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Auditor General for Wales

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

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The team who delivered the work comprised Ian Phillips and Sara-Jane Byrne under the direction of Huw Rees.

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# Detailed 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 (Wales) 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)<sup>1</sup> (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!** (see [Footnote 1](#))
- 5 We carried out our fieldwork between October 2017 and January 2018. We undertook document reviews, interviewed a number of key officers and ran focus groups with key councillors to understand their views on Cardiff Council's (the Council) current scrutiny arrangements and in particular how the Council is approaching and intends to respond to the challenges identified above.

<sup>1</sup> [Good Scrutiny? Good Question! – Auditor General for Wales improvement study: scrutiny in Local Government May 2014](#)

- 6 We observed a sample of the Council’s scrutiny committee 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 **scrutiny arrangements 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**. We came to this conclusion because:
- the Council recognises and values the importance of its scrutiny function;
  - scrutiny committee meetings are well-run and 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
  - the Council could explore different ways of working to improve the impact of scrutiny activity and maximise the resources available.

## Proposals for improvement

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

### Exhibit 1: proposals for improvement

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.

## The Council recognises and values the importance of its scrutiny function

- 9 As part of our review, we looked at the environment in which scrutiny operates, including clarity of roles, provision of training, support for scrutiny members and the relationship between scrutiny and the executive.
- 10 It is important for roles to be clear for scrutiny to be effective. We found that the delineation of roles between scrutiny members and Cabinet is very clear, and that members and officers at the Council value the role of the scrutiny function. For example, Cabinet members regularly attend scrutiny committee meetings to present items and answer questions, enabling scrutiny committee members to readily hold them to account. Generally, the relationship between Cabinet and the scrutiny function is constructive. The Cabinet values the role of scrutiny, but not all Cabinet members felt sufficiently challenged by scrutiny committee members.
- 11 Senior officers, including the Chief Executive, also often attend scrutiny committees, such as the Policy Review and Performance scrutiny committee. As such, the Council's scrutiny function has a high profile within the organisation and there is a positive scrutiny culture within the Council, which helps to make it well placed to meet future challenges.
- 12 In terms of training available to scrutiny committee members, we found that scrutiny members were positive about the scrutiny related training they received following the 2017 local government elections. The training covered topics such as 'Using effective questioning' and 'Effective scrutiny outcomes'. However, the Council may wish to reflect on the different skills and knowledge its scrutiny members will need to respond more effectively to current and future challenges. This will be important as the Council takes forward its Delivering Capital Ambition<sup>2</sup> transformation programme. It is a matter for the Council to determine the content of training programmes. However, there is an opportunity for the Council to consider whether training in areas such as, scrutinising regional, collaborative and commercial arrangements, commercialisation, financial analysis, options appraisals, and engaging ward members and stakeholders in scrutiny work would enable councillors to be better placed to meet current and future challenges.
- 13 In addition, some scrutiny members felt they needed more training on the Wellbeing of Future Generations (Wales) Act 2015 (WFG Act) before they will be in a position to help embed WFG Act considerations into the Council's decision-making processes. The Council recognises that this aspect of scrutiny will need to improve and that it needs to provide more WFG Act training to members.
- 14 As part of our review, we also considered the support available to scrutiny members. The Council's Scrutiny officers are highly regarded by scrutiny committee members. The Council's Review of Scrutiny briefing, provided to the Policy Review and Performance Committee on 6 December 2016, highlighted that

<sup>2</sup> [Delivering Capital Ambition: Cabinet report December 2017](#)

the scrutiny service revenue budget reduced by 41% between 2008-09 and 2016-17. Subsequently, the 2017-18 budget proposed a 1.23% saving in respect of the scrutiny budget, and the 2018-19 budget proposed an 11.13% decrease in the scrutiny function budget. Although the Council has had an officer who has been acting in the capacity of the statutory head of democratic services role, the Council has now recruited a Head of Democratic Services to strengthen the senior management oversight of scrutiny. With increasing pressure on resources, the Council should consider the type of support needed for its scrutiny activity in order to make best use of this support.

### Scrutiny committee meetings are well-run and 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

- 15 From observing a sample of scrutiny committee meetings, we found that they are generally well run and discussions were constructive with focused and relevant questioning from committee members. This view was shared by the members and officers we spoke to as part of this review. In the meetings we observed, scrutiny members provided constructive challenge to senior officers and Cabinet members, effectively holding them to account
- 16 The Auditor General published his **Good Scrutiny? Good Question!** (see Footnote 1) Scrutiny Improvement Study report in May 2014. The report included the recommendation for councils to further develop scrutiny forward work programming to :
  - 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.
- 17 Forward work programmes for each scrutiny committee are available on the Council's website but only (intermittently) within committee agenda papers. They are not published as standalone items, so it is not easy for a member of the public to find them in order to understand what topics each committee is due to consider and when. The work programmes are not available on the scrutiny work programmes section on the Council website, for instance. In addition, work programmes do not explain the purpose of scrutiny items including the specific role of the scrutiny committee in considering the item. This hampers the public's opportunity to fully understand and engage in the work of scrutiny. The Council has, therefore, not yet fully addressed the above recommendation of the Auditor General.

- 18 The Council has made considerable efforts to engage key stakeholders and the public in its scrutiny activity. For example, the Council has successfully engaged external witnesses in task and finish group work, such as its inquiry into child sexual exploitation, and engaged the public and key stakeholders in its review of the night time economy. In 2017, the Economy and Culture scrutiny committee sought feedback via email and social media from service users of leisure centres, and there are earlier examples (from between 2013 and 2015) of the scrutiny function involving young people in committee meetings and holding listening events with Looked After Children. However, the Council recognises that it needs to do more to engage the public and other interested groups in its scrutiny activity.
- 19 The Council's scrutiny committees tend to focus on a small number of agenda items. However, we found that there is still scope for scrutiny activity to be more focused, and to consider which method of scrutiny is best suited to the topic area and the outcome desired. For example, we found some instances in 2016-17, where scrutiny committees had up to seven substantive items on the agenda, which indicates that the work of scrutiny committees could be prioritised more effectively.
- 20 In our February 2016 Corporate Assessment Follow On report<sup>3</sup> we made a proposal for improvement that the Council should ensure that final minutes of committees are published in a timely manner. This proposal for improvement has not yet been addressed, as we found scrutiny committee minutes dating as far back as September 2017, which remain 'draft'.
- 21 As part of our review we considered how councils are beginning to scrutinise Public Service Boards (PSBs). The Council has made good progress in adapting to PSB scrutiny. We observed a scrutiny committee meeting where PSB partners were subject to rigorous challenge.

## The Council could explore different ways of working to improve the impact of scrutiny activity and maximise the resources available

- 22 In our [Good Scrutiny? Good Question!](#) scrutiny improvement study report in May 2014 (see Footnote 1), we 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.
- 23 The Council undertook a comprehensive review of its scrutiny arrangements during 2016-17, which compared the Council's scrutiny arrangements against other Core Cities' and Welsh councils' arrangements. It also took account of our previous scrutiny related proposals for improvement and the move towards greater regional

<sup>3</sup> [Cardiff Council Corporate Assessment Follow on February 2016](#)



and collaborative ways of working. The Council's review recommended a reduction in the number of scrutiny committees from five to four. However, the Council opted to continue with five scrutiny committees for a year while considering the proposals. As part of this consideration, the Council could also usefully consider different ways of undertaking its scrutiny activity, so that it can respond to current and future challenges more effectively and make best use of its resources.

- 24 The Council's scrutiny committees establish task and finish groups, which tend to focus on single topics. But like many scrutiny functions across Wales, scrutiny in the Council is predominantly focused on the consideration of officer reports at full committee meetings.
- 25 The Council has five scrutiny committees each of which usually meets 11 times per year, so there are usually 55 formal scrutiny committee meetings each year. This excludes task and finish group meetings. Resources are required to support the scrutiny meetings themselves but also for officers and members to prepare for these meetings. In the Council's Organisational development programme (ODP) review in December 2016, it was reported that most members would prefer to spend less time in formal committee meetings.
- 26 During our review, we 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 groups rather than through formal scrutiny committee meetings. Examples provided included the scrutiny of council housing voids, a review into the night time economy, and an inquiry into child sexual exploitation. Members and officers provided limited evidence of impact from the formal scrutiny committee meetings.
- 27 The Council is facing significant financial pressures. The Council's vision for the city, Capital Ambition<sup>4</sup>, sets out that the Council is likely to need to find additional £81 million savings over the next three years. This vision is supported by the Council's four year transformation programme, Delivering Capital Ambition (see Footnote 2). Whilst we have found that the Council's scrutiny function is well-run and can demonstrate impact from its task and finish groups, in light of this financial challenge, there remains scope for the Council to fundamentally consider how it carries out the role of scrutiny. In doing so, it should take the opportunity to explore different ways of working to make the most effective use of the resources available and to focus on those areas where the scrutiny function can add most value.

<sup>4</sup> [Capital Ambition: our commitments for Cardiff](#)

# 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?
<b>1. Democratic accountability drives improvement in public services. 'Better Services'</b>	<b>Environment</b> 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. <b>Practice</b> iii) Overview and Scrutiny inquiries are non-political, methodologically sound and incorporate a wide range of evidence and perspectives. <b>Impact</b> 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><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

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](mailto:info@audit.wales)

Website: [www.audit.wales](http://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](mailto:post@archwilio.cymru)

Gwefan: [www.archwilio.cymru](http://www.archwilio.cymru)