

REPORT TO THE MEETING OF THE SCRUTINY COMMISSION HELD ON  
7<sup>th</sup> APRIL 2016

**Title:** OPTIONS FOR THE FUTURE ROLE OF SCRUTINY

**Originator:** Councillor Paul Dann

**Where from:** Scrutiny Task Group

**Where to  
next:** Council

Objective: to discuss and make recommendations to Council on the future role of the Scrutiny function at Harborough District Council.

1 Outcome sought from the Commission

- 1.1 That the recommendations contained within section 4 of this report be forwarded to Council to agree the structure of the Scrutiny Function and to refer any consequential amendments to the Constitution to the Constitutional Review Committee.

2 Background

- 2.1 Local authorities in England and Wales – with few exceptions – have, since 2000, operated executive arrangements that place the decision-making powers in the hands of a Cabinet/Executive. This is comprised of up of ten Councillors (six Councillors at Harborough District Council). The Overview and Scrutiny function was established to hold this Executive to account for its decisions, and to contribute to the evidence-based policy-making of the Council.
- 2.2 At present, the Council recognises the requirement to establish a Scrutiny function in its Constitution (Part 2, Article 7 and Part 4, Section 5, attached at part of Appendix A), and provides that this will be comprised of a Scrutiny Commission, two Scrutiny Panels ('Community Leadership' and 'Resource & Performance'), a Scrutiny Steering Group (a working group consisting of the Scrutiny Commission Chairman and the Chairmen of the two Scrutiny Panels) and 'task and finish groups', as required.
- 2.3 The Scrutiny Commission meets at least four times per year to agree its work. The two Scrutiny Panels currently meet a total of ten times per year (Community Leadership x4 and Resource & Performance x6). Task and finish groups are established when required, subject to there being a maximum of two groups in place at any one time.

- 2.4 This structure dates from 2012, following a review of the Scrutiny function that culminated in a recommendation made by the Scrutiny Commission, which was adopted by Council on 30th July 2012.
- 2.5 At its meeting on 3<sup>rd</sup> September 2015 the Scrutiny Commission received a report on the future role of Scrutiny function at Harborough District Council and resolved to establish a Scrutiny Task Group to review the scrutiny function and report back to a future meeting of the Scrutiny Commission; the Scrutiny Commission report is attached as Appendix A to this report. Membership of the Task Group was subsequently agreed and the Scrutiny Commission resolved on 26<sup>th</sup> November 2015 that the first meeting of the Group should be held on 7<sup>th</sup> January 2016.
- 2.6 Between the two Scrutiny meetings, the Chairman of Scrutiny invited a small group drawn from members of the Scrutiny Commission to meet as an informal 'sounding-board' to bring forward ideas that could then be fed into the formal work of this Task Group. The 'sounding-board' members were also asked to share ideas with other members in their political groups to broaden involvement and stimulate a wider debate. The Chairman of Scrutiny also contacted all Members with an invitation for them to feed in their ideas on the review back to him.

### 3 What does Scrutiny Do?

- 3.1 The aim of Scrutiny is to improve services provided to the local community through positive challenge. Local authorities perform this function by pursuing the following themes:
- (a) Policy Review and Development - helping to shape the way Council services are delivered.
  - (b) Scrutinising Decisions - Is the action being taken the right action? Are services working effectively?
  - (c) Performance Management - Assessing how services are performing to identify areas for improvement. At present the Council's Executive is held to account in the following way:
    - each Executive Portfolio Holder attends two meetings of the Scrutiny Commission each year to present achievements, current work in progress, future plans, areas of concern, performance indicators, corrective actions and topical issues.
    - The Resource & Performance Scrutiny Panel receives quarterly reports on financial performance and the Council's risk register. The Panel also receives two performance reports each year (for quarters one and three, with the remaining performance reports going to the Scrutiny Commission).
  - (d) External Scrutiny - Examining services that impact on the local community.
  - (e)

## 4 Points for Discussion

4.1 The Scrutiny Task Group<sup>1</sup> met on 7<sup>th</sup> January 2016, reviewed the current arrangements and identified those areas which it considered worked well and those that would benefit from changes being made. Notes of the Task Group meeting are included at Appendix B to this report. In doing so, the Task Group structured its discussion around the following headings:

- (i) assessment of existing arrangements
- (ii) structure of the Scrutiny function
- (iii) reporting arrangements / performance management

## 4.2 Assessment of Existing Arrangements

Things that were considered to work well and should be retained included:

- Scrutiny Task Groups / Task and Finish Groups:
  - allow informal discussion
  - focussed
- Annual budget meeting for Resource & Performance Panel, which is open to all Scrutiny members

Things that were considered to be less successful included:

- the size of the Scrutiny Commission could be cumbersome
- involvement of the whole Scrutiny Commission in setting the Scrutiny Workplan might be streamlined by allowing a smaller group to produce the draft workplan, which would then be available for comment / signed off electronically by all Scrutiny Members
- the method for dealing with reports back from Task Groups
- dealing with performance reports by Executive portfolio holders

Themes which could be explored in greater detail:

- electronic sign-off of the Scrutiny Workplan
- the idea of the Scrutiny Commission acting as a third Scrutiny Panel
- timing of Scrutiny meetings, so that the sequence of Scrutiny Commission and Panels would take place within the same month

## 4.3 Structure

The Task Group considered that the structure should be based around a smaller Scrutiny Commission that would also function as a steering group for the scrutiny function, but with the option of it taking on the role of another Scrutiny Panel, if needed.

Scrutiny Commission / Steering Group:

- Composition:
  - membership 10, comprising:
    - Scrutiny Commissioner x1
    - Scrutiny Panel Chairs x2
    - other scrutiny (i.e. non-executive) members x7

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<sup>1</sup> Task Group members were: Cllrs Mrs Ackerley, Mrs Beesley-Reynolds, Bowles, Brodrick, Dann, Dr Hill and Mrs Simpson.

- politically balanced
- quorum: 6 members
- substitution:
  - allowed by other non-Executive Members (no system of named substitutes required)
  - Vice-Chairs of Panels to be the first substitute for Panel Chairs
- Members not on the Scrutiny Commission will have rights of audience at Scrutiny Commission meetings.
- Functions:
  - to draft and determine the final version of the Scrutiny Workplan
  - to receive recommendations from Scrutiny Panels
  - to receive TEN reports.
  - to act as a third Scrutiny Panel if a scrutiny meeting is required urgently and the next scheduled meeting is of the Commission.
- Frequency:
  - it is suggested that no more than four meetings are held each year.

#### Scrutiny Panels:

- The Task Group considered that there should continue to be two Scrutiny Panels, supported by the Scrutiny Commission when needed.
- Each Panel should each have a defined remit. Items of core business would be scheduled to be considered by the appropriate Panel, while additional items of non-core business would be considered at the next scheduled meeting of either Panel (or, if urgent, of the Commission).
- These more flexible terms of reference would allow many reports to go to the next available Panel, which would help to equalise the workload between the Panels.
- Functions:
  - to receive reports from Task & Finish Groups
  - to make recommendations to the Scrutiny Commission
  - to receive TEN reports

Officers were asked to analyse the past pattern of business and to use this to identify options for the remit and naming of the two Panels. Based on this analysis<sup>2</sup> the following options are suggested:

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<sup>2</sup> The detailed analysis is set out in Appendix C.

| Panel 1                       | Panel 2                 |
|-------------------------------|-------------------------|
| <b>Subject areas covered:</b> |                         |
| Finance                       | Community updates       |
| Performance                   | Environment             |
| Risk                          | Partnerships            |
|                               |                         |
| <b>Options for names:</b>     |                         |
| Performance                   | Communities             |
| Finance & Performance         | Community & Partnership |
| Resource & Performance        | Community Leadership    |

- Composition:
  - the Task Group considered that any non-Executive Member should be allowed to speak, and join in debate, at meetings of the Scrutiny Panels, but should not be entitled to vote.
  - the Panels should be politically balanced
  - substitution should be allowed by other non-Executive Members (no system of named substitutes required)
  - the Task Group agreed that the Scrutiny Commission should be provided with two options for the size of Scrutiny Panels:
    - 1. seven members, or
    - 2. ten members.

The Task Group would however recommend the 7-member option.  
Quorum: four (seven member model) or six (ten member model)
  
- Frequency:
  - it was suggested that each Panel should meet four times per annum.

### Task & Finish Groups

The Task Group considered that the current arrangement of using Task & Finish Groups should be continued.

- Functions:
  - to scrutinise specific items as decided by the Scrutiny Commission
  - to report back to an identified Scrutiny Panel
  - meetings to be held in private session
  - only two Task & Finish Groups to be in existence at any one time, unless agreed in consultation with the Scrutiny Commissioner and the Head of Paid Service
  
- Composition:
  - recruited from all non-Executive Members

- the Scrutiny Commission will decide, through the Workplan, what business goes to Task & Finish Groups and who each Task & Finish Group reports back to
- Membership - seven members, politically balanced
- quorum: four members
- substitution allowed

#### 4.4 Planning and Reporting Arrangements / Performance Management

##### The Scrutiny Workplan

The Task Group considered that the work of the Scrutiny function could be made more efficient and better targeted by considering the Executive's Forward Plan and identifying in advance important items that should be included on the Scrutiny Workplan. The first draft of the Scrutiny Workplan could be dealt with electronically by circulation to all Councillors. A formal meeting of the Scrutiny Commission would then agree the final Workplan.

##### TEN Reports

TEN reports could also be dealt with electronically and would be considered by the Scrutiny Commission, before going to the Panels. It was suggested that:

- only those Executive Members who were required to address specific issues arising out of the TEN report would attend Scrutiny meetings, rather than all Executive Members having to attend as a matter of course. The Chair of the Panel would decide which Executive Members needed to attend.
- Reports should focus on 'red' items, focussing on changes from previous reports.
- For reporting purposes, portfolios might be divided between the Scrutiny Panels (and Commission, if necessary)
- Portfolio holders would produce a written update restricted to one side of A4. Reports would not be restricted to historic information, but could include: 'good news' / risks, historic data and forward looking or "emerging issues".

#### 4.5 Summary of proposed changes recommendations

The Task Group recommended the following changes to the arrangements for Scrutiny. In order to aid comparison, Table 1 below contrasts the proposals with the current arrangements:

**Table 1:**

|                                    | <b>Current Arrangement</b>   | <b>Proposals</b>  |
|------------------------------------|--|---|
| <b><u>Structure</u></b>            |  |   |
| Scrutiny Commission                | <ul style="list-style-type: none"> <li>• Membership 30</li> </ul>  | <ul style="list-style-type: none"> <li>• Membership 10</li> <li>• No more than 4 meetings pa</li> </ul>   |
| Scrutiny Steering Group            | <ul style="list-style-type: none"> <li>• Meeting of Chairs of Scrutiny Commission and two Panels</li> </ul>                                    | <ul style="list-style-type: none"> <li>• Role taken on by the Scrutiny Commission</li> </ul>  |
| Panels                             | <ul style="list-style-type: none"> <li>• Two panels with fixed remit</li> <li>• Panels each of 10 members</li> <li>• 12 meetings pa</li> </ul> | <ul style="list-style-type: none"> <li>• Two panels with fixed core remit, but able to consider other items where needed.</li> <li>• Commission to act as a third Panel, when needed</li> <li>• Recommended that size of Panel be reduced to 7.</li> <li>• No more than 8 meetings pa.</li> </ul> |
| Task & Finish Groups               |  | <ul style="list-style-type: none"> <li>• Unchanged, but with more clearly defined reporting arrangements.</li> <li>• greater flexibility in the number of concurrent task groups</li> </ul>   |
| <b><u>Planning / Reporting</u></b> |  |   |
| Scrutiny Workplan                  | <ul style="list-style-type: none"> <li>• Draft considered and decided by full 30-member Commission</li> </ul>                                  | <ul style="list-style-type: none"> <li>• Plan led by the Executive Forward Plan</li> <li>• Draft plan dealt with electronically</li> <li>• Plan decided by reduced Commission</li> </ul>  |
| TEN / portfolio reports            | <ul style="list-style-type: none"> <li>• Quarterly reports taken to Commission / Panel</li> </ul>  | <ul style="list-style-type: none"> <li>• Focus of reports refined by Commission</li> <li>• Only those Portfolio holders that are needed will attend Scrutiny meetings</li> </ul>  |

#### 4.6 Resources

Scrutiny is resourced through existing officer arrangements; there is no separate body of officers that is dedicated to supporting Scrutiny. The cost of preparation of Scrutiny reports is dependent on the subject matter. There is no overtime paid for attendance by officers at meetings, although they can claim Time Off In Lieu in respect of evening meetings. The Symington Building remains open in the evening, so no additional costs are incurred for holding a meeting. Mileage for attending meetings is paid to Members attending Scrutiny meetings. Special Responsibility Allowances are paid to the Chairman of the Scrutiny Commission and Chairmen of the Scrutiny Panels.

In the absence of a dedicated budget for the Scrutiny function, it is difficult to identify with precision the savings that could be achieved by the proposed changes to the Scrutiny function. An estimate of the cost of operating the current core Scrutiny system (excluding ad hoc Task Group meetings) is £36160 pa.

The proposals would see a reduction in the size of meetings needed to fulfil the Scrutiny function, which in turn will reduce the resources required. In addition, the calling of meetings would be determined by the Scrutiny Workplan, which could result in a reduction in the total number of meetings held each year.

An attempt has been made to estimate savings in the following areas:

- cost of preparing reports for Scrutiny meetings and of officer time in attending Scrutiny meetings
- Member time and expenses in attending Scrutiny meetings

#### Cost of preparing reports and officer time in attending meetings

Analysis shows that the current scrutiny system requires the writing of some 39 reports each year, costing in the region of £11550. Furthermore, the costs of all officers' time in dispatching papers, attending meetings and producing minutes is in the region of £8112pa.

Bringing the Scrutiny Workplan more in line with the Executive's own Forward Plan may allow savings to be made in the number of reports that need to be produced and, following on from that, the number of Scrutiny meetings that would need to be held in each annual cycle. Shorter and more focussed agendas might also allow the number of officers having to attend Scrutiny meetings to be reduced. It might prove possible therefore for the number of Scrutiny Commission meetings each year to be reduced from four to two.

#### Member expenses / allowances

Implementation of the new structure for Scrutiny, with its reduction in size of the Scrutiny Commission, would have a significant effect on the number of attendances required of Members. The potential maximum attendance requirements would be reduced by 60%, from 240 to 96 attendances per annum, or by 50% if the ten-member Panel option was chosen.

The tables below show the potential maximum attendances by Scrutiny Members under the existing and the two options for the proposed structure:



**Table 2 – maximum attendance requirements (current structure)**

|  | Meetings | Membership | Total      |
|--|----------|------------|------------|
| Commission                                       | 4        | 30         | 120        |
| Resource & Performance<br>(ordinary meetings)    | 5        | 10         | 50         |
| Resource & Performance Panel<br>(budget meeting) | 1        | 30         | 30         |
| Community Leadership Panel                       | 4        | 10         | 40         |
| <b>Total:</b>                                    |          |            | <b>240</b> |

**Table 3 – maximum attendance requirements (proposed structure options)**

|               | Meetings | Membership | Total     | Membership | Total      |
|---------------|----------|------------|-----------|------------|------------|
| Commission    | 4        | 10         | 40        | 10         | 40         |
| Panel 1       | 4        | 7          | 28        | 10         | 40         |
| Panel 2       | 4        | 7          | 28        | 10         | 40         |
| <b>Total:</b> |          |            | <b>96</b> |            | <b>120</b> |

The savings in Member time could be increased further by reducing the number of Scrutiny Commission meetings from four to two per annum.

Analysis of claims made for Member travel allowances over the 2014/15 year suggests that the average total travel costs associated with an individual meeting included on the Council's rota is in the region of £172. On this basis, travel costs associated with the current Scrutiny function is estimated to be in the region of £2300 per annum. The reduction in the required attendance by Scrutiny Members contained within the proposals could see a significant reduction in this annual spend.

Special Responsibility Allowances for the Chairman of the Scrutiny Commission and the two Scrutiny Panels amount to £14035 each year. The proposed changes would still require Chairs for the Scrutiny Commission and two Panels and in consequence would not affect the costs of Special Responsibility Allowances.

#### 4.7 Training

The Task Group suggested that once the review of Scrutiny was completed, training in the new arrangements should be provided to all Members as part of the Member Development Programme.

#### 5 Equality Analysis Implications/Outcomes

5.1 This may need to be assessed once the recommendations of the Commission are known.

#### 6 Legal Issues

6.1 Decisions as to the structure of the Scrutiny function are a matter for Council. Any subsequent changes to the Scrutiny Procedure Rules should be considered by the Constitutional Review Committee and ratified by Council.

7 Consultation

7.1 The ideas in this report were developed via consultation with Members and were discussed at the Scrutiny Task Group meeting on 7<sup>th</sup> January 2016 and subsequently with Task group members by email.

8 Background Papers

8.1 None.

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**Previous report(s): Scrutiny Commission, 3<sup>rd</sup> September 2015.**

**Information Issued Under Sensitive Issue Procedure: No.**

**Appendices:**

- A. Scrutiny Commission Report – 3<sup>rd</sup> September 2015**
- B. Papers & notes of Scrutiny Task Group – January 2016**
- C. Analysis of Scrutiny Panel agenda items**