

ISLE OF ANGLESEY COUNTY COUNCIL Scrutiny Report Template

Committee:	Corporate Scrutiny Committee
Date:	26 th September, 2022
Subject:	Finance Scrutiny Panel
Purpose of Report:	Provide an update on the progress of the Finance Scrutiny Panel
Scrutiny Chair:	Cllr. Robert Llewelyn Jones
Portfolio Holder(s):	Cllr. Robin Williams
Head of Service:	Marc Jones, Director of Function – Resources / S151 Officer
Report Author:	Anwen Davies, Scrutiny Manager
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Local Members:	n/a

1 - Recommendation/s

The Corporate Scrutiny Committee is requested to:
R1 Note the initial progress to date regarding the work of the Finance Scrutiny Panel.

2 – Link to Council Plan / Other Corporate Priorities

Direct link to the Council Plan / transformation priorities.

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 Panel's request:

1. To what extent is the Scrutiny Committee satisfied with the initial direction of the Panel's work?
2. What suggestions does the Committee have to further strengthen the work of the Panel?
3. What other areas does the Panel need to scrutinise?

5 – Background / Context

1. CONTEXT

Members will be aware that scrutiny has developed during the previous Administration through the work of the 3 scrutiny panels. The new Administration¹ has now confirmed that the structure of the scrutiny panels for the current Council will be as follows:

- Social Services / Corporate Parenting Scrutiny Panel
- **Finance Scrutiny Panel**
- Education Scrutiny Panel.

Panel Governance Arrangements

The Scrutiny Committee² confirmed the Panel terms of reference in order to create the conditions to allow the Panel to broaden the scope of its finance scrutiny work which 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 - with the following key benefits:

- i. 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
- ii. Forum to discuss information regarding the Council's financial risks, as a basis to inform the forward work programme of the Corporate Scrutiny Committee
- iii. Free up space on the agenda of the Corporate Scrutiny Committee meetings in order to ensure scrutiny of transformational and strategic matters
- iv. Forum to develop a group of Members with the expertise and ownership to lead financial discussions in the Corporate Scrutiny Committee.

Members will be aware of the robust governance arrangements in place to underpin the work of the Panel³ and it is intended to continue to hold regular⁴ meetings of the Panel to the future. Furthermore, a process has been established for Cllr Dafydd Roberts, Panel chair to report quarterly on progress to the Corporate Scrutiny Committee.

¹ Meeting of the Corporate Scrutiny Committee held on 20th June, 2022

² Corporate Scrutiny Committee, 20th June, 2022

³ Meetings of the Corporate Scrutiny Committee held on 10th April and 26th June 2017

⁴ The Finance Scrutiny Panel will meet regularly, in accordance with the schedules and timelines of the Council's budgetary processes

Membership of the Panel:	
Councillor	Scrutiny Committee
Dafydd Roberts (Chair of the Panel)	Corporate Scrutiny Committee
Geraint Bebb	
Dyfed Wyn Jones	
Dylan Rees (Vice-Chair of the Panel)	Partnership and Regeneration Scrutiny Committee
Ken Taylor	
Paul Ellis	

In terms of local context, it is noted that $\frac{3}{4}$ of the membership of the Finance Scrutiny Panel comprises of Members newly elected in May of this year⁵. It will therefore be necessary for the Council to create the conditions for all Members to fully take part in the Panel's scrutiny work eg skills for effective finance scrutiny, effective questioning, understanding of the funding for local councils, overview / understanding of Council services etc. It is therefore the intention to make full use of the forward work programme to ensure appropriate and timely inputs to support members of the Scrutiny Finance Panel.

2. FOCUS OF WORK OF THE FINANCE SCRUTINY PANEL

This is the Finance Scrutiny Panel's first progress report and covers quarter 1 of the current administrative year.

The Panel⁶ met on 3 occasions during this period and the following issues were considered:

Finance Scrutiny Panel 4th July, 2022

2.1 Panel's terms of reference and context of its work

The terms of reference was considered in detail noting that in the current economic climate Members need assurance that the Council will make the best use of diminishing resources, particularly financial resources. Reference was also made to the fact that financial scrutiny 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 e.g. establishing the Council's annual budget, monitoring financial performance on a regular basis.

Clarity of the role of the Finance Scrutiny Panel was also noted:

- i. Challenge effectively
- ii. Hold decision makers to account
- iii. Assist the Executive to develop a robust budget for forthcoming years
- iv. Provide assurance to the Corporate Scrutiny Committee.

Aim: ensure robust governance arrangements and clarity of role.

⁵ Local Government Elections May, 2022

⁶ Finance Scrutiny Panel held on 14th July, 2022, 28th July and 8th September, 2022

2.2 Development Session

The Director of Function – Resources / S151 Officer gave presentations on the following aspects with an opportunity for scrutiny questions from the Panel:

- i. role and contribution of the Finance Team and the budget monitoring process
- ii. budget monitoring – Q4: 2021/22 monitoring report and outturn report for the previous financial year were used as examples.

2.3 Work programme of the Scrutiny Panel for the period July → December, 2022

There was discussion regarding the need for a robust forward work programme in support of the Panel's contribution to the Council's governance arrangements. It was noted that the next meeting of the Scrutiny Panel⁷ will focus on the details and context of the 2023/24 budget.

Finance Scrutiny Panel 28th July 2022

2.4 Budget setting for 2023/24

Particular attention was given to the process of setting the Council's budget for the next financial year including – the detail of the process and context, challenges and pressures (Medium Term Financial Plan). The Panel also considered the annual consultation process on the budget proposals for the following year.

Aim: provide background information to the Panel in moving forward with the 2022/23 work programme.

2.5 Work programme of the Scrutiny Panel for the period July → December, 2022

A further discussion about the Panel forward work programme. It was noted that the next meeting of the Panel will be in a scrutiny workshop format led by CIPFA Wales.

Finance Scrutiny Panel 8th September 2022

2.6 A scrutiny workshop was led by CIPFA Wales :

- i. What does finance scrutiny entail
- ii. Effective questioning for finance

A follow up session will be convened before the end of the calendar year to measure the impact of this input on the standard of the financial scrutiny questioning strategy.

2.7 Qtr1: 2022/23 Budget Monitoring

The Panel looked in detail at the latest budget monitoring information for Qtr1 of the current financial year and consideration was given to possible areas to be included on the Panel forward work programme over the next few months.

⁷ Finance Scrutiny Panel, 28th July, 2022

**2.8 Work programme of the Scrutiny Panel for the period September →
December, 2022**

Discussion about the forward work programme for the period up to December, 2022.

**3. MATTER TO BE ESCALATED TO THE PARENT COMMITTEE FOR
CONSIDERATION**

None to be escalated by the Panel.

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

n/a

7 – Financial Implications

n/a

8 – Appendices:

None

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

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Cllr. Dafydd Roberts
Chair of the Finance Scrutiny Panel
Date: 14/09/2022