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Auditor General for Wales

# Overview and Scrutiny – Fit For the Future? – **Powys County Council**

Audit year: 2017-18

Date issued: September 2018

Document reference: 833A2018-19



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The team who delivered the work comprised Ian Phillips, Justine Morgan and Colin Davies under the direction of Jane Holownia.

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# Summary report

## Summary

- 1 This review explored with each of the 22 councils in Wales how ‘fit for the future’ their scrutiny functions are. We considered how councils are responding to current challenges, including the Wellbeing of Future Generations Act 2015 (WFG Act) in relation to their scrutiny activity, as well as how councils are beginning to undertake scrutiny of Public Service Boards (PSBs). We also examined how well placed councils are to respond to future challenges such as continued pressure on public finances and the possible move towards more regional working between local authorities.
- 2 As part of this review we also reviewed the progress that councils have made in addressing the recommendations of our earlier National Improvement Study **Good Scrutiny? Good Question?** (May 2014) (see [Appendix 2](#)). We also followed up on the proposals for improvement relevant to scrutiny that we issued in local reports including those issued to councils as part of our 2016-17 thematic reviews of Savings Planning and Governance Arrangements for Determining Significant Service Changes.
- 3 Our review aimed to:
  - identify approaches to embedding the sustainable development principle into scrutiny processes and practices to inform practice sharing and future work of the Auditor General in relation to the WFG Act;
  - provide assurance that scrutiny functions are well placed to respond to current and future challenges and expectations;
  - help to embed effective scrutiny by elected members from the start of the new electoral cycle; and
  - provide insight into how well councils have responded to the findings of our previous Scrutiny Improvement Study.
- 4 To inform our findings we based our review methodology around the Outcomes and Characteristics for Effective Local Government Overview and Scrutiny that were developed and agreed by scrutiny stakeholders in Wales following our previous National Improvement Study **Good Scrutiny? Good Question?**.
- 5 We carried out our fieldwork between February 2018 and April 2018. We undertook document reviews, interviewed a number of key officers and ran focus groups with key councillors to understand their views on Powys County Council’s (the Council) current scrutiny arrangements and in particular how the Council is approaching and intends to respond to the challenges identified above.
- 6 We observed a sample of scrutiny meetings and reviewed relevant meeting documentation provided to members to support their scrutiny role, such as reports and presentations.

- 7 In this review we concluded that the Council has been slow to develop its scrutiny arrangements and there are fundamental areas it needs to address if scrutiny is to operate effectively and have impact in the face of future challenges.

## Proposals for improvement

- 8 **Exhibit 1** contains our proposals for ways in which the Council could improve the efficiency and effectiveness of its overview and scrutiny function to make it better placed to meet current and future challenges.

### Exhibit 1: proposals for improvement

Proposals for improvement	
P1	Be specific in the reports presented to overview and scrutiny why the committee is receiving the information and how this relates to the role of the scrutiny committee.
P2	Provide more training specifically for Chairs and Vice Chairs of overview and scrutiny committees to enable them to be more effective in their role.
P3	Make arrangements for further training for scrutiny committee members on the Well-Being of Future Generations (WFG) Act in order to help embed WFG considerations into the Council's decision-making processes.
P4	Strengthen arrangements for public and other stakeholder engagement in overview and scrutiny.
P5	Clarify the arrangements for feeding back overview and scrutiny committees' views to Cabinet and for Cabinet to respond to recommendations made.
P6	Put in place arrangements for assessing the effectiveness and impact of overview and scrutiny.

# Detailed report

**The Council has been slow to develop its scrutiny arrangements and there are fundamental areas it needs to address if scrutiny is to operate effectively and have impact in the face of future challenges**

**The Council's governance framework does not help to create a supportive environment for scrutiny to operate effectively and to have impact**

- 9 The role of the overview and scrutiny function could be more clearly defined and needs to be better understood by members. The Council's constitution sets out that the Council has appointed three scrutiny committees. The Council's Audit Committee is included as a scrutiny committee, and while part of an Audit Committee's role is to scrutinise certain matters, it is more usual for an Audit Committee to be classed as separate from overview and scrutiny committees within Council constitutions. In contrast, the current draft Corporate Improvement Plan 2018-23 states that the Audit Committee is 'independent of both the cabinet and scrutiny functions'. Furthermore, although the Council has specified that there are three overview and scrutiny committees, section 7.4 of the constitution sets out a fourth committee, the Joint Chairs and Vice Chairs Steering Group.
- 10 Scrutiny members outside of the Joint Chairs and Vice Chairs Steering Group were unsighted of the role of that Steering Group and did not know that it scrutinised certain corporate items. For example, the Steering Group considered the draft Corporate Improvement Plan in February 2018. However, the linkages between the Steering Group and the other scrutiny committees and scrutiny working groups need to be clarified and disseminated amongst the wider scrutiny membership.
- 11 There is a general consensus amongst scrutiny members and scrutiny officers that the naming of two of the scrutiny committees as 'Scrutiny Committee A' and 'Scrutiny Committee B' is unhelpful as it is unclear what their respective remits are, albeit the constitution does set out their respective terms of reference. At the time we carried out our fieldwork, the Council was in the process of reviewing its scrutiny structure and intended to address this issue. Subsequently, the Democratic Services Committee presented a paper to the 17 May 2018 Council meeting proposing a new structure of four committees linked to the Council's priorities in its Vision 2025 (Audit Committee, Learning and Skills Scrutiny Committee, Health and Care Scrutiny Committee and Economy, Residents and Community Scrutiny Committee). However, a motion to amend that proposal to three committees (Audit Committee, Learning Skills and Economy Scrutiny Committee and Health Care and Housing Scrutiny Committee) with the number of

members per committee increasing from nine councillors in the original proposal to 21 in the amendment, was carried at the meeting.

- 12 In 2017 the Strategic Director – Resources carried out a review of the scrutiny service. The review stated that ‘scrutiny needs a higher profile – or at least a more positive one’, We recognise that this review is an open and honest account of the scrutiny service and clearly sets out perceived flaws in the scrutiny arrangements and areas where improvement is needed. However, in 2013 the Council carried out a self-evaluation of scrutiny for our aforementioned **Good Scrutiny? Good Question?** Report. A number of areas that were highlighted as needing improvement in 2013 had either got worse or stayed the same and were classed as hindering the improvement of scrutiny. For example, the Strategic Director’s 2017 review of the scrutiny service concluded that the arrangements for overview and scrutiny challenging poor performance and its causes were ‘hindering improvement.’
- 13 There have historically been relationship difficulties between Cabinet and Scrutiny, although members and officers told us that this relationship is showing signs of improvement recently. Scrutiny has at times been seen as overly negative and sometimes not sufficiently apolitical. Conversely, scrutiny members expressed ongoing frustration about often not getting a response from Cabinet as to whether suggestions/recommendations from scrutiny had been taken on board or not.
- 14 Scrutiny committee members have received training to help equip them for their roles. However, a questionnaire completed by senior managers as part of the Strategic Director’s 2017 review of the scrutiny service identified that more training was needed for members to improve constructive challenge and effective questioning. Some members we spoke to felt that there was not enough of a focus on scrutiny as part of their induction. There was also a strong feeling amongst members that they required training on the Well-being of Future Generations (Wales) Act 2015.
- 15 The role of scrutiny support officers is generally well-regarded, although capacity is stretched and and there is limited resource available to carry out research for members. The Strategic Director’s 2017 review of the scrutiny service recognised this and recommended that both scrutiny support officers should be made full time and and additional one Full Time Equivalent post should be created. The 2018-19 budget subsequently allocated £12k for ‘Scrutiny Team Review’ but there is no narrative in the budget reports as to what the plans for this money are.
- 16 Progress has been slow in setting up a committee to scrutinise the Powys Public Services Board (PSB). There are other councils in Wales where scrutiny of the PSB is relatively well-established. The Council anticipates that the committee will be set up and ready to start scrutinising the PSB in the near future.

## The Council recognises that its scrutiny function needs to improve. There is scope for improvement in how scrutiny is planned, how scrutiny meetings are conducted and how forward work programmes are developed

- 17 We found several examples where scrutiny has raised concerns regarding the timeliness and/or quality of information that it receives. For example, the minutes of the Leisure/Culture Scrutiny Group on 18 September 2017 record the following:
- The Group make the following observations to Cabinet/Management Team in respect of the draft Cabinet Report shared with the scrutiny group (attached at Appendix A): Despite timescales being agreed before the summer the report was provided late to scrutiny. It became apparent during scrutiny that the report provided still required work before it would be submitted to Cabinet. It is requested that Cabinet/Management team stress the need for reports requiring pre-cabinet scrutiny are provided with sufficient detail and in sufficient time for consideration.
- 18 A lot of the actual scrutiny work is carried out by working groups that sit under either scrutiny committee 'A' or 'B'. As part of our fieldwork, we observed some of these meetings and there were strengths that were apparent. For example, there was a good level of member engagement in the meetings and the atmosphere was constructive and apolitical.
- 19 One potential area for improvement is that information that scrutiny receives, for example officer reports, tends to lack a covering report setting out why the item is coming to scrutiny and what is expected of members in respect of that item. Providing such clarity would help scrutiny members to fully understand their roles.
- 20 As a lot of the actual scrutiny work is carried out by the working groups in meetings which are not publicly accessible, there was a need for the Council to reflect on whether such an approach is sufficiently transparent. The Council has considered this and the Democratic Services Committee paper to Council on 17 May sets out that 'as a general principle all matters would be considered at a full meeting of a Scrutiny Committee. However it was accepted that there may be a need to have an occasional task and finish working group, for specific purposes, but they would operate on a time limited basis.' The Strategic Director's 2017 review of the scrutiny service recognised that scrutiny needs to improve its engagement with the public, but the Working Group arrangements are not conducive to improving such engagement. Furthermore, the Council has not had any input from other external witnesses/third parties recently and so there is scope to improve scrutiny's wider engagement. The Democratic Services Committee paper to Council on 17 May sets out a commitment that scrutiny committee should generally be held in public unless confidential matters were being discussed, and the Council should investigate the possibility of webcasting scrutiny committee meetings in future. Members told us that when planning the scrutiny of agenda items, they do not consider 'how' an item will be best scrutinised, for example by arranging site visits

or calling external witnesses. 'How' an item is scrutinised should be given the same consideration at the forward work programming stage as 'what' items are to be scrutinised.

- 21 Scrutiny forward work planning is part of the role of the Chairs and Vice Chairs Joint Steering Group. Work programmes are also considered by scrutiny committees 'A' and 'B' albeit those committees only tend to meet on a quarterly basis. The Strategic Director's 2017 review of the scrutiny service report states that 'more work is required to co-ordinate the scrutiny and Cabinet Work Programmes to assist the pre-scrutiny of major decisions to be undertaken by the Cabinet'. However, officers were clear that the Council is currently doing a lot more pre-decision scrutiny; about eighteen months ago pre-decision scrutiny was not really taking place. Nevertheless, we consider that there is scope for a more focused, slimmed-down scrutiny forward work programme that concentrates on the significant issues that the Council is facing.
- 22 Both the Cabinet and scrutiny forward work programmes are published on the Council website. The scrutiny forward work programme could be clearer *why* items are to be scrutinised and (in the 20 February 2018 version of the scrutiny forward work programme) a number of the 'description' fields are empty. Similarly, the Cabinet forward work programme is lacking in detail and not very informative. Also, the links between the respective work programmes could be stronger.
- 23 We are aware of two other recent examples where the planning of items has not been as effective as it could have been. The Cabinet minutes of 30 January 2018 refer to the Corporate Leadership and Governance Plan and the Chair of the scrutiny group comments that 'observations had to be submitted by email due to a Council budget seminar being called when the group had been due to meet. He regretted that there had not been enough time to scrutinise such an important document...' Also, the minutes of the Finance Scrutiny Panel of 8 February 2018 record 'The Panel are concerned by the lateness of the budget proposals being made available. It gives no time for adequate scrutiny to influence the final budget. With the increased pressures on the budget the Panel believes that it should be given more opportunity to comment on the emerging budget at a much earlier stage. The Panel has therefore not been able to adequately scrutinise the budget and its implications and Members should note this.'
- 24 Although we witnessed a good level of member engagement in our meeting observations, at times the questioning was too parochial. We held focus groups with members and a theme of more robust chairing of scrutiny meetings emerged, for example for chairs to ensure that all information that the committee required is provided and setting action plans arising from meetings. From the comments we received it appears that chairing skills training would be helpful.
- 25 There has also been a long-standing issue of variable member attendance at meetings. While mitigating against that is essentially a matter for individual councillors and group leaders, the Council has been proactive at looking at technological developments that may, in future, facilitate remote attendance. It has

provided members with Skype training and officers have discussed this issue with Welsh Government, as they are conscious that remote attendance may be particularly beneficial given the size of Powys and its rurality.

## **The Council does not evaluate the impact of overview and scrutiny and cannot demonstrate its overall effectiveness**

- 26 Although the Council carried out reviews of the scrutiny function in 2013 and 2017, it does not systematically evaluate the impact of scrutiny. We were told that impact could be demonstrated in cases where Cabinet have accepted recommendations on items of pre-decision scrutiny. However, as set out above, scrutiny members expressed frustration at not receiving information back from Cabinet setting out their reasons for accepting or rejecting scrutiny committee recommendations. Overall, the Council cannot demonstrate that scrutiny is sufficiently impactful.
- 27 A recent example of scrutiny resources being expended yet having no apparent effect is the scrutiny of the Staylitttle Outdoor Centre agenda item. The Leisure/Culture Scrutiny Working Group considered the matter on 18 September 2017 and made two recommendations to Cabinet. There is then a disconnect between those recommendations and the covering report sent to Cabinet on 10 October 2017, as the covering report does not refer to those recommendations. The covering report actually contains a section that asks 'What changes have been made since the date of Scrutiny and explain why Scrutiny recommendations have been accepted or rejected'. However, the explanation that is given does not relate to the points raised by the Leisure/Culture working group. Therefore, there is no record of how the points raised by scrutiny were considered and the minutes of the Cabinet meeting are similarly silent.
- 28 Whilst we recognise that, in general, the impact of scrutiny is not always tangible, given the amount of resources that the Council expends on scrutiny i.e. member and officer time devoted to formal scrutiny meetings and scrutiny working groups, it is important that the Council considers how best to maximise the impact of such resource intensive work. The Council would benefit from exploring different and more creative ways of doing scrutiny to maximise the resources available and outcomes achieved and where it can add most value, particularly in view of the significant shortfall it is facing in the 2019-20 budget.

# Appendix 1

## Outcomes and characteristics for effective local government overview and scrutiny

Exhibit 2: outcomes and characteristics for effective local government overview and scrutiny

Outcomes	Characteristics
<p><b>What does good scrutiny seek to achieve?</b></p>	<p><b>What would it look like? How could we recognise it?</b></p>
<p><b>1. Democratic accountability drives improvement in public services. 'Better Services'</b></p>	<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>i) Scrutiny has a clearly defined and valued role in the council's improvement arrangements.</li> <li>ii) Scrutiny has the dedicated officer support it needs from officers who are able to undertake independent research effectively, and provide Scrutiny members with high-quality analysis, advice and training.</li> </ul> <p><b>Practice</b></p> <ul style="list-style-type: none"> <li>iii) Overview and Scrutiny inquiries are non-political, methodologically sound and incorporate a wide range of evidence and perspectives.</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>iv) Overview and scrutiny regularly engages in evidence based challenge of decision makers and service providers.</li> <li>v) Scrutiny provides viable and well evidenced solutions to recognised problems.</li> </ul>

Outcomes	Characteristics
<p><b>What does good scrutiny seek to achieve?</b></p>	<p><b>What would it look like? How could we recognise it?</b></p>
<p><b>2. Democratic decision making is accountable, inclusive and robust. 'Better decisions'</b></p>	<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>i) Scrutiny councillors have the training and development opportunities they need to undertake their role effectively.</li> <li>ii) The process receives effective support from the Council's Corporate Management Team which ensures that information provided to scrutiny is of high quality and is provided in a timely and consistent manner.</li> </ul> <p><b>Practice</b></p> <ul style="list-style-type: none"> <li>iii) Scrutiny is Member led and has 'ownership' of its work programme taking into account the views of the public, partners and regulators whilst balancing between prioritising community concerns against issues of strategic risk and importance.</li> <li>iv) Stakeholders have the ability to contribute to the development and delivery of scrutiny forward work programmes.</li> <li>v) Overview and scrutiny meetings and activities are well-planned, chaired effectively and make best use of the resources available to it.</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>vi) Non-executive Members provide an evidence based check and balance to Executive decision making.</li> <li>vii) Decision makers give public account for themselves at scrutiny committees for their portfolio responsibilities.</li> </ul>
<p><b>3. The public is engaged in democratic debate about the current and future delivery of public services.</b></p>	<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>i) Scrutiny is recognised by the Executive and Corporate Management team as an important council mechanism for community engagement.</li> </ul> <p><b>Practice</b></p> <ul style="list-style-type: none"> <li>ii) Scrutiny is characterised by effective communication to raise awareness of, and encourage participation in democratic accountability.</li> <li>iii) Scrutiny operates non-politically and deals effectively with sensitive political issues, tension and conflict.</li> <li>iv) Scrutiny builds trust and good relationships with a wide variety of internal and external stakeholders.</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>v) Overview and scrutiny enables the 'voice' of local people and communities across the area to be heard as part of decision and policy-making processes.</li> </ul>

# Appendix 2

## Recommendations from the report of the Auditor General's national improvement study 'Good Scrutiny? Good Question?' (May 2014)

Exhibit 3: recommendations from **Good Scrutiny? Good Question?** Scrutiny Improvement Study

Recommendation	Responsible Partners
R1 Clarify the role of executive members and senior officers in contributing to scrutiny.	Councils, Welsh Government, Welsh Local Government Association
R2 Ensure that scrutiny members, and specifically scrutiny chairs, receive training and support to fully equip them with the skills required to undertake effective scrutiny.	Councils, Welsh Government, Welsh Local Government Association
R3 Further develop scrutiny forward work programming to : <ul style="list-style-type: none"> <li>• provide a clear rationale for topic selection;</li> <li>• be more outcome focussed</li> <li>• ensure that the method of scrutiny is best suited to the topic area and the outcome desired; and</li> <li>• align scrutiny programmes with the council's performance management, self-evaluation and improvement arrangements.</li> </ul>	Councils
R4 Ensure that scrutiny draws effectively on the work of audit, inspection and regulation and that its activities are complementary with the work of external review bodies.	Councils, Staff of the Wales Audit Office, CSSIW, Estyn
R5 Ensure that external review bodies take account of scrutiny work programmes and the outputs of scrutiny activity, where appropriate, in planning and delivering their work.	Staff of the Wales Audit Office, CSSIW, Estyn

Recommendation	Responsible Partners
R6 Ensure that the impact of scrutiny is properly evaluated and acted upon to improve the function's effectiveness; including following up on proposed actions and examining outcomes.	Councils, Welsh Government, Welsh Local Government Association
R7 Undertake regular self-evaluation of scrutiny utilising the 'outcomes and characteristics of effective local government overview and scrutiny' developed by the Wales Overview & Scrutiny Officers' Network.	Council
R8 Implement scrutiny improvement action plans developed from the Wales Audit Office improvement study.	Councils
R9 Adopt Participation Cymru's 10 Principles for Public Engagement in improving the way scrutiny engages with the public and stakeholders.	Councils



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