

OVERVIEW AND SCRUTINY PERFORMANCE BOARD 28 JUNE 2018

BUDGET SCRUTINY 2019/20: DISCUSSION WITH THE LEADER AND CHIEF EXECUTIVE

Summary

1. The Leader and Chief Executive of the Council have been invited to the meeting to discuss the development of the 2019/20 Budget and how Scrutiny might best contribute to this work.

Background

2. The Leader of the Council previously attended the Overview and Scrutiny Performance Board (OSPB) on 26 April 2018 to discuss the Chartered Institute of Public Finance (CIPFA): Worcestershire County Council Financial Resilience Review which had been made public following a Freedom of Information (FOI) request. At this meeting, the Leader made a plea for early engagement in the budget setting process from all elected Members.
3. During the discussion, Members expressed concerns about whether in 2018/19 sufficient information had been shared with Scrutiny Members to allow them to carry out effective budget scrutiny.
4. Members of OSPB also expressed concern about the cost of the CIPFA exercise and asked the Chief Financial Officer to negotiate a refund from CIPFA which could be used to support budget scrutiny in 2019/20 and beyond.

Budget Scrutiny

5. The aims of budget scrutiny are:
 - To examine how the Council is planning to meet funding challenges whilst delivering its corporate priorities;
 - To consider whether the proposed budget is achievable and realistic and meets residents' needs;
 - To consider the level of risk associated with budget proposals and changes; and
 - To understand the impact of the budget proposals and how they are being managed and mitigated.
6. In recent years scrutiny of the County Council's budget has been undertaken by OSPB with the detail of the budget being considered either by the Overview and Scrutiny Panels (O & S Panels) or by a specially established Scrutiny Task Group. Last year, budget scrutiny was undertaken by the OSPB and Scrutiny Panels.

7. When considering how to improve the budget scrutiny process for 2019/20 and future years, the Board may wish to consider the following points:

- Involvement of O&S Panels: Should budget scrutiny be undertaken by OSPB itself, by the O&S Panels (making use of their Directorate knowledge) or by a small group of Members (who are able to maintain flexibility and focus on budget issues without the distraction of other agenda items)?
- Following feedback from Members after the process this time last year, how timely current year budget performance information is provided to O&S to check progress with the current year's budget, including savings and income.
- Corporate Strategy Discussions: How can scrutiny be involved in Corporate Strategy discussions at an early stage in order to influence the development of the 2019/20 budget and the Medium Term Financial Plan?
- Transparency of meetings: Should budget scrutiny meetings be held in public to maintain transparency, or should more informal meetings be held to allow discussion of more sensitive issues, before public comments are drafted?
- Involvement of Members: Should the process aim to make use of the knowledge and expertise of the maximum number of Members or a smaller, more flexible and focused group?
- Involvement of OSPB: Should the OSPB retain its 'overarching' role in order to take an overview of comments, enabling a cross-cutting, corporate response to Cabinet, or should the Panels or a smaller group of Members feedback direct to Cabinet?

2019/20 Budget

8. Proposals for the 2019/20 Budget will be considered by Cabinet in December 2018 ahead of formal public consultation. Final proposals will be considered by Cabinet in February 2019 and the Budget will be agreed at Council later in February 2019.

Purpose of the Meeting

9. In the light of the discussion, the Board is asked:
- to consider the views of the Leader and Chief Executive and agree the process for scrutinising the 2019/20 Budget;
 - whether it wishes to make any comments or suggestions to the Leader of the Council and the Chief Executive at this stage;
 - whether it would wish to identify any issues which should be the subject of future scrutiny.

Contact Point

Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

- Agenda and minutes of the OSPB meeting on 26 April 2018

All Council Agenda's and Minutes are available on the Council's website at:

<http://www.worcestershire.gov.uk/cms/democratic-services/minutes-and-agendas.aspx>