

ANGUS COUNCIL - 16 SEPTEMBER 2010

SCRUTINY AND AUDIT SUB COMMITTEE CHAIRING ARRANGEMENT

REPORT BY CHIEF EXECUTIVE

**ABSTRACT**

This report considers the current arrangement for chairing the Scrutiny and Audit Sub Committee.

**1 RECOMMENDATION**

The Council consider the chairing arrangement of the Scrutiny and Audit Sub Committee with reference to the options in Section 3 of this report.

**2 BACKGROUND**

One of the actions within the council's corporate improvement plan, as agreed by the Special Meeting of the Council on 10 June 2010, is to consider the current arrangement for chairing the Scrutiny and Audit Sub Committee.

Under the current arrangement the chair is the Leader of the Administration. This reflects a continuation of practice adopted by both current and previous Administrations and under which both the Audit Sub Committee and the Monitoring Group, the precursors to the Scrutiny and Audit Sub Committee, were chaired by a member of the Administration.

This arrangement was commented on by the Accounts Commission and Audit Scotland in the BV2 Pathfinder Audit of the council on the basis that it was not regarded by them as good practice and that it compromised the independence of the scrutiny function.

This report considers the chairing arrangement in light of the comments contained within the BV2 Pathfinder Audit report. However it is highlighted that it also fulfils a commitment given when the Scrutiny and Audit Sub Committee was established to review the chairing arrangement after one year of the sub committee's operation.

**3 PROPOSAL**

In reviewing the chairing arrangement it is perhaps worthwhile to reflect on the role of a chair. The following is an extract from the Standards Commission's Guidance on Ethical Standards in Public Life.

The role of the chair in any council meeting, which includes a committee meeting or a meeting of a working group or similar forum, is to ensure that the agenda of business is properly dealt with and clear decisions are reached. To do this the chair has a responsibility to ensure that the views and opinions of other participants (including the advice of officers) are allowed to be expressed and that these contribute to the outcomes of the meeting. At the same time the chair has a responsibility for proper and timely conduct of the meeting which can sometimes mean expediting the business on the agenda and reaching a judgement on the fairness and sufficiency of debate. This includes determining the point at which conclusions should be reached. It requires a balanced approach to ensure fairness to participants while at the same time dealing firmly with any attempt to disrupt or unnecessarily delay the meeting. Members present share the responsibility for the proper and expeditious discharge of business and the role of the chair in reaching such judgements requires to be supported and respected.

Given the above it is clear that it is the Convener's role to ensure proper discussion and clear decision making take place and it is considered this has happened under the current arrangement. It is also considered that concerns within the sub committee during its operation to date have been for the most part attributable to uncertainty and lack of clarity over some aspects of the role of the sub committee – a situation which is now rectified as a result of Report No 157/10, which was approved by the sub committee on 23 February 2010 and which clarified the remit of the sub committee and its relationship with service committees.

Irrespective of whether based on perception or reality, the comment within the BV2 Pathfinder Audit report was quite pointed and it did attract adverse publicity to the detriment of the council's standing and reputation. Furthermore it is considered that this will continue to manifest itself in subsequent follow up audits by our external auditor until action is taken to change the current chairing arrangement.

While continuation of the status quo is an option, for the reasons outlined above this is not recommended.

On this basis it is considered that there are two potential options:

1 *Advertise for and appoint an external independent chair.*

As a non elected member consideration would need to be given as to whether the chair has voting rights. The issue of political balance would also require to be considered.

As the chair would need to be offered some form of payment for undertaking the duties as well as reimbursement of travelling etc expenses there would be a cost associated with this option, which may lead to some criticism at a time of budgetary constraint.

There may also be difficulties in attracting/agreeing on a suitable candidate.

2 *Appoint a non-Administration elected member as chair.*

If the appointee is a present member of the sub committee the political balance would be unchanged. However, if the appointment is not from the present sub committee membership the political balance would need to be considered.

It is highlighted that the Council is only permitted to have 13 Senior Councillors, excluding the Leader and the Provost, and all these positions are presently taken up. Also there is presently only £9 headroom in the maximum sum payable for Senior Councillors Remuneration as set by Scottish Government.

Therefore the chair role in itself cannot carry Senior Councillor standing unless there is a compensating deletion of one of the present designated Senior Councillor posts which have been recognised and established since the formation of the new Council in May 2007.

It is considered that adoption of either of the above two options would satisfy the criticism levelled at the council in regard to lack of independence in the sub committee's chairing arrangement. Whichever one is adopted, if the Council so wishes, it could be for a trial period to enable an assessment to be made of the success or otherwise of the arrangement.

It is also suggested that the Leader of the Council should be appointed Depute Chair/Convener of the sub committee.

#### **4 FINANCIAL IMPLICATIONS**

The adoption of Option 1 would result in an additional cost to the council. In addition to the one off cost of a press advert, circa £2,000, the chair would need to be offered to be reimbursed for undertaking the duties of chair. In this regard it is considered that payment would be in the region of £1,000 per annum. There would also be additional costs in respect of travel etc expenses – both for the chair and for any additional elected member should the membership of the sub committee be increased.

The adoption of Option 2 would only result in additional costs in the form of travel expenses in the event that the nominated chair was not presently a member of the sub committee and also if membership is increased due to political balance considerations. The matter of whether or not the chair in itself is designated as a Senior Councillor position is effectively cost neutral because such status for the chair is only achievable if a compensating deletion of a present established Senior Councillor post is delivered.

## **5 HUMAN RIGHTS IMPLICATIONS**

There are no human rights implications associated with this report.

## **6 EQUALITIES IMPLICATIONS**

The issues dealt with in this report have been the subject of consideration from an equalities perspective (as required by legislation). An equalities impact assessment is not required.

## **7 CONSULTATION**

The Director of Corporate Services, Head of Finance and Head of Law and Administration have been consulted on the terms of this report.

**DAVID S SAWERS  
CHIEF EXECUTIVE**

## **HMR**

**NOTE** No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.