

## ISLE OF ANGLESEY COUNTY COUNCIL Scrutiny Report Template

<b>Committee:</b>	Partnership and Regeneration Scrutiny Committee
<b>Date:</b>	12 <sup>th</sup> March, 2025
<b>Subject:</b>	Committee Nomination – Finance Scrutiny Panel
<b>Purpose of Report:</b>	To nominate one Elected Member from the Partnership and Regeneration Scrutiny Committee to serve on the Finance Scrutiny Panel
<b>Scrutiny Chair:</b>	Cllr Dylan Rees
<b>Portfolio Holder(s):</b>	Cllr Robin Williams, Deputy Leader and Finance
<b>Head of Service:</b>	Lynn Ball, Director of Function (Council Business) / Monitoring Officer Marc Jones, Director of Function (Resources) / S151 Officer
<b>Report Author:</b>	Anwen Davies, Scrutiny Manager
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<b>Local Members:</b>	Applicable to all Scrutiny Members

### 1 - Recommendation/s

**R1** The Partnership and Regeneration Scrutiny Committee is requested to nominate one Elected Member from the Scrutiny Committee to serve 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]
- 3.6** The potential impacts the decision would have on:
- protected groups under the Equality Act 2010

- those experiencing socio-economic disadvantage in their lives (when making 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

Not applicable

#### 5 – Background / Context

##### 1. Background

1.1 Members will be aware that consideration was given to a number of panels which require Scrutiny Member representation at a meeting of the Partnership and Regeneration Scrutiny Committee convened on 21<sup>st</sup> June 2022.

Nominations were agreed in respect of all 3 Scrutiny Panels. This report discusses membership of the Finance Scrutiny Panel.

1.2 The terms of reference pertaining to the Panel is attached (**Appendix 1**) in order to assist Members in the selection process.

##### 2. Discussion

##### 2.1 Membership of the Finance Scrutiny Panel

Panel membership is not subject to political balance principles and rules<sup>1</sup>.

Core membership of the Panel includes:

- **Elected Members** – 3 Members from both Scrutiny Committees<sup>2</sup>
- **Portfolio Member for Finance** – as an observer with no vote
- **Officers** – Director of Function (Resources) / S151 Officer, Accountancy Services Manager, Scrutiny Manager.

##### 2.2 Current Membership of the Finance Scrutiny Panel

In light of deliberations by both Scrutiny Committees in June, 2022<sup>3</sup>, current membership of the Panel is as follows:

- **Corporate Scrutiny Committee (3 Members)**
  - Cllr Geraint ap Bebb (chair)
  - Cllr Keith Roberts
  - Cllr Ieuan Williams
- **Partnership and Regeneration Scrutiny Committee (3 Members)**
  - Cllr Dylan Rees (vice-chair)
  - Cllr Ken Taylor
  - Cllr Derek Owen.

<sup>1</sup> The Local Government and Housing Act 1989 sets out the main principles governing political balance of local authorities

<sup>2</sup> Corporate Scrutiny Committee and Partnership & Regeneration Scrutiny Committee

<sup>3</sup> Corporate Scrutiny Committee at its meeting on 20<sup>th</sup> June, 2022 and Partnership and Regeneration Scrutiny Committee of 21<sup>st</sup> June, 2022

2.3 One vacancy has arisen on the Finance Scrutiny Panel as a result of Councillor Derek Owen's resignation. This vacancy is from the cohort of Elected Members representing the Partnership and Regeneration Scrutiny Committee on the Panel.

### 3. Issues for consideration

3.1 The Partnership and Regeneration Scrutiny Committee is now requested to nominate one Elected Member to serve on the Finance Scrutiny Panel.

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

### 6.1 Potential impacts on protected groups under the Equality Act 2010

Not applicable

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

Not applicable

### 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

Not applicable

## 7 – Financial Implications

Not applicable.

## 8 – Appendices:

Terms of Reference – Finance Scrutiny Panel

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

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

## TERMS OF REFERENCE & *MODUS OPERANDI*

### FINANCE SCRUTINY PANEL

## PART I – BACKGROUND & CONTEXT

### 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..."<sup>1</sup>*

"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 forthcoming years.

### Our Local Arrangements

The scrutiny of the process of establishing the Council's annual budget has developed and matured over recent years laying the foundations for a better, more strategic process based on outcomes and good practice. In fact, the process has 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 Finance Scrutiny Panel<sup>2</sup> during the last Administration has also been 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.

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<sup>1</sup> 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)

<sup>2</sup> The Finance Scrutiny Panel was established in Summer, 2017 as a sub panel of the Corporate Scrutiny Committee

## PART II – PANEL REMIT AND SCOPE

### REMIT

The Finance Scrutiny Panel will operate with the following key 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 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 ownership to lead financial discussions in the Corporate Scrutiny Committee.

### SCOPE

Topic	Work programme	Timeline
<b>Induction</b>	Induction of Panel members	4 July, 2022
<b>Quarterly monitoring of the Revenue and Capital Expenditure</b>	Scrutiny of expenditure against budget profile	Quarterly
<b>The forthcoming year's budget</b>	Sharing information on financial risks to the Council in order to inform the forward work programme of the Corporate Scrutiny Committee	July → September
	Draft budget - the mechanics and process of the financial settlement	
	Overview of the position regarding any efficiencies	October → November
	Scrutinise risks associated with the budget proposals	
Scrutinise how achievable the proposals are		
Scrutinise the Council Tax level for the following year		
<b>Medium Term Financial Plan</b>	Scrutinise the principles and assumptions	September
<b>Service Areas</b>	Scrutinise pressures within individual service areas	To be scheduled within the annual budget cycle
<b>Debt Management</b>	Scrutiny of debt management performance (to include income collection rates)	To be confirmed

Topic	Work programme	Timeline
<b>Fees and Charges</b>	Scrutiny of fees and charges for the coming financial year	To be confirmed
<b>Second Home Premium</b>	Scrutinise the principles, assumptions and recommendations	November / December (tbc)
<b>HRA Business Plan</b>	Scrutinise the principles and assumptions	January / February
<b>Council balances and reserves</b>	Questioning and scrutiny	June / July

### PART III – GOVERNANCE ARRANGEMENTS

#### 1. Panel Membership

Panel membership will not be subject to political balance principles and rules<sup>3</sup>.

The core membership of the Panel will include:

- i. **Elected members** - 3 members from both scrutiny committees
- ii. **Portfolio Member for Resources** – as an observer, with no vote
- iii. **Officers** – Director of Function (Resources) and S151 Officer, Accountancy Services Manager, Scrutiny Manager

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

#### 2. Frequency of Meetings and Quorum

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

#### 3. 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.

[20/06/22]

<sup>3</sup> The Local Government and Housing Act 1989 sets out the main principles governing political balance of local authorities