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Meeting: Finance and Resources Scrutiny Committee
Date: Tuesday 13th July, 2021
Time: 7.00 pm
Venue: Council Chamber, Swanspool House, Doddington Road, Wellingborough, NN8 9TE

To members of the Finance and Resources Scrutiny Committee

Councillors Councillor Mark Pengelly (Chair), Councillor Richard Levell (Vice-Chair), Anslow, D Brackenbury, S Brown, Colquhoun, Hakewill, Harrington, Henson, Jelley, D Jenney, Lawal and Ward

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Members of the Public Agenda Statements	Requests to address the committee must be received by 12 Noon on the day before the meeting. Speakers will be limited to speak for 3 minutes.	12 Noon Friday 9 July 2021
Member Agenda Statements	A request from a Ward Councillor must be received by 12 Noon on the day before the meeting. The Member will be limited to speak for 5 minutes.	12 Noon Friday 9 July 2021

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Finance and Resources Scrutiny Committee 13th July 2021

Report Title	Capital Approval Process	
Portfolio Holder	Lloyd Bunday, Portfolio Holder for Finance and Transformation	
Report Author	Janice Gotts, Executive Director of Finance Janice.gotts@northnorthants.gov.uk	
Contributors/Checkers/Approvers		
North MO		
North S151		
Other Director/SME		

List of Appendices

Appendix 1 – Business Case Template

Appendix 2 – Strategic Capital Board – Outline Terms of Reference

Appendix 3 – Portfolio Boards/Management Teams – Outline Terms of Reference

Appendix 4 – Checkpoint Process Summary Chart

1. Purpose of Report

- 1.1. This report is to advise the Scrutiny Committee of the new Capital Approval Process proposed for Council.

2. Executive Summary

2.1 As a new Unitary Council, there is a requirement for a single governance process to enable capital investment decisions to be assessed, costed, and formally approved. This paper sets out the proposed arrangements for a new capital approval process.

2.2 This process will be applied to individual project funding requests which must be evidenced through a fully costed business case which includes:

- how the investment is a strategic fit for the Council's priorities
- the level of investment required
- how this is proposed to be funded

- revenue implications
 - outcomes and benefits, and
 - an assessment of risks
- 2.3 Where there is a programme of investment (e.g. an IT investment programme) then individual and separate projects within the programme will come forward for distinct approval unless there is a reason why this is not appropriate such as the Housing Revenue Account maintenance programme which can be approved as part of a single business case rather than individual maintenance items.
- 2.4 The new process includes a number of checkpoints which a project must pass through before approval to spend is given. Stakeholder engagement, where relevant, is an important part of the process. Decisions will be subject to Member engagement and approval.

3. Recommendations

- 3.1 It is recommended that the Committee:
- a) Note and comment on the proposed new Capital Approval Process for the Council.
- 3.2 *(Reason for Recommendations – to ensure that capital investment decisions are made based on sound evidence and costed proposals that meet the strategic aims and priorities of the Council).*

4. Introduction and Background

- 4.1 A Capital Investment Strategy was established as part of the Capital Programme approved by the Shadow Executive at its meeting on 10 February 2021 and Shadow Authority on 25 February 2021. This recognised the need for a longer-term programme which would continue the investment to define North Northamptonshire as an attractive place to live and further improve the quality of life for its residents; to increase their overall social and economic prospects and enable them to fully participate in the life of the area.
- 4.2 In support of the Council's vision, and the budget commitment, the key objectives set out in the approved Capital Strategy are as follows:
- The delivery of a Medium-Term Capital Programme which is affordable and sustainable, ensuring that the Council's internal resources and application of external borrowing are utilised to fund capital expenditure where it supports the delivery of the Council's financial sustainability and where there are statutory requirements such as health and safety;

- The Capital Strategy should make explicit the links to, and integration with, the Council's other strategies. New capital investment will only be permitted if it contributes to the achievement of the Council's corporate priorities;
- The use of external funding is prioritised against the areas of greatest need;
- In the current financial climate priority will be given to schemes that also deliver transformation and/or revenue savings;
- Maximisation of the use of the Council's assets, and where possible working with local partner organisations to maximise the efficiency of assets across the public sector and North Northamptonshire;
- Take into account external influences such as the South East Midlands Local Enterprise Partnership, Oxford Cambridge Arc, Health and joint working with other partner authorities;
- Key integration and links with the council's other corporate strategies including Corporate Plan, Treasury Management Investment Strategy, and the Asset Management Plan;
- Meets the Council's regeneration and economic development ambition and additional objectives; and
- Ensures robust governance and risk management arrangements.

Capital Programme 2021/22 to 2024/25

- 4.3 The capital programme has been developed in line with the strategic priorities previously established within the District and Borough Councils and the areas of the County Council relevant to North Northamptonshire. Looking ahead North Northamptonshire will need to consider the investment decisions for the whole of the area over the longer term and align to its vision and strategic priorities. The latter will become clearer as part of developing the Council's corporate plan.
- 4.4 The capital investment programme approved by the Shadow Executive and subsequently Council in February totalled £219m with the breakdown as shown in the table below.

Directorate	General Fund Committed Programme			General Fund Development Pool			Housing Revenue Account			Total
	2021/22	2022-25	Total	2021/22	2022-25	Total	2021/22	2022-25	Total	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Place	20,424	14,387	34,811	27,197	46,482	73,679	-	-	-	108,490
Childrens	8,971	-	8,971	6,408	10,883	17,291	-	-	-	26,262
Adults, Communities & Wellbeing	11,773	11,027	22,799	1,840	3,695	5,535	13,742	36,313	50,055	78,390
Transformation	2,245	1,110	3,355	1,778	981	2,759	-	-	-	6,114
Total	43,413	26,523	69,936	37,223	62,041	99,264	13,742	36,313	50,055	219,256

- 4.5 The programme has been split into three areas which, as noted above, have been amalgamated from the predecessor council's capital investment plans:

- General Fund Committed Capital Programme containing schemes approved by predecessor councils, the majority of which are in the process of being delivered.
- General Fund Development Pool containing schemes which are in the early stages of their lifecycle and are not ready to commence. The Development Pool comprises the schemes that the Council would be prepared to take forward, subject to final negotiations, confirmation and evidencing of funding and submission of robust business cases to the Capital Approvals Board for approval by Cabinet.
- Housing Revenue Account Capital Programme contains all schemes; committed and those in their early stages of their life cycle.

4.6 Moving forward the new Council requires a governance process to enable projects to be approved and this paper sets out the proposed capital approval process. This will be applied to individual projects. Where there is a programme of investment then individual and separate projects within that programme must be approved, unless there is a reason why this is not appropriate e.g. for such as the HRA maintenance programme which can be approved as part of a single business case.

5. Issues and Choices – The Revised Capital Approval Process

5.1 To support the delivery of the Capital Strategy approved by the Shadow Authority a governance and approval process is required which provides a greater emphasis on meeting strategic priorities and achieving benefits and outcomes from the investment of resources.

5.2 The aim of the new approach to scheme assessment, prioritisation and subsequent performance is to enable the Council to make more informed decisions based on business cases brought forward to articulate scheme proposals, including strategic fit, financing, benefits and expected outcomes.

Business Cases

5.3 Each scheme requiring approval to enter the development pool or commitment must submit a business case to the Strategic Capital Board setting out the requirement for funding, how it meets the Council's strategic priorities, benefits identification, risk and expected outcomes.

5.4 Due to the Council's commitment to net zero carbon, each submission must also identify any contribution to reducing carbon and/or how the development or investment will support a zero-carbon agenda.

5.5 A copy of the proposed business case proforma can be seen in **Appendix 1**.

Executive and Council Approval of Capital Schemes

- 5.6 The Council's Constitution sets out the formal process for the approval of schemes. The promotion of schemes from the Development Pool can also be considered as part of this. The table below summaries the approvals:

	Total Scheme Value	Approval Method
Promotion of scheme from Development Pool to Committed Programme	Upto £500k	Monthly Capital Update Report to Executive
[Scheme included as part of the Development Pool approved by Council as part of the annual budget process]	£500k +	Separate report to Executive on the capital scheme
New schemes identified during the financial year.	Upto £500k	Executive [via Monthly Capital Update Report]
<i>Schemes will go to Council if external borrowing is required.</i>	£500k +	Council [via Capital Approvals Report]
	£500k +	Separate report to Executive on the capital scheme is required
Virements between schemes	Up to £50k	Chief Officers to vire from within the Capital Programme following notification to the Chief Finance Officer
	£50k to < £100k	Relevant Chief Officer with the approval of the Chief Finance Officer in consultation with Finance Portfolio Holder
	£100k to < £500k	Chief Finance Officer to report and seek approval of Executive [via Monthly Capital Update Report]
	£500k +	Chief Finance Officer to report and seek approval of Council [via Capital Approvals Report]

Governance and Approvals

- 5.7 To oversee, test the business cases and approve in principle the capital investment proposals put forward, it is proposed that a Strategic Capital Board is established, chaired by the Executive Director of Finance, with membership consisting of the Corporate Leadership Team as portfolio holders. The draft terms of reference and membership for the group is attached at **Appendix 2**.

- 5.8 The Board will meet monthly to consider and provide officer challenge and approval to projects and developments within the process. The Board will oversee the overall Capital Programme and develop the strategy moving forward as well as consider the impact of external drivers such as changes to Government policy and the investment needs of North Northamptonshire.
- 5.9 The majority of the capital schemes should be governed on a more detailed basis through respective Portfolio Boards or Service Management Teams that include specific terms of reference in relation to this role. Portfolio Boards or Management Teams may cover several areas of the capital programme and wider relevant items, or they may be dedicated to a specific and significant development. The draft terms of reference suggested for the Portfolio Boards is attached as **Appendix 3**.
- 5.10 It is for the individual Portfolio Boards or Service Management Teams to develop and bring forward projects for the Strategic Capital Board for consideration. They must engage with relevant Members in the development of capital plans including seeking the approval of the relevant Portfolio Holders before submission, keeping Portfolio Holders informed, and providing overall management of the projects under their control.
- 5.11 It is expected that the regular updates to the Strategic Capital Board from the individual Portfolio Boards and Management Teams will include progress against the forecast outcomes and benefits from the schemes, as well as risks to progress alongside financial and programme information.
- 5.12 From a financial perspective the main areas which the process seeks to strengthen include:
- clear identification of financial implications at the start and throughout the process, including benefits, to support the decision-making process and prevent the need to request further capital increases or alternatively reduce project scope;
 - a robust assessment of resourcing needs and realistic profiling of likely spend to support Council financing arrangements.
 - Robust assessment of risk and resource requirements, including the route to procurement.

Capital Scheme Lifecycles and Checkpoints

- 5.13 It is proposed that the new approval process consists of five Checkpoints. All capital projects must be progressed through their lifecycle under this new process (see also Appendix 4). As stated earlier, an initial business case template has been developed, which requests project-specific information.
- 5.14 The Strategic Capital Board and Capital Portfolio Boards/Service Management Teams will be responsible for managing schemes through their lifecycle. The

following table sets out the lifecycle phases, the key tests at each phase and proposed gateways for progressing schemes to the next phase of their lifecycle.

Lifecycle Phase	Key Tests	Checkpoint
1. Strategic Fit and Options Appraisal	<ul style="list-style-type: none"> • Does scheme deliver the Corporate Plan objectives? • What are the options for delivery, and which is the preferred option? • Initial costs • Portfolio Member sign off • Engagement with stakeholders (inc Ward Members) 	<u>Checkpoint 1</u> Should scheme progress to feasibility and development stage?
2. Scheme Feasibility and Development	<ul style="list-style-type: none"> • Scheme specification • Preliminary works and surveys • Cost and funding development • Risk management and mitigation 	<u>Checkpoint 2</u> Should scheme proceed to formal funding approval and route to procurement?
3. Funding	<ul style="list-style-type: none"> • Ensure that funding is available and approved. • Scheme to be included on forward plan and key decision progressed where appropriate 	<u>Checkpoint 3</u> Is funding available and approved in order to undertake route to procurement checks and seek approval to delivery.
4. Procurement	<ul style="list-style-type: none"> • Confirm specification • Have procurement rules been met? • Obtain Tender Prices 	
5. Approval for Delivery	<p>Final check on:</p> <ul style="list-style-type: none"> • Robustness of cost and funding certainty • Risk assessment • Partnership buy-in <p><i>(Generally would expect this to mirror Checkpoint 2 unless further information available)</i></p>	<u>Checkpoint 4</u> Should scheme be approved for delivery? Final sign off from Portfolio Holder for Finance and Transformation, following Tender.

Lifecycle Phase	Key Tests	Checkpoint
6. Scheme delivery monitoring	<ul style="list-style-type: none"> Regular monitoring of contract, costs, funding, benefits realisation, outputs, etc 	
7. Scheme Completion and Post Implementation Review	<ul style="list-style-type: none"> Have the scheme outcomes been achieved? Are there any lessons learnt? 	<u>Checkpoint 5</u> Sign off completion of scheme

5.15 The above framework is expected to be used for all capital schemes being progressed through the Development Pool and Committed Capital Programme. However, it is recognised the process will need to be applied proportionately to the size and complexity of the scheme.

5.16 A small budget may be required for feasibility, scheme development and procurement. This cost can be capitalised where schemes progress, so therefore, it is essential that any schemes entering this phase are expected to move to a funded scheme. Should a scheme not progress for any reason then such costs will fall on the revenue budget of those areas undertaking the feasibility works.

Role of Members

5.17 Throughout the design of the new approval process the ability for Members to inform and be kept informed of the programme and the individual projects has been vitally important.

5.18 To achieve this, a number of measures have been included with the capital approval process to ensure Member involvement. It is expected that, where appropriate, engagement will take place with the relevant stakeholder such as Ward Member(s) on scheme proposals prior to a business case being put forward.

5.19 All business cases must be approved by the relevant Portfolio Holder Member before being submitted to the Strategic Capital Board. This will ensure that Portfolio Holder Members are fully briefed on the capital plans for their areas of responsibility and support in principle the proposals.

5.20 A Checkpoint 1 and 2 it is proposed that a Member review group will be established to consider the proposals recommended by the Strategic Capital Board – it is proposed that this is attended by the Deputy Leader and the Portfolio Holder for Finance and Transformation alongside the Executive Director of Finance and the Director of Place and Economy (Deputy Chief Executive), as representatives of the Strategic Capital Board, to review and approve those capital projects that the Strategic Capital Board has

recommended to progress further. This may be expanded to include Portfolio Holders in relation to specific projects to discuss the schemes proposed. This will be in advance of submission to Executive where formal approval is required. In some instances, for example where the project is financed from external borrowing, Council approval will also be sought.

- 5.21 The Portfolio Holder for Finance and Transformation, alongside the Executive Director for Finance, will provide the final approval and sign off to spend before a project can incur expenditure. This will be after funding has been confirmed and the scheme approved by Executive and following the confirmation of tendered prices in line with the submission. This is to ensure that the final proposals remain sound before any spend is undertaken and contracts are entered into.
- 5.22 Alongside these measures, the capital spend position against all projects together with request for capital budget increases and virements will be reported to Executive (and Council as required). Where needed, projects will be included on the forward plan and listed as part of the Key Decision process.

The Role of the Project Management Office (PMO function)

- 5.23 The Place Directorate and the Capital Programmes team will provide a crucial role in the governance and delivery of the capital investment strategy. The PMO can review and challenge project/ programme detail with Service Portfolio leads prior to each Strategic Capital Board meeting. However, it is to be expected that this should also have been undertaken prior to submission by the relevant Directorate.
- 5.24 The PMO will request each Portfolio lead to demonstrate key metrics on commercial data, procurement methodology, risk analysis and governance arrangements for each programme/project in order for the PMO to advise the Strategic Capital Board on the deliverability of the schemes and associated benefits aligned with the capital investment.
- 5.25 The PMO will engage with Portfolio leads together with colleagues from Finance to review the project/programme data and track the intentions of the investment decision aligned with the approved business cases.

Reporting

- 5.26 The PMO will work with colleagues in finance and performance to develop a reporting dashboard for each Portfolio Board to complete within the project reporting timelines which are aligned to the financial reports.
- 5.27 Within the Portfolio dashboards, project specific information is captured, articulating original budget, financial performance over the period, forecast

spend both in year and over financial years where appropriate, benefits realisations linked to original business cases, key risks and mitigation together with project/programme deliverability across the respective portfolio areas.

- 5.28 These portfolio level dashboards can then be used to populate the overarching performance position for the Council's capital investment which is reviewed on a monthly basis by the Strategic Capital Board.
- 5.29 Through the information provided, the Strategic Capital Board is able to review the financial performance, risk analysis, investment benefits/outcomes, and financial profiling for the Council's Capital Investment Strategy on a monthly basis.

Systems Development

- 5.30 To facilitate the new process there is a need to consider a different, more holistic approach which brings together both the finances and the project management. The Strategic Capital Board will consider options for project management tools which could record projects from initiation to conclusion, and which could aid the management of the programme including reporting tools and approval processes, supporting effective assurance processes including risk management.
- 5.31 The establishment of the Strategic Capital Board and the input required from Portfolio Boards/Management Teams are key elements of the Capital Approval Process, but the information provided to the Board also allows for robust monitoring of financial information, risks to the Council's capital programme, and on outcomes.
- 5.32 The monitoring reports received by the Strategic Capital Board from the Portfolio Boards/Management Teams will be consolidated, and this information will begin to inform the quarterly reporting to Executive. It is intended that this will support the content of the capital reports to Executive to provide greater information on the progress of the capital scheme and its achievement against planned outcomes and original resource assumptions rather than just a financial position statement.

Reviewing and Revising the Capital Strategy from 2021/22 (in-year) and onwards

- 5.33 Although a five-year investment plan has been established for the Council it is important that this is reviewed and refreshed in light of the move to a new single Unitary Authority. The review will be led through the Strategic Capital Board in conjunction with the Chief Executive, Portfolio Boards and Portfolio Holders.
- 5.34 The final recommendations will be presented to Executive for approval as part of the Budget Update and Future Strategy.

Further Considerations for the North Northamptonshire Capital Strategy Moving Forward

CIPFA's Prudential and Treasury Management Codes

- 5.35 The Chartered Institute of Public Finance and Accountancy (CIPFA) publish the Prudential and Treasury Management Codes. These are the frameworks through which the Council can fund capital projects.
- 5.36 The Codes set out:
- a requirement to create, publish and maintain a Capital Strategy, which must be approved by the statutory Section 151 Officer (Executive Director of Finance).
 - that the Capital Strategy will need to detail the principles by which the Council conducts capital decision making, and the governance arrangements for the capital programme and the assets the Council owns.
- 5.37 It is expected that new versions of the prudential code and treasury management code will be published later this year, aiming to define more clearly what borrowing activities, commercial activity and investment are permitted by local authorities.
- 5.38 Last month CIPFA announced the key changes it is bringing forward for the Prudential Code, following the consultation earlier this year with local government finance professionals.
- 5.39 The revised code will include clarification and examples of what is and is not classified as prudent borrowing activity. CIPFA advises that it will also add clarifications to better define commercial activity and investment, and introduce the objective of "proportionality", so that "an authority incorporates an assessment of risk against levels of resources".
- 5.40 According to CIPFA, the Treasury Management Code consultation - also published last month - will "integrate environmental, social and governance risks into the policy framework, setting out guidance on development, retention of knowledge, skills, and training".
- 5.41 The Capital Strategy forms a key part of the Council's annual budget and will link to the capital budget and treasury management strategy documents which will be governed by the codes.
- 5.42 The revised Capital Approval Process and the governance, review and monitoring associated with it will form a substantial part of the Capital Strategy as it sets out the principles the Council considers when reviewing potential capital projects.

MHCLG Guidance on Prudential Framework of Capital Finance

- 5.43 The Prudential Code, along with the Treasury Management Code form two parts of what is known as the Prudential Framework. In England, the other two parts are statutory guidance published by the Ministry for Housing, Communities and Local Government (MHCLG) MHCLG - Guidance on Local Authority Investments (“Investments Guidance”) and the Guidance on Minimum Revenue Provision (“the MRP Guidance”). All four parts were last revised in 2017 and came into effect from 1 April 2018.
- 5.44 MHCLG has put forward proposed changes which seek to tighten the codes’ rules over investments. The investment guidance predominantly focusses on extending the investment principles currently applied to treasury management of security, liquidity and yield, to all of an Authority’s investment decisions including those classed as capital expenditure and seeks to increase transparency around those investments for members and the public.
- 5.45 Where Local Authorities wish to depart from the MHCLG guidance then they will be required to justify this decision. It is likely that the reporting mechanism to Government will also change to better understand the level of investment by Councils and the funding mechanisms.

6. Conclusions

- 6.1 The Strategic Capital Board will review in detail and approve capital expenditure proposals prior to Executive sign off. Before projects are submitted to the Board, they must have the approval of the relevant Portfolio Holder(s). Where relevant, engagement should also have taken place with stakeholders including the respective Ward Members before submission.
- 6.2 The PMO function will lead on the productions of the wider monitoring information for the overall capital programme and will include risks, delivery issues and outcomes. This will involve stakeholder mapping and establishing working relationships across all portfolios.
- 6.3 Further work is required to build on the principles outlined in this report regarding:
- Finalising the capital business case form template to confirm any linkages to the final Corporate Plan/Priorities
 - Investigating how the Council can better utilise IT systems to support the delivery of the capital programme and the approval process.
- 6.4 When planning capital investment due regard must be given to CIPFA and MHCLG guidance on capital finance which will have a material impact on how the Council manages its capital finances and how the capital programme and associated financing is reported.
- 6.5 The capital approval process will be periodically reviewed to check that it remains fit for purpose and meets the Councils aims and priorities.

7. Implications (including financial implications)

7.1 Resources and Financial

- There are no resources or financial implications arising from the proposals.

7.2 Legal

- There are no legal implications arising from the proposals.

7.3 Risk

- There are no significant risks arising from the proposed recommendations in this report.

7.4 Consultation

- Consultation has been undertaken with Members and Officers in developing these proposals.

7.5 Consideration by Scrutiny

- This report will be considered by the Finance and Resources Scrutiny Committee.

7.6 Climate Impact

- The climate impact of any capital investment needs to be understood and the proposed approval process takes into account the climate impact implications.

7.7 Community Impact

- Community impact will be considered as part of the proposals when considering the strategic fit of any investment in meeting the priorities of the Council.

8. Background Papers

- 8.1 North Northamptonshire Final Budget 2021/22 and Medium-Term Financial Plans presented to the Shadow Authority at its meeting on 25 February 2021.

<https://northnorthants.moderngov.co.uk/CeListDocuments.aspx?Committeeld=138&MeetingId=109&DF=25/02/2021&Ver=2>

Capital Approval Process Business Case Template

Programme manager / Project officer: tick once the business case is final	<input type="checkbox"/> <i>Once the business case is complete - tick this box. The business case will not go forward to the next Strategic Capital Board until this action is complete</i>
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Governance	
Project Title	
Pipeline confirmation	<i>This project should have already been added to the capital pipeline/development programme and the Strategic Capital Boards work programme. Please confirm the project has previously been added to the pipeline OR, if not, explain why you are bringing this project forward?</i>
Project Location (including UPRN or post code where available)	<i>Project location - needed to track capital spend and potentially align / schedule projects within the same location. UPRNs are the best solution for this but postcodes or ward level are acceptable.</i>
Directorate	<i>Directorate</i>
Is this request for feasibility or pre-development works? Please specify	<i>Is this request for feasibility or pre-development works? - The stage of project development will alter the level and assurity of information supplied. Should the business case relate to feasibility or pre-development works please provide detail of this here.</i>
Checkpoint Submission <i>mark as appropriate</i>	CP1 <input type="checkbox"/> CP2 <input type="checkbox"/> <i>Checkpoint submission - to confirm what stage your business case is at. Please tick.</i>

CLT Member	<i>CLT Member endorsing your project or programme</i>
Portfolio Board (Decision Making Board)	<i>Portfolio Board - The capital programme is split into 8 distinct portfolio areas; Highways, Neighbourhoods, Corporate Estate, Strategic Development, Private Sector Housing, Public Sector Housing, ICT, Children's Services, Leisure. The Town Hall and Factory are also treated as standalone Boards due to the high-level of spend involved.</i>
Project/Management Board (if applicable)	<i>Project Board - Depending on the level of spend, risk and the project profile, a standalone Project Board may be required. If one is being established, please name it here.</i>
Senior Responsible Officer	<i>Senior Responsible Officer - The senior officer within your Portfolio area with ownership of the project</i>
Programme Manager	<i>Programme Manager - Your project potentially fits within a broader programme of works. If so, provide the name of your Programme Manager.</i>
Project Officer	<i>Project Officer - the day-to-day lead for the project</i>
Cost Manager	<i>Cost Manager - the officer managing the commercial aspects of the project (also referred to as a Quantity Surveyor)</i>

Approvals		
	Officer Name	Date Approved
Revenue Finance Contact	<i>Revenue Finance Contact - Who is your Revenue Finance contact and what date did they approve your business case? Your capital project is likely to have revenue consequences (covered later within the business case). Revenue Finance are required to review your business cases to ensure any revenue consequences (ongoing maintenance etc) has been considered.</i>	
Capital Finance Contact	<i>Capital Finance Contact - Who is your Capital Finance contact and what date did they approve your business case?</i>	
Portfolio/Management Board	<i>Portfolio/Management Board. What date did they approve your business case?</i>	
Portfolio Holder	<i>Portfolio Holder - Who is your Portfolio Holder and what date did you consult with them regarding this business case?</i>	Date Consulted with:
Ward Members and Other Stakeholders engaged (if applicable)		Date Consulted with:
Date of Strategic Capital Board for submission	<i>Input date / month of Strategic Capital Board that you wish this business case to be submitted to. Note - the business case must be checked as complete above by end of the previous month you wish to submit to.</i>	
Executive Director of Finance CP4 Approval	<i>For use at CP4 only</i>	
Portfolio Holder for Finance CP4 Consultation	<i>For use at CP4 only</i>	

Key Decision Requirement

Will this project require a Key Decision? Yes No If yes, please complete the information below to support the inclusion on the register.

(Key Decision Criteria: Expenditure greater than £500k, or affects two or more wards)

Directorate -

Decision title	What is the decision?	Decision Maker?	Planned date of decision	Documents that will be considered	Contact officer details
					Name: Position: Tel no: Email address:

For Democratic Services to complete:

Request prepared by:

Allocated Reference:

Added to the published register on:

BUSINESS CASE DETAILED SUBMISSION

Executive Summary	
Summary of Proposal (500 words maximum)	<i>Summary of Proposal - Expanding on your project title, summarise what your project will achieve? Describe the size and scale of the project. If your proposal is to build houses, how many? Extending a school, how many additional places will be created? Refurbishing a community asset, like a leisure centre or a library, what increase in usage are you expecting? This detail will assist you in the benefits section as well. This section should not exceed 500 words.</i>
Why do we need the project?	[what is the problem we are trying to address why do we need to address it now what are the implications of not doing it now] <i>Why do we need the project - Some key questions that need to be addressed to demonstrate the value of your project</i>
What alternative options have you considered?	<i>There will usually be multiple options for the delivery of a project. Include these here to provide a rationale for why you have selected your preferred option. If you have undertaken an options appraisal, you can attach this as a supporting document.</i>
What are the objectives of the project?	<i>What are the objectives of the project - A number of SMART (Specific, Measurable, Achievable, Relevant and Time-bound) objectives demonstrating what your project will achieve and by when</i>
What are the high level benefits? (further detail required in the benefits section)	<i>What are the high-level benefits of your project - These should always feed through to the benefits section later in the document and be quantifiable so they can be tracked through delivery to determine the success of the scheme</i> <ul style="list-style-type: none"> ● [benefit 1] ● [benefit 2] ● [benefit 3]
What high level social value are you going to deliver? (further detail required in the benefits section)	<i>What high-level social value are you going to deliver - As above, what are the key elements of social value you will deliver? These should always feed through to the benefits section later in the document and be quantifiable so they can be tracked through delivery to determine the success of the scheme</i> <ul style="list-style-type: none"> ● [social value 1] ● [social value 2] ● [social value 3]

	<ul style="list-style-type: none"> • [add more bullets as required]
How will the project contribute to the Council's objective to reduce carbon?	<p><i>Projects must provide details of the carbon reduction measures to be applied. Anything added here must feed through to the benefits section and be tracked through delivery to determine the success of the scheme</i></p> <ul style="list-style-type: none"> • [carbon reduction 1] • [carbon reduction 2] • [carbon reduction 3] • [add more bullets as required]
Who will deliver the project?	<p><i>Who will deliver the project - What resources are being dedicated to the project, both internally and externally (professional services)? How are you going to procure it? Will you be using a framework (if so, which one) or standalone procurement process?</i></p> <ul style="list-style-type: none"> • [who will form the project team inc professional services] • [how will it be procured]
What is the value of the project? (How much are you asking for?)	<p><i>What is the capital value of the project - How much are you asking for, regardless of where this funding is coming from</i></p>
How will it be funded?	<p><i>How will it be funded - Identify your funding streams</i></p> <p>Borrowing External funding Invest to Save Return on Investment</p>
Details of any existing approvals <i>this includes approval from the Executive and previous Checkpoint approval received for this project including the date of approval, value and what has been achieved</i>	<p><i>Details of any existing approvals - This can include previous business cases, decisions of the Executive or any other approvals associated with your project. Any engagement with residents or Ward Members can be referenced.</i></p>
Are there any dependencies or links between other projects? If so, please specify and provide detail of these	<p><i>Are there any dependencies or links between other projects? - Is your project part of a wider programme of works or dependent on the delivery of any other schemes? This interdependency can exist within your own Portfolio area or link to another Portfolio area (for example, a new highway is needed to link new build housing to a road).</i></p>
When will the project be delivered? <i>This must include an anticipated completion date</i>	<p><i>When will the project be delivered - the start and end date and any key milestones for your project. Detail of your programme or project in the form of a plan will be required, along with cost plans, to support a deliverability assessment of your project. If</i></p>

	<i>your proposal relates to construction, colleagues in Capital Programmes will be able to assist you with this while also supporting you pull together information for the business case as required.</i>
What support will be required for this project, and when during the project is it likely to be needed?	<p><i>What support will be required for the project - Specify which areas of Legal advice and support you require and whether other support services will be required. You will need to approach the relevant services to establish the associated costs for the support required for your project, and then ensure that, where appropriate, these are included in the financial tables as part of overall project costs. Examples include:</i></p> <ul style="list-style-type: none"> ● [property (Legal)] ● [planning (Legal)] ● [commercial (Legal)] ● [construction (Legal)] ● [regulatory (Legal)] ● [procurement (Legal)] ● [Corporate Procurement] ● [HR] ● [ICT]
The following key documents must be submitted in support of your business case. Please complete the checklist to show they are included (<i>your business case cannot progress without this. Please refer to the business case guidance for further information</i>)	<p>high level project plan high level risk register high level cost plan</p>
<i>Mark as appropriate</i>	
Please name any additional documents you are attaching in support of this funding application	<p><i>Please name any additional documents you are attaching in support - Rather than copy large pieces of text between documents, list source documentation here and attach them to your business case submission. Examples of the types of documents you could include are listed in square brackets.</i></p> <ul style="list-style-type: none"> ● <i>[this can include a previous business case, briefing notes, reports, letters confirming funding etc]</i>

Benefits

Provide detail on the strategic fit including how the project supports the Council's Visions and other Council strategies:

Detail of Strategic Fit - Explain and describe how the business case links in with the Council's vision and strategic priorities and, if applicable, any of the authority's statutory duties/responsibilities. If your project does not contribute to a priority, do not include it within the business case.

Benefit Area	Benefit	Metric / Measurement	Current baseline this will be measured against	Owner	Deliver By (date)	Monitored Using
Outcome (Primary Benefit of this project)	<ul style="list-style-type: none"> [what are you creating or resolving - increased capacity, increased footfall, revenue saved etc? you will be asked to confirm this is achieved as part of the benefits realisation / project closedown process] 	•	•	•	•	•
Carbon reduction during construction / creation stage	<ul style="list-style-type: none"> [carbon saved] [BREEAM - Energy Performance Certificate Rating] [waste removed] [waste diverted from landfill] [on-site energy usage] [water used] [commercial vehicle movements] [travel to site transport improvement - car share, public transport increase, cycling scheme etc] [materials used] [supply chain] 	•	•	•	•	•
Carbon reduction during operational phase	<ul style="list-style-type: none"> [carbon saved] [BREEAM - Display Energy Certificate (12 months post completion)] [increase in energy efficiency - SAP rating etc] 	•	•	•	•	•

	<ul style="list-style-type: none"> • [improved heating efficiency] • [solar panel usage] • [water usage] • [reduced travel] • [increased lifespan - reduced need to renew asset] • [operations management] 					
Social value	<ul style="list-style-type: none"> • [Apprentices including training] • [Training weeks for North Northants residents] • Educational activities with North Northants schools or Adults] • Community activities in North Northants wards] • [other contract specific, measurable social value including what the market will be asked to provide as part of the contract award assessed at the tender stage] 	•	•	•	•	•
Economic Value	<ul style="list-style-type: none"> • [jobs created / safeguarded] • [supply chain employment, additional investment attracted] • [new housing generated] 	•	•	•	•	•

Finance Information – funding, revenue consequences, VAT, Sustainability

Capital Expenditure - Please provide a detailed, evidenced cash flow showing the forecast spend for each development stage across financial years. This should match the capital expenditure table.

Please complete the table below with the detailed capital expenditure required:						
	Previous CP2 Approvals	Approval sought with this CP business case				Total
		Current FY	Yr 2	Yr 3	Future Yrs	
£'000						
Acquisitions						
Works						
Furniture						
Vehicles/Plant						
ICT						
Legal Fees						
Other Fees						
Loans to 3rd parties						
Grants to 3rd parties						
REFCUS						
Contingency						
Total						

Capital Funding - Please complete the table below with the detailed capital funding for the proposal. Please note if any of the proposed resources are dependent on meeting specific terms or conditions:

		Previous CP2 Approvals	Approval sought with this CP				Total	Notes
			Current FY	Yr 2	Yr 3	Future Yrs		
		£'000						
External Resources <i>(please provide evidence funding is due to Council)</i>	Government Grant							
	European Grant							
	External Contributions							
City Council Resources	Capital Receipts							
	Revenue Funding							
	Reserves							Please identify which reserves if applicable
	Borrowing							
	Borrowing on an invest to save basis							
	Total							

Revenue Consequences

		Current FY	Yr 2	Yr 3	Full Year Effect	Notes
		£'000				
Expenditure	Employees and running costs					<i>Include information on number and type of positions needed. Add table below if appropriate</i>
	Development fund					
	Borrowing costs (for invest to save schemes)					
	Lifecycle costs					
Total Gross Expenditure						
Gross Income						<i>How is the income generated?</i>
Net Expenditure						
Existing Revenue Provision						
Net Revenue Budget Increase (+)/Decrease (-)						
Are the financial benefits associated with the project sustainable, and what evidence is there to support this?:						

		Current FY	Yr 2	Yr 3	Full Year Effect	Notes
		£'000				
If no revenue consequences add brief explanation as to why:						

Key Risks – most significant project risks				
This should include (but is not limited to) – deliverability risks, funding risks, return on investment risks, legislative risks, procurement risks, resourcing risks, programme risk, dependency risks, locality risks etc)				
Description <i>Description - What is the potential risk to your project or programme? Lack of specialist resource, adverse weather, identification of asbestos, loss of external funding streams, cyber security attack etc?</i>	Impact <i>Impact - What will happen to your project if this occurs? Prevent, reduce, slow, increase costs etc?</i>	Mitigation <i>Mitigation- What are you putting in place to prevent the risk? Increased monitoring, resources, increased risk budget, reduce project scope etc?</i>	Reputational / Financial / both <i>Reputational / Financial / Both - What effect will the risk have it occurs? Will it be reputational or financial or both?</i>	RAG Rating <i>(likelihood X Impact score from project risk register)</i>

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Delivery and Procurement

<p>Are there sufficient in-house resources to deliver this project</p> <p>mark as appropriate</p>	<p>Yes No <i>Are the sufficient in-house resources - How are you resourcing the project? If in-house, list who is involved and their role. If you plan to procure external resource, how will you do this?</i></p>
<p>If no, please confirm how you intend to source necessary resources</p>	
<p>Have you considered procurement options as part of your procurement strategy?</p> <p>mark as appropriate</p>	<p>Yes No <i>Have you considered options as part of a procurement strategy? - It is good practice to develop a procurement strategy which fully considers all procurement options, prior to selecting your preferred route to market. This will ensure you have considered all of the available options before concluding which provides the best value for money for the Council.</i></p>
<p>Which framework, if any, will be used to deliver the works, assets, goods or consultancy services?</p>	<p><i>Which framework will be used - If your procurement strategy has identified a particular framework, specify it here.</i></p>

<i>For Finance use only:</i>	
Project Code:	
CP1 approval date	
CP2 approval date	
CP3 clearance (inc. budget increase)	
KD call-in deadline (if required)	
CP4 approval date	

<i>For Finance use only:</i>			
Vat incurred?			
If yes, how much?			
Does it relate to:	Non-business		
	Business:	Standard	
		Zero Rated	
		Lower Rated	
	Exempt		
If exempt, how much of VAT above relates to exempt activity (<i>based on agreed reasonable method if not directly attributable</i>):			
<i>Does the project impact on the partial VAT exemption. If so how?</i>			
Details:			
Approved by VAT Team:			

Strategic Capital Board – Outline Terms of Reference

Membership to consist of:

Executive Director of Finance (Chair)
Deputy Chief Executive and Executive Director of Place and Economy
Executive Director of Adults, Communities and Wellbeing
Director of Legal and Democratic Services (Monitoring Officer)
Director of Transformation
Assistant Director (Highways and Waste)
Assistant Director (Assets and Environment)
Assistant Director for Education
Assistant Director of Finance, Deputy Section 151

Support and Advisory

Capital Projects Programme and PMO Manager
Senior Finance Business Partner
Executive Assistant

Responsibilities

- To provide the strategic framework for the development and delivery of the Capital Strategy
- To be responsible for ensuring the effective implementation, operation and review of the Checkpoint process that oversees the investment lifecycle from project pipeline to post completion review, including approving schemes to progress at relevant Checkpoints subject to conditions being met.
- To review and consider the pipeline of projects prior to checkpoint 1, as proposed by Portfolio Boards
- To confirm agreement to progress through approval process.
- To consider and agree fast tracking of approvals where conditions met.
- To receive and approve requests for feasibility funding subject to conditions being met.
- Ensure accountability for the delivery of the agreed capital programme to time, outcome, quality and cost; and ensure reviews against project plans at regular milestones
- To review risk concerns identified within the capital programme and ensure relevant actions in place to mitigate
- Continually review the longer-term capital investment strategy with regard to allocation and reprioritisation of resources for recommendations to Executive.
- Support the delivery functions to achieve excellence and provide an effective delivery and management function
- To review capital frameworks prior to awards being made and monitor the performance of frameworks on a quarterly basis
- To meet each month to consider the capital proposals

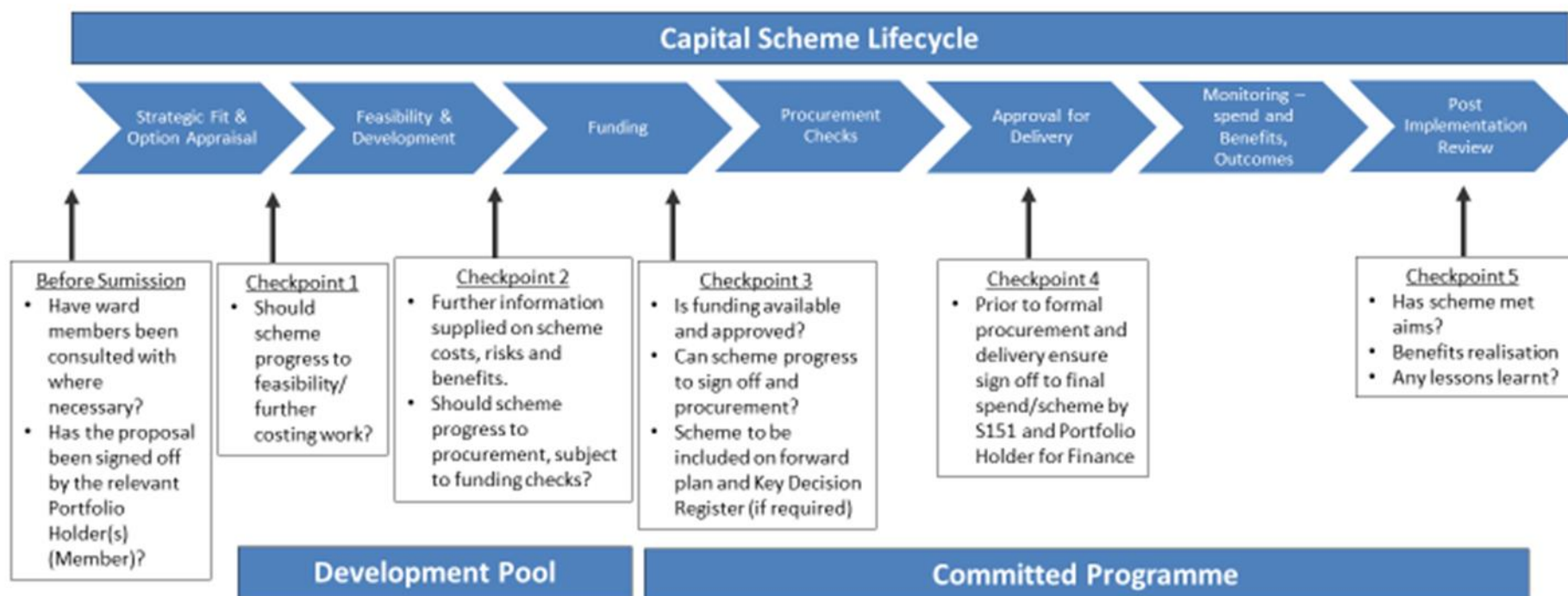
Portfolio Boards/Service Boards – Outline Responsibilities

Membership to be determined by each Board

Responsibilities

- To provide the operational framework to support capital project business case preparation and management of capital schemes ensuring Portfolio Holder Member approval at outset and at each checkpoint stage.
- Where appropriate to approve individual schemes against a larger approved programme, subject to conditions being met.
- To report monthly in a consistent format on performance and progress for individual projects against time, budget, cost, quality, benefits and outcomes against original plan;
- To advise and inform Capital Programmes PMO in terms of project and programme performance detail to enable PMO to provide monthly/quarterly report as required to the Strategic Capital Board on performance and progress at Portfolio level.
- CLT Portfolio Leads to be the accountable officer for to the Strategic Capital Board for effective delivery of agreed outputs to time and cost.
- To agree proposals to ensure spend and performance remains in line with budget;
- To be responsible for ensuring the effective implementation and operation of the Checkpoint process at portfolio level for approved individual capital project/programme performance;
- To approve submission for feasibility funding and monitor and report on the utilisation of any approved feasibility funding;
- To identify, report and manage key project/programme risks;
- To adhere to formal key decision requirements and financial approval processes;
- To review and report on project/programme post completion outcomes, including lessons learnt (Checkpoint 5).

Managing Schemes Through Their Lifecycle



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- **Strategic Capital Board** will be responsible for oversight of managing schemes through their lifecycle, and reporting to Cabinet/Council as required.
- **Capital Portfolio Boards** will be responsible for day to day management of schemes.
- **Funding** - Schemes may require approval of some funding to progress to next Gateway.

Finance and Resources Scrutiny Committee 13th July 2021

Report Title	Introduction to Scrutiny Work Planning
Report Authors	Adele.wylie@northnorthamptonshire.gov.uk

Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number for exemption from publication under Schedule 12A Local Government Act 1974	

List of Appendices

Appendix One - Diagram of Stakeholders

1. Purpose of Report

- 1.1. For Scrutiny members to consider best practice and statutory guidance in relation to ensuring an effective and impactful scrutiny function. As part of this, to agree a work planning process for 2021/22.

2. Executive Summary

- 2.1 The Shadow Authority at its meeting of 25th February 2021 established two Scrutiny Committees as part of the Council's decision-making structure. As new Committees, Scrutiny members need to determine how they can make scrutiny effective and impactful in line with best practice and statutory guidance. It is proposed that the Committee commence the process of developing a workplan for the upcoming year to support this.

3. Recommendations

It is recommended that Scrutiny Commission:

- 3.1 Note the Scrutiny Statutory Guidance; and
- 3.2 Approve the proposed 2021/22 work planning process as set out in the report.

4. Report Background

- 4.1 The Council operates a hybrid model of governance. Legally, this means that the Council operates “executive arrangements”, however the Executive has established Executive Advisory Panels which support and encourage cross party involvement.
- 4.2 Overview and Scrutiny Committees were introduced as part of the new executive arrangements created by the Local Government Act 2000. The purpose of creation of the scrutiny function was to ensure that members of an authority who were not part of the Executive could hold them to account for the decisions and actions that affect their communities.
- 4.3 Since its creation, scrutiny has evolved and authorities, the public, and stakeholders accept that scrutiny is a foundation of good governance. The Centre for Governance and Scrutiny (CfGS)¹ is a national centre for expertise and exists to promote better governance and scrutiny. In 2003, they identified that effective overview and scrutiny should:
- Provide constructive “critical friend” challenge:
 - Amplify the voices and concerns of the public:
 - Be led by independent people who take responsibility for their role:
 - Drive improvement in public services.
- 4.4 In May 2019, the Ministry of Housing, Communities and Local Government issued statutory guidance which councils “must have regard to when it is exercising their functions”. Accordingly, this Council should commit to upholding the Guidance and working towards effective scrutiny for the benefit of North Northamptonshire. As a new Council, it will also be important to learn about successful scrutiny from other Authorities to strive towards the Councils scrutiny function being considered as a best practice example.
- 4.5 The Council has established two Scrutiny Committees, one being the Scrutiny Commission and the other the Finance and Resources Scrutiny Committee. The terms of reference for both are set out in the Constitution². The model adopted of fewer Committees and more Task and Finish Groups focussing on specific pieces of work is intended to reflect a modern and flexible approach to scrutiny.
- 4.6 Following a work planning process which is proposed below, Task and Finish Groups/Spotlight Reviews would be created to support the Committees and review those topics identified in the Annual Workplan. There may also be some urgent matters that arise through the year and having the flexibility to create small, focussed groups to react will support an effective scrutiny function.
- 4.7 The establishment of a brand-new scrutiny function is an excellent opportunity to set the culture of how the organisation sees scrutiny and ensure that scrutiny

¹<https://www.cfgs.org.uk/>

²<https://northnorthants.moderngov.co.uk/ieListDocuments.aspx?CId=198&MId=507&Ver=4&Info=1&a=1> (section 7.1 refers)

performs in a way that heightens the public image of the work of the authority as a whole. Setting the culture with officers, members, the public and stakeholders will be a key role of the Scrutiny Committees in the coming months.

5. Issues and Choices

- 5.1 The Statutory Guidance should be noted by members and this report seeks to draw out some key components that will need to be taken forward.

Recognising scrutiny's legal and democratic legitimacy

- 5.2 The Statutory Guidance states that

"All members and officers should recognise the importance and legitimacy of the scrutiny function is afforded by the law".

- 5.3 The scrutiny function is a legal requirement, and this should be recognised by the Council, stakeholders and the public. The Council's wider membership has received training on decision making and scrutiny's role and members of the Scrutiny Committee have also received training from the Centre for Governance and Scrutiny.

- 5.4 Although senior officers have also been engaged with scrutiny's role in the organisation, wider communications will need to be undertaken with all Council officers and the public to help them understand how Scrutiny contributes to effective decision making in the Council. The proposed work planning process will help to establish scrutiny's role in North Northamptonshire.

- 5.5 An important aspect of promoting and supporting scrutiny is the legislative requirement for the Council to appoint a statutory scrutiny officer to support scrutiny and provide impartial advice. The Council has designated the role on an interim basis, but the resource required will be a future consideration in the design of the Democratic Services team.

Identifying a clear role and focus

- 5.6 The Statutory Guidance states that

"Authorities should take steps to ensure scrutiny has a clear role and focus within the organisation... Therefore, prioritisation is necessary to ensure the scrutiny function concentrates on delivering work that is of general value and relevance."

- 5.7 A key risk of scrutiny is that the role of scrutiny and audit are confused. Good work-planning will ensure that the Committees do not consider matters which should rightly be considered at the Council's Audit and Governance Committee. In addition, the adoption of a hybrid model of governance and the establishment of Executive Advisory Panels make a distinction of rules even more important.

- 5.8 The Executive Advisory Panels are cross party Panels, chaired by the relevant Portfolio Holder. They will help to develop policy and look at important decisions before they are made by the Executive and then provide recommendations to the Executive which will help to inform their decision making. They are an important aspect of creating an inclusive decision-making culture. Whilst this may have been traditionally have been considered to be “pre-scrutiny” and is a different approach to the traditional scrutiny model it does not detract from the important role that scrutiny will have in keeping key policies under review, ensuring performance and reviewing the Forward Plan to identify those items that it feels it needs to look into further.

Ensuring easily and regular engagement between the Executive and Scrutiny

- 5.9 Whilst the Statutory Guidance is clear that *“the Executive should not try to exercise control over the work of the scrutiny committee”*, they should be engaged in the work of the Scrutiny and should respect them as a “critical friend”.
- 5.10 The Guidance recommends that an Executive/Scrutiny Protocol is adopted to support an effective relationship and to provide a framework for disagreement and debate which is a healthy part of the scrutiny function. It is recommended that this work is progressed in the coming months. The Chairs of the Scrutiny Committees should determine the nature and extent of individual Executive member’s participation in any agenda items brought before Committee or working groups/panel relevant to their portfolio.

Work-planning

- 5.11 It is recommended that for Scrutiny Members to be at their most effective, to have an impact and make a tangible difference to the work of the authority they need to workplan which topics they will review throughout the year. This will involve drawing up a long-term agenda whilst also allowing the flexibility to accommodate short term issues that may arise during the year. The workplan should also allow capacity for any “call in” requests from Scrutiny.
- 5.12 The Statutory Guidance states that:

“Evidence will need to be gathered to inform the work programming process. This will ensure that it looks at the right topics, in the right way, at the right time”.

- 5.13 The Centre for Governance and Scrutiny has commented that:

“Effective work programming is the bedrock of an effective scrutiny function. Done well it can help lay the foundations for targeted, incisive and timely work on issues of local importance, where scrutiny can add value. Done badly, scrutiny can end up wasting time and resources on issues where the impact of any work done is likely to be minimal”.

5.14 Councils have a range of ways to set their work programme. Within North Northamptonshire Council's Constitution, it sets out that the Workplan is owned by the Scrutiny Commission but shall be agreed by both the Chair and Vice Chair following consultation with other parts of the Council as appropriate, including the Executive. It is envisaged that the Chair and Vice Chair of the Finance and Resources Committee would be integral in developing and agreeing the workplan and indeed the relationship between the Committees will be integral to scrutiny's success.

5.15 The most common approach to work planning is to have an annual work programme but with enough flexibility to account for some shifts in priority and topic over the course of the year and this was agreed as an approach in the Constitution.

5.16 As part of the new Council arrangements, it is proposed that Scrutiny adopt a two-stage approach to work planning for 2021/22 as set out below;

1. Information gathering / discovery

5.17 It is suggested that a Scrutiny Conference is convened which will allow Scrutiny members to engage with stakeholders alongside considering a range of other sources of information collected in advance to allow members to make an informed choice about what to scrutinise. Key agenda items would be to review which business as usual items should be brought to Scrutiny, opportunities/challenges ahead, suggestions from senior officers, collation of views from the public and stakeholders followed by small group discussion.

5.18 A diagram of the key stakeholders that should be engaged are attached at Appendix A. Further work would need to be undertaken to understand further the detail of those stakeholder groups.

2. Prioritisation

5.19 The Scrutiny Conference would allow a long list of topics to be drawn together by Scrutiny members. Members should note that not every topic will be able to be reviewed on the list and therefore prioritisation will be a key aspect of work-planning. There are a variety of methods to manage prioritisation. Some councils use rigorous scoring systems and other forms of criteria – in part to make the process transparent and accountable. In others, councillors give themselves much more discretion to use their subjective judgement to decide on the relative priority of topics. There is no single correct approach.

5.20 The Constitution sets out what members should consider in adding items to the workplan, but this may need to be reviewed as the scrutiny function evolves. It is proposed that a scoring methodology is used against the following criteria to add weight to the transparency of what the Scrutiny Committees will look at.

- Is the matter a Corporate Priority?
- Is the item of significant community concern?

- Is the issue significant to Partners and/or Stakeholders?
- What is the added value of doing the work? (It must have an impact)
- Is there evidence as to why the work should be supported?
- Can the Scrutiny work can be completed within a proportionate time to the task identified?
- Is the work being done somewhere else?
- What will be achieved?
- Does the Council have the resources to carry out the work effectively?

5.21 Once the topics have been prioritised, they would be agreed by the Committee for the upcoming year. The workplan should be a living document and be reviewed regularly. As part of this, Councillors might want to select some key sources of information – from the council and elsewhere – and resolve that they will review it every quarter to give themselves the assurance that scrutiny is looking at the right issues, and in the right way. The use of a “digest” of information can help to ensure that the sheer quantity of information that councillors could look at is more manageable.

6. Implications (including financial implications)

6.1 Resources and Financial

6.1.1 The organisation of a Scrutiny Conference will have resource implications. If the Conference is held in person, a venue will need to be booked however the Scrutiny Chairs will be consulted if this will have a financial impact. The Independent Remuneration Panel allocated £40,000 to Scrutiny to support the scrutiny model adopted. £13,500 was provided to the Chair of the Finance and Resources Scrutiny Committee.

6.2 Legal

6.2.1 As contained within the report.

6.3 Risk

6.3.1 Failure to ensure an effective scrutiny function can lead to governance not being as robust.

6.3.2 Failure to workplan would not be in line with statutory guidance and may lead to resources being allocated to matters which do not have an impact on the organisation.

6.4 Consultation

6.4.1 The Chairs of the Scrutiny Committees have been consulted on the proposals.

6.5 Climate Impact

6.5.1 None

6.6 Community Impact

6.6.1 The proposals would have a positive community effect and would allow involvement and transparency in the scrutiny function.

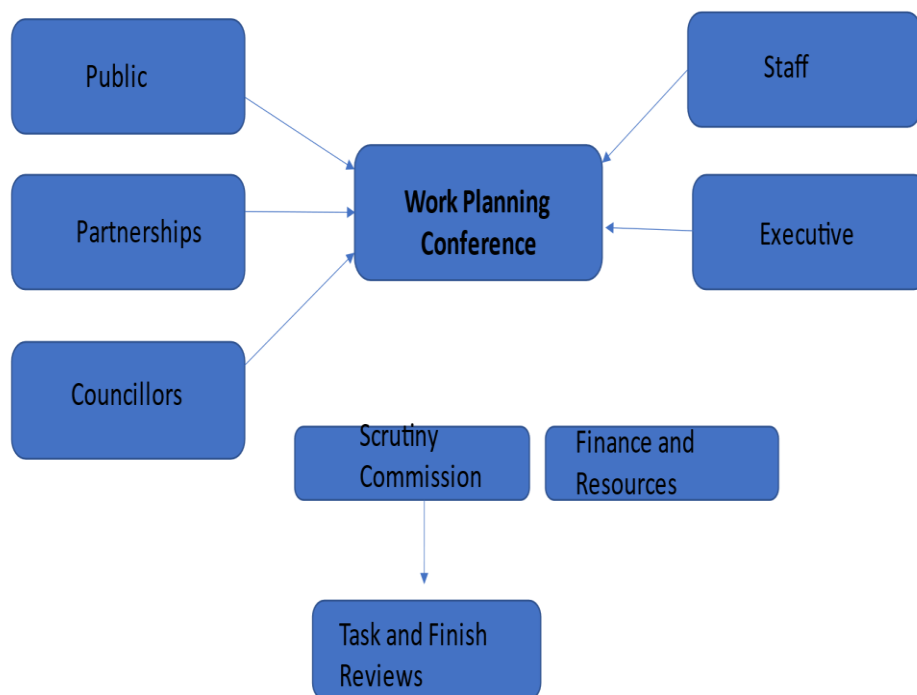
7. Background Papers

7.1 Statutory Guidance published 7 May 2019³

³ <https://www.gov.uk/government/publications/overview-and-scrutiny-statutory-guidance-for-councils-and-combined-authorities/overview-and-scrutiny-statutory-guidance-for-councils-and-combined-authorities>

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Appendix One- Scrutiny Work Planning Diagram



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