

BUDGET SCRUTINY 2015/16

Co-operative Scrutiny Board 22nd October 2014



1 INTRODUCTION

This report sets out proposals for changing how the Council's budget will be scrutinised by the Co-operative Scrutiny Board during the 2015/16 financial year with a view to making the process more effective and efficient.

2 BACKGROUND

Previous Budget Scrutiny arrangements

- 2.1 In recent years the Board has scrutinised the Council's budget prior to the budget being agreed by the Council, with scrutiny sessions taking place in January. These sessions have, in recent years, taken place over three days with submissions invited from, among others, the Council's key stakeholders across the City.

Lessons from this year's Budget Scrutiny

- 2.2 This year was the first time that a three year budget was scrutinised. The issues behind the budget and the need to address the £65m gap in funding are serious, far-reaching and will continue to be relevant and important throughout the 2015/16 year. A new approach to ongoing scrutiny of the budget is needed to ensure that the scrutiny function is able to add value to future budget setting.
- 2.3 The Board experienced difficulties in assessing and understanding some of the budget information within tight timescales. Changes to the process to ensure constant overview of budget issues throughout the municipal year will address these concerns.
- 2.4 The costs involved in scrutinising the budget have been estimated to be in the region of £5k for the three day session. The Proposed changes to the format could reduce the time and resource required to scrutinise the budget during January session.

3 OBJECTIVES

Objectives for the Scrutiny of the Council's Budget

- 3.1 The objectives of the proposed approach for the Board scrutinising the Council's three year budget are as follows:
- To hold the executive to account throughout the 2015/16 year over the delivery of the savings and efficiency targets set out in the three year budget.
 - To add value to the existing Council processes of budget setting and monitoring by ensuring that the views of all key stakeholders (partners, staff and residents) are captured and used to challenge the Council's budget throughout the year.
 - To constructively challenge the Council's proposals for the second and third years of the current three year budget cycle.

4 **DRAFT BUDGET REVIEW 2015 – 16**

- 4.1 Cabinet will receive the draft budget report in December, following this meeting the report will be scrutinised in January 2015 by the Co-operative Scrutiny Board.

Consultation

Business Sector

- 4.2 The council has a statutory requirement to undertake consultation with the business community on the budget plans. Historically this has been achieved through a presentation at the Chamber of Commerce with a response being prepared for inclusion in the budget scrutiny paperwork by the Chair / CEX of the Chamber and this will be the approach for the 15/16 budget.

Voluntary and Community Sector

- 4.3 In 2014 the Voluntary and Community sector were consulted view two events supported by the Zebra / Plymouth Octopus Project, this has been presented as a prioritisation workshop and has informed the budget scrutiny process.
- 4.4 To strengthen the representation of the Voluntary and Community Sector a co-opted representative will be sought from the Zebra / Octopus Project to take part in the January budget scrutiny process.

Public

- 4.5 A great deal of consultation activity has taken place over the last year, in particular with relation to the Transformation programme and the recent Wellbeing Survey. Officers will collate this information for presentation at the January sessions.

Partners

- 4.6 As with the 14/15 session statutory partners will be approached to comment on the 15/16 draft budget. Responses will be included in Budget Scrutiny papers to inform members' discussions.
- Partners will also be asked to attend the second session of Budget Scrutiny; this will allow members of the Co-operative Scrutiny Board to assess the strength of partnerships within, the alignment of strategy across the city and the impact on partners and their role in the whole system transformation.

Member Training

- 4.7 As in previous years, members of the Co-operative Scrutiny Board will be invited to take part in a members training session. This will allow members to familiarise themselves with the draft budget, identify areas for in-depth scrutiny and consider the impact of the Autumn Statement (3 December 2014).

Proposed Timetable for 2015/16 Budget Scrutiny

4.8 Day One – Session One

Cabinet Member for Finance / Lead finance officer to consider –

- Forecast out-turn 14/15
- Planned budget 15/16 – 16/17 – 17/18

Day One – Session Two

Partnership sessions to consider –

- Impact on partners and their role in the whole system transformation
- Alignment in the planning and delivery of services

Day Two – Session One

Focus on areas highlighted throughout the year in monitoring report, suggested areas -

- Transformation
- Adult Social Care
- Children's Social Care

Day Two – Session two

- Board to confirm recommendations developed over sessions
- Leader and Chief Executive to cover progress against corporate plan

5 FUTURE BUDGET SCRUTINY

5.1 To ensure robust and ongoing budget monitoring the Co-operative Scrutiny Board will set down a number of actions to take place during the 15/16 year.

5.2 The key issues to resolve are:

- What information should the Board receive to help them scrutinise the budget?
- When should this information be provided?
- Who should provide it?
- What is the purpose of the information?

Undertaken the following actions during the 15/16 financial year will satisfy the questions above and allow for adequate scrutiny of the budget in year.

What information	Where	Frequency	Provider	Purpose
In year scrutiny				
Progress in achieving savings across the Transformation Programmes	Relevant panel / Co-operative Scrutiny Board.	Standing agenda item at relevant panel/board reflecting amended terms of reference.	Programme Managers	The provision of this information will allow members to constructively challenge the progress being made.

What information	Where	Frequency	Provider	Purpose
Continuing monitoring throughout the year via the Quarterly Corporate Monitoring Report.	Co-operative Scrutiny Board with delegations to panels where appropriate	Quarterly	Cabinet Member for Finance	To enable the Board to be aware of ongoing issues around the 2015/16 and subsequent budgets.
Progress by service areas on delivering against specific efficiency and savings targets.	Relevant scrutiny panel	As agreed between service area, chair of panel and lead officer.	Assistant Director or relevant senior manager	To enable panels to understand the success services are having in making efficiencies and to challenge where targets are not being met
The main financial issues affecting the Council's key partners	Co-operative Scrutiny Board	By agreement with each partner and subject to panels terms of reference	Senior officer from each of the partnership organisations:	To enable the Board to understand the contribution that the Council's partners are having to addressing financial and service delivery pressures in Plymouth
Consultation in preparation of annual budget scrutiny				
The view of local residents on the relative priority of Council services	Annual budget scrutiny sessions	Bi - annually	Bi- annual survey	Information on residents' views of Council services will help the Board to challenge the allocation of resources in the draft budget
The views of local businesses	Annual budget scrutiny sessions	Annual Statutory Responsible	PPP / Finance	Information on the views of local businesses on Council services will help the Board to challenge the allocation of resources in the draft budget
The views of the Voluntary and Community Sector	Annual budget scrutiny sessions	Annually	Annual Engagement Event	Information on the views of the Voluntary and Community Sector on Council services will help the Board to challenge the allocation of resources in the draft budget
The views of staff	Annual budget scrutiny sessions	Aligned with Staff Survey Cycle	HR	The findings of the annual Staff Survey can assist the Board in scrutinising the Budget.

Recommendations

That Board -

1. Agree the proposed timetable for 2015/16 budget scrutiny as outlined at 4.8;
2. Agree that ongoing in-year budget scrutiny should feature as part of panel work programme and the plan at 5.2 should be implemented.