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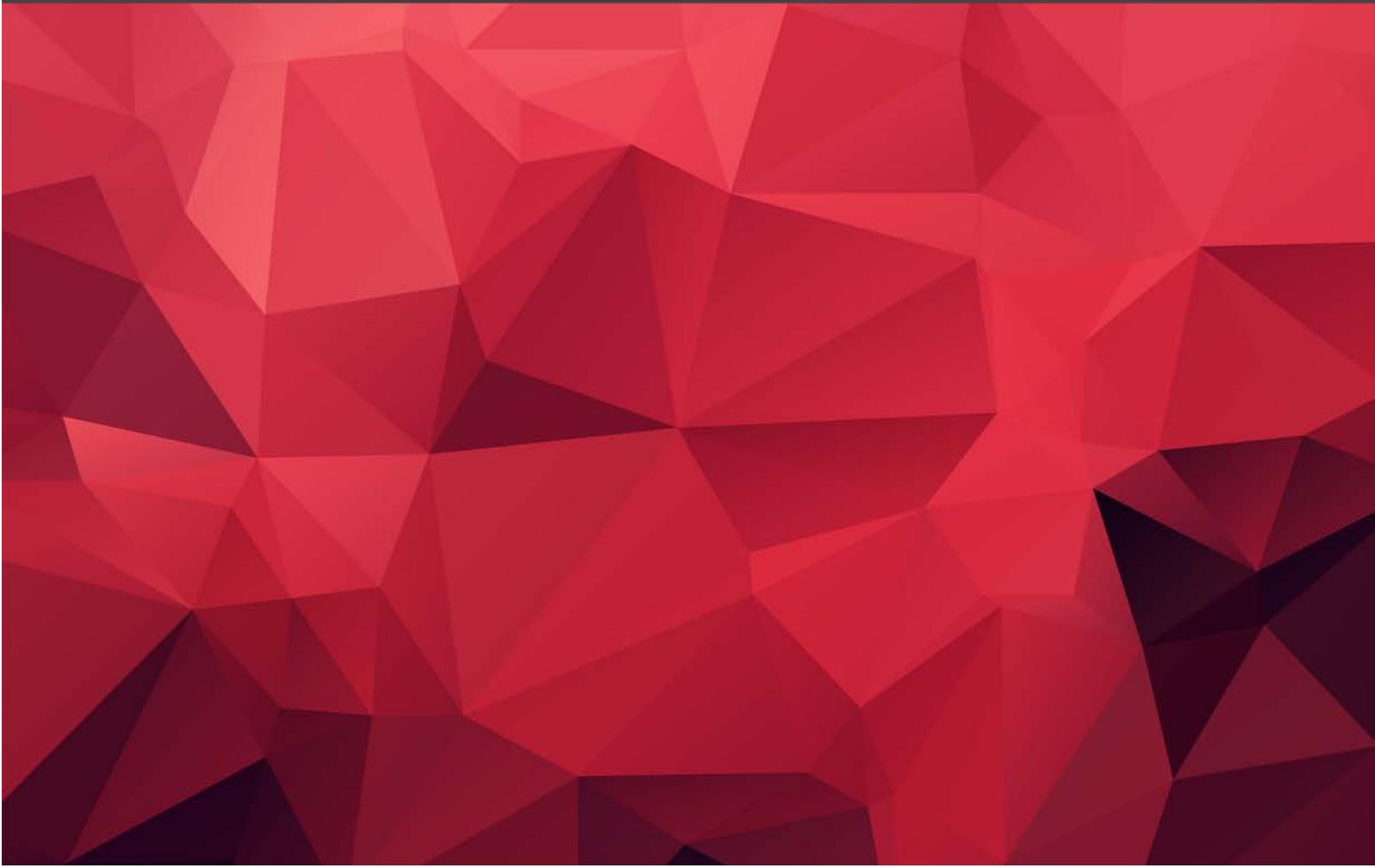
Archwilydd Cyffredinol Cymru
Auditor General for Wales

Overview and Scrutiny – Fit for the Future? – **Caerphilly County Borough Council**

Audit year: 2017-18

Date issued: July 2018

Document reference: 609A2018-19



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This document is also available in Welsh.

The team who delivered the work comprised Allison Rees, Gareth Jones, Tim Buckle, programme managed by Non Jenkins under the direction of Huw Rees.

Contents

The Council values its overview and scrutiny function but for it to improve and meet future challenges, members need more focussed training, development and support to better understand and undertake their scrutiny roles effectively.

Summary report

Summary	4
Proposals for Improvement	5

Detailed report

The Council values its overview and scrutiny function but for it to improve and meet future challenges, members need more focussed training, development and support to better understand and undertake their scrutiny roles effectively	6
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The overview and scrutiny function is hindered by limited member understanding of their role, and a lack of timely and specific training and development opportunities to support them to be more effective	6
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Scrutiny Chairs manage meetings well but improved planning would help scrutiny activity be more focussed	9
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Despite regularly reviewing its overview and scrutiny function, the Council has not identified clear actions to improve its impact, and most members lack an understanding of future challenges for the overview and scrutiny function	10
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Appendices

Appendix 1 – Outcomes and characteristics for effective local government overview and scrutiny	12
--	----

Appendix 2 – Recommendations from the report of the Auditor General's national improvement study 'Good Scrutiny? Good Question' (May 2014)	14
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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 such as the Wellbeing of Future Generations Act 2015 in relation to their scrutiny activity and how councils are beginning to undertake scrutiny of Public Service Boards. 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 by local authorities.
- 2 As part of this review, we 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. These reports included our 2016-17 thematic reviews of Savings Planning and Governance Arrangements for Determining Significant Service Changes.
- 3 Our review aimed to:
 - a) 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 Wellbeing of Future Generations Act;
 - b) provide assurance that scrutiny functions are well placed to respond to current and future challenges and expectations;
 - c) help to embed effective scrutiny by elected members from the start of the new electoral cycle; and
 - d) 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 (see [Appendix 1](#)) that scrutiny stakeholders in Wales developed and agreed following our previous National Improvement Study ‘Good Scrutiny? Good Question’.
- 5 When we undertook our review in December 2017, we reviewed documents, interviewed officers and held focus groups with members involved in scrutiny to obtain their views on Caerphilly County Borough Council's (the Council) current scrutiny arrangements and understand how the Council is approaching and intends to respond to the challenges identified above.
- 6 In this review, we conclude that the Council values its overview and scrutiny function but for it to improve and meet future challenges, members need more focussed training, development and support to better understand and undertake their scrutiny roles effectively. We came to this conclusion because:
 - a. The overview and scrutiny function is hindered by limited member understanding of their role, and a lack of timely and specific training and development opportunities to support them to be more effective;

- b. Scrutiny Chairs manage meetings well but improved planning would help scrutiny activity be more focussed; and
- c. Despite regularly reviewing its overview and scrutiny function, the Council has not identified clear actions to improve its impact, and most members lack an understanding of future challenges for the overview and scrutiny function.

Proposals for improvement

Exhibit 1: proposals for improvement

The table below contains our proposals for ways in which the Council could improve the effectiveness of its overview and scrutiny function to make it better placed to meet current and future challenges.

Proposals for improvement	
The Council's scrutiny function could be strengthened by:	
P1	Improving the provision of training and development opportunities for members to help: <ul style="list-style-type: none"> a. improve their understanding of their role in overview and scrutiny; b. develop their skills to be able to scrutinise effectively; and c. improve their understanding and consideration of the Well-being of Future Generations Act when undertaking scrutiny activity by providing further training .
P2	Clarifying the role of Cabinet Members within the overview and scrutiny process to ensure that arrangements support transparency and accountability.
P3	Setting clear priorities and actions for improvement for the scrutiny function taking into account current and future challenges.

Detailed report

The Council values its overview and scrutiny function but for it to improve and meet future challenges, members need more focussed training, development and support to better understand and undertake their scrutiny roles effectively

The overview and scrutiny function is hindered by limited member understanding of their role and a lack of timely and specific training and development opportunities to support them to be more effective

- 7 The Council clearly sets out, in its 'Introduction to Scrutiny' guide, the role and responsibilities of its scrutiny function and the relationship between scrutiny and Cabinet. The Council is committed to ensuring that there is a good working relationship between Cabinet and the scrutiny function. This is important to ensure constructive and challenging debate to help improve public services. We found a respectful relationship developing between scrutiny and Cabinet, with Cabinet valuing the role of scrutiny in the Council's governance and improvement arrangements.
- 8 To assist scrutiny members in carrying out their role effectively, timely and relevant training and development opportunities are important. We found that following the May 2017 local government elections, members at the Council received a general induction programme, which included information on the role of scrutiny. The Council also provided an initial one-hour training to members of each overview and scrutiny committee. Members had mixed views as to the appropriateness of this training in preparing them for their scrutiny role. While some members felt that this was useful for new members, more experienced members felt it to be too basic and not tailored to meet their needs.
- 9 Despite the Council providing some initial training for members of each scrutiny committee, not all members were clear on their role within the scrutiny function. This can limit members' ability to undertake their scrutiny role effectively. For example, some members were unaware they could ask expert witnesses to attend scrutiny committee meetings even though the Council has arrangements in place for expert witnesses to attend scrutiny meetings. The Council should explore the reasons why its arrangements do not appear to be fully effective. Some members were also unaware they can ask for member briefings to help better understand an issue to inform their forthcoming scrutiny activity.

- 10 The Council does recognise the importance of providing training and development opportunities for members, however, training is not always timely. The Council developed a draft member development and support programme (2018-2020), having asked members to complete a training needs analysis in July 2017. However, at the time of this review, the Council did not have a final and approved member development and support programme covering training and development activities designed specifically for overview and scrutiny committee members. Committee members are therefore trying to fulfil their role without necessarily having received training and development to meet their individual and collective needs.
- 11 As part of the member induction programme, the Council delivered a seminar to members on the Well-being of Future Generations (Wales) Act 2015¹ (WFG Act), the sustainable development principle, associated five ways of working and the role of elected members within this legislation. However, scrutiny committees are not yet scrutinising how the Council's decisions and policies are complying with the Act and the five ways of working.
- 12 In August 2016, we issued a report to the Council on a Review of arrangements to address external audit, inspection and regulation recommendations and proposals for improvement. One of our proposals for improvement was that 'the Council should strengthen arrangements to enable scrutiny to hold Cabinet to account more effectively and to take action to ensure its Cabinet Members are equipped and prepared to be held accountable for the roles they fulfil'. Whilst we recognise that as of December 2017 six of the nine Cabinet Members are new, we consider that the Council has yet to address this proposal for improvement.
- 13 Some members are still unclear about the role of Cabinet members at scrutiny meetings. Cabinet members attend scrutiny committees for the full meeting and, if members of the public are present, Cabinet members read their prepared Cabinet member statements. These statements are not tailored to relate to the items on scrutiny committee's agenda. Officers, rather than Cabinet members, present committee reports including those relating to policy development and performance issues, which are areas of Cabinet member responsibility. Scrutiny members directed their questions, including those relating to policy development, and performance, to officers rather than Cabinet Members. The Council may find it useful to review their arrangements in line with the guidance² issued by the National Assembly for Wales in 2006 which states:
- "The executive and overview and scrutiny committees should always bear in mind that it is for the elected executive to answer questions about its policies and decisions. When officers appear to answer questions their contribution should, as

¹ Integration, Prevention, Long-term, Collaboration and Involvement

² Guidance for County and County Borough Councils in Wales on Executive and Alternative Arrangements 2006 (2006 No. 56)

far as possible, be confined to questions of fact and explanation relating to policies and decisions.”

- 14 The same Guidance also makes clear that one of the roles of councillors exercising overview and scrutiny is:

“to hold the executive to account for the efficient exercise of executive functions – especially the performance of the executive as measured against the standards, objectives and targets set out in the policies and plans which it is implementing.”

As questions are often directed at officers rather than Cabinet members, it is unclear how the Council’s overview and scrutiny committees are undertaking this role effectively.
- 15 The purpose of the Cabinet member statements at scrutiny committees is unclear. In our 2016 report on a Review of arrangements to address external audit, inspection and regulation recommendations and proposals for improvement, we reported overview and scrutiny committee chairs’ dissatisfaction with the Cabinet Member statements provided at the start of each scrutiny meeting. In response, the Council developed a Cabinet member statement protocol for scrutiny committees. However, scrutiny members continue to be dissatisfied with these statements as their purpose continues to be unclear. In this context, overview and scrutiny committees should consider how they can hold Cabinet members to account more effectively through other mechanisms.
- 16 Cabinet members should also consider different ways of providing information to members and the public in a way that supports more effective scrutiny and accountability.
- 17 Although the relevant scrutiny committee members receive Cabinet member statements at least three days before each meeting, the statements are not publicly available on the Council website. This arrangement is not transparent and does not support public accountability of Cabinet members to overview and scrutiny committees. The Council needs to ensure that it complies with the requirements of the Local Government Act 1972 in respect of making information available for public inspection.
- 18 The Council has a Scrutiny Manager, who at the time of this review was also the interim Head of Democratic Services. One scrutiny support officer assists the scrutiny manager. These two staff provide support to the Council’s five scrutiny committees and Task and Finish groups. Members were complimentary about the support provided by the scrutiny support team and acknowledged how quickly they respond to member queries. Additional support for the scrutiny function is available from service-based officers who support scrutiny cross party working groups. Task and Finish and cross party working groups can meet more frequently than scrutiny committees and can be an efficient way for members to gain a greater understanding of an issue.
- 19 The Council has arrangements that allow scrutiny members to receive quarterly performance reports. These quarterly reports are for information only and are not substantive agenda items. Members can escalate quarterly reports to committee

meetings if they have concerns about performance. However, during this review, members could not give any examples of when performance reports have been escalated to the main committee agenda. This highlights an area where overview and scrutiny could more proactively scrutinise the executive for its performance. We found that scrutiny committees receive annual end of year performance reports on the Council's well-being objectives in a timely manner, although annual service performance reports, for example Social Services and Planning, are not always received in a timely manner. This could restrict scrutiny's ability to influence changes to policies and practice that could improve service performance.

Scrutiny Chairs manage meetings well but improved planning would help scrutiny activity be more focussed

- 20 We observed three scrutiny committee meetings during this review. These were:
- a) Policy and Resources Scrutiny Committee – 14 November 2017
 - b) Regeneration and Environment Scrutiny Committee – 12 December 2017
 - c) Partnerships Scrutiny Committee – 20 February 2018
- 21 In the committees we observed, Chairs ensured that the scrutiny meetings had a clear focus. The Council has introduced pre-meetings that take place thirty minutes before each scrutiny meeting. Pre-meetings are helpful to inform the questioning strategy and structure for the main meeting. At the meetings we observed, the Chair ensured the questions raised at the pre-meetings were asked during the main committee meeting. However, not all members attended the pre-meetings and therefore were not aware of the proposed questions which meant that the quality and focus of member questioning and participation varied at the three meetings we observed. The Chairs of Scrutiny Committees monitor non-attendance of committee members at pre-meetings as requested by the Scrutiny Leadership Group. Also, we are of the view that Members need to elevate questioning to a more strategic level.
- 22 The right people need to attend scrutiny meetings with member questions directed to the right people. At the Partnerships Scrutiny Committee on 20 February 2018, Public Service Board partners were not in attendance. Questions generally focussed on individual public bodies rather than on those issues that partners were seeking to resolve collectively. In the absence of inviting partner bodies to the scrutiny committee to be accountable for answering relevant questions, a council officer answered all member questions.
- 23 The Council's scrutiny committees can be constrained by time and therefore require focus and prioritisation. Scrutiny meetings start at 5pm or 5.30pm. We witnessed the Regeneration and Environment scrutiny meeting on 12 December 2017 which finished by 8pm which members told us is the building closing time. There were four main agenda items. The presentation and conclusion of the last two main agenda items took ten minutes as it was close to 8pm. The final agenda item received no scrutiny. This situation is not conducive to

effective scrutiny. The Council's Constitution,³ however, states that meetings may be extended '...and that no meeting in any event continue beyond 9.00pm'. Members need to understand this provision in the constitution to ensure effective agenda management. Members also need to be confident to reduce the number of items on each agenda if the issues for consideration are complex and require a lengthy debate, rather than rush through items with limited scrutiny attention.

- 24 The Council has helpfully produced a protocol for scrutiny committees to set annual forward work programmes. This protocol explains how the work programmes are developed, and includes a prioritisation matrix to assist members in deciding which issues to include. Annually, in March, each scrutiny committee meets to discuss and agree priorities for the forthcoming year. However, as stated in the above paragraph, we found that the committee's use of the prioritisation matrix is not always effective as there are occasions where some agenda items did not receive sufficient time for detailed scrutiny.
- 25 The Council has had limited success at engaging the public in scrutiny. The public can suggest issues for scrutiny by submitting a form on the 'get involved in Scrutiny' page on the Council website to ask scrutiny to consider an issue. A recent example of public engagement at a committee meeting was on the issue of the Public Spaces Protection Order – dog fouling. Members of the public, and a representative from an animal welfare group spoke to provide the committee with an alternative perspective. However, overview and scrutiny committees have undertaken limited activity to proactively engage the public in its work and seek their views to inform their conclusions when scrutinising individual topics. There is therefore an opportunity to consider how overview and scrutiny arrangements could evolve from their traditional committee approach, to enable more effective engagement with the public.

Despite regularly reviewing its overview and scrutiny function, the Council has not identified clear actions to improve its impact, and most members lack an understanding of future challenges for the overview and scrutiny function

- 26 The Council regularly reviews its scrutiny function and following previous reviews, had developed a Scrutiny Improvement Action Plan. The latest review of the scrutiny function took place during November and December 2016, with members and officers responding to a self-evaluation scrutiny questionnaire, and between February to April 2017 when the Council took part in a scrutiny peer review with two neighbouring councils. At a Full Council meeting in October 2017, having considered a report on the outputs from the peer review and scrutiny self-evaluation, the Council decided to conduct two further scrutiny self-assessments

³ Council Constitution, Part 4 – Rules of Procedure, 9 – Duration of Meeting, paragraph 9.1

at the end of 2018 and in 2020. The report to full Council did not recommend any further scrutiny improvement actions to improve scrutiny following the engagement of members, officers and peer reviewers from the self-evaluation in late 2016 and peer review in early 2017.

- 27 The Council produces an annual report, which contains a brief overview of work undertaken by each scrutiny committee and a summary of the scrutiny support provided. The annual report does not clearly set out the impact of the scrutiny function. Despite the number of meetings and items considered by each committee and their task and finish groups, during the fieldwork for this review officers and members were able to identify few examples where overview and scrutiny activity has had a clear impact or resulted in a clear outcome.
- 28 We discussed with officers and members their views on the future challenges that face the scrutiny function. There are a number of factors that are currently influencing the way in which Council services operate. These factors include different operating models, regionalisation of services, financial challenges and different methods of engaging with the public. We found that officers and members demonstrate differing levels of awareness of the challenges facing the scrutiny function. Many members were unable to state any future challenges for scrutiny. There was some member uncertainty as to how scrutiny could change, or if scrutiny would need to change to respond to current challenges and prepare for future ones.
- 29 Officers, however, were more aware of potential future internal and external challenges. For example, trying to improve and deliver services under financial pressures, potential joint scrutiny arrangements, and the need for a resolution on the scrutiny arrangements of the Cardiff Capital Region City Deal. Officers consider the Partnership Scrutiny Committee as having additional future challenges. These include the potential volume of work when this committee only meets twice a year, the broad topics for members to understand, and to the difference in scrutinising the Public Service Board as opposed to individual public services.
- 30 Both members and officers need to be more aware of, and better prepared for, the challenges that face the scrutiny function in light of changes to the way that public services operate, so that both members and officers can contribute meaningfully to the solutions.

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
What does good scrutiny seek to achieve?	What would it look like? How could we recognise it?
1. Democratic accountability drives improvement in public services. 'Better Services'	<p>Environment</p> <ul style="list-style-type: none"> i) Scrutiny has a clearly defined and valued role in the council's improvement arrangements. 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. <p>Practice</p> <ul style="list-style-type: none"> iii) Overview and Scrutiny inquiries are non-political, methodologically sound and incorporate a wide range of evidence and perspectives. <p>Impact</p> <ul style="list-style-type: none"> iv) Overview and scrutiny regularly engages in evidence based challenge of decision makers and service providers. v) Scrutiny provides viable and well evidenced solutions to recognised problems.

Outcomes	Characteristics
<p>What does good scrutiny seek to achieve?</p>	<p>What would it look like? How could we recognise it?</p>
<p>2. Democratic decision making is accountable, inclusive and robust. 'Better decisions'</p>	<p>Environment</p> <ul style="list-style-type: none"> i) Scrutiny councillors have the training and development opportunities they need to undertake their role effectively. 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. <p>Practice</p> <ul style="list-style-type: none"> 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. iv) Stakeholders have the ability to contribute to the development and delivery of scrutiny forward work programmes. v) Overview and scrutiny meetings and activities are well-planned, chaired effectively and make best use of the resources available to it. <p>Impact</p> <ul style="list-style-type: none"> vi) Non-executive Members provide an evidence based check and balance to Executive decision making. vii) Decision makers give public account for themselves at scrutiny committees for their portfolio responsibilities.
<p>3. The public is engaged in democratic debate about the current and future delivery of public services.</p>	<p>Environment</p> <ul style="list-style-type: none"> i) Scrutiny is recognised by the Executive and Corporate Management team as an important council mechanism for community engagement. <p>Practice</p> <ul style="list-style-type: none"> ii) Scrutiny is characterised by effective communication to raise awareness of, and encourage participation in democratic accountability. iii) Scrutiny operates non-politically and deals effectively with sensitive political issues, tension and conflict. iv) Scrutiny builds trust and good relationships with a wide variety of internal and external stakeholders. <p>Impact</p> <ul style="list-style-type: none"> 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.

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"> • provide a clear rationale for topic selection; • be more outcome focussed; • ensure that the method of scrutiny is best suited to the topic area and the outcome desired; and • align scrutiny programmes with the council's performance management, self-evaluation and improvement arrangements. 	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.	Councils
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

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru