

Item

PROCESS FOR SCRUTINY OF THE COUNCIL'S BUDGET



To:

Civic Affairs Committee 10/10/2018

Report by:

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Wards affected:

All

1. Introduction

- 1.1 Scrutiny of the Council's budget is an essential part of the governance of the Council, and contributes to sound financial management. However, the current process for pre-scrutiny of the Budget Setting Report each year has evolved to an extent that reports have in recent years gone to six separate meetings. This involves the production of separate reports for each of these meetings, and officer attendance and briefing and committee meetings on each occasion, which has been felt to put additional burdens on both officers and members.
- 1.2 In a context where officer capacity is coming under increasing pressure, and in the light of the review of scrutiny committee arrangements that took place in 2017/18, officers were asked to review the current process for scrutinising the BSR to propose ways of streamlining the total effort consumed by the scrutiny process whilst retaining sufficient opportunities for Budget pre-scrutiny. This report sets out the officer recommendation.

2. Recommendations

- 2.1 That Civic Affairs Committee recommends to Council the changes to the Council's budget and policy framework procedure (part 4c) and Council Procedure Rules appendix 2 budget recommendations and amendments (part 4a) as set out in Appendix A.

(These changes reflect Option A described in the report below and in Appendices B and C).

3. Background

- 3.1. The scrutiny of BSR proposals currently happens across a number of committees, and extends over a period of a month. Producing papers for all these meetings, and attending briefings and meetings consumes a significant amount of officer and member time.

- 3.2 The member working group that reviewed scrutiny committee arrangements in 2017/18 agreed that officers should report back on improvements to the current arrangements.

- 3.3 Officers have reviewed the arrangements with the two objectives in mind:

(a) ensuring that there is sufficient opportunity for member scrutiny of the Budget Setting Report and any amendments ahead of the budget-setting council meeting in February.

(b) streamlining the process to focus member and officer effort where it will add most value.

3.4 Proposed Revised Process – Option A

- Option A in the attached Appendix B would see a move from two Strategy & Resources scrutiny committee meetings to a single meeting. This would happen later than the traditional "S&R1" meeting, but slightly earlier than the traditional "S&R2" meeting.
- Sub-sets of the BSR relating to specific portfolios would not be taken to individual thematic scrutiny committees (other than housing – scrutiny of the HRA BSR remains unchanged by these proposals).
- A briefing to which all members will be invited on the ruling group's BSR would be held shortly after it is published in early January. This would allow the Head of Finance to fully brief all councillors on the technical and structural aspects of how the budget is put together and how the

various elements inter-relate. The Executive Councillor for Finance and Resources would provide a strategic overview of the budget strategy, and also be available for questions and discussions to clarify the purpose of various items.

- The single S&R meeting would consider both BSR and amendments plus any Executive amendments. The Executive would meet formally immediately after the S&R meeting to formally recommend the BSR (as amended, if necessary) to Council.
- Amendments that had been submitted to the S&R meeting would also be submitted for consideration at Council, as at present.
- If the final BSR differed from the version published in January, any member would have an opportunity to further amend their amendment for final submission to the Council meeting after the Executive had recommended the final BSR to Council.

3.5 Proposed Revised Process - Option B

- Option B retains all of the elements of the current “as is” process, but brings the meeting of the Executive forward to the same night as the S&R1 committee meeting. There would not need to be any amendment to the constitution procedure rules to effect this change.

3.6 Benefits of the Change – Option A

3.6.1 The benefits of these proposals are that they bring scrutiny of the whole BSR together in one place. All Executive Councilors and spokes would be invited to attend the S&R meeting. This would allow full scrutiny of all the proposals (both ruling group and opposition), from all aspects, rather than fragmenting the discussion into portfolio-related items.

Some members have expressed the view that these portfolio-specific BSR items rarely see detailed scrutiny, as questions and debate can tend to be reserved for later meetings.

3.6.2 This would also align decision making on the BSR with other Executive decisions, i.e. the officer report and any amendments would be on the table in front of the Executive, and would have had the chance to be scrutinized by all sides, before the Executive makes its decision.

3.6.2 Furthermore, this approach would save officer time (and the financial and environmental costs of printing and distributing multiple reports), and allow officer effort to be focused on supporting members in

constructing their budget and budget amendment, and on supporting the one scrutiny meeting.

3.6.3 Having the Executive meeting on the same night as S&R would save having to arrange a separate meeting on a separate night and the disruption for councilors and officers that that entails.

3.6.4 This proposal provides for nearly three working weeks from the publication of the BSR to the submission of budget amendments. Officers would make themselves available to opposition members to ensure this was sufficient.

3.7 Benefits of the Change – Option B

3.7.1 Having the Executive meeting on the same night as S&R would save having to arrange a separate meeting on a separate night and the disruption for councilors and officers that that entails.

3.8 Comparison of the impacts of options A and B

3.8.1 The table in Appendix C provides a concise summary and comparison of the impacts of the two options, not least with regard to the objectives of the review, which are to provide opportunity for scrutiny of the BSR whilst streamlining total effort, time and resource going into the process.

3.8.2 Officers consider that Option A provides the greater degree of fit with the objectives, given the greater reduction in separate meetings and reports.

4. Implications

(a) Financial Implications

There would be a small cost saving from not printing and distributing the finance reports to so many meetings, and not holding so many meetings. This would be greater for Option A than Option B.

(b) Staffing Implications

There would be a reduction in the demands on busy Finance and Senior officers from producing fewer separate reports, and arranging and attending fewer separate briefing meetings and committee meetings. This would be greater for Option A than Option B.

(c) Equality and Poverty Implications

N/A

(d) Environmental Implications

There would be a small positive environmental impact from printing and distributing fewer separate reports and arranging fewer meetings. This would be greater for Option A than Option B.

(e) Procurement Implications

N/A

(f) Community Safety Implications

N/A

5. Consultation and communication considerations

These proposals have been developed in discussion with the Member Working Group comprising the three Group Leaders in the Council and the Chair of Civic Affairs Committee. Officers in Finance have also been consulted.

6. Background papers

No background papers were used in the preparation of this report. An Equality Impact Assessment has not been produced as officers have not identified any specific or differential impacts on people with any of the protected characteristics.

7. Appendices

- (a) Budget scrutiny and amendment procedure rules showing proposed changes
- (b) BSR scrutiny options timeline table
- (c) BSR scrutiny options analysis

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Andrew Limb, Head of Corporate Strategy, tel: 01223 - 457004, email: andrew.limb@cambridge.gov.uk .