

Finance and Resources Scrutiny Committee 13th July 2021

Report Title	Introduction to Scrutiny Work Planning
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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>