

# SCRUTINY COMMITTEE

**Date:** 27 June 2012

**Venue:** East Northamptonshire House, Cedar Drive, Thrapston

**Time:** 7.30 pm

**Present:** Councillors: -Phil Stearn (Chairman)  
Sarah Peacock (Vice Chairman)

Peter Baden  
David Bateman  
Tony Boto  
Michael Finch  
Barbara Jenney

Brian Northall  
David Read  
Peter Wathen  
Pam Whiting  
Colin Wright

## 60. MINUTES

The minutes of the meeting held on 4 April 2012 were approved and signed by the chairman.

## 61. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Sylvia Hughes.

## 62. DECLARATIONS OF INTEREST & QUESTIONS UNDER COUNCIL PROCEDURE RULE 10.3

There were no declarations of interest and no questions received.

## 63. SCRUTINY COMMITTEE - CHAIRMAN'S ANNUAL REPORT 2011

Members considered a draft of the committee's annual report to the council, which detailed the various activities that had been undertaken during the 2011/12 municipal year.

The report reflected on the topics considered by the Scrutiny Committee including the monitoring of Section 106 arrangements and future standards arrangements required under the Localism Act 2011. In addition to these topics, the committee had maintained its overview of the Council's performance, as well as considering quarterly summaries of internal audit reports.

Members discussed the need to focus on the provisions of the Localism Act in respect of engagement and participation with town and parish councils in the year ahead. The committee agreed to give some thought as to how this could be approached in readiness for the next meeting.

## **R.2 RESOLVED TO RECOMMEND:**

That the 2010 annual report of the Scrutiny Committee as set out at pages 64 to 72 be approved by the council for publication.

### **64. QUARTERLY PERFORMANCE REPORTING - QUARTER 4 - 2011/12**

The committee considered a report which detailed high level performance information from across the council in relation to agreed performance indicators, internal audit recommendation progress and risk actions, and other statistics that supported the monitoring of performance.

The purpose of the report was to assess how service areas were progressing towards delivering key priorities and outcomes, the identification of problem areas, to provide peer challenge and to identify and record good performance.

The committee was generally satisfied with the overall level of performance across the council and indicated that officers who had supported and delivered specific areas of achievement should be commended for their efforts.

#### **RESOLVED:**

- (1) That the performance of the Council for the fourth quarter of 2011/12 be noted.
- (2) That the officers referred to within the report who have contributed to specific areas of achievement be commended for their efforts.

### **65. WELLAND INTERNAL AUDIT CONSORTIUM – ANNUAL REPORT OF INTERNAL AUDIT**

The committee considered a report submitted by the Welland Internal Audit Consortium which detailed the work completed by the Internal Audit function during 2011/12. The report also provided members with an explicit opinion on ENC's system of internal control, risk management arrangements and governance arrangements.

Members noted that the ENC's annual assurance rating for the financial year 2011/12 was "Good". It was noted that audits of partnerships, customer services and regeneration plans were cancelled as the Audit Consortium was unable to deliver the necessary resources. The committee was provided with an assurance that resources had been targeted in a way that maximised the performance of the consortium against the key lines of enquiry.

#### **RESOLVED:**

- (1) That the Internal Audit Opinion issued by the Head of Consortium be noted.
- (2) That the reported progress and effectiveness of the Consortium in 2011/12 be noted.

**66. USE OF COVERT SURVEILLANCE 2011/12 - REGULATION OF INVESTIGATORY POWERS ACT 2000**

The Democratic and Electoral Services Manager submitted a report detailing the use of covert surveillance under the Regulation of Investigatory Powers Act (RIPA) by ENC during the past twelve months.

Members were provided with an outline of the provisions of the RIPA Act and were advised that the revised code of practice for covert surveillance that had been published by the Home Office in 2010 recommended that elected members of authorities review that authority's use of RIPA every twelve months.

It was noted that the Protection of Freedoms Act 2011 had introduced new provisions which required local authorities to seek magistrate approval of any proposed RIPA authorisation. Approval was only likely to be granted should the offence in question attract a prison sentence of six months or more. As a result of this change in legislations, ENC had amended its Covert Surveillance Policy in September 2011.

Members were provided with details of ENC RIPA usage in the ten years from January 2002 to January 2012, noting that only 29 authorisations had been granted in total during that period. For the period 2011/12, only two authorisations had been granted for directed surveillance, with a further two joint operations undertaken with the Department for Work and Pensions (DWP).

**RESOLVED:**

That the use of covert surveillance by the council during 2011/12 be noted.

**Chairman**

# Scrutiny Committee

## Chairman's Annual Report - 2011

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## INTRODUCTION



***Introduction by Councillor Phillip Stearn***

***Chairman of East Northamptonshire Council's  
Scrutiny Committee***

“ I am pleased to present the Scrutiny Committee's tenth annual report, which identifies the work of the committee in the last year.

I would like to thank all members of the committee for their committed and enthusiastic contribution to its work. Many people have contributed to the success of Scrutiny in East Northamptonshire, including external organisations and council officers; my thanks go to all of them.

The committee looks forward to continuing progress and a more proactive approach by our scrutiny arrangements in the year to come. ”

A handwritten signature in black ink, appearing to be 'P Stearn', written on a white rectangular background.

## HOW THE COMMITTEE OPERATES

The Scrutiny Committee is a standing committee of the council and its role is to undertake, manage and co-ordinate the overview and scrutiny process - a responsibility created by the Local Government Act 2000.

The Scrutiny Committee's terms of reference are set out in Article 7 of the council's constitution<sup>2</sup>, Part 4.4 of which empowers the committee to operate in its own right and/or set up time limited working parties to review or scrutinise decisions and to support the work of the council and its policy committees.

East Northamptonshire Council continues to operate committee arrangements and, although the scrutiny process is arguably more relevant in a council operating under executive arrangements, where decisions are taken by a small group of councillors forming a 'cabinet', it still fulfils a valuable role.

This is because the council's scrutiny committee has the necessary time, resources and freedom from routine committee business to undertake in-depth investigations and can report and make recommendations to the council as a result. Scrutiny Committee members have a significant role in developing new policy through their in depth investigations and the recommendations arising from them. The committee also has power to "call-in" a decision that has been made by a policy committee. The Scrutiny Committee cannot reverse a policy committee's decision but can recommend that the committee reconsiders the decision or that the matter be referred to the full council. The committee can also act in a

confirming or supportive way – when it agrees with a particular approach.

The Local Government Act 2000 makes a clear distinction between those councillors who make policy decisions and others whose role is to challenge and scrutinise those decisions. For this to be effective, members of the Scrutiny Committee must retain their independence and need to develop an effective questioning approach. To provide this separation of roles, none of the members of the Scrutiny Committee serve on the council's primary policy committee, the Policy and Resources Committee.

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<sup>2</sup> [www.east-northamptonshire.gov.uk/constitution](http://www.east-northamptonshire.gov.uk/constitution)

## MEMBERSHIP

<b>Membership from 4 October 2010 - 18 May 2011</b>			
David Bateman	Peter Bedford	Tony Boto	Michael Finch
Richard Gell	Marian Hollomon	Dudley Hughes	Barbara Jenney
Gill Mercer	Brian Northall	Sarah Peacock (V-Chairman)	Duncan Reid
Ron Silver	<b>Phillip Stearn (Chairman)</b>	Clive Wood	
<b>Membership from 18 May 2011 - 16 May 2012</b>			
Peter Baden	David Bateman	Michael Finch	Marika Hillson
Sylvia Hobbs	Barbara Jenney	Gill Mercer	Brian Northall
Sarah Peacock (VC)	David Read	<b>Phillip Stearn (Chairman)</b>	Peter Wathen
Pam Whiting	Clive Wood	Colin Wright	
<b>Membership from 16 May 2012 - Present</b>			
Peter Baden	David Bateman	Tony Boto	Michael Finch
Sylvia Hughes	Sylvia Hobbs	Barbara Jenney	Brian Northall
Sarah Peacock (VC)	David Read	<b>Phillip Stearn (Chairman)</b>	Peter Wathen
Pam Whiting	Colin Wright	<i>Vacancy</i>	

## SCRUTINY MEETINGS

Between January 2011 and May 2012 we held six full meetings and a summary of the issues we considered and our resolutions are set out below.

### Changes to the constitution

The committee was consulted on two occasions this year regarding changes proposed by the Constitution Review Group and subsequently adopted by the council. Revisions have been made to the scheme of delegation, terms of reference for committees and Finance Working Party, Policy and Budgetary Framework, Deputy Chief Finance Officer, the Scrutiny Call-in timetable, mid-year appointment of Deputy leader, Chairman or Vice Chairman and public speaking at Policy and Resources Committee.

### Northamptonshire Fire and Rescue Service

The Committee received a presentation from Robin Porter, Northamptonshire Fire and Rescue Service's IRMP Programme Manager, on the IRMP 2012 Update & Review which concluded on 4 January 2012.

Members thanked Robin Porter for his attendance and presentation and welcomed decrease in incidents for the Fire and Rescue service.

### Future Standards Arrangements

With the forthcoming introduction of the Localism Act, the committee was presented with a report detailing the findings of the Standards Board Working Party in relation to key issues faced by the council in relation to its future arrangements for standards.

A revised Code of Conduct was circulated to the committee and recommendation were made regarding:

- The form of Standards Committee desired
- Draft Code of Conduct and the concept of councillors signing to abide by the constitution
- Withdrawal from debate if councillors have a Disclosable Pecuniary Interest (DPI)
- Recruitment and remuneration of Independent Person(s)
- Delegation to the Monitoring Officer regarding the handling of initial complaints
- Granting of dispensations

Two Members of Scrutiny were then involved in further detailed discussions of the final changes to the Constitution and the composition of a new Standards Committee.

## Annual Audit Letter

We also received the Annual Audit Letter 2010/11, which summarised the external auditor's findings from the 2010/11 audit.

The letter included the results of the audit of the council's financial statements and the auditor's assessment of the council's arrangements to achieve value for money in its use of resources.

Details of further improvements the council could make in 2011/12 – particularly in relation to fixed assets and arrangements for reviewing draft financial statements prior to audit – had been contained in the auditor's Annual Governance Report issued in September 2011.

The committee asked questions and noted that the auditor's conclusions were all positive and no issues were raised.

## Requests for “call-in” under scrutiny procedure rule 14.3

The committee invoked the call-in provision once this year. The request related to a decision made by the Policy and Resources Committee regarding the future of Oundle Recycling Centre

## Irthlingborough Area Based Initiative

At our April 2011 meeting, we received a presentation on progress and achievements made with the Area Based Initiative (ABI) that took place in Irthlingborough John Pyel through a report and presentation.

Five priorities had emerged from a survey carried out in summer/autumn of 2010 and officers illustrated what had been achieved on each:

- Activities for young people
- Greater police presence
- Improvements to Les O'Dell Park
- Cleaner streets and parks
- Activities for older people

The Committee commended the Community Development team, partners and Hayden FLAG community group for their work. It was hoped that what had been learnt from the Rushden Hayden and Rushden Pemberton ABIs would inform future community development work and influence the council's approach to the Big Society agenda.

## Monitoring of section 106 arrangements

The Land Charges and Administration Manager updated the committee in relation to the current position on Section 106 agreements and related monitoring arrangements. All new agreements had now been logged onto the system, trigger points were again being effectively monitored, and the system was up to date.

The Planning Services team was looking to work more closely with town and parish councils to understand more clearly their infrastructure requirements and wishes regarding both the use of section 106 monies, and as part of the development of the necessary evidence base to support a future Community Infrastructure Levy. Members noted the improvements to processes since the review.

## PERFORMANCE MONITORING

The changes to the responsibilities of the committee led to the development of a framework for submission of performance data, previously reported to the Audit and Risk Management Committee and the Performance Working Party, to the Scrutiny Committee and associated training schedule. The framework aimed to ensure the Scrutiny Committee received an appropriate level of information to ensure it could fulfil its role effectively and work alongside the council's management performance reporting framework, which included quarterly performance clinics.

Councillor Colin Wright became the performance lead for audit and risk, and Councillor Sarah Peacock became the performance lead for national and local indicators. These leads attend the quarterly performance clinics. The type of issues to be reported to the Scrutiny Committee from the quarterly performance clinics were

- High level risks from the Council's risk management system, 4Risk, where actions to mitigate have not been completed on time.
- High level internal audit recommendations that have not been implemented on time.
- Emerging financial risks and significant budget variances
- National or local performance indicators which are consistently not achieved.
- Key service area achievements.

In addition, the Scrutiny Committee received a quarterly summary of the internal audit reports issued from across the council.

## OTHER ASPECTS OF SCRUTINY

### Fourth Option Special Interest Group (FOSIG)

I currently represent the council on the Local Government Association's Fourth Option Special Interest Group. This group gives a voice to local authorities, like East Northamptonshire Council, which have chosen to make "alternative arrangements" by retaining their committee structures, rather than adopt a cabinet or executive management structure. It is probable that this group will grow in the future as a result of the opportunity provided by the Localism Act 2011 for councils to revert to a committee based governance structure.

### Northamptonshire Overview and Scrutiny Board

The vice-chairman and I currently represent the council on the Northamptonshire Overview and Scrutiny Board.

We look to the board to not only look at issues put forward by the Public Service Board and the work of the Public Service Board itself, but to work together with the other districts and boroughs on scrutinising common issues, such as highways.

### The role of scrutiny in the committee system

Members believe that Scrutiny Committee activity can make a significant impact on service improvement and policy development locally and will continue to do so as the current committee grows in experience and confidence.

The committee has the necessary time and resources to carry out in-depth inquiries. We encourage the policy committees to make use of scrutiny investigations to look at issues of concern.

We believe that all members of the council need to be aware of the way in which the "call-in" procedure operates and it is important that this continues to form part of induction training for all newly elected members.

Members are satisfied with the independence of the committee and the support provided to us by officers to date.

## **WORK PROGRAMME FOR 2012**

During 2011, the continuing difficult economic situation meant there was an increased pressure on limited resources and the council had an even greater need to demonstrate value for money in the future. We will seek to structure our work programme in a way that ensures priority is given to reviewing the progress we have made towards achieving the priority outcomes set out in the new Corporate Plan for 2011-2015.

Updates to the work plan that had been created in June 2011 have been considered and a report supplied to the meeting of Finance Working Party on 28 March 2012, detailed Member suggestions for possible further savings

We look forward engaging with partners on Town and Parish Councils given the encouragement of the Localism Act to find more local solutions hopefully providing an opportunity to reinvigorate that engagement.

We will continue to monitor our training needs and set target dates for follow-up reports from officers on earlier studies, where that's appropriate.

## **CONCLUSION**

The tenth year of operation for the Scrutiny Committee has been a period of consolidation and continued learning. Whilst there have not been any significant reviews this year, we believe that, during the year, the committee has continued to make a significant contribution to the work of East Northamptonshire Council and we look forward to building on this during the year ahead.

**Councillor Phillip Stearn**  
***Chairman***  
***On behalf of the Scrutiny Committee***

May 2012