
Fit for the Future? – WAO Review of Overview & Scrutiny

Reason for the Report

1. To provide an opportunity for the Committee to consider a report of the Wales Audit Office (WAO) published in July 2018, *Overview and Scrutiny – Fit For the Future? – Cardiff Council*.

Background

2. Within the Committee's Terms of Reference is responsibility for scrutiny of the effectiveness of the Governance service of the Council, including its Overview & Scrutiny function. This includes the resourcing of the Scrutiny function to ensure open and transparent accountability in decision-making processes, in line with the requirements of the Local Government Measure 2011.
3. As a part of its statutory function, each year the WAO undertakes a number of national inspections in delivering its work programme. The Fit for the Future review was undertaken between October 2017 and January 2018, during which a sample of the Council's scrutiny committee meetings were observed; relevant meeting documentation provided to members, to support their scrutiny role, such as reports and presentations were reviewed; officers interviewed; and focus groups held with key groups of Members and officers. The focus was to explore with each of the 22 councils in Wales:
 - a. how 'fit for the future' their scrutiny functions are;
 - b. how councils are responding to current challenges, including the Wellbeing of Future Generations (Wales) Act 2015 (WFG Act) in relation to their scrutiny activity;

- c. how councils are beginning to undertake scrutiny of Public Service Boards (PSBs);
 - d. 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;
 - e. What progress had been made since the previous review of scrutiny, *Good Scrutiny? Good Question!* published in 2014.
4. In July 2018 WAO published the results of its review, and as a part of the Committees 2018/19 work programming discussions Members agreed consideration of the outcome should be a priority.

Structure of the Papers

5. Attached to this cover report Members can reference:
- **Appendix 1** - the WAO published report. Overview and Scrutiny – Fit For the Future? – Cardiff Council
 - **Appendix 2** – the Council’s Action Plan developed to address the report’s Proposals for Improvement

Issues

6. The review concludes that “*scrutiny arrangements in Cardiff are well-developed and supported by a culture that makes them well-placed to respond to current and future challenges, but the Council could be more innovative in how it undertakes scrutiny activity*”. Because:
- a. the Council recognises and values the importance of its scrutiny function;
 - b. scrutiny committee meetings are well-run;
 - c. the Council proactively engages key stakeholders in the work of its task and finish groups but recognises it could improve public involvement in its scrutiny activity; and
 - d. the Council could explore different ways of working to improve the impact of scrutiny activity and maximise the resources available.

7. Consequently, the Council has been issued with five Proposals for Improvement

P1	The Council should build on its experience of using different ways of working to Consider more innovative methods for undertaking scrutiny activity.
P2	The Council should consider the skills and training that scrutiny members may need to better prepare them for current and future challenges and develop and deliver an appropriate training programme, including providing additional training on the Well-Being of Future Generations (Wales) Act.
P3	The Council should make scrutiny committees' forward work programmes more accessible to the public and consider how it can involve the public in its scrutiny activity more effectively.
P4	The Council should publish final versions of scrutiny committee meeting minutes on its website in a more timely manner.
P5	The Council should review the type of scrutiny support required to enable the scrutiny function to respond to current and future challenges.

8. The review also concludes that scrutiny members value the support provided by the Council's scrutiny officers. It references the findings of the previous internal Review of Scrutiny, reported to this Committee in December 2016, highlighting that between 2008-09 and 2016-17 the scrutiny service revenue budget had reduced by 41%.

9. In September, the Committee heard during its scrutiny of the Budget Strategy for 2019-20, that the budget gap is estimated to be £34.2 million in 2019/20. This means at a Directorate Level work is underway to identify 17% savings in all areas except Schools and Social Services.

10. The WAO review acknowledges increasing pressure on resources, and encourages the Council to consider the type of support needed for its scrutiny activity in order to make best use of this support.

11. In 2014 the *Good Scrutiny? Good Question!* Scrutiny improvement study recommended that councils 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. During the *Fit for Purpose* review the WAO asked members and officers to provide examples where scrutiny has had a positive impact. Generally, the examples cited were as a result of task and finish inquiries rather than formal scrutiny committee meetings.

12. At its September meeting this Committee agreed to prioritise a task and finish inquiry to review the Impact of Scrutiny as part of its 2018/19 work programme.

Scope of the Scrutiny

13. Attached at **Appendix 2** is an action plan to address the Proposals for Improvement. The Plan indicates current arrangements in respect of each Proposal, lists the Actions identified to address the Proposal, who will lead on the action, the target date for completion of each action, and attaches a RAG status to enable future monitoring of the action plan.

14. In attendance for this item will be representatives of WAO, Councillor Chris Weaver, Cabinet Member (Finance Modernisation & Performance) and Gary Jones, (Head of Democratic Services) to answer any questions Members may have. The Head of Democratic Services will give a short presentation outlining the Action Plan shown at **Appendix 2** to the Committee.

Legal Implications

15. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations

for decision that goes to the Cabinet/Council will set out any legal implications arising from those recommendations. All decision taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirements imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be taken having regard to the Council's fiduciary duty to its taxpayers; and (he) be reasonable and proper in all the circumstances.

Financial Implications

16. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

The Committee is recommended to:

- a. Note the Council's response to the WAO Proposals for Improvement for its Overview and Scrutiny arrangements.
- b. Consider whether it wishes to pass on any comments, concerns or observations in writing to the Cabinet Member Finance, Modernisation & Performance.

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