# ISLE OF ANGLESEY COUNTY COUNCIL Scrutiny Report Template

Committee:	Corporate Scrutiny Committee	
Date:	13 <sup>th</sup> January, 2020	
Subject:	Finance Scrutiny Panel	
Purpose of Report:	Progress update on the work of the Finance Scrutiny Panel	
Scrutiny Chair:	CIIr Aled Morris Jones	
Portfolio Holder(s):	CIIr Robin Wyn Williams	
Head of Service:	Marc Jones, Head of Resources / Section 151 Officer	
Report Author:	Anwen Davies, Scrutiny Manager	
Tel:	01248 752578	
Email:	AnwenDavies@ynysmon.gov.uk	
Local Members:	Not applicable	

## 1 - Recommendation/s

**R1** The Corporate Scrutiny Committee is requested to note:

- Progress made to date with the work of the Finance Scrutiny Panel, both in terms
  of achieving its work programme and measuring impact and added value
- That processes pertaining to budget monitoring for 2019/20 appear to be fit for purpose and on track
- The ongoing financial scrutiny development programme for Panel members and which is being delivered by CIPFA Wales
- **R2** Escalate the following matters for consideration by the Corporate Scrutiny Committee:
  - Express continued concern regarding budget pressures in demand led services (social services and education). Also, to note that the Panel continues to closely monitor the situation and has arrangements in place to ensure regular dialogue with Directors and Heads of Service to provide an explanation of the financial situation in both services and the impact of mitigation measures in place to control overspends. As previously noted, the Panel will continue to report back to this Committee on its findings as the situation evolves
  - Put arrangements in place to report to this Committee and the Executive on a 3 monthly basis on progress made by the Panel in implementing the forward work programme. Introduce more frequent reporting arrangements if there is a specific risk to be addressed.

# 2 – Link to Council Plan / Other Corporate Priorities

Direct link between the Council Plan / transformation priorities and the Medium Term Financial Plan. The Panel's consideration of budgetary matters will provide assurance to the Executive that the Council are responding in a robust manner on financial matters and that steps are in place to mitigate any risks.

# 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

At the request of the Panel:

- 1. Does the Committee have any views on the priority of the work streams in the Panel work programme?
- 2. Are the actions of the Panel thus far sufficiently robust?
- 3. Does the Committee have a view on the pace or quality of recent developments in financial scrutiny led by the Panel?
- 4. How could the work of the Panel be further strengthened?

# 5 – Background / Context

# 1. BACKGROUND

As previously reported, Members will be aware that scrutiny has developed over the past 2 years through the work of 3 scrutiny panels. This report summarises progress made to date as regards the **Finance Scrutiny Panel.** 

# Panel Governance Arrangements

Members will also be aware of the robust governance arrangements in place to underpin the work of the Finance Scrutiny Panel<sup>1</sup> and it is intended to continue to convene regular meetings of the Panel, in accordance with the timeline for budget monitoring by the Executive and also the Authority's annual budget setting process. A process is in place for reporting to this Committee by Councillor Dafydd Roberts, Panel Chair.

# Membership

Membership of the Finance Scrutiny Panel was referred to the scrutiny committees earlier this year<sup>2</sup> in light of discussions by the Panel. The Panel undertook an end of year

<sup>&</sup>lt;sup>1</sup> Corporate Scrutiny Committee convened on 31<sup>st</sup> October, 2017

<sup>&</sup>lt;sup>2</sup> Corporate Scrutiny Committee convened 3<sup>rd</sup> June, 2019 and Partnership & Regeneration Scrutiny Committee convened on 13<sup>th</sup> June, 2019

self-evaluation in order to review, reflect and learn on the development journey thus far and it was recommended that the then current number of members serving on the Panel be increased by 2 additional members – one from each of the scrutiny committees. Current membership of the Panel is summarised below:

Councillor	Scrutiny Committee
John Griffith	
Aled Morris Jones	Corporate Scrutiny Committee
Dylan Rees	
Glyn Haynes	Partnership & Regeneration Scrutiny
Alun Roberts	Committee
Dafydd Roberts	
Robin Williams Portfolio Holder	Observer
(Resources)	

### 2. FOCUS OF WORK OF THE FINANCE SCRUTINY PANEL

- This report focuses on the work of the Panel over the past 12 months to December, 2019:
  - **Governance matters** clear governance arrangements continue to be in place (including a terms of reference) and a work programme providing a robust framework for the work of the Panel. This view has been endorsed by CIPFA Wales. The detail of these arrangements is to be revisited as part of a broader review of our Scrutiny procedures and documentation.

The Panel discussed the following governance matters in September, 2019<sup>3</sup>:

- i. Frequency of reporting back to the parent committee by the Panel it was confirmed that arrangements should be in place to report to this Committee and the Executive on a 3 monthly basis on progress of the Panel's work programmes. Introduce more frequent reporting arrangements if there is a specific risk to be addressed
- ii. Recommend additional governance arrangements that would enable the Panel to report directly to the Executive on specific issues from the work programme
- iii. Cascade information about the role, contribution and outcomes of the Panel to all Members of the Council.
- External, expert input at the request of Panel members, external, specialist input continues to be facilitated by CIPFA Wales in order to assist us to evaluate and evidence the impact and added value of the Panel's work. The input of CIPFA Wales has also included bespoke member development and mentoring inputs on financial scrutiny at each meeting. CIPFA will return to the Authority later in the year in order to assist the Panel to measure distance travelled in developing Member led finance scrutiny in the Council. The Panel have also agreed to share the outcomes of this work-stream in order to develop good practice at a national level.

This expert input into the work of the Panel has provided a robust foundation to enable and support the development of effective financial scrutiny in the Authority, building resilience into our scrutiny practice and processes.

<sup>&</sup>lt;sup>3</sup> Meeting of the Finance Scrutiny Panel convened on 25<sup>th</sup> September, 2019

- Quarterly Budget Monitoring the Panel has continued to scrutinise initial messages from the quarterly revenue budget monitoring information, prior to the matter being considered by the Executive. The Portfolio Holder for Resources was in attendance for this discussion in order to provide additional information to Panel members. Panel members noted the following areas which were creating financial pressures:
  - Adult services across all demand led services
  - Learning service school transport
  - Highways, Waste and Property Waste (Parc Adfer) and Property Services (public conveniences; cleaning)

Children's services are now reporting an improved financial position.

- Social Services and the Learning Service scrutiny of the financial pressures in both services have continued to be a key priority for the Panel and further information commissioned from Heads of Service was considered during the past 12 months. Detailed consideration was given to the following aspects:
  - Areas creating pressures:
    - i. School transport
    - ii. Adult services needs led services across all adult social care services

#### Prior to Quarter 2: 2019/20

- iii. Children in care out of county, residential packages, independent fostering placements. (The increase in the number of children coming into the Authority's care was being replicated in local authorities across Wales and England)
- iv. Education for children in out of county placements

### Mitigation measures:

i. <u>Adult Services</u> – increased scrutiny of high cost care packages and invoices; maximise contribution from the Health Board towards nursing care needs; effective use of Winter Pressures monies (Welsh Government); further refine Service response to initial service enquires in order to manage demand, ensuring an appropriate initial offer

<u>Risks</u>: increasing demand; inadequate budget; mitigation measures not having the desired impact on budget pressures

- <u>Children's Services</u> continued scrutiny of care package costs prior to placement approval; Joint Commissioning Panel; Resilient Families Team; Joint Contracts Officer (Children and Learning); Small Group Homes; revised package for foster carers; new transport policy for looked after children <u>Risk</u>: no control over the number of children coming into care (*demand led service*)
- iii. <u>Learning Service</u> some of the mitigation measures outlined above for Children's Services were joint ventures across both services. In addition, more effective system and process for school transport through the transport system "One"; challenge every request for school transport against the criteria; review of school transport policy

Risks: increased demand; inadequate budget

2019/20 year end projections: based on current projections, significant overspends are likely in Adult Services and the Learning Service. The scale of the overspend will depend on the pace and impact of mitigation measures.

The Panel have invited both Heads of Service to present a further update on the impact of the mitigation measures implemented to the Panel in May, 2020.

- Annual budget setting process for 2020/21 in line with the national timescale for announcement of the Initial Budget Settlement from Welsh Government, the Panel have amended their work programme and examined the Executive's initial budget proposals at their last meeting<sup>4</sup>. A verbal report will be given at the meeting of the Committee by the chair of the Panel (Cllr Dafydd Roberts).
- Financial Impact of Proposed Policies the Panel<sup>5</sup> gave detailed consideration to the following draft policies / documentation with a view to scrutinising the document contents and measuring any financial impact:
  - Corporate debt recovery policy
  - School transport policy
  - 4 Medium Term Financial Plan
- Income Generation Strategy the Panel had conversations at its September<sup>6</sup> and November<sup>7</sup> meetings to scope this work stream. In moving forward, it is intended to include the income strategy on the forward work programme.
- Work programme and impact of scrutiny the Panel have introduced routine self-evaluation of performance at the end of each meeting. This practice appears to be having a positive impact on the quality and effectiveness of financial scrutiny by the Panel. As a first outcome, the Panel recognised the need to ensure greater alignment between the Council's budgetary cycles and the Panel forward work programme. This alignment now underpins the Panel's work programme.

# 3. MEASURING OUTCOMES AND IMPACT OF THE PANEL

### 3.1 Context

A previously reported, capturing and assessing the impact of Scrutiny is a challenge to achieve as the outcomes of scrutiny activities are not always tangible and often do not lend themselves to being measured in a systematic way. Also, it is not easy to measure the effectiveness of Scrutiny's ability to influence decision makers through discussion and debate. The journey of the Finance Scrutiny Panel is however an example of where the input of scrutiny has added value and influenced the way in which proposals have been implemented by the Council.

<sup>&</sup>lt;sup>4</sup> Meeting of the Finance Scrutiny Panel convened on 9<sup>th</sup> January, 2020

<sup>&</sup>lt;sup>5</sup> Meetings of the Finance Scrutiny Panel convened on 14<sup>th</sup> February, 1<sup>st</sup> May & 25 September, 2019

<sup>&</sup>lt;sup>6</sup> Meeting of the Finance Scrutiny Panel convened on 25<sup>th</sup> September, 2019

<sup>&</sup>lt;sup>7</sup> Meeting of the Finance Scrutiny Panel convened on 12<sup>th</sup> November, 2019

<ul> <li>Financial scrutiny by Members has matured significantly over the past two years from a low baseline. In June, 2019<sup>®</sup> Panel members undertook a self-evaluation of its impact and reviewed 4 spects of its work:</li> <li>What worked well</li> <li>Identify what impact the Panel has had</li> <li>Areas for improvement</li> <li>Member development needs</li> </ul> 3.3 Outcomes of the Self-evaluation by Members of the Finance Scrutiny Panel 3.3.1 The following questions were used as a framework to enable Members to evaluate the Panel's contribution to the governance arrangements of the Council: <ul> <li>Q1 In terms of the work of the Panel, what were the highlights for you as individual Panel members during the past year?</li> <li>Q2 In your opinion, what impact did the Panel have in budget scrutiny and in challenging and holding services to account?</li> <li>Q3 Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes:</li> <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork.</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council</li></ul></ul>	3.2 Finance Scrutiny Panel				
<ul> <li>of its impact and reviewed 4 aspects of its work:</li> <li>What worked well</li> <li>Identify what impact the Panel has had</li> <li>Areas for improvement</li> <li>Member development needs</li> </ul> 3.3 Outcomes of the Self-evaluation by Members of the Finance Scrutiny Panel 3.3.1 The following questions were used as a framework to enable Members to evaluate the Panel's contribution to the governance arrangements of the Council: <ul> <li>Q1 In terms of the work of the Panel, what were the highlights for you as individual Panel members during the past year?</li> <li>Q2 In your opinion, what impact did the Panel have in budget scrutiny and in challenging and holding services to account?</li> <li>Q3 Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes:     <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny egithere has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul></li></ul>	-				
<ul> <li>of its impact and reviewed 4 aspects of its work:</li> <li>What worked well</li> <li>Identify what impact the Panel has had</li> <li>Areas for improvement</li> <li>Member development needs</li> </ul> 3.3 Outcomes of the Self-evaluation by Members of the Finance Scrutiny Panel 3.3.1 The following questions were used as a framework to enable Members to evaluate the Panel's contribution to the governance arrangements of the Council: <ul> <li>Q1 In terms of the work of the Panel, what were the highlights for you as individual Panel members during the past year?</li> <li>Q2 In your opinion, what impact did the Panel have in budget scrutiny and in challenging and holding services to account?</li> <li>Q3 Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes:     <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny egithere has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul></li></ul>					
<ul> <li>What worked well</li> <li>Identify what impact the Panel has had</li> <li>Areas for improvement</li> <li>Member development needs</li> </ul> 3.3 Outcomes of the Self-evaluation by Members of the Finance Scrutiny Panel 3.3.1 The following questions were used as a framework to enable Members to evaluate the Panel's contribution to the governance arrangements of the Council: <ul> <li>Q1 In terms of the work of the Panel, what were the highlights for you as individual Panel members during the past year?</li> <li>Q2 In your opinion, what impact did the Panel have in budget scrutiny and in challenging and holding services to account?</li> <li>Q3 Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> </ul> 3.3.2 This work stream has evidenced the following positive outcomes: <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork.</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul>					
<ul> <li>Identify what impact the Panel has had</li> <li>Areas for improvement</li> <li>Member development needs</li> </ul> 3.3 Outcomes of the Self-evaluation by Members of the Finance Scrutiny Panel 3.3.1 The following questions were used as a framework to enable Members to evaluate the Panel's contribution to the governance arrangements of the Council: <ul> <li>Q1 In terms of the work of the Panel, what were the highlights for you as individual Panel members during the past year?</li> <li>Q2 In your opinion, what impact did the Panel have in budget scrutiny and in challenging and holding services to account?</li> <li>Q3 Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes:         <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul> <td></td><td></td></li></ul>					
<ul> <li>Areas for improvement</li> <li>Member development needs</li> <li>3.3 Outcomes of the Self-evaluation by Members of the Finance Scrutiny Panel</li> <li>3.3.1 The following questions were used as a framework to enable Members to evaluate the Panel's contribution to the governance arrangements of the Council:</li> <li>Q1 In terms of the work of the Panel, what were the highlights for you as individual Panel members during the past year?</li> <li>Q2 In your opinion, what impact did the Panel have in budget scrutiny and in challenging and holding services to account?</li> <li>Q3 Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes:         <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul> </li> </ul>					
<ul> <li>Member development needs</li> <li>3.3 Outcomes of the Self-evaluation by Members of the Finance Scrutiny Panel</li> <li>3.3.1 The following questions were used as a framework to enable Members to evaluate the Panel's contribution to the governance arrangements of the Council:         <ul> <li>Q1 In terms of the work of the Panel, what were the highlights for you as individual Panel members during the past year?</li> <li>Q2 In your opinion, what impact did the Panel have in budget scrutiny and in challenging and holding services to account?</li> <li>Q3 Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> </ul> </li> <li>3.3.2 This work stream has evidenced the following positive outcomes:         <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul> </li></ul>					
<ul> <li>3.3 Outcomes of the Self-evaluation by Members of the Finance Scrutiny Panel</li> <li>3.3.1 The following questions were used as a framework to enable Members to evaluate the Panel's contribution to the governance arrangements of the Council:</li> <li>Q1 In terms of the work of the Panel, what were the highlights for you as individual Panel members during the past year?</li> <li>Q2 In your opinion, what impact did the Panel have in budget scrutiny and in challenging and holding services to account?</li> <li>Q3 Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes: <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul> </li> </ul>		•			
<ul> <li>3.3.1 The following questions were used as a framework to enable Members to evaluate the Panel's contribution to the governance arrangements of the Council:</li> <li>Q1 In terms of the work of the Panel, what were the highlights for you as individual Panel members during the past year?</li> <li>Q2 In your opinion, what impact did the Panel have in budget scrutiny and in challenging and holding services to account?</li> <li>Q3 Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes: <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny egithere has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul> </li> </ul>	+	Member development needs			
<ul> <li>evaluate the Panel's contribution to the governance arrangements of the Council:</li> <li>Q1 In terms of the work of the Panel, what were the highlights for you as individual Panel members during the past year?</li> <li>Q2 In your opinion, what impact did the Panel have in budget scrutiny and in challenging and holding services to account?</li> <li>Q3 Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes: <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul> </li> </ul>					
<ul> <li>individual Panel members during the past year?</li> <li>Q2 In your opinion, what impact did the Panel have in budget scrutiny and in challenging and holding services to account?</li> <li>Q3 Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes: <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul> </li> </ul>	3.3.1	evaluate the Panel's contribution to the governance arrangements of the			
<ul> <li>in challenging and holding services to account?</li> <li>Q3 Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes: <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul> </li> </ul>					
<ul> <li>delivered more effectively in moving forward?</li> <li>Q4 What impact has being a member of the Panel had on you as an individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes: <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul> </li> <li>3.3.3 Development areas were identified by Panel members as part of the self-evaluation and these have been summarised under 6 key themes:</li> </ul>					
<ul> <li>individual?</li> <li>Q5 What development needs do you have in order to support you in your role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes: <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul> </li> <li>3.3.3 Development areas were identified by Panel members as part of the self-evaluation and these have been summarised under 6 key themes:</li> </ul>	• •				
<ul> <li>role?</li> <li>Q6 Any general observations on the influence / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes: <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul> </li> <li>3.3.3 Development areas were identified by Panel members as part of the self-evaluation and these have been summarised under 6 key themes:</li> </ul>					
<ul> <li>the Panel on the whole scrutiny process and our decision making processes?</li> <li>3.3.2 This work stream has evidenced the following positive outcomes: <ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> </ul> </li> <li>3.3.3 Development areas were identified by Panel members as part of the self-evaluation and these have been summarised under 6 key themes:</li> </ul>					
<ul> <li>A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area</li> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> <li>3.3.3 Development areas were identified by Panel members as part of the self-evaluation and these have been summarised under 6 key themes:</li> </ul>		the Panel on the whole scrutiny process and our decision making			
<ul> <li>Model of working that focuses on a smaller group, encouraging good attendance and teamwork</li> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> <li>3.3.3 Development areas were identified by Panel members as part of the self-evaluation and these have been summarised under 6 key themes:</li> </ul>	3.3.2	• A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of			
<ul> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel</li> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> <li>3.3.3 Development areas were identified by Panel members as part of the self-evaluation and these have been summarised under 6 key themes:</li> </ul>		<ul> <li>Model of working that focuses on a smaller group, encouraging</li> </ul>			
<ul> <li>Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources</li> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> <li>3.3.3 Development areas were identified by Panel members as part of the self-evaluation and these have been summarised under 6 key themes:</li> </ul>		<ul> <li>Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of</li> </ul>			
<ul> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward</li> <li>3.3.3 Development areas were identified by Panel members as part of the self-evaluation and these have been summarised under 6 key themes:</li> </ul>		<ul> <li>Scrutiny activity that is well planned, efficient and objective and</li> </ul>			
evaluation and these have been summarised under 6 key themes:		<ul> <li>Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise,</li> </ul>			
· · ·	3.3.3				

<sup>&</sup>lt;sup>8</sup> Meeting of the Finance Scrutiny Panel convened on 6<sup>th</sup> June, 2019

	Commissioning information from services
	Alignment with the Council's strategic priorities
	Governance arrangements
	Member development needs
	Measuring scrutiny outcomes and impact
р В <b>С</b>	These themes have been included in the Panel's forward work programme and progress will continue to be reported to this Committee on a quarterly basis. Based on the findings of this self-evaluation, Members decided that RAG status <b>GOOD</b> (YELLOW) best reflects the Finance Scrutiny Panel's role and contribution to the governance arrangements of the Authority.
A	a copy of the report on the self-evaluation is attached ( <b>Appendix 1</b> ).
COMI The fo	ERS TO BE ESCALATED FOR CONSIDERATION BY THE PARENT MITTEE ollowing matter be escalated for consideration by the Corporate Scrutiny nittee:
Corpo	urrent budget pressures in social services and the learning service. The prate Scrutiny Committee is requested to come to a view about the robustness of anel's actions thus far.

#### 6 – Equality Impact Assessment [including impacts on the Welsh Language] N/a

### 7 – Financial Implications

This report discusses the following elements of the work of the Finance Scrutiny Panel:

- i. 2019/20 revenue budget performance monitoring
- ii. Budget pressures during 2019/20
- iii. Budget setting process for 2020/21
- iv. Governance arrangements and scrutiny focus in preparation for the 2020/21 budget setting process
- v. Measuring outcomes and impact

### 8 – Appendices:

Report of the Finance Scrutiny Panel Self-evaluation (Appendix 1)

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

Anwen Davies, Scrutiny Manager, Isle of Anglesey County Council, Council Offices, Llangefni. LL77 7HF

Councillor Dafydd Roberts Chair of the Finance Scrutiny Panel Date: 03/01/20



# **MEASURING THE IMPACT OF SCRUTINY**

# SELF-EVALUTION BY MEMBERS OF THE FINANCE SCRUTINY PANEL

July, 2019



# INDEX

- 1. Background
- 2. Measuring Outcomes and the Impact of Scrutiny
- 3. The Task
- 4. Self-Evaluation Questions
- 5. Conclusions
- 6. Next Steps



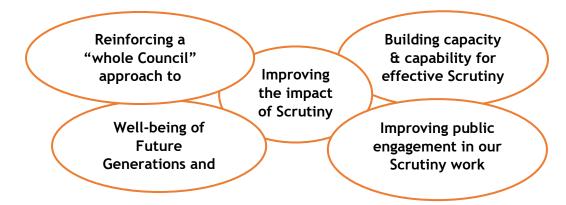
# 1. Background

## 1.1 Local Scrutiny Improvement Journey

Our improvement journey over the past 18 months or so has prioritised a number of key themes (summarised below), in order to provide a robust framework to:

- i. Clarify the role and contribution of Scrutiny in the governance arrangements of the Council;
- ii. Identify the actions required in the short and medium term in order to further improve scrutiny.

# SCRUTINY IMPROVEMENT JOURNEY: KEY THEMES



# 1.2 Role of the Finance Scrutiny Panel

The Finance Scrutiny Panel was established in the Summer, 2017 as a subpanel of the Corporate Scrutiny Committee, with the following objectives:

- develop a model of working on finance matters focusing on a smaller group to enable Members to become more involved, develop a level of 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
- free up space on the agenda of Corporate Scrutiny Committee meetings to allow for the scrutiny of transformational and strategic matters
- forum to develop a group of Members with the expertise and ownership to lead financial discussions in Scrutiny Committee meetings.

# 2. Measuring Outcomes and the Impact of Scrutiny

### 2.1 Context

Capturing and assessing the impact of Scrutiny is a challenge to achieve as the outcomes of scrutiny activities are not always tangible and often do not lend themselves to being measured in a systematic way. Also, it is not easy to measure the effectiveness of Scrutiny's ability to influence decision makers through discussion and debate. There are however some local examples where the input of scrutiny has added value and / or influenced the way in which proposals have been implemented by the Council. The work of the Finance Scrutiny Panel is a positive example in this regard.



## 2.2 Finance Scrutiny

Finance scrutiny has developed significantly from a low base over the past 18 months, with external input and guidance from CIPFA Wales. The Finance Scrutiny Panel have taken a strategic approach to scrutiny of financial matters and have developed an effective questioning strategy to underpin their work. For example, interventions by the Panel in response to significant budget pressures have triggered some positive mitigation measures by Children's Services and the Learning Service.

CIPFA Wales continues to work alongside the Panel in developing our financial scrutiny journey with the following objectives in mind:

- Acquire external professional guidance and advice in relation to financial scrutiny
- Identify good practice as a local benchmark as we develop our arrangements
- Critical friend

#### What CIPFA Wales had to say about the Panel's contribution

We have received feedback from CIPFA on our development journey at 2 key milestones – in April, 2018 (during preparation of the 2017/18 Scrutiny Annual Report) and secondly as part of a pause and review exercise by the Panel during the latter part of 2018.

#### What CIPFA Wales had to say:

### <u>April, 2018</u>

"During the time we worked with the Panel there has been a distinct change in the way the Panel operates. Members now have clarity on their role, and those of officers in attendance. This has resulted in an effective use of time, improved structure and management of the agenda and a rigour in questions. Members are considering issues from an informed and broader financial base which is evident by the quality and nature of the questions posed. Questions and their approach demonstrates an improvement in confidence and also a resilience and determination to obtain satisfactory responses in a balanced and assertive manner. The development of a forward work programme to include items from the financial calendar, emerging issues and a programme of topics will result in the Panel adding real value to the scrutiny process over time. Being independent of thought and proactive in developing the work programme is a major development for the Panel."

#### December, 2018 (Pause & Review exercise)

During November, 2018 Members invited CIPFA Wales to return to assist the Panel in assessing progress and to set the work programme priorities for 2019/20. CIPFA have commended the approach adopted by the Authority to financial scrutiny:



- "The approach to managing and conduction of business at the Panel has improved significantly during the year. This has moved from essentially an officer led approach to one that Members and the chair control better and more effectively
- The papers produced are improving as a consequence of having clarity around what is required from officers to improve the quality of debate and challenge by Members
- Chairing of the Panel has improved with a nominated chair who takes ownership of the meeting and controlling time for questions and debate more effectively
- Questions raised by Members have improved with increased understanding of the issues and therefore the relevance of the point and challenge being made. It is also clear that there is collectively increased quality and contribution by Members, all at some stage asking questions
- There will inevitably be changes in composition and this has been the case in 2018. New Members contributed and questioned which is positive..."

## 2.3 Self-evaluation

#### Context:

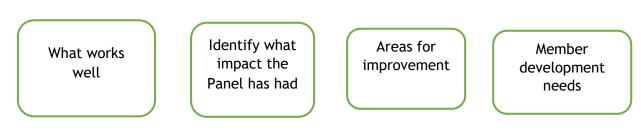
Since the local government elections in 2017, the Council has been working hard to introduce a more rigorous approach to member led forms of accountability through a revised scrutiny structure. As part of this structure, Members continue to invest in and actively contribute to scrutiny through the work of our 3 standing panels<sup>1</sup>.

### What drives self-evaluation locally?

We have prioritised the need for periodic opportunities in the calendar for Member self-evaluation in order to enable review, reflection and learning. The objectives of this self-assessment exercise has been to:

- i. Take stock
- ii. Review, evaluate and reflect
- iii. Establish a foundation for the next period
- iv. Confirm Member ownership.

This is the first self-evaluation to be undertaken by the Finance Scrutiny Panel. The purpose of this self-evaluation has been to provide a framework for Panel Members to review 4 aspects:



<sup>&</sup>lt;sup>1</sup> Social Services Improvement Panel, Schools' Progress Review Panel and Finance Scrutiny Panel



# 3. The Task

3.1 Elected Members were invited during a recent meeting of the Finance Scrutiny Panel<sup>2</sup> to grade the RAG status of the Panel's contribution to the improvement journey using the following framework:

3.2

- Unsatisfactory important areas for improvement outweigh strengths
- Adequate strengths outweigh areas for improvement
- Good many strengths and no important areas requiring significant improvement
- Excellent many strengths, including significant examples of sector leading practice

# **4.Self-Evaluation Questions**

4.1 Elected Members used a series of questions as a framework to enable them to evaluate the Panel's contribution to the governance arrangements of the Council:

Q1. In terms of the work of the Panel, what were the highlights for you as individual Panel members during the past year?

Q2. In your opinion, what impact did the Panel have in budget scrutiny and in challenging and holding services to account?

Q3. Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?

Q4. What impact has being a member of the Panel had on you as an individual?

Q5. What development needs do you have in order to support you in your role?

Q6. Any general observations on the influence and / or impact of the work of the Panel on the whole scrutiny process and our decision making processes?

# 5. Conclusions

5.1 Elected Member Observations on the Finance Scrutiny Panel 80%<sup>3</sup> of the Panel's Elected Members participated in the self-evaluation. Below is a summary of what they had to say:

Q1. What were the highlights for you as individual Panel members during the past year?

Our depth of understanding of the complexities of Council services continues to improve

<sup>2</sup> Meeting of the Finance Scrutiny Panel convened on 6<sup>th</sup> June, 2019

<sup>3</sup> 4 of the 5 Panel members. This figure reflects the fact that the additional member representing the Partnership & Regeneration Scrutiny Committee was not nominated until 13<sup>th</sup> June, 2019



IYS MÔN LE OF ANGLESEY UNTY COUNCIL

Focusing on expenditure and doing all that we can as a Panel to influence the outcome at year end

Our knowledge and confidence has increased over recent months which has resulted in more direct questioning and more depth in our discussions Development sessions at the beginning of each meeting is an effective way of raising awareness and educating us as Members about services. This is an opportunity to enquire and ask questions and these should continue

The level and depth of our questioning has greatly improved over the past year, reflecting a much better understanding of local government finance. We now ask more probing questions

# Q2. What impact did the Panel have in budget scrutiny and in challenging and holding services to account?

For me, the greatest impact of the Panel has been the leadership and support Members have demonstrated in its endeavours to hold services to account

Our ability to ask probing questions is beginning to add value to the governance arrangements of the Authority. The work we have done in scrutinising Children's Services and the Learning Service in response to significant budget pressures has triggered some positive mitigation measures. We have a much greater understanding of how the Council is funded but we now need to move on leading on financial conversations with co Members



# Q3. Are there any aspects of the Panel's work that could be improved or delivered more effectively in moving forward?

I think that moving towards arranging dates in advance for meetings of the Panel would further strengthen our governance arrangements and also create the conditions for Member attendance

I sometimes think that we have too many items on the agenda. We should allow time for a development session at the beginning of each meeting in order to enable us to further development our knowledge

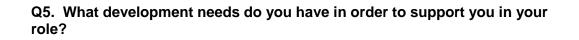
It would be beneficial for us to continue to work with CIPFA as a value source of external professional guidance and advice. Also, as a critical friend

#### Q4. What impact has being a member of the Panel had on you?

My knowledge base has increased in relation to the budgetary process and the financial pressures various departments are facing

> As a Panel member, my financial scrutiny skills have developed so that I am now better able to analyse and question the information that is presented

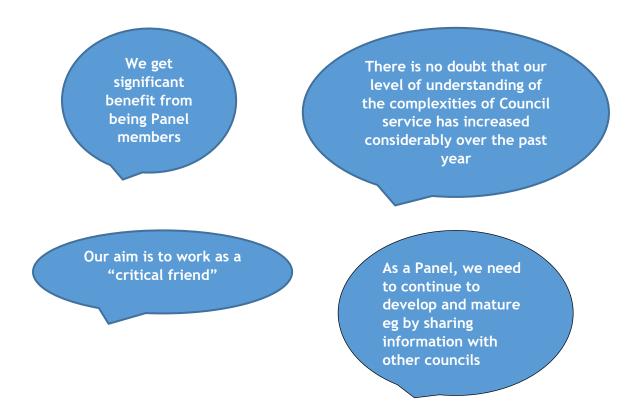




A refresher on the principles of effective finance scrutiny would be beneficial as we welcome new members onto the Panel A further detailed look at the mechanics of local government finance, including the statutory role of the S151 Officer. This will support both existing and new members of the Panel

We should explore external training sources to help inform our internal training programme eg WLGA, CIPFA It would be a good idea for the Panel to agree a list of subjects to be covered during the Panel development sessions. These development sessions are an important part of the Panel's work

Q6. Any general observations on the influence and / or impact of the work of the Panel on decision making processes?





We are now able to ask probing questions and hold services to account, ensuring that mitigation measures are in place and implemented

#### 5.2 Outcomes

We are able to evidence some outcomes in light of our financial scrutiny work in the Local Authority:

- A team of Members who have developed a high level of knowledge about the complexities of local government finances and a level of expertise in this area
- Model of working that focuses on a smaller group, encouraging good attendance and teamwork
- Creating conditions that are conducive to effective Scrutiny eg there has been a tangible improvement in the level and depth of questioning by the Panel
- Scrutiny activity that is well planned, efficient and objective and based on evidence from a range of sources
- Better understanding by Elected Members of the complexities and risks in Council services in order to be able to effectively scrutinise, hold to account and identify priorities in moving forward.

In summary, we are able evidence a more strategic and outcome based approach to financial scrutiny; evidence based scrutiny making a robust contribution to sound financial management and governance arrangements in the Council.

Based on the findings of this self-evaluation, Members decided that RAG status **GOOD** (Yellow) best reflects the Panel's role and contribution to the governance arrangements of the Authority.

# 6. Next Steps

### 6.1 Priorities for the next period

Some matters have arisen from the self-evaluation which require attention over the next period. The following matters will therefore be prioritised on the forward work programme of the Panel:



#### **Development Areas**

THEME	HOW
Budget Monitoring Information	<ul> <li>Adapt the format and content of the revenue budget monitoring reports submitted to the Panel with the aim of focusing on: <ol> <li>comparing patterns of expenditure with the previous year</li> <li>identifying which areas have deteriorated in terms of their financial performance</li> <li>identify patterns/trends over time</li> </ol> </li> </ul>
Commissioning Information from Services	Create a standard template for use when commissioning information from individual services
Alignment with the Council's strategic priorities	Ensure alignment between the Panel's work streams and corporate priorities through 1:1 conversations between the Chair of the Panel and the Leader
Governance arrangements	Revise the format of the progress reports to the parent committee and introduce a process of reporting directly to the Executive on matters that have been scrutinised by the Panel (ensuring compliance with the Constitution)
Member Development Needs	<ol> <li>Convene a finance scrutiny workshop for Panel members. 2 parts:         <ul> <li>technical information on local authority finance – include role of the S151 Officer</li> <li>principles of financial scrutiny</li> </ul> </li> <li>Agree list of subjects for panel development sessions</li> </ol>
Measuring Scrutiny Outcomes and Impact	Elected Members on the Panel to undertake a further self-evaluation within the next 12 months

#### 6.2 Review of Scrutiny Panels

This report will form part of a broader review by the Council of the work of all scrutiny panels<sup>4</sup> to ensure:

- i. Clear and robust work programmes
- ii. Appropriate pace and focus
- iii. Areas of focus are in accordance with corporate priorities.

Anwen Davies Scrutiny Manager [On behalf of Elected Members on the Finance Scrutiny Panel]

<sup>&</sup>lt;sup>4</sup> Schools' Progress Review Scrutiny Panel; Finance Scrutiny Panel; Social Services Improvement Panel