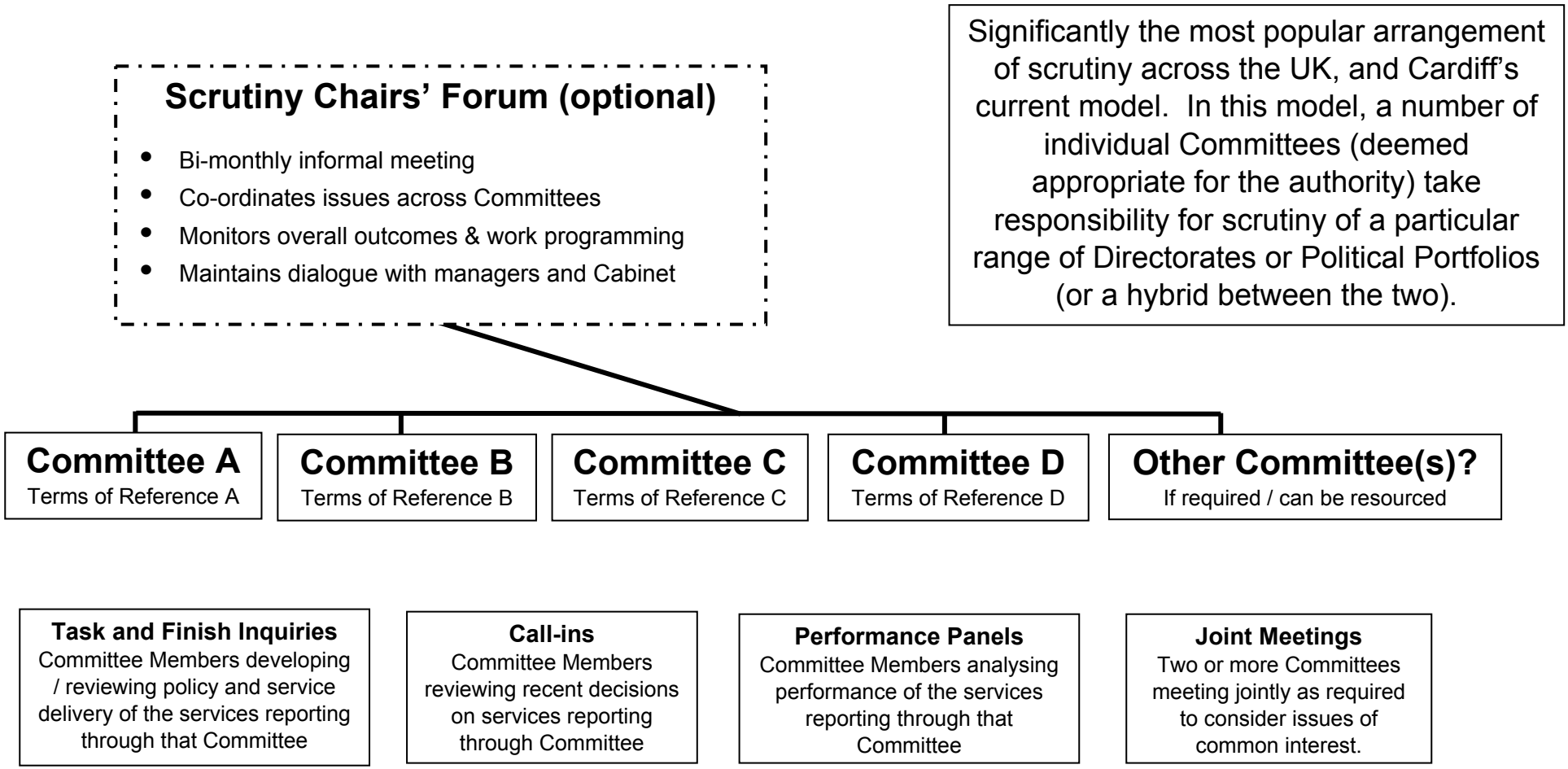
29 It will be helpful if Committee can therefore provide views on whether the current balance in terms of time and resource invested in formal committee meetings and informal task and finish activity should be changed, and if so, which are the key strengths of public committee meetings that should be retained, and the risks to be managed.

30 To assist Members, the nationally agreed “Characteristics of Effective Scrutiny in Wales” are attached at **Appendix 2**. A set of prompt questions is listed at

Appendix 3, grouped under four key theme areas (the role of Scrutiny within the Council; the structure of Scrutiny; capacity and resourcing; and citizen focus).

Appendix 1: ILLUSTRATION OF THREE DIFFERING SCRUTINY MODELS

MODEL 1 – "STANDARD" SCRUTINY MODEL



Appendix 1: **Issues to Consider with "Standard" Scrutiny Model**

- Needs to cater for the increasingly cross-cutting nature of service delivery – suggested one Committee would have clear partnership remit, and to deal with key corporate issues.

- Clear alignment between scrutiny and Directorate service delivery optimises senior manager involvement in Scrutiny. Clear alignment between scrutiny and the Administration's political priorities optimises Cabinet Member involvement in Scrutiny.

- How to facilitate involvement of non-executive Members who are not on Scrutiny Committees?

- If Portfolios or Directorate structures change significantly, can make scrutiny structure unbalanced.

  Currently 7 Council Directorates – how best to arrange in Committee structure? Currently 9 Portfolio Areas – how best to arrange in Committee structure? Some Directorates / Portfolios might benefit more from scrutiny than others.

- Tight alignment by Directorate or Portfolio might promote silos and limit working with strategic partners.

- A smaller number of Committees might enable more T&F activity, and respond to concerns of Members who feel there are too many formal meetings. But would increase the workload of those committees, making them more generalist and less specialist.

- A larger number of committees might limit capacity for T&F, might lead to a larger number of formal meetings, and more frequent changes in Committee Membership. But it would allow Members to develop and explore special interest in a narrower topic, and deepen relationship with Cabinet Member and Directors / staff.

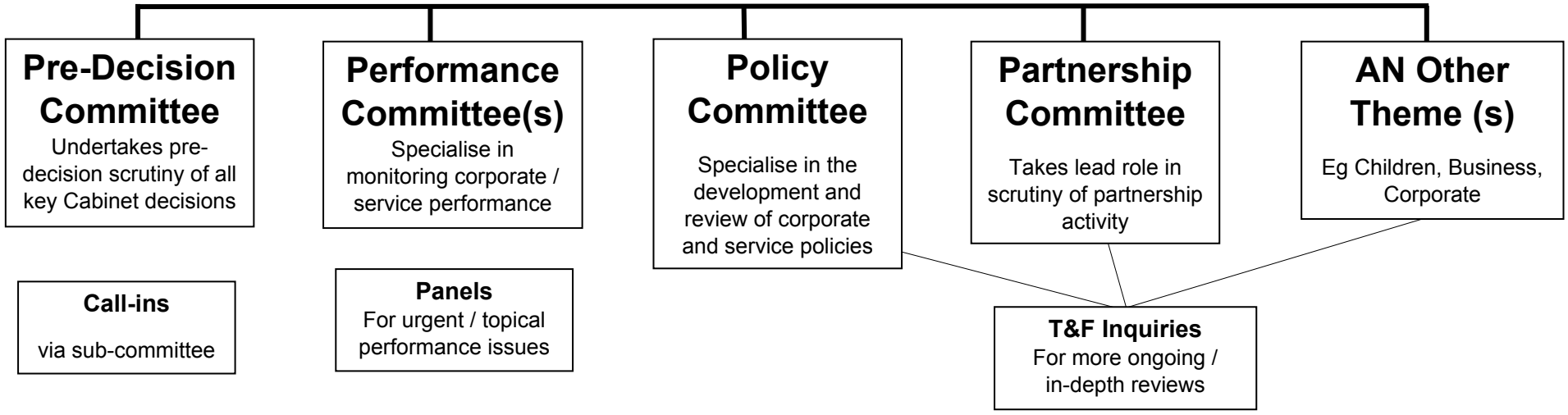
- A larger number of committees might be difficult to sustain financially.

Appendix 1: MODEL 2 – THEMATIC SCRUTINY MODEL

Scrutiny Chairs' Forum (optional)

- Bi-monthly informal meeting
- Co-ordinates issues across Committees
- Monitors overall outcomes & work programming
- Maintains dialogue with managers and Cabinet

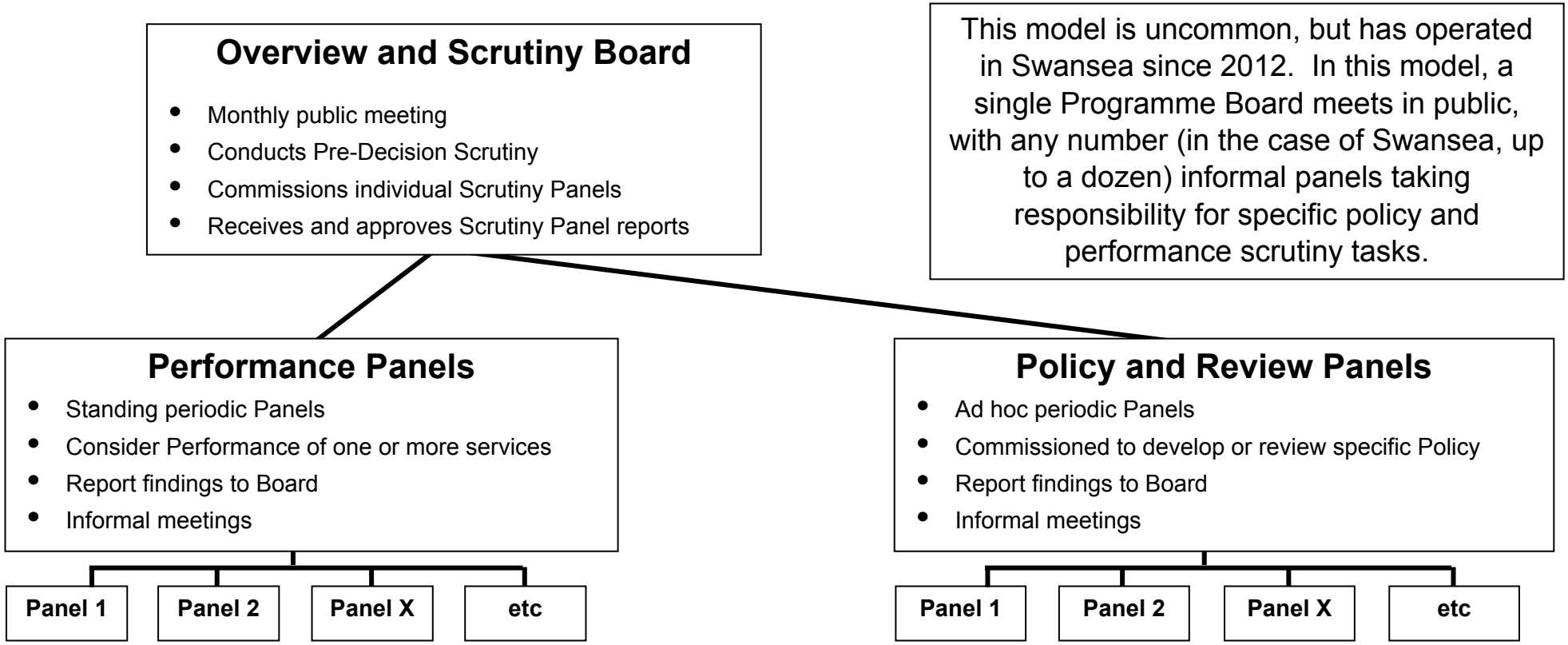
This model is relatively new, but versions have been introduced in both Denbighshire and Pembrokeshire within the past 18 months. In this model, A NUMBER of individual Committees take responsibility for scrutiny of a particular TYPE OF SCRUTINY



Appendix 1: **Issues to Consider with Thematic Scrutiny Model**

- Enables Members to build and enhance specific, cross cutting skills, eg excellence in performance monitoring, or generic policy development skills.
- Suited to Members differing skill sets eg “big thinker”, “completer finisher”, “good at figures”, “good at detail”.
- Clearly addresses cross cutting issues eg Partnership, Performance.
- Committees can meet at differing frequencies, as required – eg Pre-Decision more frequently, policy development less frequently.
- Flexibility in work allocation – one committee agrees to consider a report to alleviate agenda pressure if another is overloaded.
- Promotes holistic understanding of joined up service delivery.
- Members have to develop broad knowledge of all services – capacity challenge?
- Might prevent Members developing and applying in depth topic knowledge
- Might limit Members wishing to specialise in topics in which they have most appetite eg housing, social care, education.
- Might limit scope for providing mutli-faceted overview of a particular service.

Appendix 1: MODEL 3 – SINGLE SCRUTINY PROGRAMME BOARD MODEL



Appendix 1: **Issues to Consider with Single Committee Model**

- Simple structure, easy to understand and co-ordinate. Reduces bureaucracy and Council formality – likely to make it easier for external witnesses to give evidence with confidence.
- Committee clerk only required to attend the few formal Committee meetings held in public during the year.
- Flexible arrangement responsive to work demands and current priorities.
- Members need only get involved in topic areas or inquiries that are of interest to them.
- Reduced duplication of presenting similar reports to different committees.
- While informal meetings are held in public, they aren't considered to have similar status to Committee meetings.
- How often should Cabinet Members give account of their work in public?
- Limited opportunity for public pre-decision scrutiny.
- Only one Special Responsibility Allowance – Cardiff currently has five, which spreads Scrutiny capacity.
- Significant responsibility invested in the sole Scrutiny Chair the Programme Board. Required by statute to be from the largest political opposition Group.
- No current formal attendance monitoring on Member involvement in informal Panel / working group meetings.
- Limited opportunities for Members wishing to sit on a formal scrutiny committee - concern that their work and contribution to informal working groups may not be formally recognised or acknowledged.

Appendix 2:
The Characteristics Of Effective Scrutiny In Wales

Local authorities are encouraged to ensure that their scrutiny activities deliver three positive outcomes (Better Outcomes, Better Decisions and Better Engagement), and meet 15 “Characteristics of Effective Scrutiny”, which are.

Outcome One: Democratic accountability drives improvement in public services (*“Better Outcomes for Citizens”)*

- A clearly defined and valued role in the council's improvement and governance arrangements.
- Has the dedicated support it needs from officers who are able to undertake independent research effectively, and provides councillors with high-quality analysis, advice and training.
- Inquiries non-political, sound, incorporate wide range of evidence & views.
- Regularly engages in evidence based challenge of decision makers and service providers.
- Provides viable and well evidenced solutions to recognised problems.

Outcome Two: Democratic decision making is accountable, inclusive and robust *(“Better Decisions for the Council”)*

- Councillors have the training & devt opportunities needed to undertake their role effectively.
- Receives effective support from the corporate management team who ensure that scrutiny receives high quality, clear and accessible information in a timely and consistent manner.
- Councillor-led, takes into account the views of the public, partners & regulators, and balances the prioritisation of community concerns against issues of strategic risk and importance.
- Meetings & activities well-planned, chaired effectively and make best use of resources.
- Decision makers give public account for themselves at committees for their portfolio.

Outcome Three: The public is engaged in debate about current & future delivery of public services (*“Better Engagement with the Public”)*

- Recognised by Cabinet and corporate management team as an important Council mechanism for community engagement, and facilitates greater citizen involvement in governance.
- Characterised by effective communication to encourage participation in democracy.

- Operates non-politically & deals effectively with sensitive political issues, tension & conflict.
- Builds trust and good relationships with a wide variety of internal and external stakeholders.
- Enables the 'voice' of local communities to be heard as part of policy-making and decisions.

Appendix 3:
Some General Questions for Consideration about Future Scrutiny Arrangements

The Role of Scrutiny within the Council

a. What overall outcomes should Scrutiny deliver?

b. What are the things that Scrutiny does best, and what could be improved?

c. What strengths should be retained into any new arrangements?

d. How can scrutiny's relationship with the Executive be optimised?

The Structure of Scrutiny

Above and beyond the questions listed in paragraph 11 above:

e. The number of Members sitting on each committee, and the length and frequency of their meetings.

f. Co-option of more non-elected members onto committees task & finish activities.

g. The relationships and co-ordination between the scrutiny committees.

h. How to optimise and eliminate duplication between and other key Committees, such as Democratic Services Committee and Audit Committee.

Capacity and Resourcing

i. How Members' capacity can best be supported in terms of the information presented to them at scrutiny, and in scrutiny protocols.

j. The role of senior managers in supporting and advising scrutiny committees.

k. The role of the professional scrutiny officer.

Citizen Focus

l. How can the citizen's voice in Scrutiny be optimised through Work Programming, working with third sector bodies, co-option, webcasting, receiving petitions, public questions, holding meetings in community venues etc?