

Harborough District Council

Report to the Performance Scrutiny Panel Meeting of 17th November 2022



Report Number:	1
Title:	Scrutiny Review
Status:	Public report
Key Decision:	No
Report Author:	Clare Pattinson, Director of Governance and Law.
Portfolio Holder:	Councillor King
Appendices:	A: Centre for Governance and Scrutiny Review letter B: Scrutiny Structure proposals

Executive Summary

The Council commissioned the Centre for Governance and Scrutiny to undertake a review of the overview and scrutiny function to ensure that it is effective. The review focused on accountability, policy and decision making, delivery of Council plans and overall improvement. The review was impacted by the Covid19 pandemic however members were interviewed by the review team between 5 – 7 October 2021. The review also included a review of rules and processes.

Once the review was complete, the Council hosted an all Member workshop on 30 March 2022 to explore the options open to the Council for the development of the scrutiny function.

The top 5 priorities identified by Members from the CfGS review were:

- Chairing, member development and preparation;
- Democratic accountability;
- Making scrutiny an integral part of council business and governance;
- Recommendations and their impact;
- Public engagement.

A key part of the review was to strengthen the overview and scrutiny function. Following robust analysis, and further discussion with the Centre for Governance and Scrutiny, it is proposed that the Council retain two overview and scrutiny panels with an amended scope aligning with the Corporate Plan priorities, and that the Scrutiny Commission is removed.

Recommendations

- 1. To discuss the report and its recommendations for the future structure of Scrutiny as detailed in the report.**

Reasons for Recommendations
The Centre for Governance and Scrutiny has confirmed that the proposal to remove the Scrutiny Commission and focus two panels in alignment to the corporate priorities is efficient and proportionate to the size of the Council. It allows for a refresh of the overview and scrutiny function by the Council, underpinned by robust and transparent governance processes and procedures.

Purpose of Report

1. To present the strategies and mechanisms by which the function, purpose and quality of overview and scrutiny activities can be strengthened, and the impact of scrutiny outcomes increased.

Background

2. The Council commissioned the Centre for Governance and Scrutiny (CfGS) to review and evaluate its overview and scrutiny function to ensure it is effective at supporting policy and decision making, delivery of council plans and overall improvement. The review commenced in the Autumn of 2021.
3. The Council has not undertaken a comprehensive review of its overview and scrutiny arrangement for some time, and wanted to check and test that overview and scrutiny arrangements and effectiveness meet the council's high expectations of democratic accountability. Overview and scrutiny plays a key role in ensuring that the Council's activities and decision-making processes are transparent, effective and impactful.
4. The CfGS reviewed the current overview and scrutiny arrangements. The first stage of the review consisted of gathering evidence through conversations with Members directly involved in the current scrutiny process and Officers. The review team also listened to recordings of scrutiny meetings and reviewed key documents on the Council's website.
5. The review assessed the following aspects :-
 - i. **Culture:** the relationships, communication and behaviours underpinning the operation of the overview and scrutiny process, including the corporate approach, organisational commitment, and status of scrutiny;
 - ii. **Member engagement:** Are members motivated and engaged. How do they participate, take responsibility, and self-manage their role?
 - iii. **Member skills and application:** Are skills up-to-date and can Members participate fully or are there development gaps?
 - iv. **Information:** How information is prepared, shared, accessed and used in the service of the scrutiny function;
 - v. **Impact:** Ways to ensure that scrutiny is effective, that it makes a tangible and positive difference to the effectiveness of the council, and to local people;
 - vi. **Focus:** How prioritisation, timeliness and relevance of the work programme and agendas lead to value-adding and productivity;
 - vii. **Structure:** Formats used by scrutiny to carry out its work and their effectiveness.

Details

6. Following the initial evidence gathering, feedback was provided by the CfGS which summarised the findings, highlighting areas where scrutiny performed well, and potential areas for improvement within the current process. A Member development workshop took place in March 2022 where the findings were explored and the suggested improvements discussed. All Members were given the opportunity to provide views and feedback on the suggested improvements.
7. The CfGS found that conditions for successful scrutiny are present at the Council and that there is a shared understanding from Members and Officers that good governance involves scrutiny, and when used effectively scrutiny can add value to decision making. The findings were detailed in a letter to the Council dated March 2022, attached as Appendix A.
8. The suggested areas for improvement identified were grouped into seven themes:

CfGS Theme	CfGS suggestions
Clarity on scrutiny's role and responsibilities	<ol style="list-style-type: none"> 1. A clearer focus on democratic accountability Scrutiny of Cabinet Members should form a key part of the work plan, and Cabinet Members regularly attending scrutiny to answer questions on items falling within their portfolio responsibilities is vital. Alongside this, the CfGS recommends inviting the Leader to attend scrutiny on a quarterly basis to present an integrated finance and performance report. 2. More emphasis on scrutiny as a vital part of Council business and governance With clear council-wide ownership and understanding of its important role in improving policy and holding to account. 3. Developing a Cabinet-Scrutiny protocol To further reinforce the working relationship and expectations between Scrutiny and the Cabinet.
Collaborative approach to scrutiny	<ol style="list-style-type: none"> 4. Developing regular communication and information sharing so that Scrutiny can be a resource that can inform Cabinet decision making. This could be achieved through holding triangulation meetings between Scrutiny Chairs, Cabinet Members and relevant Directors to consider future issues and the part which scrutiny could play in testing and shaping these forward plans. It would also present an opportunity to share and discuss opportunities to involve scrutiny as an improvement asset. 5. Further steps need to be taken to improve cross-party working at HDC. There was a broad agreement that all Members have a duty to uphold their responsibilities as a scrutineer, attend meetings and work towards a shared goal in their committee. Members should consider what further work is necessary to address working relationships.

Scrutiny's focus and workplan	<p>6. Review the process for developing work plans for each scrutiny Panel Engaging Members, Officers, partners and the public to prioritise the topics for review. This process should be led by Members of the Panels and could include a selection criteria to identify appropriate topics for the work plan. Currently the work plan is not discussed on the agenda at scrutiny meetings. The CfGS would recommend bringing it to the beginning of meetings, so emerging issues or changing priorities can benefit from considered discussion.</p> <p>7. A review of the current approach to financial scrutiny, MTFS/ budget scrutiny and the scrutiny of commercial arrangements. The CfGS has produced guidance on financial scrutiny with CIPFA, setting out scrutiny activity to complement the Council's annual financial cycle. The guide suggests ways to move budget and finance scrutiny beyond set-piece scrutiny 'events' and quarterly financial performance scorecards being reported to committee.</p>
Scrutiny committee structure and scheduling	<p>8. Consider a revised scrutiny structure This will include assessing the terms of reference of the Scrutiny Commission in light of value that the committee adds, and assessing whether the term of reference for the two Panels aligns with the Council's key corporate priorities.</p> <p>9. Reviewing the frequency and timing of Scrutiny Panel meetings To position meetings so that they can shape and test policy with enough time to meaningfully input into Cabinet decision-making. This is not to increase workload, but to create more efficient and effective scheduling.</p>
Scrutiny's output and impact	<p>10. Changing the way that information is provided to scrutiny Members for oversight Cut back on the number of items coming to scrutiny solely for information, and consider how information could be shared with councillors on a monthly basis outside of committee.</p> <p>11. Review how the recommendations are made and how impact is measured This could include putting a 'recommendations monitoring report' at the beginning of agendas to orientate scrutiny towards outcomes-focused meetings, alongside an emphasis on finding strong recommendations from questioning to present to Cabinet as improvement or challenge proposals.</p>
Chairing, member development and meeting preparation	<p>12. Chair/Vice Chair training and compulsory member development for all Committee members.</p>

	<p>13. Provision of additional briefing or expert involvement as required.</p> <p>14. All-party pre-meetings for scrutiny committees</p>
Public engagement	<ul style="list-style-type: none"> • Public engagement Explore and experiment to encourage greater access, openness and involvement, including site visits in the community, inviting the public to offer ideas for work plans, using social media channels for resident input and communicating the progress and impact of scrutiny work

9. The CfGS invited members to identify their priorities for development of the overview and scrutiny function. The full ranked list of suggestions for improvement based on Member feedback is detailed in Appendix B however the top 5 priorities identified were:

- i. Chairing, member development and preparation;
- ii. Democratic accountability;
- iii. Making scrutiny an integral part of council business and governance;
- iv. Recommendations and their impact;
- v. Public engagement

Current Structure

10. The Council's current overview and scrutiny arrangements consist of the following :-

- i. 15 scheduled meetings currently in the rota for the municipal year;
- ii. 3 Scrutiny Commission meetings;
- iii. 5 Performance panel meetings;
- iv. 5 Community panel meeting;
- v. 2 reserve dates for additional panel meetings;
- vi. Maximum of 2 task and finish groups at any one time

Options for strengthening the overview and scrutiny function

11. The CfGS suggested that the options open to the Council were:

- i. Leave the arrangements as currently operating;
- ii. Enhance the existing arrangements with a third panel and the recruitment of a part time scrutiny officer;
- iii. Remove the Scrutiny Commission, bolster officer support for the scrutiny function and:
 - a. Increase the number of panels to three; or
 - b. Retain two panels;

12. Given the findings of the CfGS, making no changes to the current arrangements would not enable the improvements required in the delivery of the overview and scrutiny function for the Council.
13. The Council cannot justify the additional cost which would be incurred in the event that Option 2 was adopted, given the current economic climate and substantial budgetary challenges.
14. While Option 3a would secure some of the improvements required for the overview and scrutiny function, it requires the Council to continue to administer three panels and would not sit comfortably with the Council's themes and priorities.
15. Option 3b is the preferred option of the Council as this would enhance the existing two overview and scrutiny panels and align them with the Corporate Plan priorities as follows:
 - Communities Scrutiny Panel – 'Place and Community'
 - 'Healthy Lives'
 - Performance Scrutiny Panel – 'Environment and Sustainability'
 - 'Economy'.
16. However, it is also proposed that the panels be re-named to reflect their area of focus, with the Communities Scrutiny Panel becoming the People Overview and Scrutiny Panel, and the Performance Scrutiny Panel becoming the Place Overview and Scrutiny Panel. Utilising the full statutory title of "overview and scrutiny panel" better reflects the nature of the role that both panels should fulfil in contributing to the strategic direction and corporate performance of the Council. It recognises that both panels are responsible for holding the Council to account on its performance in delivering the corporate priorities
17. It is proposed that the Chairs of the two Panels would work more collaboratively to allocate cross cutting issues and allows for joint overview and scrutiny where it is not appropriate for one panel to be seized of a topic – such as budget matters.
18. Meetings would be scheduled to take place on a quarterly basis, with the focus on the corporate priorities alternating at each meeting. The cabinet portfolio holders who contribute to a corporate priority would be invited to attend and update the panel on that priority and performance in respect of it. The panel would be able to ask questions of the portfolio holder, review council performance and trends and contribute to strategic forward planning. They would also identify topics which would be appropriate to explore further through task and finish groups, identifying future strategies, changing legislation and new pressures.
19. Each Panel would be able to have one task and finish group operating at a time. The task and finish group would be able to explore issues in more detail and operate with more flexibility and responsiveness as it would not be hampered by the democratic restrictions imposed on a committee meeting.

Proposed provision

20. The proposed overview and scrutiny provision would consist of the following :-
 - i. 10 scheduled meetings in the municipal year comprising:
 - Quarterly Place overview and scrutiny panel meetings;
 - Quarterly People overview and scrutiny panel meetings;
 - 2 Joint Budget Scrutiny meetings;

- ii. Each panel may have one task and finish group working at a time, meeting as much or little as determined by the group;
- iii. the panels join together to have a joint task and finish group for cross cutting issues.

21. The benefits of the proposed structure include :-

- Better alignment of meetings to feed into the Cabinet cycle;
- Aligning the Overview and Scrutiny Workplan to complement the combined work plan;
- Scrutiny resources which reflect the four Corporate Plan priorities;
- Clear delineation between:-
 - routine scrutiny (i.e. holding to account for past performance) of Council performance through attendance of Portfolio Holders and officers at quarterly meetings for both Panels; and
 - Pro-active scrutiny (i.e. pre-decision scrutiny) of policies, strategies, changes of approach, challenges to service provision, changing legislation etc.
- Two annual joint scrutiny meetings scheduled to facilitate budget scrutiny – one in autumn with a focus on reviewing past performance, and one in winter to consider the proposed budget;
- Fewer formal meetings to facilitate officer resource for focused task and finish groups, with Members better able to influence the pace of the scrutiny progress;

22. A strengthened overview and scrutiny function would assist in improving the governance of the Council in a number of ways, including :-

- A clear, transparent role and function of overview and scrutiny with all stakeholders;
- Promoting an organisational culture focused on democratic accountability and responsibility – by both Officers and Members;
- A clear, consistent and robust criteria for task and finish groups, with tangible outcomes;
- Scrutiny to be pro-actively used to contribute to pre-decision scrutiny e.g. of policies, operational challenges etc which align to the corporate priorities and have a greater influence on the strategic direction of the Council;
- Better alignment of meetings with the Council and Cabinet scheduled meetings and performance reporting timeframes, allowing more timely consideration of emerging issues and trends;
- Quantifiable and tangible evidence of the impact of Scrutiny on the Council and its performance.

23. The proposed measures would be robustly reflected in a revised and fit-for-purpose Constitution which accurately reflects the role and purpose of the overview and scrutiny function.

Implications of Decisions

Corporate Priorities

24. The purpose of scrutiny is ultimately to improve the lives of local people through improved public services. To justify the resources allocated to scrutiny it is important to be able to demonstrate that scrutiny work adds value and makes a difference to local people. Effective scrutiny can be demonstrated if it fulfils one or more of the following conditions:

- it meets the objectives set out by the Scrutiny Commission / Panels;
- feedback from the public shows that they think there has been the service improvement they desired;
- the work has helped to achieve corporate or partnership priorities;
- there is a return on investment, demonstrating scrutiny's impact and outcomes in financial terms.

Financial

25. Scrutiny is currently resourced through existing officer arrangements, there is no formally designated 'Scrutiny Officer' as current regulations do not require a District Council to designate an officer to discharge the Council's scrutiny functions in an area in which there is a County Council (Local Government Act 2000). Government guidance does state that, 'Authorities not required by law to appoint such an officer should consider whether doing so would be appropriate for their specific local needs' (Overview and scrutiny: statutory guidance for councils and combined authorities, 2019).

26. The cost of the preparation of overview and scrutiny reports is dependent on the subject matter, however utilising more flexible task and finish groups allows meetings to be responsive and fit around availability of officers and members, which should improve the efficiency for all involved in the process. Focusing each panel on distinct priorities ensures there is no duplication of reporting.

27. Reducing the cost of the overview and scrutiny function was not a primary function of the review being undertaken. However, removing the Scrutiny Commission, and Commissioner, removes the obligation to pay a special responsibility allowance, as well as expenses for member attendance at a regular meetings, (for 2021/22 this equated to £6,867) which can then be utilised to support the expenses of the task and finish groups or as a contribution to the current budget pressures.

Legal

28. In accordance with the Local Government Act 2000 and Localism Act 2011, authorities are required to have a mechanism by which the Cabinet can be held to account via a transparent and robust scrutiny function.

29. The review of the Council's overview and scrutiny function is important to ensure that it is effective and adds value to the outcomes delivered for residents of the Harborough District.

Policy

30. Effective and targeted use of the overview and scrutiny function will strengthen the Council's development and delivery of the policies which are important to residents of the district.

Environmental Implications including contributions to achieving a net zero carbon Council by 2030

31.No specific implications are identified as relevant to this objective within this report.

Risk Management

32.No specific implications are identified as relevant to this objective within this report.

Equalities Impact

33.No specific implications are identified as relevant to this objective within this report.

Consultation

34.All Members were given the opportunity to comment on the review findings and proposed suggestions from the CfGS. The ideas relating to the review of the Scrutiny Structure were developed by the Scrutiny Commissioner following the CfGS review of the Scrutiny function which took place in October 2021.

Background papers

35.None