

**COVER REPORT - THE INFORMAL CO-ORDINATING BOARD**

**LEAD MEMBERS:** Councillors YRT Clarkson and G Garrity

**REPORT AUTHOR:** Jessica Hall, Overview and Scrutiny Support Officer

**Summary:** The Informal Co-ordinating Board will meet on Monday 20 September 2010 to consider the attached letter. The Chair will update Members further.

**RECOMMENDATIONS:**

That the Overview and Scrutiny Committee note the attached letter from Cllr Mrs C McCarron-Holmes, Chair of the Cumbria Joint Scrutiny Committee regarding the future arrangements for Joint Scrutiny in Cumbria.

**Attached:** Letter from Cllr Mrs C McCarron –Holmes, Chair of the Cumbria Joint Scrutiny Committee to all District Scrutiny Chairs

# CUMBRIA JOINT SCRUTINY COMMITTEE

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9 September 2010  
Our Ref:

**TO: DISTRICT AUTHORITIES SCRUTINY CHAIRS**

Dear Colleague

**RE: FUTURE ARRANGEMENTS FOR JOINT SCRUTINY IN CUMBRIA**

As the Cumbria Joint Scrutiny Committee is into its second year, it is timely to review arrangements, not least because these were put in place for an initial period of 2 years. In addition, a review of how scrutiny works at the County Council prompts the question of where Joint Scrutiny would sit in any new structure.

Part of the process for answering that question has to be how the Committee has complemented existing scrutiny arrangements in the District Authorities, whether the Committee has achieved its initial objectives and whether there is merit in continuing to fund a dedicated officer to support the Committee.

Whilst joint scrutiny has the advantage of being able to take an overview of countywide issues (CCTV provision, CDRP Funding, Affordable Housing, Cumbria Strategic Waste Partnership) recent national and local developments have called into question the legitimacy of the Committee's remit and purpose. Changes with particular relevance to joint scrutiny are:

- Abolition of the Comprehensive Area Assessment;
- Abolition of the Audit Commission;
- Government Structural Reform Plans;
- Proposed end of Local Area Agreement at March 2010;
- Halt to Single Community Strategy activities and uncertainty of future arrangements;
- Unknown shape of future performance framework for the Cumbria Strategic Partnership.

Whilst it is anticipated that there will be something to replace the existing performance framework it is not known what shape this will take. However, with more options for joint working being explored along with the government's localism and decentralisation agenda through 'Big Society', the opportunities for, and greater relevance of, joint scrutiny will arguably be a part of the changing landscape of local government.

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Part of the government's ambition is for greater transparency in local government, with a culture shift away from authorities reporting to central government and reporting to local people instead. To this end a recently stated aim is to: "Reinvigorate local accountability, democracy and participation by freeing local government from central and regional control, decentralising power, providing greater freedoms and flexibilities to local government and simplifying and deregulating local government finance" [Dept for Communities and Local Government Draft Structural Reform Plan 2010]. In practice, this would mean that local accountability would need strong, locally-based mechanisms of challenge: a key characteristic of good scrutiny is that it provides an independent forum for providing challenge to policy and decision-makers and takes service improvement as a key driver.

Over its first year the Committee has undertaken review work almost exclusively from referrals received from partners and none of this has been initiated in light of information provided on the LAA or Community Strategy performance reports received quarterly by the Committee. To date, the reviews undertaken have been: Cumbria Place Survey; Crime and Disorder Partnerships' Funding in Cumbria; CCTV in Cumbria.

[The latter two were submitted for discussion at the Safer and Stronger Communities Thematic Partnership on 16 August; a written response agreeing to the recommendations presented has been received].

In summary, the request for feedback relates to four specific questions for members, which are:

1. In members' view, is there a demonstrable role for joint scrutiny in Cumbria in the future?
2. Is there an appetite amongst Cumbria's members for retaining a joint scrutiny body to take an overview of whatever future performance framework is introduced for partners?
3. If members think joint arrangements should be retained, but without the central premise of performance data providing inspiration for scrutiny topics, what would be the key components in terms of a joint committee's role and remit?
4. Do members think that there is any merit in retaining the dedicated officer post to support joint scrutiny, or is there a preference for reverting to the arrangements of the 'County Scrutiny Overview Group' where this was supported by scrutiny officers across the county, over and above their existing duties?

For information, and to provide a brief overview of future challenges for ensuring local accountability, please find attached a short paper produced by the Centre for Public Scrutiny in response to the abolition of the Audit Commission. This document may prompt ideas about the possible contribution joint scrutiny arrangements could make in the future.

I would ask that you approach your scrutiny members to raise the issue of the future of joint scrutiny with respective panels and/or overarching scrutiny bodies.

Yours sincerely

**Mrs C McCarron-Holmes**  
**Chair, Cumbria Joint Scrutiny Committee**

CC: District Scrutiny Officers

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## **CfPS responds to the abolition of the Audit Commission**

Last updated: 20 August 2010

The abolition of the Audit Commission has been heralded in many quarters as freeing local government from the shackles of disproportionate, bureaucratic central regulation.

However, it also raises worrying questions about accountability, openness and transparency. At the moment, central and local Government are working together to devise a new method to assure the quality of public services – we are told that this will be locally led and based on the principles of self-regulation. It is vital that any new plans do not leave the sector at risk of the charge of complacency, particularly bearing in mind the challenges – financial, political and social – that local authorities and their partners will be facing in the current months and years.

For all the criticisms that can be made of the Audit Commission, it provided useful external challenge to performance (albeit in a way that focused too much on arbitrary standards and allowed too little room for local priorities), which helped to drive actual improvements in services. In an article in *Society Guardian* (17 August 2010), Simon Parker, the new director of the NLGN, cites research by Cardiff University that demonstrates this tangible impact. It also provided a crucial, independent local audit function, based on the network of district auditors who predate the establishment of the Audit Commission itself.

What's important is that any successors to the myriad different services that the Audit Commission provided to local public bodies are able to demonstrate rigour, objectivity and a focus on outcomes and impact. The danger is that withdrawing to a vision of inspection that focuses exclusively on financial audit, we end up concentrating solely on cost without talking about the long-term value of services. In his article, Parker cites the contingent problem of ensuring consistent quality for audit providers.

This highlights the need to link up the way that local public services are held to account. There must be an expectation that new systems of audit (whether they are private-sector led, or based on a mutual model) should be transparent. Their practitioners will need to work with local people, and with local non-executives, such as scrutiny councillors. During its short life, CAA highlighted the importance that non-executive input could play in assuring the quality of local services. This was a lesson from CPA, and a clear response to the need for more local control over accountability and assurance. Such an approach will need to be strengthened as audit becomes more local.

Our recent research, 'Accountability Works', demonstrates the utility of this approach. We're also developing an Accountability Charter, which a variety of organisations can use to make a public commitment to meaningful accountability – in particular, accountability driven by non-executives such as

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scrutiny councillors. By making this public statement of intent, we hope that organisations can maintain their emphasis on value rather than focusing exclusively on cost through a limited vision of what audit, and accountability, actually are.

By linking financial audit with wider “scrutiny” processes, authorities and their partners will be in a position to look at their services in terms of value and benefit, rather than just at cost. It will also lead to a more realistic assessment of risk, and the only real way to combat the risk of a recurrence of scandals such as those which beset Doncaster, Westminster and a host of others. Transfer of audit powers to private sector companies could work well – Sweden (usually regarded as the archetype for financial accountability and audit rigour) transferred its public audit practice into the private sector in the 1990s. But this needs to be carried out with sensitivity and an understanding that one size, in the public sector, definitely does not fit all.

Ed Hammond, Centre for Public Scrutiny 20/8/10