

AUDIT COMMITTEE

Democratic Renewal 27th June 2007

Report of Chief Executive

PURPOSE OF REPORT

To advise Members of the action taken and progress achieved following completion of the democratic modernisation action plan arising from the democratic renewal audit.

This report is public

RECOMMENDATIONS

- (1) That the report be noted.
- (2) That members consider whether any further actions should be considered at this time with regard to democratic modernisation.

1.0 Introduction

- 1.1 In 2003 the Council requested the Audit Commission to carry out a Democratic Renewal Audit of Lancaster City Council. The resulting report was agreed and published in September 2003. The report reached the following principal conclusions:

That whilst new democratic structures had been introduced as a result of the Local Government Act 2000 and members and officers were working towards creating a sound model, the current structures did not support effective and efficient decision-making and were not sustainable in terms of the input required from officers and members.

The Commission highlighted the following key issues to be tackled:

- The existing arrangements were overly bureaucratic causing unnecessary work in supporting meetings, delays in decision making and ineffective use of officer and member time.
- Too much time was spent focussing on process and procedure rather than the outcomes which were being planned and achieved for the community.

- Insufficient officer resources were available to support member arrangements whilst a relatively high level of senior managers' time is spent on supporting members and thereby reducing the time available for their wider management roles.
- The current arrangements did not assist the Council in developing its community leadership role.

In order to assist the Council the Audit Commission set out a number of issues for action for the Council to address. Since September 2003, the Council has implemented a programme of change within the Council in order to address these issues. This report sets out the issues for action, documents the changes which have taken place and provides feedback from members and officers on the effect of this change on the Council. Feedback was obtained by means of a questionnaire distributed to all Councillors and Chief Officers in 2006 asking the same questions as had previously been asked by the Audit Commission in 2003.

2.0 Proposal Details

In the following sections each of the Audit Commission Issues for action are considered in terms of the changes which were made, an analysis of the effect of these changes and feedback from members and officers on the effect of this change on the Council.

2.1 *Ensure that the community's interaction with all Lancaster's decision-making processes is reviewed.*

The Audit Commission highlighted a variable approach to public involvement with the decision making process, with it not being evident where public participation was evident in the decision making process.

Since the report there have been a number of developments in this area.

Public participation has been reviewed at Overview and Scrutiny, Cabinet and Full Council. A variety of approaches have been adopted but all feature improved arrangements for interaction.

Overview and Scrutiny has actively used the media to encourage involvement and attendance at meetings. This has resulted in public and local stakeholder involvement on reviews of allotments, cemeteries, parish plans, the Licensing Act, the corporate plan, civic, and young people. Call-in decisions with regard to the closure of South Road, Promenade By-laws, Canal Corridor development and Carnforth Skate Park have all attracted significant public attendance and contributions. The public provided 22 work programme suggestions in 2005/06, which have been followed up. Public participation is welcomed at all Overview and Scrutiny meetings (including Task Groups) on agenda items at the Chairman's discretion and subject to good order.

Cabinet has adopted a public participation protocol where members of the public may speak on issues included on the Agenda, with questions/comments from the public prior to the commencement of each item. This is in addition to the existing right of Ward and Overview and Scrutiny members to speak at Cabinet.

Council has reviewed its arrangements for hearing the public and now allows for the relevant Councillor to reply to the member of public at the meeting. As well as agreeing to hold an annual 'special' Council meeting aimed at encouraging greater public involvement.

The Council has also agreed to allow the **filming/ recording and broadcasting of meetings** of Council, Cabinet, Council Business Committee, Audit, Overview and Scrutiny Committee and Budget and Performance Panel with prior notification.

Planning and Highways Regulatory Committee continues to attract significant public involvement and interest and speaking arrangements are currently being reviewed with a view to enhancement. The sub-committees of the **Licensing Act Committee** have also created a significant opportunity for public interaction with the decision making function of the local authority, under the Licensing Act 2003.

The Council has made improvements to the way in which it **consults the public** and stakeholders. The Council has purchased the 'Consultation Finder' system to help obtain the views of the community on decisions it is going to take and has given greater prominence to consultation on the report templates, with all reports containing the results of consultations and item that are submitted for the Forward Plan, now clearly set out who will be consulted. Gaps in proposed consultations are highlighted by the Overview and Scrutiny Pre-decision Scrutiny Champion in their review of the Forward Plan.

Cabinet Liaison Groups have been reviewed and now include groups for Lancaster University and St. Martins College, Lancaster Chamber of Trade and Commerce, Morecambe Liaison Group, Transport, Canal Corridor, Climate Change and Diversity aimed at increasing liaison with decision makers.

The **Forward Plan** has been promoted through publishing a leaflet outlining the process for 'Key Decisions' and how the public become involved in the decision making process.

Survey Results

65% felt that the improved structure effectively engaged with and responded to public opinion, 23% felt it did not, although of these 8% felt it was improving, 3% gave no view.

12% felt that the public should be involved in decision-making via their Ward Councillor, 12% through an area forum, 20% through having the opportunity to contribute at meetings and 44% by being consulted on issues prior to decisions being taken.

2.2 *Ensure that Corporate and Community Objectives are translated into clear priorities, with targets, milestones and accountability assigned to them.*

The Audit Commission highlighted that the themes of the Corporate Plan did not yet link explicitly with the Community Strategy, additionally the Corporate Plan did not focus on outcomes and was not focussed on the ordering of priorities, there was no evidence of the impact of business planning and the impact of service outcomes on cross cutting issues such as e-government.

The Corporate Planning process has been comprehensively revised, aligning the ambitions of the Council with the ambitions of the community. Increasingly we have achieved clarity amongst our partners about how best to work with them to deliver the long term vision articulated in the 2020 Vision - Community Strategy. Links with Town and Parish Councils have been reinforced and rural proofing has been introduced into decision making, with a Cabinet member with special responsibility taking the lead on rural issues. A new Consultation Strategy has also been implemented that allows the Council to engage and interact with all sections of our community.

Our Medium Term Financial Strategy has been updated and, supported by the Star Chamber challenge process has achieved budget targets for setting annual Council Tax increases below 5%. The Corporate Planning cycle now better captures the views of citizens, members, partners and staff, and allows our limited resources to be targeted to where most community benefit can be achieved. For the last two years, Cabinet has consulted with all these groups on our priorities for the coming year and this has been welcomed by all concerned.

A significant reduction in the number of the Council's priorities helps us to maintain a clear focus on the things that matter most. Recent Corporate Plans also clearly identify those things that will not be Council priorities in a given year. Star Chamber provides a challenge throughout the year (not just at budget time) to ensure that resources are allocated where they are most needed and routinely challenges existing service delivery methods with a view to meeting the targets we have set ourselves in our Gershon/Medium Term Financial Strategy.

Democratic arrangements have been revised so that the mechanics of managing the authority do not inhibit our ability to focus on our priorities. Full Council, Executive, and Non Executive structures have all been reviewed to remove duplication and improve accountability. Routine, process driven decisions are now delegated wherever possible. Annual Reports to Council have also been introduced. A computerised Committee Administration system, together with the introduction of notepad computers for Members, has rationalised the delivery and availability of information in the Council to allow access 24/7. This, coupled with the development of our much improved website and intranet facilities, has transformed the availability of council information and data presentation.

The sea-change in the Council's approach to performance management underpins all our other achievements. The Performance Management Framework has been completely revised and streamlined with all roles and responsibilities clearly set out. Members and key officers have had the benefit of awareness raising sessions. Performance Management is now one of the four key themes within our Corporate Improvement Plan

The Leader of the Council is responsible for Budget and Corporate Performance, mirrored on the officer side by the re-designated Corporate Director (Finance and Performance). Duplication in monitoring and documentation has been eliminated with all members receiving the same information in a timely manner. Quarterly Performance Review Teams, led by Cabinet members, monitor key strategic targets for delivering our priorities. The council has also developed a corporate outcome based approach to project management with the help of an external facilitator.

We have also introduced "Escendency", a web based computerised performance management tool, which provides a 'picture' of performance in relation to priorities in real time, highlighting under and over performance. For the first time we are able to see a single, real-time, top down picture of our success in delivering our vision for the District.

Survey Results

The current decision making structure is achieving its overall aims and objectives in terms of:

Leadership 85% agreed

Decisive and speedy decision making 71% agreed Effective Decision Making 88% agreed Accountability in decision making 88% agreed Openness and Transparency 84% agreed
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2.3 To improve and fulfil the key role that the Full Council meetings should play as part of the new political management arrangements, the council should change the format of Full Council meetings from its current traditional style.

Full Council was noted as being traditional in style with a full agenda, with many issues from Cabinet being revisited causing possible duplication with the Overview and Scrutiny process. Cabinet and Review Board Annual reports did not focus on outcomes or achievements or how they had added value, debate on issues was lengthy with debate focussing on internal processes as opposed to the principles of strategy.

Since the democratic renewal audit a full review of Council has been carried out, led by the Audit Committee. The Audit Committee invited views from all members and held open discussions with Members on Full Council and its future development. The Audit Committee then made proposals to full Council.

Council Business Committee was established to deal with the routine of Full Council including appointments to Committees and Outside bodies, dealing with consultation requests and responses, timetabling of meetings, urgent items and minor constitutional amendments.

Speaking at Council was revised to include limiting Members speaking in response to a question to three minutes, member presentation of reports to be limited to fifteen minutes and only non-executive members allowed to ask Cabinet questions on the Leader's Report and Cabinet minutes.

That on a meeting of Council, re-designated as a 'special' Council meeting for the considering of a single topic, hearing an external speaker, meeting in assembly or forum, considering a local, regional or national issue, or other purpose. The first meeting was held in November 2006. It was not totally successful, partly because a clear purpose had not been established and it is intended to take steps in 2007 to promote a meeting of wider interest to the public.

Additionally, the Leader now provides a report at each meeting on the work of Cabinet and issues affecting the authority and receives questions from members in the style of Prime Ministers question time. Cabinet minutes have been moved to the end as opposed to the beginning of the agenda and now attract far fewer questions or repetition of business. Additionally through adopting improved consultative processes prior to budget setting, the Council now only has one budget-setting meeting, which is much shorter in length than in previous years.

There have been major revisions to both the Overview and Scrutiny and Executive annual reporting system. Both the Executive and Overview and Scrutiny now each have a consolidated report that are outcome focussed with each report including achievements in the year and contribution towards achieving corporate priorities, with the Overview and Scrutiny report containing a table highlighting the contribution that each of the scrutinised items has provided towards the achievement of corporate priorities.

Council has also begun to become more policy than procedure focussed although it is acknowledged there is still work to be done in this area. Over the last two years Council

has held policy debates in relation to Climate Change, Access to Services Review, Northern Bypass, Unitary Local Government, Issues of Planning Policy and Vision Board Strategy for the Economic Development of the district.

2.4 *Ensure that Cabinet Members assume more accountability and leadership of their portfolios and decision-making, lessening dependency on officers, whilst being supported by a comprehensive and on-going development programme.*

The Audit Commission noted that Cabinet did not appear to be member led with officers introducing reports, work programmes did not appear to be successfully scheduling work, Cabinet members had no responsibility for their service area and were not able to make decisions.

The role of Cabinet members in assuming accountability and leadership in their portfolio areas has been enhanced and extended. The Council has introduced a system of Individual Cabinet Member Decision Making, where Cabinet Members are responsible for making all non-key decisions within their portfolio area.

Cabinet members present all reports within their portfolio at Cabinet and the recommendations are in the name of the relevant Cabinet member. Cabinet members are briefed when reports are in the draft stage and have the opportunity to either choose the officer prepared recommendations or to insert their own. Most Cabinet members hold regular briefing sessions with their Service Heads and Directors in order to remain apprised of developments in their portfolio and on a regular basis Cabinet members attend Overview and Scrutiny Committee to provide updates on issues within their portfolio.

Support to Cabinet Members has increased and, in addition to the regular briefings, Cabinet members attend a variety of conferences and seminars, as well as training provided as part of the overall member-training programme, such as the IDeA Leadership Academy. Further development is being developed as part of the overall member development package.

Additionally, a handbook is being developed for 2007 to provide Cabinet Members with guidance and assistance to help them in their role. This includes information on the role of Cabinet Members and will be accompanied by both Cabinet member and portfolio training and familiarisation briefings.

Survey Results

96% felt that the role of Cabinet is clear, 88% felt that the basis on which decisions are made by the Cabinet is adequate and appropriate. 81% felt that the business to be considered by and the decisions of the Cabinet are adequately published.

56% felt that members of the public and Councillors are able to participate in meetings of the Cabinet, however it should be noted that the survey was conducted prior to the adoption of public speaking at Cabinet meetings.

2.5 *Review the current business, which is dealt with by Cabinet to identify, which decisions could be delegated to portfolio holders and which could be delegated to officers to improve the speed of decision-making and concentrate Cabinet business on key decisions.*

The Audit Commission noted that there was no delegation to individual Cabinet portfolio holders and Cabinet agendas containing non-strategic issues with sub-committees

dealing with operational matters. There was also a lack of discussion between the Cabinet and Review Board Chairs in the interest of developing Council strategy.

There have been a number of improvements in this area Cabinet now only considers Key Decisions, reports from Statutory Officers and referrals from Overview and Scrutiny/ Cabinet members. There have been further extensive increases to the scheme of delegation with regard to responding to consultations, the opening and agreement of tenders, personnel, staffing issues, licensing and planning. The Cabinet has expressed the view that there is a conflict between extending the scheme of officer delegation and ensuring political leadership. In order to improve the speed of decision making Non-key decisions are now taken by individual Cabinet members on a fortnightly basis, on all issues within their portfolio area.

Since the review of Overview and Scrutiny in 2004, there has been a much more integrated relationship between members of Overview and Scrutiny and Cabinet members. A system of cabinet liaison members has been set up by the Overview and Scrutiny Committee, with regular meetings and joint briefings with their Cabinet counterpart, Cabinet members attend Overview and Scrutiny meetings to discuss developments in their portfolios and annual meetings take place between the two committees to discuss how the Overview and Scrutiny work programme can assist Cabinet with achieving corporate objectives through carrying out reviews.

Survey Results

87% agreed the Scheme of Delegation to Officers is clear and consistent, with 96% agreeing the role of officers is clear, with 75% agreeing there is member awareness of delegated decisions taken by officers.

57% felt that there is effective scrutiny of delegated decisions taken by officers.

2.6 Review the overview and scrutiny structure in order that all roles are covered effectively – policy development, specific reviews, performance overview, scrutiny and to achieve a speedier and responsive process.

A fundamental review of Overview and Scrutiny was carried out in November 2003, with a new structure being adopted by the Council in April 2004. The four Review Boards and management panel were replaced by an Overview and Scrutiny Committee and Budget and Performance Panel, with all Task Groups becoming time limited task and finish groups. At the same time changes were made to the Call-in threshold to prevent misuse of the system and enhancements such as Cabinet Liaison Roles and Pre-decision scrutiny. Through adopting a prioritised work programme approach significant policy development, reviews and performance scrutiny have taken place. Overview and Scrutiny is now seen as an on going process, in addition to the regular monthly meetings of the two principal committees and fortnightly task group meetings. The Committees are able to respond to requests and perceived needs carrying out scrutiny in a timelier and speedier way. Full information on the achievements of the Overview and Scrutiny process can be viewed in the Overview and Scrutiny Annual reports, available on the Council website.

Survey Results

75% felt Overview and Scrutiny committees are effective in making recommendations for improvement as a result of their reviews of service provision.

62% felt the procedure at meetings is informal and encourages full participation by all Members.

75% felt Scrutiny committees are effective in safeguarding the interests of local people.

Additionally the Overview and Scrutiny process at Lancaster City Council continues to receive praise:

Writing for the IDeA, Councillor Nick Best (Castle Morpeth Council) has stated:

"Lancaster City Council has produced an excellent 'Overview and scrutiny committee handbook'. This includes a pro forma for prioritising task and finish projects, which I have brought to the attention of the current chairs of the overview and scrutiny committee."

Dr Jane Martin, then Director of the Centre for Public Scrutiny on visiting Lancaster stated ***Lancaster's structure appear to encourage active member engagement as today proves.*** (Speaking at a Scrutiny training questions and answers session 2005).

Professor Steve Leach (De Montfort University on speaking at joint member and officer training event at Lancaster City Council 2006) ***congratulated the Council on the way it had and was developing a member led process with a strong member led work programme.***

2.7 Develop a forward work programme, replacing the Review Boards agenda, utilising the selection criteria provided and ensuring that review and work programmes clearly relate to corporate priorities and community concerns.

Following the review of Overview and Scrutiny there has been a switch away from Review Board agendas to a forward looking work programme for both the Overview and Scrutiny Committee and Budget and Performance Panel that covers a 12 month period and allows scope for emerging issues. An annual public, Councillor and Officer canvas takes place to suggest work programme items for inclusion. A topic selection process has been adopted using a checklist which provides a framework for prioritising suggested work programme items and includes public concern, performance, media interest, strategic and budgetary significance to the authority, government or corporate priority and concern from another agency. This checklist is used for all items included on the work programme and for the creation of all Task Groups. The Annual Overview and Scrutiny Report contains a table indicating contributions made to corporate priorities during the course of the year.

2.8 Review the format of reports and agendas to achieve a greater clarity, a focus on outcomes and reduction in the bureaucracy, which accompanies their production. This should include consideration of the layout and order of Cabinet agenda items in order that Members can focus on items of strategic importance and key decisions.

There has been a review of report formats and a modernised report format has been adopted, with the inclusion of streamlined inclinations. Training has been provided on report writing to officers with an emphasis on reports being kept as short as possible. Whilst attempts have been made at reducing the bureaucracy that surrounds report production there is still room for improvement in this area. Through implementing a system of individual cabinet member decisions for non-key decisions much greater

clarity and focus has been provided for the Cabinet which now only considers 'key decisions' and referrals from Cabinet members resulting in a strategic focus.

A review of the order of agenda items has taken place with improvements being made to Council, Cabinet, Overview and Scrutiny and Audit Committee agendas.

2.9 Ensure that the Forward Plan is further developed and 'owned' within the decision making structures through; becoming the work programme for the Cabinet, Overview and Scrutiny regularly reviewing Forward Plans, Synchronising the Forward Plan and Overview and Scrutiny work programme.

Following concerns from Councillors a review has taken place of the operation of the Forward Plan. A 12 month Forward Plan updated on a monthly basis has been instigated. This has enabled Service Business Plans to be used to identify future Key Decisions. This has enabled greater management of the Cabinet agenda. With decisions being placed on the Forward Plan earlier the opportunity for Overview and Scrutiny to use the Forward Plan constructively as a tool to inform its work programme, with many more items being considered using pre-decision scrutiny and therefore reducing the need for call-in.

2.10 Increase the level of officer support available for overview and scrutiny to ensure there is appropriate access to research and advice – such an increase is likely to have budget implications. Supplementing the resources required for overview and scrutiny could be undertaken through a partnership approach with other bodies.

Alongside the review of Overview and Scrutiny a review was carried out of staffing arrangements in Democratic Services. Overview and Scrutiny is managed by a Principal Democratic Support Officer, supported by a Senior Democratic Support Officer and Democratic Support Officer. A semi-dedicated staffing resource has been created providing approximately 2.25 posts. This has enabled dedicated research and support to Members involved in the Overview and Scrutiny function, enabled networking, provision of training and the development of the process. Partnership working with other bodies is developing, however, it is more common for Lancaster City Council to be supporting other authorities than being supported.

2.11 Prepare a member development strategy with particular focus on investing in; further training for all members on the constitution, further development of cabinet members, practical and tailored training for overview and scrutiny and increasing attendance levels at such training events.

Through restructuring Democratic Services and the creation of an additional Democratic Support Officer it has been possible for Democratic Services to take over member training and development. Since the Democratic Renewal Audit, the authority now has in place a needs based member training programme with specific training and support packages for Cabinet and Overview and Scrutiny as well as general training for members on their role and the constitution. An integrated training and induction package has been provided for new and returning members following the elections in May 2007. A number of members have attended the IDeA Leadership Academy. The Council is now well advanced in its ambition to achieving the member development charter in 2007 and is in the stage of carrying out one to one member development interviews for the second year.

3.0 Conclusion

- 3.1 Since the Democratic Renewal Audit, Lancaster City Council has made large scale improvements to its democratic processes which have assisted the Council with its approach to decision making. Whilst there is always room for improvement, it is clear that the changes made have provided significant improvements for Lancaster City Council.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

There are no implications arising from this report. Full implications were provided for each modernisation report as they were considered by the Council.

FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report.

SECTION 151 OFFICER'S COMMENTS

The S 151 Officer has been consulted and has no further comments.

LEGAL IMPLICATIONS

There are no legal implications arising directly from this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Democratic Renewal Report and Survey Results

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