

Appendix 3 – The role of scrutiny in a commissioning Council

1. The national context and the changing role of scrutiny

The Big Society agenda, the Localism Bill and the move to being a commissioning authority will all necessitate change to the way that scrutiny operates within the Council.

What is clear, is that Cheltenham together with all councils across Gloucestershire, will have to make significant financial savings over the next few years. Scrutiny is well placed to challenge how public services are provided across Gloucestershire as the districts and the county already has good working relations with partner organisations. Elected members provide a key link between the public and councils and their fresh independent thinking will be vitally important over coming months. With reduced public funding, local communities will have to do more for themselves and the role of voluntary and community groups will become increasingly important.

Scrutiny reviews have traditionally focused on examining a particular service and looking at what needs to be done to make it more effective. Often these reviews have suggested areas for further investment but now we are in a climate where there will be considerably less money available. Hence it is vital that scrutiny members become involved in reviews which consider lower cost ways of delivering outcomes by engaging with the public, looking at what's going on elsewhere and working with partner organisations. This approach provides constructive challenge using the local knowledge of elected members who can help to define the outcomes required in their community.

This approach was supported by the Centre for public scrutiny in their recent policy briefing on the Localism bill and grant allocation. They emphasized *“how vital it will be that non-executive councilors take a lead in investigating proposals for service redesign and financial savings”*. They went on to say that scrutiny had an important role to play in:

- Subjecting any proposals to independent analysis
- Helping the executive and its partners to consider the long-term implications of any decisions
- Maintaining a “horizon scanning” approach
- Channeling public concerns and views on proposals to the decision-makers
- Evaluating the “social value” of services and not just the cost so that community value can be input to decisions

Example

The newly formed member budget scrutiny group illustrates the need for scrutiny to evolve to meet new challenges. The traditional role of scrutiny in challenging and ‘scrutinising’ the final budget proposals is not seen as an effective way of budget scrutiny. Therefore the terms of reference for the new group will encourage budget scrutiny to be proactive in identifying cost savings within the budget and examining these in more detail. This will be supported by building up members’ knowledge and expertise in financial matters.

2. Role of scrutiny at a strategic/county level

The Gloucestershire Scrutiny Group at their meeting on 3 February 2011 received a presentation from the Leader of Gloucestershire County Council, Mark Hawthorne, regarding the Leadership Gloucestershire group which has just been set up. The role of this group is to provide leadership on the vision of the Gloucestershire, provide a strong voice for the county and to take a lead on setting collective priorities and joined up services.

The role of scrutiny was explored during the discussion that followed. It was acknowledged that scrutiny could play a vital role in helping to define needs at a local level and ensuring that these were input to the vision. They could also act as a critical friend to the leadership group.

The County Scrutiny Group intend to revisit this topic at their next meeting on July 2011 and hope to have some input from both Cheltenham and County on how their commissioning programmes are progressing regarding scrutiny involvement.

3. Joint scrutiny

Joint scrutiny working across authorities would be essential in order to achieve some of these aims and Gloucestershire has examples of good practice in carrying out joint scrutiny. The Gloucestershire Health Overview and Scrutiny Committee is a good example and have done some excellent work in external scrutiny of health issues in the county.

We have a very good example of scrutiny of an externally commission service in the work done by the Joint Health Scrutiny Committee looking at the Great Western Ambulance service. The review was far reaching and focused on the needs of the service users and how service delivery could be improved. The review is available on the county website

Here is the link to the GWAS Joint Health Scrutiny Committee Interim Report:

<http://glostext.gloucestershire.gov.uk/mgConvert2PDF.aspx?ID=2279>

It is clear that joint scrutiny will have a much higher profile in the local government world in the future. We already have joint scrutiny across committees in the council but there will be increased need for joint scrutiny across the county. Again the legislation is already in place to support this but resources will need to be considered.

4. Role of scrutiny at service level

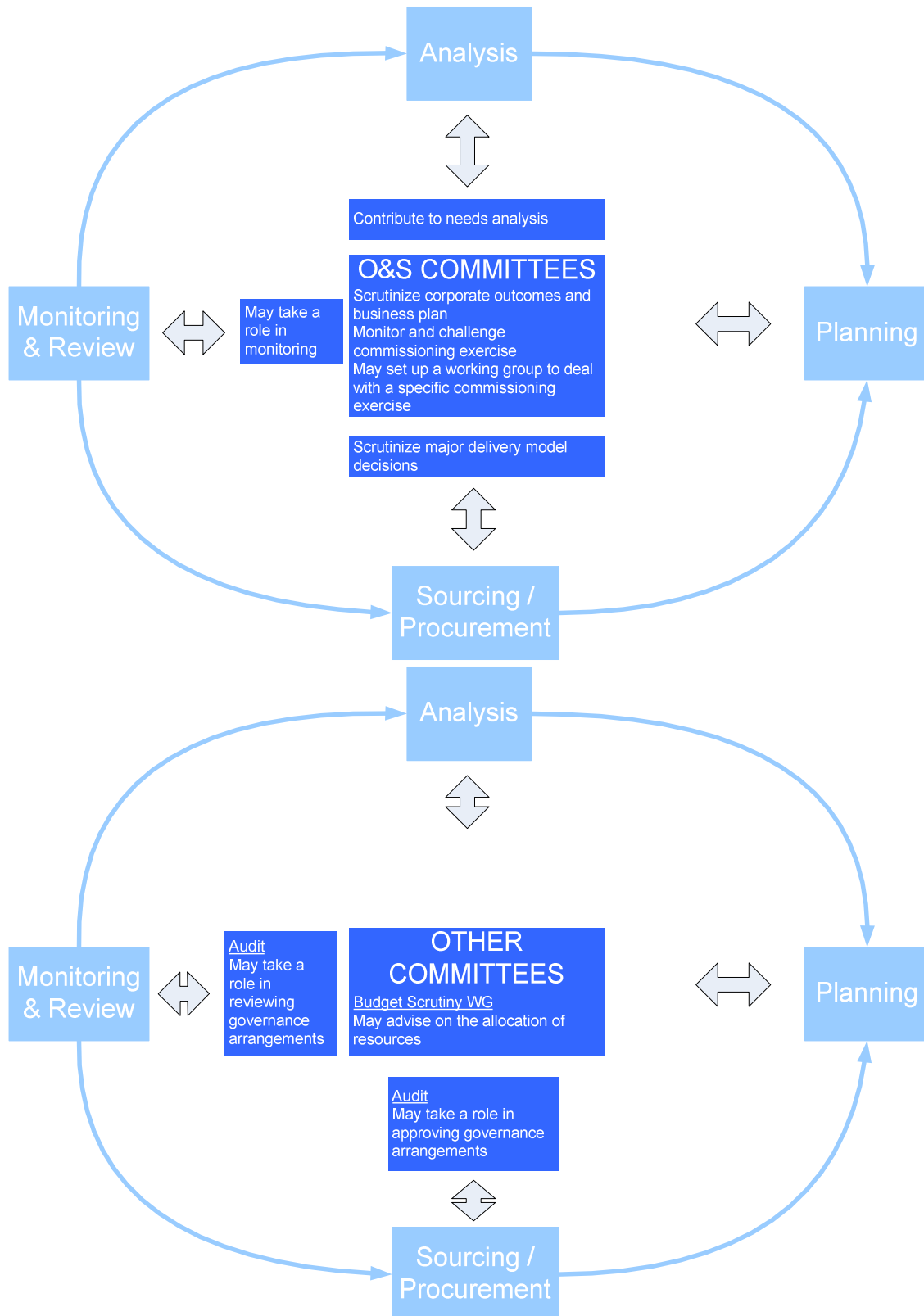
Scrutiny committees already have a lot of experience in scrutinising services provided internally by the council. Committees have also scrutinised external providers.

The commissioning cycle

When we move on to commissioning there is the potential for scrutiny to be involved in all four stages of the commissioning cycle. That is

- Analysis and defining the outcomes
- Planning
- Sourcing
- Reviewing

Work has already been done with the cross party member working group and the diagrams attached show the four stages of the commissioning process and the involvement of scrutiny (and audit) at each stage. What is very evident is that scrutiny are involved at a very early stage, throughout the commissioning process and then have an ongoing role in monitoring and review.



Scrutinising the commissioning project/programme

For a commissioning programme to be successful, it has been recognized that it needs to be run as a project applying good project management principles and dedicated resources. Scrutiny has a role to play here in scrutinising the management of the project. The Economy and Business Improvement Overview and Scrutiny Committee received a presentation on this suggesting the areas they would cover.

Reviewing operational feedback

The cross-party member working group identified the need for a ward member to be able to call the service provide to account on behalf of local residents. This could be done at an individual member level or be a topic for scrutiny if it is more than an isolated problem. Other issues may be picked up as part of the 'review' element of the commissioning process.

5. Centre for Public Scrutiny view

When putting together this report we asked for some advice from the Centre for Public Scrutiny. They plan to include a section on the role of scrutiny and commissioning in their next forthcoming publication on the Big Society. In the meantime they advised that *"Getting involved at the start is particularly important as it allows scrutiny to build itself in to the commissioning arrangements themselves as they are being developed – providing it with a formal role in the process"*.

They also commented that *"Scrutiny can and should also be involved in reviewing – in a strategic way – performance under commissioning arrangements and checking that crucial issues aren't being missed, by analysing wider matters relating to the service in question."*

They suggested that the common approach of providing management scorecards to committee once in a while may be least useful, as this may duplicate executive activity.

The council's cross-party working group had a slightly different view on this as they felt it would be unnecessary for the executive to get into the detailed monitoring arrangements as this would be done by scrutiny. This is an area that needs to be worked out.

The cfps acknowledged that it was not something that many authorities are good at, at the moment, simply because commissioning isn't used across the board, and/or members aren't confident enough in their skills to make it work. But this will all start to change in the coming couple of years as commissioning becomes the way that many councils deliver all their services.

6. Scrutiny Structure

Members have suggested there may be a need to change the scrutiny structure in order to facilitate these new roles for scrutiny. The cross-party working group have recognised that some of the most effective scrutiny work has been done by task and finish groups with dedicated officer support. This facilitates an in-depth review which is not constrained by being carried out in a formal committee type meeting. This type of group could support the

commissioning process by helping to redesign services and acting as a critical friend. They would go on to ensure that the interests of residents are being delivered as the project progresses and then ongoing monitoring and review.

Members would be able to put themselves forward for reviews where they have a particular interest in the area or issue and they would have the opportunity to build up their knowledge and expertise. The group could adopt more innovative ways of engaging with the public particularly when identifying the outcomes required from the service. This may take more of members' time but would be more satisfying for those involved and scrutiny members would feel they were making a real contribution.

Currently scrutiny has mechanisms in place to set up working groups but sometimes these can be complicated when several committees may need to meet to nominate their members before work can start. Similarly the process for reporting recommendations can be quite complex and elongated by the diary of meetings. This can be even more complicated when joint scrutiny across authorities is involved. The cross-party member working group have identified a need to simplify the process. This could be achieved by having an overarching scrutiny committee who could manage the overall work programme for scrutiny.

It may well be that changes are required but redesigning the structure should not be the starting point. The first step is for members to define their role and then we can determine whether the structure will support that or if change is needed. The resources needed to support the new roles for scrutiny and a new structure will also need to be considered.

Members have seen the success of some of the scrutiny work carried out at the county. Some of this success is down to the support given to members by a dedicated team of scrutiny officers but it is also down to finding new ways of engaging members in the scrutiny process.

7. What next?

The bottom line is there is no easy 'off the shelf solution' but the Cabinet, scrutiny and officers need to work together to find a solution which will work for Cheltenham. This is likely to be an evolutionary process as we gain experience in commissioning. We should await with interest any further advice and guidance from the centre for public scrutiny and encourage members to participate in scrutiny networks so that they can pick up good practice and share experiences with other local authorities.

Some important questions for scrutiny member to consider during the debate at this meeting:

1. What do they see as the challenges for scrutiny going forward?
2. What changes if any would members like to see to the scrutiny structure?
3. As well as the large commissioning projects underway such as Culture and Leisure, we need to be looking for some 'quick wins' for scrutiny in the commissioning process. Are there some areas which although relatively small could form part of a commissioning review to help define the process of member engagement?

4. The cross-party member working group should continue to take the lead on refining the scrutiny role going forward. How do other scrutiny members want to be involved?
5. The group should also work closely with Learning and Development to identify the new skills that are likely to be required in the future and organise appropriate training and development for members in advance. What are the areas where members feel they need to develop their skills?