

TITLE	Select Committee Inquiry into Overview and Scrutiny in Local Government
FOR CONSIDERATION BY	Overview and Scrutiny Management Committee on 9 January 2018
WARD	None Specific
LEAD OFFICER	Andrew Moulton, Assistant Director, Governance
LEAD MEMBER	Keith Baker, Chairman of the Overview and Scrutiny Management Committee

OUTCOME / BENEFITS TO THE COMMUNITY

Overview and Scrutiny is one of the checks and balances which ensure that the Council and its partners make and implement effective decisions.

The House of Commons Select Committee for Communities and Local Government Inquiry report makes recommendations to the Government which seek to strengthen the Overview and Scrutiny process with the aim of achieving more positive outcomes for local residents and community groups.

RECOMMENDATION

The Committee is recommended to:

- 1) consider the Communities and Local Government Committee's report on Overview and Scrutiny in Local Government (set out in the Annex to the report);
- 2) discuss the detailed recommendations in the Select Committee report and consider any potential changes to strengthen the Overview and Scrutiny arrangements at Wokingham Borough Council.

SUMMARY OF REPORT

As reported to previous meetings of the Committee, the House of Commons Select Committee for Communities and Local Government undertook an Inquiry into the operation of Overview and Scrutiny in Local Government. The Inquiry looked at the effectiveness of Overview and Scrutiny, how independent the process was and the impact of budget reductions on the Scrutiny function.

Councillors Ferris and Richards attended the House on 30 October 2017 to observe an evidence taking session of the Select Committee. Councillor Richards also attended an informal working group session with MPs from the Select Committee.

The Select Committee's report (appended to this paper) was published on 15 December 2017. The key findings in the report are summarised below.

Background

The House of Commons Select Committee for Communities and Local Government has undertaken an inquiry into the effectiveness of Overview and Scrutiny in Local Government. The inquiry's terms of reference included:

- Whether scrutiny committees are effective in holding decision-makers to account;
- The extent to which scrutiny committees operate with political impartiality and independence from executives;
- Whether scrutiny officers are independent of and separate from those being scrutinised;
- How scrutiny chairs and members are selected;
- Whether powers to summon witnesses are adequate;
- The potential for local authority scrutiny to act as a voice for local residents and service users;
- How scrutiny topics are selected;
- The support given to scrutiny by political leaders and senior officers;
- What use, if any, is made of specialist external advisers;
- The effectiveness and importance of local authority scrutiny of external organisations.

The Select Committee published its report on 15 December 2017. The report highlighted a number of key issues:

- The most significant factor in determining the effectiveness of Overview and Scrutiny is the organisational culture of the Council in question. A positive culture, with support from senior Members and Officers, can deliver an effective scrutiny process. However, when this does not happen, Scrutiny can become marginalised which risks damage to the Council's reputation and missed opportunities to improve service outcomes.
- A number of mechanisms can be used to develop a more positive culture including measures to balance the relationship between the Executive and Scrutiny functions. These include a change in the line of accountability, with Overview and Scrutiny Committees reporting to full Council rather than the Executive.
- The role of Scrutiny Chairmen is crucial and it is essential that Chairmen are viewed as a key part of the decision making process, rather than as a form of political patronage. In order to strengthen the role of Scrutiny Chairmen it is proposed that a number of Councils take part in a pilot scheme to consider the impact of elected

Chairmen on the effectiveness of Scrutiny. (Note: this issue is already under consideration by the Council's Constitution Review Working Group).

- Organisational culture also impacts upon another aspect of effective Scrutiny – access to the information that Scrutiny Committees need to carry out their work. There are concerns about the withholding of information from Scrutiny and the overzealous classification of information as commercially sensitive.
- There is a concern that, in many authorities, supporting the Executive is the overriding priority and that the skills and experience of support Officers is not always sufficient to meet the demands of the Scrutiny function. In this regard the role of Statutory Scrutiny Officer should be strengthened.
- Scrutiny Committees are ideally placed to review any public services in their area but there can sometimes be a conflict between commercial and democratic interests, with commercial providers not always recognising that they have entered into a contract with a democratic organisation with a necessity for public oversight. It is recommended that Scrutiny powers in this area are strengthened to, at least, match the powers relating to local health bodies.
- There are significant concerns about the public oversight of Local Enterprise Partnerships (LEPs) and it is recommended that Councils be able to monitor the performance and effectiveness of LEPs through the Scrutiny process.

The full report of the Select Committee is appended to this paper. Members are requested to consider the report and to highlight any issues and/or recommendations which may be applicable to the operation of Overview and Scrutiny at Wokingham Borough Council. The Council's Constitution authorises the Management Committee to review the operation of the Council's Scrutiny function and recommend changes as necessary to the full Council.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	N/A	N/A
Next Financial Year (Year 2)	N/A	N/A	N/A
Following Financial Year (Year 3)	N/A	N/A	N/A

Other financial information relevant to the Recommendation/Decision

Expenditure to support the work of Overview and Scrutiny, such as Member training or retention of expert witnesses, is currently met from existing Democratic Services budgets.

Cross-Council Implications

Overview and Scrutiny oversees the decision making process, all Council services and services provided by key partners such as health and community safety.

List of Background Papers

Evidence submitted to the Communities and Local Government Select Committee Inquiry into the effectiveness of Overview and Scrutiny in Local Government.

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