



**REPORT TO:** Council Meeting

**DATE OF MEETING:** 26th October 2006

**REPORT OF:** Assistant Chief Executive

**SUBJECT:** The Future Structure of Overview and Scrutiny

**ITEM NUMBER:** 8

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**1 PURPOSE AND SUMMARY**

- 1.1 The purpose of this report is for Members to consider options for how the scrutiny function could be structured in the future and to make recommendations to the council.
- 1.2 A Future of Scrutiny event was undertaken in June 2006 and an Outcomes Report forms Appendix 1. An options report, initially informally considered by the Overview and Scrutiny Management Board (OSMB) in July 2006 and subsequently amended, forms Appendix 2. The view of the OSMB on their preferred option is provided in Appendix 3.
- 1.3 By its nature Overview and Scrutiny must be member driven. Overview and Scrutiny is currently organised around three out of date objectives. As a result there is a lack of focus on current key council priorities. There is a need for the Scrutiny function to move forward and ensure that it is effective. It has been agreed that the structure of Scrutiny may need to change to achieve this and the Corporate Plan incorporates a key proposal to review this. There are a number of options to consider and their advantages and disadvantages are set out in Appendix 2. It is considered that Option 8 as identified in Appendix 2 and expanded upon in Appendix 3 is the option most likely to secure member support.
- 1.4 Members are recommended to:
- (i) Agree that the future structure of Scrutiny reflects Option 8 of Appendix 2 and as detailed in Appendix 3 which is continued to be managed by an Overview and Scrutiny Management Board
  - (ii) Agree that the necessary changes are made to the Constitution in accordance with the decision made in (i) above.

## 2. **CONSULTATION**

- 2.1 The Chief Executive, Directors and Executive, have been consulted on the report on the proposed response and views taken into account. A Members consultation event has been held and the issue has been considered both informally and formally by the Overview and Scrutiny Management Board. The Council's Head of Legal and Democratic Services and the Scrutiny Officer have also been consulted. The matter was considered by the Executive on 2<sup>nd</sup> October 2006 where it was agreed that the executive would recommend that Council adopts the recommendations embodied in this report..
- 2.2 No other consultations were considered necessary at this stage.

## 3. **CORPORATE PLAN AND PRIORITIES**

- 3.1 The value and effectiveness of Overview and Scrutiny is fundamental to the council achieving its vision and priorities. Scrutiny is relevant to all aspects of the Corporate Plan and our objectives.
- 3.2 The new corporate plan published in June includes a specific proposal to approach the new structure. **Customer Excellence 21** on page 101 of the Corporate Plan sets out the intention, milestones and measures.

## 4. **IMPLICATIONS**

### 4.1 **Financial implications and Value for Money**

There will be both financial and value for money issues depending on the option chosen. The choice of reducing the number of panels and meetings could reduce the officer resources required to service them. This resource could possibly be used to help facilitate scrutiny reviews rather than administer meetings. This could make the Panels that are in place more effective while developing officers in scrutiny support. As a result this could improve value for money in officer terms. On the other hand if the number of Panels and meetings were to increase this would ultimately need more resources to administer and support which would increase cost with no guaranteed improvement in value for money. On balance taking all issues into account this report recommends no change to the number of Panels and meetings. It is considered that the focus on council priorities would help to make Scrutiny more effective while not increasing costs of scrutiny administration and support. It is considered that the choice of this option would improve value for money as a result of increased effectiveness.

#### 4.2 Legal

Any chosen option other than no change would need changes to relevant parts of the constitution. It is not considered that there are other legal issues.

#### 4.3 Personnel

While there are no specific human resource implications to this report the form of Scrutiny structure chosen will have an impact on resources. Any increased number of Panels and/or meeting would require more officer resources. The report does not recommend this.

#### 4.4 Other Services

Overview and Scrutiny clearly relates to all Services within the Council and has implications for improvement in Service Delivery. It is important that whatever the choice of Members Scrutiny must be valued by Members and Officers.

#### 4.5 Diversity

There is no direct issue of equality and diversity arising from this report. The Council's commitment to equality and diversity will be a significant part of the Scrutiny Process. If members choose to focus on the Corporate Priority then this will assist in underpinning the council's commitment to accessible services for all.

#### 4.6 Risk

There are risks in the nature of the options that are under consideration. These depend on the option that is chosen. The key risk may be down to failure to modernise the scrutiny function and the impact that this would have on the community and the corporate health of the council when a CPA corporate Assessment is undertaken. A formal risk assessment forms a background paper.

#### 4.7 Crime and Disorder

It is not felt there are any specific implications of the report on Crime and Disorder. Any choice on Structure would require Scrutiny to play its role in ensuring that in all decisions the council takes into account the impact on Crime and Disorder.

#### 4.8 Other Implications

All other corporate implications have been taken into account. In terms of consultation the council will publicise its decisions and action in District News, on the website and through media engagement. It will also engage partners and the community in the process of any new structure.

### 5. **BACKGROUND, POSITION STATEMENT AND OPTION APPRAISAL**

5.1 By its nature Scrutiny must be member driven. Scrutiny is currently organised around three out of date objectives. As a result there is a lack of focus on current key council priorities. There is a need for the Scrutiny function to move forward and ensure that it is effective. It has been agreed that the structure of Scrutiny may need to change to achieve this and the Corporate Plan incorporates a key proposal to review this. There are a number of options to consider and their advantages and disadvantages are set out in Appendix 2. In ensuring that the Council's Scrutiny function is fit for purpose, any new structures should look to ensure that:-

- there is strong member support for the option chosen;
- there are clear opportunities to demonstrate the linkages between the work of the Scrutiny Committee and the Council's agreed corporate priorities and objectives;
- there is a balanced and manageable workload between all Scrutiny Committees;
- there is a demonstrable opportunity to challenge the Executive;
- there is an opportunity to realistically engage with members of the public in the work of the Scrutiny Panels;
- there is opportunity to develop some specialisation amongst Scrutiny Panel Members in the areas of work which they undertake;
- the Scrutiny Panels can deal with cross-cutting issues;
- there is a reduction in the overlap between Scrutiny Panels; and
- there is good use of officer support and provide improved value for money

5.2 In addressing structures some benchmarking activity has been considered. As part of the Centre for Public Scrutiny's third annual survey, local authorities were asked to highlight the structures that they had adopted in establishing their Scrutiny functions. The most popular approach is to have multiple overviews and scrutiny committees that usually reflect cabinet portfolios or service directorates. 59% of the 164 authorities who responded have adopted this approach. Of these, 75% reported that they have a co-ordinating body usually composed of the Chairs and Vice-Chairs of the committees, which are used to set the work programme and other co-ordinating tasks. The exception to this was for authorities operating under alternative arrangements where the two most

common structures are one committee that does all of the work or one scrutiny committee that commissions time limited panels.

5.3 There are a range of options available for the Council to consider in reviewing its Scrutiny arrangements which centre on both the functions undertaken by Scrutiny and also how these roles could be performed in a variety of Scrutiny models. The Scrutiny function undertakes four key roles, namely:-

- i) Calling the Executive to account
- ii) Policy Development and Review
- iii) Performance Management and Review
- iv) External Scrutiny/Partnership Working

These roles would continue under whatever Scrutiny Structures are decided upon for the Council.

5.4 Potential options were explored at the consultation event in June and the outcomes of this are presented in Appendix 2. Detailed options are set out in Appendix 2. This report focuses on option types.

#### **No Change**

5.5 There is a general view that the Scrutiny function needs to shift to improve its effectiveness and be more valued within then organisation. The option of no change would perpetuate concentration on out of date objectives which could be seen as a lack of focus against the councils corporate plan . It is not felt that no change is an appropriate option. It is not felt that this option could meet the requirements of the issues set out in paragraph 5.1.

#### **Reduce the number of Panels to One**

5.6 This would require complete change. This option would mean there would be one Panel with task and finish groups to undertake reviews. There would be no need for an Overview and Scrutiny Management Board. It is considered that there are clear opportunities to improve officer support and make best use of officer resources with this option. On the other hand there are clear disadvantages in terms of volume of work and engagement of all members. There is also a disadvantage that it does not appear to have the support of a significant number of Members including the Chairs and Vice Chairs of the existing Scrutiny panels. It is considered that this Option could meet the criteria set out in paragraph 5.1.

#### **Reduce the number of Panels to Two**

5.7 This would mean the setting up of two completely new panels. This could be Sustainability Community Strategy based, council priority based, issue based or portfolio based. The need for an OSMB would be retained. . It is considered that there would be opportunities to improve officer support and make best use of officer resources with this option. On the other hand there are disadvantages in terms of volume of work and engagement of all members. There is also a disadvantage that it does not appear to have the support of a significant number

of Members including the Chairs and Vice Chairs of the existing Scrutiny panels. It is considered that this Option could meet the criteria set out in paragraph 5.1.

### **Maintain the current Structure of Three Panels**

- 5.8 This would not be a no change option but would re-focus Scrutiny. This could mean the setting up of three completely new panels or simply a shift in emphasis and potentially a name change of the existing Overview and Scrutiny Panels. It would continue to be supported by OSMB. This could be Sustainability Community Strategy based, council priority based, issues based or portfolio based. The advantages of this would be that the Scrutiny function would be more focused to current overall priorities or work loads particularly if there was a clearer relationship between Scrutiny and the Corporate Plan. On the other hand this option would not be able to fully make the best use of officer resources. However it appears that this type of option does have the support of a significant number of Members including the Chairs and Vice Chairs of the existing Scrutiny panels. It is considered that this Option could generally meet the criteria set out in paragraph 5.1.

### **Introduce Four Panels**

- 5.8 This would be a completely different approach where more Panels undertook the Overview and Scrutiny Role. This would still require OSMB. The focus of the Panels could be based on the four aims of the Sustainable Community Strategy, the four blocks of the Local Area Agreement or be Directorate based. The advantages of this would be that the Scrutiny function could be more focused towards more strategic issues. However this would require more resources to administer. It also appears that this type of option does not have the full support of a significant number of Members including the Chairs and Vice Chairs of the existing Scrutiny panels although there is a view which supports a link to the blocks of the Local Area Agreement. It is considered that this Option would not meet the criteria set out in paragraph 5.1.

### **The suggested approach**

- 5.9 Taking into account all the material issues including the likelihood of the structure being supported by members and being Member led it is felt that the most effective structure would be to retain three Panels with a change to their focus. The most favoured option in principle is considered to be Option 8 in Appendix 2 which focuses on the seven council priorities set out in the Corporate Plan. The view of the OSMB is that there could also be clear linkages to the blocks of the Local Area Agreement to such a structure. This is shown in Appendix 3. If members were to accept this option it would need to decide whether it was necessary to re-create the three Panels or simply change the titles and the work programmes of the three existing panels to the focus identified in Appendix 3. The latter would lead to least disruption. It is felt that this option would lead to a more effective scrutiny function and thus improve value for money.

6. **RECOMMENDATIONS**

6.1 Members are recommended to

- (i) Agree that the future structure of Scrutiny reflects Option 8 of Appendix 2 and as detailed in Appendix 3 which is continued to be managed by an Overview and Scrutiny Management Board
- (ii) Agree that the necessary changes are made to the Constitution in accordance with the decision made in (i) above.

7. **BACKGROUND PAPERS / DOCUMENTS REFERRED**

- 7.1 Centre for Public Scrutiny's third annual survey- feedback report
- 7.2 Report to Executive on 2<sup>nd</sup> October 2006

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**4th October 2006**  
**Version 1.0**

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