

# Corporate and Community Overview and Scrutiny Committee



Report subject	<b>Overview and Scrutiny Annual Report</b>
Meeting date	31 March 2023
Status	Public Report
Executive summary	<p>Overview and Scrutiny (O&amp;S) is a statutory function of all councils operating an executive model of decision making. In BCP Council, O&amp;S activity is carried out by four O&amp;S committees formed of councillors and co-opted members. There is a requirement to report on the work of O&amp;S to Council, to ensure good visibility of the function and Council ownership of any improvements required.</p> <p>The annual report contains a summary of O&amp;S activity undertaken over 2019-23, reflections on working practices and an action plan identifying strategic improvements to the O&amp;S function.</p> <p>All O&amp;S Committees will receive the annual report for consideration, providing opportunity for comment prior to the supply of the final report to Council.</p>
Recommendations	<p><b>It is RECOMMENDED that:</b></p> <p><b>The Overview and Scrutiny Committee consider and comment on the annual report and associated action plan.</b></p>
Reason for recommendations	<p>The Constitution requires the Statutory Scrutiny Officer to report to Council on an annual basis on the work of Overview and Scrutiny, including recommendations for any changes that may be required to ensure the function remains fit for purpose. The report must be informed by consultation with the Chairs and Vice-Chairs of the O&amp;S Committees and referred to the four O&amp;S Committees for comment.</p> <p>Consideration and comment on the annual report by the O&amp;S Committees also upholds principle b) of good scrutiny, as outlined in the Constitution, that O&amp;S shall 'be a Councillor led and owned function that seeks to continuously improve through self-reflection and development'.</p>

Portfolio Holder(s):	Not applicable – Overview and Scrutiny is a non-executive function.
Corporate Director	Graham Farrant - Chief Executive
Report Authors	Lindsay Marshall – Overview and Scrutiny Specialist
Wards	Council-wide
Classification	For Decision

## Background

### What is Overview and Scrutiny?

1. Overview and Scrutiny (O&S) is an integral part of the Council's governance structure and is a statutory requirement for BCP Council. All councils operating executive arrangements must have at least one O&S committee, which holds powers to obtain information, require attendance from council officers and members and to make recommendations.
2. Additional powers to scrutinise NHS services and review the work of the local community safety partnership mean that O&S committees have an important role in acting as a 'check and balance' to decisions made both within the council and in external organisations.
3. Under the Local Government Act 2000, O&S committees are uniquely placed with powers to bring multiple stakeholders and members of the public together to find solutions to matters affecting the locality and have the right to scrutinise 'any matter affecting the local authority area or the inhabitants of the area.'
4. The majority of councils base their O&S arrangements on commonly held principles of good scrutiny. These are set out in the BCP Constitution, which states that the O&S Committees shall:
  - a) contribute to sound decision making in a timely way by holding decision makers to account as a 'critical friend';
  - b) be a Councillor led and owned function that seeks to continuously improve through self-reflection and development;
  - c) enable the voice and concerns of the public to be heard and reflected in the Council's decision-making process;
  - d) engage in decision making and policy development at an appropriate time to be able to have influence;
  - e) contribute to and reflect the vision and priorities of the Council; and
  - f) be agile and be able to respond to changing and emerging priorities at the right time with flexible working methods.

5. O&S work aligns to all principles of the Council's Corporate Strategy - Sustainable Environment; Dynamic Places; Connected Communities; Brighter Futures; and Fulfilled Lives. O&S activity over the last four years has focussed on matters as wide ranging as:

- revitalising and reinventing our high streets and local centres,
- tackling the climate and ecological emergency, and
- enabling people to live well through quality social care.

The breadth of work undertaken highlights the impact that O&S can have on the Council and its communities when used effectively to enhance decision making.

6. The Ministerial foreword of 'Overview and Scrutiny: statutory guidance for councils and combined authorities' by the Department of Levelling Up, Housing and Communities (DLUHC) states:

*"The role that overview and scrutiny can play in holding an authority's decision-makers to account makes it fundamentally important to the successful functioning of local democracy.*

*Effective scrutiny helps secure the efficient delivery of public services and drives improvements within the authority itself. Conversely, poor scrutiny can be indicative of wider governance, leadership, and service failure."*

### **The Overview and Scrutiny Annual Report**

7. The purpose of the O&S annual report is to outline the activity and output of the O&S function over the previous year, and to set out suggested improvements for the function to ensure it remains fit for purpose.
8. The report will be received at a meeting of Council but is aimed at all stakeholders of O&S – this includes those within the Council, external partners, and the public and communities served by the O&S function. Owing to the pandemic, a full review of the O&S committee structure and staff absence within the Democratic Services team this report has been delayed and now covers a four-year period from the vesting of the new BCP authority in April 2019 to May 2023. Future reports will be delivered annually.
9. This is the report of the Statutory Scrutiny Officer, who is responsible for supporting and promoting O&S activity. Contribution has been made by the previous Chairs of O&S Committees, and the wider Democratic Services team, members of which support the individual O&S committees on a day-to-day basis.

### **Summary of Overview and Scrutiny 2019-2023 – activity and challenges**

10. O&S in BCP Council has operated within a uniquely challenging environment since April 2019, when BCP Council was established replacing Bournemouth, Christchurch and Poole Councils and part of Dorset County Council. O&S arrangements for the new authority were designed in the lead up to this date by the BCP Shadow Authority, comprised of members of the preceding authorities. The Shadow Authority therefore had the challenge of designing an O&S function for an entirely new council of unknown members and political balance.
11. At time of design, the priorities of the new council were unknown, and O&S design was based on good practice, led by the advice and guidance of the Centre

for Governance and Scrutiny (CfGS). The aim was to ensure robust governance was in place for the new authority by establishing a day one operating structure for O&S that could offer support and challenge to the significant volume of critical decisions that were anticipated for a brand-new authority.

12. Further challenges presented by the pandemic came within a year of the new Council's life, and inevitably shaped the ways that O&S work was undertaken, and the topics focussed upon. By necessity, BCP Council swiftly moved to holding virtual O&S meetings, which became the default mechanism for all council meetings for 12 months.
13. The significant organisational change required to transform three preceding councils into one was by no means completed on day one. For most areas of council operation, creation of the new authority marked the start of the transformation journey, which has remained a priority of the Council to date. This has meant that O&S has had to establish the best way of using its resources to support the authority through these changes, along with providing input to significant 'business as usual' decisions as well as establishing work priorities of its own. Work planning for O&S has consequently been highly challenging as members try to balance these priorities and understand where they can make the most impact, with workloads for all committees high. Diverse ways of working were trialled to support this, such as rapporteurs, working groups, inquiries, and portfolio holder challenge sessions.
14. The Council had no single party with a majority after the May 2019 elections and so operated under an alliance of multiple political parties for 17 months and then saw changes in political balance and leadership which resulted in a new administration, new Cabinet portfolios, changes in O&S memberships and chairmanships, and a shift in work priorities.
15. O&S committees adapted to these political changes and used this opportunity to reflect on working practices and try new ones, but inevitably took longer to establish working practices that were both effective and embedded. The organic challenge that comes with a finely balanced political makeup has meant that many of the decisions made by the Cabinet over the period covered by this report have been subject to significant levels of scrutiny under both political leaderships and this style of pre-decision scrutiny has dominated the work programmes of some committees over this period.
16. The Council undertook a full review of the O&S function in 2021-22, to reflect on its operation to date and make improvements where required. The number and remit of O&S committees was changed as a result, with implementation in May 2022. This report includes an overview of activities of the O&S committees before and after the structure was changed. This is discussed in further detail in paragraphs 20-27 below.
17. In 2019 the Government published statutory guidance for Overview and Scrutiny based on the first full review of O&S in local government since its introduction. The emerging themes of the guidance were taken account of in the design of the day one operating model for O&S for BCP.
18. To identify areas of weakness and improvement O&S arrangements have now been reviewed against the guidance to produce an action plan for O&S. The action plan accompanies this report at Appendix 2 and sets out a one-year plan for changes to O&S to ensure that BCP is taking appropriate steps to align O&S

working practices to the good practice standards set out in the guidance. The Action Plan is discussed in more detail in paragraphs 34 to 42 below.

### **Scrutiny activity 2019-2023**

19. In 2019-2022 the Council operated with three O&S committees – the Overview and Scrutiny Board, Children’s Services Overview and Scrutiny Committee and Health and Adult Social Care Overview and Scrutiny Committee. Changes to the structure were implemented in the 2022/23 municipal year with changes to the number of O&S committees and their respective remits. A summary of work undertaken in all committees is set out in Appendix 1 accompanying this report.

### **2022 – A new model for Overview and Scrutiny**

20. In 2021, a review of existing O&S arrangements was commissioned by the Audit and Governance Committee. Input was provided by a variety of O&S stakeholders, with the work led by the Audit and Governance Committee which provided a space for detailed independent review that took account of all political views. Through the O&S review, proposals were tested and challenged on multiple occasions by representatives of all political groups, Audit and Governance Committee members and Council.
21. The aim of the O&S review was to ensure that the O&S Committee structure remained fit for purpose prior to and beyond the next Council elections in 2023. This was in line with the recommendations of the Centre for Governance and Scrutiny (CfGS) for arrangements to be reviewed two years post vesting. It was recognised that the O&S structure and ways of working established in 2019 may need modification to remain fit for purpose when the Council and its priorities had been established.
22. A range of stakeholders were involved in the review and some clear cross-party messages gathered included:
- a concern that the balance of scrutiny responsibilities across the three committees was not aiding effective in-depth understanding of scrutiny topics or effective outputs;
  - Overview and Scrutiny Board meetings were too long and numerous – 33 additional meetings were held by the Board during 2019-21;
  - a wish to undertake more ‘overview’ work on topics established directly by O&S members or other backbench councillors, which may not necessarily relate directly to Cabinet decisions.
23. Changes to the O&S committee structure were made to remove the O&S Board and establish four O&S committees of equal standing based on the themes of Place; Corporate and Community; Children’s Services, and Health and Adult Social Care. The revised structure including the remit of each committee is outlined in Figure 1 below.



Figure 1 –Overview and Scrutiny Committees, membership and meeting frequency, established May 2022

24. The resulting model agreed by Council changed the O&S structure with the aim of responding to concerns around meeting duration and high levels of workload by establishing two new committees in place of the previous O&S Board. A reduction in the frequency of meetings across all committees was also agreed, to release capacity for committees to explore other scrutiny mechanisms available besides Cabinet scrutiny, including working groups, longer term task and finish groups, evidence sessions and the Councillor Call for Action, all of which are set out in the Constitution in more detail. It was also hoped that a change in meeting numbers would release the necessary officer capacity to support more effective O&S outcomes.
25. Regular discussions between all O&S chairs were held over 2019-23, which provided an opportunity for sharing of common challenges, solutions and joint working opportunities. Continuation of these is an action highlighted within the O&S Action Plan, to maintain oversight of the effectiveness of O&S, as the removal of the O&S Board also removed the responsibility from a designated O&S committee for resource monitoring and development of the whole function. This responsibility now sits with O&S chairs collectively, with the opportunity for issues to be raised to Council as necessary through the O&S annual report.
26. The remit of the O&S Committees as outlined in Figure 1 is based on the division of Portfolio Holder responsibilities. Portfolio Holder responsibilities are changeable and from time to time it may be necessary to modify the designation of functions across the four O&S Committees to maintain efficient fit and clear lines of accountability. Changes will be included as required within the annual report of the Statutory Scrutiny Officer to Council.
27. At this time, no changes to the remit of committees are recommended as Cabinet portfolios and priorities may change owing to the Council elections in May 2023 and were not known at time of writing. Modifications to the remit of O&S Committees may be required after these are known, and to reflect the new balance between the political groups and will be included in a future report to Council as required.

#### **LGA Peer Challenge and Capitalisation Directive**

28. In April 2022, the findings of an LGA Corporate Peer Challenge for BCP were published which provided comment on some aspects of O&S. Effective governance within the Health and Adult Social Care O&S Committee was highlighted:  
  
*'Health scrutiny is working well and there are developing links with Dorset Council to join up across the ICS footprint. Partners engage well, and the committee's work on the pressures faced across the system, particularly in adult social care regarding hospital discharge and enabling people to remain at home is a strength.'*
29. The impact and effectiveness of the O&S Board, (in its current format as of inspection in November 2021), was questioned, and the report highlighted that:  
  
*'political tensions continue to be played out in a way that is not always constructive and risks damaging the reputation of BCP. This risks distracting the Council from its ability to unify and move forward in the best interests of the residents and councillors themselves.'*

30. Overall, reviewers concluded that:

*'Overview and Scrutiny is not consistently adding value and needs to be reset to deliver on its purpose of ensuring that the Council is open, transparent, accountable and delivers improved policy and services.'*

31. Councillors were able to take account of these findings towards the end of the review of the O&S structure in 2022, which provided basis for altering the committee structure from an O&S Board and committees to the structure set out in Figure 1.

32. In September 2022, the Department for Levelling Up, Housing and Communities issued a 'minded to' offer of financial support to BCP Council in the form of a capitalisation direction for the financial year 2022/23. Accompanying this offer was the condition that:

*'the Council undergoes an external assurance review of its finances and governance arrangements. This review will advise on the amount of support required, help to ensure that the Council is on a sustainable footing going forwards, and ensure that policies and procedures are in place for robust decision making and accountability.'*

33. Actions to improve O&S have been set out with this in mind, to ensure that practices are strengthened and are as closely aligned to the Government's view of good practice for O&S as possible. The Council's Chief Executive has also carried out an assurance review which includes some suggested changes within Overview and Scrutiny which will be discussed with the new Council.

### **Statutory Scrutiny Guidance and Action Plan**

34. Changes made to the O&S committee structure in 2022 provided some reset to O&S. The election of a new Council in 2023 provides an ideal opportunity for a full reset of O&S and its working practice and to address the reflections made about O&S in the LGA Peer Challenge.

35. An O&S Action Plan has been developed to capture areas for development. To establish actions, all practices within the O&S function have been assessed against the Government guidance *'Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities'* (2019) in a desktop exercise undertaken by the Statutory Scrutiny Officer. The guidance provides a benchmark for good working practices in O&S and is statutory, meaning that guidance should be followed unless there is a good reason not to.

36. Much of the statutory guidance relates to ways of working and the Council-wide approach to O&S. The clearest message is the need for a strong organisational culture in which there is collective ownership of Overview and Scrutiny, parity of esteem for O&S and value placed on the challenge that O&S can provide. The guidance highlights that:

*'the prevailing organisational culture, behaviours and attitudes of an authority will largely determine whether its scrutiny function succeeds or fails.'*

37. The guidance is themed as follows:

- Culture
- Resourcing
- Selecting Committee Members



- Power to Access Information
- Planning Work
- Evidence Sessions

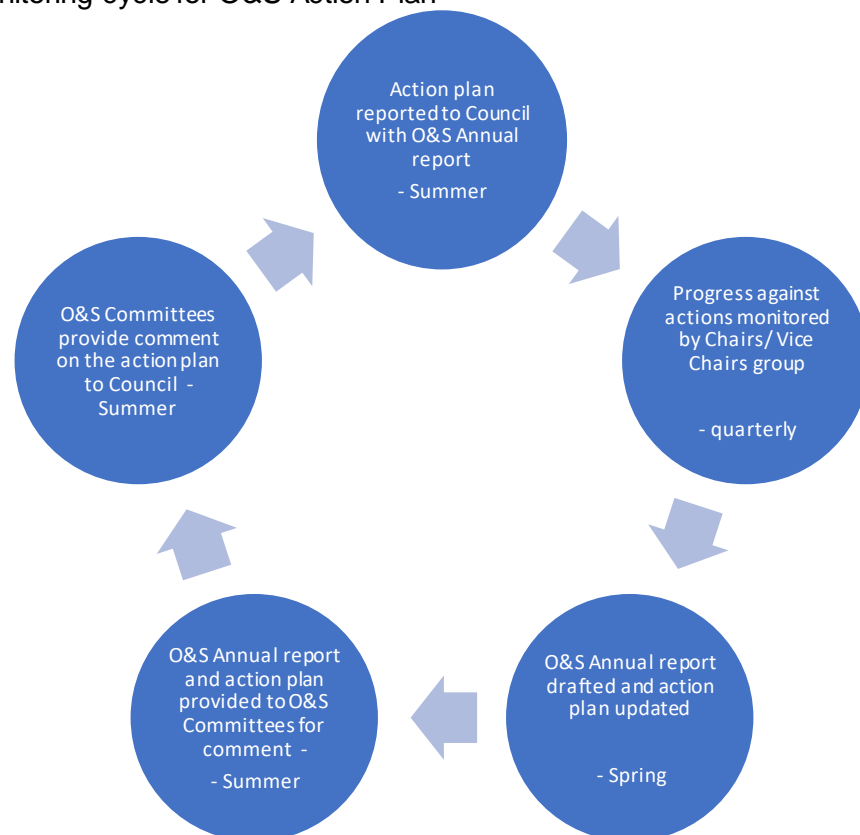
38. The O&S Action Plan follows the themes of the guidance. All relevant paragraphs of the guidance have been included within the action plan, to aid readers' understanding of why actions have been identified. Actions contained are set over one year and will provide a mechanism to measure improvements that are made to O&S.

39. Priority areas for actions include:

- member and officer training
- identification of a clear focus for O&S work, communicated to the organisation
- annual work programming for O&S committees
- strengthening the O&S/ Cabinet relationship
- development of working methods which make the most effective use of committee time
- O&S function ownership by O&S Chairs
- role descriptions for leading O&S positions
- the development of tools and protocols to support O&S work

40. Accountability for improvements to O&S ultimately sits with Council, through the receipt of the O&S annual report, although O&S Chairs and Vice Chairs will take an active role in monitoring progress throughout the year. The monitoring cycle for the O&S Action Plan is outlined in Figure 2 below.

Figure 2 – monitoring cycle for O&S Action Plan



41. It must be stressed that delivery of the action plan within one municipal year is ambitious. Direct officer support to O&S is split between core functions (the servicing of meetings and production of minutes and agendas) and proactive support to assist councillors in the planning of effective scrutiny sessions, and making improvements to the O&S function.
42. All actions not yet completed are currently on track to complete without slippage. However, there is a risk that timescales for improvement will not be met if officer resources to support the O&S function are diverted elsewhere - for example in frequent revisions to work programmes or the establishment and servicing of additional meetings significantly beyond the level currently identified for O&S committees.

## **Resourcing O&S**

43. An action of particular importance is the need for committees to carefully assess the resource available to them and plan their annual work programmes. Work programming sessions are planned for all O&S committees in summer 2023 and will provide the opportunity to select the majority of the year's O&S work.
44. A planned programme of O&S work for each committee, leaving sufficient capacity for some arising issues to be accommodated throughout the year, will ensure that all work can be completed within the programme of meetings (five meetings per municipal year) and officers within the Council can prepare O&S reports in a timely way to ensure that they are responding fully to the requests of committees.
45. Over 2019-23 86 O&S meetings were programmed as able to be resourced within existing budgets. 40 additional O&S meetings were called, which represents an increase of 47%. Many of these meetings were held by the O&S Board, with the review of the O&S structure in 2021 seeking to remedy this. However, in 2022/23 a total of 26 meetings of O&S committees were held representing a continued increase from the level programmed, by 30%. The level of additional O&S business undertaken post the review of the O&S committee structure therefore remains some way beyond that which can be accommodated effectively within existing resources. Committee agendas also frequently included more than the recommended two items of substantive business leading to long meetings over the 2019-23 period.
46. Although O&S councillors have the right to request that almost any item of council business be scrutinised, the effect of calling many additional meetings and scrutinising multiple items on a frequent basis is a reduction in the quality of O&S outputs.
47. This can result from both a reduction in the level of officer support that can be provided to O&S work (diverted from proactive advice and assistance in the planning of effective scrutiny sessions to the core business of servicing meetings, agendas and minute production) and a tendency to take a 'broad brush' approach to scrutiny topics - rather than a 'deep dive', which is more likely to lead to valuable outcomes.
48. The review of O&S in 2021 highlighted a clear cross-party wish to undertake more in-depth review work, however the summary of work for 2022-23 at Appendix 1 shows a continued high level of update reports, Cabinet scrutiny and limited in-depth reviews by comparison.

49. In order to realise councillors' aspirations to undertake more 'deep dive' work and to maximise the value of O&S outputs a determined focus to select the most high priority and high value work will be required for all committees in 2023/24. Diversifying working methods to include more than standard committee reports will assist with this, as will strengthening relationships with executive members and officers to aid the selection of value – added topics. For context, the statutory guidance states in this respect:

*'Scrutiny members should accept that shortlisting can be difficult; scrutiny committees have finite resources and deciding how these are best allocated is tough. They should understand that, if work programming is robust and effective, there might well be issues that they want to look at that nonetheless are not selected.'*

50. In 2023 the Constitution Review Working Group was asked to again review the meeting numbers for O&S Committees owing to a concern that five meetings per year was insufficient. In March 2023, Council considered this and agreed that meeting numbers should remain at five per year, subject to subsequent review by Council after the May 2023 local elections.

51. It is strongly advised that any further consideration by Council of O&S meeting numbers take account of the comments of the statutory guidance on resourcing scrutiny, as follows:

*'The resource an authority allocates to the scrutiny function plays a pivotal role in determining how successful that function is and therefore the value it can add to the work of the authority. Ultimately it is up to each authority to decide on the resource it provides, but every authority should recognise that creating and sustaining an effective scrutiny function requires them to allocate resources to it.'*

52. It is notable that O&S meetings have consistently over-reached the level planned for over the 2019-23 period. If it is considered that additional O&S meetings are required on a long-term basis to accommodate the priorities of O&S, and the authority, it is strongly advised that this be accompanied by an increase in officer resource to provide direct support for these meetings.

53. There is a risk that without an increase in resource to match an increase in O&S meeting numbers the improvements identified within the O&S Action Plan will not be realised and the statutory guidance will consequently not be properly upheld by the Council. The value of O&S outputs will also be limited for the reasons identified in paragraphs 46-47 above. The FTE cost of a Democratic and Overview and Scrutiny Officer to support O&S work including on-costs would be in the region of £40k.

54. The benefit of effectively resourcing scrutiny is explored in detail within the guidance and set out more fully in the Action Plan at Appendix 2.

## **Options Appraisal**

55. The Overview and Scrutiny Annual Report is for information and comment.

## **Summary of financial implications**

56. There are no direct financial implications related with the production of this report. The report explores the implications of resourcing O&S in paragraphs 43 to 54 above, and highlights that the demands on resource associated with the O&S

function may have implications in terms of additional staff requirements to support. Any direct implications relating to this will be outlined in subsequent reports to Council relating to O&S meeting numbers, if required.

### **Summary of legal implications**

57. Overview and Scrutiny is a statutory function of all councils operating an executive model of decision making. Improvements to the function, outlined in the report, will ensure that the work of O&S Committees in BCP Council complies with relevant legislation and upholds statutory guidance.

### **Summary of human resources implications**

58. There are no human resources implications from this report.

### **Summary of sustainability impact**

59. There are no sustainability implications arising from this report.

### **Summary of public health implications**

60. There are no public health implications arising from this report.

### **Summary of equality implications**

61. The Constitution of BCP Council sets out the rights of public access to the democratic process.

### **Summary of risk assessment**

62. The improvements identified for O&S, as set out in the O&S Action Plan at Appendix 2, will ensure that statutory Government guidance is upheld. There is a risk that the guidance will not be properly upheld by the Council if actions identified are not taken.

### **Background papers**

Published works:

['Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities'](#)

[LGA Corporate Peer Challenge: BCP Council Feedback report: 16-19 November 2021](#)

[Department for Levelling Up, Housing & Communities - Letter Paul Scully 2 September 2022](#)

### **Appendices**

Appendix 1– Summary of O&S Activity 2019-2023

Appendix 2 – Overview and Scrutiny Action Plan 2023-24