

REPORT TO: CITY COUNCIL - 28 JUNE 2010
REPORT ON: REVIEW OF SCRUTINY ARRANGEMENTS FOR COUNCIL SERVICES
REPORT BY: CHIEF EXECUTIVE
REPORT NO: 370-2010

1.0 PURPOSE OF REPORT

To review scrutiny arrangements within the Council.

2.0 RECOMMENDATIONS

It is recommended that the Council:-

1. note the current scrutiny arrangements within the Council;
2. approve the revised Terms of Reference for the Scrutiny Committee and operating arrangements for the Scrutiny Committee and Scrutiny Panels;
3. remit to the Depute Chief Executive (Support Services) to amend the Terms of Reference of the Committee concerned and make any further consequential amendments;
4. remit to the Chief Executive to determine which reports from HMIE on individual schools and from the Care Commission on individual establishments would benefit from scrutiny and submit individual reports to the Scrutiny Committee as appropriate;
5. remit to the Depute Chief Executive (Support Services) to amend the timetable of meetings; and
6. review the operating arrangements for the Scrutiny Committee and Scrutiny Panels on an annual basis.

3.0 FINANCIAL IMPLICATIONS

None.

4.0 MAIN TEXT

BACKGROUND

- 4.1 Reference is made to Article II of the minute of meeting of the City Council of 11 May 2009, wherein *inter alia* it was agreed to establish a Scrutiny Committee and review the Committee and its operations and to the Best Value 2 Audit Report which was issued to the City Council by Audit Scotland on 26 March 2010 and included the following area of improvement "There remains a need for the Council to put in place an effective approach to elected member scrutiny of decision-making and performance. Recent changes have not been sufficient to address long standing concerns on this issue. The Council needs to ensure that it is more transparent, with better discussion of key issues in public meetings."

In accordance with the remit from the City Council and to address the area of improvement identified in the Best Value 2 Audit Report the scrutiny arrangements for Council services have been reviewed.

EXISTING ARRANGEMENTS

- 4.2 Consideration was first given to the more general scrutiny arrangements within the Council which existed prior to the establishment of the Scrutiny Committee and within the context of which the Scrutiny Committee operates.
- 4.3 Scrutiny exists at many levels within the Council and involves both Chief Officers and Elected Members.

Chief Officers are responsible for scrutinising the operation of their departments and taking action wherever they believe that services are not being provided in an appropriate way.

The work of Chief Officers is in turn monitored by the Conveners of the various Committees and also by the Council's Committees and Sub-Committees themselves. The Policy and Resources Committee has the widest scrutiny role as its remit is widest but all the Council's other service committees contribute to the work of scrutiny to some degree.

- 4.4 In addition, the Council set up the Audit and Risk Management Sub-Committee, and the Improvement and Efficiency Sub-Committee and gave them their own scrutiny roles.

The existing Terms of Reference for the Audit and Risk Management Sub-Committee, the Improvement and Efficiency Sub-Committee and the Scrutiny Committee are appended hereto. (Appendix 1).

In summary, the Improvement and Efficiency Sub-Committee's role is to consider an overall assessment of progress and performance in relation to Best Value and Efficient Government and review assessment reports on the overall performance of the Council, the Best Value Improvement Plan, Efficient Government and Best Value Reviews, while the Audit and Risk Management Sub-Committee's role is to consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements and to seek assurances that action is being taken on risk related issues that have been identified. Reports by the City Council's Internal and External Auditors are considered by this Sub-Committee.

- 4.5 The Council also sets up Best Value Working Groups to consider the future development, delivery, evaluation and monitoring of specific issues on an ad hoc basis and it is intended that this should continue in the future.

5.0 NEW PROPOSALS

CYCLE OF MEETINGS

- 5.1 To enable Elected Members to scrutinise reports in more detail, it is proposed that a monthly cycle of meetings be introduced as soon as practicable and that agenda and papers be issued five clear working days before the Committee meeting, (ie that is on Fridays, rather than Mondays for service committees) not including the day the agenda is issued and the day of the meeting, unless exceptional circumstances apply. At present, meetings take place on a fortnightly cycle and the agenda and papers are issued four clear working days before the date of the meeting unless exceptional circumstances apply.

It is proposed that the meetings be held as follows:-

Monthly Timetable of Meetings

Group 1	1st Thursday (day) Licensing Committee
Group 2	2nd Monday (evening) City Council Leisure, Arts and Communities Committee Housing, Dundee Contract Services and Environment Services Committee Policy and Resources Committee
Group 3	3rd Monday (evening) Development Quality Committee
Group 4	4th Monday (evening) Education Committee City Development Committee Social Work Committee

The timetable of meetings will be adjusted to take account of Council Recesses etc.

ROLE OF POLICY AND RESOURCES COMMITTEE, SERVICE COMMITTEES AND SCRUTINY COMMITTEE

- 5.2 It is essential that there is clarity in the Scrutiny Committee's relationship with the Policy and Resources Committee and the other service committees.

It is not the role of the Scrutiny Committee to develop policy. That rests with the service committees. The Scrutiny Committee may, suggest to a service committee that a policy should be reviewed or amended. The final decision, however, rests with the service committee.

The Scrutiny Committee is not therefore intended to replace the scrutiny role which service committees have in relation to the performance of the services for which they are responsible. It is meant to strengthen the scrutiny arrangements within the Council by adding a further tier of scrutiny.

It is however proposed that the scrutiny roles of the Scrutiny Committee, the Improvement and Efficiency Sub-Committee and the Audit and Risk Management Sub-Committee be merged. It is also proposed that the Terms of Reference of the new Scrutiny Committee be revised as follows.

- that external reports on service provision be submitted to the service committee for consideration (excluding external reports within the revised Terms of Reference of the proposed Scrutiny Committee). The reports and any improvement plan or action plan would then be referred by the service committee to the Scrutiny Committee (excluding reports referred to a Best Value Review Group) for consideration and report back to the relevant service committee as appropriate.
- that only those external inspection reports from HMIE on individual schools and from the Care Commission on individual establishments which would benefit from scrutiny be submitted to the Scrutiny Committee and reported back to the relevant service committee as appropriate.
- that it be remitted to the Chief Executive to determine which reports would benefit from scrutiny and submit individual reports to the Scrutiny Committee as appropriate. Where external inspection reports are good or better and would not benefit from in depth scrutiny, summary scores would be reported together with any best practice to improve performance at other schools or establishments.

AMENDMENTS TO TERMS OF REFERENCE OF THE SCRUTINY COMMITTEE

- 5.3 To reflect the above, the current Terms of Reference of the Scrutiny Committee which are set out below in italics would be amended as explained below.

1. *To scrutinise, review and examine reports and action plans relating to service delivery and Council policy referred to the Committee from the City Council, its Committees and Sub-Committees, and report back where necessary.*

Reports referred to a Best Value Working Group would be excluded.

2. *To approve an annual programme of Best Value Reviews and monitor progress of the Best Value Review Programme and report back to the relevant Committee as appropriate.*

At present the annual programme of Best Value Reviews is considered by the Improvement and Efficiency Sub-Committee.

The annual programme of Best Value Reviews would be submitted to the Policy and Resources Committee and the monitoring of the Programme would be carried out by the Scrutiny Committee.

3. *To examine and review external inspection reports of Council services including HMIE reports in respect of schools and report back to the relevant Committee as appropriate (excluding external reports within the Terms of Reference of the Improvement and Efficiency Sub-Committee and Audit and Risk Management Sub-Committee).*

The above paragraph would be deleted and replaced with the undernoted.

To examine and review external inspection reports from HMIE on individual schools or from the Care Commission on individual establishments which would benefit from scrutiny and report back to the relevant service committee, as appropriate. Where external inspection reports are good or better and would not benefit from in-depth scrutiny, summary scores will be reported together with any best practice to improve performance at other schools or establishments.

4. *To examine reports from the Scottish Public Services Ombudsman (SPSO) and the SPSO annual report and report back to the relevant Committee as appropriate.*

This paragraph would be amended to read to examine the Scottish Public Service Ombudsman Annual Report and report back to the relevant Committee as appropriate.

5. *To examine consumer and employee surveys and report back to the relevant Committee as appropriate.*

This paragraph would be deleted. The above reports are presently considered by the Policy and Resources Committee and this would continue.

6. *To examine the Council's Public Performance report and report back to the relevant Committee as appropriate.*

This paragraph would be deleted. The report is presently considered by the Policy and Resources Committee and this would continue. As far as the monitoring of the report is concerned, this would be carried out by the Scrutiny Committee.

7. *To review the Council's corporate governance arrangements and report back to the relevant Committee as appropriate.*

A review would be carried out annually. The Scrutiny Committee would then report to the Policy and Resources Committee.

8. *To promote and maintain high standards of conduct by Councillors and co-opted members and report back to the City Council or relevant Committee as appropriate.*

This paragraph would be deleted. Reference to this paragraph is adequately covered under paragraph 10 of the existing Terms of Reference of the Scrutiny Committee.

The proposed Revised Terms of Reference for the Scrutiny Committee is appended hereto. (Appendix II).

5.4 OPERATIONAL ARRANGEMENTS OF SCRUTINY COMMITTEE

There are no changes to the operational arrangements.

(a) **Membership**

The membership will comprise four members of the Administration, two members of the Major Opposition Group (including Chair), and one member of each of the Minor Opposition Groups. All political groups will be represented on the Scrutiny Committee.

(b) **Convener and Depute Convener**

The Convener will be the Leader of the Major Opposition Group. The Depute Convener will be a member of the next largest Opposition Group.

(c) **Frequency of Meetings**

Meetings will be held during the day every eight weeks or more frequently if required.

(d) **Quorum**

The quorum of the Committee shall be three members. The quorum must include a representative from the Administration and the Major Opposition Group.

(e) **Substitutes**

It shall be competent for substitutes to be intimated and effected for individual meetings of the Committee.

(f) **Dates of Meetings**

The Convener has agreed the undernoted dates.

The meetings will be held in the Main Council Chamber at 2.00 pm.

18 August 2010
20 October 2010
8 December 2010

5.5 **OPERATIONAL ARRANGEMENTS FOR SCRUTINY PANEL**

In order to assist the Scrutiny Committee to carry out its functions it is recommended that the Scrutiny Committee will have power to establish Scrutiny Panels to review particular subjects. The operational arrangements will be as follows.

Scrutiny Panels will meet in private. In all respects, Scrutiny Panels will be supported by officers of the Council.

In establishing and appointing members to such Panels, the Scrutiny Committee will have regard to the following provisions:-

- (a) scrutiny reviews will relate to subjects which the Chief Executive has determined would benefit from scrutiny. The Chief Executive will prepare a list of such subjects on an annual basis and may add further subjects at any time;
- (b) that no more than two scrutiny reviews are undertaken by the Scrutiny Committee at any one time;
- (c) each Panel will have a clear remit and be established for a specific period of time and will meet as required;
- (d) each Panel will have a membership of four members comprising of two members of the Administration, one member of the Major Opposition Group and one member of the Conservative or Liberal Democrat Group;
- (e) the quorum will be three;
- (f) members of any Scrutiny Panel will be drawn from among the membership of the Scrutiny Committee. Scrutiny Panels set up by the Scrutiny Committee will be chaired by an Opposition member;

- (g) *each Panel may seek to meet with service users, members of the public and others who may be able to assist them;*
- (h) panels established by the Scrutiny Committee will report back to the Scrutiny Committee; and
- (i) it shall be competent for substitutes to be intimated and effected for individual meetings of the Panel.

6.0 POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

7.0 CONSULTATIONS

The Depute Chief Executive (Support Services), Assistant Chief Executive and Director of Finance have been consulted.

8.0 BACKGROUND PAPERS

None.

David K Dorward
Chief Executive

DATE: 15 June 2010

APPENDIX I

Existing Terms of Reference

(a) **AUDIT AND RISK MANAGEMENT SUB-COMMITTEE**

The remit of this Sub-Committee is:-

1. to consider and monitor the strategy, plan and performance of the Council's risk management arrangements and seek assurances that action is being taken on risk related issues;
2. to consider and monitor the strategy, plan and performance of the Council's Internal Audit Service;
3. to consider the strategy and plans of the Council's External Auditor;
4. to consider internal and external audit reports and seek assurance that appropriate action has been taken;
5. to monitor the implementation of internal and external audit recommendations agreed with Management;
6. to receive the Annual Report of the Chief Internal Auditor; and
7. to consider and monitor the effectiveness of the Council's anti-fraud and anti-corruption arrangements and receive reports on an exception basis.

(b) **IMPROVEMENT AND EFFICIENCY SUB-COMMITTEE**

The remit of this Sub-Committee is:-

1. to review the Council's Annual Efficiency Statement;
2. to review performance reports; and
3. to review progress in implementing the Council Plan, Service Plans and the Single Outcome Agreement.

(c) **SCRUTINY COMMITTEE**

The remit of this Committee is:-

1. to scrutinise, review and examine reports and action plans relating to service delivery and Council policy referred to the Committee from the City Council, its Committees and Sub-Committees and report back where necessary;
2. to approve an annual programme of Best Value Reviews and monitor progress of the Best Value Review Programme and report back to the relevant Committee as appropriate;
3. to examine and review external inspection reports of Council services including HMIE reports in respect of schools and report back to the relevant Committee as appropriate (excluding external reports within the Terms of Reference of the Improvement and Efficiency Sub-Committee and Audit and Risk Management Sub-Committee);
4. to examine reports from the Scottish Public Services Ombudsman (SPSO) and the SPSO annual report and report back to the relevant Committee as appropriate;
5. to examine consumer and employee surveys and report back to the relevant Committee as appropriate;
6. to examine the Council's Public Performance report and report back to the relevant Committee as appropriate;

7. to review and monitor the Council's complaints system and report back to the relevant Committee as appropriate;
8. to review the Council's corporate governance arrangements and report back to the relevant Committee as appropriate;
9. to promote and maintain high standards of conduct by Councillors and co-opted members and report back to the City Council or relevant Committee as appropriate;
10. to consider any reports by the Standards Commission for Scotland relevant to members of the Council submitted by the Monitoring Officer and thereafter the City Council or relevant Committee as appropriate; and
11. to consider matters concerning the maintenance and public availability of a Register of Interests for Members and Chief Officers, including any information which might require to be redacted.

APPENDIX II

Revised Terms of Reference

SCRUTINY COMMITTEE

1. *To scrutinise, review and examine reports and action plans relating to service delivery and Council policy referred to the Committee from the City Council, its Committees and Sub-Committees (excluding reports referred to a Best Value Working Group) and report back where necessary.*
2. Examine and review external inspection reports from HMIE on individual schools or from the Care Commission on individual establishments which would benefit from scrutiny and report back to the relevant service committee as appropriate Where external inspection reports are good or better and would not benefit from in-depth scrutiny, scores will be reported together with any best practice to improve performance at other schools and establishments
3. *To examine the Scottish Public Services Ombudsman SPSO annual report and report back to the relevant Committee as appropriate.*
4. *To review and monitor the Council's complaints system and report back to the relevant Committee as appropriate.*
5. *To review annually the Council's corporate governance arrangements and report back to the Policy and Resources Committee as appropriate.*
6. *To consider any reports by the Standards Commission for Scotland relevant to members of the Council submitted by the Monitoring Officer and thereafter the City Council or relevant Committee as appropriate.*
7. *To consider matters concerning the maintenance and public availability of a Register of Interests for Members and Chief Officers, including any information which might require to be redacted.*
8. *To remit to Scrutiny Panels to review no more than two specific areas at a time identified by the Scrutiny Committee and to report back.*
9. *To monitor the annual programme of Best Value Reviews approved by the Policy and Resources Committee.*
10. *To monitor the Public Performance report considered by the Policy and Resources Committee.*
11. to consider and monitor the strategy, plan and performance of the Council's risk management arrangements and seek assurances that action is being taken on risk related issues;
12. to consider and monitor the strategy, plan and performance of the Council's Internal Audit Service;
13. to consider the strategy and plans of the Council's External Auditor;
14. to consider internal and external audit reports and seek assurance that appropriate action has been taken;
15. to monitor the implementation of internal and external audit recommendations agreed with Management;
16. to receive the Annual Report of the Chief Internal Auditor;
17. to consider and monitor the effectiveness of the Council's anti-fraud and anti-corruption arrangements and receive reports on an exception basis;

18. to review the Council's Annual Efficiency Statement;
19. to review performance reports; and
20. to review progress in implementing the Council Plan, Service Plan and the Single Outcome Agreement.