

A focused scrutiny review for West Midlands Combined Authority



West Midlands
Combined Authority

Report

June 2019

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1. Introduction and context

West Midland Combined Authority (WMCA) is continuing to develop its role and impact in working with local government partners, Local Enterprise Partnerships and a range of other stakeholders to deliver, enable and support inclusive economic growth. It continues to ensure that its organisational development and governance arrangements effectively support its mission to build a healthier, happier, more prosperous and better-connected region.

Within its governance and democratic framework, the effective operation of Overview and Scrutiny presents a challenge, as it does to all combined authorities. Combined Authorities are unique bodies with different, strategic responsibilities to those of local authorities. The challenge for councillors, familiar with governance systems from local authorities, is to adapt familiar ways of working to a very different setting. Combined Authorities are not the same as councils, and the role of politicians in running them and providing scrutiny is also different. An understanding and appreciation of this different role and purpose is critical for effective overview and scrutiny.

WMCA places high importance to the role and purpose of effective scrutiny as part of its governance and democracy accountability. It wants to support its scrutiny function to help in improving, shaping and advising on the policies and plans of WMCA. It appreciates and understands the added value of the critical friend challenge, different perspectives and increased transparency that the scrutiny process provides.

However, its leaders, officers and scrutiny members recognise that more could be achieved, and greater productivity gained from scrutiny and there is a strong will to implement change. WMCA has invested significant support and resources in its scrutiny function and is determined to maintain this support, but to also ensure that scrutiny delivers a positive return on this investment through its contribution to the Authority. Developing a work programme that is clearly aligned with the priorities of the WMCA, and provides timely opportunities to undertake more proportionate scrutiny activity lies at the heart of this.

Inevitably there is a learning, improving and developing journey for the scrutiny function to travel. To assist this drive to further improvement and value contribution, the Centre for Public Scrutiny (CfPS) were commissioned to review the strengths of the current scrutiny arrangements, identify areas for further improvement and development, and to explore methods and good practice to support that development.

The CfPS has carried out extensive research on scrutiny's operations in combined authorities. Every combined authority is different, but there are some commonalities that provide a basis for this review. Part of the review has involved posing and answering questions relating to these features.

The CfPS recognises WMCA's overall vision and aspirations, and the potential for strong overview and scrutiny to play a part in supporting the delivery of inclusive growth. This work can draw on the insight and understanding that councillors have of the communities that they serve. Overview and Scrutiny provides an opportunity to bring that insight into the heart of CA decision-making and governance, strengthening and supporting policy, decision-making, transparency and public reassurance.

2. Review objectives and methodology

The CfPS was commissioned by the WMCA through the Local Government Association (LGA) to:

- Conduct a short review of scrutiny at the West Midlands Combined Authority.
- Agree, with Members and officers, appropriate actions to further improve and develop scrutiny, with a focus on clarifying the role of Overview and Scrutiny within the WMCA context and ensuring that it's work is prioritised more consistently, as reflected in its work programme.

2.1 Engagement and evidence gathering

The following engagement and evidence gathering has informed this report:

- Interviews and discussions with:
 - Scrutiny members
 - Chair of O&S Committee
 - Chair of T&F Group
 - Constituent authority Leaders
 - WMCA Officers
- Scrutiny Committee observation
- Document review:
 - Constitution
 - Committee system structure
 - Agenda and minutes
 - Reports
 - Scrutiny work programme

3. Summary of findings

As an organisation the WMCA is still evolving and, importantly, so too is the scrutiny function. There is a strong belief that scrutiny can achieve more and a commitment to assist it to do so. The key themes of the review findings are:

Member capacity, commitment and intent

Members of the Overview and Scrutiny Committee (OSC) are drawn from both constituent councils - the seven Metropolitan Councils - and non-constituent members. There are 19 members on the Committee. They bring a wide range of scrutiny knowledge, practices, cultures, behaviours and expectations. However, some members we engaged with generally felt that their role at the WMCA can feel like an extra burden in addition to their positions at their respective councils. Some expressed that becoming a scrutiny member at the WMCA was not seen as a key and important position due possibly to the extra responsibility and time commitment and responsibilities within their own councils.

We think there would be benefit in the WMCA working with its constituent and non-constituent councils to positively articulate and promote the OSC role at the WMCA. This would create more awareness and encourage more councillors to seek to be nominated/appointed to it by their councils. This could be done in the context of other activity being planned or undertaken to increase awareness and understanding of the WMCA.

There is inconsistency in attendance and the frequent use of substitute members can make team-building and planning more difficult. The quorate threshold for Overview and Scrutiny meetings is two-thirds of the membership which is high in comparison to most local authorities. This threshold is set by the regulations forming combined authorities. We note that most other CAs also struggle with achieving quoracy and we therefore agree with the WMCA's view that this ideally could change. We would support the WMCA in their representations to Government on this matter.

The Scrutiny Chair, Vice-chairs and members work hard and are committed to scrutiny and strongly believe in its role. There is a solid intention to improve and get more out of scrutiny. There is scope to better harness this commitment and provide further support for Chair and Vice-Chair of the OSC to increase their capacity and skills to lead a complex and demanding scrutiny process. There is scope for more dialogue to be facilitated between the Chair of the OSC and the senior management of the WMCA.

We understand each of the WMCA portfolio lead members has a lead WMCA director(s) who provides regular engagement and support, and suggest a similar arrangement for the Chair of OSC. So in addition to the well-regarded support provided by the WMCA Scrutiny Officer, we think the Chair would benefit from having a nominated link-officer from WMCA Strategic Leadership Team. This builds on the current commitment of the Chief Executive to have regular meetings with the Chair.

Member capacity and Scrutiny workload, focus and direction

Members expressed a view that the scrutiny task at the WMCA is large and complex. There are currently five working groups and 4 task and finish groups. There is therefore plenty of scrutiny activity. But our view is that there is arguably insufficient quality output compared to the volume of activity. The OSC appears to cast its net wide and attempts to put too much within scope. This is understandable given where the WMCA is in its evolution. It also demonstrates the enthusiasm and appetite for members to gain knowledge and understanding of the different facets of the WMCA's vision and priorities, its various delivery programmes and activities to achieve those. But we think there needs to be more of a methodology to filter or prioritise its work programme. Currently, some activity appears to be too superficial and lacking impact, which is simply a result of time versus activity.

There also needs to be a better understanding and appreciation of where the OSC fits in the wider governance and decision-making arrangements and the challenge and input it provides. The OSC committee provides a statutory public scrutiny function, which can also align with other Boards and Committees that provide an element of challenge and oversight within the WMCA which also have a shaping of policy proposals for Board approval and overseeing programmes of delivery.

We recognise that although not a public scrutiny activity in the same context as OSC these boards and committees have an element of oversight and challenge within their remit, and there may be potential for the OSC to further develop the linkage and interdependencies with those committees in particular and their respective work programmes.

Scrutiny focus and direction

Members acknowledge the scale, complexity and importance of the WMCA strategy and plans, and the pace at which things are emerging and progressing. Understandably, the OSC finds it challenging to settle on a more focused scope of work where it may achieve greater impact and satisfaction. Scrutiny members appear to find it difficult to know where and how to segment and prioritise the Authority's activity and where to apply scrutiny to best effect. There appears to be a frustration that scrutiny cannot get more involved in more areas. They are mindful of not missing and opportunity to examine and become involved in all perceived areas of importance. In essence it sets itself an impossible task. Scrutiny could easily become overwhelmed if it tried to take on too much. Scrutiny needs to be clearly advised and supported to get this aspect working efficiently.

A work programme that is better prioritised and proportionate in terms of the activity would help to ensure that the OSC can have impact whilst keeping its workload manageable.

Work programmes are not closely aligned to the Authority's strategic plans. There is clearly some tracking of some areas of Authority activity and budget, but there is less obvious scrutiny focus on the high impact, high value and important items that appear on WMCA Board agendas without corresponding scrutiny. Complete alignment is extremely difficult to achieve, but further attention to the work programme needs to be considered.

The capacity of scrutiny to maintain a strategic level of concentration, when many of the issues are complex and detailed, is also an aspect of the misalignment. Some filtering and focus of the scrutiny programme and subsequent prioritising could help productivity - doing less, but doing it really well.

The pre-scrutiny of forward plans is an area of scrutiny which could be developed further and a process of selecting, prioritising and engaging in pre-scrutiny worked through. There appears to be a good shared understanding that scrutiny can be effective and productive by engaging in pre-decision scrutiny. The challenge however is selecting the right things to look at which add value and improves the overall quality and process of decisions and plans.

Holding to account and transparent accountability

An effective Overview and Scrutiny function has several facets and roles – including holding to account. The OSC has a good understanding of this responsibility and there are examples of the Committee carrying out this role. The Mayor Q&A events, held in public, are beginning to provide a good forum for questions and challenge. Portfolio Lead Members are asked to attend scrutiny meetings and in the main are willing participants. But there appears to be an over-reliance on officer presentations and information exchange rather than more objective, intensive and searching scrutiny of the office holder. Value could be increased through scrutiny activity that is more focussed on providing critical friend challenge and the shaping of policy and decisions. Portfolio Lead Members would also benefit through the additional testing and critical analysis that effective scrutiny offers.

Culture and behaviours

Overall members work well together. There is a clear supportive atmosphere and mutual respect for both members and officers. The Chair conducts meetings fairly and ensures that all contributions are heard and respected. The Chair of O&S Committee attends the WMCA Board and offers feedback. The O&S Committee has made 27 recommendations to the WMCA Board.

Some members expressed concern that politics/rivalry can enter scrutiny and be used for political means. Whilst most members have a strong desire to work cooperatively, politics in scrutiny can dilute its effectiveness.

4. Recommendations

Recommendations are designed to support the development and improvement of scrutiny. To assist possible implementation and avoid overload, these have been separated into recommendations for potential immediate implementation and those which could be implemented over the next 6 months

Short-term recommendations

- **Develop a new scrutiny protocol**

We suggest that scrutiny would benefit from a collective understanding of its core role and purpose and to share a common understanding about the way it operates and the expectations of its members. The protocol could outline cultural aspects such as behaviours, officer support, expectations and engagement, together with ways of working and important administrative aspects.

- **Promote the work of the O&S Committee**

As part of the planned communications activity with constituent and non-constituent authorities, we recommend that the vital work of scrutiny is also explained and promoted to councilors who may wish to then consider seeking nomination to the OSC in the future.

- **Develop member understanding, capacity and skills**

The member task is different than that of a typical council. The strategic focus, scale, complexity and governance differences suggest that members need to acquire additional skills. Member development should focus on building their capacity to scrutinise large-scale complex issues, high value projects and multi-stakeholder developments. Collective Member development will also assist team building and cohesion.

Provide further support for Chair and Vice-Chair of O&S to increase their capacity and skills to lead a complex and demanding scrutiny process. We would also recommend that 1-2-1 coaching/mentoring is considered for the for Chair and V/Chair.

- **Scrutiny work programme**

We recommend that dovetailing scrutiny with the Authority's key strategic aims and mission is a priority. There is a large and ambitious agenda which scrutiny needs to engage in through better segmentation, prioritisation and alignment of its work programme and resources (including its sub-groups and task groups). This could be helped by a triangulation forum between Scrutiny (Chair/VC), Portfolio Members, Mayor and Officers to agree to review and consider future work programming and to signpost priority areas where scrutiny effort should concentrate. This should not dilute scrutiny's ability to eventually agree and decide its own agenda, but dialogue and consultation can be an effective process.

Scrutiny priorities should be based on an agreed methodology e.g.: impact, value, risk and strategic importance. Committees should strictly limit or exclude non-strategic, for information, showcasing or presentational items as these can absorb disproportional time and offer little value.

- **Pre-scrutiny (Pre-decision) scrutiny**

The Board's forward plan and the WMCA annual plan are important areas for scrutiny. These plans are too large for the available scrutiny capacity, so a selection process to determine what to pull into scrutiny will need careful consideration. There are many equally important proposals and programmes that can justify scrutiny input, so prioritisation is important. Good officer advice is essential to assist scrutiny to deliver value and impact. Again, sub-groups and task and finish groups should be included.

- **Holding to account**

Scrutiny should be beneficial to Portfolio Holders. Objective scrutiny supports and fortifies quality decision-making and delivery. But it also provides public assurance and democratic accountability. Relevant Portfolio Holders and the Mayor need to be available and accessible to scrutiny when the O&S Committee is considering items within their portfolio, to be held to account, explain and justify. This is common practice in large authorities and there is an expectation that decision-makers are held to account in a formal, public environment. Portfolio Holders and Mayor will often require officer technical support when they appear at the OSC.

Medium-term recommendations

- Consider how scrutiny member appointments from constituent authorities are made and if a different method of appointment or selection would encourage and motivate more councillors to become involved.
- Consider also how scrutiny member roles can be further enhanced and developed to ensure that members are valued, and their impact strengthened.
- Consider increasing officer support and resource for scrutiny if and when higher productivity would justify this.
- Explore how scrutiny and the Board can work more closely and for scrutiny to become more embedded in the work of the board.

Acknowledgments

The Centre for Public Scrutiny (CfPS) was commissioned by West Midlands Combined Authority and the Local Government Association to advise and support an internal review on the effectiveness and impact of their current approach to overview and scrutiny.

The review was conducted on-site in March-April 2019, with subsequent further desk research.

We would like to thank those scrutiny Members, Executive Members, and Officers who took part in interviews and observations for their time, insights and honesty.

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