

Review of Scrutiny Arrangements – Powys County Council

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Summary report

Why we did this audit

Our audit duties

- 1 We undertook this audit to help discharge the Auditor General's duties under section 17 (2)(d) of the Public Audit (Wales) Act 2004.

Our objectives for this audit

- 2 Our objectives for this audit were:
 - to establish whether Powys County Council (the Council) has put in place proper arrangements to support the scrutiny function, and
 - assess the Council's progress in addressing the Auditor General's proposals for improvement and recommendations relating to scrutiny, made in previous reports.

Why effective scrutiny is important

- 3 An effective scrutiny function is a key element of governance at all councils. It is fundamental to ensure transparency and accountability, and to improve the quality of decision making. Its key strategic roles¹ include:
 - 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;
 - to assist in the improvement and development of the council's policies by evaluating whether they are achieving their stated objectives, whether those policies and the way they are being implemented reflect the needs and priorities of local communities and by reporting and making recommendations to the executive or the full council;
 - to review and make reports on issues which affect the authority's area or its residents; and
 - to examine whether the systems the executive has in place to deliver its functions are robust and are being properly observed.

¹ Welsh Government (2006) Statutory guidance Local Government Act 2000 Part II Guidance for County and County Borough Councils on Executive and alternative arrangements



What we looked at and what does good look like²

- 4 We reviewed the effectiveness of the Council's scrutiny arrangements. We used the audit questions and criteria set out in **Appendix 2** to inform our assessment of the Council's arrangements. The audit criteria are based on the Auditor General's 'Discussion Paper: Six themes to help make scrutiny 'Fit for the Future' and the checklist of Six steps to help make scrutiny fit for the future.
- 5 The Auditor General has previously undertaken two reviews of scrutiny arrangements at the Council.
 - In 2018, we published the following report: Overview and Scrutiny – Fit For the Future?
 - In 2021, we published a Follow-up Review of Scrutiny Arrangements
- 6 Both reports made a series of recommendations to improve the scrutiny function. This report summarises our findings in relation to the overall effectiveness of the Council's scrutiny arrangements, including our assessment of the progress made in response to the above reports.
- 7 We sought to answer the overall question: **Do the Council's arrangements support effective scrutiny?**



Our audit methods and when we undertook the audit

- 8 We undertook this audit between August and October 2024, by:
 - reviewing key documents, for example, committee papers, guidance for members, and training materials;
 - observing a sample of scrutiny committee meetings; and
 - holding group interviews with key officers, Cabinet and Chairs and Vice Chairs of the scrutiny committees.



What we found

- 9 **Overall, we found that a lack of clarity amongst officers and members regarding the purpose and value of the scrutiny function is undermining its effectiveness.**

² Defined as 'what should be' according to laws or regulations, 'what is expected' according to best practice, or 'what could be', given better conditions.

- 10 The Council's constitution sets out the strategic purpose and role of the scrutiny function within its governance structures. Despite this clear articulation, weaknesses in several aspects of the function's arrangements (paragraphs 13-21) point to a fundamental lack of clarity around its purpose and value.
- 11 As a result, it is not clear how the function is contributing to the quality of services provided to local people. This poses significant risks to the implementation of the Council's Sustainable Powys strategic transformation programme.
- 12 The Council has made some progress in addressing our previous proposals for improvement and recommendations around scrutiny. However, to date these have had limited impact on the overall effectiveness of the function. Those previous recommendations are now superseded by the two recommendations in this report.

Weaknesses in the scrutiny function's work programming arrangements indicate a lack of strategic integration and ownership which risks limiting its effectiveness

- 13 Links between scrutiny activity and the Council's well-being objectives and strategic risk register are not always clearly demonstrated. The Council has made changes to its work planning processes since our 2018 and 2021 reports. For example, scrutiny chairs now meet regularly with officers to discuss individual committee forward work programmes and seek to align with the Cabinet's forward work programme. However, whilst there may be clear advantages to taking a coordinated approach to the Cabinet and scrutiny work programmes, short notice changes to Cabinet forward work programmes can reduce the time available for the scrutiny function to engage fully with proposed decisions and policies. Our review also indicates that the scrutiny committees' work programmes do not always comprehensively reflect the key risks facing the Council, for example, the nature emergency declared by the Council, cyber security or school maintenance issues. Clearly articulating the scrutiny function's contribution to addressing the Council's key priorities and strategic risks is important to help demonstrate the impact of scrutiny.
- 14 Scrutiny chairs may not have the extent of control and ownership of the work programme that the constitution notes they should have. We found that, although scrutiny committees regularly review their forward work programmes during meetings, planned items are not always presented as scheduled and there are frequent short-notice changes to the work programme. The reason(s) for delay, or the date when the committee is likely to consider the item, is not always set out. This means that the Council's wider membership or members of the public may not understand when items will be considered. This limits transparency and risks discouraging wider participation and engagement with the work of the scrutiny function.
- 15 The Council does not always ensure that scrutiny working groups' stated purposes align with the role of the overall scrutiny function. Following a recommendation in our 2021 report (see **paragraph 5** for reference), the Council has increased the

use of scrutiny working groups as an alternative to considering reports at formal committee meetings. However, in some instances it was not clear why the Council had chosen working groups as the most appropriate method of scrutinising particular topics. Working groups are resource intensive and without a clearly articulated purpose which is aligned to scrutiny's overall purpose, there is a risk that such groups add limited value to the function.

Weaknesses in the scrutiny function's administration are leading to a lack of clarity around committees' role and risk limiting transparency

- 16 The Council may not be consistently complying with its own processes and procedures in relation to the administration of the scrutiny function. For example:
- reports to scrutiny committees are not always accompanied by covering papers. The covering paper template includes sections where report authors should set out the role and purpose of the scrutiny committee in considering the item. However, we found that since the start of 2024 less than half of the substantive agenda items had a covering report. Even for items that did have a covering paper, not all of the required information was always included. By not articulating the role of committees in scrutinising certain topics, the Council risks members not being clear on their roles and the purpose of discussions.
 - when a scrutiny committee makes a recommendation to Cabinet, Cabinet receive a report so they can determine whether to accept, partially accept or reject the recommendation(s). The constitution provides that within two months, a report setting out Cabinet's response must be considered by the relevant scrutiny committee. However, we found that this was not always the case. As a result, Cabinet's responses to scrutiny's recommendations are not always a matter of public record within the required timescales.
 - during the period of our review all scrutiny committees received agenda items as verbal updates, as a presentation shared during the meeting, or as late items. By not publishing scrutiny reports and information three clear working days in advance of committee meetings, the Council risks limiting the amount of time that scrutiny committee members have to prepare. It also lacks transparency for members of the public as it may be less clear why and when a topic is being presented to scrutiny and what the potential outcome(s) could be.
- 17 As a result of these administrative weaknesses, there is a risk that scrutiny committees enter into discussions without a clear understanding of what they hope to achieve. The frequency with which these issues occur suggests that the Council has not developed a collective understanding of the scrutiny function's role and purpose.

The Council's arrangements to evaluate the effectiveness of its scrutiny function and support improvement are limited

- 18 There are weaknesses in the Council's provision of learning and development activity to support the scrutiny function. Whilst committees review the effectiveness of meetings to identify areas for improvement, the Council is not consistently acting on this information by providing a responsive training programme to enhance the skills and knowledge of those involved in delivering the function. This means that the Council risks missing opportunities to support members to address key areas for development and improve the effectiveness of the function.
- 19 There are limitations in the Council's arrangements to evaluate the effectiveness of its scrutiny function. Measures to assess the effectiveness of the scrutiny function are focused on the number of recommendations made and how many of those are accepted or partially accepted by Cabinet. These measures do not enable the Council to assess and monitor the quality of the recommendations, or the quality of the scrutiny activity that led to the recommendations being made. This is particularly pertinent given that the recommendations made by the Council's scrutiny committees are not always specific, clear or achievable.
- 20 The Council may not be making the best use of relevant information to analyse the performance and improve the effectiveness of its scrutiny function. For example:
 - each scrutiny committee conducts an annual self-evaluation. In previous years, the Council has developed an action plan to respond to the issues raised in the self-evaluation. This was not the case for the 2023-24 self-evaluations.
 - the Council's constitution states that full Council receives an annual scrutiny report. In recent years, the Council has incorporated this report into its wider overall self-assessment report, rather than as a separate report. The sections in the report relating to scrutiny are brief and focus on describing activity rather than analysing and evidencing the impact of scrutiny activity.
- 21 Weaknesses in the Council's arrangements to evaluate the effectiveness of its scrutiny function limit its ability to comprehensively assess, understand and demonstrate how its scrutiny function represents value for money.



Our recommendations for the Council

Exhibit 1: our recommendations for the Council

Recommendations

Establishing a collective understanding of the scrutiny function's strategic value and purpose

R1 This report highlights a number of weaknesses which emanate from a lack of clarity and understanding around the scrutiny function's role and purpose. To address this, the Council should establish a clear and collective understanding of the scrutiny function's purpose. In doing this, the Council should:

- review the purposes of the scrutiny function as set out in the constitution and assess if those remain valid involving those members and officers with a relevant role;
- ensure that all documents relating to scrutiny are consistently worded around its purposes; and
- provide relevant learning and development to members and officers to help them deliver all aspects of the function effectively in line with its purpose (including work programming, learning and development, developing recommendations and evaluation).

Evaluating value for money

R2 This report raises questions as to the value added through the way in which the Council's scrutiny function currently operates. To address this, the Council should establish arrangements to comprehensively evaluate and demonstrate the value for money of the scrutiny function. This includes:

- assessing and monitoring the quality of the recommendations made by scrutiny committees;
- establishing a wider range of relevant success measures for the function; and
- conducting and publishing annual reviews of the impact of the scrutiny function aligned to its purpose.

Appendix 1

Overview of the Council's scrutiny arrangements

The majority of Council decisions are made by Cabinet, made up of ten elected members.

The Council has three scrutiny committees, each made up of 11 elected members³ who are not Cabinet members. Those committees are:

- Economy, Residents, and Communities;
- Health and Care; and
- Learning and Skills.

The Council's constitution highlights the strategic role that scrutiny committees play in being 'powerful committees that can contribute to the development of Council policies and also hold the Cabinet to account for its decisions. Another key part of the overview and scrutiny role is to review existing policies, consider proposals for new policies and suggest new policies.'

The constitution sets out that 'Overview and scrutiny should be carried out in a constructive way and should aim to contribute to the delivery of efficient and effective services that meet the needs and aspirations of local inhabitants. Scrutiny Committees should not shy away from the need to challenge and question decisions and make constructive criticism.'

The Constitution describes the following actions that committees will take to achieve the above purposes, which are:

- review or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions whether by the Cabinet or another part of the Council;
- make reports or recommendations to the Cabinet or the Council in connection with the discharge of any functions;
- consider any matter which affects the Council's area or its inhabitants; and
- exercise the right to call in for reconsideration decisions made, but not yet implemented, by the Cabinet and Officers.

Scrutiny committees generally meet every six weeks. The Committees form a joint committee to scrutinise the Corporate Strategic and Equality Plan (CSEP) Scorecard on a quarterly basis.

The scrutiny function is managed by the Council's Head of Business Intelligence and Governance who is supported by one senior scrutiny officer and two scrutiny officers. Those officers support the committees and administer the range of committee activities including meetings and working groups.

³ The learning and skills committee also includes two parent governor representatives; one Church in Wales Diocese representative and one Roman Catholic Church Diocese representative as members.

Appendix 2

Audit questions and criteria

Overall question: Do the Council's arrangements support effective scrutiny?

Level 2 questions	Criteria
1. Do elected members and officers have a shared understanding of the Scrutiny function's role?	<ul style="list-style-type: none">• Elected members and officers have a consistent understanding of scrutiny's role and function as set out in legislation and in the Council's constitution.• Elected members and officers have a consistent understanding of the intended benefits and outcomes the Scrutiny function will deliver.
2. Has the Council set out the roles of scrutiny members, Cabinet members and officers within the Scrutiny function clearly?	<ul style="list-style-type: none">• Roles and responsibilities are clearly set out and understood.• Scrutiny members, Cabinet members and officers consistently carry out their roles as set out.
3. Does the Council have proper arrangements to support its scrutiny committee members?	<ul style="list-style-type: none">• The Council has put in place arrangements for officer support, training and development that will help the scrutiny function achieve its intended outcomes.• The Council undertakes skills, knowledge and experience assessments of officers who work in support of scrutiny.• The Council undertakes skills, knowledge and experience assessments of elected members who are part of the scrutiny function.

	<ul style="list-style-type: none"> • The Council acts on the findings of those assessments to identify the required development activities for elected members and officers who form the scrutiny function. • The Council evaluates the effectiveness of the training and development it provides to scrutiny members and officers.
4. Does the Scrutiny function prioritise and plan its activities to best achieve the intended impact?	<ul style="list-style-type: none"> • The Council provides support to scrutiny members to inform their work planning. • Scrutiny members plan and take ownership of the activities in their forward work programme effectively, taking account of the rationale for undertaking the activity, how they will undertake the activity and agreeing the best approach to the activity. • Scrutiny forward work planning takes account of how much time and resource might be needed to effectively scrutinise topics. • Scrutiny members understand the range of scrutiny methods they can use for proposed topics. • Scrutiny members understand the intended outcomes of their planned scrutiny activity. • Scrutiny members evaluate if they achieve those intended outcomes.
5. Does the Council have proper arrangements to ensure meetings of the scrutiny function operate effectively?	<ul style="list-style-type: none"> • The Council has clear guidelines for the administration of all committee meetings and task and finish/ working groups including, setting of agendas, use of verbal updates and presentations, reviewing minutes and declarations of party whips. • Officers use a consistent reporting template for all scrutiny agenda items. • Officers and members have a good understanding of the processes associated with scrutiny meetings.
6. Do the Council's arrangements for public engagement enable a relevant and wide diversity of views to be heard in the scrutiny function?	<ul style="list-style-type: none"> • The Council has clearly defined its ambitions when seeking to engage the public in overview and scrutiny. • The Council has reviewed how improved technology can help them to engage the public more easily and cost effectively. • The Council has evaluated whether its scrutiny function operates in a way that is conducive to proactive public engagement and involvement of other stakeholders. • The Council has reviewed if it has officers with the right knowledge, skills and experience as well as training, development and ICT to facilitate public engagement.

	<ul style="list-style-type: none"> • The Council has provided support for members to enable the scrutiny function to properly engage with the public. • The Council has arrangements to ensure that the scrutiny function engages with information and views from a wide range of the public.
7. Does the Council have arrangements in place to evaluate the effectiveness of scrutiny?	<ul style="list-style-type: none"> • The Council regularly evaluates its scrutiny arrangements, using measures of effectiveness including impact.



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