

**Report To: Council**

**Lead Members/Officers: Scrutiny Review Project Board**

**Report Author: Alan Smith, Head of Business Planning & Performance**

**Title: Review of the new Scrutiny system.**

**Date: Feb 28<sup>th</sup> 2012**

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**1. What is the report about?**

- 1.1. The conclusions of a review of the new scrutiny system adopted by the Council in May 2011

**2. What is the reason for making this report?**

- 2.1. When the Council voted to change the way scrutiny in the Council was organised in February 2011, it was agreed that the new system should be reviewed within the first twelve months. This was so that if further changes were required, these could be put in place in time for the new Council in May 2012.

**3. What are the Recommendations?**

- 3.1. That Council confirms the new structure is to continue in its current configuration.
- 3.2. That the Chairs and Vice-Chairs group is modified as proposed in paragraph 12.4 of this report.
- 3.3. That training for Members on the scrutiny system is included in the induction programme for the new Council.

**4. Background**

- 4.1. On 8<sup>th</sup> Feb 2011, Council agreed to change the way the Scrutiny system was organised. It resolved:

*“That the four directorate based scrutiny committees are replaced with three ‘themed’ committees. These would be Partnerships, Communities and Performance.”*

- 4.2. This decision followed a comprehensive review of the scrutiny system by Members and was a key part of the process of modernising the Council. This process included significant changes in the way the Council was organised; changes in the senior management team and

the establishment of clear goals for improvement. The intention was to modernise scrutiny by moving away from the directorate based system as it no longer reflected the organisation of the Council and was felt to encourage 'silo' thinking.

- 4.3. The Wales Audit Office view was also that change was required if the Council was to modernise, saying: "*The Council should further develop and implement its plans to streamline decision making and scrutiny to ensure that roles are clear and time is given to the matters that are considered the most important*".
- 4.4. The underpinning issues behind the change came from a workshop in April 2010, when Members had felt strongly that their time and energy could be better spent if the focus of scrutiny meetings was improved. Members were also concerned that key areas – in particular council performance and partnerships – were not being properly scrutinised.
- 4.5. In addition to the need for a focus on partnerships and on performance, the new Communities Scrutiny also emerged from this process, in order to create a forum for community wide issues away from the limitations of service based scrutiny. Council were keen for this committee in particular to develop strong links with the evolving Member Area Groups and the opportunities they offered to bring local issues and debate into the system.
- 4.6. Members wanted to be sure that the changes to scrutiny would be effective, so a review was planned to explore this. Although the system would not have been running for a full year by the time the review took place, it was felt important that it reported before the election of the new Council in May 2012. The Member/Officer group that developed the original proposals was charged with undertaking the review of the new system, and this work commenced in October 2011.
- 4.7. The review took as its basis both the original objectives of adopting the new system and the issues that Members raised as potential problems during the debate, the intention being to test these out. The method has been to:
  - Understand the views of people involved in Scrutiny; Members, Officers, Senior Managers; co-optees and partners;
  - Compare the work programmes under the new system with that of the old;
  - Find out what our regulators think.
- 4.7. To understand peoples' views we have:
  - Distributed a questionnaire to all Members, as well as holding face to face discussions with some who had raised particular concerns.
  - Met the education co-optees;

- Consulted key partners;
  - Asked officers who have taken reports to committee for their views
  - Discussed the new system with Heads of Service.
- 4.8. Members were keen to participate and have shown a genuine commitment to the Scrutiny process throughout, contributing a whole range of positive ideas and comments to the review. 31 Members responded to the questionnaire<sup>1</sup> and some gave up their time for face to face meetings as well.
- 4.9. The range of Members' comments and the variety of responses from all parties gave an indication of the number of issues involved. The task of reviewing the new system is clearly more complicated than simply asking the question: *'Is the new system better than the old one or not?'* Members decided in February 2011 that the old system was no longer fit for purpose and so going back to it is not an option. The review has attempted to deal with this complexity by exploring the issues that were brought up in that debate and trying to test whether what Members wanted to change has been achieved.
- 4.10. This report incorporates the results of that work, including many of the ideas proposed by Members and explores the key issues in turn.

## **5. Do Members have enough support and information to scrutinise effectively?**

- 5.1. This was an important issue when the new system was being debated. Members wanted to be sure that if they were moving away from a system where 'everything' was scrutinised, to a more focused system that tried to look only at the important areas, that they had enough information and support to know what to focus on. This included support from officers, including Corporate Directors, and reports and information provided by HoS and by the Scrutiny Coordinator.
- 5.2. We asked Members if they thought they had enough information and support to perform their role and most were clear that they did (16 out of 31 agreed, 6 disagreed and 9 neither agreed nor disagreed). That Members have the right level of support and access to up to date information is a critical first step if Scrutiny is to be effective. This was recognised by Members at Council in February 2011, and so since then, officers have taken steps to improve the type and level of information available to Members, particularly on performance issues (from Ffynnon for example).

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<sup>1</sup> See Appendix 1 for results from the 7 questions

- 6. Has the new Scrutiny System been able to scrutinise what's important?**
- 6.1. This was a key aim of the new system; responding to Members' wish to focus their time on where they could add the most value. We asked members if they felt this had worked: 12 agreed, 11 disagreed and 8 neither agreed nor disagreed. So although marginally more thought this aspect of the new system was working, clearly not everyone is sure yet.
- 6.2. Some Members were more comfortable with the old system because they felt it was clearer, whilst others felt that the new system was scrutinising areas that hadn't been looked at properly before. Most agreed that the new system gave Members a much wider picture of what was going on the Council, though some felt this made scrutiny more difficult. However, there is evidence that progress has been made:
- Performance scrutiny is now tackling important 'corporate' items that would not have had a formal place in the old system but are key areas for the Council: Corporate Performance; Project Performance; Risk management; the Corporate Plan and the budget setting process are all examples.
  - The Scrutiny forward work-plans demonstrate a shift to a more focused work pattern, with fewer of the repeat items and 'updates' that were a real problem in the old system.
  - There are now more 'information' reports being circulated outside of the meetings. Although these do not require a decision from Members, many would none the less have formed part of the agenda before.
  - The Chairs and Vice-Chairs group is becoming more effective in ensuring that items going to scrutiny reflect a real 'issue' and are coordinated across the three work-plans.
- 6.3. When we asked Heads of Service about the new system, they felt that both Service performance and Council performance were receiving a much more appropriate level of attention than under the old system. Significantly, senior managers felt that they were now accountable to a much wider group of Members than before, and that more Members were exposed to Education and Social Services issues than under the previous system.
- 6.4. A suggestion that came from Members was that there was potential to improve the system even further as Scrutiny starts to use the Council's new strategic risk system. This could enable Scrutiny to closely monitor high risk areas.
- 6.5. However, there is still further to go in ensuring that Scrutiny topics are always focused on clear 'issues'. The core aim of Scrutiny is to ensure that services are improved through effective oversight, and so simple,

accurate, information to support focused topic selection is critical. Officers supporting scrutiny can play a more active role in supporting members here, as could Heads of Service.

- 6.6. Because the new system deals with cross-cutting issues, topic allocation is less clear cut and some Members still found the new system confusing when considering which Scrutiny should look at which issue. Again, with the system still being relatively new, this is perhaps not surprising. More help needs to be available in this area too, so that Members feel confident about using the new system. This should form a key element of the induction training for Members in the new Council.

## **7. Have any important issues been 'missed'?**

- 7.1 When Members decided to adopt the new scrutiny system, they worried that if they hadn't got the new arrangements right, important topics might be overlooked. When we asked them in the questionnaire, members overwhelmingly said that they didn't know if anything had been missed or not (9 thought things had, 5 thought they hadn't, and 17 neither agreed nor disagreed).
- 7.2. Clearly, Members want to make sure that the new system is working, but it does seem that there has been no real cause to worry about this aspect of the change. Examining the work-plans of the three committees <sup>2</sup> demonstrates that Scrutiny is considering a broad and diverse spectrum across the full range of topics. Certainly each committee planned the areas it wanted to cover at the beginning of the year and has looked in detail at major service areas since.
- 7.3. In fact Scrutiny has covered a long list of important issues in the months since the new system started, including: 21<sup>st</sup> Century Schools; Fforyd Harbour; Supporting People services; Adult Protection; Regional Commissioning; Highways and Care Services for Older People. In addition, Heads of Service are now required to ensure that relevant issues are identified for potential scrutiny.
- 7.4. Reassuringly, no examples of issues that had been 'missed' were identified by Members. It seems that Members worried that they *might* miss something rather than that they actually *had* missed something. Given that the new system has only been in place since May, it is probably too early to be completely sure, but so far the evidence is that important issues are not being missed.

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<sup>2</sup> Please see Appendix 2

## **8. Has the new structure improved the scrutiny of Partnerships and of Performance?**

- 8.1. Improving the scrutiny of these two critical areas was a central aim of the new structure. Improving performance has been a key part of developing Denbighshire as a High Performing Council and continuing to manage performance effectively is a key part of maintaining that position. Equally, partnerships are a vital part of the external environment for the Council, and will be even more so in the future as signatories to the Compact with its commitments to regional working.
- 8.2. Members introduced these two new committees because it was felt that neither area was being scrutinised effectively under the old system. We asked Members whether they thought the scrutiny of Partnerships and Performance had improved: 12 members thought that it *had* improved, 8 thought that it hadn't and 11 neither agreed nor disagreed.
- 8.3. Senior Managers thought that the scrutiny of performance was much improved over the old system. It was felt that with the identification of 'lead' scrutiny members for each service, there was now much more scope for members to be fully informed about the performance of services.
- 8.4. Partners also felt that the scrutiny of Partnerships had improved, one partner commenting that: "...the system is better in that it gives Cllrs. a better understanding of partnership issues, which can be very different from service issues." Health partners said that their experience at scrutiny had sometimes been poor in the past, but that the approach adopted at Partnerships scrutiny had so far been very positive.
- 8.5. Although it has engaged successfully with local partners, the Partnerships Scrutiny committee has not been able to make as much progress in engaging with regional partnerships as had been hoped, and this area needs more work. Part of the problem is that the regional structures of strategic partnerships have still not fully developed. However, a joint committee with Conwy has already been set up and a shared work programme developed.

## **9. Is the new system making the most of member expertise?**

- 9.1. The new structure has focused on issues in a different way to the old service based approach, giving Members a much more comprehensive insight into the Council's progress. The forward work programmes illustrate this:

**Partnerships Scrutiny** has considered, amongst other things:

- Health Services
- Crime and disorder
- Sustainable Social Services
- Regional Waste strategy

- Safeguarding

**Performance Scrutiny** has considered topics including:

- Review of the Council's Assets
- Impact of additional resources given to schools
- IT Strategy
- Arrangements for the Estyn inspection
- Annual Performance Review

**Communities Scrutiny** has had the widest range of topics and has been able to bring a 'community-wide' view to them. Examples are:

- Flood risks
- Control of caravan sites
- Review of schools in the Dee valley
- Roadside grass cutting
- Day care provision in North Denbighshire
- Leisure provision

9.2. Some Members worried about this though, especially those that had previously served on committees that matched their particular interest: Social Services or Education for example. More specifically, as the new system is based on themes, some worried that these would be too broad for Members to apply any expertise they might have. Others have seen the change as an opportunity, reflecting that the Performance scrutiny was a chance to apply their own skills from the world of business. So we asked Members if they thought the new structure captured and developed member expertise: 11 thought it did, 8 thought it didn't and 12 didn't have a view.

9.2. The new system also has the advantage of applying specialist Member expertise to a wider range of issues. Expertise in accessibility for example, or older people's issues, is relevant to the scrutiny of all Council services, not just Social Services.

9.3. Going forward, Members need to be able to understand and scrutinise the Council from a corporate point of view, and this will inevitably involve the development of new areas of expertise and interest. It should be remembered that the scrutiny system was changed precisely because it no longer reflected either the internal structure of the Council or the external environment in which the Council operates.

## **10. What has been the impact on the Educational 'co-optees'?**

10.1. This was a concern from the beginning, as the new system looked as if it would disadvantage them. At the same time, their contribution is very important to the Council, as well as required by statute. The review group met with the co-optees (3 out of the 5 were able to attend) to get their view. They felt that the new system had not worked well for them: they had sometimes had to attend more than one meeting in a month,

and the education item had not always been first on the agenda. They felt that it was difficult for them to 'follow' the scrutiny of education through the new system.

10.2. However, they did recognise why the Council had wanted to change things, and they felt it was positive that a much wider group of Members were now exposed to education issues than before. They felt it would be reasonably simple to improve matters and asked for: an education forward work programme across all three committees; better coordination of education items across the committee agendas and better information about education performance (including access to Fynnon and the Education 'Moodle' database). These new arrangements have now been put in place and should improve the system significantly.

## 11. **Has the new system coped with the workload?**

11.1. In February last year, Members had been worried that with a reduction of committees from 4 to 3 and the fact that the frequency of meetings had already dropped from four weekly to six weekly, that there might not be time to cover all the topics. The three committees have largely stuck to a maximum of 4 items on each agenda and have covered the same number of topics overall as did the previous 4 committees, but they have none the less struggled to accommodate all the issues they wish to discuss. Performance Scrutiny in particular, has put on a series of extra meetings. Partnerships scrutiny has started quarterly joint meetings with Conwy to discuss shared service areas. Communities Scrutiny has a list of 'strategic' topics it would like to consider but has not yet had time to think about. These additional meetings are putting some pressure on the support staff called on to arrange and minute them.

11.2. However, when we asked Members about the frequency of meetings, 18 said they thought the meetings were often enough; 12 said that they should be more frequent and one respondent was undecided. Officers also generally felt that the meetings were frequent enough and were concerned that more would add unnecessarily to their workload.

11.3. It may be that what seems to be too many items is because the system has not yet 'settled down', or there may be a genuine lack of capacity. There could be an argument for Performance Scrutiny in particular meeting more frequently, as it is clearly taking on a range of extra 'corporate' issues. The timing of this committee's meeting has also not worked well with the timetable for performance reporting, which is quarterly.

11.4. If Members do not want to see more frequent meetings though, the answer might be to make more use of Task and Finish Groups as well as the links with Member Area Groups. Neither facility has been much used in the new system so far, the single exception being the Estyn



Task and Finish Group set up by Performance Scrutiny. This completed a useful piece of work to support the forthcoming inspection and is a potential model for the committees to better manage their workloads.

- 11.5. Although capacity in the new system remains an issue for now, the review group feel that the frequency of meetings should not be changed at this point, as the long term position is not yet clear.
- 11.6. The new scrutiny system also increased the number of Members on each committee from 9 to 11 so that with a reduced number of committees, every Member could still have a place. We asked Members in the questionnaire whether they felt that this was a change for the better. The answer was overwhelmingly that they did, with 22 agreeing, 3 disagreeing and 6 neither agreeing nor disagreeing.

## **12. Chairs and Vice-Chairs.**

- 12.1. This group was intended as the lynch pin of the new system, enabling the effective coordination of work plans and scrutiny topics, as well as managing the links with Member Area Groups. This has only been partially effective, as the three committees have set their own work plans to a large extent. It has probably taken on too wide a range of tasks as well, at times functioning more like a fully fledged committee, with all the consequent support needs that brings.
- 12.2. The task of managing new topic allocation has worked well though, and it has demonstrated the ability of the new system to respond to 'hot potato' urgent items (Fforyd harbour). Links with the Corporate Governance Committee have been developed and could be strengthened further by adding its forward work plan to the meeting's agenda. Members of the public have been encouraged to submit suggestions of items for scrutiny through the publication of the 'Scrutiny @ Denbighshire' leaflet, and this has produced some results. There is still more to do in forging links with the Member Area Groups however, and this should be a priority for the group going forward.
- 12.3. The link between Scrutiny work plans and the Cabinet forward work plan could also be improved and it is proposed that the Cabinet work plan becomes a standard agenda item at the Chairs and Vice-Chairs meeting. This would strengthen Scrutiny's ability to monitor items going to Cabinet and its ability to hold the executive to account.
- 12.4. The current make-up of the committee consists of the chairs and vice-chairs of the three scrutiny committees, the chair and vice-chair of Corporate Governance and the chair and vice-chair of the Council. The committee will continue to have an important role in the new structure, but given the need to focus resources on the three main Scrutiny committees, it is proposed to 'slim down' the committee as it stands. The group's main focus should be on coordination of the scrutiny

programme, with shorter and more business-like meetings that should both improve effectiveness and also minimise the administrative impact. Membership of this coordinating group after May should just be the chair of each Scrutiny Committee plus the chair of Corporate Governance, with vice-chairs substituting where necessary.

### **13. Wales Audit Office View**

13.1. The following is an extract taken from the Council's Annual Improvement Report, published in Jan 2012, and refers to the field work undertaken by the regulators in the autumn of 2011.

*These new scrutiny arrangements were implemented in May 2011 and consequently it is too early to judge if they have been successful. Nonetheless, although there are some "teething problems" with the new arrangements, we consider them to be soundly based and developing satisfactorily, for the following reasons.*

- *The move from 'service' focused scrutiny to a more cross cutting / broader focus fits with the overall corporate approach and changes to the management structure.*
- *Councillors have played a significant role in shaping the new scrutiny approach and many councillors, (including scrutiny chairs) are committed to making it a success.*
- *The Council has already planned a review of the new arrangements, which is due to report in March 2012. The Council needs to recognise that scrutiny arrangements do take some time to establish themselves and demonstrate impact.*
- *The process for identifying and choosing scrutiny work items has been developed by and involves both councillors and officers. The process is robust in that it has focused upon the corporate priorities.*
- *To address the potential loss of "councillor expertise" under the new arrangements, the Performance Scrutiny Committee has given a lead role for specific service areas to individual members to ensure they develop and maintain expertise. In addition, the twice yearly service review process and challenge process involved councillors in the individual service reviews, so that they can develop expertise.*
- *The information provided to the scrutiny committees is in a standard format and of good quality.*
- *The quality of questions asked by some Committees Members could be improved to ensure their questions are more consistently focused on the right issues, and concise and probing.*

### **14. Summary**

- 14.1. The new system has been in operation since May 2011 and whilst the reasons for undertaking a review after so short a time are understandable, we probably haven't yet seen the full benefits of the change. Despite this, there are clear signs of progress, evident from the work-plans of the committees; from the views of senior officers, of our regulators and of our partners. Even after so short a time, overall, Members are more positive than negative on almost every issue.
- 14.2. This is not to say that some Members have not found the transition difficult, but it seems likely that as expertise and familiarity grow, this feeling will diminish. Certainly there is no sign of a negative impact on attendance at Scrutiny meetings, with attendance actually improving in the first 6 months of the new system as compared to the last 6 months of the old. For the few that would like to see a return to the old system, it is hard to see how this would help the Council continue to improve.
- 14.3. Clearly some things need to be better though, in particular:
- **Topic allocation:** the proposed additional Member training will help with this, as will increased support from Heads of Service;
  - **Links with the Member Area Groups** – Communities Scrutiny aided by the Chairs Coordinating Group, should consider how to improve these, perhaps through a Task & Finish group
  - **The effectiveness of the Chairs and Vice-Chairs group** - the proposals in the report for reviewing the structure of the group and making the meetings more 'business like' should improve this.
  - **Arrangements for the education co-optees;** their suggestions for improvement have already been put in place, but it will be important to monitor the impact of these changes to ensure they are sufficient.
- 14.4. These things are the 'teething troubles' referred to by the Wales Audit Office, and do not constitute a fundamental problem with the new structure. The new structure may also be considered during the Estyn Inspection, and any consequent recommendations would also need to be considered.
- 14.5. The Project Review Group consider that given these caveats, the new structure is fit for the Council and will carry on making a positive contribution to the Council's continuing improvement. To return to the question posed at the beginning: '*Is the new system better than the old one or not?*' it seems safe to say that overall, it looks like it is.

## 15. How does the decision contribute to the Corporate Priorities?

Improving the effectiveness of Scrutiny is a key element of Denbighshire's 'Modernising the Council' priority in the Corporate Plan.

## 16. What will it cost and how will it affect other services?

There is no additional cost arising from the recommendations

**17. What consultations have been carried out?**

Consultation has been carried out with all Members, the Council's partners, the Senior Leadership team, contributing middle managers and support officers and with the Wales Audit Office.

**18. Chief Finance Officer Statement**

The introduction of the new scrutiny system resulted in some marginal cost savings. There are no additional cost implications as a result of this report.

**19. What risks are there and is there anything we can do to reduce them?**

19.1. Abandoning the new structure would reduce the effectiveness of scrutiny and weaken the Council's ability to improve.

19.2. Not having a clear structure in place by the beginning of the new political year would threaten the new Council's ability to operate effectively.

**20. Power to make the Decision**

- Local Government Act 2000.
- Articles 4, 6, 13 and 16, Denbighshire County Council Constitution. Part III, Denbighshire County Council Constitution.
- Code of Corporate Governance, section 4.