

# **REPORT ON THE CENTRE FOR PUBLIC SCRUTINY'S NATIONAL SCRUTINY CONFERENCE: THE GOVERNANCE OF COMPLEXITY**

**6 DECEMBER 2017**

**Report by Cllr Alan Dean, Chair of Scrutiny**

## **1. Why have a national conference on scrutiny now?**

National and local government is becoming more and more complex, meaning decision making is more complicated and uncertain. Decision makers need effective internal challenge to help ensure the best outcomes for the long term, as well as the short term. That was the theme of the national conference organised by the Centre for Public Scrutiny (CfPS) attended by some 130 Members and Officers from across the country. Cllr Alan dean from Uttlesford DC was the only attendee from the whole of Essex.

This report is a summary of many speeches and attendees' comments.

## **2. What are these changes and why can't they be ignored.**

Events like child exploitation in Rotherham and the Grenfell Tower fire disaster were examples of the state failing the people. Government and the state in general is getting smaller. The challenge is to ensure that councils stay ahead of the game and are geared up to anticipate necessary change. Brexit is a major challenge of yet unknown consequences for funding of services and demand for additional services to fill gaps. Avoiding the storing up of problems until it is too late is important.

It was said that the way local government does things is fragmenting, which can result in lots of activity for zero or little outcome. An example was given of support for families in Camden that was ineffective, despite much involvement by several agencies.

What extra challenges and/or responsibilities will Brexit impose? For example, will there be an impact on local employment in Uttlesford if changes to the European aviation regime affects UK airport services?

Public accountability of decision makers really matters. Scrutiny is a fundamental part of democracy and accountability. Whatever changes are introduced, councils must avoid avoiding risk; but must ensure that effective governance mechanisms are in place. Questions were raised about LEP (Local Enterprise Partnership) accountability – where is it? Someone commented “If you don’t welcome accountability, how do you know you are doing the right thing”?

The big issue for councils and the public is about information and transparency if they are going to be able to demonstrate that their organisations are trustworthy.

All change involves risk, for which mitigation training is important; so have it! How is risk balanced against doing nothing?

### **3. The roles of scrutiny**

Scrutiny is not just about holding the executive to account; it is also about developing policy ahead of decision-making. Start by asking the questions: Is scrutiny valued throughout the organisation? Is there sufficient senior officer support? Does the Council feel that scrutiny gets in the way of managerial delivery?

Scrutiny is about talking to power; about speaking up for people who would not otherwise be heard. So be prepared to do what is unpopular but right! For example, the need for state intervention on housing provision.

Scrutiny should act in the public interest at all times. This might include reducing the need for some public services by assessing and addressing the local demand.

Without such types of change to local services, it will not be possible to continue with Scandinavian service quality at American taxation levels.

#### **4.1. What scrutiny needs to be and to do to ensure effectiveness**

There is not enough sharing of best practice amongst councils. (Does the low conference participation from Essex indicate a county-wide issue with scrutiny and local scope for sharing best practice?) Scrutiny must have access to policy officers if it is to influence policy in a timely manner. There will be times when external advisors are needed to help scrutiny work well.

Be ready with a process to deal with things when they go wrong. There is a need for new forms of scrutiny; a theme that will need to be explored.

Leadership through today's climate should follow a VUCA model – volatile, uncertain, complex, ambiguous.

Reports should not come to scrutiny unless there is effective challenge. The notion of challenge has been misunderstood and misinterpreted as “bullish questioning”. When Rotherham went wrong, five commissioners were sent in. There was then an advisory cabinet and pre-decision scrutiny. Consultation was Increased, along with greater public engagement and involvement of Opposition Members. Ward members played a role in neighbourhoods.

Avoid at all cost meetings and action plans that are numerous, but do not result in useful outcomes. A rigorous governance framework must be put in place that includes a member development strategy.

Much was made of the need for scrutiny to be independent from the executive and autonomous. There should be less of “what do you think of this?” and more of “here's a problem/need – what do you think should be done?” Redbridge cabinet members may only attend scrutiny meetings by invitation; they must not just turn up uninvited, as doing so would compromise the independence of the scrutiny process. It is essential to get scrutiny's relationship with cabinet members correct. This can be achieved by establishing a scrutiny protocol.

Committee chairs must be and act independently. Party whipping must play no part in scrutiny. Whipping in Parliament is a standards matter/issue. The question was posed but not answered: “How does one deal with scrutiny of policy already agreed by group meetings of an administration”? Depoliticise how councils make decisions by redesigning the process. Move beyond party politics. It was noted that parliamentary committee chairs are elected by back-benchers without executive/ministerial involvement.

The chair of scrutiny should report to Full Council and occasionally to the Cabinet. At Harrogate Full Council has a standing agenda item. Harrogate has a monthly scrutiny meeting, so impromptu action does not take too long to be addressed.

Questions posed: What is the culture of your council? Do the leader and chief executive consider scrutiny to be important? Is scrutiny expected to criticise the leader and to ask difficult questions? Have you got the right people on scrutiny? Balanced teams out-perform those that are not. All non-executive/non-cabinet councillors should be able to be involved in scrutiny. But remember, Member ownership is critical to success and won't be forthcoming unless Members can see outcomes, i.e. value-added results. Focus on what can make a difference. Do not accept onto the agenda tick-box items and reject information only items.

Members should be confident and inquisitorial. Hold pre-meetings to work out what lines of enquiry will be followed. Charnwood Council scrutiny committee holds an informal pre-budget meeting to work out lines of enquiry.

Cabinet agendas should be published two weeks in advance of the cabinet meeting to allow scrutiny members time to digest its content. Kirklees had something called a democracy commission: The Voice of the Councillor. At Redbridge and Westminster there are Scrutiny Commissioners plus 5 committees. Commissioners and chairs can raise things individually with the leader in public and this is encouraged and welcomed.

Councils should address the disparity in resourcing between executive and scrutiny. A CHALLENGE – make scrutiny as important to the public as the cabinet is.

#### **4.2. Financial and commercial scrutiny**

A key role of scrutiny is to engage with the council commercialisation agenda, such as property investment. Assume that austerity is here to stay. Beware of budgets and investments made for short-term fixes. Don't forget Nolan Principles at any stage of the process. It may be appropriate for some commercial scrutiny not to take place in public, but the maximum of information should be on public papers.

Remember there is no financial sustainability in local government finance at the present time, so something will have to give. It is scrutiny's role to call for a clear

direction of travel, avoiding knee-jerk decisions that have not been tested for long-term sustainability.

Help the council to work out how to handle long-term investments – way beyond the MTFS (medium term financial strategy).

What are the risks from making investments and the role scrutiny plays?

1. National vs local contradictions
2. No financial competence within the scrutiny team
3. Losing sight of service delivery as investing sucks up council capacity
4. Question any dual role of a S.151 officers as a director of an investment company and whether there is a conflict of interest with the statutory role.

Freedom of Information procedures are an unacceptable route for scrutiny to have to call for information. Contractors should be open to scrutiny; the requirement should be written into contracts.

Make use of the Cipfa Good Governance Framework. A DCLG publication that might be useful: “Financial Sustainability” – June 2016.

ENDS