

ISLE OF ANGLESEY COUNTY COUNCIL <u>Scrutiny Report Template</u>	
Committee:	Corporate Scrutiny Committee
Date:	19 th September, 2023
Subject:	Finance Scrutiny Panel
Purpose of Report:	An update on the progress of the work of the Finance Scrutiny Panel
Scrutiny Chair:	Cllr Douglas Fowle
Portfolio Holder(s):	Cllr Robin Williams, Deputy Leader / Finance Portfolio Holder
Head of Service	Marc Jones, Director of Function (Resources) / S151 Officer
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Local Members:	N/A

1 – Recommendation/s

The Corporate Scrutiny Committee is requested to note the following:

R1 Progress made during the last period in terms of the work of the Finance Scrutiny Panel

R2 Significant progress made in terms of developing a self-evaluation and questioning strategy as a basis for the work of the Finance Scrutiny Panel.

2 - Link to Council Plan / Other Corporate Priorities

Direct link with the Council Plan: 2023-2028.

Ensuring arrangements for sound financial management and governance is an integral part of the Council's ability to deliver on the 6 key strategic aims (Council Plan: 2023-2028). It is considered that Elected Members have a crucial role in realising this aim by scrutinising and holding to account.

The work of the Finance Scrutiny Panel contributes towards this aim.

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]

3.6 Potential impacts that this decision could have on:

- protected groups under the Equality Act 2010
- those experiencing socio-economic disadvantage in their lives (strategic decisions)
- opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

[focus on equality and the Welsh language]

4 - Key Scrutiny Questions

At the Panel's request:

1. To what extent is the Scrutiny Committee satisfied with the 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 should the Panel be scrutinising?

5 – Background / Context

1. CONTEXT

1.1 Members will be aware of how the scrutiny panels contribute towards the governance arrangements of the Council:

- Social Services Scrutiny Panel
- **Finance Scrutiny Panel**
- Education Scrutiny.

1.2 Panel Governance Arrangements

The Scrutiny Committee¹ confirmed the Panel's terms of reference in a way that creates the conditions to broaden the remit of its work 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. A 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. A 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 that are in place as a basis for the work of the Panel² and it is intended to continue to convene regular meetings of the Panel in future (in a way which ensures alignment with the Council's budgetary cycle). Furthermore, arrangements have been put in place to regularly report

¹ Corporate Scrutiny Committee, 20th June, 2022

² Meeting of the Corporate Scrutiny Panel held on 10th April and 26th June 2017

on progress to the Corporate Scrutiny Committee by the Chair of the Panel, Cllr. Geraint Bebb. The Panel membership is attached (**Appendix 1**).

2. FOCUS OF THE FINANCE SCRUTINY PANEL'S WORK

This is a further progress report by the Finance Scrutiny Panel which covers the period June – September, 2023.

The Panel³ met twice during this period and considered the following issues:

Finance Scrutiny Panel 8th June, 2023

2.1 Ch4: 2022/23 Revenue Budget Monitoring

At its meeting in June⁴, the Panel received a revenue budget monitoring report in respect of Quarter 4: 2022/23 which provided an initial year end position. The following matters were considered in particular:

- Demand on Social Services and Housing Services continues to increase
- A number of significant grants are offsetting some of the pressure on Adults' Services budgets
- Pressures continue on Social Services budgets

Outcomes:

- i. Receive an update at the end of Quarter 4: 2022/23 on performance of the Council's revenue budgets
- ii. Identify the areas of expenditure likely to create risk during 2023/24.

2.2 Development Session – Debt Management

A comprehensive presentation was given by the Director of Function (Resources) / S151 Officer which was a detailed look at the Council's debt management systems. The Panel discussed the propriety of introducing a set of key performance indicators and comparison with performance in other local authorities as a tool to monitor effectiveness of our local arrangements.

Outcome:

Understanding of the Council's policies and processes for debt management.

2.3 Work Programme for the Scrutiny Panel for the period June → December 2023

There was a 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 Panel⁵ will focus on the following matters:

³ Finance Scrutiny Panel held on 08/06/2023 and 07/09/2023

⁴ Meeting of the Finance Scrutiny Panel held on 8th June 2023

⁵ Meeting of the Finance Scrutiny Panel held on 7th September 2023

- Qtr1: 2023/24 Budget Monitoring
- Homelessness Services – financial implications of increasing demand for homelessness services.

Outcomes:

- i. Robust forward work programming as a basis for effective scrutiny
- ii. Prioritise matters for consideration which align with the Council's strategic aims.

Finance Scrutiny Panel 7th September, 2023

2.4 Revenue and Capital Budgets and Housing Revenue Account Budget Monitoring – Qtr1: 2023/24

A Quarter 1 budget monitoring report in respect of all Council budgets (revenue, capital and Housing Revenue Account) was received and which summarised financial performance for the period April – June, 2023. The following matters were considered in particular:

- End of Quarter 1 gives an initial indication and is therefore too early to estimate an accurate end of year financial position
- Some budgets are showing early indications of budget pressures
- There are a number of possible risks for Council's budgets – seasonal pressures (Winter); poverty and cost of living crisis; final salary settlement for our staff; increasing demand on services for vulnerable individuals; energy costs.

Outcomes:

- i. Understanding of the Council's financial performance at the end of Quarter 1: 2023/24
- ii. Identify the main risk areas likely to create financial pressure during 2023/24
- iii. Elected Member ownership of pressures on Council budgets.

2.5 Financial Pressures: Homelessness Services

At the last meeting of the Panel⁶ and at the Panel's request, detailed consideration was given to the financial implications of increasing demand for homelessness services. The Panel came to the following conclusions:

- Continued increasing pressure on Council budgets with a forecast of numbers of individuals receiving services likely to continue to increase
- There are risks locally in light of dependency on Welsh Government grant money to provide services
- Uncertainty regarding the level of Welsh Government grant funding available to the future making forward planning with any confidence a challenge
- Mitigation measures in place by the Housing Service to reduce costs.

⁶ Meeting of the Finance Scrutiny Panel on 7th September, 2023

Outcome:

Understanding of the pressures and risks associated with increasing demand on homelessness services.

2.6 Work Programme for the Scrutiny Panel for the period September 2023 → April 2024

A further review of the forward work programme with the aim of ensuring a robust work programme to support the contribution of the Panel to the Council's governance arrangements. It was noted that the next meeting of the Panel⁷ will focus on the following matters:

- i. Qtr2: 2023/24 Budget Monitoring – Revenue and Capital Budgets and the Housing Revenue Account
- ii. Pressures on Adults Services budgets – mitigation measures
- iii. Debrief – questioning strategy
- iv. Forward work programme – review.

6. MATTERS TO BE ESCALATED TO THE PARENT COMMITTEE FOR CONSIDERATION

No matters to be escalated by the Panel.

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

6.1 Potential impacts on protected groups under the Equality Act 2010

N/A

6.2 Potential impacts on those experiencing socio-economic disadvantage in their lives (strategic decisions)

N/A

6.3 Potential impacts on opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

N/A

7 – Financial Implications

N/A

8 – Appendixes

N/A

⁷ Meeting of the Finance Scrutiny Panel on 26th October 2023

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

Anwen Davies, Scrutiny Manager, Anglesey County Council, Council Offices, Llangefni.
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Cllr. Geraint Bebb
Chair of the Finance Scrutiny Panel
Date: 29/08/2023
(revised 11/09/2023)

MEMBERSHIP OF THE FINANCE SCRUTINY PANEL

Member	Scrutiny Committee
Cllr Dylan Rees (Vice-chair)	Partnership and Regeneration Scrutiny Committee
Cllr Ken Taylor	
Cllr Paul Ellis	
Cllr Geraint Bebb (Chair)	Corporate Scrutiny Committee
Cllr Dyfed Wyn Jones	
Vacant seat	