

NOTES OF A MEETING OF THE JOINT CHAIRS AND VICE-CHAIRS STEERING GROUP – SCRUTINY, AUDIT AND DEMOCRATIC SERVICES COMMITTEES

24 MAY 2013 – COUNTY HALL, LLANDRINDOD WELLS

PRESENT: County Councillors W T Jones (Chair).
County Councillors R.G. Thomas, E M Jones, Mrs D Bailey and J G Morris

Officers:

Jeremy Patterson (Chief Executive), Geoff Petty (Strategic Director (Resources), Nick Philpott (Director – Change and Governance), Clive Pinney (Council Solicitor), Peter Jones (Programme Office Manager), Wyn Richards (Scrutiny Manager) Liz Patterson and Lisa Richards (Scrutiny Officers).

Also in Attendance:

Colin Davies and Justine Morgan (Wales Audit Office) (Items 1 to 6)

The Chair welcomed Colin and Justine from the WAO to the meeting and County Councillor Gwynfor Thomas to his first meeting as Chair of the Environment, Infrastructure and Crime and Disorder Scrutiny Committee. Members paid tribute to County Councillor Kathryn Silk for her work as the previous Chair of the Environment, Infrastructure and Crime and Disorder Scrutiny Committee.

County Councillor Dawn Bailey apologised for not attending previous meetings due to attendance at Adult Social Care Programme Board meetings which had clashed with meetings of the Joint Chairs and Vice-Chairs Steering Group.

1. Chair and Vice-Chair.

County Councillor Wynne Jones that this would be his last meeting as Chair of the Steering Group. County Councillor Gwynfor Thomas would chair the Steering Group from June 2013 to May 2014. The Vice-Chair would be either the Chair of the Audit Committee or the Democratic Services Committee.

2. Apologies

County Councillors A W Davies, Mrs M Mackenzie and Mrs S Davies.

3. Notes of Last Meeting

Documents Considered:

- 22nd March, 2013

Outcomes:

- Received

4. Draft Powys Change Plan

Documents Considered:

- Challenge and Feedback Tracker (4th April 2013)

Issues Discussed:

- 43% of Steering Group recommendations taken on board and a further 8% to be included on other parts of the process.
- Some portfolio holders were more receptive than others. The Steering Group took time to go through the document in detail and made constructive comments which were not taken seriously by some portfolio holders.
- Questions – should Joint Chairs make feedback comments to Leader with examples where issues not taken seriously? Should officers take new portfolio holders through comments in preparation for the next plan? Should Joint Chairs invite Cabinet Members to discuss their responses with the Joint Chairs which could then be used for the next plan – this would also tie into the Annual Governance statement process and the drive for the Council to improve its own self evaluation rather than leaving such matters for the regulators' comments.
- There was a need for a conversation with the Leader about the draft Powys Change Plan process and also a discussion with the portfolio holders for Adult Social Care and Regeneration. There was also a need to provide positive messages to the Leader about the good work being undertaken between the Cabinet and Scrutiny.
- Recommendations made by the Steering Group needed to be tied into other scrutiny work such as the report on the Adult Social Care Service.
- Regeneration – no targets were included in the Powys Change Plan which needed to be changed – aspirational targets should have been included which could have been updated / reviewed within 6 months.
- Education – question regarding whether the Council had plans in place to monitor the reduction in surplus places. Biomass – concern regarding the sustainability of timber stock to feed biomass boilers – could be raised as a future scrutiny review if required.
- There is a need for scrutiny to think about future steps i.e. were the actions proposed appearing within service business plans.
- WAO comment – scrutiny challenge of the Powys Change Plan is encouraging – similar process not happening in other councils. The Powys Change Plan document has improved with recent revisions. There is also a process in place to deal with issues although this is not a-political as yet and there might be a need for arbitration from the corporate centre to some of the issues / personalities involved in dealing with some of the recommendations made by scrutiny.
- If the Change Plan is revised following further dialogue between the Steering Group and the Cabinet then targets can be updated by means of the Red Kite magazine.

Outcomes:

- **Leader and portfolio holders for Adult Social Care and Regeneration to be invited to next meeting to discuss the Powys Change Plan.**

5. Regulator Recommendations Tracking Process

Documents Considered:

- Proposed Regulator Recommendations Tracking Process.
- Regulators' Recommendations – Response / Action Plan Tracker.

Issues Discussed:

- Officers and portfolio holders need to pick up recommendations from regulators and make responses / prepare action plans. These could be considered by the

Steering Group rather than individual scrutiny committees which would provide a process to track the progress of those recommendations.

- Need to start with regulators recommendations and can be expanded into other scrutiny review recommendations and some internal audit recommendations which would assist the co-ordination of work between scrutiny and performance management.
- Some interim recommendations from scrutiny could be included within this process to ensure that they did not become lost.
- The main stimulus for such a tracker are issues such as the Estyn review where the Council came close to intervention where significant recommendations are not lost within services and there is a corporate overview of issues.
- Cabinet individual portfolio holder decisions could be used to accept interim scrutiny recommendations.
- Need to ensure that the number of actions do not become too large. It was questioned whether scrutiny should have 2 levels of recommendations i.e. key items and those portfolio holders should just action.
- Internal Audit Working Group – recommendations would need to be filtered as suggested for scrutiny into the corporate tracker, rather than all audit recommendations being included.

Outcomes:

- **Tracking process agreed.**

6. Annual Governance Statement

Documents Considered:

- Wales Audit Office – Local Authority Reviews of Governance – Improvement Study – Project brief.
- Wales Audit Office presentation – Local Authority Reviews of Governance – Improvement Study – local feedback.
- Draft Annual Governance Statement 2012 / 13.

Issues Discussed:

Review of Governance.

- Presentation by the Wales Audit Office received and considered. The Annual Governance Statement (AGS) is a move towards the Annual Improvement agenda and is a move away from finance matters where the AGS used to be part of the accounts process. There will be an all Wales feedback on the AGS survey and regional workshops will be held over the summer.
- The presentation provided a feedback in relation to Powys. Powys' AGS is compliant with CIPFA (Chartered Institute of Public Finance and Accountancy) guidance.
- Partnership governance across Wales requires improvement and whilst there are arrangements in place to manage and mitigate risks, there is also acceptance that these could be improved.
- There is acknowledgement in Powys of the link between the AGS and the Powys Change Plan Annual Report, with scrutiny arrangements in place.
- The Wales Audit Office suggested that the Council might wish to include a Member rather than only officers in the AGS working group. It might be appropriate to broaden the involvement in the AGS process to a more corporate approach.

- The Council might need to look at all the governance issues. Management Team had considered the AGS and decided to move it away from being a finance document and to be more focussed on scrutiny and corporate issues.
- Governance issues are a joint matter for the Cabinet, the Democratic Services Committee, the Joint Chairs and Audit.
- A robust AGS process will provide assurance to the Council with more self assessment and the need for lesser involvement of regulators.
- There is a need for the AGS to be part of the annual review of performance i.e. both a forwards and backwards review of Council activities, with a calendar of events for all of these activities and co-ordination of activities.
- An action plan needs to be developed for September 2013. The current AGS does start to reflect the changes required, and a more comprehensive evaluation is required of governance arrangements rather than the AGS being a descriptive document.
- The key for the next few months is devising the action plan and implementing actions. There is also a need to link the risk register and governance within the AGS. There is also a need to clarify the compliance element of the AGS which links to the final accounts.
- Documents such as the AGS should ensure governance arrangements are robust and dispel any false impressions about the Council and the progress it is making e.g. by Wales Audit Office and Welsh Government.

Draft Annual Governance Statement 2012-13

- Sections 1 to 3 of the document are more descriptive, sections 4 and 5 are the start of the evaluative element of the document.
- Section 5 covers the most significant governance issues to be dealt with over the next 12 month period. Section 5.4 – whilst the Council has structures in place, there are improvements required which include behavioural / cultural changes. Section 5.5 – financial challenges. Section 5.7 – windfarm inquiry – there is a high risk for the Council in terms of costs which need to be robustly governed. There is a need to include public relations management in the document to cover risk to the Council.
- Regeneration is not included as a risk although it has been included in the Powys Change Plan by the Council although it is not such a high risk as those arising from Estyn / CSSIW inspections.
- Paragraph 5.4 – there have been recent improvements in relation to Adult Social Care following scrutiny's involvement. However there were a number of internal audit reports in the past highlighting issues and perhaps the wording in the paragraph needs to be changed from 'failure to highlight' to 'failure to respond'.
- Comment to be included regarding the Council's change to a Commissioning Council and the risks associated with this.
- Para 5.7 – should the risk to the Council be explained to the Council i.e. unreasonably defending all objections could cause a high risk of significant costs against the Council if the Council is deemed to have acted unreasonably in defending those objections.
- Para 5.2 – revise wording from 'need to agree action plan' to 'need to implement action plan' as Estyn had recently agreed the action plan submitted by the Council.
- When the document is next reviewed in September, many of the issues will continue to be included. The main importance for the Council is to improve its own identification of issues for inclusion in the document.

Outcomes:

- **Strategic Director – Resources to revise document to take account of comments from the Joint Chairs.**
- **Member of the Joint Chairs Steering Group to join the officer Governance Working Group (except Audit Committee Chair) – item for next agenda to select Member**

7. Assessments of Work Programme Items

Documents Considered:

- Overview document.
- Feedback on current review in progress.

Issues Discussed:

- Challenge on the Annual Improvement Report – information grids to be produced similar to those produced in the ACRF process, for the Joint Chairs to consider and to challenge the information prior to its inclusion in the Annual Improvement Report. The Joint Chairs will also consider the final report.
- Resources – the Change and Governance Directorate will hopefully bring more resources to scrutiny. It was questioned whether the Scrutiny manager also being designated as interim Head of Democratic Services would impact on scrutiny within the Council. It was noted that the role of Head of Democratic Services did not have a significant workload associated with it, but this would be reviewed.
- Concern was expressed regarding the operation of the Finance and Performance Working Group of the Audit Committee as no information was being fed back to scrutiny committees.
- There is a need to review the data provided to Members to ensure that key issues were being identified. Ffynnon – need to ensure that members who required access could use the Ffynnon system.
- The Council was commencing an improving governance project and details were to be presented to the next meeting.
- There was an issue of the Council's use of consultants. Work was being undertaken to identify what is meant by consultants as the Council utilised a number of resources such as companies assisting with projects such as the Hay Group, agency staff etc.

Outcomes:

- **Improving Governance Project – agenda item for the next meeting.**

8. Discussion with Chief Executive regarding potential Scrutiny Items.

This item was deferred.

9. Good Scrutiny? Good Question! – Wales Audit Office Scrutiny Improvement Study.

Documents Considered:

- Update by the Scrutiny Manager.
- Revision of Powys' Initial Assessment following Peer Review by Carmarthenshire County Council Members.

Issues Discussed:

- Regional Workshop held by the Wales Audit Office on 26th April, 2013 to discuss the Peer Learning Reviews undertaken by Council and to programme the completion of the review.
- Disappointment expressed regarding the Stage 2 of the review and its outcomes in terms of usefulness to Councils in reviewing the operation of scrutiny.
- Final self assessment to be submitted to the Wales Audit Office by 31st May, 2013.
- Following completion of the self assessments further work to be undertaken to review the Characteristics of Good Scrutiny, to be completed by the end of August 2013, following which each Council would be required to prepare an action plan to improve scrutiny. The Wales Audit Office would monitor implementation of that action plan.
- It was stressed that a whole authority buy-in would be needed to the Characteristics of Good Scrutiny to include the Cabinet, Management Team, the Scrutiny and Audit Committees as it was these characteristics which would drive the action plan for improvement by providing the benchmark against which scrutiny success / improvement was judged.
- The action plan arising from the review would form part of the Governance Improvement Project and would link to the Powys Change Plan – Workforce Transformation Project in respect of Member Development issues.
- The review of the self assessment showed an improvement against some of the questions – Members asked that a further review of some of the questions be undertaken as it was felt that Powys had made improvements which could be evidenced.

Outcomes:

- **Scrutiny Manager to review responses to questions in the self assessment as indicated by members where it was felt that improvements in scrutiny could be reflected.**

10. Local Service Board.**Outcomes:**

- **Defer to Next Meeting.**

11. Protocol for production of Scrutiny Reports.**Documents Considered:**

- Draft Protocol for Scrutiny Reports.

Issues Discussed:

- Document circulated at the meeting with the intention that it is considered at the next meeting.
- Document to be revised where appropriate to include the Cabinet Individual Portfolio Holder Decision Making Process which could be used for interim recommendations from scrutiny.

Outcomes:

- **Agenda item for next meeting.**

12. Recommendation from the People Scrutiny Committee 7th March 2013.

Documents Considered:

- None.

Issues Discussed:

- Use of acronyms in committee reports – Council policy was to include full detail of the reference at the beginning of the document and then use the acronym. However this is not consistently used in reports.
- Programme Highlight Reports to include the original target dates prior to change requests being approved to assist in the monitoring of programme objectives.

Outcomes:

- **Management Team and Heads of Service to be reminded of the Council policy.**
- **Programme Office Manager to ensure that programme highlight reports included original target dates as well as revised dates.**

13. Local Authorities Service Performance 2011 – 12.

Documents Considered:

- None – link to website provided – <http://wales.gov.uk/topics/improvingservices/publicationevents/publications/lasperf1112/?lang=en>

Outcomes:

- **Noted.**

14. Dates of future meetings

- 14 June 2013
- 2 August 2013
- 20 September 2013 (moved from 13th September)
- 23 October 2013
- 29 November 2013

15. LSB Meeting Dates

- 10th July, 2013
- 8th October, 2013

**County Councillor W.T. Jones
Chair**