

WANDSWORTH BOROUGH COUNCIL

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE –
3RD OCTOBER 2013

EXECUTIVE – 7TH OCTOBER 2013.

Report by the Chief Executive and Director of Administration on the review of the Council's
decision making processes.

SUMMARY

The Executive at its meeting of 29th April 2013 agreed a programme of reviews, including a review of the Council's decision-making processes and supporting resources (Paper No. 13-244).

The review of the Council's decision-making process looked at the different decision-making models operated across London, the type and number of decisions taken in public at other councils and looked in-depth at the number and type of papers, both for decision and for information, submitted to Overview and Scrutiny Committees (OSCs) in Wandsworth over a 12 month period. This review identified that Wandsworth Council operates a unique version of the "Executive decision making model" as all executive business is referred to OSCs prior to being recommended to the Executive. It also identified that levels of delegation to officers are set lower than at other councils.

This report sets out the emerging findings of this review and proposes further work to support a reduced number of committee cycles. Final decisions will be taken in January 2014. If approved, these would take effect from the start of the next municipal year (May/June 2014). The changes would be accompanied by a reduction in the number of papers submitted to OSCs whilst maintaining the levels of transparency and scrutiny that the Members and residents expect.

Unless specifically mentioned, the proposals in this report also relate to the General Purposes Committee but not the other regulatory and other committees (i.e., the Audit Committee, Licensing Committee, Pensions Committee, Planning Applications Committee, Regulatory Licensing Committee and Standards Committee).

The Director of Finance comments that cutting down on the number of committee cycles and reducing the number of reports that are reported to committee would result in reduced printing, distribution, staffing and other related costs. Any savings resulting from this review will be consolidated within the paper reviewing the level of staffing resource required, due in January. Officers are confident that the proposed increase in delegation levels and transfer of decisions into the SO83/83(A) process coupled with the alternative controls suggested will provide Members with continued confidence in

the decision making process. The proposed changes with regard to the reporting of procurement related issues are supported, in that it will in many respects return arrangements to the pre-2006 position. The establishment of the Central Procurement team makes this possible. It does not involve any change to the level of delegation for spending decisions to officers which is regarded as a key control, with all spending decisions over £25,000 still requiring SO83(A) or committee approval.

GLOSSARY

AQPR	-	Annual Quality and Performance Review
BV	-	Budget Variation
CPA	-	Comprehensive Performance Assessment
ECC	-	Environment, Culture and Community Safety OSC
FCROSC	-	Finance and Corporate Resources OSC
HWB	-	Health and Wellbeing Board
HR	-	Human Resources
OFSTED	-	Office for Standards in Education, Children's Services and Skills
OSC	-	Overview and Scrutiny Committee
PAG	-	Procurement Advisory Group
SO	-	Standing Order
SPT	-	Strategic Planning and Transportation OSC
TUPE	-	Transfer of Undertakings (Protection of Employment) Regulations 2006

RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the recommendations to the Executive in paragraph 2 and to the Council in paragraph 3. If they approve any views, comments or recommendations on the report, these will be submitted to the Executive and the Council for their consideration; and
2. The Executive is recommended to note the emerging findings of the review and the intention to make final decisions at its meeting in January, and agree the following changes to enable streamlining of committee business -
 - a) agree, with effect from the beginning of the municipal year 2014/15 to amending the Scheme of Delegations to allow for the Director of Finance, in consultation with the Chief Executive and Director of Administration, acting under advice from the Council's Procurement Advisory Group, to:
 - (i) approve non sensitive procurement up to a financial limit of £100,000 per year of a contract via Standing Order No. 83(A); and
 - (ii) award all contracts, except where it is a major contract, covers a sensitive issue or involves TUPE for current staff or a positive Budget Variation (paragraph 21) via SO83(A);
 - b) agree that the number of AQPRs/annual reports is reduced to one per department (paragraphs 27 to 28);

- c) agree that, with immediate effect, responses to consultations be authorised by the appropriate Director under the provisions of Standing Order No. 83 or 83(A) (paragraph 30);
- d) agree that, from the beginning of the municipal year 2014/15, the Scheme of Delegation and Standing Order Process be amended to allow consultations resulting from resident petitions to be agreed and progressed under SO No. 83 (paragraph 32);
- e) agree that, from the beginning of the municipal year 2014/15. The Scheme of Delegation be amended to allow strategies or action plans which have previously been submitted to Committee in full for approval to go out to consultation, to be agreed via SO No. 83 subject to no significant changes resulting from the consultation period and subject to any legal requirements i.e. Budget and policy Framework resolutions of full Council; and,
- f) agree that, with immediate effect, routine reports relating to staffing, such as reports on long serving Council employees or updates on HR action plans, no longer be submitted to committee.

3. The Council is recommended -

- a) to agree to maintaining the current Wandsworth model of “Executive decision making” whereby Executive business is scrutinised by Overview and Scrutiny Committees prior to being considered by the Executive;
- b) to agree to further work to support a reduction in the number of committee cycles for Overview and Scrutiny Committees (including the Wandsworth Health and Wellbeing Board) from the beginning of the municipal year 2014/15, as described in paragraphs 12-17.
- c) to agree that, with immediate effect, “information only papers”, as define in this report, be no longer submitted to committee (paragraph 25);
- d) to agree, with effect from the beginning of the municipal year 2014/15, to the amendment of the terms of reference of all the OSCs so as to reduce the number of papers submitted to multiple committees; and
- e) to agree that, with effect from 1st June 2014, the Scheme of Delegation be amended to allow strategies or action plans (which have previously been submitted to Committee in full for approval) to go out to consultation, to be agreed by SO No,. 83 or 83(A), subject to no significant changes resulting from the consultation period and subject to any legal requirements, i.e. Budget and policy Framework resolutions of full Council; and
- f) to authorise the Director of Finance to make minor changes to the Council's Code of Practice for the Procurement of Services, Supplies and Works (“the Procurement Code”) (paragraph 21).

INTRODUCTION

4. On 4th March 2013, the Executive agreed (Paper No. 13-184) a series of proposals designed to help the Council achieve required savings of £20m in the period to 2015.

Review of the Council's decision making processes

Paper No. 13-244 then set out a programme of reviews, including a review of the Council's decision-making processes and supporting resources. This review comprises of two inter-connected elements: a review of the Council's decision-making process and a review of the resources which support this process. This paper reports on the first element. A further paper will be brought to the Finance and Corporate Resources OSC and the Executive in January 2014 which will report on the review of resources which support the decision-making process.

5. The review of the decision-making process looked at the decision-making models operated across London, the type and number of decisions taken in public at other councils and looked in-depth at the number and type of papers, both for decision and for information, submitted to Overview and Scrutiny Committees in Wandsworth over a 12 month period.

FINDINGS OF THE REVIEW

6. Appendix 1 contains the detailed findings of the Review, including the models used across London, examples of delegated authority in other councils and the in-depth analysis of papers submitted to OSCs over a 12 month period.
7. Under the requirements of the Local Government Act 2000, the Council (on 10th September 2001) adopted a new decision-making structure in place of the traditional committee system. In doing so, the Council operates a unique version of the "Executive decision-making model" as all executive business is scrutinised by Overview and Scrutiny Committees (OSCs) prior to being considered for decision by the Executive. In other councils operating executive arrangements the majority of decisions are referred directly to the Executive and are not debated at OSCs in advance. In practice this means that all Members of Wandsworth Council (and the non-elected Members of certain of the OSCs) have more opportunity to debate proposals which impact residents than they would do in other councils.
8. Other councils also have higher levels of delegated authority with some of them delegating decision-making powers to individual Cabinet Members (i.e. members of the Executive) or officers. In practice this means that more decisions go to the Executive (and therefore through OSCs) in Wandsworth than other councils. For example in June/July 2013: 5 items were considered by the full Executive in Westminster, 7 items in Greenwich, 13 in Lambeth, 15 in Camden and 61 in Wandsworth.
9. The review also analysed the papers submitted to OSCs in June 2012, September 2012, November 2012, January 2013, February 2013 and April 2013. This showed:
 - (a) June had the highest number of papers submitted (153). January and February had the least items submitted (69 and 79 respectively). However, the June 2012 figure reflects the fact that in the April 2012 cycle all OSCs except for the Finance and Corporate Resources OSC were cancelled (i.e. in the run-up to the Mayor and London Assembly elections on 3rd May 2013), which means that papers that might have been considered in April 2012 would have been moved

to June. By way of comparison the number of papers submitted to the June 2013 cycle was 102;

- (b) on average 70% of papers were for decision with 30% for information. However, the boundaries between information and decision papers are blurred with a number of annual plans being submitted as “for decision” and the “for information” items including papers which support scrutiny by Members including the annual Crime and Disorder Strategic Assessment, progress reports and reports requested by Members;

10. Across the six cycles the main “drivers” for papers being submitted were:

- i. Informing Members or performance related (17% of all papers). Further analysis of these papers shows that 40% were papers informing Members and 60% were papers which supported scrutiny of Council or partner services by Members. Examples of “scrutiny” reports include Progress Reports, performance overview of local NHS bodies, results of inspections, reports on homelessness, ad hoc scrutiny reports, reports on Children and Young People’s Participation and the Youth Council and reports on findings of reviews of the August 2011 disorders. Examples of “informing members reports include Key findings of the Census, a report on the publication of the National Planning Policy Framework, the findings of a survey on smoking, drinking, drug use, emotional health and physical health amongst schoolchildren in Wandsworth, a Guide to Wandsworth GPs and the current position on Heritage at Risk and Heritage Crime Initiative;
- ii. Financial (12%). This included setting budgets, setting charges, decisions only requesting a Budget Variation;
- iii. Service change (10%). This included new services, reductions in services, cross-Council programmes;
- iv. Items arising from petitions from residents (9%);
- v. Items relating to procurement (9%);
- vi. Annual plans/AQPR (7%). Analysis of AQPRs/annual plans by OSC clearly demonstrates a difference of approach by Department/OSC. Over the 6 cycles analysed Environment, Culture and Community Safety OSC received 16 annual plans/AQPRs, Education and Children’s Services 14 as compared to Adult Care and Health OSC which received 1 and Housing which received 2; and
- vii. Approval of strategy/policy direction (5%).

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11. Over the six cycles 24 papers were submitted to more than one OSC, and 6 strategies were re-submitted following consultation with no significant changes proposed.

PROPOSALS

12. At present the pattern of six committee cycles each municipal year is as follows:
 1. June
 2. September
 3. November
 4. January
 5. February
 6. April
13. It is proposed to reduce the number of committee cycles at the start of the next Council in 2014/15. The analysis undertaken so far suggests that a reduction to five or four meetings would be achievable and would deliver significant revenue savings in print, distribution and staffing costs. If reduced to a four meeting cycles the current January and April cycles would be removed.
14. Further work will be completed prior to making a final recommendation to this committee in January 2014. There are several key consideration which will need to be taken into account in making this decision:-
 - a) The level of savings achievable in a 4 or 5 cycle model;
 - b) There are six elections scheduled between 2014 and 2020, with 2017 currently being the only year free from an election/referendum. This would likely mean that any committees scheduled for this time (likely to be the April cycle) would be subject to cancellation. If a four cycle model was proposed then not deleting the April cycle would risk leaving the Council with just 3 full committee cycles in a 12 month period; and,
 - c) Any reduction in OSC in cycles that removes the overall January cycle, which is perhaps likely in a four cycle scenario, would still necessitate a "special FCROSC" to be scheduled that month to agree the development budget for consultation. The agenda for this "special meeting" would require tight management to avoid 'paper creep' from November or February. This process has to take place at this time in order for the Council to undertake its statutory duty to consult with business ratepayers' representatives on its service expenditure proposals for the next financial year prior to setting Council Tax within the required statutory deadline.
15. Consideration will be given to the number of full Council meetings. This could either be maintained at the current 6 or reduced to 5, or 4, to reflect a revised committee cycle.
16. In parallel to the six present cycles there are eight scheduled meetings of the Executive (at which decisions on the reports scrutinised by the OSCs are made). The Leader of the Council has informed the Chief Executive and Director of Administration

of his intention to reduce the number of these meetings each year and details will be reported to committee in due course.

17. It is proposed that the new Health and Wellbeing Board (HWB) is included in scope of the recommendation to reduce the number of Committee cycles per year. The Clinical Commissioning Group and Wandsworth Healthwatch have been consulted on this proposal and have indicated they will support a move to a 4 committee structure.
18. Also, the non-elected members of the Education and Children's Services OSC have been informed of this proposal and are being sent copies of this report. Again, Any comments received from them will be reported to the FCROSC.
19. It is clear that without a reduction in the number of papers submitted to Overview and Scrutiny Committee the agendas on the remaining cycles will simply expand to fill the gap. With long agendas comes the risk that important issues may not be afforded sufficient time for debate and scrutiny by Members. As such a number of proposals have been developed which ensure that the high levels of scrutiny seen in Wandsworth are maintained whilst looking to reduce the number of items submitted to OSC. The proposed areas of focus are:
 - a) Procurement;
 - b) 'Information only' reports;
 - c) Responding to petitions;
 - d) AQPRs/Annual report; and
 - e) Council responses to external Consultation Documents
20. Paragraphs 21 to 34 contain the detailed proposals which if, fully implemented, would result in an estimated 31% reduction in papers submitted to OSC , This reduction, if all areas are agreed, is deemed sufficient to deliver a workable 4-cycle OSC system.

Procurement

21. It is proposed to extend the degree of delegation and thus reduce the number of matters needing consideration by the OSCs, as follows:-
 - a. for all contracts where the annual contract value is greater than £100,000, which are being let for the first time or which cover "sensitive issues", a scoping report would still be required to submitted to the appropriate OSC and the Executive. The decision as to what is "sensitive" would be taken by the Procurement Advisory Group (PAG) which comprises of the Chief Executive, Director of Finance, Head of Audit, Borough Solicitor and Head of Procurement. The Director of Finance has delegated authority to implement decisions of the PAG in accordance with arrangements approved by the Executive (Paper No. 13-441 in June 2013). Examples of "sensitive issues" include contracts for front line services- such as street cleaning or social care, transfers of service from directly provided services to

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contract or vice versa (Libraries). All decisions of the PAG will be minuted and the process externally audited;

- b. for any contracts where the annual contract value is £100,000 or less, which are not being let for the first time or which are not deemed sensitive, a scoping report will be submitted to PAG. There would no longer be a requirement for a scoping report to be submitted to the relevant OSC for these contracts. The scoping report would be authorised by the appropriate director under the SO No. 83 procedures. Analysis of the current contracts register shows that 44% of the current contracts have an annual value of less than £100,000;
 - c. all shortlisting to be authorised by Chief Officers under Delegated Authority, as previously agreed in Paper 13-441; and
 - d. contract awards for all contracts except those which are major contracts (i.e. those defined in paragraph 21(a) above), or cover a sensitive issue or involve TUPE for current members of staff or a positive Budget Variation would be authorised under SO No. 83. The SO No. 83, which will be drafted by Finance Department's Central Procurement Team, in consultation with the service director concerned - and with the Borough Solicitor and Assistant Director of Administration as necessary - and authorised by the Director of Finance on the advice of the PAG. The only price to be included within these SO No. 83 contract awards would be the successful tenderer's price; the unsuccessful tenderers' prices would be deemed to be exempt information and therefore not included for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, this being in the public interest because of the commercially sensitive nature of the information.
22. In order to ensure that the Council's procurement processes remains robust the approach outlined above would be implemented and overseen by the Central Procurement Team, the terms of reference for PAG would be updated to specify a quorum for all decisions and the approach would be subject to external audit.
23. In order that Members are able to scrutinise this approach, an annual 'procurement report' would be submitted to the Finance and Corporate Resources OSC which would detail a programme of contracts that are due to be tendered or extended in the forthcoming 12 months alongside the route they will take and any minor amendments made to the Procurement Code (under delegated authority to the Director of Finance) since the previous annual report. Members would therefore have an oversight of what is expected to come to committee and be able to "call in" any contracts which they feel should be considered by the relevant OSC. Members will also be able to refer at any time to the Council's contract register which is published (under the transparency agenda) on the Council's website:
http://www.wandsworth.gov.uk/downloads/file/4575/contract_register. The precise arrangements for introducing a "call in"-type facility for Members on the lines of existing provisions of SO83 would need to be the subject of a separate report concerning appropriate revisions to the Council's Standing Orders.

24. The impact of these proposed changes has been modelled on the six cycles used as part of the initial analysis. This shows that implementing these changes would reduce the papers going to Committee by an estimated 58.4% (53 to 22). In many respects these changes would put the Council back into the pre-2006 position when the Procurement Code was revised in part to reflect the requirements of the CPA regime.

Information-only papers

- 25 It is proposed that:
- a. papers that support Members in scrutinising performance should continue to be submitted to OSCs. It should be noted that a conservative approach to the categorisation of papers “for scrutiny” has been adopted in order to reflect Members’ concerns regarding a loss of oversight. The removal of the April cycle would also afford an opportunity for a small number of scrutiny reports which were previously reported over two cycles to be combined; and
 - b. reports/items that relay information to Members should no longer be submitted to committee. It is proposed that a new online library of information be set up to be available to Members - possibly via a secure location on the intranet using the *Modern.gov* system - and such information items could be posted there by departments with oversight provided via the relevant cabinet member. The advantage of this approach is that all Members would be able to access the information as opposed to currently where they have to search for it if it sits outside their Committee remit. They would also be able to access it quicker as they would not be waiting for a Committee cycle.
26. Implementation of this approach would lead to approximately 50 fewer papers being submitted to OSCs. Members have an important role to play in the scrutiny of outside agencies, for example, the local NHS and police. The importance of this function is maintained via the proposal for scrutiny papers, such as the Performance overview of local NHS bodies, to continue to be submitted to OSCs

AQPRs / Annual reports

27. Over the six cycles reviewed, 41 AQPRs or annual reports were produced. A number of these, such as the Adult Social Service’s Local Account, the annual service plan for Food Standards and the annual intervention plan of the Council’s Health and Safety at Work Enforcement Service, are statutory. The remaining plans result from the Council’s longstanding commitment that “all front-line Council services are required to produce Annual Quality Performance Reviews (AQPRs) or annual reports”. However, the variation between departments shows that this is being interpreted differently. As a result it is proposed that:
- a. In 2014/15 each department should produce just one succinct annual report and should aim to include any statutory annual plans as an appendix. The format of the report would be determined by each individual Director using the basis of the AQPR as a starting point. Whilst this may seem challenging, it is important to note that

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Administration, Finance (excluding the Design Service) and Housing have all moved from individual AQPRs to a one annual report/AQPR approach in recent years. This has not resulted in Members indicating a reduction in opportunity for scrutiny; and

- b. Moving forward under the new structure, it is proposed that the new Department for Education and Social Services and the new Department for Housing and Community Services aim to produce a maximum of two annual reports per department, with the Administration and Finance Departments producing one a piece.
28. The annual reports, where feasible, would be submitted to the June cycle of committees. The advantage of this approach is that they would be submitted alongside the financial results for the previous year, the annual results for topline and key issues and the proposed targets and key issues for the forthcoming year. The annual reports could therefore cross refer to other papers on the same agenda, thus reducing duplication. This approach would also allow Members to view the performance of a department and its forthcoming targets and its priorities in its entirety at one meeting. If as a result Members had concerns about an area of performance the relevant OSC could request to look at it in more detail at a future cycle.
29. Moving to a single annual report per department would result in an estimated reduction of 34 papers being submitted to OSCs

Consultations

30. Over the six cycles, 20 Council responses to external consultation documents were reported to OSCs. Of these a quarter had been agreed under SO No. 83(A) and retrospectively reported to the relevant OSC due to tight timescales being stipulated by the organisation carrying out the consultation. Responses to "technical" consultations (e.g. from central Government) are usually dealt with directly by individual directors concerned. It is therefore proposed -
- a. that all 'non-technical' Council responses to external consultation be authorised under SO No. 83 provided that -
 - b. that the relevant Cabinet Member or Committee Chairman and the Opposition Speaker for the appropriate Committee, and where appropriate non-elected Members of the Committee, shall be given a reasonable opportunity to comment if they so wish on the consultation response before it is authorised under SO No. 83. Any comments received from them would be considered by the Director concerned in consultation with the Cabinet Member for inclusion within the council's response.

Petitions

31. Analysis of petitions and the papers that result from them shows that two types of petitions are most commonly considered by committees. These are: (a) petitions submitted in relation to items for decision, for example petitions in relation to Battersea

Park and changes to Supporting People funding; and (b) petitions submitted by Members at full Council, which predominantly relate to traffic/parking issues. The latter type of petition potentially triggers three papers to the relevant OSC: acknowledgement that the petition has been received; a proposal to consult on the areas raised by the petition; and the outcome of the consultation and the petition itself).

32. It is proposed -
- a. that there be no change in the approach to petitions relating to items for decision as it is important that scrutiny and questioning by residents is maintained and that petitions receive a response at committee;
 - b. that petitions submitted to full Council relating to traffic/parking issues are acknowledged by a letter to the lead petitioner and relevant councillor at the initial stage and no formal, short report submitted to Committee. This should have no impact on the residents' perceptions of how their petition is initially dealt with. If this is adopted, a separate report will be submitted to committee on any necessary revisions to Standing Orders for recommendation to the Council;
 - c. that petitions which, once assessed, cannot be progressed because they are outside of the Council's remit or have previously been addressed, be subject of a report to the relevant committee, setting out the reasons why the petition is not being dealt with. This reflects the current process;
 - d. that consultation on issues raised by petitions (such as on traffic/parking issues) and the proposals to address them be authorised under SO No 83, instead of a report to committee recommending that a consultation be undertaken. The outcome of these consultations and subsequent recommendations would still be submitted to committee. This should speed up the process for residents who normally would submit a petition at Council, have the petition acknowledged at the next committee cycle and see a further paper outlining the proposal and request to consult go to another committee cycle.
33. If adopted, these proposals would result in approximately 23 fewer papers being submitted to committee, though some of these would have been short reports formally referring petitions from full Council.

Other areas

34. Proposals are being made covering three areas as follows:-
- a. Strategies and action plans: It is proposed that for draft strategies or action plans which have been considered by the relevant OSC and approved by the Executive to go out for consultation, in those cases where the director concerned, in consultation with the appropriate Cabinet Member, is satisfied that the responses to consultation do not require any significant changes to the document, the final version of the document, along with any minor adjustments, be authorised under SO No. 83, subject to any legal requirements. However, no change is proposed in

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the case of documents that require formal Member-level decisions on the final version, e.g. Council resolution for Budget and Policy Framework matters;

- b. Reports to more than one committee: It is proposed that committees' terms of reference be amended to reduce the number of papers submitted to multiple committees. If this is agreed in principle, a separate report will be submitted to committee on proposed revisions to committees' terms of reference, for recommendation to the Council; and,
 - c. Routine reports: It is proposed that routine reports relating to staffing, such as reports on long serving Council employees or updates on HR action plans, no longer be submitted to committee.
35. Legal advice is currently being sought on the decision making requirements for school expansion (or new school proposals) in the context of moving to a reduced cycle model.

POTENTIAL IMPACTS

36. Whilst the proposals outlined above would, if fully implemented, reduce the number of papers submitted to committees by approximately 31%, it is important to note that the following would continue to be submitted to committee (and then to full Council where necessary):
- a) all matters which must be dealt with by the full Council or which the Council has decided to be responsible for or which the responsibility is shared with the Executive;
 - b) all proposed changes to services (reductions or creation of new ones);
 - c) major or sensitive procurement exercises (examples of "sensitive" matters are given in paragraph 21(a) above);
 - d) Council strategies;
 - e) financial papers, including charges and positive budget variations
 - f) Compulsory Purchase Orders';
 - g) Property disposals;
 - h) Scrutiny papers;
 - i) Decisions relating to free schools/school places;
 - j) Finalised responses to petitions;
 - k) Minutes/reports of related meetings, e.g. the Borough Residents' Forum, Education Standards Group, Schools Forum and School Admissions Forum
37. In practice this means that Members in Wandsworth and local residents and businesses in Wandsworth, and the public generally, will still have a greater level of transparency regarding decision-making within the Council than other boroughs and

Members will retain their “challenge” role.

EFFICIENCY SAVINGS

38. The revised model of decision making will deliver savings. These will be direct, quantifiable savings resulting from a reduction in printing and dispatch costs associated with fewer papers being reported to OSCs. Also the level of Committee Services staffing resources required to support OSC meetings will reduce under the new model.
39. The level of savings that will be achievable will be directly influenced by the level of reduction in cycles. To understand this impact in more detail work is underway to quantify the support provided by the Administration Department's Committee Services Section to the current Committee system and the demands of many other areas of work it is responsible for. Timesheeting is underway for all Committee and Executive Services staff to map resources input over the whole September 2013 meetings cycle. These results will then be examined in the context of the new proposed system to model a new resource requirement and system for OSCs and the delegated decision process.
40. This will factor in both the move to fewer cycles and the need for the Administration Department's Committee Services Section to adapt to the new model, for example, by ensuring the new arrangements for scrutiny/ information papers are implemented effectively. Any savings will need to take account of displacement of a number of tasks from the committee setting to other administrative process, e.g. increased SO83 reports and approvals, and servicing an online library.
41. The Leader of the Council and the majority party Whip have met with the Leader of the Opposition and the minority party Whip to discuss the findings set out in this paper. Their discussion has contributed to the evolution of this paper.
42. A further level of savings could be achieved through a move to a paperless committee model whereby Members would access agendas via tablet-type devices. The software technology to facilitate this is already freely available to Members who have their own mobile devices through a bespoke *modern.gov* 'app'. This move would generate savings above and beyond those areas highlighted above due to elimination of the majority of printing and despatch costs. A fuller proposal will be brought to the January 2014 cycle for Members' consideration.

DIRECTOR OF FINANCE COMMENT

43. Cutting down on the number of committee cycles and reducing the number of reports that are reported to committee will result in reduced printing, distribution, staffing and other related costs. Any savings resulting from this review will be consolidated within the paper reviewing the level of staffing resource required, due in January. Officers are confident that the proposed increase in delegation levels and transfer of decisions into the SO83/83(A) process coupled with the alternative controls suggested will provide Members with continued confidence in the decision making process.

44. The proposed changes with regard to the reporting of procurement related issues are supported, in that it will in many respects return arrangements to the pre-2006 position. The establishment of the Central Procurement team makes this possible. It does not involve any change to the level of delegation for spending decisions to officers which is regarded as a key control, with all spending decisions over £25,000 still requiring SO83(A) or committee approval.

OFFICE ACCOMODATION IMPLICATIONS

45. The Head of the Facilities Management Service comments that the office accommodation implications of the proposals contained in this report will be considered as part of the Office Accommodation Strategy which was approved (Paper No. 13-566) by the Executive on 23rd September 2013.

EQUALITY IMPACT ASSESSMENT

46. The Equality Act 2010 requires that the Council, when exercising its functions, must have "due regard" to the need to eliminate discrimination, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. As such an Equality Impact Assessment (EIA) has been undertaken on the proposals in this paper. This EIA is attached as Appendix 2 to this report. This EIA has found that there is no adverse impact as a result of the proposals as residents' petitions will continue to be received and responded to, information to allow for the scrutiny of performance will continue to be submitted to Members and proposals relating to service changes will continue to be submitted to committee, alongside appropriate EIAs.

CONCLUSIONS

47. The proposed reduction of cycles to five or four per year is will be accompanied by a set of proposals which balance the need to maintain Wandsworth's high levels of Member scrutiny with a need to avoid agendas being unwieldy - with the risk that major issues would not be afforded sufficient scrutiny. Once implemented, from the beginning of the next municipal year (2014/15) the new model should ensure that Wandsworth's decision making processes continues to be transparent and fit-for-purpose.

The Town Hall,
Wandsworth,
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25th September 2013

PAUL MARTIN
Chief Executive and Director of
Administration

Background papers

There are no background papers to this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Committee Secretary (Graham Collins – 020 8871 6021; email gcollins@wandsworth.gov.uk) can supply it if required.

ANALYSIS SUPPORTING DEMOCRATIC REVIEW

Models of Governance for English Local Authorities

While the Local Government Act 2000 abolished the “committee system” and introduced the executive model of decision-making, the framework was revised by subsequent legislation and, in particular, the Localism Act 2011 has consolidated the options now available to English councils. These options are:

Executive arrangements.

1. A directly elected mayor (i.e. elected by the electorate), with a cabinet of between 2 and 10 councillors;
2. a leader elected by the council, with a cabinet of between 2 and 10 councillors appointed by the leader. This has been the most common model selected;
3. a “committee system” under the Local Government Act 1972 (the system in place before the reforms under the Local Government Act 2000); and
4. “Prescribed arrangements” approved by the Secretary of State – essentially, councils can make a case for another model which they feel suits local circumstances.

Under option 2 (the leader and cabinet model), the members of the Executive (and their portfolios) are appointed by the Leader. Commonly, each is given a portfolio or responsibility for a particular area of the council’s responsibilities. The Leader can make arrangements for executive decisions to be taken by the Executive/Cabinet as a whole (or its sub-committees comprising executive members), by individual Executive/Cabinet members, or by an officer (there is also provision for area committees comprising only ward members for the designated areas to exercise executive powers delegated by the Leader/Executive). Under executive arrangements, the powers of the full Council are restricted to non-executive functions (e.g. development management, licensing, pensions, Council Constitution matters – usually delegated to “regulatory” and other committees) and determining the overall Budget and Policy Framework, including the annual Budget and Council Tax.

Overview and Scrutiny.

Councils operating executive arrangements are required to create at least one Overview and Scrutiny Committee (OSC) which is composed of councillors - who cannot be on the Executive/Cabinet. OSCs must meet the rules on proportionality defined in the Local Government and Housing Act 1989 (i.e. the committee must reflect the respective sizes of the political groups on the council).

Executive arrangements include Overview and Scrutiny 'call-in' of executive decisions – i.e. review of a decision with the option of asking the decision-maker to think again(or to refer the decision to the full council if it is believed that the decision-maker has taken a decision in contravention of the council's budget or policy framework). At Wandsworth, these statutory call-in provisions have never been used as the Council carried forward previous "stop notice" arrangements – presently known as "reference-up" - which have the same effect.

In the vast majority of councils operating executive arrangements, almost all matters are submitted directly to the Executive/Cabinet (or other decision-maker) for decision. Matters for Decision do not ordinarily go through OSCs beforehand for recommendation to the Cabinet/Executive. Wandsworth is unusual in having 'pre-decision scrutiny' of all matters referred to its Executive.

Localism Act 2011 – Allowing for "committee system"

The Localism Act allows for a return to the "committee system" which operated prior to the Local Government Act 2000. Under this system, all the local authority's powers rest with full Council (as there is no distinction between executive and non-executive functions) which can delegate powers to committees, or sub-committees and/or individual officers in whatever way it thinks fit. This means that proposals go to the relevant committee and decisions on them are made by that committee – there is no Cabinet/Executive; decisions on certain major items (which must include the setting of the council tax) are reserved for decision by the full council on the recommendation of the relevant committee. These decision-making committees must meet the rules on proportionality defined in the [Local Government and Housing Act 1989](#).

There is provision for councils to retain OSCs under this traditional committee system; these would have the same role of scrutinising decisions (or prospective decisions) and council services/work as they do under executive arrangements. However, there would, in any event, be no bar to a council establishing committees with such a role as part of their committee system. Any council adopting the committee system has to adopt it for a minimum of five years from its implementation date.

Decision making models across London

As of April 2013 :

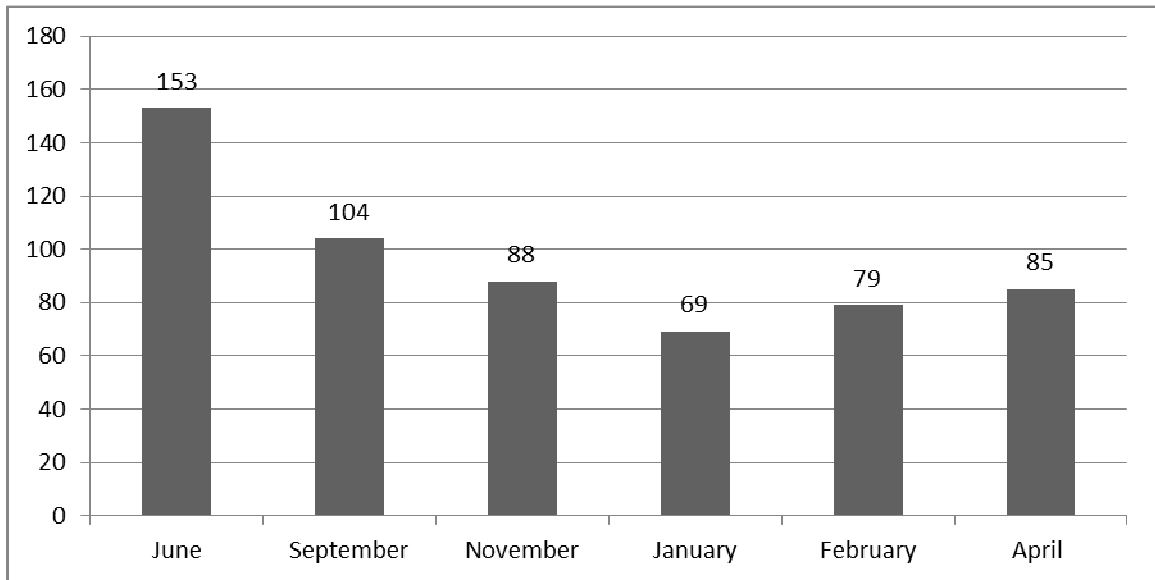
- 2 councils operated a Committee System (Kingston upon Thames and Sutton)
- 4 councils operated a directly elected Mayor and Cabinet (Hackney, Lewisham, Newham and Tower Hamlets)

Review of the Council's decision making processes

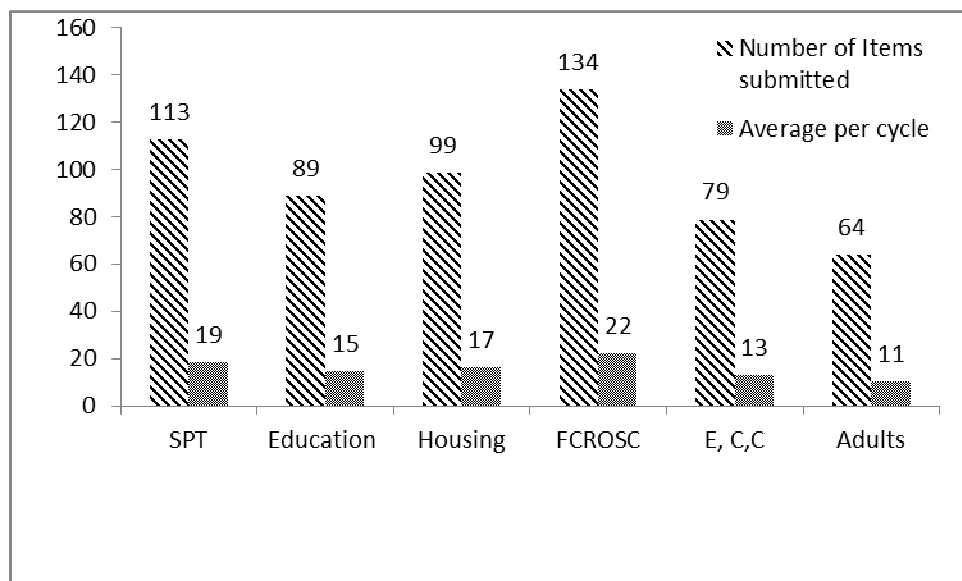
- All remaining councils operate a Leader and Cabinet model. There are variances within this model ranging from Wandsworth where all decisions go through Overview Scrutiny Committee prior to submission to Executive to councils such as Hackney who have an Overview Scrutiny Board with a number of Scrutiny Commissions who focus on 2 areas of scrutiny per commission per year with decisions going straight to Executive.
- There are a number of councils who have 4-5 committees including Barnet (4), Hammersmith and Fulham (4), Merton (4), Kensington and Chelsea (5) and Westminster (5).

Papers submitted to OSCs in Wandsworth. The review looked at six cycles in order to get a full picture. The review looked at June 2012, September 2012, November 2012, January 2013, February 2013 and April 2013.

Number of papers per cycle. Looking at the total number of papers submitted each cycle, January had the least items submitted, followed by February. June's figures will be skewed slightly as the April 2012 cycle for all OSCs (except for FCROSC) was cancelled.

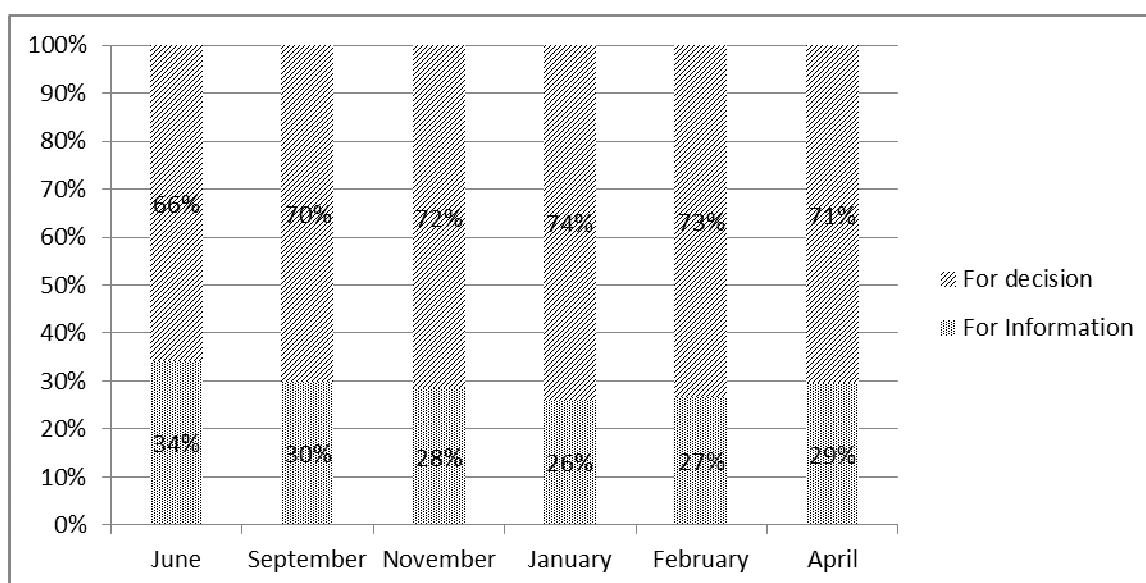


As highlighted below the FCROSC always receives the highest number of items (an average of 22 over the 6 cycles) followed by Strategic Planning and Transportation OSC (average of 19). Across the 6 cycles the Adult Care and Health OSC has the lowest number of items submitted (average of 11).



Papers for Decision and "for information"

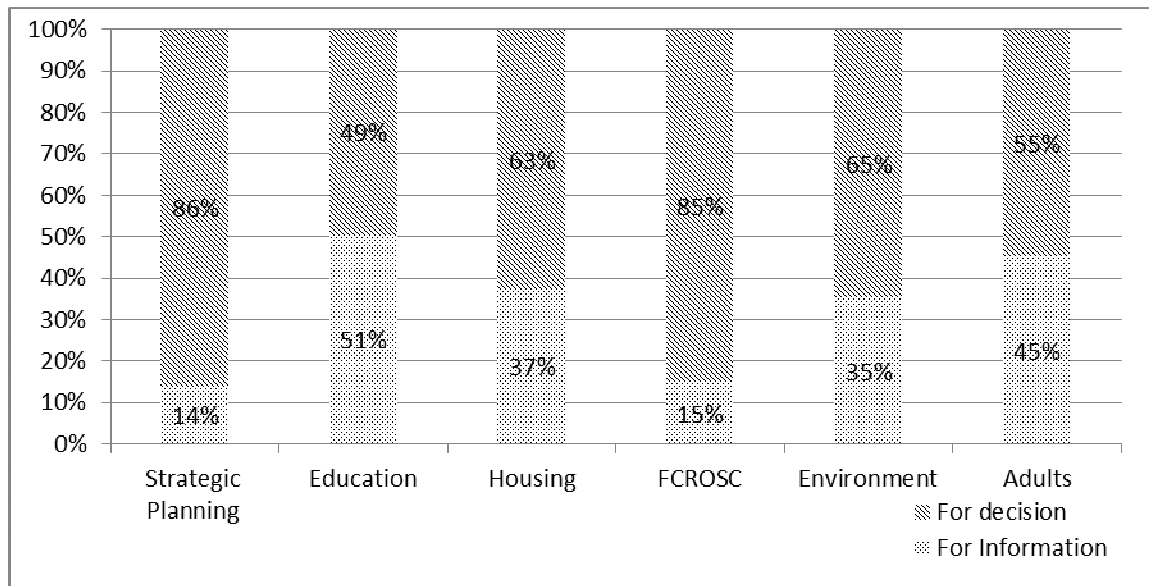
- On average 70% of papers are for decision with 30% for information. The boundaries between information and decision papers are blurred with a number of annual plans being submitted as "for decision".
- Amongst the "for information" reports are papers which support scrutiny by Members including the annual Crime and Disorder Strategic Assessment, performance monitoring progress reports and reports requested by Members (particularly in relation to health). Similarly, amongst the "for decision" papers are a number of annual plans requesting approval for a 1-year work plan, agreement to consult on issues raised by petitions and agreement to Council responses to external consultation documents.



June 2012 saw the highest percentage of "for information" reports with January 2013 the lowest.

As highlighted below, FCROSC and STP OSC have the highest percentage of "For decision" reports submitted to them. However, it should be noted that a significant number of "for decision" reports submitted to the STP OSC are papers requesting authorisation to consult in relation to an issue raised by a petition. It should also be noted that a number of the "for information" reports submitted to the Adult Care and Health OSC were matters of external scrutiny requested by Members.

Review of the Council's decision making processes



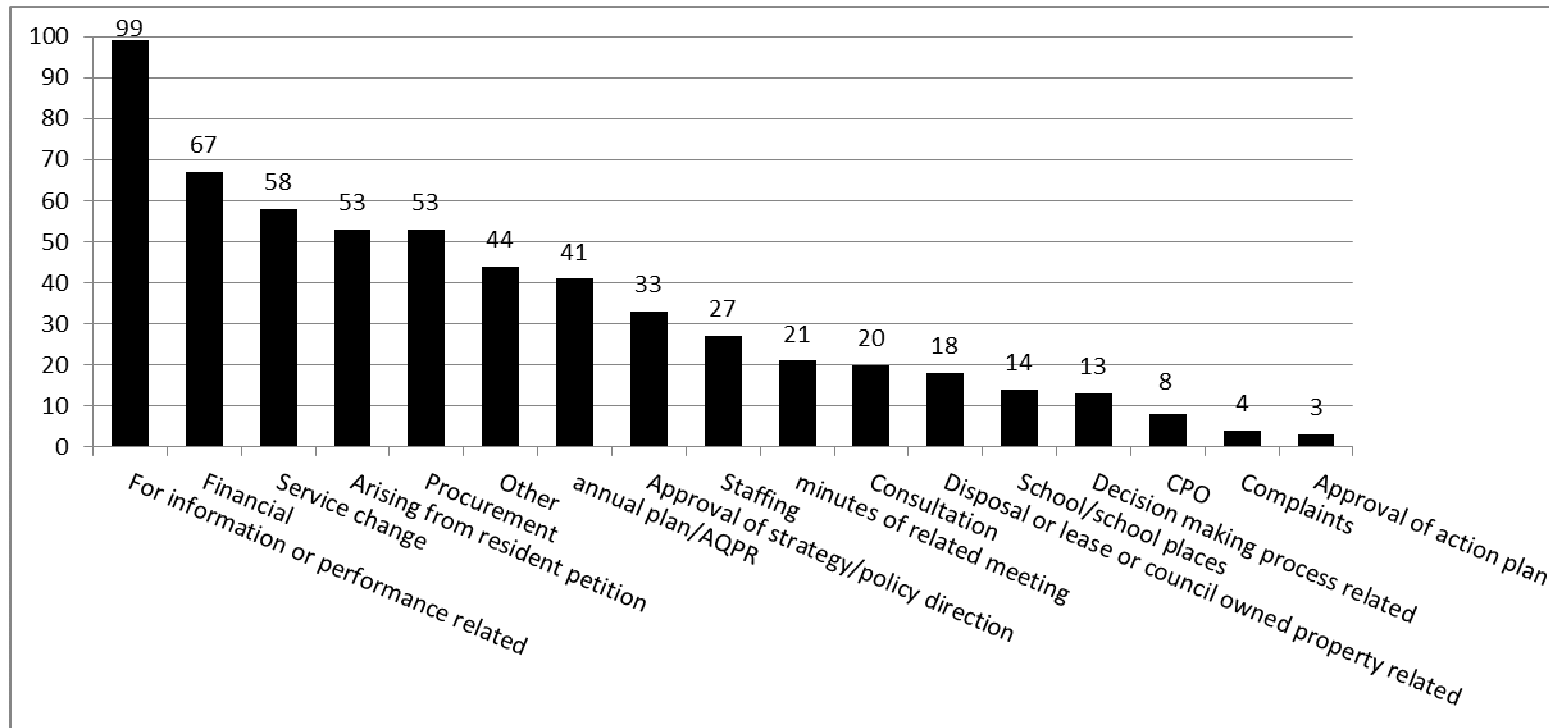
Review of the Council's decision making processes

Reasons for papers being submitted.

Across the 6 cycles the main “drivers” for papers being submitted were:

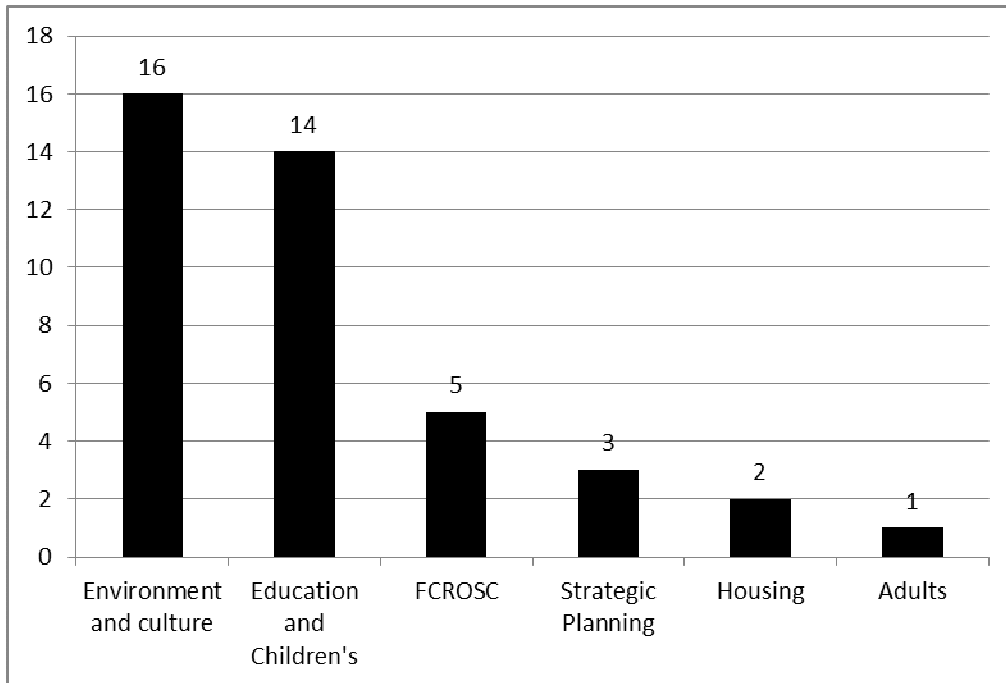
- Informing members (this includes updates on national policy, updates on contracts/areas of responsibility not directly within the Council's control, OFSTED inspections, presentations at OSC,) or performance related
- financial (this includes setting budgets, setting charges, decisions only requesting a Budget Variation);
- service change (this includes new services, reductions in services, cross- council programmes)
- items arising from a petition from residents and
- items relating to procurement.

Annual plans/AQPR account for 41 items, minutes from related meetings for 21 and agreeing consultation responses for 20.

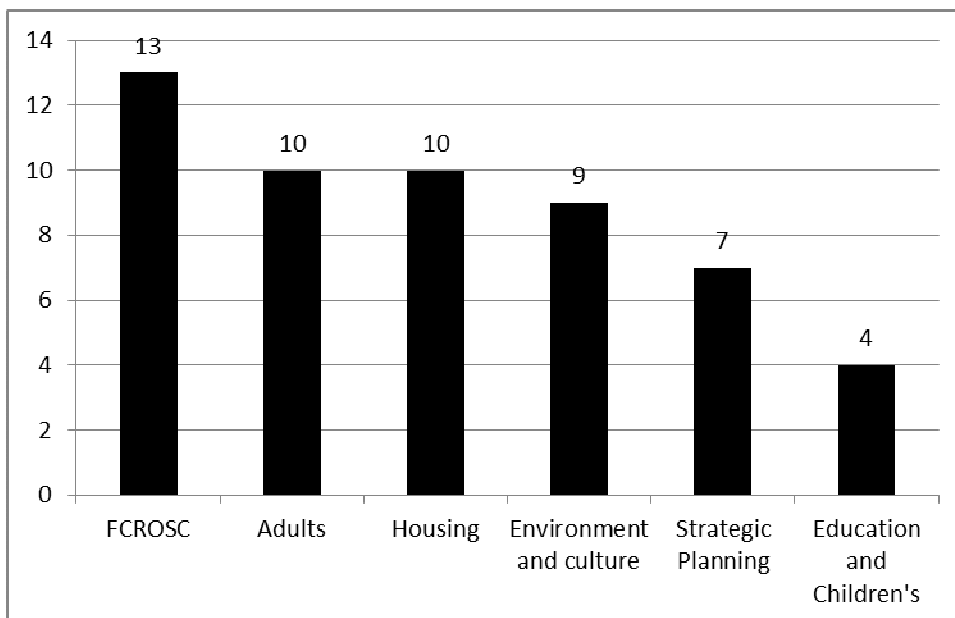


Review of the Council's decision making processes

AQPRs. The graph below shows by OSC the number of AQPRs or annual plans/reviews submitted. It clearly demonstrates a difference of approach by Department/OSC. It should be noted that some of the annual plans are legally required to be submitted to the lead Government Department, however this does not mean that they need to be submitted as separate OSC papers.

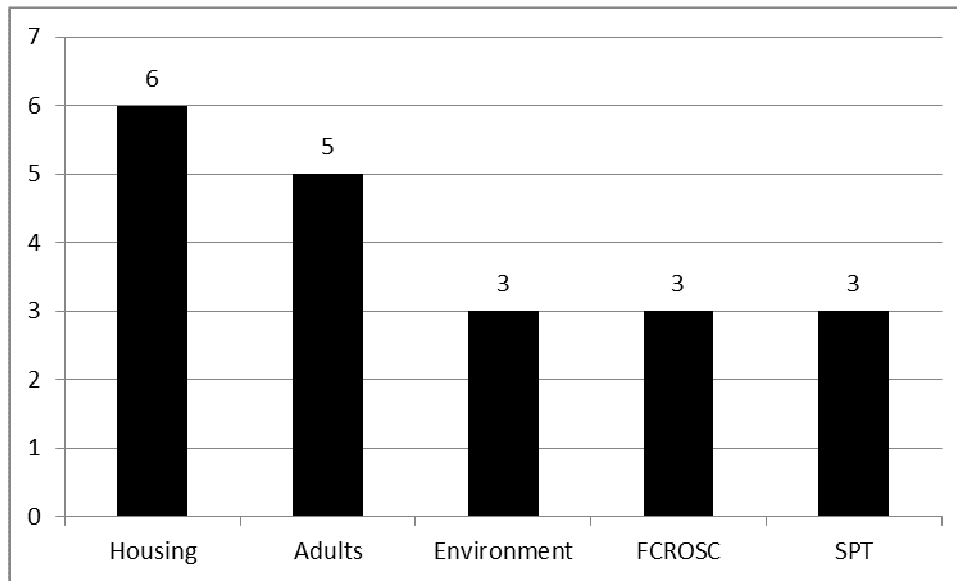


Procurement. The graph below shows by OSC the number of papers relating to procurement submitted.



20 of the 53 reports relating to procurement sought approval to award a contract. These reports will have been preceded by at least one scoping report which also requested permission to go out to tender and the tendering timetable.

Consultation responses. The graph below shows by OSC the number of papers relating to consultation responses.



Items submitted to more than one OSC. Over the 6 cycles 24 papers were submitted to more than one OSC (not including General Purposes).

Items submitted to more than one cycle. There are common types of item submitted to more than one cycle. These are:

- Strategies agreed for consultation and then reported back after consultation where no changes are required. Over the course of the 6 cycles 6 strategies were re-submitted following consultation with no significant changes proposed.
- Procurement papers. – see notes above
- Items relating to resident petitions. Over the course of the 6 cycles 6 items relating to resident petitions pertaining to traffic/parking issues were re-submitted following consultation with the proposed change agreed. However, it should be noted that included in the overall number of items relating to resident petitions were a significant number where the original paper fell outside the 6 cycle window or the report back on the consultation is yet to be completed. For items where it is agreed that the criteria for a petition is met and the Council can take action on average 2 papers are submitted to OSC (one asking for permission to consult and a further reporting back on the consultation.)

Budget Variations

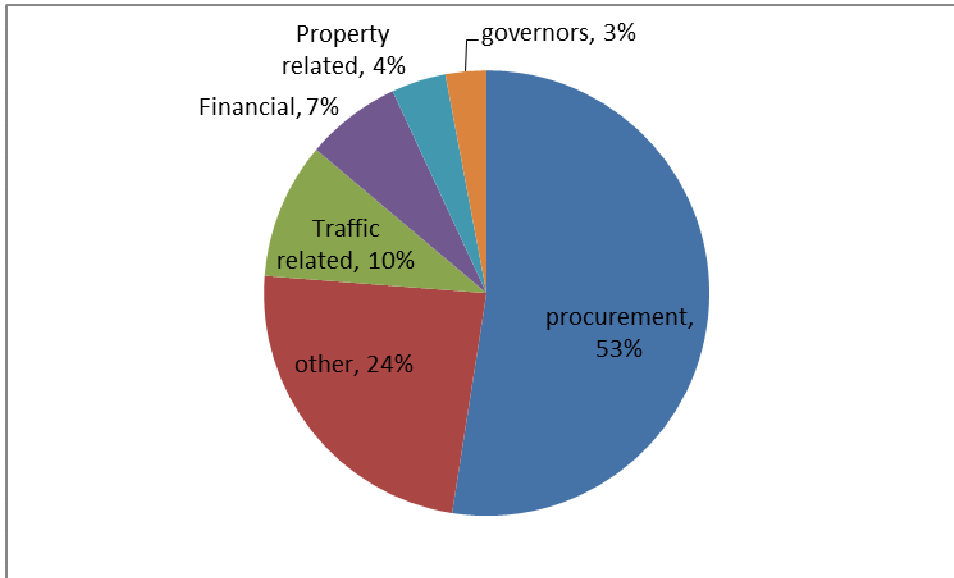
Review of the Council's decision making processes

Across the six cycles, 82 reports (14%) requested as one of their recommendations a Budget Variation (BV). Of these, 52 related to a negative BV (three were for BVs less than £50,000). Of the 52 negative BVs, 17 related to contracts being awarded at levels that provide the Council with a saving.

Overall 8 were for BVs of less than £50,000 (positive and negative) and further 4 for BVs of between £50,000 and £100,000.

Delegated Authority in Wandsworth.

- Under the Leader and Executive model, the Leader of the Council can delegate authority for decisions to individual cabinet members. The Leader is required to notify the Council about how executive decisions are being delegated; the Council has no role in deciding these levels of delegation. In Wandsworth, the Leader has not delegated authority to individual cabinet members; consequently authority to make decisions rests with the Executive as a group, or (with regard to nonexecutive functions) is delegated by the Council to the respective regulatory and other committees or (in the case of various Executive and non-Executive functions) is either delegated to directors under Standing Order No. 83 and 83(A) (authority to act following consultation with the relevant Cabinet Member or Chairman of a regulatory committee) or delegated entirely to individual directors and certain heads of service (all delegations are published in the Council's statutory Scheme of Delegations).
- Consequently, in strict legal terms SO83(A) and SO83 are officer decisions, although Cabinet members (and/or relevant Chairmen) sign that they have been consulted before the decision is authorised for implementation. Executive decisions are taken under Standing Order 83(A) and non-executive decisions under Standing Order 83.
- In 2012/13, a total of 512 matters were authorised under SO83 / 83(A), i.e. 459 (90%) under SO83(A) and 53 (10%) under SO83. The number of SO83(A) authorisations has stayed at around the same level for the past four years. As shown below the majority relate to procurement



FCROSC and Housing OSC account for half of the SO83s.

Delegated Authority in other councils.

The levels of delegation in other councils are not easily identifiable. Those which could be identified are listed below:

- (a) Hammersmith and Fulham. Hammersmith and Fulham Council delegate to individual cabinet members responsibilities which fall within their portfolios and project expenditure does not exceed £100,000;
- (b) Islington. Officers may spend up to £500,000 revenue and up to £1m capital. Any spend above this has to be approved by the Executive. Islington Council does not delegate decision-making to individual Executive members. Decisions are made by the Executive as a whole;
- (c) Kensington and Chelsea. The key decision threshold - £100,000 or more - is a matter for individual Cabinet Member decisions. Contracts above £500,000 may require full Cabinet decision if sensitive;
- (d) Westminster. Westminster Council delegates to individual cabinet members policy matters relating to all property assets within his/her portfolio, staffing matters relating to his/her portfolio, the award all contracts over £1,500,000 and consultant agreements over £300,000 within his/her portfolio, agreement of capital expenditure in accordance with financial regulations within his/her portfolio. Capital expenditure over £250,000 must be approved by the Cabinet member. The Council has a Cabinet Urgency Committee to take urgent decisions as well.

Impact of proposed changes.

Main reason for paper	Number submitted	Modelling impact	Variance	% change
For information or performance related	99	49	-50	-50.51%
Financial	67	67	0	0.00%
Service change	58	52	-6	-10.34%
Arising from resident petition	53	30	-23	-43.40%
Procurement	53	22	-31	-58.49%
Other	44	43	-1	-2.27%
annual report/business plan	41	7	-34	-82.93%
Approval of strategy/policy direction	33	29	-4	-12.12%
Staffing	27	19	-8	-29.63%
minutes of related meeting	21	21	0	0.00%
Consultation	20	0	-20	-100.00%
Disposal or lease or council owned property related	18	18	0	0.00%
School/school places	14	14	0	0.00%
Decision making process related	13	13	0	0.00%
CPO	8	8	0	0.00%
Complaints	4	4	0	0.00%
Approval of action plan	3	3	0	0.00%
	576	399	-177	-30.73%

Initial Equality Impact Assessment – Service Change.

Department	Council-wide
Service	Decision-making process
People involved	Clare O'Connor

1. What are the aims of the service and what changes are being proposed?

The Council's decision-making process ensures that decisions are made in an open and transparent manner. A review has been undertaken of the Council's decision-making process. A final decision on any changes to the number of Committee meetings will be taken in January.

A number of proposals have been made to enable streamlining of committee business. These are outlined in-depth in Paper 13-621

This EIA will be updated and re-submitted to Committee in January alongside any recommendations regarding the number of Committee cycles and supporting recommendations.

2. What is the rationale behind these changes?

The Executive at its meeting of 29th April 2013 agreed a programme of reviews, including a review of the Council's decision-making processes and supporting resources (Paper No. 13-244).

3. What information do you have on the service and the potential impact of your service change in relation to the following?

Data	The data used is taken from the 2011 Census. The profile of residents is used to identify any impact. Equality data is not collected on individuals who submit petitions.
Race	28.6% of residents are from BME backgrounds.
Gender	51.5% are female
Disability	2.9% self classify as long term sick or disabled
Age	8.8% are aged 65 or over
Faith	53% are Christian, 27% no religion and 8.1% Muslim
Sexual Orientation	Data not collected via the 2011 Census.

4. Thinking about each group below please list the impact that the service change will have.

	<u>Positive</u> impacts	Possible <u>negative</u> impacts
Race	Whilst it is proposed that the	The proposal that "information

	<p>number of papers submitted to OSCs is reduced Wandsworth will still maintain its decision making model, which provides residents and Members with high levels of scrutiny.</p> <p>Information that residents and Members can use to scrutinise performance will continue to be presented to Committee, in the form of scrutiny papers and the reduced number of AQPRs.</p> <p>Residents' petitions will be dealt with quickly via the proposed new approach as they will not have to wait to a OSC cycle to be progressed.</p> <p>The proposed changes to papers relating to procurement will maintain the Council's robust approach to procurement. Residents and Members will have oversight of the process via an annual report and also the online contracts register.</p> <p>The proposed changes to the process for responding to Government consultations allow for the relevant Cabinet Member or Committee Chairman and the Opposition Speaker for the appropriate Committee, and where appropriate non-elected Members of the Committee, to be given a reasonable opportunity to comment if they so wish on the consultation response before it is authorised under SO No. 83. Any comments received from them would be considered by the Director concerned in consultation with the Cabinet Member for</p>	<p>only" papers be published online as opposed to being submitted to Committee could be perceived to be a negative impact. However, Members will continue to have access to this information and will not have to wait to a Committee cycle to receive it. Having information published in one area will make it easier for Members to keep up to date with developments in areas outside of the remit of their Committee. Where the "information" is of interest to residents i.e Census data this is already made available on the Council's website.</p>
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	inclusion within the council's response. Proposals relating to service changes will continue to be submitted to committee, alongside appropriate EIAs	
Gender	As above	As above
Disability	As above	As above
Age	As above	As above
Faith and sexual orientation	As above	As above

5. Is a full EIA required? No.

- Is the service a frontline service? It is not a frontline service but has direct relevance to residents, stakeholders and Members
- Is it clear what impact the service change will have on all the equality groups?
Yes
- Overall will the change have a negative impact on any of the equality groups?
No.

Comments - Please give the rationale here for not undertaking a full EIA

Impact identified. This EIA will be updated and re-submitted to the January cycle of Committees.

6. Through the initial EIA have you identified any actions that needed to be implemented to improve access to the service or monitoring of the service? (please list)

None identified

Date; 12.09.13

Approved by: Clare O'Connor, Deputy Head of Policy