

## Practice guide 12

# Scrutiny on a budget

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**This is one of a series of practice guides produced by the Centre for Public Scrutiny to assist those working in the overview and scrutiny functions of local authorities.**

### **What is this guide about?**

This guide is aimed at those practitioners who are looking for ways to carry out their work effectively with limited resources.

Our Annual Surveys show increased pressure on practitioners in terms of resources, reflecting the wider challenges that local government faces regarding its finances. There is a consistent decline in the officer resource available to scrutiny, and a similar decline in the discretionary budget available to scrutiny to carry out its work.

### **How should resource constraints be tackled?**

Different councils have adopted different approaches to deal with resource constraints.

Efficiencies in the way that scrutiny is carried out – for example, by condensing work. Focusing more tightly on a couple of issues rather than attempting to look at the totality of a topic relies on having effective evidence to hand at the outset that allows that level of prioritisation, but is an approach to scrutiny which has had long term success in many authorities. Single-topic committee meetings or scrutiny afternoons, which afford the opportunity for a group of councillors to speak to a large number of witnesses together in a round-table format, can work well – such as in **Bristol** (<http://ow.ly/wQ5Ge>), with its “inquiry days”. We cover this issue in more detail, and cite some examples, in **Guides 1 and 7**.

Clearly demonstrating to budget holders what scrutiny’s “value added” is (or its return on investment) – much of the benefit of good scrutiny lies in its importance to the democratic process (for example, the innate need for strong and effective oversight of decision-making). However, in order to justify the maintenance of the existing resource for scrutiny, an argument needs to be made that is more tangible for budget-holders, that rests directly on scrutiny’s impact, outcomes and effectiveness.

Recommendations will need to be developed, drafted and followed up to demonstrate this impact, and steps taken to highlight it with senior officers and other members – possibly through scrutiny’s annual report, but also at key points in the budget-setting cycle, and informally by officers with responsibility for scrutiny. Importantly, scrutiny needs to be able to demonstrate that it does something which no other person or group of people within or outside the council can, primarily on grounds of its being led by

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elected members. This can be well demonstrated by examples of excellent scrutiny work carried out in many authorities which has seen the function successfully tackle issues which had, for the authority, previously been seen as intractable – such as **Warrington** on cemeteries (<http://ow.ly/wQbxB>), **Northampton** on community centres (<http://ow.ly/wQc31>) and **Haringey** on men's health (<http://ow.ly/wQci1>).

Some authorities have tried to demonstrate scrutiny's impact and outcome in financial terms. One way to do this is by following a "return on investment" model – attempting to accurately ascertain the impact and results of scrutiny work, comparing this to the resource expended on it in the first place. This approach is the subject to significant CfPS practical development work and testing (some of which can be found at <http://ow.ly/wQb7y>) as part of our health inequalities programme, which can be found at <http://ow.ly/wQaRY> – authorities where it has been carried out successfully include **Westminster**, **Rotherham** and **Tendring**. This is a difference from the approach adopted by some councils in the past, of seeking to use scrutiny to bring about tangible financial savings. Not all effective scrutiny work can be expected to bring about savings of this nature, and savings should not be the beginning and end of scrutiny work – hence, we consider return on investment to be a good model.

It is also possible to position scrutiny as providing an "internal consultancy" function for the authority. Scrutiny councillors have the independence, credibility and legitimacy that comes from being elected members not directly involved in decision-making. They are able to look at issues and problems – in the same way that an external consultant might – but with the benefit of a deep understanding of what local people want and need. The power and value of scrutiny's recommendations and suggestions compared to such bodies, particularly given the different levels of costs involved, makes a persuasive case for investment in and committing to support for the scrutiny function.

Targeted work programming – effective outcomes cannot be achieved unless the planning has gone into deciding which topics offer the best chance of adding the most value. Targeted work programming is as much about deciding what won't be reviewed and investigated as what will be. Difficult decisions will need to be taken about topics and issues which will not be considered. There should not be an expectation that everything will be looked at every year. Processes should be in place to satisfy members about performance across a range of services in order to allow them to make decisions about what to look at in an informed manner, rather than on the basis of personal preference. See our guides "**Counting the cost, measuring the value**" (2011), "**A cunning plan**" (2011), and "**Tipping the scales**" (2012) for more on work programming and ensuring that work is value for money.

Efficiencies in the way that officer support is provided – our Annual Surveys have repeatedly demonstrated that dedicated officer support for scrutiny tends to exist in those authorities where scrutiny is most effective. From our experience, we think that there is a direct causation here, although the statistical evidence does not allow us to claim this with 100% confidence. For many authorities, the maintenance of such a dedicated officer or team is not an option. In these circumstances alternative approaches can be taken – for example:

- Twin-hatting with Democratic Services Officers. This is a common approach, particularly in smaller authorities such as **Barking and Dagenham**.
  - Twin-hatting with policy and performance officers (usually as part of the creation of so-called "generic" posts within a broad Corporate Policy team). This happens in **Newcastle** and **Harrow**.
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- Sharing scrutiny posts across more than one authority. This is not uncommon – sharing takes place across **Maidstone** and **Tunbridge Wells**, and **Adur** and **Worthing** – but this is often as part of a wider merger of officer structures within an authority. It does also highlight the importance of both groups of councillors working together to carry out scrutiny in the interests of the wider area;
  - Distributing scrutiny support across the whole council (including service departments). This is described as “integrated” support in our Annual Survey and is quite uncommon. Authorities who support scrutiny in this way include **Barrow** and **Epsom and Ewell**.

Efficiencies in member involvement and circulation of information – often, significant efficiencies can be found by thinking differently about how members access information. In some councils, it is usual for reports to be placed on agendas as repeat items, or for information. This is arguably not the most efficient use of the committee’s time, or the time of officers attending to present such reports. It may be more productive instead to ensure that accurate, timely and proportionate information is shared with members before the meeting – through the intelligent use of briefing papers, for example, or giving members access to the council’s management information systems (as we suggest in **Guide 8**). Training in the use of such systems will be necessary, but can pay dividends. Papers can still be prepared for scrutiny councillors but for a specific purpose and focused on a particular outcome – usually to support a forthcoming scrutiny meeting. For more general topics, it is likely that cabinet briefing papers can be sent to members to update them.

Members and officers can work together to better understand what information members want and need to see. This will limit the volume of material which members are sent and minimise the amount of work that officers need to do to prepare reports.

Transforming the scrutiny function - the solutions identified above all set out ways in which you can improve the way that you do your existing work, rather than suggesting fundamental changes to that work itself. In part, this is because the member-led nature of scrutiny, and its statutory responsibilities, make it difficult to dramatically change the fundamentals of how scrutiny is carried out. Some, however, have done this, notably **Enfield**, where scrutiny takes a hands-on role in bringing about improvements itself, working with partners and other parts of the council to directly effect change.

Transformation involves repositioning the scrutiny function and how it operates within the authority, and the wider area. It involves going back to first principles and considering what the objectives of scrutiny are, and what key outcomes the function should be seeking to achieve, and redesigning it to meet those outcomes. We have developed a framework called **Accountability Works For You** which can help to do this. It requires an understanding of the cultural context in which scrutiny operates – the political and organisational niche which scrutiny fills within the local area, and where it can therefore add the most value.

There is no shortcut for this kind of transformation, and no easy answer for how to achieve it. The approach taken by each authority will need to differ because scrutiny’s role, or niche, will also differ from place to place.

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