

# **Report to the Overview and Scrutiny Task and Finish Panel**

**Date of meeting: 25 November 2014**



**Subject:** Overview and Scrutiny Panel Review – Framework Options

**Officer contact for further information:** G. Nicholas/S. Tautz (01992 564166/564180)

**Democratic Services Officer:** Stephen Tautz (01992 564180)

---

## **Recommendations/Decisions Required:**

### **(1) That the Panel review:**

- (a) the outcomes arising from the facilitated overview and scrutiny workshop held on 22 November 2014, in terms of the identification of options for the future structure of the Council's overview and scrutiny panel framework; and**
- (b) feedback received from the Audit and Governance Committee as a result of its consideration of options for the future structure of the scrutiny panel framework, at its meeting on 24 November 2014;**

### **(2) That, subject to recommendation (1) above, the Panel consider and agree one of the following arrangements set out within this report as its preferred option for the future structure of the scrutiny panel framework, to be taken forward to the consultation phase of the review:**

- (a) the retention of the current panel structure;**
- (b) the adoption of a four-panel structure aligned with the directorate management framework;**
- (c) the adoption of a 'commissioning model' of scrutiny;**
- (d) the adoption of a 'select committee' structure; or**
- (e) any other structure proposed by the Panel; and**

### **(3) That the Panel identify and agree appropriate opportunities for consultation and engagement to be undertaken in respect of the preferred option for the future structure of the overview and scrutiny panel framework.**

## **Report:**

### **Introduction:**

1. A review of the Council's Overview and Scrutiny arrangements was undertaken in 2013/14. The Council's management structure was fully reviewed in late-2013, resulting in a reduction from seven service directorates to four. A proposal for a suggested new overview and scrutiny panel framework aligned to the directorate structure was considered by the Overview and Scrutiny Committee at its meeting on February 2014.
2. At its meeting in February 2014, the Overview and Scrutiny Committee established this Task and Finish Panel to review the existing framework of the scrutiny panels and to make recommendations for how the structure could best complement the new management structure of the Council, whilst ensuring that overview and scrutiny activity

remained robust and fit for purpose going forward. The review only concerns the future structure of the scrutiny panel framework. Wider constitutional aspects and the operation of the Overview and Scrutiny Committee itself are excluded from the scope of the review and are not within the terms of reference of the Task and Finish Panel.

3. The Panel has recently held discussions with various chairmen and vice-chairmen of the current overview and scrutiny panels to gather feedback as part of the information gathering stage of the review. Interviews have also been conducted with service directors and appropriate lead officers to gather views on the operation of the current framework and alternative structure models.
4. This report presents several possible options for the future structure of the scrutiny panel framework for consideration by the Panel, although members may clearly have alternative options that they wish to propose. In order to complete the review in accordance with the timescale agreed by the Overview and Scrutiny Committee, it is necessary for the Panel to indicate agreement to its preferred option at this meeting, in order for this to be taken forward to the consultation phase of the review.
5. At the time of the preparation of this report, the facilitated workshop to be hosted by an independent overview and scrutiny advisor (Tim Young) had not yet taken place. The outcomes arising from this session will be considered at the meeting. Additionally, the Audit and Governance Committee is due to consider options for the future structure of the scrutiny panel framework at its meeting on 24 November 2014, and the feedback arising from the Committee's deliberations will also therefore be reported to the Panel.

#### **Options:**

6. At present, about one third of members are not formally involved in overview and scrutiny through membership of the Overview and Scrutiny Committee or a scrutiny panel. From the viewpoint of officers, it seems that different approaches to work programme development are taken by the existing panels and that a uniformity of approach in this respect might be more appropriate, in order that scrutiny activity results in positive change or improved outcomes. Additionally, it can appear that scrutiny activity is always necessarily directed towards key issues of concern to local residents.
7. The overview and scrutiny function is managed differently across local authorities. Indeed, in Essex locally, there is very little commonality in approach to the management of scrutiny activity or the adoption of scrutiny structures or frameworks.
8. The Task and Finish Panel has continued to review options for the future structure of the overview and scrutiny panel framework and the following options have been identified:
  - (a) **Retention of the current panel structure**
9. The Council has had the current five panel structure in place since 2005. Details of the current panel arrangement are attached as Appendix 1 to this report.
10. From discussions held by the Panel with various chairmen and vice-chairmen of the current scrutiny panels, it appears that members consider that the current arrangements operate efficiently and offer an effective opportunity for focused scrutiny of a discrete service areas, although the existing panel framework may have lead to a situation where not all of the Council's services are subject to regular scrutiny. At the officer level, the following issues have been expressed on the current five panel structure.
  - some panels work well, others do not have a focused work programme;
  - there are effective discussions and interviews at panel level;

- some panels seem to have less to do than others;
  - not much changes as a result of meetings;
  - there is lack of consistency with approach between panels;
  - the structure allows new and current members to get engaged in scrutiny matters and to develop chairmanship skills;
  - the structure currently absorbs a lot of officer time;
  - there is a lack of public awareness and engagement with panels and meetings;
  - the structure is confusing issues where to take particular issues and the route to follow;
  - the structure doesn't cover the work of all directorates or service areas; and
  - the structure can result in duplication and blurring of responsibilities.
11. The retention of the current panel structure is not supported by Management Board, for the majority of the concerns set out above. In addition, it should be noted that a review of the number of councillors is one of the savings options currently being considered and that a review of member levels might have to be undertaken in the near future. Any review seeking a reduction in the total number of members will also be likely to require a consequent review of the number of 'committee seats' available and it is felt that the current panel structure would be unsupportable in these circumstances.

**(b) Directorate-aligned structure**

12. The directorate-aligned four-panel overview and scrutiny structure was considered by the Overview and Scrutiny Committee on 25 February 2014, when it was decided that it should be researched and developed further by this Task and Finish Panel.
13. In progressing the review of the scrutiny panel framework, members of the Task and Finish Panel have so far demonstrated reservations and opposed ideas for the four-Panel structure, aligned to the new directorate structure, particularly having received feedback from various existing panel chairmen and vice-chairmen. These concerns have included:
- issues with regard to a perceived increase in workload for each panel (the proposed Communities Scrutiny Panel was highlighted in particular for its likely significant role e.g. housing and community safety);
  - a perceived lack of balance regarding the workload of each panel;
  - a possible reduction in member involvement (if going from five panels to four); and
  - the likelihood of reduced opportunities for member development in terms of chairmanship skills and experience.
14. Officers have voiced the following opinions on the possible four-panel framework aligned with the directorate structure:
- it makes clear where responsibilities lie, this keeps the panels focused;
  - it would be easier for staff to engage with due to it being more logical and aligned with services;
  - it would allow better engagement between the chairmen of the panels and service directors;
  - it would force prioritisation on each work programme;
  - there would be a cost saving element (e.g. chairman's responsibility payment for attending meetings and meeting allowances for officers to attend meetings) which would be lessened with one fewer panel;
  - it would suggest an equal workload for each panel;
  - it would reduce the opportunity for duplication;
  - the management restructure had a lot of thought of grouping four logical functions, the proposed structure offers an opportunity to do the same here; and
  - there seemed to be confusion amongst members in the original proposal regarding the responsibility chart being mistaken for a work programme.

15. This option would continue to provide for relevant scrutiny activity to also occur by way of the creation of task and finish panels (as necessary), would ensure that all services have a 'reporting' route for overview and scrutiny and that there is clear scope to the scrutiny activities of each Panel. The option is supported by Management Board.
16. Under this option, the existing Constitution and Member Services Scrutiny Panel could be re-established as a task and finish panel, in order to complete the ongoing review of the Constitution. At this point it could then be disbanded and any future related workload transferred to the suggested Governance Scrutiny Panel.

**(c) Commissioning model**

17. The adoption of a commissioning model of scrutiny was discussed at the Task and Finish Panel meeting on 29 September 2014. A commissioning approach would essentially involve a Task and Finish Panel approach only, with scrutiny activity focused on achieving improved outcomes for local residents.
18. Members of the Panel were hesitant about this approach, as there would potentially be no security of the existing Panels to remain in being and would therefore limit development of chairmanship skills and of expertise in particular fields. It was also noted that this model seemed not to reflect the operational requirements of the authority, as a lot of existing panel work is cyclical in nature and would therefore mean that panels could continue to be established after completion of their commissioned activity, and essentially therefore have the same status as the existing 'standing' scrutiny panels.

**(d) 'Select Committee' model**

19. This report also presents a further option for a scrutiny panel arrangement, based on five thematic 'Select Committees' that broadly reflect the existing panel structure. This approach allows for scrutiny responsibilities to be allocated appropriately, as the current arrangements appear to have resulted in a situation where not all service areas are subject to scrutiny (if required) or allocated to a particular panel for scrutiny purposes. An indicative illustration of this option is attached as Appendix 2.
20. This option would also continue to provide for relevant scrutiny activity to also occur by way of the creation of task and finish panels (as necessary) and would ensure that there was clear scope to the scrutiny activities of each select committee. This option is also supported by Management Board.
21. The establishment of an 'Audit and Standards Select Committee' as part of the thematic approach, would allow this body to act in a cross-cutting role and assume some of the responsibilities previously identified for the responsibility of the Governance Scrutiny Panel in the directorate-aligned option. This option could also allow the existing Audit and Governance and Standards Committees to be absorbed into the new select committee. Under this option, the existing Constitution and Member Services Scrutiny Panel could again be re-established as a task and finish panel in order to complete its outstanding work, and then be disbanded and any future work activity transferred to the new Audit and Standards Select Committee.
22. It is considered that this option would have the following advantages:
  - the number of select committees would remain at five and ensure that member places were not reduced (which seems to be favourable with the Task and Finish Panel and panel chairmen/vice-chairmen);
  - it would ensure that all services had a 'reporting' route for overview and scrutiny;
  - there would be a clear scope for the activities of each select committee; and
  - efficiencies could be generated by the disbanding of the existing Audit and Governance and Standards Committees.

23. The Audit and Governance Committee was established in 2007, in response to guidance issued by CIPFA that emphasised the importance of audit committees as a key source of assurance regarding an authority's arrangements for managing risk, maintaining an effective control environment and reporting on financial and other performance. The establishment of the Committee is not a statutory requirement.
24. With the disbanding of the Audit Commission in March 2015, the onus will be on the council to appoint its own external auditors. The proposals of the Local Audit and Accountability Act 2014 are for 'Audit Panels' to become a legislative requirement, whose primary purpose would be to advise on the appointment of the external audit provider when the Audit Commission's current contracts with audit suppliers end. This would involve mostly independent members and could potentially still be satisfied with the creation of an Audit and Standards Select Committee. It should be noted that it is likely that more detailed work would need to be undertaken on how the proposed select committee would operate, than has been possible in preparing this report.

**(e) Any other structure model**

25. Members of the Task and Finish panel may wish to propose alternative options for the future structure of the overview and scrutiny panel framework

**Consultation:**

26. It will be necessary to engage all members and relevant stakeholders in the review of the existing framework of the Council's scrutiny panels, particularly in terms of the Panel's preferred option for any future structure. Appropriate consultation and engagement will need to be undertaken quickly during the remainder of 2014, in order to achieve the timescale for the completion of the review exercise.
27. Subject to the agreement of the Panel to its preferred option at this meeting, it is suggested that an appropriate questionnaire be developed in this respect for circulation to the following, and that the results of this exercise be reported to the next meeting of the Panel in January 2015:
  - all members of the Council, other than the members of the Task and Finish Panel;
  - all local councils; and
  - where possible, representatives of those external organisations that have been subject to scrutiny by or presentation to the Overview and Scrutiny Committee, within the last three years.
28. Any other member ideas for relevant consultation methods and approaches would be welcomed.
29. The Panel is requested to identify and agree appropriate opportunities for consultation and engagement to be undertaken in respect of the preferred option for the future structure of the overview and scrutiny panel framework.

**Recommendations:**

30. The Panel is asked to consider the recommendations set out at the commencement of this report.