

**OVERVIEW AND SCRUTINY**

**28 JULY 2005**

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(Report by the Head of Administration)

**1. INTRODUCTION**

- 1.1 'Effective scrutiny is the lynchpin of the new political arrangements. If scrutiny isn't working, this poses a significant threat to the success of democratic renewal.' The words of the Audit Commission demonstrate the importance of the scrutiny process to the effective political management of the Council.
- 1.2 The scrutiny arrangements in Huntingdonshire have now been in operation for just over 4 years, 2 of which formed part of the trial of the Cabinet system before the new constitution was adopted under the Local Government Act 2000. Throughout that time, initiatives have been introduced to develop the role of scrutiny, culminating in the Audit Commission's Comprehensive Performance Assessment in July 2004 and the Improvement Plan adopted by the Council in response to the issues raised in the CPA report.
- 1.3 In September last year, the two Overview and Scrutiny Panels discussed a report (copy attached as Appendix 'A') on the further development of scrutiny in response to issues raised as part of the annual constitutional review earlier that year. No firm proposals emerged from those discussions but since that time a number of Members have carried out a fact finding visit to Maidstone Borough Council which is regarded as one of the forerunners in local government scrutiny.
- 1.4 This report attempts to draw together the various themes and to address the need to revisit the Panels' existing development plan in the search for continuous improvement in the provision of overview and scrutiny in Huntingdonshire.

**2. COMPREHENSIVE PERFORMANCE ASSESSMENT**

- 2.1 It is worth recalling the assessment of the Audit Commission on the Council's scrutiny performance – 'There are some weaknesses in the effectiveness of the scrutiny system in that although there is some good practice for example a clear forward plan, scrutiny agendas are congested given the current volume of business, the forward plan is not thus as focused as it could be on strategic issues. There are however examples of the scrutiny function working innovatively, for example taking on a broad range of issues put forward by parish councils, voluntary organisations and the public, having a stand-alone budget to appoint specialist advisers, taking scrutiny meetings out around the district and have specific training for scrutiny councillors by a local MP experienced in aspects of select committee workings. The innovations have yet to develop into service outcomes.'
- 2.2 The only defined criticism was the size of meeting agenda and the fact that service outcomes have yet to be developed. On the other hand, the Commission complimented much of the work undertaken by the Panels as innovative.

### **3. LESSONS FROM ELSEWHERE**

- 3.1 Scrutiny is probably the most difficult part of the new constitutional arrangements to deliver successfully. If developed imaginatively, scrutiny can be both challenging and rewarding, presenting Members with the opportunity to explore issues of topical concern in Huntingdonshire, while at the same time exerting pressure on the Cabinet to achieve targets and levels of performance that have been set by the Council.
- 3.2 Authorities continue to try to identify best practice from others with the Centre for Public Scrutiny ([www.cfps.org.uk](http://www.cfps.org.uk)) at national level acting as a clearing house for ideas that have been tried or implemented elsewhere. Visits to the CfPS website provide examples of investigations undertaken by other Councils, scrutiny guidance notes and structural and support arrangements.
- 3.3 As Maidstone Borough Council is often regarded as one of the leading authorities on scrutiny, a number of Members undertook a fact-finding visit in February to observe Scrutiny Panel meetings and discuss with both Members and Officers what has worked well for them. A summary of the Maidstone arrangements is attached as Appendix 'B'. Those Members who attended the visit will no doubt have formed a view as to whether any of what they observed might be suitable for Huntingdonshire.
- 3.4 Conversely, enquiries are regularly received by officers from other authorities wishing to learn about the way in which scrutiny is delivered in Huntingdonshire.

### **4. FUTURE DEVELOPMENT**

- 4.1 Many of the questions often raised by Members in terms their scrutiny role were addressed in the report of last September and decisions on those issues have yet to be made. The salient points are reproduced below together with other matters which the Panels are invited to consider. Where this was raised in the earlier report, the relevant paragraph number is shown.
- 4.2 **Development Plan** (paragraph 3.1 and Appendix C)

The Development Plan approved by the Panels in 2003 has largely been achieved with the Plan being reproduced in Appendix C and annotated with the progress made. Of those matters not implemented, some have been the result of unsuccessful funding bids while others have been progressed by one Panel and not the other. Those which have yet to be tried are quarterly discussions on potential study areas (*because the Panels already have sufficient workload*), study suggestions by voluntary organisations (*for the same reason*), and an overview and scrutiny forum biennially.

*The Panels are invited to consider whether there are any items implemented from the Development Plan that are no longer relevant and should be changed.*

- 4.3 **Capacity** (paragraphs 3.2 to 3.8)

Both Panels have previously proposed the creation of more panels but this has been rejected by the Council. There is no doubt that the work programme of the two existing Panels has grown as Members have become

more experienced in their scrutiny role and identified subjects that they wish to consider. This can be summarised as resulting in –

- longer meetings
- the creation of working groups to investigate and monitor individual subject areas as opposed to the main Panel
- a limitation on the number of studies that can be carried out
- an additional workload for Panel Members and pressure on their availability
- added difficulty for the Members of each Panel to come to grips with the content of 4 portfolios per Panel
- abortive time on the part of executive councillors and officers waiting for the items for which they have been invited to a meeting to be discussed
- greater difficulty in bringing studies to a timely conclusion
- lack of time to address performance monitoring.

- 4.4 A third panel would enable more Members to become involved in the scrutiny function, unless the existing membership of 24 was divided into three panels of 8 Members each. Currently the constitution provides for the two existing panels to have a maximum of 16 Members each, although advantage has not been taken of the scope for larger panels.

*Should a third Panel be established and if so, what should be the size of the Panels?*

Informally, the structure of Overview and Scrutiny has changed through the emergence of the Joint Panel in the last year.

*Should these arrangements be formalised in the Constitution and more use made of this Forum?*

#### 4.5 **Co-option**

The Council's constitution provides for the co-option of both other Members and members of the public to Overview and Scrutiny Panels either on an ad hoc or more permanent basis. Co-option could be used to supplement the membership of the panels or working groups both to expand the size of a panel where this was thought to be appropriate and to bring particular expertise to a subject area.

Recent legislative change has also enabled co-opted members of the public to be permitted to vote at scrutiny panel meetings if an authority has introduced a scheme to enable them to do so.

*Should greater use be made of the availability of co-option and if so, should co-opted members of the public be permitted to vote at panel meetings?*

#### 4.6 **Terms of Reference**

The creation of a third panel would enable a wider distribution of scrutiny work but consideration needs to be given as to how this should be allocated between 3 as opposed to 2 panels. The terms of reference of individual panels could continue to be allocated on the basis of Cabinet portfolios or

alternatively functions could be divided between the separate panels e.g. policy formulation, scrutinising of Cabinet decisions, performance management. Some of the issues are examined below.

The principle advantage of a continued allocation of specific portfolios to panels is that this enables the panels to be more focused, allowing Members to concentrate on and obtain greater experience of the executive responsibilities within their remit. This should reduce duplication and overlap and ensure that executive councillors are held to account by a specific panel.

An alternative would be to allocate specific functions to individual panels. One panel could be responsible for policy formulation and review, one for scrutinising the decisions of the Cabinet/call-in and one for performance management. In practice this might lead to confusion, with panels addressing the same issue from different perspectives. It is also possible that this would create a disparity in the respective workloads between the individual panels and reduce the number of in-depth studies that could be undertaken if these were restricted to a single panel.

A third option would be to adopt a more corporate approach and allocate a number of the Council's priorities contained in the corporate plan to each panel. The priorities are a clean, green and attractive environment; housing that meets local needs; safe and active communities; a healthy population; accessible services and transport choices; and a strong and diverse local economy. However provision would also need to be made for the other services provided by the Council, together with the various support services which are not included within the named priorities. Whilst this would be attractive in aligning the terms of reference of the panels to the corporate plan, this could create some difficulty in identifying responsibilities and cause overlap where subjects were affected by more than one of the priorities

Whichever option is chosen, the existing panels need to eliminate the present duplication on issues such as the corporate plan, budget, CPA, Customer First, office accommodation which is both time consuming and involves executive councillors and officers attending both panels for the same subject. Where subjects are of major importance, they could be dealt with by a joint meeting of the panels but in view of the number of Members involved, this is not always practicable nor conducive to an effective scrutiny of the subject area.

*What should be the terms of reference of the panels and how can duplication be avoided?*

#### 4.7 **Names of the Panels**

The current names of the Panels are designed to reflect the portfolios that fall within their terms of reference. If a third panel is to be created or the terms of reference of the panels are altered, a change in name will be inevitable. If two panels remain but their terms of reference are changed, would the roles of the panels be more easily understandable if their names were change.

*Are the existing names of the panels appropriate or should they be changed?*

#### **4.8 Existing Practices**

It may be worth mentioning again the wide scope that the existing panels have in conducting their duties, either as part of the constitution or as a result of budgetary provision –

- Budget of £10,000 to spend on the work of the panels
- Flexibility in the size of panels and co-option (both voting and non-voting)
- Creation of ad hoc working groups
- Identification of subjects for scrutiny and investigation
- Developing Study Methodologies
- Call-in of executive decisions
- Public consultation
- Setting their own agenda

In addition some of the working practices adopted by the panels since the approval of the development plan have emphasised the clear distinction between scrutiny arrangements and other meetings formats.

*Members are invited to consider whether changes should be made to the present arrangements.*

#### **4.9 Other Proposals**

Most authorities have developed their own approach to scrutiny and many continue to find difficulty in making scrutiny effective. The visit to Maidstone highlighted a number of practices adopted by that authority which Members may wish to consider. They include –

- Specialist support on specific subjects
- Training for middle managers on the expectations of scrutiny
- Single item agenda
- Attendance by Cabinet Members three times per annum to explain aims and achievements
- Determination of work plans at the start of each year
- Written response by Cabinet to Overview and Scrutiny recommendations
- Engaging and consulting stakeholders
- E-bulletin after each scrutiny meeting.

*The Panels are invited to consider whether to adopt any of the working practices of Maidstone or any other innovative proposals to develop the role of scrutiny.*

#### **4.10 Officer Support**

The Panels have previously identified a need for additional support to assist them in becoming more effective. However a proposal for the creation of a dedicated Overview and Scrutiny Officer has been rejected by the Council previously as part of the MTP process and the allocation in the programme for a Member Support Officer who also could have assisted with scrutiny was deleted in the last review.

**4.11 Training**

Various training formats have been tried for scrutiny, involving trainers from the Improvement & Development Agency, Institute of Local Government Studies, Institute of Public Finance and a Member of Parliament. Often the trainers tend to dwell on the principles of scrutiny with which Members are already familiar. Training is also being arranged on performance management with external consultants who have been assisting the Council on the implementation of the balanced scorecard performance monitoring system

*Members are invited to suggest forms of training on scrutiny that they would prefer to have provided.*

**5. CONCLUSION**

5.1 The Council's CPA Improvement Plan requires the Overview and Scrutiny Panels to implement their development plan and to integrate the corporate performance management framework into the scrutiny process. The Panel's development plan has largely been implemented with the exception of those issues that are considered no longer to be relevant and steps are being taken to develop the Panels' role in monitoring performance.

5.2 Nevertheless the Panels have continued to adopt new methods of working and to identify best practice elsewhere that may of relevance to Huntingdonshire. Members are invited to address the issues raised both in this report and that submitted to the Panels in September of last year and prepare a revised development plan for the further enhancement of the scrutiny function for the Council.

**BACKGROUND PAPERS**

As attached as appendices to the report now submitted.

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