



**Finance & Resources
Scrutiny Committee**

18 July 2018

10.00AM

**Room 15
County Hall
Northampton**

Barbel Gale is managing this Agenda: Tel. (01604) 367730 or Mobile: 07500 605613
E-mail: bgale@northamptonshire.gov.uk

AGENDA

*** Papers enclosed**

> Papers to follow

Item No.	Time (Guide)	Subject	Page No.	Responsible Officer & Tel No. (01604)
1.	10.00	Apologies for non-attendance		Barbel Gale 367730
2.		Notification of requests from members of the public to address the meeting. <i>NOTE: Any requests to speak on an item on the agenda should be notified to the Chair (c/o Democracy Officer) before the meeting.</i>		Barbel Gale 367730
3.		(a) Declaration of Members' Interests, if any; (b) Declaration of whip, if any		Barbel Gale 367730
4.		Chair's Announcements		
COMMITTEE MANAGEMENT				
5. *	10.05	Minutes of the Finance & Resources Scrutiny Committee meeting held on 2 May 2018. <i>To agree the minutes of the previous meeting.</i>	5-16	Barbel Gale 367730
POLICY DEVELOPMENT AND REVIEW				
6.	10.15	Responses from the Cabinet to points raised by the Monthly Finance Scrutiny Working Group. <i>To consider an update from the Committee Chair on responses to monthly finance scrutiny work.</i>	--	Barbel Gale 367730

Item No.	Time (Guide)	Subject	Page No.	Responsible Officer & Tel No. (01604)
7.	10.30	Cabinet Member with responsibility for Finance – Portfolio Overview <i>To consider current portfolio priorities and challenges.</i>	--	Councillor Michael Clarke 367813
8. *	11.15	Future Budget Scrutiny Review Process <i>To consider the future approach to be taken to scrutinising the draft Council budget.</i>	17-24	James Edmunds 366053
WORK PROGRAMME MANAGEMENT				
9. *	11.45	Finance & Resources Scrutiny Committee Work Programme 2018/19 <i>To consider and agree the work programme for 2018/19.</i>	25-38	Barbel Gale 367730
URGENT BUSINESS				
Urgent Business Such other business which, by reasons of the special circumstances to be specified, the Chair is of the opinion is of sufficient urgency to warrant consideration. (Members who wish to raise urgent business are requested to inform the Chair beforehand.)				
EXEMPT ITEMS				
In respect of the following items the Chairman may move the resolution set out below, on the grounds that if the public were present it would be likely that exempt information (information regarded as private for the purposes of the Local Government Act 1972) would be disclosed to them: The Committee is requested to resolve: “That under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) of business on the grounds that if the public were present it would be likely that exempt information under Part 1 of Schedule 12A to the Act of the descriptions against each item would be disclosed to them”.				
			Exemption Category	

This information can be made available in other formats upon request. Please contact Barbel Gale, Democracy Officer, Democratic Services on Tel. (01604) 367730, Mobile: 07500 605613 or E-mail: bgale@northamptonshire.gov.uk.

Susan Zeiss, Proper Officer
10 July 2018

Public Contribution to Scrutiny Committee meetings

This section of the agenda papers is intended to provide members of the public with further information on the role and membership of the Finance & Resources Scrutiny Committee, and on opportunities to attend and contribute to scrutiny committee meetings.

What is the Finance & Resources Scrutiny Committee?

The Scrutiny Committee is responsible for scrutinising issues relating to the development and delivery of Northamptonshire County Council's budget; corporate planning; corporate performance; LGSS and shared services; and corporate support services.

Who are the members of the Finance & Resources Scrutiny Committee?

The membership of the Scrutiny Committee consists of 10 councillors, reflecting the political balance of the County Council. The membership is as follows:

Councillor Mick Scrimshaw (Chair)	Councillor Chris Stanbra (Deputy Chair)
Councillor Jane Birch	Councillor Sylvia Hughes
Councillor Graham Lawman	Councillor Allan Matthews
Councillor Sam Rumens	Councillor Jason Smithers
Councillor Michael Tye	Vacant

When does the Finance & Resources Scrutiny Committee meet?

The Finance & Resources Scrutiny Committee has four scheduled meetings per year. The scheduled meeting dates in 2017/18 are given below. All meetings take place at 10.00am at County Hall in Northampton:

18 July 2018

3 October 2018

23 January 2019

27 March 2019

How do I find out about what is being discussed at Scrutiny Committee meetings?

The agenda papers for all Council committee meetings are published 5 working days in advance and can be obtained from County Hall or downloaded from the County Council website at:

<http://cmis.northamptonshire.gov.uk/cm5live/>

Can I take part in Scrutiny Committee meetings?

Scrutiny committee meetings are normally held in public and members of the public are free to attend. Members of the public also have the right to address the Committee or ask a question on any item on the agenda for a particular meeting. Anyone wishing to speak at a scrutiny committee meeting should notify the Committee Manager (whose name and contact details are given on the front page of this agenda) by 12 noon, two working days before the date of the meeting. Individuals addressing the Committee are entitled to up to 3 minutes to make their point.

Declarations of Interest

Members are reminded that the Code of Conduct contains provisions relating to the declaration of Discloseable Pecuniary Interests, (DPI), and Non-Statutory Discloseable Interests, (NSDI). Please refer to the Members' Code of Conduct in Part 5 of the Constitution for a fuller description of what constitutes a DPI or an NSDI.

Members are asked to note that under the new Code of Conduct, they need only declare the existence of either a DPI or NSDI, if that interest is **not** already listed in their register of Members' interests. Councillors are reminded of the seriousness of failing to declare a DPI or NSDI interest.

In addition, Members are reminded that if they have a DPI or a significant NSDI, in a matter to be discussed, whether registered or not, they must not take part in the debate or vote on that matter and should remove themselves from the meeting room irrespective of whether they are a member of the committee.

When declaring an interest at a meeting, councillors are asked to state:

- § The item number in which they have an interest;
- § The nature of the interest; and
- § Whether the interest is a discloseable pecuniary interest, (DPI), or non-statutory disclosable interest, (NSDI).

Seeking Advice...

It is your responsibility to decide whether any of these provisions apply to you in particular circumstances, but you may wish to seek the advice of the Monitoring Officer before the meeting.



Finance & Resources Scrutiny Committee
Minutes of the meeting held on 2 May 2018
Venue: Room 15, County Hall
(Meeting held in public)

PRESENT

Councillor Graham Lawman (Deputy Chair) (in the chair)

Councillor Jane Birch [to Item 13/18]	Councillor James Hakewill
Councillor Mick Scrimshaw	Councillor Jason Smithers
Councillor Chris Stanbra	Councillor Michael Tye

Also in attendance for all or part of the meeting

Councillor Gill Mercer	Northamptonshire County Council
James Edmunds	Democratic Services Assistant Manager
Barbel Gale	Democracy Officer (minutes)
Bill Jessup	Independent Chairman of the Audit Committee
Mark McLaughlin	Executive Director of Finance
Ian Parry	Business Development Manager, Centre for Public Scrutiny
Andrew Quincey	Interim Chief Executive

There were no members of the public present.

The meeting commenced at 10.00 am.

08/18 Apologies for Non-Attendance

Apologies for non-attendance were received from Councillor Sylvia Hughes and Councillor Sam Rumens.

09/18 Notification of requests from members of the public to address the meeting

There were none.

10/18 Declarations of Members' Interests

There were none.

11/18 Chair's Announcements

The Chair noted this was the final meeting of the current year and recorded his thanks to all those who had contributed its work, in particular on the Budget Scrutiny Review. He specifically thanked Councillor Hakewill for his work as Chair of the Committee. He also

thanked the Democratic Services Assistant Manager and Democratic Services staff for the work conducted during the Budget Scrutiny Review.

12/18 Minutes of the Finance & Resources Scrutiny Committee meeting held in public on 26th January 2018

RESOLVED that: the minutes of the Finance & Resources Scrutiny Committee meeting held in public on 26th January 2018 be agreed.

13/18 Financial Peer Review Report and the Best Value Inspection Report

The Interim Chief Executive and the Executive Director of Finance presented the report (copies of which had previously been circulated) and made the following points:

- There was a need for a consolidated action plan incorporating the points raised in both the Peer Review and the Best Value Inspection reports;
- That action plan would be used to manage the actions going forward;
- A separate piece of work was being carried out by the Risk and Internal Audit teams to identify the corporate risks and align those to the Audit Plan which would help to identify emerging issues;
- The previous framework was not appropriate to enable the engagement of scrutiny;
- The Star Chamber had met on the previous day to discuss the scale of the challenge, the notes of which were available to members;
- The Council needed to ensure that no money was spent without a clear understanding of the requirements, risks and outcomes;
- An appropriate system of governance and management was required;
- The Council needed to rebuild the foundations to ensure things were done right, which meant a lot of hard work.

The Committee considered the report. The Chair felt that a criticism of the budget scrutiny review process was that only certain budget lines were considered and asked how members could scrutinise other areas that were not the subject of proposed changes. He noted that in the past budgets had not been adhered to and queried what controls were in-place to address this. The Interim Chief Executive advised that risk assessment work by Internal Audit should feed into scrutiny of emerging issues. All services areas were now moving to use the Children's Services process for tracking savings: this would give a consistent approach across the organisation. Breaking down silos between service areas was a theme of the new approach and would be reflected in the budget development 'star chamber' process. A Commissioners pack was being drafted for their arrival, which would detail facts about Northamptonshire, the demographics and other information. This pack could be shared with members when available.

The Executive Director of Finance explained that the narrative of the Council needed to be changed from one about unfair funding settlements to a narrative that the Council needed to work to the margin provided by the Government. The Council needed to be more involved in managing demand to enable processes to work more effectively. Emotive issues could cloud discussions, when there was a need to focus on the real issues that would require hard decisions to be taken. The Council needed to be open about its financial management and scrutiny could be as involved as it wanted to be. There was a need to show that processes were being followed in an open and transparent way.

In response to a query about whether or not decisions should be submitted for scrutiny before they were considered by Cabinet, the Executive Director of Finance agreed they should if it could be fitted into the required timescales. The Chair felt that a more flexible use of working groups could help to address that.

In response to a query the Executive Director of Finance agreed that information on the amount of funding per capita that each county received would be shared with the Committee. The Interim Chief Executive noted that this information was included in the Commissioners Pack. It showed that there were some counties that received less funding than Northamptonshire but that also had less deprivation. He understood that the Best Value Inspector had access to that information when producing his report. The Interim Chief Executive went on to comment that the Next Generation Council model had the right aim but the model had needed investment and good partnership working to succeed.

The Executive Director of Finance explained that the fairer funding campaign had not been successful at the political level, where it was perceived that the existing funding formula provided sufficient resources to meet Northamptonshire's needs. However, there were issues with the funding formula that led to quite a widely-held view that it was no longer fit for purpose.

Members questioned what action was being taken to strengthen Democratic Services for the work ahead and whether that proposal could be scrutinised to ensure that proper resources were in-place. The Interim Chief Executive said that support was needed for the Monitoring Officer however the broader Democratic Services team needed a review to re-align support for scrutiny. He was in the process of trying to create a transformation team. A member felt that a lot was being invested in transformation and there was a need to ensure the Council was maximising that investment.

A member indicated that as the Council moved towards the creation of new unitary authorities members would want to have access to relevant information in order to inform their views about the organisation of the unitary authorities. It was queried how the Council was considering this against the wider context.

The Executive Director of Finance emphasised that the Council now had three tasks: to continue to provide services; to design new democratic arrangements that would meet the best interests of Northamptonshire residents; and to bring existing organisations to an end in an effective way that did not leave liabilities for their long term successors. All of those three significant tasks needed to be completed at the same time with limited resources. The Interim Chief Executive explained that in terms of engagement, the timescale imposed was very challenging and they would try to share as much information as possible. He clarified that the costs of the Commissioners and the unitary authority work had to be funded by the Council.

A member raised a concern that if too much emphasis was placed on preparing for the unitary reorganisation then the Council could lose sight of its day to day operations. It was felt that the voice of scrutiny had not been listened to by the previous administration however there was a need for scrutiny to be more involved. Regarding the organisation working in silos, the recognition that this occurred was welcomed but it was queried if all of the directorates were recognising the overall pressures. The Improvement Plan mentioned budget training for councillors and cross party budget planning and it was queried where the Finance & Resources Scrutiny Committee would sit within this arrangement.

The Interim Chief Executive explained that the Strategic Finance Business Partner & Deputy Section 151 Officer and the Democratic Services Manager had developed finance training for members and there was a need to ensure that everyone attended this. The Chair indicated that it was hard for all members to attend training during the day and suggested that consideration be given to having an evening session. It was felt that there was a role for the Finance & Resources Scrutiny Committee to play when setting the budget.

In response to a query concerning the identification of services that the Council was statutorily required to provide the Interim Chief Executive noted that some analysis had already been done. This had identified that 61 per cent of the services delivered by the Council were statutory. However, these could be divided further between services that were 'statutory specific' and those that were only 'statutory implied'. The Executive Director of Finance noted that it was harder to decide the difference when considering Adult Social Care expenditure to ensure that outcomes were achieved. It was indicated that the Council was moving away from creating silos and was now considering the overlaps between the systems. One of the complications from working in silos was that it was hard to work out how many people worked for the Council but were included in bodies such as LGSS. Clarity of data was needed to assist decision-making going in future.

Members understood that control mechanisms had been put in place. A question was raised about the Star Chamber meetings to clarify who was involved in them, what the purpose was, what the Star Chamber's status was and if agendas and minutes were available to members or open for scrutiny members to view. The same question was asked about the Chief Executive Approval Panel (CEAP) meetings, noting the Best Value Inspection report had stated that materials for CEAP were poor. It was queried if the quality of materials had been addressed.

Members further queried if more resources were needed internally for Finance and how the fact the function was part of LGSS affected this. It was also noted that there were various items listed in the Improvement Action Plan as red-rated with no clear outcomes and an explanation was sought as to what was planned to change that rating.

The Interim Chief Executive explained that items listed as red-rated on the Improvement Action Plan were not a reflection of merit, it was just that they had not been started yet therefore time was needed to consider them. The CEAP process had been modelled on action taken by the Best Value Inspector at a previous local authority and had been informed by discussion with him. The information relating to CEAP seen by the Best Value Inspector had been at an early stage in its life. The Interim Chief Executive considered that the creation of CEAP had been absolutely necessary and it had enabled necessary financial control and oversight across the Council by senior management. He and the Executive Director of Finance represented the quorum for CEAP decisions. Decisions were recorded and could be made available for members to view. There was a schedule of meetings for the Star Chamber with written agendas. The Cabinet and all members of the senior management team attended each session. The Interim Chief Executive indicated that the notes from those meetings could be shared but would need to be managed in terms of confidentiality.

The Executive Director of Finance commented that it had been a good idea to create LGSS Finance to deliver transactional functions across different organisations. However, there was a need to resolve the question of whether the Professional Finance team supporting the Council should report to him or to the LGSS Director of Finance. He considered that the LGSS Managing Director's review of the LGSS target operating model would address this. The Council received very good Professional Finance support from officers who worked

exclusively with it in practice. He had acted to ensure that the function was resourced appropriately and well-positioned for the future.

The Chair felt that LGSS had been treated unfairly in the Best Value Inspection report and was a good model that should continue. He went on to query the progress being made with the new ERP Gold system since its launch. The Executive Director of Finance said that there had been teething problems since the launch, where some staff had been paid incorrectly however there were no serious issues and once it had stabilised it would be a good platform.

Members noted that the Best Value Inspection report had highlighted that the Council did not have a senior officer for Human Resources or IT Services as they were part of LGSS and there was a need to ensure that the relationship was working for the Council. It was also queried whether complaints to the Local Government Ombudsman were being reported to members. The Executive Director of Finance advised that there had been issues with the way that the Council had worked with Ombudsman. This was part of the business case for providing extra support to the Monitoring Officer. The Ombudsman was a significant body and not working with it effectively would create a reputational risk for the Council.

The Committee sought clarification of the Executive Director of Finance's previous references to there being flaws in the local government funding formula. He advised that the funding formula had been intended to address the different level of need and different resources in local authority areas. However, over time it had become more focussed on raising money through council tax rather than being a needs-based system. The Government had not updated the funding systems, funding and grants had been removed, the council tax base in Northamptonshire was quite low, therefore there was now a gap between where Northamptonshire was in council tax rates compared against the average nationally. The Government placed a heavy reliance on the Business Rates Retention scheme of which Northamptonshire was in the middle and emphasis was placed on local sources of funding. He felt the funding formula needed to be updated to reflect current conditions. The Council also faced pressures as a result of the continued reduction in resources for local government and the cap on the amount that local authorities could raise council tax. Pressures on resources were particularly marked for shire authorities generally.

A member felt there was a need to be clear about what services the Council was required to provide and that there should be no additional spending above those. In response the Interim Chief Executive explained there was a need to consider outcomes and balances when reviewing statutory services and funding. The Executive Director of Finance added that historically the Council had spent more than it had got and had filled the gap by one-off measures and using capital receipts. A full schedule of liabilities was needed to ensure they were met.

Members requested that information on the membership, scheduled meetings and decisions taken by the Star Chamber and CEAP be shared with the Committee. The Chair suggested that it would be useful to have an online site where this information could be uploaded to enabling members to access it. Members felt that seeing Star Chamber decisions would inform scrutiny in future but there was also a need to consider the national picture. A member emphasised that the Best Value Review report made no comment about whether the Council would have been able to bridge the financial gap it faced even if it had operated more effectively, or whether this was still too large to cover, and this should be recognised going forward. The Cabinet were considering setting up an Improvement Board and it was queried how that Board would be resourced. The Interim Chief Executive responded that this would

be addressed as part of boosting capacity to support the Monitoring Officer and in Democratic Services.

A query was raised regarding engagement concerning the unitary proposals. The Council had yet to engage with anyone in the county in a meaningful way about the proposals to gauge views on how they should be set up and run. The Interim Chief Executive said that all the county Chief Executives met weekly and proposals for public engagement would come from there to the county Leaders group. It was subsequently queried how existing councils could be prevented from using resources in the immediate future in a way that was not in the long term interests of the county. The Interim Chief Executive explained that a unitary proposal had not yet been agreed and therefore existing councils could enter into any agreements that they wished. Communication between authorities would help to address issues that may arise in the short term and reflect that local government reorganisation was about collaborating in the best interests of the county.

Members subsequently noted that planning for local government reorganisation needed to take account of the requirements set by the Government in relation to county boundaries and the recommended population size for new authorities. It was highlighted that adult and children's social care were the two biggest areas of expenditure by the Council and queried whether the creation of two unitary councils in the county would increase costs by requiring a directorate in each authority. The Interim Chief Executive noted that the direction taken would ultimately be set by elected representatives, informed by information on different options produced by officers. Members emphasised the importance of taking a realistic view of the situation facing the county and the best way of addressing this.

RESOLVED that: The Finance & Resources Scrutiny Committee:

- a) Noted the Improvement Plan following Local Government Association Peer Review and Best Value Inspection Reports**
- b) Welcomed greater emphasis on the importance of pre-decision scrutiny as part of the Improvement Plan.**
- c) Agreed that information on the amount of funding per capita that each county had would be shared with the Committee.**
- d) Agreed that information on the membership, scheduled meetings and decisions taken by the Star Chamber and Chief Executive Approval Panel be shared with the Committee.**
- e) Recommended that consideration be given to the creation and development of a SharePoint site for Councillors to access corporate information such as that relating to the Star Chamber and Chief Executives Approval Panel.**
- f) Agreed that updates of the Best Value Inspection Action Plan be shared with Committee members when available.**

At this point the meeting was adjourned until 1.00pm whereby it was then reconvened.

14/18 Best Practice in Finance Scrutiny

The Chair introduced Ian Parry, Business Development Manager for the Centre for Public Scrutiny (CfPS), to give an overview of best practice in relation to finance scrutiny.

Mr Parry made the following points:

- He worked for CfPS full time and was a former Deputy Leader of Staffordshire County Council and was still a serving councillor. He had ten years' service and had been responsible for finance, strategy and communication. He had a broad base of

knowledge of local government. He was also on the Local Government Association Financial Peer Review team that had reviewed the Council.

- Regarding scrutiny going forward, questions needed to be asked as to whether or not it was fit for purpose and effective. The Council had to deliver and set balanced budgets and in the context of having no reserves, financial bailouts or other income streams that was a very difficult task. Scrutiny's role in how the Council set and delivered balanced budgets was vital. Given the circumstances this could not be considered in a long term view, there was a need to consider what could be done immediately.
- Scrutiny needed to add rigour and robust challenge to help shape the Executive's proposals. He felt it was vital that scrutiny added value to that process. Much of the work carried out by scrutiny needed to be done as working groups gathering evidence, which could not be done by asking questions of officers.
- He acknowledged that it was hard to be objective and strategic when considering budget proposals however scrutiny needed to be exactly that through the budget process.
- Scrutiny should be considering the risks and assumptions and should have challenge sessions with the relevant Cabinet Members to consider those areas around September/October. Scrutiny needed to question the Cabinet Member to ascertain what options and assumptions had been made around the proposals.
- The role of scrutiny was to evidence and demonstrate what was happening within the budget to challenge if it was fit for purpose. It was crucial that this was done at the beginning of the year and not started in December and concluded in February. The process should not be about catching anyone out but holding to account, allowing the Cabinet Member the opportunity to explain the strategy for the budget, and scrutiny to assist in the development of policies and proposals.
- His advice would be to start the budget scrutiny process in September and meet on a fortnightly basis to consider the risks and other options of the proposals. The working group review could then be considered by Cabinet. This ensured all had an opportunity to test and challenge and be involved in the process. Good scrutiny gave a greater chance of success.
- Scrutiny needed to conduct tests and set objectives for what it wanted to achieve from a piece of work, considering the strategic choices and what assumptions had been made. This approach needed trust from all parties to work.
- When considering proposals scrutiny should look at how to prevent, divert or manage the demand through possible reductions or tighter controls. It should consider how the options fitted with the residents of the county and whether they would deliver the Council's policies.
- Scrutiny needed to consider the unintended consequences of the proposals and the risks associated with them. Scrutiny had the role of monitoring, for example, the delivery of the Medium Term Financial Plan and what action was being taken to achieve this. It should consider balance sheet and assets, for example, whether there were sufficient resources and whether cash was being used in the right way. It was not about understanding local government finance it was about having a curious mind.

The Committee considered the overview given by Mr Parry and members made the following points:

- The Chair noted that scrutiny had to consider the draft budget proposals once published, meaning that there was very little time to give full consideration to the proposals, which were also largely focused on saving money. He felt that assets should generate revenue or to be sold with the funding being used for other purposes;

- It would be difficult to change cultures and practices quickly. However, the Chair noted in response that many of the current Cabinet Members had been involved in the scrutiny process last year;
- There was a tendency to focus scrutiny on draft budget proposals that attracted most attention but which might involve relatively small amounts of money, such as those concerning bus subsidies or libraries. Members needed to have a good understanding of issues within scrutiny committees' remits to ensure that scrutiny was focussed on the right areas;
- There was considerable discussion around the Council saving money however if there was insufficient money available to provide a service then trying to make savings became irrelevant. It was queried if the Council should consider opting for a referendum to see if the Government would then step in to assist;
- The Council had five scrutiny committees and quite often the Finance and Resources Scrutiny Committee would consider the draft budget proposals and assumed that the other service-specific committees were considering related service-focussed aspects such as care packages. This meant that the scrutiny committees were working in silos and perhaps it would be beneficial to change the scrutiny structure;
- The Council had gone past the point of asking the Government for assistance however it did need to transform services and deliver them in a different way. It was felt that would be the key to finding efficiencies;
- A peer review of the Council's scrutiny function should be carried out;
- Help was needed regarding the structure of scrutiny at the Council. A lot of work was conducted in committee meetings, however the main focus of scrutiny needed to change with more matters being considered outside of the main meetings;
- Scrutiny on the budget proposals should be carried out from day one of the budget setting process with an open dialogue with Cabinet Members about proposals;
- Reviewing the way other Council's conducted scrutiny should be considered;
- Finance scrutiny should be involved in decisions being taken in service areas to be able to consider the bigger picture.

Mr Parry made the following additional points during the course of discussion:

- Members were not close enough to the development of the financial strategy of the Council, which had been indicated in the Financial Peer Review;
- Scrutinising proposals regarding libraries and bus subsidies were minor compared to proposals regarding adult and children's social care;
- The work programme could use a strategic overview. The focus in areas around social care needed to be around asking questions and considering aspects such as was sign-posting adequate, were care packages right for the required need, was there NHS cost-shifting;
- Finance scrutiny should enable access to all areas and could look at operational issues with officers. There was a need to ask the right questions to change practices;
- The scrutiny function of the Council needed to be fit for purpose, not just in its structure but the way in which it operated. The work needed to be planned. The Finance and Resource Scrutiny Committee had the biggest task but it couldn't do it at the last minute;
- Regarding adult and children's social care, scrutiny could consider how it worked, what made it cost that amount, why was that amount spent and what the demographic pressures were;
- The CfPS would give help and advice on how to move forward;
- Scrutiny needed to involve the whole Council. There was a need to find ways to work outside of the committee meetings with members conducting their own evidence

gathering sessions in order to be able to ask the right questions in the formal meeting. Members needed to look at the barriers and what stopped certain members from being involved in scrutiny and ask what could be done to enable them to contribute;

- Focused priority in high spend areas was essential. There was a need to consider the need for a service against the entitlement for that service, which could have an impact on the budgets. Scrutiny mustn't be involved in the decisions but should challenge them. The Cabinet would need a safe place to consider all their options before inviting scrutiny to look at them.

The Chair thanked Mr Parry for attending the meeting and felt the discussion had been beneficial. He felt that it would be helpful to pursue the suggestions of a peer review. It could also be worth looking at scrutiny functions at other authorities such as Essex and Staffordshire County Councils.

Members went on to raise the following additional points:

- It was suggested that the Council invited the CfPS to carry out a Peer Review of the Council's scrutiny function;
- Scrutiny could look at holding the Cabinet Members to account to explain the budgets;
- If conducted a review should consider how the Council used resources and created a system for scrutiny;
- Items for the agendas had just been chosen to make the committee meeting worthwhile and it would be beneficial to have someone who understands the process review it;
- There was recognition that things needed to be done differently and assistance from the CfPS would be welcomed;
- It was felt that scrutiny working groups and meeting could evolve following this discussion;
- It was proposed that a working group, without officer support, was formed to consider the monthly finance report at some point between the report being published and the Cabinet meeting taking place;
- The suggestion of the working group was welcomed and interest was sought from members to be involved;
- Having help to consider the structure of scrutiny was welcomed however it needed to be done quickly;
- Questions had been asked at the Cabinet meetings previously however no responses had been given; and
- It was felt that the working group could meet on the Friday before a Cabinet meeting to consider the monthly finance report and this would enable the Chair of the Committee to pass questions on the Cabinet for a response.

RESOLVED that: The Finance & Resources Scrutiny Committee:

- a) Noted the presentation on best practice in finance scrutiny.**
- b) Agreed that information would be sought from the Centre for Public Scrutiny about support available from them to review the operation of Overview and Scrutiny at the Council.**

15/18 Finance & Resources Scrutiny Committee Work Programme

The Democracy Officer presented the report (copies of which had previously been circulated), which set out the latest position of the Committee's work programme.

The Committee considered the report and the following points were raised during the course of discussion:

- It was felt that July was too late to begin planning the budget review and it was queried when the first information would be available from the Star Chamber meetings;
- It was highlighted that the Interim Chief Executive had offered members sight of the notes from the recent Star Chamber meeting;
- The suggestion to set up the working group to meet monthly after the monthly finance report was published but before the Cabinet meeting was welcomed;
- It was suggested that the Cabinet Member should be tasked to bring items for scrutiny's consideration at those monthly meetings from the next year's budget proposals;
- A date of 6th June was proposed for the first working group meeting;
- It was suggested that aged debt and LOBO loans be discussed at the July committee meeting;
- It was suggested that a briefing note be provided to Committee members to update them on continuing discussion between the Council and the Government about the level of funding provided to meet the costs associated with Unaccompanied Asylum Seeking Children; and
- The Cabinet Member should be invited to attend the July meeting to provide an overview of their portfolio.

RESOLVED that: The Finance & Resources Scrutiny Committee:

- a) **Notes progress with the development and delivery of its 2017/18 work programme.**
- b) **Agreed that an item on the Council's management of operational debt and loans and the Council's aged debt position in relation to Adult Social Care should be added to the agenda of the 18th July 2018 meeting.**
- c) **Requested that the Cabinet Member for Finance attends the 18th July 2018 meeting to discuss his portfolio.**
- d) **Agreed that the Committee's 2018/19 work programme should include a Budget Scrutiny working group to scrutinise the development of the draft budget and Medium Term Financial Plan with the first meeting being on 6th June 2018.**
- e) **Agreed that the Committee's 2018/19 work programme should include a monthly working group to scrutinise in-year budget delivery to meet during the week between the publication of Cabinet papers and the Cabinet meeting.**
- f) **Requested that the presentation discussed at the Star Chamber meeting held on 1st May 2018 be circulated to the Committee for information.**
- g) **Agreed that a briefing note be provided to Committee members to update them on continuing discussion between the Council and the Government about the level of funding provided to meet the costs associated with Unaccompanied Asylum Seeking Children.**

16/18 Finance & Resources Scrutiny Committee Meeting dates for 2018/19

The Chair introduced the report (copies of which had previously been circulated) and invited members to raise any points on it that they wished the Committee to consider.

RESOLVED that: the Finance & Resources Scrutiny Committee noted the following meeting dates for 2018/19:

- **Wednesday 18 July 2018**
 - **Wednesday 3 October 2018**
 - **Wednesday 23 January 2019**
 - **Wednesday 27 March 2019**
- (All meetings to take place at 10.00am)**

There being no further business the meeting concluded at 2.55pm.

This Information can be made available in other formats upon request. Please contact Barbel Gale, Democracy Officer, Democratic Services on Tel. (01604) 367730 or E-mail: bgale@northamptonshire.gov.uk

Signed:

Date:

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FINANCE & RESOURCES SCRUTINY COMMITTEE

18 JULY 2018

**REPORT BY: DEMOCRATIC SERVICES ASSISTANT MANAGER
JAMES EDMUNDS**

Subject:	Future Budget Scrutiny Review Process
Recommendations:	That the Finance & Resources Scrutiny Committee considers the future approach to be taken to scrutinising the draft Council budget.

1. Purpose of Report

1.1 The report is intended to enable the Finance & Resources Scrutiny Committee to consider the future approach to be used by Northamptonshire County Council’s Overview & Scrutiny Function to scrutinise the draft Council budget, with a view to enabling the Budget Scrutiny Review to operate as effectively as possible.

2. How this matter contributes to the Council Plan

2.1 The Council’s vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county’s communities and/or safeguarding the county’s communities.

<p>This initiative helps the Council to deliver this vision through the following strategic priorities outlined in the Council Plan</p> <ul style="list-style-type: none"> • Overview & Scrutiny can support the delivery of all of the strategic priorities outlined in the Council Plan.

3. Background

3.1 Northamptonshire County Council (NCC)’s budget development process involves the Cabinet agreeing draft budget proposals for public consultation in December each year and then agreeing final budget proposals that are recommended to Full Council in the following February. New draft budget proposals are clearly developed in the context of NCC’s overall Medium Term Financial Plan and informed by progress with the delivery of the current year’s budget.

3.2 Scrutiny of the Cabinet’s draft budget proposals is a key task for the Overview & Scrutiny (O&S) Function and an example of the way in which O&S can have a direct influence on decisions taken by the Council. The Finance & Resources Scrutiny Committee is responsible for overseeing the Budget Scrutiny Review process and leading the work involved. However, the Budget Scrutiny Review typically involves councillors from all O&S committees and is a matter that concerns the O&S Function as a whole.

4. Budget Scrutiny Review – Established Process

4.1 The Budget Scrutiny Review process used by NCC's O&S Function has largely been in-place since the late-2000s, although different aspects of it have been developed further over the intervening years. The main elements of the process are:

- An initial workshop-style meeting in December following the publication of the draft budget, open to all O&S councillors, to get an introductory overview of the draft budget proposals; to enable members of the public to suggest focus areas that could be considered during the scrutiny review; and to enable O&S councillors to identify particular draft budget proposals for further scrutiny.
- A series of working group-style 'challenge meetings' early in January, led by Finance & Resources Scrutiny Committee members but open to all O&S councillors, to scrutinise selected areas from the draft budget proposals. These meetings are attended by relevant NCC senior officers and Cabinet Members. The first round of challenge meetings usually include a section on the agenda when members of the public can attend to comment on the draft budget proposals due to be discussed. Representatives of relevant external organisations may also be invited to attend challenge meetings to provide information.
- Agreement of proposed recommendations at a final Budget Scrutiny meeting for presentation to the Finance & Resources Scrutiny Committee for confirmation in mid-January.
- Presentation of the Budget Scrutiny Review report to the Cabinet meeting at the start of February for consideration as part of the process of agreeing the final draft budget proposals to be recommended to Full Council. The report sets out the recommendations on the draft budget proposals resulting from the Budget Scrutiny Review, together with supporting commentaries explaining the thinking behind the recommendations. The Budget Scrutiny Review may also recommend matters for further scrutiny and any such recommendations are relayed directly to the relevant O&S committee.

4.2 This process was intended to represent a practical approach to scrutinising the draft budget that would reflect the following considerations:

- Focus on the deliverability of the draft budget proposals agreed by the Cabinet and how they may affect local services.
- Use of a working group-based approach in the interests of flexibility and also to encourage more open, constructive dialogue and challenge than might be possible in more formal committee meetings.
- The Budget Scrutiny Review should build on, and be informed by, the work of the O&S Function throughout the year.
- Co-ordination with concurrent corporate consultation on the draft budget.

5. Budget Scrutiny Review – January 2018

5.1 The Budget Scrutiny Review of the draft 2018/19 Council budget carried out in January 2018 scrutinised 49 budget proposals representing £27 million savings and £54 million spending in the following year. Scrutiny took place across 15 meetings in January 2018: an introductory session; 12 'challenge' sessions covering different areas of the draft budget; a final session; and the Finance & Resources Scrutiny Committee meeting on 26th January 2018. Budget Scrutiny meetings were attended by an average of 16 O&S

councillors, from all political groups. All but two Cabinet Members attended challenge sessions. 20 representatives of local organisations and members of the public also contributed their views at different challenge sessions.

5.2 The full report from the last Budget Scrutiny Review is available at the following link:

<https://cmis.northamptonshire.gov.uk/cm5live/MeetingsCalendar/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/2926/Committee/399/Default.aspx>

5.3 Concerns were raised whilst this Budget Scrutiny Review was still in-progress about the demands created by the established process and the effect this had on the results that could be achieved. The need for a more effective approach that enabled the draft budget to be scrutinised in-depth over a longer period was a theme that was summarised in the final report of the Budget Scrutiny Review as follows:

Enhancing Overview & Scrutiny: The scope to scrutinise the draft budget during December / January is necessarily limited by the time available between the Cabinet meetings that approve proposals for public consultation and that approve the final draft budget for presentation to full Council. This Budget Scrutiny Review has reinforced the challenges that this constraint can involve. The Finance & Resources Scrutiny Committee wishes to highlight the advantages to the Council and Northamptonshire that could result from enhancing the role of O&S in the development and testing of potential ideas and options for the draft budget from the start of the financial year to the point when the Cabinet agrees the proposals that it wishes to present to the public. The constructive challenge and different views that can come from O&S at its best can be beneficial at any time. The Committee considers that the financial pressures now being managed by NCC, the conclusions of the recent Finance Peer Review, and the current Best Value inspection, reinforce its case still further.

5.4 These conclusions are backed up by national good practice, as represented by an article published by the Centre for Public Scrutiny (CfPS) on 23rd March 2018 about effective budget scrutiny. The article emphasised that budget scrutiny should be a year-round activity that focusses on different aspects of draft budget development as this progresses, as an integral part of a local authority's governance and assurance framework.

5.5 The Improvement Plan developed by NCC to address the findings of the Best Value Inspection report and the Local Government Association Financial Peer Review carried out in the last year also propose actions to strengthen political involvement in shaping the Council's budget. These seem to move in the direction sought by O&S, although their implementation is still a work in progress.

6. Centre for Public Scrutiny Healthcheck

6.1 It is open to the Committee to consider how the O&S Function should seek to scrutinise the development of the 2019/20 draft budget in future to reflect the areas for improvement set out in Section 5 of this report. However, in doing so it should take account of peer support that CfPS is currently providing to NCC that is likely to have a direct bearing on this matter.

6.2 The Finance & Resources Scrutiny Committee on 2nd May 2018 received a presentation on best practice in finance scrutiny from a representative of the CfPS. This led the Committee to request that further information was sought about potential support available from CfPS to review the operation of O&S at NCC and strengthen it as necessary. Subsequent discussion between Democratic Services and senior representatives of CfPS resulted in

the development of a proposal for a ‘scrutiny health check’ exercise, focussed primarily on finance scrutiny but that would also inform O&S more widely. This proposal was endorsed by the Scrutiny Management Committee on 30th May 2018 and the exercise is now underway. The scope is included with this report (at Appendix 1). In considering the future approach to scrutinising the draft budget the Committee should seek to ensure that any conclusions it reaches will complement the work by CfPS, rather than duplicating it or pre-empting the outcomes that may result from it.

7. List of Appendices

Appendix 1: Northamptonshire County Council: Supporting effective Scrutiny – improvement plan by the Centre for Public Scrutiny

Author:	Name: James Edmunds Team: Democratic Services
Contact details:	Tel: 01604 366053 Email: jedmunds@northamptonshire.gov.uk
Background Papers:	None
Have the financial implications been cleared by the Strategic Finance Manager?	NA
Has the report been cleared by the relevant Director	NO Name of Chief Officer: Susan Zeiss, Monitoring Officer
Has the relevant Cabinet Member been consulted?	NO
Has the report been cleared by Legal Services?	NA
Have any communications issues been cleared by Communications and Marketing?	NO
Have any property issues been cleared by Property and Asset Management?	NA
Procurement / contractual implications	NA
Are there any community safety implications?	None directly relating to this report.
Are there any environmental implications:	None directly relating to this report.
Are there any Health & Safety Implications:	None directly relating to this report.
Are there any Human Resources Implications:	None directly relating to this report.
Are there any human rights implications:	None directly relating to this report.
Constituency Interest:	Countywide



Northamptonshire County Council Supporting effective scrutiny

The county council's challenge over the next two fiscal years will focus on delivering balanced budgets. The difficulties it faces are a significant budget gap, low reserves and a very limited amount of time to effect change.

Action to address this situation will need to be immediate, decisive and impactful. The risk however is that difficult choices made at pace may have serious detrimental consequences for residents and communities, or may not provide the required level of savings, or simply may not be possible to deliver.

The task of scrutiny will be to concentrate on the delivery of the 2018-19 budget with all of the challenges and risks that brings and also to ensure that it plays a full and active part in the development of the 2019-20 budget with its additional set of challenges. Scrutiny will also need to monitor the efficacy of service delivery during this challenging period.

Scrutiny has a vital role to play. In the past, it is generally accepted, that NCC scrutiny had been kept at arms-length from the MTFs and budget setting process. Members and council officers are determined to change this.

The future role of scrutiny must include:

- Active participation of Scrutiny from the start and throughout the full budget-setting process and MTFs development (Scrutiny and challenge sessions baked-in as part of the process)
- Access to any information it requires
- Full participation of cabinet members, senior officers and corporate directors to provide evidence, explanation and accountability regarding budget assumptions, strategic options, decisions and delivery performance
- A mature approach that focuses on achieving the best possible outcome
- Scrutiny members who individually and collectively have the capacity and capability to provide effective scrutiny
- Strategic scrutiny focus on the biggest areas of spend and activity – testing and challenging key assumptions - their risk, resilience, deliverability, acceptability and time-scale manageability factors

Making scrutiny more effective

The Centre for Public Scrutiny (CfPS) has been having discussions with NCC scrutiny officers over recent months about how improvements can be quickly achieved. CfPS has also led a session with the Financial Scrutiny Committee to explore best practice in achieving good scrutiny capability.

Members recognise that there needs to be an immediate fresh approach, changes to the way they operate and development support to help them achieve a significant step-change, if the crucial role of scrutiny and democratic accountability is to contribute to the council's plans for financial recovery. Members also recognise that the focus for change is likely to be on finance scrutiny but will inevitably inform the wider approach to scrutiny within the Council.

Scrutiny improvement plan outline

1. A short finance-focused scrutiny 'health-check' to provide additional diagnostics on the process help design essential changes and identify 'quick-wins'
2. Members skills and development audit to ensure that a development plan can deliver better member engagement and contribution
3. Produce a new scrutiny plan that connects with the budget-building and delivery reporting process
4. Seek member approval for a set of scrutiny protocols that establish the 'ground-rules' for scrutiny members to ensure transparency and trust
5. Set scrutiny objectives – (a) short-term – effective scrutiny to support 2018-19 delivery (b) medium-term – adding scrutiny value to the 2019-20 budget setting
6. Provide members with coaching and mentoring support to boost their roles, confidence and performance

Timescale, Actions and Proposed Costing

Month 1

Scrutiny healthcheck completed with report-back
Quick wins identified
Improvement to structure, process, member development agreed
Scrutiny protocols drafted

Month 2

Member training completed
1-2-1 coaching completed
New scrutiny work programme completed
New scrutiny objectives agreed
Scrutiny protocols agreed

Month 3 (With on-going support if required)

Member coaching extended
Support on developing scrutiny key lines of enquiry
Work planning, objective setting support
On-going advice as required

Costs are based on the predicted level of input from CfPS team and associates. They reflect discussions with Northamptonshire colleagues to date. They can of course be amended to take account of any further feedback from commissioners, officers and lead scrutiny members.

CfPS is an independent national charity founded by the Local Government Association [LGA], Local Government Information Unit [LGIU] and Chartered Institute of Public Finance Accountants [CIPFA]. It's governance board is chaired by Lord Bob Kerslake.

Ian Parry | Development Manager
Centre for Public Scrutiny Ltd | 77 Mansell Street | London | E1 8AN
ian.parry@cfps.org.uk,
www.cfps.org.uk

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FINANCE & RESOURCES SCRUTINY COMMITTEE

18 JULY 2018

**Report by: DEMOCRATIC SERVICES ASSISTANT MANAGER
James Edmunds**

Subject:	Finance & Resources Scrutiny Committee Work Programme 2018/19
Recommendations:	That the Finance & Resources Scrutiny Committee identifies and prioritises topics to be included in its 2018/19 work programme.

1. Purpose of Report

1.1 The report is intended to enable the Finance & Resources Scrutiny Committee to identify and prioritise the topics to be included in its 2018/19 work programme and the working methods to be used to scrutinise them.

2. How this report contributes to the Council Plan

2.1 The Council’s vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county’s communities and/or safeguarding the county’s communities.

<p>This initiative helps the Council to deliver this vision through the following strategic priorities outlined in the Council Plan</p> <ul style="list-style-type: none"> • Keeping communities and individuals safe and supported to be healthy and stay independent. • Improving infrastructure and place-shaping to enable communities and businesses to thrive and grow sustainably, and generating prosperity. • Maximising the use and value of our assets to support safe and efficient service delivery.
--

3. Background

3.1 The Finance & Resources Scrutiny Committee is one of Northamptonshire County Council’s four service-focussed Overview & Scrutiny committees. Its remit as set out in the Council’s constitution is included with this report (at Appendix 1).

3.2 The Finance & Resources Scrutiny Committee is expected to consider the key topics for scrutiny and other matters to be included in its outline work programme for 2018/19 at its meeting on 18th July 2018. This work programme will then form the framework for the Committee’s activity through the year.

4. Purpose of Overview & Scrutiny

4.1 There are various ways of defining the purpose of local government Overview & Scrutiny (O&S) and the benefits it is intended to produce.

4.2 Following the introduction of O&S by the Local Government Act 2000 the Centre for Public Scrutiny (CfPS) – the national independent body that promotes effective governance and public scrutiny – identified four principles of good public scrutiny, which were that it:

1. *Provides a ‘critical friend’ challenge to executive policy- and decision-makers*
2. *Reflects the voice and concerns of the public*
3. *Is carried out by ‘independent-minded governors’ who lead and own the scrutiny role*
4. *Drives improvement in public services.*

4.3 Northamptonshire County Council (NCC)’s website summarises the role of O&S in the following way:

Overview & Scrutiny is a means for councillors not in the council’s Cabinet to investigate local issues, influence the development of policies and services, and hold to account decision-makers. In this way it helps to produce more effective services for the people of Northamptonshire and to support local democracy.

5. Overview & Scrutiny Focus Areas

5.1 Overview & Scrutiny (O&S) work can be divided into the following five key focus areas (whilst recognising that there can be cross-over between them):

- Policy development (forward-looking scrutiny)
- Policy review (retrospective scrutiny)
- Holding decision-makers to account
- Performance monitoring
- Scrutiny of external organisations

6. Overview & Scrutiny Working Methods

6.1 When considering and reviewing its work programme priorities the Committee should consider both the topics it intends to scrutinise and the particular approaches it may use to carry out different work. The main approaches available to it include:

(a) Formal scrutiny committee meetings:

Short scrutiny sessions at formal Committee meetings to scrutinise specific issues affecting Northamptonshire and meet with specific decision-makers. This may result in resolutions from O&S and/or the identification of areas for further, more detailed scrutiny.

(b) O&S led task-and-finish scrutiny work:

Evidence-based task-and-finish investigations (‘scrutiny reviews’) of topics selected by O&S, normally resulting in the production of a scrutiny report and recommendations for presentation to the appropriate decision-making body.

(c) Collaborative task-and-finish work:

Work with Cabinet Members and/or County Council officers or representatives from partner organisations to develop or refine policy proposals, on a one-off or ongoing basis as required by the subject matter. This work can result in a separate scrutiny report or comments that are incorporated into final proposals presented by the Cabinet Member or equivalent.

(d) Supervisory task-and-finish work:

Lighter-touch oversight of service-delivery, budget and performance matters by small groups or individual Committee members, meeting with service officers or representatives from partner organisations to understand and monitor service-delivery matters. This may result in comments from O&S and/or the identification of areas for further, more detailed scrutiny.

(e) Briefings

Provision of background information to Committee members, for example, as off-agenda written briefings, or through briefing sessions or visits, to inform their understanding of a matter and assist in identifying and prioritising O&S work.

7. Setting the 2018/19 Work Programme

- 7.1 The Committee should use its first meeting to consider and identify its overall work programme for 2018/19, which will set out the topics it aims to scrutinise, the relative priority it gives to them, and the working methods it will use in each case. The work programme will then be kept under regular review by the Committee through the year and modified or updated as necessary, with a view to ensuring that it is always focussed on the aim of using available capacity to best effect to carry out work that makes a difference to Northamptonshire.
- 7.2 The work programme set by the Committee can be informed by input from a range of sources. In addition to topics suggested by Committee members themselves – based on their own knowledge of the Committee’s remit and of issues in the county – this could include suggestions from Cabinet Members, service managers or partners, from relevant community organisations or from members of the public. It is also useful for the Committee to take account of previous scrutiny work, which may suggest issues that the Committee wishes to consider incorporating in its current work programme.
- 7.3 Ultimately, the Committee should consider suggested scrutiny topics from all sources on their merits, with a view to developing a work programme that has the support of Committee members, is realistically deliverable within available capacity, and that has the potential to produce beneficial results.
- 7.4 The Finance & Resources Scrutiny Committee for 2017/18 recommended the following matters as potential areas for scrutiny that the current Committee may wish to take into account when considering its work programme for 2018/19:
- That an item on the Council’s management of operational debt and loans and the Council’s aged debt position in relation to Adult Social Care should be added to the agenda of the 18th July 2018 meeting.

- That the Cabinet Member for Finance be requested to attend the 18th July 2018 meeting to discuss his portfolio.
- That the Committee's 2018/19 work programme should include a Budget Scrutiny working group to scrutinise the development of the draft budget and Medium Term Financial Plan with the first meeting being on 6th June 2018.
- That the Committee's 2018/19 work programme should include a monthly working group to scrutinise in-year budget delivery to meet during the week between the publication of Cabinet papers and the Cabinet meeting.

7.5 The Budget Scrutiny Review carried out in January 2018 made the following recommendations for further scrutiny of matters within the remit of the Finance & Resources Scrutiny Committee:

- That the Overview & Scrutiny Function seeks to scrutinise Northamptonshire County Council's progress in dealing with aged debt early in 2018/19.
- That the Overview & Scrutiny Function considers the use of Social Impact Bonds as a potential topic for scrutiny in 2018/19.
- That the Overview & Scrutiny Function ensures that it is sufficiently informed about Northamptonshire County Council's current assets and the strategy for their future use to support any potential future scrutiny work on this area.
- That the Overview & Scrutiny Function considers the effectiveness of the services provided to Northamptonshire County Council by LGSS Law as a potential future topic for scrutiny.

7.6 The Scrutiny Management Committee at its meeting on 30th May 2018 encouraged all O&S committees to ensure that they consider the Council's Forward Plan and relevant business plans when carrying out their work.

7.7 An outline work programme for 2018/19 is included with this report (at Appendix 2). This is presented for discussion by the Committee: as noted in the report above the final work programme should be one that is set by the Committee, on an informed basis, to direct its work most productively through the year ahead.

8. Joint Scrutiny of LGSS

8.1 For the past two years the Committee has participated in a joint approach to scrutiny of the development and effectiveness of LGSS with counterparts from the other two LGSS partner authorities, Milton Keynes Council and Cambridgeshire County Council. This work was done through the LGSS Joint Overview & Scrutiny Working Group. The Terms of Reference for the Joint Working Group are included with this report (at Appendix 3).

8.2 The Joint Working Group is not a standing body and it is therefore necessary for the Committee to determine whether it wishes to continue with this approach in 2018/19 on the basis of the existing Terms of Reference. If this is the case then the Committee will also need to appoint three Overview & Scrutiny councillors as its members of the Joint Working Group for 2018/19. As the Joint Working Group is not a formal committee these appointments are not required to reflect the political balance of the Council. The relevant committees at Milton Keynes Council and Cambridgeshire County Council have already agreed to continue their involvement in the Joint Working Group in 2018/19.

9. Responses to previous Committee Resolutions

9.1 The Committee Chair and Deputy Chair for 2018/19 wish the Committee to give more attention to the actions taken in response to its previous resolutions, in order to ensure that an appropriate response is received in each case and/or to identify if further action by the Committee on a particular matter is required. With this in mind it is proposed to include an update on responses to previous resolutions in the work programme report that is presented to each Committee meeting. The way this report is produced and presented can be considered further by the Committee as necessary, based on the experience it gains of taking this approach.

List of Appendices

- Appendix 1: Finance & Resources Scrutiny Committee Terms of Reference**
- Appendix 2: Finance & Resources Scrutiny Committee Outline Work Programme 2018/19**
- Appendix 3: LGSS Joint Overview & Scrutiny Working Group Terms of Reference**
- Appendix 4: Update on responses to previous Committee resolutions [to follow]**

Author:	Name: James Edmunds / Barbel Gale Team: Democratic Services
Contact details:	Tel: 01604 366053 Email: jedmunds@northamptonshire.gov.uk
Background Papers:	None.
Have the financial implications been cleared by the Strategic Finance Manager?	NA
Has the report been cleared by the relevant Chief Officer	NO Name of Chief Officer: Susan Zeiss, Monitoring Officer
Has the report been cleared by Legal Services?	NA
Have any communications issues been cleared by Communications and Marketing?	NA
Have any property issues been cleared by Property and Asset Management?	NA
Has an Equalities Impact Assessment been carried out in relation to this report?	NA
Are there community safety implications?	None directly relating to this report.
Are there any environmental implications:	None directly relating to this report.
Are there any Health & Safety Implications:	None directly relating to this report.
Are there any Human Resources Implications:	None directly relating to this report.
Are there any human rights implications:	None directly relating to this report.
Constituency Interest:	Countywide

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Northamptonshire County Council Constitution

Part 4E Overview & Scrutiny Procedure Rules [EXTRACT]

19. Terms of Reference of Overview and Scrutiny Committees

19.1 Scrutiny Management Committee

Has the responsibility for managing the activities and development of the Overview and Scrutiny Function:

- a) To co-ordinate the Council's Overview and Scrutiny Function, ensuring its continual development in line with national, regional and local agendas. To make recommendations as to future improvement of the Overview and Scrutiny Function.
- b) To monitor the effectiveness of the Overview and Scrutiny Function and performance manage the Overview and Scrutiny Committees in such a way as to ensure the effectiveness of the Overview and Scrutiny Function.
- c) To agree the work programmes of each Overview and Scrutiny committee, to ensure that there is efficient use of their time and capabilities and to minimise the potential for duplication of effort. To agree the allocation of resources made available to support the Overview and Scrutiny Function to the work programmes of each Overview and Scrutiny committee.
- d) To determine responsibility for Overview and Scrutiny activity where matters identified for consideration fall within the remit of more than one Overview and Scrutiny committee.

19.2 Finance & Resources Scrutiny Committee

Has the Overview and Scrutiny function responsibilities for:

- a) **Budget delivery**
- b) **Budget development**
- c) **Corporate planning**
- d) **Corporate performance**
- e) **LGSS corporate support services**

19.3 Children, Learning & Communities Scrutiny Committee

Has the Overview and Scrutiny function responsibilities for:

- a) Children's social care
- b) Education and schools
- c) Community development
- d) Voluntary & Community Sector
- e) Customer services
- f) Culture, heritage and sport
- g) Libraries and lifelong learning

19.4 Environment, Development & Transport Scrutiny Committee

Has the Overview and Scrutiny function responsibilities for:

- a) Highways and transport
- b) Growth, development and infrastructure
- c) Environment
- d) Waste
- e) Flood risk management
- f) Protective functions: Fire & Rescue Service, Trading Standards,
- g) Emergency Planning
- h) Undertaking all statutory functions relating to reviewing and scrutinising crime and disorder (as the Council's Crime and Disorder Committee in accordance with the Police and Justice Act 2006).

19.5 Health, Adult Care & Wellbeing Scrutiny Committee

Has the Overview and Scrutiny function responsibilities for:

- a) Undertaking the Council's statutory functions relating to reviewing and scrutinising matters relating to the planning, provision and operation of the health service under the NHS Act 2006 and the Health & Social Care Act 2012.
- b) Adult social care and transitions
- c) Public Health

19.6 In the case of all Overview and Scrutiny committees, on behalf of the Council, to scrutinise, monitor and review:

- a) the functions of the Council within its remit;**
- b) the development of Council policies and plans within its remit;**
- c) performance against planned objectives included in service plans;**
- d) reports and inspections of Council functions within its remit; and**
- e) functions external to the Council but within its remit.**

19.7 In the case of all Overview and Scrutiny committees, to report the findings and recommendations of their scrutiny, monitoring and review to the Cabinet, the relevant Cabinet Member or the full Council. Resolutions should be taken by consensus, but in the event of a failure to agree minority reports may be issued.

19.8 In the case of all Overview and Scrutiny committees, to be consulted on policy development and review issues within the committee's remit relating to the authority and regulation prior to decisions being made by the Cabinet and/or the full Council.

- 19.9 In the case of all Overview and Scrutiny committees, to make proposals for future scrutiny reviews based on issues arising from either delivery of service or policy development.**
- 19.10 In the case of all Overview and Scrutiny committees, to undertake reviews and submit reports on matters within the committee's remit which are not the responsibility of the Council, in accordance with Section 21 (2) of the Local Government Act 2000.**

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Finance & Resources Scrutiny Committee - Outline Work Programme 2018/19

Topic	Type of Scrutiny	Approach	Timing												
			May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
			2		18			3			23		27		
Potential areas for scrutiny previously identified															
Development of the draft 2019/20 Council budget and Medium Term Financial Plan (Budget Scrutiny Review)	Policy development	In-depth (OSC-led)													
Development, operation and aims of LGSS - joint scrutiny approach	Policy review / development	In-depth (OSC-led)													
Cabinet Member for Finance	Holding to account	Cttee Business			18										
Challenge Session - Children First Northamptonshire	Holding to account	In-depth (OSC-led)													
Challenge Session - LGSS	Holding to account	In-depth (OSC-led)													
Challenge Session - Adult Social Care	Holding to account	In-depth (OSC-led)													
Scrutiny of the Council's in-year budget position, using the Monthly Finance Report presented to the Cabinet.	Holding to account	Monitoring													
Scrutiny of the Council's aged debt position in relation of Adult Social Care	Holding to account	In-depth (OSC-led)													
Scrutiny of the Council's management of operational debt and loans	Holding to account	In-depth (OSC-led)													

Definition of types of Scrutiny

Policy development	Forward-looking looking scrutiny of issues affecting people in Northamptonshire, intended to identify what the actual situation is in the county and, if necessary, to identify ideas and actions to help to solve problems in future.
Policy review	Scrutiny of services already operating in Northamptonshire and previous actions by decision-makers, intended to identify how effectively they are operating and any areas for improvement.
Holding to account	Questioning and constructive challenge of County Council Cabinet Members and similar office-holders about their priorities and actions, supporting Overview & Scrutiny's role in making the way that the Council operates more open and transparent.
Performance Monitoring	Keeping an overview of the performance of particular services or functions using relevant data and information.

Definition of Approaches

In-depth: Overview & Scrutiny (OSC)-led work	Groups of scrutiny councillors carrying out evidence-based task-and-finish investigations ("scrutiny reviews") of topics selected by Overview & Scrutiny. This work would normally result in the production of a scrutiny review report for presentation to the appropriate decision-making body.
In-depth: Joint Work	Groups of scrutiny councillors working with Cabinet Members / service officers / partners to develop or refine policy proposals, on a one-off or ongoing basis as required by the subject matter. This work would not normally result in a separate scrutiny report but would add value to service-providers by helping to make final proposals presented for agreement more robust.
Monitoring	Small groups or individual scrutiny councillors meeting regularly with service officers / partners to understand and monitor service-delivery, budget and performance matters. Areas of concern identified through this work would be fed back to enable scrutiny committees to hold to account the relevant individual or organisation or to consider carrying out a task-and-finish scrutiny review.
Committee (Cttee) Business	An item of business to be discussed by the full Committee at one of its scheduled public meetings during the year. This could result in resolutions intended to improve the effectiveness of services, or the identification of potential areas for further scrutiny. Items of business can be identified by the Committee or can result from requests from Council services or partners for the Committee to give its views on a particular matter.
Off-Agenda Briefing	Background information provided to scrutiny councillors either in written form or through a briefing session to inform the work programme and assist in identifying and prioritising potential topic areas for scrutiny.

LGSS Joint Overview & Scrutiny Working Group – Terms of Reference

Role

The role of the Joint Working Group (JWG) will be as follows:

- Accountability – Holding the LGSS Joint Committee to account for the discharge of its functions.
- Improvement – Investigating issues associated with LGSS and making recommendations that seek to improve the quality of services delivered through LGSS.

Membership

The membership of the JWG will consist of 3 councillors from each participating authority (: Milton Keynes Council, Northamptonshire County Council, and Cambridgeshire County Council). Substitute members from each authority may be appointed to attend in their absence.

Chair

The chair of the JWG will be held jointly by a member from each participating authority. These 3 members will be elected annually by the JWG. Meetings of the JWG will normally be chaired by the co-chair from the participating authority that is hosting the meeting in question.

Parent Committees

The committees at the participating authorities with responsibility for scrutinising or overseeing corporate support functions will act as the parent committees for the JWG. Currently these are:

Milton Keynes Council: Scrutiny Management Committee

Northamptonshire CC: Finance & Resources Scrutiny Committee

Cambridgeshire CC: General Purposes Committee

The parent committee role will include the following functions:

- Agreeing the establishment of the JWG and nominating members from the respective authority to serve on the JWG.
- Overseeing the work programme of the JWG and incorporating the requirements of delivering this within its respective work programme.
- Receiving draft reports and recommendations from the JWG for agreement prior to submission to relevant decision-making bodies.
- Maintaining an overview of the operation of the JWG and proposing changes to the JWG's terms of reference as necessary.

The parent committees should carry out this role on the basis of co-operation and communication and generally seek to avoid acting in what could reasonably be seen as a unilateral way.

The parent (or other appropriate) committees will retain the role of considering LGSS decisions that are called-in at their respective authority, and will have the option, in exceptional circumstances, to consider any other item of business relating to LGSS that they would prefer to consider as an individual committee rather than through the JWG.

Method of Operation

The JWG should adopt a task-and-finish, outcome-focussed approach to carrying out its role.

The JWG should draw up a rolling work programme setting out proposed work to be carried out during the following year to deliver its role. This work programme will be overseen and monitored by the parent committees as set out above.

JWG members will be required to keep the parent committee of their respective participating authority informed of the JWG's work as requested.

Quorum

The quorum for JWG meetings will be 3 members, made up of one member from each of the participating authorities.

JWG Meetings

The JWG will normally meet every 4 months, on appropriate dates and times selected to support the delivery of the work programme agreed by the JWG. Additional JWG meetings may be convened if agreed by all of the JWG co-chairs.

The venue for JWG meetings will be determined by the JWG and will take account of business to be conducted. However, as a general principle, JWG meetings will normally rotate in sequence between the participating authorities.

The JWG will normally meet in public, with the provision to exclude the public for items of business where it would be likely that exempt information (information regarded as private for the purposes of the Local Government Act 1972) would be disclosed to them.

Officer Support

Parent committees will work together to ensure that equitable officer support arrangements are in place to support the JWG in the delivery of its work programme.

Exit Arrangements

The JWG will continue to operate for as long as the parent committees consider that there is value in the arrangement. The parent committees may withdraw their participation from the JWG at any time should they resolve to do so.