

BODY: ANNUAL COUNCIL

DATE: 17 MAY 2006

**SUBJECT: SCRUTINY & PERFORMANCE MANAGEMENT –
PROPOSED CHANGES TO THE COUNCIL'S
PROCESS**

**REPORT OF: ASSISTANT DIRECTOR – STRATEGY &
DEMOCRACY**

The Council is recommended to:

- (1) Approve the recommended changes set out in paragraph 3.2 of this report to take effect from the start of the 2006/07 municipal year.**
- (2) Authorise the Assistant Director – Strategy and Democracy to make all necessary modifications to the constitution arising from these changes.**

1.0 Background

- 1.1 Recent discussions have been held by the Leaders of both political groups on the Council with a view to improving the contribution of member scrutiny and performance management to the overall decision making process of the Council.
- 1.2 It is recognised that the current value of this work could be improved and that this is primarily a cultural issue rather than a procedural problem.

2.0 Current Position

- 2.1 The Council has a legal obligation under the Local Government Act 2003 to establish a cross-party scrutiny and overview committee. This must be politically balanced and it is this Council's current choice that both the Chairman and Deputy Chairman are appointed from the main opposition group. Its primary functions are to hold the executive (Cabinet) to account, scrutinise specifically identified services, and contribute to the formulation of major framework policies. Its constitutional remit is broad and extremely flexible enabling the work to be conducted at main committee or via task groups. It operates on an annual plan of work approved by the full Council and any individual member can ask for items to be planned and considered.

- 2.2 The Cabinet has created a Performance Management Task Group. This is also politically balanced but, unlike the Scrutiny Committee, it is chaired by a member of the controlling group and is not a public meeting. Its primary purpose is, on behalf of the Cabinet, to monitor the progress of the Council's performance indicators and in particular the corporately agreed priorities and "hot targets".
- 2.3 It is generally felt by group leaders that all the above functions should be fulfilled by a constructively operating scrutiny committee. However, it is recognised that, despite the degree of flexibility in the scrutiny procedural rules and the on-going training provided over the last five years, the following key cultural barriers remain:
- Members are not currently devoting sufficient time and commitment to the Scrutiny process, any momentum currently being provided largely by support officers.
 - Scrutiny is being seen primarily as a political tool rather than a proactive part of the Council's business and is therefore providing minimal added value. This is exacerbated in public meetings which are poor compared to detailed working in Task Groups which has proved productive.

3.0 Proposals for the Future

- 3.1 Group Leaders are committed to working together to seek improvements to the scrutiny process. The primary objective for the future is for Scrutiny Committee to be non-political, become more effective, and have fewer non-productive meetings. It is acknowledged that such improvements would not require significant constitutional change but will require significant cultural change. This would be assisted by:
- The committee focusing on a small number of large issues and/or service area reviews selected primarily on the basis of maximum impact to our customers and/or corporate priorities.
 - Annual scrutiny programme to be discussed more actively by the administration and corporate management.
 - Work to be focused on the use of Task Groups with the minimum number of actual main committees.
 - Cabinet to make more use of requesting the committee to investigate specific matters.
 - The committee to take back the performance monitoring role which will enable Performance Management Task Group to be disbanded, ending the confusion of roles.
 - The committee to make greater use of Forward Plan of Key Decisions to ensure key policy matters are discussed.

3.2 Having regard to all the issues outlined above, the following specific changes are now being recommended:

- Scrutiny Committee to be reprofiled with the current PMTG to be disbanded.
- The new Scrutiny Committee will take on the constitutional procedure rules of the existing Scrutiny Committee but will combine the terms of reference of that committee and the PMTG.
- The constitutional rules will enable any individual member of the Council to put forward items for review via their lead members (Chairman or Deputy Chairman) on the committee.
- Only 4 meetings of the new Committee per year, timed to coincide with the publication of the quarterly performance indicators.
- The new committee will be politically balanced with seven members with the chairman from the main opposition group and the deputy chairman from the controlling group.
- Nominated substitute members as per the current scrutiny committee to still be in place.
- All agendas of the new Committee will be structured into 3 segments, namely ANNUAL PROGRAMME, PERFORMANCE MONITORING, and POLICY REVIEW.
- Under the ANNUAL PROGRAMME segment the Committee at its first meeting will set the programme and appoint Task Groups to undertake scrutiny reviews then at subsequent meetings receive updates and/or final reports from those Task Groups.
- Under the PERFORMANCE MONITORING segment the committee will receive and discuss the latest position in respect of the "Hot Indicators" relating to the stated Corporate Priorities plus members will have the opportunity to highlight any other indicators/services they may wish to discuss.
- Under the POLICY REVIEW segment the committee will discuss any matters identified from the Forward Plan of Key Decisions that they want to discuss ahead of Cabinet.
- In order to create a manageable workload, it is recommended that for 2006/07 a maximum of 3 major service areas are selected for scrutiny reviews on the basis of corporate priority and customer impact. Each will be conducted by Task Groups of 2 members taking the 3 members from each side on the main Committee to make 3 pairs (excludes the Chairman). These pairs will be assisted and supported by the relevant nominated lead service officer for the area being reviewed.

- 3.3 In order to ensure the success and value of the new committee, group leaders are committed to the following cultural changes:
- The Chairman and Deputy Chairman of the new Scrutiny Committee will meet and engage regularly and proactively in respect of items to be considered, and that all members on the committee will respect the need to be constructive in their approach.
 - The Scrutiny Committee, Cabinet and Corporate Management Team will effectively collaborate on the issues and/or service areas selected for scrutiny reviews, the primary drivers for reviews will be those areas where improvement will have the greatest impact on our customers.
 - Any recommendations arising from scrutiny reviews will be reported to and discussed by Cabinet.

4.0 Consultation

- 4.1 The proposals set out in this report have been formulated following consultation with both Group Leaders, the Corporate Management Team and Local Democracy staff.

5.0 Implications

- 5.1 There are no specific financial, environmental or equality implications arising from the changes proposed in this report.

6.0 Summary

- 5.1 Group Leaders have shown a major commitment to the recognising the potential value of the scrutiny process. The changes highlighted in this report will, if accepted and adopted in fact and in spirit, result in tremendous added value to the Council's democratic process.

Peter Finnis
Assistant Director – Strategy & Democracy