

REPORT TO PROCEDURES COMMITTEE – 17 SEPTEMBER 2021

REVIEW OF SCRUTINY ARRANGEMENTS

1 Reason for Report / Summary

- 1.1 This report informs the Committee of the outcome of the review of the Council's scrutiny arrangements under the Scheme of Governance, requests that the Committee agree the conclusion of the review and actions to implement the recommendations arising therefrom and seeks approval to mark the corresponding actions in the Best Value Action Plan as complete.

2 Recommendations

The Committee is recommended to:

- 2.1 Consider and comment on the outcome of the review of the Council's scrutiny arrangements as set out in this report;**
- 2.2 Agree the actions outlined in Appendix 1 and instruct the Head of Legal and People to report back to Procedures Committee with an update on implementation; and**
- 2.3 Agree that the action BV4 and sub-actions BV4.1, 4.2 and 4.3 in the Best Value Action Plan 2020 can now be marked as complete on the basis that the review has concluded and actions agreed.**

3 Purpose and Decision Making Route

- 3.1 On 19 November 2020 Full Council agreed the Best Value Action Plan following consideration of the Accounts Commission's Best Value Assurance Report for Aberdeenshire.
- 3.2 The Best Value report concluded that, whilst scrutiny across the Council had improved since the introduction of new scrutiny arrangements under the Scheme of Governance, more challenge was required from Elected Members to drive improvement and there was limited evidence of formal scrutiny being undertaken. Whilst it was noted that Elected Members were well supported through member briefings, workshops and informal sessions, concerns were expressed that the level of public scrutiny was reduced as a result. The report also highlighted a lack of robust performance data, which could be seen as a barrier to Members carrying out their scrutiny role effectively.
- 3.3 Consequently the Best Value Action Plan contains a primary action BV.4 to *"review the scrutiny arrangements to ensure that there is sufficient public scrutiny and that it effectively supports continuous improvement"* and three sub-actions:-

- *BV4.1 Undertake a review of scrutiny arrangements*
- *BV4.2 Develop a systematic programme of scrutiny with a key focus on outcomes and improvements and the impact of scrutiny actions on service delivery to align with the seven principles in the Code of Corporate Governance*
- *BV4.3 Put in place a programme of Councillor training to support improved scrutiny at all levels*

3.4 On 21 April 2021 Procedures Committee considered the scope of the review of scrutiny arrangements and agreed that this should cover the structure of delegations in the Scheme of Governance, the Scrutiny at Aberdeenshire Guidance, training and support for Members and Officers, opportunities for public scrutiny and programming of scrutiny work, including how this links to improved service delivery and continuous improvement. In addition the Committee suggested consideration should be given to the following issues:-

- (i) potential options for introducing more structure to scrutiny at meetings in a variety of formats including question and answer sessions with Directors;
- (ii) the relative roles of members and officers in examining issues;
- (iii) stronger links between Audit and Policy Committees; and
- (iv) supporting continuous improvement through the scrutiny process.

3.5 The Committee requested a report back to its meeting on 17 September on the outcome of the review, together with any proposals for amendment of the Scrutiny at Aberdeenshire guidance in Part 4 of the Scheme of Governance.

3.6 In developing the actions arising from the review, consultation has been undertaken with the Strategic Leadership Team, the Corporate Leadership Group and the Council's External Auditor. Should the Committee agree the actions outlined in Appendix 2, an update on implementation will be reported back to Committee in early 2022.

4 Discussion

4.1 Several key themes have been drawn out from the review, which can be summarised as:-

- (i) Rebranding Scrutiny**
- (ii) Programming Scrutiny**
- (iii) Scrutiny at Committee**
- (iv) Training**

Rebranding Scrutiny

- 4.2 Feedback received from the review indicates that the approach to scrutiny across the Council could benefit from a change in language and a change of how we think about scrutiny. It is noted that scrutiny can often be perceived to have negative connotations thereby potentially hindering the Council's ability to reap the benefits of effective scrutiny in terms of continuous improvement. The ability to rely upon Councillors as a "critical friend" should not be understated in identifying areas for improvement and making positive changes to service delivery. It is clear that the Council already has the foundations in place in the positive working relationships between Members and Officers to promote constructive scrutiny across the Council and its Committees. However, a refocusing of the purpose, language and tone around scrutiny should be considered to fully embed it within the Council's improvement agenda, building on the positive engagement between Members and Officers that already exists at Aberdeenshire Council.
- 4.3 The action plan therefore proposes a rebranding of the Scrutiny at Aberdeenshire Guidance in Part 4 of the Scheme of Governance, to rename it "**Improving Aberdeenshire**", thereby setting a positive context from the outset. The guidance will be reviewed and reported back to Committee in November, prior to being reported to Full Council for approval.
- 4.4 Whilst changes are proposed to the Scrutiny at Aberdeenshire guidance in the Scheme of Governance, there are no proposals to make changes to the delegations in Part 2 of the Scheme. Benchmarking with other authorities has shown that Aberdeenshire's governance structure is not dissimilar to other authorities, with scrutiny powers delegated to service and policy committees. Whilst it has taken time for the Committees to adjust to the change in Aberdeenshire's approach to scrutiny, neither the issues identified in the Best Value report nor the discussions held as part of the review highlight any need to make any changes to existing delegations at this time. Similarly, the Committee Review Process – a three stage process involving a stage 1 report, stage 2 workshop and stage 3 investigation which can be invoked by a Policy or Area Committee, or by Audit Committee in terms of a referral – is considered to be a robust process that, subject to a shift in some of the language and procedures to ensure a focus on improvement and outcomes, should remain in the Scheme.
- 4.5 The Procedures Committee at its meeting on 21 April 2021 did highlight a need to strengthen the relationship between the Audit Committee and the Policy Committees, an issue which has been previously identified in the How Good is Our Governance Action Plan. The Chair and Vice Chair of the Audit Committees attended the four Policy Committees earlier this year to take the first step in building stronger links across the Committees and identifying ways in which each can benefit from the specific role, expertise and oversight of the other. Given the importance of this in the context of improving our scrutiny arrangements it is considered appropriate to formalise it as an action in Appendix 1. A programme of future engagement is currently being developed and the inter-relationship between the Audit Committee and the Policy

Committees will also be reflected in the revised Improving Aberdeenshire guidance to outline how this should operate in practice.

Programming Scrutiny

- 4.6 The review has highlighted that whilst Members are undertaking scrutiny on a regular basis through the consideration of reports and information, there is currently a lack of structure around the programming of scrutiny activity and no clear link to outcomes. Consideration has been given to how this could be best approached.
- 4.7 What is clearly evident from the review, and the comments from this Committee in April, is that scrutiny cannot be looked at in isolation. The review has therefore dovetailed with work ongoing in relation to both the new performance management framework and continuous improvement framework. On 24 June 2021 the Council approved a new Performance Management Framework (Item 11). The Framework is based upon the Plan Do Learn Act model of continuous improvement. Scrutiny is pivotal to the Learn element of the cycle, which clearly demonstrates the linkages between scrutiny activity, improvement actions and performance, therefore one of the key objectives of the Framework is to *“Encourage and support effective scrutiny at all levels within our Council as well as by external stakeholders.”* The Framework will also ensure a consistent approach to performance reporting, with six monthly reports to Policy and Area Committees. The content of the reports will be tailored to each Committee and shaped by feedback from Members.
- 4.8 At the same time work has been ongoing to develop a Continuous Improvement Framework to embed the principles across all services through the creation of Transformation Boards, overseen by the Council’s Strategic Change Board.
- 4.9 The scrutiny arrangements under the Scheme of Governance are therefore just one part of the overall improvement landscape at Aberdeenshire and the principles and processes established in the two frameworks are integral to the actions arising from the review.
- 4.10 It is therefore proposed that the programming of scrutiny activity is founded within the principles in the Performance Management Framework of Plan, Do, Learn, Act. In the context of scrutiny, this would centre on Elected Members using the performance information presented to them to scrutinise the outcomes of activity, identify learning from the results, whether positive or negative, and finally determine what could be done differently in order to meet the needs of the people of Aberdeenshire. SMART indicators would then be used in order to track the progress of any actions to measure whether the improvement actions have achieved the desired outcomes.
- 4.11 In order to harness the specific knowledge and expertise of Elected Members and ensure Committees can add best value, a planned approach to scrutiny programming would be embedded whereby:

➔ Directorate Management Teams, utilising Transformation Boards where appropriate, would identify matters identified for improvement to bring forward to Committee as part of an Annual Improvement Report (which is explored in further detail at paragraph 4.15, below), through analysis of information and drawing on sources such as:-

- (i) Council and Directorate Plans
- (ii) Performance reports, including the Annual Performance Report
- (iii) Complaints
- (iv) Benchmarking information
- (v) External/Internal Audit reports

➔ The Committee would receive the Annual Improvement Report from the Director/Area Manager with detail of performance reports that are coming forward over the next 12 months, and any areas of focus proposed by officers for inclusion in the scrutiny programme. In agreeing items for inclusion in any scrutiny programme, there must be clarity on the outcomes the activity is seeking to achieve.

4.12 Where a number of areas for improvement are identified, a prioritization exercise may be undertaken by the Committee to seek agreement on what should form part of the scrutiny programme. In determining which improvements to prioritise, the following criteria may be taken into account, which are based on the existing scoring prioritisation list in the current Scrutiny at Aberdeenshire Guidance -

- (i) Is the area consistently under-performing as evidenced by performance information, benchmarking or external inspection or audit reports?
- (ii) Is this a significant systemic issue which Members or communities have identified as a concern?
- (iii) Is there the ability to resource improvement action, or have the powers to do so?
- (iv) Is the topic going to be coming forward to the Committee within the next six months?

4.13 The outputs and improvements from any scrutiny activity would then be reported to the Committee as part of the Annual Improvement Report.

Scrutiny at Committee

4.14 Whilst it is recognised that Members are undertaking scrutiny on a regular basis, it is not always evident from the wording and language in reports when a report is coming forward for scrutiny. This can present challenges, both for officers in collating a record of scrutiny activity at Committee, and for Members in understanding what is expected of them. It is therefore proposed that changes are made to report templates to ensure Members are clear on when they are undertaking their scrutiny role. The "Reason for Report" and "Scheme of Governance" section will include prescribed wording to reflect this, and report authors, through amendment to the report writing guidance and advice from monitoring solicitors, will be encouraged to reflect the Committee's scrutiny

powers in all relevant reports and to promote the use of “scrutinise” in recommendations.

- 4.15 The Committee will also be aware that each Policy and Area Committee and Audit Committee received an Annual Scrutiny Report earlier this year, which outlined scrutiny activity over the past twelve months. It is proposed that this report be rebranded as the “Annual Improvement Report” under the **Improving Aberdeenshire** guidance. The report will still cover the activity undertaken by the Committee over the past twelve months, but with a focus on what actions and improvements have arisen as a result. The report will also form part of the programming of the improvement activity for the coming year, allowing officers to bring forward areas for improvement that the Committee could focus on, and identifying reports that will be coming forward on performance. Workshops could be held with Members of the Committees in advance of their consideration of the report in order to inform the programme of activity over the coming year.
- 4.16 In order to inform the Annual Improvement Report, it will be crucial that any actions arising from scrutiny activity by Committees are tracked and reported back and officers are currently exploring how this could be best managed, i.e. through the use of Pentana.
- 4.17 As well as the Annual Improvement Report, it is suggested that in the initial stages of implementation of the Improving Aberdeenshire guidance, a six monthly Improvement Update is provided to Committees, summarizing any scrutiny activity undertaken by the Committee in the interim period and actions arising. The update would also collate the outcome of any informal sessions held with members, to ensure appropriate transparency and publicity around scrutiny activity, and assist in embedding the continuous improvement cycle. The Committee may of course determine to receive more frequent updates if there is a particular urgency or concern about any matter.
- 4.18 At its meeting on 21st April 2021, Procedures Committee questioned whether committee time should be carved out for scrutiny work, either in the form of a special meeting, or through the establishment of a sub-committee dedicated to scrutiny work. It is felt that additional meetings may create unmanageable burdens on both Members and Officers and may be difficult to accommodate within existing resources. However, it would be open to Committees to consider allocating space on particular meeting agendas for specific improvement work, which could be incorporated into any annual programme. There would also be an element of discretion afforded to Committees as to what format they consider most appropriate to draw out the information they need in order to perform their scrutiny role, to complement the existing Committee Review Process. The **Improving Aberdeenshire** guidance will provide a steer for both Members and Officers on how this could be approached at Committee and what formats could be considered for this purpose. It would then be at the Committee’s discretion as to how they approach the task.

Training for Elected Members

- 4.19 Training will be key in ensuring that Members are equipped with the knowledge and tools to perform their scrutiny role effectively, to enable them to appropriately challenge officers and be champions for continuous improvement across their areas.
- 4.20 The induction programme for the new Council in 2022 is currently in the process of being developed, and it is proposed that this includes a session dedicated to improvement, looking at the Council’s performance management framework, scrutiny arrangements and continuous management framework.
- 4.21 At the same time the current scrutiny toolkit on Arcadia, and the Aldo module on Scrutiny at Aberdeenshire, will be updated to reflect the implementation of “**Improving Aberdeenshire**”. Work is underway to develop a performance management module on Aldo for Elected Members, which will tie in with the existing training. To complement the Aldo modules, it is proposed that a series of drop in sessions on performance, scrutiny and improvement are held later this year following approval by Full Council of the changes to the guidance to promote “Improving Aberdeenshire” and provide some practical examples and tips on how to undertake effective scrutiny.

5 Council Priorities, Implications and Risk

- 5.1 This report helps deliver all six Strategic Priorities through the implementation of effective scrutiny arrangements to help drive continuous improvement, and in particular the underlying principle of right people, right places, right time.
- 5.2 The table below shows whether risks and implications apply if the recommendation(s) is (are) agreed.

Subject	Yes	No	N/A
Financial			X
Staffing	X		
Equalities and Fairer Duty Scotland			X
Children and Young People’s Rights and Wellbeing			X
Climate Change and Sustainability			X
Health and Wellbeing			X
Town Centre First			X

- 5.3 There will be staffing implications in the development and implementation of scrutiny programming, however it is considered that these can be met within existing resources.

5.4 An integrated impact assessment is not required because this report informs the Committee of the outcome of a governance review and there is no impact on any of the protected groups.

5.5 The following Risks have been identified as relevant to this matter on a Corporate Level:

ACCORP001 – Budget Pressures

ACCORP004 – Business and Organisational Transformation

6. Scheme of Governance

6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

6.2 The Committee is able to consider and take a decision on this item as it has remit to make recommendations to Full Council on any changes to the Scheme of Governance.

Ritchie Johnson, Director of Business Services

Report prepared by Ruth O'Hare, Legal Service Manager (Governance)
Date 24 August 2021

List of Appendices –
Appendix 1 – Action Plan

APPENDIX 1

ACTION PLAN

Action	<u>Responsible Officer</u>	<u>Timescale</u>
Revise and rebrand Scrutiny at Aberdeenshire Guidance in Part 4 of the Scheme of Governance to introduce " <u>Improving Aberdeenshire</u> " and report back to Procedures Committee for consideration	Legal Service Manager (Governance)	November 2021
Revise Report Writing Guidance to introduce prescribe wording for performance/scrutiny reports	Legal Service Manager (Governance)	November 2021
Update the scrutiny toolkit and ALDO modules to reflect changes to guidance	Legal Service Manager (Governance)	December 2021
Arrange drop-in sessions for Members on "Improving Aberdeenshire"	Legal Service Manager (Governance) Business Strategy Manager	December 2021
Identify actions to strengthen links between Audit Committee and Policy Committees	Business Strategy Manager	December 2021
Submit Annual Improvement Report to Policy, Areas and Audit Committees with programme for year ahead	Directors/Area Managers	March/April 2022
Incorporate <u>Improving Aberdeenshire</u> into the Induction training for new Council 2022	Legal Service Manager (Governance)	May 2022