

ISLE OF ANGLESEY COUNTY COUNCIL Scrutiny Report Template

Committee:	Partnership and Regeneration Scrutiny Committee
Date:	13 November 2018
Subject:	Nomination to the Finance Scrutiny Panel
Purpose of Report:	To nominate one Member of this Committee
Scrutiny Chair:	Councillor Gwilym O Jones
Portfolio Holder(s):	-
Head of Service:	-
Report Author:	Geraint Roberts (Scrutiny Officer)
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Local Members:	Not ward specific

1 - Recommendation/s

1.1 The Committee is requested to nominate one Member of the Committee to replace Councillor John Griffith on the Finance Scrutiny Panel.

2 – Link to Council Plan / Other Corporate Priorities

Not applicable

3 – Guiding Principles for Scrutiny Members

To assist Members when scrutinising the topic:-

3.1 Impact the matter has on individuals and communities [**focus on customer/citizen**]

3.2 A look at the efficiency & effectiveness of any proposed change – both financially and in terms of quality [**focus on value**]

3.3 A look at any risks [**focus on risk**]

3.4 Scrutiny taking a performance monitoring or quality assurance role [**focus on performance & quality**]

3.5 Looking at plans and proposals from a perspective of:

- Long term
- Prevention
- Integration
- Collaboration
- Involvement

[**focus on wellbeing**]

4 - Key Scrutiny Questions

Not applicable

5 – Background / Context

5.1 On 9th June 2018 the Partnership and Regeneration Scrutiny Committee nominated Councillor John Griffith to be a Member of the Finance Scrutiny Panel to replace Councillor Robin Williams who had been appointed Finance Portfolio Holder.

5.2 During October 2018, Councillor John Griffith was replaced by Councillor Trefor Lloyd Hughes as a Member on the Partnership and Regeneration Scrutiny Committee. A nomination is now required from this Committee to be a Member of the Finance scrutiny Panel.

5.3 The role of the Finance Scrutiny Panel is detailed in Appendix 1.

6 – Equality Impact Assessment [including impacts on the Welsh Language]

Not Applicable

7 – Financial Implications

Not Applicable

8 – Appendices:

1. Terms of Reference of the Finance Scrutiny Panel

9 - Background papers (please contact the author of the Report for any further information):

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APPENDIX 1

SCRUTINY PANEL – FINANCE

Financial Scrutiny

In the current economic climate, Members need assurance that the Council will make the best use of diminishing resources, particularly financial resources:

*"... Effective scrutiny is even more important as public services respond to the challenges of the global financial situation while continuing to try to improve services. Effective scrutiny can improve the evidence base for decisions on the allocation of resources as well as ensuring that decisions are transparent and are made in accordance with the needs of the local community..."*¹

"How can we add value?" is the key question to be asked in terms of financial scrutiny and "how can we demonstrate that value is added at each stage of the financial process?" In this context, consideration should be given to the following issues:

- The process of setting the budget itself
- Determining priorities among competing demands
- Effective use of funds
- How financial monitoring and management takes place.

Financial scrutiny is much more than adding value to the decisions of the Executive alone. It is about ensuring that a proper scrutiny process forms part of the planning, implementation and follow up on key decisions that have an impact on taxpayers and local communities. As such, effective Scrutiny can:

- Challenge effectively
- Hold decision makers to account; and
- Assist the Executive to develop a robust budget for the forthcoming year.

Our Local Arrangements

¹ Good scrutiny? Good question! Improvement study Auditor General Wales: Scrutiny in Local Government, May 2014. Also, raising the stakes – financial scrutiny in challenging times. A guide for Welsh local authorities (Centre for Public Scrutiny, June, 2014)

The scrutiny of the process of establishing the Council's annual budget has developed and matured over the past 2 years laying the foundations for a better, more strategic process based on outcomes and good practice. In fact, the process allowed for a more systematic path with regard to financial scrutiny, which is an essential component of sound financial management and governance.

The scrutiny work carried out by the scrutiny panel on realising efficiencies for 2014/15 and 2015/16 was also a positive development in our financial scrutiny arrangements, through:

- Development of a model focusing on a smaller group
- Members developing a level of expertise
- Encouraging good attendance and teamwork

Our financial scrutiny is now emerging as a potential model of good practice.

It is therefore a **natural next step** to establish a children's sub-group as a sub-panel of the Corporate Scrutiny Committee. Doing this will ensure the following benefits:

- Developing a model of working on finance matters focusing on a smaller group to enable Members to become more involved, develop a level of subject expertise, encourage good attendance and teamwork
- Forum to discuss information regarding the Council's financial risks, as a basis to inform the forward work programme of the Corporate Scrutiny Committee
- To free up space on the agendas of the Corporate Scrutiny Committee meetings in order to ensure scrutiny of transformational and strategic matters
- Forum to develop a group of members with the expertise and the ownership to lead financial discussions in the Corporate Scrutiny Committee.

Proposed scope and remit of the Panel

Topic	Work programme	Timeline
Induction	Induction of Panel members	June
Quarterly monitoring of the Revenue and Capital Expenditure	Scrutiny of expenditure against budget profile	Quarterly
	Sharing information on financial risks to the Council in order to inform the forward work programme of the Corporate Scrutiny Committee	June

Topic	Work programme	Timeline
The forthcoming year's budget	Draft budget - the mechanics and process of the financial settlement	Summer
	Overview of the position regarding efficiencies	Autumn
	Scrutinise the risks of proposed efficiency savings	
	Scrutinise how achievable the proposals are	
	Scrutinise the Council Tax level for the following year	
Medium Term Financial Plan	Scrutinise the principles and assumptions	Summer
Debt Management	Scrutiny of debt management performance (to include collection rates)	To be confirmed (dependent on availability of information produced regionally)
Business Tax Relief Policy	Scrutinise the principles and assumptions	To be confirmed (on off piece of work)
HRA Business Plan	Scrutinise the principles and assumptions	January
Council balances and reserves	Questioning and scrutiny	Timeline to be agreed by the Panel

Panel Membership

The core membership of the Panel will include:

- Elected members - 2 members from both committees
- Officers - Head of Resources and S151 Officer, Accountancy Services Manager, Revenues and Benefits Service Manager, Scrutiny Manager

The Panel's work will possibly require the attendance of other Elected Members (e.g. members of the Executive Committee) and / or officers from other service areas.

Chairing

At its first meeting, the Panel will elect a Member to chair.

Frequency of Meetings and Quorum

- **Frequency of meetings** – the panel has been established as a standing panel to consider the breadth of financial issues which are summarised in the table above. The panel will therefore meet regularly, in accordance with the schedules of the Council's budgetary processes
- **Quorum** – this will not apply to the panel.

Recording meetings and Reporting Arrangements

- It is intended for the panel to run in the format of a business meeting. The Scrutiny Unit will collate and distribute any papers in preparation for each meeting and provide a list of action points following each meeting
- **Reporting arrangements** - regular reporting by panel members to the Corporate Scrutiny Committee.