

Appendix 2

Scrutiny Peer  
Challenge  
Shropshire  
Council

## 1. Executive Summary

Across the council, members and officers are keen to ensure that overview and scrutiny delivers positive outcomes for the people of Shropshire. There is a broad consensus that the function, as it stands, is not fit for purpose – a conclusion with which the peer team agree, and whilst there is a clear commitment to making it work, the best way to progress this has, to date, been unclear.

Members and officers are dealing with cultural issues relating to history and geography which make it more difficult for them to work together to ensure that scrutiny supports and challenges the council as a single corporate entity for which members feel they have ownership.

A lack of a consistent vision for scrutiny from members has resulted in their not being able to provide clear directions to officers about the work they expect scrutiny to carry out. In the advance of this direction, well-meaning officers have stepped in to fill the gap, but this has resulted in a blurring of roles. At the moment, this has not caused any substantial governance problems, but the inherent conflicts of interest involved could cause potential difficulties further down the line.

The team heard enthusiasm and support to move away from that cultural approach. A reset is required – of behaviours, attitudes and, in support of those cultural changes, structures as well. As a first step the development and agreement of a shared understanding of scrutiny's role and vision will build a strong foundation for this work.

Backed up by improvements to systems and processes, that vision will ensure that the work is anchored more firmly in the Council's structures. A renewed approach to work programming and the ways that members access and use information are both necessary. The different ways of working open to scrutiny – for example, opportunities to embed public involvement in scrutiny's work – will need to be reviewed and put in place as part of this work.

There are examples of positive and productive working in scrutiny. Task and finish work was valued by both members and officers. We heard mixed views about the outcomes from these, and so the Council will want to revisit to ensure that the good practice and positive impacts are spread more widely across the.piste, thusensuring a sharper focus on areas which can have the most impact to further strengthen the scrutiny function.

## 2. Key recommendations

There are a range of suggestions and observations within the main section of the report that will inform some 'quick wins' and practical actions, in addition to the conversations onsite, many of which provided ideas and examples of practice from other organisations. The following are the peer team's key recommendations to the Council:

1. **Develop a shared vision of what overview and scrutiny means for Shropshire.** A conversation between members, and between members and officers, needs to lead to a shared understanding of the role of overview and scrutiny within Shropshire. There is a commitment for scrutiny to focus on impact, but this can only happen when this shared vision for scrutiny exists;
2. **To drive cultural change and a broader cultural acceptance of scrutiny's role, member and officer champions for scrutiny should be identified.** The council needs named individuals who are committed to driving cultural change in the organisation on both the member and officer side. This will build a sense of collective ownership, but must be based on the role and functions for scrutiny that scrutiny members themselves have collectively decided upon;
3. **A comprehensive training programme around scrutiny for members and officers should be planned and delivered.** Part of cultural change is about developing a clearer sense of the tools available to members to support the scrutiny function. Work will need to be undertaken to identify obvious gaps in skills – on both the member and officer side.
4. **A dedicated overview and scrutiny officer resource should be put in place.** A phased approach to improving the scrutiny function will require a dedicated resource in place to put in place new systems and trial new approaches to scrutiny. This will, in particular, free up some time currently expended by senior officers in service departments in supporting scrutiny work;
5. **New structures, processes and protocols should be put in place to deliver improvements.** A blurring of member/officer roles and uncertainty around members' access to and use of information, along with inconsistent work programming, suggest that consistent, common systems for operating scrutiny need to be put in place, reflecting scrutiny's overall vision and purpose.
6. **These changes will need to be carefully planned and implemented at pace.** There is a moment of opportunity to make changes. The peer team understand and respect your current intention to confirm the existing scrutiny structures and systems at council AGM, making changes thereafter. However, the risk in delay is that the momentum will go out of the plans for change.

### 3. Summary of the Peer Challenge approach

#### The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Shropshire were:

- **Lead officer peer:** Ed Hammond, Director, Centre for Public Scrutiny
- **Member peer:** Councillor Terry Hone (Con), Deputy Leader and Finance Portfolio Holder North Hertfordshire District Council and Chairman of Overview and Scrutiny Hertfordshire County Council
- **Senior officer peer:** Sara Turnbull, Head of Member Services, Buckinghamshire County Council
- **Senior officer peer:** Clare Pattinson, Legal Manager, Governance and Elections, Durham County Council
- **Challenge Manager:** Patricia McMahon, Adviser Local Government Association

#### Scope and focus

The peer team considered the following five questions. These reflect the core components looked at by all corporate peer challenges, amended to reflect this review's specific focus on overview and scrutiny.

- a) **Understanding of the local place and priority setting:** how does Scrutiny's role fit with the Council's recognised corporate priorities, and how is that role linked to the needs and aspirations of local people?
- b) **Member leadership and relationships:** how do elected members lead and own the scrutiny process? How do the executive, senior officers, scrutiny, partners and other individuals and groups maintain positive working relationships? Is there effective political leadership from the executive side that highlights scrutiny's importance? What, if any, role does party politics play?
- c) **Resourcing and prioritisation:** how is scrutiny work prioritised, given limited resources, and how does it engage with the resource constraints faced by the authority and other bodies delivering public services locally?
- d) **Member access to information and skills to affect change.** How do members use data and information to carry out their work? How is information from officers presented to them – at committee and outside? Do members have the skills to sift and analyse information effectively, and do they have the officer support to do this?

In addition to these questions, the peer team were asked to consider/review/provide feedback on the Council's review of its structural arrangements for scrutiny, carried out in 2015 but yet to be implemented.

## **The peer challenge process**

It is important to stress that this was not an inspection. Peer challenges are improvement focussed and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent 3 days onsite in Shrewsbury, during which they:

- Spoke to more than 30 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from more than 18 meetings, along with additional research and reading.
- Collectively spent more than 100 hours to determine their findings – the equivalent of one person spending more than two and a half weeks in Shrewsbury.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (27<sup>th</sup> February to 1<sup>st</sup> March). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

## **4. Feedback**

### **4.1 Understanding of the local place and priority setting**

The Council has a good understanding of the needs of their constituents, but this does not consistently influence how scrutiny's priorities are set and how it carries out its work.

Scrutiny's work within Shropshire does not seem to react to external stimuli. The peer team had expected to see some engagement with some of the significant strategic challenges facing the council – issues such as the pressing financial challenge and the drivers for economic growth. In particular, the team felt that the opportunity should have been grasped by scrutiny to engage in the commissioning agenda – particularly given that the strategic context for that issue at Shropshire has shifted substantially in the last two years.

The current scrutiny function tends to look at issues from the point of view of the council, rather than the point of view of local residents. It appears driven by the content of the Forward Plan, and members' personal interests, rather than by broader local pressures. This disconnect means that scrutiny struggles to feel relevant to those involved in decision-making. There is a real appetite to improve this.

An approach that recognises councillors' unique perspective as representatives of local people would allow members' insights to directly influence their scrutiny work. Recognition of members' unique skills in understanding local people's needs should influence the function's overall vision and purpose. This report will return to the issue of members' work being framed by the work of officers later.

The position with health issues is much more positive as scrutiny does engage more productively with external stimuli, but the team felt that this had happened due to scrutiny's statutory role here rather than a considered, cross-function agreement that such issues are important.

### **4.2 Leadership and relationships**

Both history and geography within Shropshire have an influence on the way that members participate in the scrutiny process. The difficulty that members have experienced in developing a clear and consistent vision for the scrutiny function means that, in some instances and for some committees, officers have needed to direct and manage aspects of the scrutiny function which would normally be led by members.

In thinking about scrutiny and its relationship with the rest of the organisation (and the wider community) we would encourage members and officers to think about the future rather than replaying difficult historical issues such as the 2009 reorganisation of local government across the county of Shropshire – including the scrutiny activities and priorities of the predecessor councils. Other influences, such as the move to become a commissioning organisation under the former Leader, also play a part in dislocating the scrutiny function.

We agree with feedback from officers and councillors that the council should be looking forward to future challenges and opportunities. There is, for example, an opportunity to think creatively about how scrutiny responds both to the challenge of commissioning and the wider public service reform agenda, but members' focus on the recent history of commissioning in Shropshire means that this strategic focus on the future does not exist.

Geography also presents a challenge. Shropshire is a very rural environment, and by area is one of the largest unitary authorities in the country. Members' close connection to their communities under these circumstances is to be commended. However, it is a real skill to be able to think more corporately to make strategic decisions across the council (some of which can impact negatively on different communities) To turn this round, members will need to develop, communicate and stick to a vision for the function.

There is a dissonance between some members, and most officers, in how they think of scrutiny's role, purpose and effectiveness. Those members most closely involved in the scrutiny function and its work are well-motivated and consider that they are leading, owning and driving the process. However, they do not seem to distinguish output from outcomes. Senior officers, however, see the situation differently. There has been a blurring of roles between members and officers in leadership on scrutiny. This highlights that – while enthusiastic – many members have not reflected on the role, function and purpose of scrutiny within the authority, and used that to influence the work they do and how workloads are prioritised. This disconnect presents itself through the way that reports are developed and presented to members, a process that is subject to too little member challenge.

Relationships between members overall are good and productive. However, there are a small but significant number of issues which suggest a broader disengagement with the scrutiny function in general.

The first of these relates to committee chairing arrangements. Opposition members feel strongly that they should be permitted to chair committees. The peer team are aware that there is no legal obligation to make chairing positions available to the opposition, but in many councils they do operate on this basis. This can be beneficial, provided that the chairs do not use the position for political purposes. In this instance, we recommend that the vice-chairships of committees in any new structure should be held by opposition members.

The second of these issues relates to the provision of special responsibility allowances (SRAs) to scrutiny chairs. The decisions of the Independent Remuneration Panel (IRP) on allowances are beyond the remit of the peer team, but this issue (and a perceived unfairness with current arrangements) are cited by many as a cause of the general disengagement with the scrutiny function. In the view of the peer team, the focus on SRAs is a symptom of the disengagement, rather than a cause of it. It is a useful, visible hook on which to hang criticism of the scrutiny function, when in fact there is a broader set of issues to resolve.

Shropshire Council may want to look again at the way that substitutions onto committees are managed. Substitution can be a way of ensuring political balance without ensuring that those members acting as substitutes are fully involved and engaged in the work of the committee. In the view of the peer team, structural change may help in ensuring that “filling” spaces on committees is less of a challenge, and wider changes to organisational culture will help to secure ongoing commitment from members to attend meetings.

Although these are not central to a well-functioning scrutiny system, left unaddressed, these issues would be likely to result in continued disengagement. The issue of the blurring of officer and member roles, in particular, risks negative consequences, highlighting the need to swiftly address the issue of scrutiny’s vision, purpose and direction.

### **4.3 Resourcing and prioritisation**

Planning and co-ordination of scrutiny’s work, the need for focus, and the challenge of diminishing officer resources were all themes for the team’s findings and suggestions in this area.

Officers, and many members, feel that scrutiny committee agendas fail to tackle the real issues. Looking at examples of scrutiny agendas revealed inconsistencies in the ways that committees approached the challenge of prioritisation – some chairs take pride in a forensic approach to work programming, but for others the approach is more organic and ad hoc. There are advantages to either approach – members’ judgment plays an important part in deciding what issues to look, and not look, at. Equally, members need to be able to challenge their judgments with evidence, and take an informed view about where their input will add value. Although we saw some good examples, the peer team were not convinced that this happened across the board. Furthermore, there is significant inconsistency in how individual committees went about this prioritisation. This has naturally spilled over to influence the way that officers engage with the function.

Encouraging signs do exist but a sharper focus on making a difference will be important. The team were told, by members and officers, of examples of high quality scrutiny work – much of which takes place in task and finish groups. The team did see evidence that impact had happened in some areas – some of the work undertaken in the area of health scrutiny was cited to the team as having particular value. But the fact that scrutiny’s work is not consistently targeted at areas where officers and members jointly have confidence that it will make a difference means that there is only a weak understanding of what makes a positive impact. Members’ overall sense of scrutiny’s vision must be sufficiently focused to allow for a unique, defined niche to be occupied by non-executive activity that makes a well-understood contribution to policy development and the scrutiny of service performance.

Recognising the financial constraints of providing a dedicated scrutiny function, Shropshire, like many other councils, operates resources on an ad hoc basis. In order to consider this more strategically, it would be helpful for the Council to take stock of how much resource is provided to support scrutiny members and their work.

The Statutory Scrutiny Officer provides able and respected support for members, but at present is only able to devote around a day a week to this important work. Democratic services staff provides administrative support to committees, but unfortunately have limited capacity to provide more general policy support.

These arrangements mean that policy support has tended to fall to service departments. As well as the potential conflicts of interest which can arise, this also has significant resource implications. The peer team heard that a significant amount of time is spent by chief officers, and other managers, providing information and support to scrutiny committees.

The absence of a single individual on the officer side with overarching responsibility for ensuring the scrutiny function is efficient and effective has meant that this resource burden has become established within service departments. The peer team feel that managing this existing resource differently – by concentrating officer time in the form of a single, dedicated officer whose duties focus exclusively on scrutiny – will help with this, if bolstered by an officer champion for scrutiny at chief officer level. Success here is predicated, however, on the changes that we have recommended on scrutiny's structure, in order to reduce the resource burden on officers from having to provide policy and administrative support to numerous committees.

The peer team feel that this resource is something the council should consider for the initial phase of improvement work on scrutiny and then perhaps review.

There are many benefits of a dedicated resource, particularly to drive some of this improvement work in the short term. A dedicated (and preferably experienced) officer resource would help with prioritisation, and would also help members to trial and put in place different, innovative ways of working.

As part of a new structural approach which engages with new and different ways of working, Shropshire will need to think about the operation of various processes and systems – including the statutory processes that sit at the heart of scrutiny; for example, the use of call-in. Overall, the team felt that the opportunity existed for scrutiny's intervention in key issues relating to the performance and delivery of services to be managed "by exception" This will provide a further focus for scrutiny's work and allow members to have more general oversight of council services via informal information-sharing, as this report explains in the section below.

#### **4.4 Member access to information and skills to effect change**

It is important that members feel that they have access to the right information at the right time, and that they have the skills and capacity to use this information to make a difference to local people's lives through their scrutiny work. The peer team felt that your challenges here were threefold – on understanding and skills, on a commitment to address the impact of scrutiny's work through increasing the quality of scrutiny recommendations, and on developing appropriate mechanisms to share information with councillors in a timely and proportionate manner. These mechanisms would give members more of a sense of the strategic information that they could use to formulate their work programme, and to inform their scrutiny work more generally.

On understanding and skills, the peer team felt that there were some skills gaps amongst members and officers. Members do not always have the skills to be able to access and interrogate information effectively, and the team felt that this impacted adversely on the quality of scrutiny and meant that officers have had a tendency to provide only basic information.. For the team, it was clear from looking at the way in which work programmes for committees are formulated that it would be beneficial to provide officers with guidance about members' expectations for scrutiny. Sometimes requests for information, if not clearly articulated, can be misinterpreted leading to inappropriate or insufficient information being provided to members. Members should not rely solely on information selected, defined and provided by officers to inform their work.

This presents risks to scrutiny's independence. Training for Members would ensure they have the confidence and capability to understand what information does and does not exist (both within the Council and externally), how they can access it, and how they can triangulate council information with information from other sources.

The second area is scrutiny's impact, and the evaluation of scrutiny recommendations.

The peer team heard about how members and officers all felt that "task and finish" groups delivered better outcomes, more consistently, than committee work. The team looked in detail at some of these reports, and found that while they clearly reflected the substantial work undertaken via scrutiny, the formulation of recommendations was not universally robust. Further, there did not seem to be a clear process to track the reporting, implementation and monitoring of progress of recommendations. The team heard from a number of people that ongoing monitoring of scrutiny recommendations was not something that occurred in a systematic way. Putting in place more robust systems for assuring the quality and outcomes of recommendations should be a priority to ensure that scrutiny can demonstrate its impact on improved outcomes for the community.

The third area is the development of better mechanisms for sharing information with councillors and not using scrutiny as a means of accessing information. At the moment, information is predominantly shared in committee, although the team did hear about some other more informal forums and spaces that are used to share information on an ad hoc basis. These did not appear to be consistently utilised by members.

Learning from other councils, there are many other ways to share information with Members in a more informal way. The use of digests to provide members with key corporate information, and the use of informal member briefings, are things with which the council is already familiar, but their use needs to be made more consistent, and similar information-sharing activity at committee reduced so as to minimise duplication.

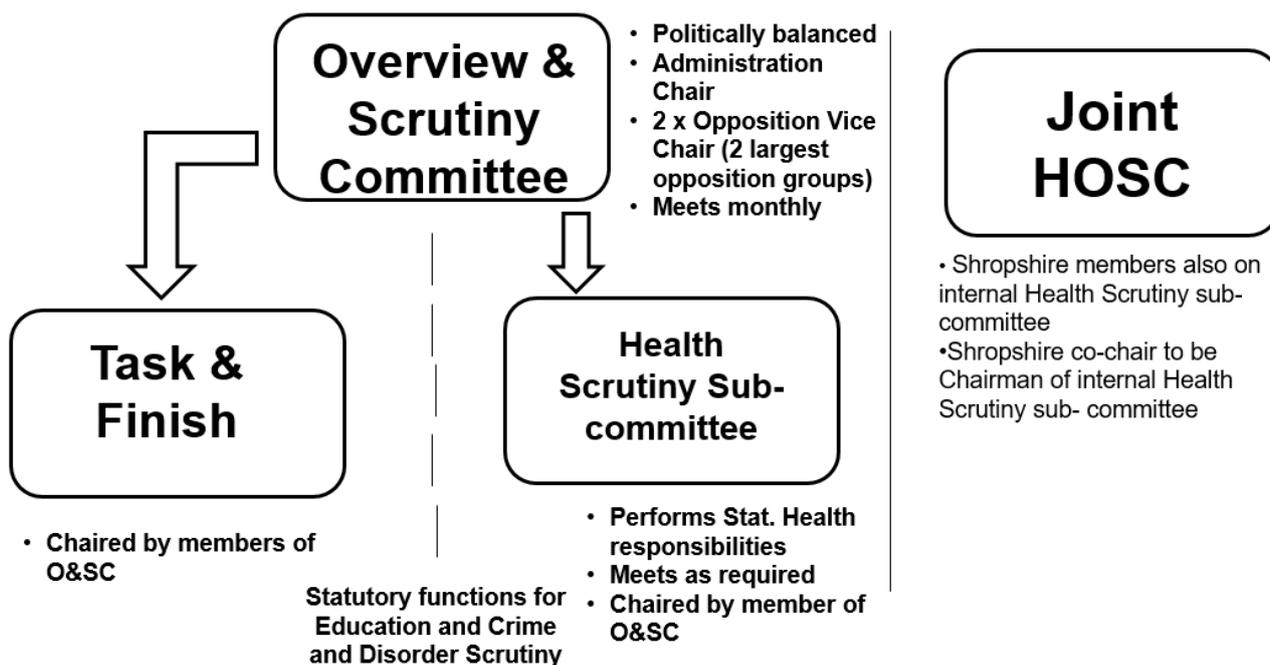
#### **4.5 Reflections on proposals to restructure overview and scrutiny (as originally put forward by the Member Working Group in 2015)**

It was requested by Shropshire council that the peer team look again at the existing proposals for changing scrutiny's structures put forward by an internal Members Working Group in 2015.

These proposals were developed when the strategic direction for the council looked rather different, as has been noted above. Reviewing them involved reflecting on the evidence already received on scrutiny's role and purpose, its strengths and weaknesses, and considering whether the structure as set out continued to be fit for purpose.

The peer team looked at this structure alongside the existing six scrutiny committee structure, as well as using other notional structural models to draw out what options might be best suited to the Shropshire context.

On balance, the peer team felt that the 2015 plans – with minor amendments – present a positive way forward. The team felt that those plans were still fit for purpose, and that they reflected a more focused and targeted scrutiny function. Putting in place these structural changes must however be hand-in-hand with the wider cultural and system changes suggested earlier in this report. Without those changes, an approach which focuses solely on scrutiny's structures will fail.



The principal features of this system are that it involves:

- An administration chair, but two opposition vice chairs, representing the two largest opposition groups. We think that drawing opposition parties into the leadership of scrutiny will be an important and positive commitment to its future as a real cross-party apolitical function driving positive outcomes for the community;

- Regular, monthly meetings. The reduction in the number of committees means that an increase in the frequency of the single overview and scrutiny committee can be delivered within existing resources. This will make scrutiny more responsive to immediate local needs;
- Education and crime and disorder functions transacted by the main overview and scrutiny committee;
- Task and finish groups to be commissioned by the main overview and scrutiny committee in accordance with local priorities, and chaired by members of that committee. This approach enables – with the support of a dedicated scrutiny officer – a more meaningful and productive task and finish group – drawing in the support of a wider range of members, but through chairing arrangements still assuring that work’s ownership by the main committee;
- A separate health scrutiny sub-committee. The team thought that this was important, to develop a Shropshire-specific response to joint issues with Telford and Wrekin, and to deal with health issues which have an impact on Shropshire alone. Importantly, the peer team’s view was that this sub-committee would deal with statutory health responsibilities only (it would not be a committee with a wider remit to look at social care issues, for example – those issues, and their connection with the wider health agenda, would be picked up by the main committee). This committee would meet as required – it would not establish task and finish groups;
- Retention of the existing, joint scrutiny arrangements with Telford and Wrekin. The team envisage that Shropshire’s co-chair of this committee would be the chair of the health scrutiny sub-committee.

## 5. Next steps

### Immediate next steps

We appreciate the senior managerial and political leadership will want to reflect on these findings and suggestions in order to determine how the organisation wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. In particular, the team would like to recommend that you put plans in place without delay to embark on a full Corporate Peer Challenge. The team feels that Shropshire would benefit from such an exercise, as it would be able to engage more fully with some of the political and organisational issues touched on as part of this exercise. The team feel that without engaging with that corporate challenge process, delivery of the recommendations that they have put forward may be significantly more challenging.

The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this. Helen Murray, Principal Adviser is the main contact between your authority and the Local Government Association (LGA); you already have her contact details.

In the meantime we are keen to continue the relationship we have formed with the Council throughout the peer challenge. We will endeavour to provide signposting to

examples of practice and further information and guidance about the issues we have raised in this report to help inform ongoing consideration.

### **Follow up visit**

This process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and demonstrate the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 2 years. In the expectation that you will shortly be embarking on a Corporate Peer Challenge, the team would suggest that you speak to the LGA about conjoining the scrutiny follow up visit with the follow up for that wider process.