

## **SUPPORTING INFORMATION ON THE OVERVIEW AND SCRUTINY REVIEW AT SOUTH HAMS DISTRICT COUNCIL – FEBRUARY 2010**

As at July 2009 the Overview and Scrutiny function at South Hams District Council (SHDC) had not had a comprehensive evaluation, either internally or externally, of how effectively it had been working since the introduction of the new political structure (Executive/Scrutiny arrangements) in June 2001.

As a result of attendance on a Scrutiny training course run by the Improvement and Development Agency, the Chairman of the Scrutiny Group was informed that a limited pot of funding was available via the South West Regional Improvement and Efficiency Partnership, in order for councils to undertake an external review of their scrutiny function. The Chair and Vice Chairman of Scrutiny, had both reported from external events they had attended, that they had become aware that other councils were undertaking their overview and scrutiny in a different manner to that conducted at SHDC. The Member Support Officer, attending various external Scrutiny events, also reported that many other Councils were operating their Scrutiny functions in a wholly different way, particularly in terms of their work programmes, undertaking reviews or light touch reviews, to provide evidence to inform recommendations to the Executive, with a real emphasis on prioritising reviews that would provide tangible outcomes.

Thus, there was a shared view that there was merit in applying for funding to undertake an external review, in order to gauge where Scrutiny might learn from best practice from other councils, and to provide guidance as to whether or not it was operating effectively (Minutes SC.16/09 refer). An application for funding was made, and against other competitive bids, was successful.

### **Preparatory Findings:**

Preparations were then undertaken for the review which received a high degree of input from Members, in terms of returning questionnaires with supplementary comments, attending workshops and undertaking one to one interviews. Members were very honest and open, which allowed the Centre for Public Scrutiny (CfPS) Associates to test these views in the workshops. Some of the key themes that emerged were:

- A lack of clarity about meaningful roles for non-executive Members in the new arrangements;
- Feeling that party group politics was at odds with overview and scrutiny;
- That the Executive was not held to account and there was a lack of real challenge on corporate priorities;
- A recognition that overview and scrutiny was poor in terms of public involvement and reflecting issues of concern to them;
- A real desire for PDG's to set their own Member led, rather than officer driven agendas;

- That the PDG's had more potential to be of significant help to the Executive and the Council, than the current predominant 'rubber stamping' role was delivering.

### **The Findings of the Final Report:**

After undertaking the 'fitness check', the CfPS made a number of key observations of barriers that were currently hindering the effectiveness of Overview and Scrutiny to fulfil all its potential at SHDC. Some of which were:

- Operating like old style committees (which the Local Government Act 2000 was set up to replace)
- Lack of clarity about the roles of non executives
- Cultural challenges re parity of esteem of executive/scrutiny split
- Lack of ownership of agendas
- Lack of strategic approach of overview and scrutiny
- Lack of Public engagement or reflecting the concerns of the public

A range of recommendations to address these issues were included in the report, and these have been grouped and summarised in Appendix 2.

### **National Context of the Review:**

It is important to include a summary of the National context in which the CfPS Associates undertook their review, and which underpins many of the recommendations included in their report.

Firstly, SHDC is by no means alone in having undergone such a scrutiny review, which benchmarks the function against the 'four principles' of effective scrutiny. It is standard practice, and there are many examples of other councils who have undertaken this process over the last few years, and who have been transparent to the extent of publishing their review findings on their websites. It is also standard practice for these councils to undertake an internal 'light touch' evaluation on an annual basis.

Another important point to highlight, is that the key barriers to effectiveness highlighted in the report, are not unique to SHDC, nor indeed a reflection on any individual or group, but are typical of the findings in a majority of such reviews undertaken e.g. operating like old style committees, lack of clarity about roles in the executive/scrutiny split and so forth, and there are some elementary reasons for this.

In 2002, the Office of the Deputy Prime Minister (ODPM) commissioned a report to investigate how well the new political management arrangements of the Local Government Act 2000 were working across councils, as it was acknowledged that a few years had been a relatively short time, compared to the previous century of committee style decision making.

The picture that emerged was, that, whilst the setting up of the executive arrangements in the executive/scrutiny split were proceeding effectively, overview and scrutiny committees were struggling to develop successfully, despite the fact that the new arrangements for overview and scrutiny were the most powerful elements of the modernising process. This struggle to develop manifested itself in some of the key barriers to effectiveness mentioned above and reflected in the report.

Overview and Scrutiny has numerous roles to develop, the five key roles being:

- Holding the Executive to Account;
- Policy Review;
- Policy Development;
- Value for Money Reviews; and
- Community Leadership.

By far the most problematic role was considered to be the scrutiny element of 'holding the executive to account', as Members struggled to get to grips with the independent and objective nature of scrutiny, and in holding what might be 'party colleagues' to account in open and public arenas. This goes against all the natural instincts of party group behaviour. Equally, Members of opposition parties also found the objective balance difficult, as it was hard to know at what point being critical was becoming political.

Thus, whilst ticking the box of robust and rigorous scrutiny, in reality it was more comfortable for councils to focus on the policy development and review roles. In addition, instead of holding the executive to account, more often than not it was senior officers who were held to account, and few councils had got to grips with 'formally' inviting the Executive Members to attend as witnesses in front of Overview and Scrutiny Committees. Additionally, it was found that the scrutiny components tended to focus more on external scrutiny, which again was less problematic than internal scrutiny.

This tendency of councils to replicate the old committee system, was borne out of the confusion of the blurring of the 'support' and 'challenge' roles in a single institutional mechanism, with the support function becoming pre-eminent for the previously stated reasons. Also, by setting up overview and scrutiny committees to match executive portfolios they became in essence de facto advisory committees to Executive Members, thereby replicating the committee system which the new legislation was intended to replace, but without the decision making powers.

The reforming move behind the new executive/scrutiny arrangements was to allow for two distinct sets of councillors with two distinct roles, strong, visible and accountable leadership which could be held to account by strong overview and scrutiny practised by a wider group of councillors (parity of esteem). This required procedures and a culture that supported the enabling of an independent and objective environment for overview and scrutiny councillors to operate in.

### **Overview and Scrutiny – The ‘Improvement Arm’ of a Council**

The faltering start of the new arrangements engendered some negative attitudes towards overview and scrutiny as ‘something for non-executives to do’, an irrelevant appendage bolted on to council business or a potential mechanism for troublesome opposition. This coupled with devices such as marginalisation or party primacy manipulation of the function by some cabinets and senior officers, rendered the function virtually ineffective in some instances.

When Overview and Scrutiny is not adding any value to a Council, it is not valued and is treated as such. Yet when given parity of esteem, an enabling culture and conducted effectively, it can be a significant driver of improvements and of great assistance to the Executive and ultimately the residents, which a Council ultimately strives to serve.

Beyond its faltering start, there has been a recognition that the work of overview and scrutiny should have tangible, positive outcomes, and a new era in community led scrutiny has emerged, with a move away from panels merely rubber stamping large numbers of reports, to a focus on conducting a set number of investigative reviews producing evidence based recommendations.

Central to this next phase of approach, is setting an annual ‘work programme’ of reviews, whereby a range of potential items for consideration are drawn from a variety of sources e.g. Forward Plan, input into budget development, issues of local concern, submissions from Executive Members, officers, individual Members, members of the public, ward issues, poor areas of performance, customer complaints and so on. These items are then considered and discussed at a work setting session and ‘filtered’ using a set of criteria to determine which items should be prioritised for a review which will have the most potential for tangible outcomes to merit the time and resources invested. Crucially, this is a Member led, and not an officer driven process and allows overview and scrutiny groups to set their own agendas.

## **Direction of Travel for Overview and Scrutiny at South Hams:**

It is important to note, that two distinct strands have informed the report. Firstly, the national context outlined above, regarding how councils have been working with the new political structures, the common pitfalls they have experienced and how these pitfalls have been addressed in new work styles and practices. Secondly, from Members own input from their completed surveys, and feedback in the workshops.

One aspect of the findings refers to the Group Structures, with a recommendation to set up a co-ordinating Overview and Scrutiny Management Board to replace the Programming Panel (and which would have a wider remit). In tandem, it was also recommended that the PDG's and Scrutiny be re-launched as cross cutting scrutiny panels which include policy review/development and internal/external scrutiny in their remit using ad hoc task and finish groups for reviews.

The Leader of the Council, in the opening workshop, stated his desire to replace the current PDG arrangements within the next year. There are obviously different permutations of structure that could be considered and adopted, but to derive a real step change in qualitative output, the accompanying cultural and work style changes would also need to be addressed.

Some factors indicating a need to take Overview and Scrutiny forward:

- The Members survey results showed, in terms of low scoring, that there was widespread recognition (by both some Executive and Non Executive Members) that Overview and Scrutiny was performing below capacity across all the four aspects of effective scrutiny i.e. in terms of:
  - critical challenge;
  - reflecting the concerns of the public;
  - in terms of independence and owning its own agenda; and
  - in terms of driving improvement.
- The supplementary comments contributed by Members on their questionnaires, demonstrate a desire by Non Executive Members to work more effectively and independently, which would be enabled by many of the recommendations in the report;
- Output of policy development recommendations heavily weighted to noting and approving reports; and
- Lack of internal holding of the Executive to account.

It is for Members to reflect on the outcomes of the evaluation and to determine the direction of travel for overview and scrutiny at South Hams. Hopefully, the inclusion of the background information on the national context will go some way to help clarify the basis on which many of the recommendations in this, and countless other reviews have been founded on. It is also important to highlight that the recommendations reflect the operating style of many other councils that have taken scrutiny forward.

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Appendix 1 – Quick View Summary of Recommendations of Review

Appendix 2 – Summary Table of Recommendations

Appendix 3 - Example - Canterbury Council – Scrutiny Book

#### **Background Papers:**

- **Development of Overview and Scrutiny in Local Government - Office of Deputy Prime Minister –Snape/Leach 2002**
- **‘Not Just Something for non-executives to do’ – Mark Ewbank, Institute of Local Government Studies**
- **Scrutiny – A Hard Nut to Crack – Making Overview and Scrutiny Work Snape/Taylor, 2001 I&DEA**
- **Open to Scrutiny – Jo Dungey, LGUI**
- **Party Politics and Scrutiny in Local Government: Clearing the Hurdles, Steve Leach, Professor of Local Government, Local Government Research Unit, De Montfort University**
- **The Challenge of Institutional Re-Design – Changing the Political Structures of English Local Government, Peter John, Birbeck College, Gerry Stoker, University of Manchester, Francesca Gains, University of Manchester**