CITY OF YORK COUNCIL

| Scrutiny Management Committee | 18 June 2006 |

The Transparent Formulation of Council Policy

Summary

1. As a result of a previously completed scrutiny review on Confidentiality & Transparency a recommendation was made and subsequently approved by Scrutiny Management Committee that a future scrutiny review be undertaken to examine the transparency of the activity which precedes the formulation of council policy. The Executive referred this recommendation back to SMC asking them to consider whether they wish to proceed with a review.

Background

2. The Confidentiality & Transparency Scrutiny Ad-hoc Panel concluded that the theme of transparency of process had emerged consistently in their consideration of the Council's relationship with its immediate stakeholders. Their final report described a perceived need to unify the manner in which the Council conducted its business, through the public adoption of a well-constructed value system, against which its policies and procedures could be measured by Members, officers and members of the public. The Panel concluded that problems of probity started at a small scale, but could spread, if unchecked, to engulf a whole organisation. For that reason, 'eternal vigilance' should to be practised as to the integrity of process, and the Standards Committee's proposed Ethical Audit of Council activity in York was welcomed.

3. The final report of the Confidentiality & Transparency Scrutiny Ad-hoc Panel acknowledged that the promotion of transparency would be significantly assisted by the 'e-government' initiative, and the resulting public's electronic access to the work of the Council. It acknowledged the Council's intention to become an authority in which more decision-making was devolved to officers to implement pre-agreed policies, while Members would operate at a strategic level of policy formulation and monitoring. It was agreed that the area of policy formulation was not yet as transparent as that of the decision-making by Members but that this was an area of political sensitivity which was outside the Panel's remit.

Criteria

4. This topic fits with the following eligibility criteria :

   - Public Interest (ie. in terms of both proposals being in the public interest and resident perceptions)

- In keeping with the corporate priority to improve our organisational effectiveness
- Improved service efficiency

Consultation

5. The Corporate Management Team were invited to comment on whether they felt there was a need for and what benefits could be gained from such a review. The following responses were received:

6. <u>Chief Executive</u>
"The recommended Scrutiny topic is a legitimate area of concern and raises fundamentally important issues. However I doubt whether it is of sufficiently high priority, compared with prospective competing demands on scarce Scrutiny time, to take precedence over other areas of potential Scrutiny. another reason for not proceeding with the proposed Scrutiny topic, for now at least, is that we are implementing new political arrangements for the management of business in a balanced Council, which will lead to more transparency, at least between the political groups and it might be an idea to see how they work.

Finally, and most importantly, the four Leaders have jointly commissioned an urgent report on how the Council, among other things, communicates with and consults the public. The Leaders have specifically referred to "extended public consultation", and one of the principles behind the report is achieving greater transparency and consensus. I do not see how the report could avoid tackling the concerns behind the recommended Scrutiny topic. In addition it seems to me that we do need some clear best practice public consultation guidance, drawn up in a Council consultation protocol, which tackles head on the concerns behind the recommended Scrutiny topic. The way public consultation is conducted for the LDF may provide some ideas, particularly how we consult on a wide range of options before deciding on a preferred option. If the report commissioned by the Leaders could propose some consultation best practice for formal adoption by the Council I think you'll find that the case for the Scrutiny topic will have been overtaken by events. My advice to SMC is to wait and see."

7. <u>Director of Resources</u>
"My view is that with the Forward Plan stretching to at least 4 months, there is ample advance warning of any major forthcoming policy issues/decisions. Members who wish to scrutinise the formulation of policy could use the Forward Plan to identify items that they think are suitable for scrutiny and get SMC to decide. In the absence of this SMC could review the Forward Plan regularly and identify any major policy issues that they think may be worthy of scrutiny. "Therefore, my view is that there isn't a need for such a review and there are no benefits to be gained."

8. <u>Director of Housing & Adult Social Services</u>
"I'm not convinced that there is a pressing need to review this specific issue. My experience has been that issues relating to policy change are pretty clearly set out in the scheme of delegated authority and that setting policy is a political

issue that goes to the appropriate, constituted body of the council. I would accept that discussions that take place between Chief Officers and Executive Members on potential policy issues are often exploratory in nature and not formally minuted or subject to correspondence but I don't think that is a problem provided the actual decision and the arguments for and against are articulated in a report and taken to a decision making meeting in line with the constitution."

9. Acting Head of Human Resources
"I would see the work that the Corporate Priority Champion is leading on, as key to establishing a set of values and beliefs, which could be used as a building block in our emerging OD framework for the Council. There are various models for applying a value set but a stakeholder model would probably fit our type of organisation and its purpose quite well. The Policy Development Team have previously considered this approach for a corporate approach to policy development. Therefore, a review of this proposed topic could be useful, but it should be scoped, incremental in ambition, and linked wherever possible to the work of the Corporate Priority Champion, whilst acknowledging the governance issues involved and the right of Members, Scrutiny, Standards Committee and others in the democratic process to have a look at it."

10. Head of Legal, Civic & Democratic Services
"Whilst I agree we need to challenge whether we are open and transparent in terms of policy development I'm not sure where developing a 'value system' sits with our published council priorities.

11. I would suggest that the ethical audit that is being undertaken will give us the information we need to establish where there is room for improvement in terms of ensuring that the principles of ethical governance are imbedded in the authority. We will be putting together an action plan which will be informed by the outcome of the audit. In my view this audit will challenge whether there are probity issues that need to be addressed.

12. I would be more than happy to report the outcome of the audit to SMC - I will be taking a report to Standards Committee- and it may be that SMC would prefer to monitor the outcome of the ethical governance audit and the delivery of the action plan rather than undertake a separate review that may duplicate some of what the audit it designed to achieve."

13. Service Improvement Manager (responsible for Policy Development Team)
"The change in administration will have a direct impact on policy formulation and as a result the process of changing policy will be more rigorous and transparent. If a decision is made to carry out this review I would request that the review commence later in the year when new policy officers are in post so that they can be involved in the review and the effects from the change of administration are clear."

14. Mr R. McMeeking – Co-opted Member of Confidentiality & Transparency Ad-hoc Scrutiny Committee

"The process of political dialogue might be usefully illuminated by a Scrutiny study designed to encourage the most effective sources of new and creative thinking, to identify the means by which the thinking can be assimilated into a corporate agenda, and to reflect the extent to which policies respond to clearly articulated local needs and priorities. The extent to which the process of establishing Council policies is transparent would help citizens to understand the 'direction of travel' of the Council as an organisation. The local sources of original thinking would be helpful indicators of underlying intentions. There is a distinction between proposals which are objectively sound and appropriate, and those which form part of a broader political agenda. Distinction between the two would be assisted by an understanding of the means by which a policy is:

- fostered by individuals or groups or a Member 'Champion'
- tried out on a public constituency (ward meetings or talk-about panels)
- adopted by one or more political parties
- established as a local priority
- incorporated in a political agenda or manifesto
- prioritized by the Authority's Executive."

15. Also, as Members who influence policy making, a view was sought from the Leader of the Executive, the Shadow Executive Leader and other relevant opposition Members. The following responses were received:

16. Cllr S F Galloway
"My view is that the new processes being discussed by the Leaders, as detailed in the response from the Chief Executive above, effectively pick up this point."

17. Cllr A D'Agorne
"A review would support both the ethical governance audit and the Leaders' desire for a review looking at a new approach to city management and devolved decision making arrangements for local communities. It would also help to clarify to the public the process of policy making in the current council make-up, assisting in ensuring greater public confidence and participation in the process."

18. Cllr J Galvin
"My view is that policies should be developed by the political process in line with political manifestos, and as such I see no merit whatsoever in trying to make such matters transparent. This clearly is the 'stuff' of politics and the raison d'etre of political parties."

Conduct of Review

19. As a co-opted member of the previously completed ad-hoc scrutiny review on Confidentiality & Transparency, Roger McMeeking has suggested that if this new review was to be undertaken, it would be necessary to examine the processes by which Council policies are currently developed, and the sources from which they spring.

20. The following areas could be included for examination:

- Local implementation of the directives of central government (e.g. changes required by the Licensing Act 2004, or the replacement of the Draft Local Plan by the Local Development Framework)
- Implementation of locally derived political policies (e.g. the adoption of an affordable housing target of 50% in new developments)
- Initiatives taken or canvassed by individual Members (e.g. support for vulnerable people with issues concerning drugs or alcohol, or the currently proposed policy on Pate de Foie Gras)
- Initiatives proposed by pressure groups, such as cycling policy, pedestrianisation, heritage policy, or sustainability and environmental policy
- The Council's own Policy Development Team could be considered an example of how the 'civil service' can be enabled to generate new thinking or new approaches to current issues
- The Scrutiny process itself is also a source of new thinking, in that the role of Scrutiny Panels is to consider in depth policy issues
- the routes by which distinctive and forward-looking policies have been developed, such as the Science City initiative, which has led to York being designated as one of only six such centres in the country.

21. More broadly, the Council Plan identifies a Vision, Strategic Objectives, Aims and Priorities for the medium term, together with key deliverables in each main area of activity. The Council Plan is the product of the political process, and provides a measure of its effective implementation.

22. Having regard to the comments above and Mr McMeeking's suggested way forward, it is recognised that any review of this topic would benefit from the involvement of the Corporate Priority Champion and the Head of the Policy Development Team.

23. The issue of costs incurred by carrying out this review would need careful consideration, as a review of this nature would impact on CYC resources across all directorates.

Implications

24. There are no Financial, HR, Equalities, Legal or other implications associated with the recommendation made within this report. If Members choose to reconsider this report either when the outcome of the ethical governance audit is known, or the benefits of the practices introduced by the group leaders have become clearer, information on the implications of proceeding with a review of this topic will need to be sought, particularly in regard to resources.

Risk Management

25. There are no known risks associated with the recommendation made below, but an assessment of the risks will need to be made should this report be reconsidered at a later date.

Recommendation

26. As a review of this topic may duplicate some of what the ethical governance audit is designed to achieve, it is recommended that the review not be pursued at this time. A decision on whether to proceed with a review may be considered at a later date when the outcome of the audit is known and the practices introduced by the group leaders are embedded in the organisation.

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Feasibility Study Approved | ✓ | **Date**   8 June 2007

Wards Affected: **All**   ✓

For further information please contact the author of the report