

**OFFICER REPORT TO COUNCIL****ONGOING IMPROVEMENTS TO COUNCIL OVERVIEW AND SCRUTINY****KEY ISSUE/DECISION:**

For Council to review and approve the new protocol on the scrutiny of Council owned (wholly or majority owned) companies for addition to the Constitution of the Council and to note the trajectory for further improvements to the function as set out in the report including the appointment of the Statutory Scrutiny Officer.

BACKGROUND:

1. Since changes were made to the Council's overview and scrutiny function in May 2019 a number of improvements have been realised, however, there are further areas in which Select Committees can now focus on:
 - Early engagement in the development of Council policy and strategy. Clarifying how scrutiny fits into this process and how it can align best with the Cabinet decision making process via a co-signed Executive – Scrutiny Protocol.
 - Fit for purpose rules and protocols that ensure scrutiny can do its job with clarity and legitimacy, beginning with a protocol that covers scrutiny of council companies which outlines how companies will be scrutinised, who must be involved and what information is required.
 - Greater public participation in Select Committee work to amplify residents' voice in Council decision making and to demonstrate that Select Committees are listening to stakeholders' views from topic selection to evidence-based recommendations.
 - Ensuring there is demonstrable impact from Select Committees on Council decision making and the issues of greatest importance to Surrey residents by undertaking robust topic selection and making evidence-based recommendations.

2. How we are going to achieve this:

- Analysis of the Council's Select Committee strengths and areas of improvements against best practice including the Statutory Guidance.
- Ongoing training plan that meets the needs of each Select Committee and its membership.
- Review of recommendations and their impact to evidence how scrutiny is performing.
- Survey of Select Committee Members and regular witnesses on Select Committee processes and outcomes.
- Development of new guidance notes for Members and Officers on scrutiny at Surrey County Council and a training module for Officers wishing to learn more about scrutiny.

Protocol for Scrutiny of Council Companies

3. Surrey County Council, like many other Local Authorities, has set up or invested in companies to deliver and trade services and to realise a return on commercial investment, for example in property.
4. To make sure that there is oversight of the creation of any Council owned or majority-owned companies and the subsequent performance of these companies a protocol has been developed to define the role of Select Committees and what they require to deliver effective scrutiny including information and access to witnesses.
5. The protocol sets out roles and responsibilities in the governance of Council companies and builds on best practice nationally to allow Surrey County Council to act with clarity in the formation and investment of companies. And to have the necessary overview and scrutiny arrangements in place to assure Members and residents in matters of value for money and probity.

Statutory Scrutiny Officer for Surrey County Council

6. Under the terms of Section 31 of the Local Democracy, Economic Development and Construction Act 2009, the County Council is required to designate one of its officers as the 'scrutiny officer'. This was one of a number of provisions in the Act designed to improve governance, democracy and involvement in local government.
7. The holder of the designated officer role is responsible for discharging the following functions, set out within Article 11 of the Council's Constitution:

- To promote the role of the authority's overview and scrutiny committees;
 - To provide support to the authority's overview and scrutiny committees;
 - To provide support and guidance to:
 - Members of the authority;
 - Members of the executive of the authority; and
 - Officers of the authorityin relation to the functions of the authority's overview and scrutiny committees.
8. The County Council previously appointed the Governance Lead Manager as its Designated Scrutiny Officer. However, the postholder is shortly due to take maternity leave and therefore it is proposed that the Scrutiny Business Manager role is formally appointed as the Council's Designated Scrutiny Officer for the duration of the absence of the Governance Lead Manager.

RECOMMENDATIONS:

1. That Members note and comment on the future improvement work identified within this report.
2. That Members review the new protocol on scrutiny of Council companies and agree to add it to the Constitution of the Council.
3. That the Scrutiny Business Manager is appointed as the Statutory Scrutiny Officer for Surrey County Council to cover the Governance Lead Manager's maternity leave.

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Sources/background papers:
None.

Annexes:
Annex 1 - Protocol for the scrutiny of Council-owned companies

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