

**REPORT FOR: OVERVIEW AND
SCRUTINY COMMITTEE**

Date: 26 October 2010

Subject: Scrutiny Structures

Responsible Officer: Alex Dewsnap, Divisional Director
Partnership Development and
Performance

**Scrutiny Lead
Member area:** All

Exempt: No

Enclosures: None

Section 1 – Summary and Recommendations

This report outlines the recommendations of the scrutiny leadership group on the structures adopted by scrutiny for the current administration.

Recommendations:

Councillors are asked to:

- I. Review the terms of reference of the health sub committee to:
 - ensure they reflect the focus on health and health outcomes and review the effectiveness of this remit in six months time
 - ensure that the terms of reference are specific with regard to scrutiny of the proposed local GP consortia and Health and Well Being Board.

- II Approach Harrow LINK/HealthWatch to nominate up to two of its members one of which to become non-voting co-optee on the Health sub committee;

- III Approach the Local Medical Committee to nominate up to two of its members one of which to become non-voting co-optee on the Health sub committee;
- IV Invite the Performance and Finance committee to consider its terms of reference in the context of the changing policy landscape and the work of the standing reviews of the Better Deal for Residents and Budget and to report back on proposals for the future;
- V Agree further work be undertaken to consolidate the Pool of Advisors and to strengthen scrutiny's links with residents through the delivery of the work programme.

Section 2 – Report

Following the elections in May the scrutiny structure was reconfigured to comprise:

- Overview and Scrutiny committee – 9 members, 5 Labour and 4 Conservative
- Performance and Finance sub committee – 5 members, 3 Labour and 2 Conservative
- Health sub committee – 5 members, 3 Labour and 2 Conservative

The scrutiny Leadership Group (policy and performance scrutiny lead members and the Chairmen/Vice Chairmen of the committees) have considered the robustness of this structure and have made a number of proposals. These are outlined below.

Health Sub Committee

Prior to the election in May the two scrutiny committees – Overview and Scrutiny and Performance and Finance – had a generic remit to consider, respectively the policy and performance of the council and partners in accordance with which presented as the highest priority. Prior to the election a significant amount of time was taken up with issues of NHS reconfiguration as proposed via Healthcare for London. Following the election of the coalition government much of this activity was suspended. However, matters of health service delivery remain a high priority in the political environment and the new government has proposed major reform of health provision. All of this has precipitated the establishment of a scrutiny committee with specific responsibility for health matters. However, the Leadership Group, in considering the viability of its structures has determined that the remit of the Health sub committee should not be restricted to substantive matters of NHS policy or structure but should also consider the wider health implications of general policy proposals and how to maximise positive health outcomes for local people.

In making this proposal, the Leadership Group recommends that the work of the committee is reviewed at the end of 6 months in order to assess the contribution made by the sub committee to improved health and wellbeing for local people.

The committee will also need to be aware of and able to respond to the proposed changes in health legislation. In particular, councillors will need to be satisfied that the scrutiny structure operational within the borough is sufficiently robust to ensure that the commissioning decisions being made by either the proposed GP consortium/a or the Health and Wellbeing Boards are subject to local challenge and that in general terms the council is able to safeguard and champion the interests of residents. The White Paper has proposed the removal of the statutory powers of scrutiny in terms of the requirements for consultation over proposed substantial change to health provision and the opportunity for referral to the Secretary of State in the case of disputes.

However, the White Paper has confirmed that:

'A formal health scrutiny function will continue to be important within the local authority, and the local authority will need to assure itself that it has a process in place to adequately scrutinise the functioning of the health and wellbeing board and health improvement policy decisions.'

The White Paper, in common with the coalition government's overall approach to regulation, is not prescriptive as to how local authorities should undertake this scrutiny, thus offering local councillors opportunity to determine what will work best in their local communities. In this context, and in the light of experience of the Pinner Village Surgery, councillors must ensure that effective scrutiny is in place to ensure that the decisions being made by GP consortia and also by the proposed Health and Well Being Board are monitored. It is therefore recommended that the terms of reference of the health sub committee are reviewed to:

- reflect the focus on health and health outcomes
- ensure that they are specific in regard to scrutiny of the local GP consortia and the Health and Well Being Board.

Prior to the publication of the White Paper, it had also been agreed to invite a representative of Harrow LINK to join the Health sub committee as a non-voting co-optee. However, members are asked to review this proposal in order to ensure that there is transparency in the operation of the sub committee. The White Paper consultation document 'Local democratic legitimacy in health' has proposed that the reconstituted LINKs (HealthWatch), become members of the proposed Health and Wellbeing Boards. The function of these boards will be:

- "to assess the needs of the local population and lead the statutory joint strategic needs assessment:
- to promote integration and partnership across areas, including through promoting joined up commissioning plans across the NHS, social care and public health
- to support joint commissioning and pooled budget arrangements, where all parties agree this makes sense; and
- to undertake a scrutiny role in relation to major service redesign".

As such, councillors will wish to reassure themselves that participation in the Health and Wellbeing board, which will be subject to local authority scrutiny, as outlined above, does not represent a conflict of interests for the representatives of HealthWatch before they are invited to join the committee.

The Leadership Group also proposes that, in order to extend the expert engagement on the Health sub committee, the Local Medical Committee (LMC) also be invited to nominate representatives to join the Health sub committee as a non-voting co-optee, again having satisfied itself of LMC's independence from the decision making process of the Health and Well Being Board – it is anticipated that the GP consortia will also be invited to participate in the Board..

The Overview and Scrutiny committee is therefore asked to agree to approach LINKs/HealthWatch and the LMC to:

- determine its independence from the decision making processes of the Health and Well Being Board when this is established.
- If satisfied, invite these bodies to make up to two nominations from its membership for one of whom to become a non-voting co-optee of the Health sub committee

Performance and Finance Sub Committee

The Performance and Finance scrutiny sub-committee was introduced in July 2007 as part of the move away from a structure comprising a main committee and thematic sub-committees. It was envisaged that the sub-committee would act as a key driver of the scrutiny function's work programme, ensuring a targeted approach to scrutiny which would see it focus on issues of the highest importance to the borough. It would be the body responsible for monitoring the performance of the council and partners in relation to their stated priorities.

During the previous administration (2006 -2010), the focus of the Performance and Finance scrutiny sub-committee was mainly on specific service performance issues. These matters were deliberated by the chair and vice-chair and then escalated to the sub-committee for further consideration and, if necessary, escalated to O&S for incorporation in the work programme.

Nationally, there are significant changes forthcoming. The new Coalition Government is dismantling the framework of national targets and the national inspection regime in the form of the Comprehensive Area Assessment (CAA). The Audit Commission is in the process of being abolished. At the local level the system of improvement boards has also been streamlined in order to ensure that the performance of areas of greatest priority for the Council are monitored effectively. The sum of these changes means that there will be less information available in the format that officers and Members have recently come to expect. The usefulness of focusing primarily on scorecards as a tool may in itself be less beneficial in future – if there is a 'bonfire of targets' the likelihood that meaningful comparisons with either past performance or others' performance will be possible seems to be diminishing.

Analysis of the future for scrutiny at the 8th Annual Centre for Public Scrutiny suggested that public scrutiny has reached a turning point, and that we are faced with the crisis of the traditional model of 'bureaucratic' scrutiny. In summary, changes to the performance management framework, pressures on public spending, drives for greater public empowerment and the growth in do-it-yourself scrutiny all serve to highlight the threat to present methods of scrutiny.

'Total place', place-based budgeting, financial devolution and general power of competence all imply that there is a need to consider problems and issues 'in the round' and from the perspective of the citizen or user; as such this requires a collaborative approach, which focuses on clearly defining the issue or problem to be addressed rather than focusing on whether policy solutions are effective.

There are a number of options for the future of the sub committee

- The sub-committee adopts greater responsibility for in-year budget monitoring on behalf of the scrutiny function. This intelligence would then inform the work of the Overview and Scrutiny committee and the Health sub-committee. The standing reviews of the budget and the Better Deal for Residents programme are then freed up to focus on longer term strategic matters. These projects met on 13th October to determine the scope of their investigations [include decision re scoping].
- The sub-committee adopts a stronger filtering role for scrutiny by considering, for example value for money tools and highlighting areas for further interrogation.
- The sub-committee refocuses its efforts on areas of concern for the council rather than a broad brush focus on council-wide service and financial performance and, where, appropriate undertakes 'deep-dives' into areas of high risk.
- The sub-committee adopts a greater role in monitoring the council's processes for assessing its own performance.

Any review of the terms of reference of the Performance and Finance committee should also consider that:

- At its meeting on 11th October, the Overview and Scrutiny committee agreed to undertake a piece of work to complement the development of a local performance management framework
- The committee also recommended that the scrutiny lead members should ensure that they are receiving regular briefings with regard to performance in their respective areas which may provide an added context to the overall scrutiny performance management process.

The Performance and Finance committee is therefore invited to consider its terms of reference in the context of the changing policy landscape, the proposals from the Overview and Scrutiny committee meeting on 11th October and the work of the standing reviews of the Better Deal for Residents and Budget and to report back on proposals for the future.

Democratic Accountability

It is likely to be increasingly the case that public services will be delivered from a variety of sources, dependent upon the complexity of need presented and the value for money offered by potential providers. Services will be delivered through a range of mechanisms, not necessarily involving the council, which means that the council may find its role evolving into one of commissioner, quality 'assurer' rather than deliverer. It is thus possible that the provider function within the public sector will diminish. However, what will not diminish is the need for accountability for the delivery of services and the importance of accountability through to elected members.

The scrutiny function could play an enhanced role in this context offering a medium through which to seek assurance on quality and value for money for services commissioned and also offering an outlet for residents who feel that their needs are not being accurately identified or appropriately met. This assumes effective engagement between scrutiny councillors and local

communities and may be something which the committee wish to consider developing.

There have been a number of examples in recent months of requests to scrutiny to operate as the 'community's champion' or indeed as the 'honest broker' to ensure that local people's concerns regarding proposals are fully aired (Harrow Magistrates Court, Pinner Village GP surgery). As public spending cuts begin to bite, it is likely that scrutiny will see further demands to consider the appropriateness of closures or service reductions and safeguard, as far as possible, the best interests of residents during these very difficult times.

But this link into the community and the development of a more comprehensive engagement process can deliver more than simply a check or balance on the spending decisions of the council or our partners, though this obviously remains important. Through its direct links into the community, scrutiny might begin the process of discussion with local people about the urgency of the public sector financial situation, the need for change and their views on what change might be acceptable – an extension if you like on the 'overview'/policy development function and a support to the delivery of local notions of 'Better Together' and national visions of a 'Big Society'.

In this context, councillors might like to consider the implications for scrutiny of the invitation from the Leader of the Council to become more involved in the community engagement processes of the council. Whilst efforts have been made in the past to ensure that resident opinion is at the centre of the scrutiny process, this has not been grounded perhaps as effectively as it might have been. The re-launch of the Pool of Advisors on 21st October is the first step on the road to ensuring that scrutiny is firmly rooted in our local community. It is proposed that further work is undertaken to consolidate the pool of advisors and thus ensure we have effective engagement with residents when delivering the scrutiny work programme. Further reports will be presented to the committee on proposals in this area.

Financial Implications

There are no financial implications associated with this report.

Performance Issues

One of the key proposals in this report is to improve scrutiny's performance management function.

Environmental Impact

There is no environmental impact associated with this report.

Risk Management Implications

There are no risk management implications associated with this report.

Corporate Priorities

- United and involved communities: a Council that listens and leads
- Supporting and protecting people who are most in need

Section 3 - Statutory Officer Clearance

Not required for this report

Section 4 - Contact Details and Background Papers

Contact:

Lynne Margetts, Service Manager Scrutiny, 020 8420 9387

Background Papers: None