developing new political arrangements

da snapshot

A bulletin for local authorities

This bulletin gives officers and members a snapshot of how new political arrangements are working in England and Wales, based on District Audit's work with councils and on a survey of some 200 Chief Executives. It also provides examples of innovative or notable practice and checklists of key issues you should consider.
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WHY FOCUS ON DEMOCRATIC RENEWAL?

The Local Government Act (2000) signalled the start of a period of great change in local government. Revising the way decisions are made and challenged is just one of many ways in which councils are being asked to work differently, so why focus on it?

Establishing new political arrangements - or democratic renewal as it is more commonly referred to - is fundamental to the modernising agenda. But with no blueprint, and against a backdrop of many complex regulations and mountains of guidance, councils in England and Wales have implemented their new political arrangements in very different ways. Even where councils are operating similar models, factors like their capacity for change and the attitude of members mean that in practice they can have little in common.

District Audit is in a good position to draw together the threads of what’s happening, to identify the risks and to capture and share good practice. And a recent survey we carried out of local authority Chief Executives in England and Wales has helped to reinforce our picture of what’s working well in the democratic renewal process, and what isn’t.

Other commentators have also expressed views - most recently the Transport, Local Government and the Regions Select Committee report: "How the Local Government Act 2000 is working" and the Office of the Deputy Prime Minister report: "The Development of Overview and Scrutiny in Local Government." Our findings broadly support the views expressed in both of these reports.

Even at this relatively early stage, some clear messages are beginning to emerge. While at some authorities there’s a genuine desire to be more open and accountable, at others the changes appear cosmetic.
WHAT IS DEMOCRATIC RENEWAL?

The aim of democratic renewal is to breathe new life into local politics, making councils more streamlined, open and responsive, and allowing them to engage with their residents and partners more effectively than before.

It's therefore at the centre of the Government's wider programme to modernise the way councils work. As such, democratic renewal is a crucial link in a chain of initiatives that includes developing new community strategies, strengthening community leadership and partnership working, reaching higher ethical standards, and improving performance.

Two years ago, councils were given a number of options for changing their political structures. They could choose from:

- a directly elected Mayor and Council Manager;
- a directly elected Mayor and Cabinet;
- a Leader and Cabinet; and
- alternative arrangements - known as the "fourth option".

But democratic renewal is about more than structural change, although this in itself has presented councils with significant challenges. It's also intended to introduce new working practices, relationships and styles - in short, to change not just the shape of the council but also the behaviour, attitudes and outlook of both members and officers.

SO FAR, SO GOOD?

Over the last two years, District Audit has worked closely with authorities, helping them to introduce and review their new political arrangements.

As a result of this, we have built up a clear picture of what councils are doing. Most have gone for the Leader and Cabinet model, and almost all have now made some kind of change to their political arrangements, with a small number of (mainly district) councils in England and a few in Wales choosing the "fourth option".

We have accumulated a great deal of knowledge about the key issues that are emerging - what councils are succeeding at and what they are struggling with. And we have added to this knowledge by recently undertaking a survey of Chief Executives throughout England and Wales. We asked how well they thought their new political arrangements were working, and what specific or on-going problems they had come up against.

Of the 201 Chief Executives who replied to the survey, 134 said their new system was satisfactory but had some problems, 58 said things were going well, with just five experiencing major problems. In Wales, no Chief Executive who responded said they had major problems, otherwise their views compared closely with their English counterparts (see exhibit 1).
The views of our staff working with the majority of authorities mirror this view – we identified major problems with only 3% of the authorities we work with, with 73% working satisfactorily, though experiencing some problems.

Beyond the headlines, it's clear that some councils have entered into the spirit as well as the letter of democratic renewal. Like the councils featured in the case studies in this bulletin, they have changed the way they work, and as a result can point to some real, positive outcomes.

But there are real issues to be tackled too (see exhibit 2). Top of the list is the issue of overview and scrutiny, with councils coming up against a whole range of specific problems in this area that need to be addressed as a matter of urgency.
If scrutiny isn't working, this poses a significant threat to the success of democratic renewal. Effective scrutiny is the lynchpin of the new political arrangements – the system can only work well with a strong scrutiny function to counter-balance the executive's power.

However, the biggest single issue identified by Chief Executives, supported by District Audit and the Select Committee report, is backbench members feeling left out of the decision-making process. This is one sign that although all councils have put new structures in place, not all are embracing the cultural change that's needed to make the system work. Another could be the relatively small number of councils that we have come across that have changed the officer structure to reflect their new political arrangements.

Finally, around a quarter of authorities have already substantially revised their new arrangements. While it's encouraging to think councils are keen to learn from their experiences so far, this might also suggest that their existing arrangements are not working quite as effectively as they need to.

We have identified four key focus areas for democratic renewal: decision-making, overview and scrutiny, area structures and people and their working relationships, and this bulletin now focuses on each of these areas in turn.
DECISION-MAKING

Scrutiny may be the lynchpin of democratic renewal, but decision-making is the bottom line. Councils will only meet the Government's modernisation objectives if they can make decisions that are clear, timely and accountable.

At councils across England and Wales, around half have an executive function or Cabinet with individual portfolios reflecting traditional service boundaries, while the rest have established cross-cutting portfolios, for example covering social exclusion, community safety, or community governance. Cabinets are largely single-party.

Although District Audit has seen innovative and effective decision-making, many councils report that backbench members feel excluded from the process. And we agree with Chief Executives that overcrowded agendas, difficulties maintaining the Forward Plan and, in England, problems classifying decisions, all pose a significant threat to successful decision-making.

Case study 1: Changing pace

At Ceredigion Council, one of the smallest Committee sections in England and Wales is publishing Cabinet decisions within 24 hours, in two languages, giving the decision-making process a new momentum.

Ceredigion operates a Cabinet plus Leader system, supported by just two full time Committee officers and one Head of Committee/Electoral Services.

Originally, Cabinet met weekly. By 5pm the next day, the minutes, decision notice and agenda for the next meeting were e-mailed to all members. Those with a scrutiny role then had five days to challenge a decision. Since September, Cabinet has been meeting every two weeks, but minutes, decision notices and agendas are still sent out within 24 hours.

Five key factors make this speedy turnaround possible.

The first is political will. When the council introduced its new arrangements, the Leader made a personal commitment to streamlining the decision-making process. The second is electronic delivery. All members now have a computer, although papers are also supplied in hard copy. Third, most members have shown they are open to a new approach – the system only works because all are prepared to work electronically and respond quickly. Next, agendas have been streamlined and are more focussed than before. Finally, the small Committee team is highly efficient, and committed to consistently hitting the 24 hour turn round target.

By setting themselves challenging deadlines, Ceredigion has given its decision-making process a new sense of purpose. Decisions are agreed faster than before. Agendas are leaner, more focussed.

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Another interesting development is councils' apparent reluctance to make use of their new powers to delegate to individual members - nearly half of all councils are not delegating any decisions and of those that are, many are only doing it in a very limited way. It's not yet clear whether this is a problem related to the decision-making function per se, or whether in fact it's linked to how effective the scrutiny process is. Councils may be unwilling to delegate decisions to individuals without strong checks and balances in place.

The arrival of elected Mayors at some English local authorities is also adding another dimension to the issue of ensuring effective decision-making.

But the overall challenge remains the same: to create a process that's faster, more open and more accountable than before. And despite some successes, our findings support the Select Committee report observation that: "Many decisions continue to be made in private, and are merely being rubber stamped or justified in public." It seems councils are struggling not just with some of the practical aspects of the new decision-making function, but also with ensuring that it is an inclusive process.

### Ask yourself:

- Are portfolios spread across your council in a balanced way, reflecting both service-delivery and cross-cutting partnership working?
- Are executive agendas focused? Are decisions taken in a timely way? Is the cabinet schedule and format appropriate?
- How is your improvement work linked into decision-making? Is it clear who has ultimate responsibility?
- How are you planning to devolve decision-making? How will you ensure a clear line of accountability?
- How will you support future executive members to take on this role?
- Do you have clear processes for resolving conflict between the executive and the whole Council and involving the public and non-executive members?

### OVERVIEW AND SCRUTINY

For many councils, holding the executive to account is proving the most challenging aspect of democratic renewal.

Most councils in England and Wales have set up multiple boards or committees to fulfill the scrutiny role, with some also establishing a single, formal group responsible for calling in decisions.

There are wide variations in the number of members on these groups (from six to 25 or more), the frequency with which they meet and the chairing arrangements (some are chaired by a member from the leading group, some by a member of the opposition). Most overview and scrutiny bodies have adopted a portfolio approach to mirror that of the executive.
Rugby Borough Council has set up a Community Leadership Panel that’s helping members make the most of their overview and scrutiny role and engaging the local community.

When reviewing its political arrangements, Rugby wanted to move away from its old service-based approach, and involve local people more meaningfully.

It established six overview and scrutiny Panels, including one with a completely new portfolio, Community Leadership. Made up of twelve members, this Panel examines issues affecting the wider community, including crime and disorder and health.

The Panel has held two open meetings on “hot” local issues, in which expert speakers, representatives of local organisations and members of the public came together for a debate. Summarising these debates, the Panel reported to Cabinet, informing its decision-making.

Choosing issues that lend themselves to wider debate, being open to a completely new way of working, a Chair prepared to take a radical approach and a genuine desire to involve local people have all contributed to the success of the Panel.

The benefits? Members on the Panel are maximising their overview and scrutiny role, making solid recommendations based on wider opinion. And the two open debates attracted more members of the public than at any previous council meeting in Rugby.

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Not surprisingly, much of our input at a local level has focused on supporting and reviewing the overview and scrutiny function, especially since in some places the new arrangements have not been running for very long.

There are a number of key issues authorities need to consider: there’s a new process to maintain, with members taking on new roles and responsibilities, and many councils are struggling to provide the right level and type of officer support. Some members are finding it difficult to adapt to the differences between scrutiny and political opposition. This means they’re not making the most of the scrutiny function, but concentrating instead on simply challenging executive decisions through the ‘call-in’ procedure.
Case study 3: Inquiring minds

South Shropshire District Council has run an Inquiry into a high profile local issue, helping members learn new skills and opening up decision-making to the wider community.

The council has an unconventional political structure, with a decision-making Executive, a formal scrutiny body and three advisory Policy Panels: Economic, Environment and Social.

To address urgent planning issues that had arisen in local towns Ludlow and Craven Arms, the council created a joint body, made up of members from the Economic and Environment Panels, to run an Inquiry.

Officers collected background information, which was available for public viewing. Members were trained for their new role. Two formal hearings were held, with “experts” and local people presenting evidence. At two further sessions, members deliberated, then made recommendations, which went on to be largely accepted.

The approach succeeded because members were prepared to commit a substantial amount of time to the project. The issues involved were cross cutting and high profile, which ensured the participation of local people. And a tight timescale brought a heightened sense of purpose that drove the Inquiry on.

Although it was resource intensive, and not suitable for every day decisions, the Inquiry allowed the council to consider more evidence, examine the issues more closely, than before. It led to a decision that was sound, and seen to be sound. And it developed members’ capacity for the longer term.

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There’s also evidence that scrutiny bodies are having difficulty in setting their agendas, prioritising and planning their work. Again, the role of officers is crucial in supporting members to work differently.

These practical issues are contributing to a view at many councils, reflected in our survey of Chief Executives’ and supported in the Select Committee report, that scrutiny is, at worst, ineffective, and at best, just a continuation of the old committee system.

Case study 4: Use the force – working across the political structure

North Warwickshire is using the “fourth option” to address key themes in its Corporate Plan, improve its partnership working, develop the skills of members and connect them to the decision making process.

By choosing the fourth option, North Warwickshire aimed to maximise member involvement in making decisions, and increase public participation in the process.

It set up four service-based Boards, two Overview and Scrutiny Committees and four Area Forums. It also established seven new Portfolios, for Housing, Community Development, Crime and Disorder, Quality, Social Inclusion, Democratic Renewal and Staff Care and Development. Portfolio Leads don’t have decision-making powers, but they do work across the political structure, involving partner agencies and the public to address the key themes.

It’s an approach that seems to be working well. The feeling that they are shaping a unique system that’s right for North Warwickshire, and starting with a “clean sheet” motivates members and officers. There was a consensus about what structure to set up, and the council’s Corporate Plan provided it with cross cutting issues that lent themselves to a portfolio approach.

Members are working flexibly, having an input where it’s needed and addressing the issues that are important to the council. They’ve become more outwardly focused, working with partners and the public to form their views and make recommendations. They’re developing valuable expertise, and the council has more confidence in its decision-making.

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With scrutiny at the heart of democratic renewal, it’s essential that councils face up to, and start to tackle, these problems. Most important of all, both officers and members need to acknowledge the value of scrutiny, and work to make it meaningful, not least because plans are already in place to extend scrutiny beyond the traditional remit of local authorities.
Ask yourself:

- Is the number and remit of your scrutiny committees right for the council’s size and remit?
- Is the scheduling of meetings helping or hindering effective performance review and in depth policy reviews?
- Are you co-ordinating overall scrutiny programmes, to make sure they focus on the most important issues?
- In addition to receiving officer reports, are arrangements for evidence gathering in place to ensure a wider approach to investigations?

### AREA STRUCTURES AND DEVOLVED DECISION-MAKING

The old committee system let councils open up decision-making more widely through the establishment of area committees or the development of joint arrangements with other authorities, for example. Before democratic renewal, around a third of councils had some kind of area-based member structure.

We estimate that, following the introduction of new political arrangements, this has risen to around half. This is encouraging, and suggests that in this respect at least, councils are committed to working more inclusively, and to really engaging with the community.

However, there are huge variations in the extent to which councils are delegating power to these area structures. Although around half the councils in England and Wales have area structures, only a third of these have actually devolved responsibilities and/or budgets to these committees or forums, just a sixth of all councils.

### Case study 5: Connecting with communities

Carmarthenshire County Council is using new area structures to widen participation in the political process and help members stay connected with their constituents.

The council has introduced a Cabinet plus Leader structure, although its decision-making body is known as the Executive Board. It’s also set up six Area Forums and five Area Committees.

Working with statutory, voluntary and community groups, Area Forums examine “grass roots” issues and develop their respective APPLES – Area Plans for People and the Local Environment.

Area Forums in turn feed into the Area Committees, which, although their decision-making powers are limited, can make recommendations to the Executive Board on specific issues. One member of the Executive Board has specific responsibility for area structures.

Area Committees are also responsible for monitoring some of the council’s performance indicators, raising areas of concern with scrutiny members.

The system has worked well so far, in part because members are keen to maintain their links with the local community. And there’s a genuine desire to reflect the concerns of as many people as possible in this diverse county.

Carmarthenshire’s area structures are feeding a broader range of views into the decision-making process, building its credibility and opening it up to wider influence. They are also helping members retain their link to the “grass roots”, whether they are part of the decision-making or scrutiny functions. Now, the council plans to review area structures to make sure they’ll be able to contribute to the development of local plans and the Community Strategy.

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Some councils are using devolved structures to help backbench members carve out a new, meaningful role, and to bolster the scrutiny function by involving other organisations as well as local people. But the majority still see area forums as primarily advisory, or consultative.

Whatever their current area structures or arrangements for devolved decision-making, the Government expects councils to make full use of this approach in future, to help push through the modernising agenda.

PEOPLE AND WORKING RELATIONSHIPS

No matter how good the structure, it's the people taking part, and their working relationships, which make it effective.

There are three key elements to ensuring good working relationships:

- having protocols in place about who does what;
- making sure those involved understand their own role and the roles of their colleagues; and
- having the will to make the system work.

In England and Wales, surprisingly few councils have made major changes to their officer structures to reflect their new political arrangements. Many have made limited changes, such as cutting the number of Executive Officers, separating the executive and scrutiny support functions and re-defining some of the roles and responsibilities of officers involved in member support. At others, English district councils in particular, changes to officer structures are minimal.

There's a mixed picture too when it comes to training – some councils have a training strategy for members in place, others are in the process of developing one and a few have yet to reach the starting blocks.
Case study 6: What's the plan?

Oswestry Borough Council is trying a simple approach to planning its overview and scrutiny work, with officers helping members clarify their new role and focus on key issues.

The fourth smallest council in England and Wales, Oswestry has 29 members representing seven political parties. Previously, the council had three Committees, each comprising all 29 members. The new Cabinet and Leader structure left 15 overview and scrutiny members unclear about their new role.

The council decided to develop an overview and scrutiny Forward Plan, to echo the Cabinet's. At a workshop, officers helped members brainstorm the issues they wanted to address in the coming financial year. Slotting in "givens" like the budget and Best Value reports, members then prioritised the issues then allocated them to specific meetings.

The success of the exercise is down in part to a programme of training for members, which helped them to work differently. Challenging, firm facilitation by officers at the workshop also helped ensure a workable outcome.

Now, overview and scrutiny members feel they've regained control, and can see how their work influences the decision-making process. As a result, there's a more consensual approach than before. Members are gaining new skills and knowledge, and the council has found a technique that works well, and which it can apply elsewhere.

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From our experience, members generally receive limited training, and it is perhaps unsurprising that some backbench members feel marginalized, and that some executive members are straying into operational issues.

Case study 7: It takes teamwork

A small policy team at South Derbyshire District Council has established a close working relationship with scrutiny members, helping the council explore key issues in a more consensual, positive way than before.

Keen to develop a scrutiny function that suited its needs, the council chose the "fourth option." As well as a decision-making executive and a formal Overview Committee, it has set up two Scrutiny Committees, to examine Corporate and Community issues.

A policy team of just three has worked with members on the Scrutiny Committees, helping them develop work plans for Best Value and Policy so that they cover the issues they need to. In the time remaining, officers are supporting members to work on Special Projects, facilitating brainstorming sessions, setting up site visits and carrying out research. Officers are closely involved at every stage of the Committees' work.

Establishing a high profile for scrutiny at the outset has made it possible for the council to provide this high level of officer support. And members involved in the scrutiny function are more open to working collaboratively with officers than under the old system, because they've started with a "clean sheet."

Closer officer-member working has allowed members to carve out a meaningful scrutiny role, and learn a new, more constructive way of working. Officers and members are sharing expertise, working as a team, and even unblocking some thorny issues that the council had been struggling with.

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Both members and officers need clearer guidance about how the new system works, and about their new roles and responsibilities within it. But they also need practical support. Democratic renewal is among other things, an enormous change management process, yet many councils are failing to acknowledge this, or take the action necessary to make it happen.
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This is in itself another sign that many councils either haven't grasped, or don't wish to grasp, the full significance of democratic renewal. As the Select Committee report puts it: "The Government's stated intention at the time of the (Local Government) Act has been lost in the focus on internal change."

To really succeed, democratic renewal requires authorities to completely reshape the way they work, not just the shape of their committee structure.

Ask yourself:

- Is your current officer structure still "fit for purpose" under your new political arrangements?
- How will the newly expanded roles of the Section 151 and monitoring officer work?
- Is member and committee support adequate to support the demands of both executive and non-executive members? Is it working as well as it could?
- Have you invested enough in providing the training your officers and members need to understand their new roles?

WHAT NEXT?

The political structures that councils have introduced in response to the Local Government Act (2000) are still relatively new, but it is possible to identify innovative and effective practice, and some common issues too.

There have been successes, and some councils are really making their new political arrangements work for them, developing members' skills, getting closer to residents and opening up decision-making. But many will need to work harder, particularly on scrutiny, if democratic renewal is to thrive.

Many authorities are already looking ahead, assessing whether their political arrangements can cope with the next set of challenges. For example, most councils in England have started to think about how they will carry out their new health scrutiny role, which they'll assume from January 2003, although only a third already have firm plans in place. In Wales, where there'll be no formal health scrutiny role, some authorities are nevertheless thinking about how their scrutiny arrangements could be adapted to allow closer working with partners in health.
Case study 8: A healthy future

Staffordshire County Council has set up first a Policy Commission and now a full-blown Health Scrutiny Committee to prepare for its new health scrutiny role – researching the issues, building relationships and devising a workable local structure.

The council has a Cabinet and Leader structure, with five Scrutiny Committees. Like other authorities with responsibility for Social Services, it will take on health scrutiny January 2003.

In May 2002, the council established a new Policy Commission on Health, which produced a report on how health scrutiny could work in the county, and influenced Department of Health thinking on the issue.

The Commission has now evolved into a Health Scrutiny Committee, with eight county representatives and one each from the eight districts. The Committee is now working on a Code of Practice, an Information Directory, and a member development programme.

In this case, the council’s new political arrangements gave it the freedom to try something different. But the potential for multiple health scrutiny processes in the county has also motivated it to develop a co-ordinated approach.

The benefits are clear. All agencies are now better prepared for health scrutiny. Councils are clearer about how their role fits with that of other organisations, like the Commission for Health Improvement. Relationships between agencies are stronger, and members have acquired new skills and knowledge, and influenced an item on the national agenda.

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It is essential to keep the new arrangements under review. Even if they seem to be working well now, are they robust enough to cope with new challenges like health scrutiny, or elected Mayors? Or the biggest challenge of all – that of members and residents feeling sidelined from the process?

**Ask yourself:**

- How can we increase awareness of the new arrangements and build on our experience to keep the momentum going?
- Has the council thought about how it will refine and update the new constitution, setting out how it will work in future?
- How can we invest in scrutiny to support it more effectively, make it more meaningful, and integrate it into the wider improvement agenda?
- How will we take forward our new health scrutiny role, making sure we focus on the most important local issues?
- How can our information management systems be improved? Are we making the most of new technology?
- How can the council develop the role of individual members and elected Mayors, to achieve more streamlined and accountable decision-making?
- Have we got plans in place for weighing up the benefits of optional devolved structures and joint arrangements? Are we constantly reviewing the way we work with our partners?

Most importantly, councils need to ask themselves whether they have really engaged not just with the letter, but also with the spirit of democratic renewal. Many of the issues that have arisen in the last two years can be traced back at least in part to councils’ reluctance, or inability, to commit themselves to real, fundamental change, leading to an unspoken belief that nothing has really changed.
OUR WORK IN THIS AREA

We hope this bulletin has given you a flavour of the work councils are doing to put democratic renewal into practice and the issues they are tackling.

District Audit is currently planning a comprehensive programme of support for the coming year, targeted at the priority areas our research and experience has revealed.

If you would like more information about how District Audit can help you implement or review your new political arrangements, contact Catherine Cullen on 0121 224 1114 or at: c-cullen@district-audit.gov.uk and you’ll be put in touch with a local expert.

WHO IS DISTRICT AUDIT?

District Audit is, currently, the arm’s length auditing agency of the Audit Commission. As well as issuing an opinion on the accounts, we undertake reviews of an organisation’s corporate governance arrangements and performance management systems.

As part of an extensive modernisation process, District Audit will be merging with the Audit Commission’s Inspection Service to become the Operations Directorate of the Audit Commission. We believe this sharing of expertise between audit and inspection will strengthen our ability to make sure that public money is spent wisely, efficiently and for maximum public good.