

# **BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE**

**4 JUNE 2007**

## **WORK PROGRAMME REVIEW**

Report from: Neil Davies, Chief Executive

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### **1 Purpose of item**

This report invites the Committee to consider and agree its initial work programme for 2007/08.

### **2 Recommendations**

- 2.1 The Committee is asked to review its current work programme and prioritise issues for the forthcoming year taking into account advice from Chief Finance Officer set out in paragraph 6.3 of the report.

### **3 Background**

- 3.1 For the benefit of any new Councillors this section sets out the background to the development of the Overview and Scrutiny function in Medway. There have also been two sessions in the Induction Programme for Members covering Overview and Scrutiny.
- 3.2 Since the introduction of a Leader and Cabinet model in October 2001 the structure and effectiveness of the Council's Overview and Scrutiny Committees have been the subject of continuous review. In the last review of the Scrutiny function the Committees were aligned with the current Directorate structures adopted by the Council in 2005/06.
- 3.3 In October 2003 a Scrutiny Action Plan was agreed to help improve the Overview and Scrutiny function. The plan was developed partly in response to the Council's Comprehensive Performance Assessment (CPA) in 2002, which suggested that the scrutiny function was not sufficiently challenging of the Cabinet and its approach to performance management was inconsistent.
- 3.4 In 2004 the IDeA was commissioned to undertake an independent review of Medway's Scrutiny function with reference to four principles of good scrutiny that were identified by the Centre for Public Scrutiny, which state effective public scrutiny should:

- provide “critical friend” challenge to Executives as well as external authorities and agencies;
- reflect the voice and concerns of the public and its communities;
- take the lead and own the Scrutiny process on behalf of the public;
- make an impact on the delivery of public services.

An action plan was produced based on the findings of the IdeA with the aim of building further capacity and improvement in Overview and Scrutiny.

3.5 In August 2006 the Audit Commission published the findings of its Corporate Assessment of Medway under CPA – The Harder Test, with positive feedback on the Overview and Scrutiny function. In the Executive Summary the Commission said “Scrutiny Committees successfully influence policy formulation through cross-party task groups. All Councillors are involved in monitoring performance and identifying opportunities for improved service delivery. These measures ensure all Councillors are involved in policy formulation and performance review”. In the section of the report on Capacity the Audit Commission made the following comment on Overview and Scrutiny:

“Scrutiny is adequate and improving. Each Scrutiny Committee sets its own annual work programme which includes contributing to policy development, monitoring performance and examining the activities of the Cabinet. Portfolio holders are routinely required to appear before Scrutiny Committees to present progress reports and to answer questions and “call-in” procedures can be invoked if necessary. Scrutiny is particularly effective when working through cross-party task groups formed to examine policy initiatives. The majority of recommendations from these groups are endorsed by Cabinet and incorporated in Council policies.”

Elsewhere in the Corporate Assessment the Council’s approach to Member learning and development is commended.

3.6 This provides a firm platform on which to further develop and improve the Overview and Scrutiny function in Medway. Now is an opportune time for Members, following the elections, to take stock and plan for the programming of work. The framework for the next four years should ideally position the Council to respond to forthcoming legislation which widens the remit of Overview and Scrutiny Committees and the role of non-executive Councillors and to achieve excellence in the Comprehensive Area Assessment which it is intended will replace CPA, Joint Area Review (JAR) and the Social Care Star rating by March 2009.

## **4 Achieving Excellence**

- 4.1 An important part of the backdrop to any planning for the future of Overview and Scrutiny is a research report published in March 2007 by the Centre for Public Scrutiny (CFPS). This report is based on an analysis of what “harder test” Corporate Assessments tell us about the Overview and Scrutiny function’s contribution to and relationship with performance in local authorities. The report has established a clear correlation between high performance overall, as measured by the Audit Commission’s CPA, and a strong scrutiny function. For scrutiny to be effective and contribute to improving performance, this research shows that it needs to be linked to the Council’s wider priorities and mainstream work programme.
- 4.2 The CFPS has examined a sample of recent CPA reports. The results show that, across all types of Council, authorities with a strong Scrutiny function tend to score more highly in CPA results and that for Unitary Councils there is a clear relationship between the quality of the Scrutiny function and the ratings awarded to a Council both in terms of “star rating” and “direction of travel”.
- 4.3 Observations on star-rating analysis suggest that Councils that received a higher-rating provide effective challenge, are strongly supported and monitor service performance in innovative ways. On direction of travel, Councils who are “improving well and strongly” are complimented on innovative scrutiny arrangements that support Council improvement. The research findings suggest “excellent” Councils usually have an Overview and Scrutiny function which is well integrated with the rest of the Council helping it to focus on its priorities and only excellent Councils achieve positive comments on the quality of leadership in Scrutiny. The greatest strengths of Scrutiny in excellent Councils were in “performance management” and “investment” in the function and many have positive comments about staff and Member development and the use of external organisations to stimulate improvement. There is also an emphasis on Members of Scrutiny really understanding their role.
- 4.4 The research found that key weaknesses in the Overview and Scrutiny function of Councils, which had a score of three stars and a direction of travel stating they are “improving adequately” (Medway’s score) are that scrutiny does not adequately monitor performance of the Council and is weak at challenging the decision-making process. Other weaknesses can include an inadequate emphasis on providing learning and development opportunities for Councillors and basing work programmes on perception alone.
- 4.5 The CFPS suggests it will be crucial for the future of the Overview and Scrutiny function to be positively mapped as CPA moves towards a more forward-looking assessment under the Comprehensive Area Assessment. The CFPS also states that to have the greatest impact, successful scrutiny must be based on evidence and this should be in all its forms; examples of

this being anything from voices of the public demanding out of hours access to GPs in rural areas, to the views of national experts on carbon capture and climate change. The research says effective scrutineers hear that evidence, weigh it up and reach a judgment to inform their recommendations and working with partners to deliver change will be key.

- 4.6 This research provides a helpful analysis to enable the Council to clarify the future role and operational arrangements for Overview and Scrutiny in Medway and to ensure it is contributing towards the achievement of an excellence rating for the Council.

## **5 Work programming for the future**

- 5.1 At each meeting of the Council's Overview and Scrutiny Committees there is a review of the Committee's current work programme. This Council's Constitution enshrines the principal that every Overview and Scrutiny Committee and Sub Committee is responsible for setting its own work programme, taking into account the wishes of all Members of the Committee/Sub Committee. At paragraph 6 of this report there are some recommendations relating to the current work programme and how business might be prioritised at this stage for the forthcoming year.
- 5.2 There are one or two areas that Members may wish to explore in more depth arising from the IDeA review of Medway's overview and scrutiny function and comments received under the recent CPA:
- (a) Action agreed following the IDeA review in Medway has been implemented with significant success as reflected in the 2006 CPA feedback. However, there are still some outstanding issues including the introduction of measures to systematically evaluate the effectiveness and impact of Overview and Scrutiny activity, further development of the performance management role of Overview and Scrutiny and the building of capacity to deliver constructive challenge.
  - (b) In particular the IDeA recommended the development of a robust process led by Members, for developing and prioritising annual work programmes, ensuring there is input from relevant stakeholders, including the public. Some councils have adopted criteria for developing overview and scrutiny work programmes. This may be an approach for Medway to consider taking into account established best practice and guidance with a focus on the Councils priorities, performance management and the identification of issues of concern to the community. Criteria could also provide a framework to guide officers in referring business to Overview and Scrutiny Committees.
- 5.3 There are a number of forthcoming developments and changes in the Overview and Scrutiny arena which will require consideration by Members in due course to determine how Medway will incorporate any changes at a local level:

- (a) The Government White Paper, “Strong and Prosperous Communities” and the Local Government and Public Involvement in Health Bill propose an explicit extension of the scope of Overview and Scrutiny to cover the activities of partners contributing to the development or delivery of Local Area Agreements (LAAs). Overview and Scrutiny Committees will be given powers to require evidence from such partners, and to require them to respond to scrutiny recommendations.
- (b) The Bill brings forward proposals in the White Paper to introduce a “community call for action” which establishes the right of individual councillors to refer a matter affecting their area to Overview and Scrutiny, (with the exception of matters relating to Crime and Disorder).
- (c) The Police and Justice Act makes separate and different arrangements for Crime and Disorder. Under this Act Local Authorities will be required to have an Overview and Scrutiny Committee with power to review decisions on crime and disorder functions. In addition the Act gives power to Councillors to refer local crime and disorder matters raised with them to the Overview and Scrutiny Committee. This is the equivalent of the “community call for action” envisaged for other matters in the Local Government and Local Involvement in Health Bill. (There will also be a right of public access to the Cabinet if a Councillor refuses to refer a crime and disorder matter to the relevant Overview and Scrutiny Committee).
- (d) The Local Government and Public Involvement in Health Bill abolishes the requirement on Councils to undertake Best Value performance reviews and publish best value performance plans. Currently, in Medway, Overview and Scrutiny Committees undertake Fundamental Reviews.
- (e) The Bill requires each local authority to develop and create Local Involvement Networks (LINKS) to ensure patient and public involvement in health and social care. Patient Forums are to be abolished. Medway is an early adopter of LINKS and part of the project will be to establish a relationship between the local LINK and the Community Services Overview and Scrutiny.

## **6 Suggestions for the Work Programme 2007/08**

6.1 The current work programme for this Committee is attached at Appendix A. In summary, the work of Overview and Scrutiny Committees can include consideration of:

- items raised by individual members of the Committee or any six members of the Council who are not members of the Committee;

- work on matters referred for review by the Council. Typically this is known as pre-decision scrutiny and the Committee may identify matters on the Forward Plan of Cabinet decisions for referral to Overview and Scrutiny first;
- policy review and development often undertaken in small cross party task groups. It is usual for a Committee to undertake one or two reviews of this type each year;
- pre-budget scrutiny;
- consideration of petitions referred by the Council;
- consideration of called-in Cabinet decisions.

## 6.2 Cabinet Forward Plan

The Cabinet Forward Plan is updated on a monthly basis and covers a three-month rolling period. The work programme report, which is an item on most Overview and Scrutiny agendas, includes a section on items featured on the Forward Plan pertaining to the Committee. This enables Members of the Overview and Scrutiny Committee to ask officers to provide a report to the Committee for consideration before the Cabinet makes a decision. Any recommendations made by the Overview and Scrutiny Committee are then passed to Cabinet for their consideration as part of the decision making process.

Currently the Forward Plan has the following items pertaining to this Committee, which Members may wish to place on the work programme:

Medium Term Financial Strategy – 4 September 2007  
 Capital Budget Monitoring – 25 September 2007  
 Revenue Budget Monitoring – 25 September 2007

## 6.3. **Comments of Chief Finance Officer:**

The following items are suggested as potential work items for Business Support over the next year:

ICT Strategy  
 Medium Term Financial Plan  
 Gershon efficiencies - Value for Money/shared services/sickness levels \*  
 Member Development  
 Policy development - Discretionary reliefs for business rate \*  
 Actuarial valuation 31 March 2007 (pension fund deficit) - available December 2007 \*  
 Performance management (budget monitoring/critical success factors)  
 Local Area Agreements, including 'call to account' \*  
 Corporate Spending Review 2007 (CSR7) - expected October 2007 \*

\*All those with asterisks were suggested as possible task group work.

## **7 Financial implications and legal implications**

There are no direct financial or legal implications arising from this report.

There is total budget provision of £2200 to support the work of Medway's four Overview and Scrutiny Committees in 2007/2008.

## **8 Background papers**

Audit Commission report - CPA – The Harder Test

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