

To: Scrutiny Committee
Date: 05 June 2024
Report of: Head of Law and Governance
Title of Report: Scrutiny Operating Principles and Standing Panel and Review Group Arrangements

Summary and recommendations	
Purpose of report:	To adopt a set of operating principles for the Scrutiny Committee for the 2024/25 municipal year, establish standing panels and review groups and appoint standing panel and review group membership and chairs.
Key decision:	No
Scrutiny Lead Member:	Chair of the Scrutiny Committee 2024/25
Corporate Priority:	All
Recommendations: That the Scrutiny Committee resolves to:	
<ol style="list-style-type: none"> 1. Agree the proposed Committee Operating Principles for the 2024/25 municipal year, as set out at Appendix A. 2. Agree to establish the following standing panels for the 2024/25 municipal year with the following remits: <ol style="list-style-type: none"> i) Finance and Performance Panel – finance and budgetary issues and decisions, annual review of the Council’s budget, quarterly monitoring of finance and performance (including performance of the Council’s companies), executive decisions made in relation to any companies wholly or partly owned by the Council. ii) Housing and Homelessness Panel – strategic housing and landlord issues and decisions, homelessness, housing services performance and interaction with the Tenant’s Forum. iii) Climate and Environment Panel – climate and environmental issues and decisions, progress and performance monitoring, monitoring delivery of existing strategies, policies and projects. <p>or to agree to consider the establishment of alternative panels at a subsequent meeting.</p> 3. Agree the allocation of seats on standing panels to political groups for 2024/25 (Finance and Performance Panel: 4, Housing and Homelessness Panel: 6, Climate and Environment Panel: 4 are recommended). 4. Agree to appoint members and chairs of the Finance and Performance, Housing and 	

Homelessness and Climate and Environment Panels or any other panels as agreed by the Committee in accordance with nominations made by political groups.

Finance and Performance Panel: Cllr James Fry (Chair), Cllr Chris Jarvis, Cllr Christopher Smowton, Cllr Ian Yeatman
Housing and Homelessness Panel: Cllr Lizzy Diggins (Chair), Cllr Theo Jupp, Cllr Edward Mundy, Cllr Asima Qayyum, Cllr Rosie Rawle, Cllr Anne Stares
Climate and Environment Panel: Cllr Jemima Hunt (Chair), Cllr Judith Harley, Cllr Emily Kerr, Cllr Katherine Miles

5. **Agree** to establish a Budget Review Group, comprising the membership of the Finance and Performance Panel, noting that the proposed scope will be agreed at a future Scrutiny Committee meeting.
6. **Agree** that the Chair of the Finance and Performance Panel will Chair the Budget Review Group.
7. **Agree** the schedule of meetings as presented within the report.
8. **Agree:**
 - i) The preliminary Work Plan covering the period to September 2024 as detailed at **Appendix B**; and
 - ii) That Committee members will send additional ideas for topics for Scrutiny-commissioned reports to the Scrutiny Officer by e-mail for consideration at the Committee's 02 July meeting.
9. **Note** the Scrutiny Guide for Councillors at Appendix D.

Appendices

Appendix A	Draft Scrutiny Committee Operating Principles
Appendix B	Preliminary work plan to September 2024
Appendix C	List of suggestions for 2024/25 Scrutiny Work Plan
Appendix D	Scrutiny Guide for Councillors
Appendix E	List of Executive Decisions Reserved to the Shareholder
Appendix F	Shareholder Decisions 2023

Introduction and background

1. At the start of a new municipal year the Scrutiny Committee is asked to re-establish the key principles by which the Committee, and its standing panels and review groups, will operate. This provides clarity to Members, officers and the public about how Scrutiny will manage and organise its activities during the year.
2. The Committee is able to delegate responsibility for scrutiny of certain issues to specific standing panels, which report back to the Committee with recommendations (where time allows). The Committee should consider whether it wishes to re-establish the previous standing panel arrangements, or establish different panels. As standing panels are established, it is recommended that the number of seats, political composition and membership of panels is agreed; and Chairs appointed.
3. The Committee may also establish review groups to undertake issue-led and time-bound 'task and finish' reviews of specific issues, before concluding their work with a report and recommendations, usually to Cabinet. As review groups are established, it is

recommended that the number of seats, political composition and membership of review groups is agreed; and Chairs appointed.

Role of the Scrutiny Committee

4. Scrutiny operates to provide democratic oversight and public assurance that the Council is carrying out its business effectively; and to act as a check and balance function to ensure that decisions are taken in the best interests of the people of Oxford. Scrutiny carries out research, reviews and hears from independent experts, as well as Council officers, making recommendations for service improvement where necessary. One focus of the Committee's work is to hold the Cabinet to account, but Scrutiny may also pursue its own agenda by commissioning reports from officers on priority issues, assisting the Council in developing policy. As outlined in the Council's Constitution Part 8.3, the Committee can:
 - a) Develop and review policy:
 - Help Council and the Cabinet to develop policy by studying issues in detail.
 - Carry out research and consultation on policy.
 - Consider and introduce schemes to involve the public in developing policy.
 - Work with national, regional and local organisations to promote the interest of local people.
 - b) Hold the Cabinet to account:
 - Review the performance and decisions of the Cabinet, and Council officers (but not decisions on individual planning or licensing applications).
 - Review the Council's progress in achieving its policy aims and performance targets.
 - Review the performance of individual services.
 - Review executive decisions in respect of any companies wholly or partly owned by the Council and hold the shareholder to account for the performance of those companies (*the decisions of Council-owned companies do not fall within the remit of the Scrutiny Committee*).
 - Ask Cabinet members and senior officers questions about their decisions and performance – these may be questions about general performance or about particular decisions and projects.
 - c) Require senior officers and Cabinet Members to attend meetings and answer questions.
 - d) Hold other public service providers to account (though there is no legal requirement for them to engage).
5. Members of the Committee are encouraged to read the Scrutiny Guide for Councillors (Appendix D) which provides a detailed review of how the Committee operates, how to be effective as a scrutiny councillor, and the support and development opportunities available to members.

Scrutiny Operating Principles

6. The Council's Constitution sets out the role (Part 8) and procedures (Part 13) of the Scrutiny Committee, but it is not prescriptive about how the Scrutiny function will be organised and managed. In previous years, the Committee has agreed a set of operating principles to govern key aspects of its work which are not covered by the Constitution. Key matters addressed in the document include resource expectations, membership guidelines for panels and meeting frequency.
7. The Operating Principles are designed as a reference document to guide the Committee's work; a draft set of principles for adoption are set out at Appendix A. The Committee may make revisions as it sees appropriate within the confines of the Constitution, relevant legislation and resource capacity. Members are asked to discuss any proposed changes to the Operating Principles in advance with the Scrutiny Officer or take advice at the meeting.
8. The Committee is recommended to adopt the draft Operating Principles as set out at Appendix A. These Operating Principles are broadly similar to those of previous years.

Scrutiny Standing Panels

9. In previous years, the Committee has established Finance and Performance, Housing and Homelessness, Climate and Environment and Companies Scrutiny Panels to undertake detailed scrutiny of decisions and issues relevant to their remit. The reason being that small groups of members with an interest in these priority areas can build up specialist knowledge and insights and use these to produce better scrutiny outcomes. These Panels have a degree of discretion to manage their own work plans, but remain accountable to the Scrutiny Committee for their work. Where time permits, the standing panels will report to the Scrutiny Committee before their recommendations are submitted to the Cabinet. This will not normally be possible where the standing panels are making recommendations on Cabinet reports.
10. The Committee is invited to agree the remits of standing panels for the year and is recommended to re-establish the Finance and Performance Panel (*with some proposed amendments to its remit compared to 2023/24 - see paragraphs 16 to 25*), Housing and Homelessness Panel and Climate and Environment Panel.
11. The draft Operating Principles at Appendix A set out that, in any given year, the organisation ordinarily has capacity to support either:
 - a. 2 Standing Panels and 3 Review Groups; or
 - b. 3 Standing Panels and 2 Review Groups

As set out in paragraph 10 above, it is recommended that the Scrutiny Committee re-establishes the Finance and Performance, Housing and Homelessness and Climate and Environment Panels. This amounts to the maximum of three standing panels which the organisation has capacity to support. It is also recommended that the annual Budget Review Group be re-established for 2024/25 (*see paragraph 27 below*). Assuming the Committee agrees to re-establish the recommended panels and review group, capacity within the Scrutiny function remains for approximately four meetings. The Committee is recommended to give consideration as to whether it wishes to establish an additional review group focused on a priority topic of the Committee's choosing, or alternatively the Committee could choose to allocate additional meetings to standing panels, should the panels require them. There is no requirement for the Committee to make an immediate decision as to how to allocate the remaining capacity, therefore it may decide to keep this issue under review.

12. After agreeing which standing panels to establish, the Committee is recommended to appoint Chairs of these Panels and agree their full membership. The proposed Operating Principles stipulate that four or six councillors should sit on these panels, and that panel membership will be cross-party as follows:
- 4 members (1 Labour, 1 Lib Dem, 1 Green and 1 Independent Oxford Alliance)
 - 6 members (2 Labour, 1 Lib Dem, 1 Green, 1 Independent Oxford Alliance and 1 Oxford Community Independents)
13. The quorum for standing panels is two members for panels of four and three for panels of six. If the quorum is not reached, some Cabinet reports may pass without formal cross-party scrutiny, and other items may need to be delayed.
14. Given that panel meetings are not formal committees of the Council, there is no legal requirement for them to be held in-person. In addition, it is now established Council practice that most officers may attend meetings virtually. The Committee is recommended to consider the additional resource that in-person and hybrid meetings place on the organisation and agree that meetings of standing panels will be held virtually, unless there is a compelling need to hold an in-person meeting. Due to capacity constraints, hybrid meetings will not be possible.
15. The Members Allowances Scheme allocates a Special Responsibility Allowance (SRA) equivalent to 25% of the Basic Allowance (£1,456.92 in 2024/25) to a maximum of two standing panel chairs, on the basis that panels meet at least five times a year. If there are more than two standing panels set up, then 50% of the Basic Allowance (£2,913.84 for 2024/25) will be divided between the total number of panel chairs. This SRA is to reflect the additional responsibility of standing panel chairs.

Companies Scrutiny Arrangements

16. In 2022/23, the Committee agreed revised arrangements for Companies Scrutiny Panel, whereby the Companies Scrutiny Panel joined Shareholder and Joint Venture Group (SJVG) meetings as non-voting members with speaking rights, which was intended to provide more effective and efficient Scrutiny oversight of the shareholder function. These arrangements have been reviewed by the Head of Law and Governance in consultation with the 2023/24 Chairs of the Scrutiny Committee, Companies Scrutiny Panel and Finance and Performance Panel in line with the best practice guidance produced by Local Partnerships on Local Authority Trading Companies¹.
17. The review of arrangements for companies scrutiny took place as part of a broader ongoing governance review in relation to Council companies from the point of view of the Council as shareholder, with a view to the Council ensuring best practice locally. The work related to companies scrutiny sought to review and align the shareholder and Scrutiny functions with best practice and the law.
18. The role of shareholder is an executive function; and scrutiny of executive decisions in respect of Council companies falls within the remit of the Scrutiny function (see *paragraph 4 above*). There is no legal basis on which scrutiny of the shareholder function should differ to scrutiny of any other executive decisions. As such, it is recommended that the arrangements for companies scrutiny are amended from

¹ <https://localpartnerships.gov.uk/resources/latco-guidance/> [Accessed 21 May 2024]

2024/25 to ensure alignment of the process with scrutiny of all other executive decisions, which in turn will ensure proper, robust and compliant Scrutiny arrangements for scrutiny of the shareholder function.

19. The proposal is that scrutiny of executive decisions made in relation to any companies wholly or partly owned by the Council be included within the remit of the Finance and Performance Panel from 2024/25. This would effectively replace the previous Companies Scrutiny Panel (*which has not met as a standalone Panel since 2022*) by merging its remit with that of the Finance and Performance Panel. The Finance and Performance Panel would have the opportunity to undertake pre-decision scrutiny of any executive decisions concerning shareholding, which in practical terms would relate to decisions which are reserved to the shareholder.
20. A list of decisions which are reserved to the shareholder is included at Appendix E. These decisions do not frequently arise. The majority of decisions of the shareholder have been mapped for the previous 12-month period at Appendix F, which shows that the vast majority of items were for noting only. There would be no call on Scrutiny to consider items which are for noting only; therefore it is not anticipated that there would be a significant amount of decisions for Scrutiny to consider during the course of a year. For the business plans of the companies, which require shareholder approval annually, officers will explore whether this can be worked into the budget-setting process to avoid over duplication.
21. Going forward, the intention is that all executive decisions due to be taken by the SJVG will be included on the Forward Plan. This will involve a change in practice for the companies and so it may take a little while to put in place proper arrangements. The Finance and Performance Panel would review the Forward Plan in the usual way and determine if it wished to undertake pre-decision scrutiny on any forthcoming executive shareholder decisions; the scrutiny process for Council companies would be identical to the process for all other Cabinet decisions and call in procedures would apply in the same way as to other Cabinet decisions (*see Part 17 of the Council's Constitution*).
22. The proposed arrangements for companies scrutiny would utilise existing resources and there would be no additional Special Responsibility Allowance due to the existence of fewer panels.
23. Given the requirement to better align the Council's companies scrutiny arrangements to best practice to ensure more robust scrutiny oversight of the shareholder function, it is recommended that:
 - a. The proposed arrangements be established for 2024/25; and
 - b. Members of the Finance and Performance Panel provide any feedback throughout the course of the municipal year via the Scrutiny Officer.
24. The Scrutiny Officer will work with the Panel Chair in the usual way to help manage agendas, with particular attention given to any mitigations during the busy period around budget-setting time.
25. Any feedback on the revised arrangements would be considered during 2024/25, with a view to understanding whether any further amendments to the revised arrangements are required in subsequent years.

Scrutiny Review Groups

26. Each year, the Scrutiny Committee ordinarily establishes a Budget Review Group to examine the Council’s budget proposals for the next financial year, which helps ensure good financial governance practices.
27. It is recommended that the Scrutiny Committee agrees to establish a Budget Review Group for the 2024/25 municipal year to examine the Council’s budget proposals for 2025/26 and that the proposed scope be presented at a future Scrutiny Committee meeting for agreement.
28. Given the Finance and Performance Panel’s involvement in scrutinising the Council’s finances, it is recommended that the membership of the Budget Review Group should comprise the membership of the Finance and Performance Panel (if re-established); including that the Chair of the Finance and Performance Panel should Chair the Budget Review Group:
 - *Cllr James Fry (Chair), Cllr Chris Jarvis, Cllr Christopher Smowton, Cllr Ian Yeatman*
29. Due to the busy time of year during which the Budget Review Group takes place and the absence of a legal requirement for the review group to meet in-person, it is recommended that meetings of the Budget Review Group take place virtually.

Schedule of meetings

30. Members of the Committee are invited to take note of the schedule of meetings for the remainder of the municipal year and to diarise these where necessary:

Scrutiny	Finance and Performance	Housing and Homelessness	Climate and Environment
05 June 2024			11 June 2024
02 July 2024		03 July 2024	
06 Aug 2024		07 Aug 2024	
03 Sept 2024	04 Sept 2024		05 Sept 2024
08 Oct 2024		10 Oct 2024	
04 Nov 2024		07 Nov 2024	20 Nov 2024
02 Dec 2024	04 Dec 2024		
14 Jan 2025	15 Jan 2025		
29 Jan 2025			26 Feb 2025
03 Mar 2025		06 Mar 2025	27 Mar 2025
01 Apr 2025	07 Apr 2025		

Alternative options for Standing Panels

31. The Committee is not required to reappoint the recommended standing panels, and it may choose to appoint panels with different remits.

32. If the Committee decides to set up different standing panel arrangements, the Scrutiny Officer will liaise with the Scrutiny Committee Chair and return to a future meeting with a revised proposal for agreement. Consideration would need to be given to the organisation’s capacity to support the number and remits of standing panels.

Co-Option

33. The Scrutiny Committee has the right to co-opt members as non-voting members under the Local Government Act 2000 (section 9FA(4)). Part 13.3 of the Council’s Constitution allows the Scrutiny Committee to ‘appoint non-voting co-opted members to serve for a specific policy review or until the next annual Council.’

Scrutiny-commissioned reports

34. As referenced above, Scrutiny has the power to commission its own reports. However, it should be recognised that doing so is significantly more resource-intensive for officers than presenting a report which is already being written for Cabinet. The draft Scrutiny Operating Principles recognise this, stating that ‘items will be taken forward as resources allow, and the Committee must provide officers with sufficient notice and guidance on what they are requesting to consider, mindful of the impact on resources and the constraints of the organisation. The Scrutiny Committee and its Panels will provide as much notice as is possible when commissioning reports from Council officers (minimum 8 weeks).’ As a guideline, to allow time for consideration of reports in sufficient depth whilst maintaining timely meetings of Scrutiny and its standing panels, each meeting will aim to have three reports for consideration. It is recommended that the Committee is mindful of resource implications of Scrutiny-commissioned reports and seeks to average no more than one Scrutiny-commissioned report per meeting over the municipal year.

35. The decision for the report topics Scrutiny would like to commission during 2024/25 is expected to be made at the meeting on 02 July 2024. In preparation for that, the Committee is recommended to agree that ideas from Members will be sent to the Scrutiny Officer by e-mail for collation outside the meeting.

36. Attached to this report at Appendix B is a draft Work Plan to September 2024, which provides a recommended Work Plan until that date, enabling items to be considered until such point as the Committee has had time to organise its own priorities for the remainder of the municipal year.

37. Attached to this report at Appendix C is a list of suggestions already made; these are comprised of suggestions made by Members and senior officers to date, recurring Scrutiny-commissioned reports and Cabinet reports currently listed on the Forward Plan.

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Background Papers: None

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