

OVERVIEW AND SCRUTINY REVIEW REPORT**COUNCIL MEETING DATE****1st March 2017****CLASSIFICATION:****Open****If exempt, the reason will be listed in the main body of this report.****WARD(S) AFFECTED****All Wards****Tim Shields, Chief Executive**

1. INTRODUCTION

- 1.1 Independent consultants were commissioned on behalf of the Scrutiny Chairs Group (SCG) in February 2016 to carry out a review of the Overview and Scrutiny function in Hackney.
- 1.2 This report sets out a series of recommendations informed by the review.
- 1.3 The review found that Overview and Scrutiny in Hackney is considered to have a strong track-record in scrutiny and operates a good practice model. The review noted that in the climate of austerity in which all councils currently operate, it was particularly important to seek to ensure that the 'added value' provided by overview and scrutiny is commensurate with the resources allocated to the function. The key objectives of this review was to identify areas of improvement to the system and processes and to consider the changes that could be implemented in a cost-effective way.
- 1.4 The recommendations below are supported by the SCG. Should these recommendations be agreed they will come into effect in June 2017 following the Council's Annual General Meeting in May 2017.

2. RECOMMENDATIONS

Council is asked to agree the following recommendations:

In respect of the Overview and Scrutiny Panel

- 2.1 **The Scrutiny Chairs Group is disbanded and replaced with the Overview and Scrutiny Panel. The responsibilities of the Overview and Scrutiny Panel will include: maintaining an overview of the scrutiny work programme; invoking the call-in procedure; co-ordinate the involvement of scrutiny in the budget process; identifying cross cutting reviews to deal with scrutiny opportunities which fall in-between the remits of the topic-specific commissions; operate as a forum of shared learning to share good practice and hold question time for the Mayor and Chief Executive.**
- 2.2 **The Overview and Scrutiny Panel's membership will consist of the chairs and vice-chairs of the proposed four thematic Commissions and a member of the larger opposition party.**
- 2.3 **The Overview and Scrutiny Panel will meet quarterly. The frequency of thematic Commission meetings to reduce from monthly to six-weekly. Meetings to include site visits and informal meetings.**

In respect of Overview and Scrutiny Commissions. Proposal to reduce to 4 thematic scrutiny commissions as follows:

- 2.4 Children and Young People Scrutiny Commission's remit to remain unchanged.**
- 2.5 Health in Hackney Scrutiny Commission's remit to remain unchanged.**
- 2.6 The Living in Hackney Scrutiny Commission with the remit of quality of life in local communities covering neighbourhoods, place, wellbeing, amenities and the added remit of scrutiny of the formal crime and disorder partnership function.**
- 2.7 The creation of a new scrutiny commission called Working in Hackney Scrutiny Commission, with the remit of the prosperity of the borough and development, in particular economic development, employment and large scale schemes.**
- 2.8 The Community Safety and Social inclusion Commission and the Governance and Resources Commission to be disbanded.**

3. BACKGROUND

- 3.1 In February 2016 independent consultants were commissioned on behalf of the Scrutiny Chairs Group (SCG) to carry out a review of overview and scrutiny in Hackney. The review commenced in March 2016 and concluded in April 2016. The Consultant's recommendations were based on their collective experience drawn from previous reviews they have carried out over the past ten years; good practice examples which were considered to be relevant to London Borough of Hackney and from the data held by the Centre for Public Scrutiny; the national body for scrutiny in the UK.
- 3.2 Within the framework of the review's terms of reference the review focused on the structure, purpose and processes of overview and scrutiny in Hackney, to explore the effectiveness of the current system in relation to the reports produced, recommendations made and outcomes achieved.
- 3.3 The recommendations from the review focused on ways that the system and processes for Scrutiny could be improved or changed to add greater value to the work of scrutiny in Hackney.
- 3.4 The methodology for review included observation of meetings, interviews with key participants (councillor, officer and external) and analysis of relevant documents (agendas, minutes, and scrutiny review reports). During the course of the review the Consultants observed meetings of all five Scrutiny Commissions and participated in a meeting of the SCG. The Consultants conducted 50 interviews.
- 3.5 The review made a number of recommendations looking at structures, functions, ways of working and support and development.
- 3.6 In October 2016 Councillors agreed to implement some of the recommendations made in the review report.

- 3.7 The recommendations from the review being proposed to Full Council for implementation are:
- 3.8 **The Scrutiny Chairs Group is disbanded and replaced with the Overview and Scrutiny Panel.** The review identified that scrutiny in Hackney did not have a strong structure in place for co-ordination or the collective focus of the scrutiny commissions' work. The analysis concluded there is considerable value in operating some form of collective scrutiny mechanism that can develop a more coordinated or joined up approach to overview and scrutiny. This forum needed to be a strengthened form of the current SCG. The Overview and Scrutiny Panel would engage in discussions about work programme priorities, identify and deal with issues or topics that fall between the remits of the scrutiny commissions. They should operate as a learning device for identifying and spreading good practice.
- 3.9 A formally-constituted group would be in a position to oversee call-ins, review the scrutiny function work program, co-ordinate budget scrutiny and cross cutting reviews. They should provide a collective counterbalance to the Executive.
- 3.10 Scrutiny Councillors considered this analysis and agreed. However in development of work programmes there was concern to avoid duplication of work being undertaken by the Audit and Corporate Committees. To address this it is proposed that the Chair of Audit and Corporate Committee will be invited to the discussions about the scrutiny work programme.
- 3.11 It is concluded that setting up a strengthened version of the SCG, would ensure the democratic oversight and the 'holding to account' element of overview and scrutiny in Hackney is bolstered.
- 3.12 **The Overview and Scrutiny Panel's membership to consist of the chairs and vice-chairs of the proposed four thematic Commissions and a member of the larger opposition party.** The review identified the lack of opposition presence within overview and scrutiny was a democratic shortfall. It advised that a small Overview and Scrutiny Panel should be established, comprising the chairs and vice-chairs of each Commission, together with a member nominated by the larger opposition group.
- 3.13 The review concluded what is required is a strengthened SCG. To address this and taking into consideration the opposition is smaller than in previous years, it was considered appropriate for the majority group to hold the position of Chair on the Overview and Scrutiny Panel and the larger opposition group to fill the position of Vice-chair. To provide challenge to the scrutiny work programme the Chairs of the Scrutiny Commissions should not be eligible for the position of Chair of the Overview and Scrutiny Panel.
- 3.14 Scrutiny Councillors considered this analysis and agreed that including a member of the largest opposition party in the Overview and Scrutiny Panel's membership would address the democratic deficit.

- 3.15 In conclusion giving the opposition a formal position on the Committee would give them a real stake in the scrutiny process. It will be the responsibility of the Overview and Scrutiny Panel Chair and Vice-chair to ensure the democratic oversight and the 'holding to account' element of the overview and scrutiny function in Hackney is robust. In order for the Overview and Scrutiny Panel to maintain a coordinating role the Chair and Vice-Chair will act as the liaison between the political parties and scrutiny. A key responsibility of the Chair will be to ensure the overview and scrutiny work programme aligns with the strategic objectives and adds value to the organisation. A key responsibility of the Vice-chair will be to support the opposition to remain engaged in the 'holding to account' function of the Council with the purpose of integrating the opposition parties back into scrutiny.
- 3.16 **The Overview and Scrutiny Panel to meet quarterly. The frequency of thematic Commission meetings to reduce from monthly to six-weekly.** The programmed meetings of the Commissions are designated for the progressing of the work of in-depth studies. The findings from the review suggests scrutiny would benefit from a mix of formal and informal meetings, ideally in venues which are more conducive to good discussion. The review observations raised questions about the current frequency of meetings and pattern of meetings. In many other authorities, meetings take place on a six-weekly or quarterly cycle. As a first step it was recommended Hackney moves from a monthly meeting cycle to six weekly.
- 3.17 Scrutiny Councillors considered this analysis and were of the view implementing changes to their ways of working would provide efficient and effective outcomes. Reducing the number of formal scrutiny commission meetings in the municipal cycle and using a mixed format of informal and formal meetings during the year would be a good place to start.
- 3.18 It was concluded the concept of 'added value' is paramount. In the next three years the council will be faced with difficult and sizeable budgetary cuts. It is essential that unproductive activities are eliminated from the all aspects of council business, including scrutiny, and that effectiveness (and efficiency) becomes the criteria on which all activities are judged. The Overview and Scrutiny Panel would meet quarterly. The thematic scrutiny commissions should reduce the number of meetings for each Commission from ten to approximately 7/8. This change should be accompanied by a readiness to introduce a differentiated pattern of meetings, in which formal meetings could, where appropriate, be replaced by more informal discussion sessions.
- 3.19 **Proposal to reduce to 4 thematic scrutiny commissions.** Each commission should have a clear focus. The review found there was less clarity about the remits of three of the scrutiny Commissions. The Consultants identified a degree of overlap between the scrutiny commissions after reviewing their agendas.

- 3.20 3-4 committees is the current norm and in some circumstances a few local authorities have opted to have 1 single scrutiny committee. The analysis considered a move to less than 3 scrutiny commission would not be appropriate for Hackney. As in their view disrupting the networks that have developed around the Health in Hackney and Children and Young people Scrutiny Commissions would not be constructive.
- 3.21 Scrutiny Councillors considered this and supported the recommendation to reduce the current number of thematic scrutiny commissions. The duplication of work by Governance and Resources Scrutiny Commission and other regulatory committees of the Council (Audit and Corporate Committee) was acknowledged. In their view, reducing the scrutiny commissions from 5 to 4 will enable the Commission's to maintain the dedicated officer support model and align one officer to a thematic scrutiny commission.
- 3.22 In conclusion it is recommended the Health in Hackney and Children and Young People Scrutiny Commissions should remain in their current form.
- 3.23 A commission focused on issues related to the quality of life in the local community would provide a clearer remit. It is proposed the Living in Hackney Scrutiny Commission will have the remit of quality of life in local communities covering neighbourhoods, place, wellbeing and amenities with the added remit of the formal crime and disorder partnership function. The remit for the proposed thematic commission is summarized in section 2 of this report.
- 3.24 A commission focused on economic development looking at issues that have implications on the prosperity of the borough should be created and called Working in Hackney. The remit for the proposed thematic commission is summarized in section 2 of this report.
- 3.25 The Community Safety and Social Inclusion Commission and the Governance and Resources Commission be disbanded.

4 WAY FORWARD

- 4.1 The new arrangements will come into effect in June 2017 following the AGM.

5. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 5.1 The financial impact of the report is cost neutral as the costs arising as a result of the Overview and Scrutiny Panel Chair, Vice Chair and the new Chair of the Working in Hackney Commission will be funded from existing budget.
- 5.2 The cost is being offset due to the disbandment of the Governance and Resources and the Community Safety and Social Inclusion Scrutiny

Commissions which will no longer incur the Special Responsibility Allowances (SRA).

6. COMMENTS OF THE DRIECTOR OF LEGAL

- 6.1 The proposed amendments accord with the Council's statutory requirements under section 9F of the Local Government Act 2000 to establish at least one overview and scrutiny committee.
- 6.2 Any agreed change to the Council's overview and scrutiny arrangements will need to be incorporated into a revised constitution. A separate report shall be made to Full Council to agree the constitutional changes.

Tim Shields
Chief Executive

BACKGROUND PAPERS

- SCRUTINY REVIEW; LONDON BOROUGH OF HACKNEY. - The review report from the Independent Consultant's Review

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