

**Report by:** Director of Central Services and Head of Strategy and Partnerships

**To:** Strategy Scrutiny Committee on 19/7/2004

Leader:Councillor Ian Nimmo-Smith

**Wards:** All

## **REVIEW OF DECISION MAKING AND SCRUTINY – STAGE 1**

This report is being submitted to the Scrutiny Committee for prior consideration and comment before decision by the Executive Councillor.

### **1 DECISION TO BE MADE**

- 1.1 To agree the principles and criteria that should shape any revised decision making and scrutiny structure for the Council.
- 1.2 To agree key issues which should be addressed by any revised decision making and scrutiny structure for the Council.

### **2. RECOMMENDATIONS**

The Scrutiny Committee is asked to consider the recommendations below.  
The Executive Councillor is asked to approve the recommendations below.

- 2.1 That the principles and criteria listed in paragraph 5.6 below are agreed as those that should be used to shape any revised decision making and scrutiny structure for the Council.
- 2.2 That any revised decision making and scrutiny structure for the Council is designed to address the key issues arising from Member and officer consultation listed in paragraphs 6.2.1 to 6.2.8.
- 2.3
  - a) That in criteria 3, 'efficient' is defined as "A revised decision making and scrutiny system that will deliver the other 7 criteria and principles using minimum resources" and,
  - b) That Members decide, in terms of resources, what the starting point should be for a revised decision making and scrutiny structure.
- 2.4 That the Member Working Group consider the issues raised in Councillor Bradnack's motion to Council on 24<sup>th</sup> June 2004, work up options for a revised decision making and scrutiny structure for the Council that complies with 2.1, 2.2 and 2.3 above, and report to Strategy Scrutiny and Civic Affairs Committees in November 2004 and to Council in December 2004 so that a preferred option can be agreed.

### 3. BACKGROUND

3.1 The Council moved to an Executive and Scrutiny form of decision making in May 2002 in order to comply with the Local Government Act 2000. Members agreed that the structure and processes should be formally reviewed after 2 years to ensure that they were delivering effective decision making for the Council.

3.2 The structure was designed using a set of principles and criteria that were agreed by City Board on 10<sup>th</sup> July 2000:

- i) It should be clear who is taking decisions
- ii) It should be clear upon what information decisions have been taken
- iii) The system should be efficient
- iv) The system should be open
- v) The system should be designed to increase participation
- vi) The scrutiny function should influence the development of new policies, not simply review the performance of existing policies
- vii) The times and dates of meetings should be predictable

3.3 In May 2002 the Council's Annual Statement set out new Medium Term Objectives and included a commitment for "*preparation for the devolution of both decision-making and scrutiny powers to area committees in mid 2003*" to improve "*democratic engagement and responsiveness*". Area Committees were introduced as planned in September 2003.

There is an undertaking to consider the performance of the area committees in the spring of 2005. However, their role within the wider decision making and scrutiny structure needs to be explored as part of this review.

3.4 In January 2004 the Council received its CPA report which gave the Council an 'Excellent' rating. However, the report identified some areas of weakness within the decision making and scrutiny structure. Broadly these areas were:

- That the structure is too complicated
- That it does not deliver effective scrutiny
- That not all Members are clear about their role

3.5 Proposals for officers in Strategy and Partnerships and Central Services to lead the review during 2004/05 were outlined in the relevant Service Plans, agreed by Executive Members in January 2004.

### 4. THE REVIEW PROCESS

4.1 A proposal for carrying out the review was considered by Corporate Management Team in January 2004 and circulated to the Leader, Chair and Spokes of Strategy Scrutiny Committee in February 2004 for comment.

4.2 Briefly, the review process includes 3 stages:

## **Stage 1**

To establish, through consultation with Members and senior officers, the key outcomes that the Council's decision making and scrutiny functions need to deliver, paying particular attention to the MTOs and the outcome of the CPA.

## **Stage 2**

To make recommendations as to what changes are needed to the current decision making and scrutiny functions for them to deliver the outcomes agreed in Stage 1.

## **Stage 3**

To implement the changes.

4.3 A timetable for the review is attached at Appendix 1.

4.4 This report aims to complete Stage 1 by seeking Member agreement to the broad criteria, principles and outcomes which are required from the Council's decision making and scrutiny functions.

## **5. FINDINGS FROM STAGE 1 CONSULTATION**

5.1 5 consultation sessions were held during March and April 2004. The sessions were facilitated by Dawn Hands, Research Director at BMG Ltd., and included:

- Executive Members
- Opposition Members
- Lib Dem back benchers
- Senior and Committee Managers
- Corporate Management Team

5.2 Each session was structured in a similar way so that participants discussed whether each of the criteria and principles listed in 3.2 above was still valid and, if so, the extent to which they were delivered (or followed) by the existing decision making and scrutiny structure.

5.3 A separate report by BMG giving detailed findings from the consultation groups has been circulated to Members.

5.4 Broadly, all the groups agreed that all the criteria and principles were still valid and should be used as a basis for a revised decision making and scrutiny structure, although there was a lot of debate about the 3<sup>rd</sup> criteria "the system should be efficient". Participants were not clear about how efficiency should be measured and felt that efficiency (in terms of number of meetings, length of meetings etc.) would inevitably be compromised in favour of an open and democratic decision making and scrutiny system. This issue is explored further in Section 7 below.

5.5 There was also debate about the 6<sup>th</sup> criteria "The scrutiny function should influence the development of new policies, not simply review the performance of

existing policies". This was explored further with Corporate Management Team and officers are now recommending that the policy development and scrutiny roles of Members are clarified by deleting the 6<sup>th</sup> criteria shown in 3.2 above and adding 2 new principles or criteria:

- Opposition and back bench Members should have an explicit role in the scrutiny of existing policies and service performance.
- Opposition and back bench Members should have an explicit role in the development of policy in key areas.

5.6 Therefore, recommendation 2.1 above seeks approval to the following principles and criteria as those that should be used to shape any revised decision making and scrutiny structure for the Council.

- i) It should be clear who is taking decisions
- ii) It should be clear upon what information decisions have been taken
- iii) The system should be efficient
- iv) The system should be open
- v) The system should be designed to increase participation
- vi) Opposition and back bench Members should have an explicit role in the scrutiny of existing policies and service performance.
- vii) Opposition and back bench Members should have an explicit role in the development of policy in key areas.
- viii) The times and dates of meetings should be predictable

5.7 There was much less agreement from participants as to whether the current system delivers the principles and criteria. In fact, "times and dates of meetings should be predictable" was the only area where there was agreement across all groups that the current system delivers.

## **6. ISSUES THAT A NEW OR REVISED STRUCTURE NEEDS TO ADDRESS**

6.1 BMG's report lists areas where participants from the consultation groups consider that the existing structure does, or does not, deliver the criteria / principles.

6.2 Officers have used this information to draw up a list of KEY issues that any revised decision making and scrutiny structure will need to address, should Members agree to the 8 criteria and principles listed in 5.6 above. The principles and criteria, key issues, and the action that officers believe is required to address these issues, are shown below:

### 6.2.1 It should be clear who is taking decisions

Key Issue from Consultation	What needs to be done to deliver Criteria / Principle
The current system does not make it clear who is responsible for taking decisions.	<ul style="list-style-type: none"> <li>a) There needs to be a clearer split between the Executive, scrutiny and regulatory role and it needs to be clear where area committees fit within these roles.</li> <li>b) Consideration should be given as to whether collective Executive Member meetings are needed to enable the Council to work more 'corporately'.</li> <li>c) There needs to be targeted rather than blanket scrutiny.</li> <li>d) There needs to be clarity between collective decisions and individual Executive decisions.</li> </ul>

### 6.2.2 It should be clear upon what information decisions have been taken

Key Issue from Consultation	What needs to be done to deliver Criteria / Principle
Reports to Scrutiny Committee do not always make it clear whether various options for consideration have come from officers or Members.	<ul style="list-style-type: none"> <li>a) Reports should make it clear which options have been looked at in arriving at the recommendations.</li> <li>b) Reasons why decisions have been made should be apparent at the meeting and explicit in the minutes.</li> </ul>

### 6.2.3 The system should be efficient

Key Issue from Consultation	What needs to be done to deliver Criteria / Principle
What do we mean by efficient?	a) "A revised decision making and scrutiny system that will deliver the other 6 criteria and principles using minimum resources"? ?
What is our starting point?	<ul style="list-style-type: none"> <li>a) Any revised decision making and scrutiny system should use <b>no more</b> resources than the existing system in terms of officer / Member time, printing costs etc.</li> <li style="text-align: center;"><u>or</u></li> <li>b) Any revised decision making and scrutiny system should use <b>less</b> resources than the existing system in terms of officer / Member time, printing costs etc.</li> </ul>

#### 6.2.4 The system should be open

Key Issue from Consultation	What needs to be done to deliver Criteria / Principle
<p>The current system is not perceived as open to back bench and opposition Members.</p> <p>The current system may be 'open' to the public and press but we could do more to make meetings more welcoming.</p>	<p>a) Back bench and opposition Members should be able to influence what gets scrutinised.</p> <p>b) There needs to be more support for non-Executive Members to help them fully understand what's going on.</p> <p>c) The system should be as open as possible to public and press.</p>

#### 6.2.5 The system should be designed to increase participation

Key Issue from Consultation	What needs to be done to deliver Criteria / Principle
<p>The current system does not lend itself to back bench and opposition Member participation</p>	<p>a) Back bench and opposition Members should be able to influence what gets scrutinised.</p> <p>b) There needs to be more support for non-Executive Members to help them fully understand what's going on.</p>

#### 6.2.6 Opposition and back bench Members should have an explicit role in the scrutiny of existing policies and service performance.

Key Issue from Consultation	What needs to be done to deliver Criteria / Principle
<p>Scrutiny is not working effectively. Resources are spread too widely and back benchers and opposition Members feel disengaged</p>	<p>a) There needs to be a more focused annual scrutiny plan which delivers:</p> <ul style="list-style-type: none"> <li>• scrutiny of major cross cutting issues</li> <li>• effective performance review</li> </ul> <p>b) There needs to be an effective and manageable 'call in' mechanism</p>

**6.2.7 Opposition and back bench Members should have an explicit role in the development of policy in key areas.**

Key Issue from Consultation	What needs to be done to deliver Criteria / Principle
Whilst the existing pre-scrutiny system does enable all parties to comment on policy through reports at scrutiny meetings, there is little real cross party involvement in the development of policy in key areas.	a) A mechanism for cross party involvement in the development of policy in key areas needs to be introduced. This should be separate from scrutiny processes.

**6.2.8 The times and dates of meetings should be predictable**

Key Issue from Consultation	What needs to be done to deliver Criteria / Principle
Meetings should only happen when and if they are needed	a) Meeting dates and times for any revised structure should take into account when decisions are required for things such as: <ul style="list-style-type: none"> <li>• Budget setting</li> <li>• Major plans &amp; strategies (e.g. Local Plan)</li> <li>• Grant giving</li> <li>• Service planning / performance mmgt</li> </ul>

**7. WHAT DO WE MEAN BY EFFICIENT?**

7.1 One area of contention was what we mean by ‘the system should be efficient’. A suggested definition is *“A revised decision making and scrutiny system that will deliver the other 6 criteria and principles using minimum resources”* This definition has been suggested after listening to discussions in the consultation sessions.

7.2 Members need to consider what our starting point should be in terms of what any revised system should ‘cost’ (see 6.2.3 above). For example, should it be a ‘given’ that a revised system should cost no more than the existing system or that it should cost less than the existing system in terms of officer / Member time, printing costs etc. Some broad headline figures have been produced for the current decision making and scrutiny system which may help:

Analysis includes all formal meetings for 2003 (Scrutiny, Regulatory etc.) and assumes 8 Area Committee cycles were held. Where necessary, figures have been interpolated and/or best estimates have been given.

- There were 133 formal meetings and 106 Member briefings
  - These took 524 hours
- Members spend 3,788 hours in briefings and meetings per year
  - This equates to approximately 1hr 45 mins per Member per week
- Officers spend 2,929 hours in briefings and meetings per year
  - This equates to 56 officer hours per week
- Officers wrote 980 reports requiring decisions
  - It took officers 3,856 hours to write them (assuming 4 hours per report)
    - This equates to 74 officer hours per week
  - They contained approximately 11,300 pages (11.5 pages per report)
  - They generated 565,000 printed pages (assuming 50 copies per report)
- On average, each report was considered in briefings and meetings for 30 mins.
- Approximately 1,700 members of the public attended the meetings:
  - 69% at Area Committees
  - 20% at Planning / DC Forum
  - 5% at Council
  - 4% at Scrutiny Committees

## **8. CONSULTATIONS**

- 8.1** The consultation process leading up to this report is explained in Section 5 above.
- 8.2** At Council on 24<sup>th</sup> June 2004, Councillor Bradnack proposed a motion about the way in which the Council makes and scrutinises decisions. Council decided not to consider the motion at that meeting. However, Members may feel that it is appropriate for the Member Working Group to consider the issues raised in Councillor Bradnack's motion during Stage 2 of the review. This is reflected in recommendation 2.4.

Councillor Bradnack's motion reads:

This Council accepts the finding in the Comprehensive Performance Assessment Inspectors' report that the way it makes and scrutinizes its decisions is too complicated, does not deliver effective scrutiny, and leaves members uncertain of their roles.

In the light of the research subsequently carried out by BMG for the Council, the Council agrees that the processes would be improved by adding the following to the 7 principles which it has sought to fulfil in making and scrutinizing decisions.

1. There should be a more robust separation of powers of Executive and Scrutiny functions within the Council
2. Executive members should be more directly and publicly accountable, both collectively and individually, for delivery of Council policies
3. The committee system which existed before the Local government Act, which survives in Cambridge's Scrutiny committees almost alone amongst local

authorities, which replicates service functions, should be replaced by cross-cutting Executive and Scrutiny functions which specifically reflect the Council's corporate objectives which are supposed to express policies of the Council approved by the electorate.

4. Local communities should have opportunities to meet those exercising Executive and Scrutiny functions across the Council at least once a year, in their own localities.

## **9. OPTIONS**

- 9.1 The existing decision making and scrutiny structure could be retained in its present form.
- 9.2 If the recommendations in this report are agreed, options for a revised structure will be put to Members in November / December for consideration.

## **10. REASONS FOR DECISION**

- 10.1 These are detailed in Section 3 above.

## **11. IMPLICATIONS**

### **(a) Financial Implications**

Unknown at present. Costs will be worked up for each option put forward under Stage 2.

Members are asked to give a view as to whether any new or revised structure should cost no more than, or less than, the current structure (see Section 7)

### **(b) Staffing Implications**

There may be some limited implications for staff if a new or revised structure is introduced. Any implications for staff will be outlined as part of Stage 2 so that Members have the information when considering options for new or revised structures in November / December.

### **(c) Equal Opportunities Implications**

The criteria and principles listed in paragraph 3.2 above should ensure that the Council's decision making and scrutiny structures and processes are open and accessible to everybody.

### **(d) Environmental Implications**

None

(e) **Community Safety Implications**

None

**BACKGROUND PAPERS**

The following are the background papers that were used in the preparation of this report:

- 10 July 2004            Report to City Board on the Local Government Act 2000
- May 2004              Decision Making and Scrutiny Review Workshops – A report by Dawn Hands of BMG Research

**INSPECTION OF PAPERS**

To inspect the background papers please contact:	Contact: Trevor Woollams
	Telephone: 01223 - 457061
	Email: trevor.woollams@cambridge.gov.uk

If you have a query on the report please contact:	Author: Trevor Woollams
	Telephone: 01223 - 457061
	Email: trevor.woollams@cambridge.gov.uk

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