



St Edmundsbury
BOROUGH COUNCIL

B270

Performance and Audit Scrutiny Committee 25 October 2010

Overview and Scrutiny Committee 17 November 2010

Policy Development Committee 24 November 2010

Overview and Scrutiny Structure

SUMMARY

The Council's Improvement Plan includes the following action for 2010/11 – "Review committee and scrutiny structure to ensure that it is fit for purpose". The Council's current Overview and Scrutiny structure has been in place since the implementation of the Local Government Act 2000 in May 2002. Other than the introduction of the Performance and Audit Scrutiny Committee in 2007 the structure has therefore remained unchanged for 9 years.

This report reviews the structure of the Council's scrutiny committees, taking into account good practice from other councils and the changes to the focus of the Council's scrutiny work which have been seen in recent years following the introduction of new legislation. The options outlined in this report also take into account the increased resource constraints upon the Council, and the achievement of value for money through reduction of bureaucracy

RECOMMENDATIONS

That Members consider the options set out in Section 8 of this report for the future of the overview and scrutiny structure at St Edmundsbury and make recommendations if required. The comments of the three scrutiny committees will be included in the final version of this report to be taken through Cabinet and full Council in December 2010.

Scrutiny Manager

Adriana Stapleton

01284 757613

adriana.stapleton@stedsbc.gov.uk

Chairman Policy Development Committee

Nigel Aitkens

01284 735258

nigel.aitkens@stedsbc.gov.uk

Chairman Overview & Scrutiny Committee

David Lockwood

01638 718002

david.lockwood@stedsbc.gov.uk

Chairman Performance & Audit Scrutiny Cttee

John Hale

01359 221141

john.hale@stedsbc.gov.uk

Performance and Audit Scrutiny Committee

25 October 2010

Overview and Scrutiny Structure

1. Background

- 1.1 Scrutiny came into being in May 2002, with very little guidance on how it should work. Not unsurprisingly, then, there are almost as many scrutiny structures as there are councils. Scrutiny has developed over the 9 years of its existence into a very strong tool, when used well, for holding a council's decision makers to account, and with the help of recent legislation, is moving more towards holding other public bodies to account (albeit to a far greater extent at County and Unitary level than at District/Borough level).
- 1.2 As stated in the summary, the Council's current scrutiny structure has been in place since the implementation of the Local Government Act 2000 in May 2002 and is therefore in its 9th year of operation. Suggestions were made in March 2007 (report X595 refers) and less formally in Autumn 2009, for a restructure and a re-focus of scrutiny respectively, but on both occasions Members chose not to make any major changes to the focus of scrutiny. A change was made in 2007, however, to introduce the Performance and Audit Scrutiny Committee, although the remaining scrutiny structure of Overview and Scrutiny Committee and Policy Development Committee remained unchanged.
- 1.3 With the forthcoming Borough Elections in May 2011, this would appear to be an opportune time to review the structure of the Council's scrutiny committees to ensure they remain fit for purpose, so that any changes may be put in place from the outset of the new administration and prior to the induction of new councillors. The options outlined in this report also take into account the increased resource constraints upon the Council, and the achievement of value for money through reduction of bureaucracy.
- 1.4 The proposals in this paper take into account:
- comments made by members during the committees' annual consultations;
 - comments from the Chairmen and Vice-Chairmen of the three scrutiny committees; and
 - best practice from other councils and the new scrutiny responsibilities.
- 1.5 Any proposals would require the approval of full Council.

2. Scrutiny at St Edmundsbury

- 2.1 Scrutiny at St Edmundsbury has been classed externally as a strength of the Council. St Edmundsbury is often asked by other councils for assistance in reviewing their scrutiny structures, and often provides speakers at national conferences on scrutiny matters.
- 2.2 The current structure was requested by councillors in 2002 to provide a split between the forward looking elements of scrutiny (currently provided by the Policy Development Committee) and the 'here-and-now' functions required to monitor performance, and hold the Cabinet to account (as undertaken by the Overview and Scrutiny Committee, although the performance monitoring responsibilities were transferred in 2007 to the new Performance and Audit Scrutiny Committee). It also reflected the overriding wish of councillors at that time that, ultimately, scrutiny should be a constructive process.

- 2.3 This system has served the Council well, with scrutiny being placed at the centre of the Council's improvement agenda (DR-IVE, performance management, risk management, etc) and assisting the Cabinet in the delivery of its commitments (eg economic action plan, scrutiny of budget proposals etc). Scrutiny has also become strong in the area of community leadership, scrutinising major partnerships and involving around 30 external parties each year in its work, far above the national average for districts. Scrutiny committees are trusted by the Cabinet, which commissions some of their work and adopts the vast majority of their recommendations (100% to date, other than one minor wording change and one addition to recommendations, since monitoring began in 2006/07).
- 2.4 However, for the reasons explained in Section 1, it may now be appropriate to review the structure to ensure that it remains fit for purpose, in terms of the involvement of borough councillors, and the changes in legislation and to the focus of scrutiny at St Edmundsbury seen in the last couple of years.

3 Member Feedback

- 3.1 During formal committee consultations with members and officers involved with the scrutiny process, and more recently less formally, a number of comments have been made on how the scrutiny process is working. Some of these concerns were recently dealt with leading to changes in the call-in and Councillor Call for Action process (report A551 refers). Some comments from members and officers regarding the structure of committees over the past few years are as follows:
- Confusion on the role of the Policy Development Committee, particularly with regard to reviews;
 - A perception amongst some that the Policy Development Committee is 'not a scrutiny committee';
 - A reduction in policy work;
 - Too many operational and monitoring reports 'clogging up' O&S agendas (this has largely been dealt with, both with the introduction of the Performance and Audit Scrutiny Committee and with a much reduced work programme for 2010/11);
 - The mixture of small and large scrutiny topics, mostly inwardly focused, spread over the period of a year and reporting to set programmed meetings, is not necessarily the best way to work;
 - Increased use of "task and finish" groups could lead to greater member involvement in reviews – the view being that the most effective reviews held in recent years have been those carried out by joint member/officer working groups;
 - Such groups must only be formed if really necessary, and should disband once their remit is complete;
 - There should be a predisposition towards "quality" not quantity, and we shouldn't be afraid to cancel meetings if necessary;
 - Meetings of the Overview and Scrutiny Committee go on too long (again largely dealt with, with only 2 or 3 major items being scheduled for each meeting from 2010/11 where in the past it wasn't unknown to see 8 or more).

4 Practice elsewhere, and useful data - nationally

- 4.1 The Centre for Public Scrutiny's 2009 survey of overview and scrutiny in local government provides data on 75% of all local authorities in England and Wales, including 148 district/borough councils. Some of the data from the survey follows.
- 4.2 The average number of members on an Overview and Scrutiny Committee is 11 (St Edmundsbury has 13 on its two main committees and 10 on Performance and Audit).

- 4.3 The average number of external witnesses attending meetings across all council levels was 23 (St Edmundsbury had over 30 in 2009/10) (the figure for District only level was not calculated, but a scan of the raw data shows this to be on average in single figures).
- 4.4 The average full time equivalent dedicated scrutiny support is 2.29 amongst all councils, and amongst districts/boroughs is 0.89 (St Edmundsbury has 0.6).
- 4.5 The average number of recommendations accepted is 85% (St Edmundsbury is 100%)
- 4.6 The average number of call-ins annually was 2.5 (across all councils, district-only data not available), St Edmundsbury has on average one per year. The Centre has not yet surveyed the number of Councillor Calls for Action, but Suffolk data follows below.

5 Practice elsewhere, and useful data - Suffolk

- 5.1 The average number of call-ins received over the past 9 years by all Suffolk councils is 10. St Edmundsbury has received 11.
- 5.2 Concerning CCfAs, five Suffolk councils have had none since implementation of this new power in April 2009, two have had one each (neither of which were referred to a full hearing) and St Edmundsbury has had four, two of which were referred to a full hearing. The Council has been asked to speak on its experiences of CCfA at the LGC Annual Scrutiny Conference in October 2010, and is writing an article for inclusion in the inaugural bulletin of the new National District Scrutiny Network.
- 5.3 Average full time equivalent (fte) scrutiny support across Suffolk is 1.3, although taking out the County Council, which has 5.9 fte, the District/Boroughs have an average of 0.67 (St Edmundsbury approx 0.6 fte).
- 5.4 The scrutiny structures of the 8 Suffolk councils is shown at Appendix A.

6 Recent legislative changes

- 6.1 The most well-known recent change, certainly at St Edmundsbury, has been the introduction in April 2009 of Councillor Call for Action under the Local Government and Public Involvement in Health Act 2007 (report Y610 sets out other scrutiny changes arising from that Act). Whilst this has been a bit of a damp squib nationally, St Edmundsbury enthusiastically took up this new power, with 4 CCfAs being submitted in the first year of its operation, although none have been received yet during 2010/11.
- 6.2 Additionally, the Overview and Scrutiny Committee received new powers with regard to the scrutiny of crime and disorder issues through the Police and Justice Act (report A189 refers). The Committee has not chosen to use any of these increased powers to date, other than requiring the annual attendance of representatives of the Community Safety Partnership at its meetings.

7 Focus of scrutiny

7.1 Overview and Scrutiny Committee

- 7.1.1 In recent years the focus of the two main scrutiny committees can be seen to be changing. The Overview and Scrutiny Committee in particular used to be full of monitoring and performance management, as well as numerous reviews being carried out annually. The introduction of the Performance and Audit Scrutiny Committee in May 2007 took away a lot

of that monitoring work, and has been very successful in providing a small group of specialised Members to take on that very focused work. Nevertheless, the Overview and Scrutiny Committee continued to hold very long meetings, with often 8 or more items on each agenda. This has now changed, and rather than looking at dozens of minor reviews each year, the focus of the Committee is now on carrying out a smaller number of more high profile reviews, with 2 or 3 items maximum per meeting.

7.1.2 The Overview and Scrutiny Committee has also increased its community leadership role, and tries to focus a proportion of its time on issues of public interest, taking every opportunity to involve outside bodies and public witnesses in its investigations.

7.1.3 Whilst the high take-up of CCfA caused the Committee capacity problems during 2009/10, this more focused attitude to its work programme means that this should not be such a problem in the future.

7.2 Policy Development Committee

7.2.1 Following 9 years of extensive policy development across all areas of the Council, and the establishment of other bodies which review policy such as the Sustainable Development Panel, the Policy Development Committee has found that in the past couple of years there has been a drop in the number of policies coming through the Committee for development or review. The Committee has also taken to carrying out very successful reviews using time-limited Member/officer working groups. This way of working has proved popular, and results in recommendations which can be presented to Committee by its own Members, who will have been involved in every step of the work, meaning “rubber stamping” of officer reports and policies is becoming a thing of the past.

7.3 Performance and Audit Scrutiny Committee

7.3.1 The introduction of this new scrutiny committee in 2007, whilst it increased the number of scrutiny meetings overall and therefore the resources needed to support the scrutiny process, has proved a great success. Having a specialised team of Members with time to scrutinise complex issues such as the annual accounts and Code of Corporate Governance has been of great value to the Council’s Finance Team, and to the Audit Commission.

7.3.2 The Committee recently set up a Treasury Management Sub-Committee following guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA), which required enhanced scrutiny arrangements, adding a further 4 scrutiny meetings to the annual calendar.

8 Conclusions and options for change

8.1 The options outlined below aim to find a solution to as many as possible of the issues raised above, whilst preserving the strengths of the current system.

8.2 Analysis of the information above would appear to show that St Edmundsbury requires a scrutiny structure which:

- Provides more clarity in the responsibilities of each committee or working group;
- Offers stronger Member involvement in scrutiny reviews;
- Makes greater use of “task and finish” groups;
- Is non-bureaucratic; and
- Takes account of the changes in focus of the two main committees seen over the past couple of years.

The options that follow need to be considered in the light of the increasing resource constraints upon the Council and the existing pressures upon the time of councillors.

8.3 Option 1: status quo

8.3.1 The main requirement at this stage is that the Council reviews its structure and satisfies itself that scrutiny arrangements are satisfactory. It follows therefore that councillors may conclude, as they have done following earlier reviews of the scrutiny process, that the current arrangements should be retained, subject to minor improvements and ongoing review, and not wish to recommend any major restructure.

8.3.2 However, it is suggested that, if this option is favoured, then the following amendments be recommended to full Council in order to address some of the issues raised by councillors:

- (a) that the name of the Policy Development Committee be changed to *Policy Development Scrutiny Committee* to emphasise that this is a scrutiny committee in its own right;
- (b) that greater use be made by both main scrutiny committees of officer/Member working groups on both development of new policies, and on reviews.

8.4 Option 2: scrutiny restructure – PD sub groups of O&S

8.4.1 St Edmundsbury's experience suggests that the Council has benefited greatly from 'generic' committees rather than themed (or multiple) scrutiny committees, allowing members to look at issues in a more cross-cutting way and avoiding duplication. Therefore, it is proposed that this approach be retained.

8.4.2 Appendix B attached provides a suggested structure which provides one Strategic Overview and Scrutiny Committee of 16 Members. As now, there is the option to set up and co-ordinate either standing or ad hoc panels if required (allowing the kind of specialisation offered by themed committees). As in Option 1, more use of informal techniques to involve councillors in reviews outside of formal meetings could also be used. Review findings would be made to the strategic committee, which would also have responsibilities of its own, as set out in Appendix B. These would include the formal call-in and CCfA powers.

8.4.3 This option proposes that the Policy Development Committee be discontinued, but that each meeting of the Strategic Overview and Scrutiny Committee be presented with a list of upcoming new policies or policy reviews, alongside consideration of the Cabinet's Forward Plan, from which it may choose to set up a Member/officer task and finish group to report back to the main Committee.

8.4.4 The budget responsibilities of the Policy Development Committee would move to the Overview and Scrutiny Committee, on the same timescales. An option was considered of moving responsibility for making recommendations on the forward budget to the Performance and Audit Scrutiny Committee, however, due to the quarterly nature of this Committee, this would require 3 extra meetings to be set in September, November and early January, thus defeating one of the purposes of the re-structure.

8.4.5 The Performance and Audit Scrutiny Committee would remain, as would the Treasury Management Sub-Committee. The Audit Commission has confirmed that the September meeting of the Committee, which takes place solely for the Commission to present the Annual Governance Report to Members, could take place less formally, thus reducing the Committee's meetings from 6 to 5 per annum.

8.5 Option 3 – scrutiny restructure – PD sub group of Cabinet

8.5.1 At the last Quarterly Briefing between the scrutiny chairs and vice chairs and representatives of Cabinet a first draft of this report was discussed, and a possible third option was put forward for inclusion.

8.5.2 Many councils see policy development as the responsibility of Cabinet, and have a Sub-Committee of the Cabinet to carry out any policy development or reviews. The scrutiny chairs and vice chairs were happy for this option to be put forward for consideration. Rather than a standing sub-committee, Cabinet could also take the option of setting up working groups as necessary.

8.5.3 Appendix C sets out a possible Calendar of Meetings for options 2 and 3, which would result in 6 fewer scrutiny meetings overall per year:

Current Structure and Membership		Meetings per Year
Overview and Scrutiny Committee	13 Members	7
Policy Development Committee	13 Members	6
Performance and Audit Scrutiny Committee	<u>10 Members</u>	6
Treasury Management Sub-Committee (membership taken from P&A)	<u>4</u>	<u>4</u>
	<u>36 Members</u> total	<u>23</u>
Proposed new Structure and Membership		
Strategic Overview and Scrutiny Committee	16 Members	8
Performance and Audit Scrutiny Committee	10 Members	5
Treasury Management Sub-Committee (membership taken from P&A)	<u>4</u>	4
	<u>26 Members</u> total	<u>17</u>
(plus Member/officer working groups meeting as necessary, reporting either to the Overview and Scrutiny Committee or Cabinet)		
(although this shows 10 fewer full Members of the scrutiny committees, the Strategic Overview and Scrutiny Committee may appoint Members from outside its membership to take part in Member/officer working groups, and it is considered by Members that this is a very effective way of working. Additionally, substitutes will be appointed to the committees)		

Appendix A - Suffolk Scrutiny Structures

Council/fte officer support	Number of Cttees	Committee Structure	Average items per meeting		Meetings per year	Other info
			09/10	10/11		
St Edmundsbury 0.6	4 (3 Plus 1 sub- cttee)	Overview and Scrutiny Committee Policy Development Committee Performance and Audit Scrutiny Committee Treasury Management Sub-Committee	3.5 4.5 4	2 2.5 6	23 7 6 6 4	Items on O&S and PD reducing year on year, but P&A increasing
Ipswich 0.5	2 (1 plus 1 sub-cttee)	Strategic Overview and Scrutiny Committee Policy and Development Scrutiny Sub-Committee	1.5		16 12 4	Thinking of getting rid of PD sub group and having task groups as needed
Babergh 0.6	2	Overview & Scrutiny Cttee (Community Services) Overview and Scrutiny Committee (Stewardship)	6.5 4		16 8 8	
Mid Suffolk 0.5	3 (1 plus 2 sub-cttees)	No response, but website would indicate: Scrutiny Committee Environment Policy Panel Community Policy Panel				
Forest Heath 1.0	1	Overview and Scrutiny Committee	3		19	
Waveney 1.0	4 (1 Pls 3 sub- cttees)	Overview and Scrutiny Committee Community Safety, Health and Wellbeing Sub-Committee Environment and Regeneration Sub-Committee Housing Sub-Committee	4.5 3.5 5.5 5.5		26 8 6 6 6	Plus joint meetings of O&S/Audit, and joint meetings with SCC re bascule bridge. Plus informal sessions with community groups and partners.
Suffolk Coastal 0.5	2	Corporate Services Scrutiny Committee Community, Customers & Partners Scrutiny Cttee	3 3		12 6 6	

Appendix B – Proposed new scrutiny structure

- Plus Member/officer working groups, meeting as required and reporting back to the Strategic Committee with recommendations
- Performance and Audit Scrutiny Committee reports direct to Cabinet as necessary.

<p>Strategic Overview and Scrutiny Committee (8 meetings – June, July, Sept, Oct, Nov, Jan, March, April) 16 Members</p> <ul style="list-style-type: none"> • Agrees Scrutiny Work Programme • Annual Report from Cabinet and Cabinet Forward Plans • Receives reports from Member/officer working groups, including on the forward budget • Community Leadership, including LSP/CSP scrutiny • External and Joint Scrutiny • Post-implementation reviews • Call-ins/CCfAs • Reviews and Policy Development* • Receives reports from Equalities Group • Policy Based Budgeting • DR-IVE <p>* Member/officer working groups will carry out major reviews and report findings to Strategic Committee</p>
<p>Ad-hoc Member/officer working groups</p> <p>Meet as necessary to carry out reviews and to develop new policies</p> <p>Membership to be set by the Committee as appropriate for each review, from its own numbers, plus other interested non-Cabinet Members</p>

<p>Performance and Audit Scrutiny Committee (6 meetings – Jun, Jul, Sept, Oct, Jan, April) 10 Members</p> <ul style="list-style-type: none"> • KPIs • Quarterly budget monitoring • Approval of annual accounts • Biannual Complaints/Compliments Digest • Inspections (CPA, UoR etc) • Internal and external audit • Risk management • Council Improvement Plan • Scrutiny of annual accounts • Capital Programme audited accounts
<p>Treasury Management Sub-Committee 4 meetings – July, Oct, Jan, April</p> <p>3 Members, taken from the membership of the P&A Scrutiny Committee</p> <p>To carry out scrutiny of the Council's treasury management activity, and make recommendations through the P&A Scrutiny Committee as necessary.</p>

Appendix C – Proposed Calendar of Meetings

Date	Strategic Overview and Scrutiny Committee	Ad-hoc Member/officer working groups
May		As required
June	<ul style="list-style-type: none"> Agree work programme Annual report of the Cabinet AMP and Capital Strategy Reviews, CCfAs, Call-ins and other responsibilities as necessary 	As required
July	<ul style="list-style-type: none"> Reports from working groups Reviews, CCfAs, Call-ins and other responsibilities as necessary 	As required
August		As required
Sept	<ul style="list-style-type: none"> Reports from working groups Reviews, CCfAs, Call-ins and other responsibilities as necessary Consideration of proposals for savings and growth in the forward budget 	As required
Oct	<ul style="list-style-type: none"> Reports from working groups Reviews, CCfAs, Call-ins and other responsibilities as necessary Consideration of proposals for savings and growth in the forward budget 	As required

Performance and Audit Scrutiny Committee	Treasury Management Sub-Committee
<ul style="list-style-type: none"> Code of Corporate Governance Review of Effectiveness of System of Internal Audit Annual Governance Statement SEBC's Annual Accounts 	
<ul style="list-style-type: none"> Annual Treasury Management Report/1st Q performance rpt Audit Commission reports Capital Programme Audited Accounts KPIs (April to June) Quarterly Budget Monitoring Report (April to June) Quarterly Risk Register (April to June) 	<ul style="list-style-type: none"> Annual Treasury Management Report 1st Quarter TM performance report
<ul style="list-style-type: none"> Audit Commission ISA 260 Annual Governance Report Response of the Chief Finance Officer to ISA 260 report 	
<ul style="list-style-type: none"> 2nd Quarterly Treasury Management performance report/mid year report Audit Commission reports KPIs (July to Sept) Quarterly Budget Monitoring Report (July to Sept) Quarterly risk register (July to Sept) Biannual Corporate Complaints (April to Sept) Internal Audit mid year progress report 	<ul style="list-style-type: none"> 2nd quarterly Treasury Management Report Mid Year Treasury Management Report

Date	Strategic Overview and Scrutiny Committee	Ad-hoc Member/officer working groups
Nov	<ul style="list-style-type: none"> • Reports from working groups • Reviews, CCfAs, Call-ins and other responsibilities as necessary • Consideration of proposals for savings and growth in the forward budget 	As necessary
Dec		As necessary
Jan	<ul style="list-style-type: none"> • Reports from working groups • Reviews, CCfAs, Call-ins and other responsibilities as necessary • Consideration of proposals for savings and growth in the forward budget 	As necessary
Feb		As necessary
March	<ul style="list-style-type: none"> • Reports from working groups • Reviews, CCfAs, Call-ins and other responsibilities as necessary 	As necessary
April	<ul style="list-style-type: none"> • Reports from working groups • Reviews, CCfAs, Call-ins and other responsibilities as necessary 	As necessary

Performance and Audit Scrutiny Committee	Treasury Management Sub-Committee
<ul style="list-style-type: none"> • Annual Treasury Management and investment strategy/3rd quarterly TM performance report • Audit Commission reports • KPIs (October to December) • Quarterly Budget Report (Oct to Dec) • Quarterly risk register (Oct to Dec) 	<ul style="list-style-type: none"> • Annual Treasury Management and Investment Strategy • 3rd Quarter TM performance report
<ul style="list-style-type: none"> • 4th quarter TM performance report • Audit Commission reports • Annual Audit Report and Audit Plan • Quarterly Budget Report (Jan to March) • Quarterly Risk Register (Jan to March) • KPIs (Jan to March) • Biannual Corporate Complaints (Oct to March) • Procurement progress report 	<ul style="list-style-type: none"> • 4th Quarter TM performance report