

**AGENDA MANAGEMENT SHEET**

**Name of Committee** Overview And Scrutiny Board

**Date of Committee** 4th November

**Report Title** **Proposals for Corporate Business Plan and Budget scrutiny**

**Summary** This report outlines a proposed approach to scrutiny of the Corporate Business Plan 2010/13 and budget proposals 2010/11.

**For further information please contact:** Michelle McHugh  
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**Would the recommended decision be contrary to the Budget and Policy Framework?** No.

**Background papers** None

**CONSULTATION ALREADY UNDERTAKEN:-** Details to be specified

- Other Committees  .....
- Local Member(s)  .....
- Other Elected Members  Cllr Appleton, Chair of OSB
- Cabinet Member  Cllr Farnell, Leader
- Chief Executive  Jim Graham
- Legal  Sarah Duxbury, Corporate Legal Services Manager
- Finance  .....
- Other Strategic Directors  .....
- District Councils  .....
- Health Authority  .....

Police  .....

Other Bodies/Individuals  Jane Pollard, Democratic Services Manager,  
Gereint Stoneman, Corporate Planning Manager

Monica Fogarty - Happy with the report and would prefer Option A - to do it all in one session.

**FINAL DECISION YES**

**SUGGESTED NEXT STEPS:**

Details to be specified

Further consideration by this Committee  .....

To Council  .....

To Cabinet  .....

To an O & S Committee  .....

To an Area Committee  .....

Further Consultation  .....

## Agenda No

### Overview And Scrutiny Board - 4th November 2009.

#### Proposals for Corporate Business Plan and Budget scrutiny

#### Report of the Strategic Director for Customers, Workforce and Governance

##### Recommendation

The Board is recommended to agree:

- i) an approach and agenda for scrutiny of the Corporate Business Plan 2010/13 and Budget proposals 2010/11
- ii) the budget protocol which sets out the principles and objectives of budget scrutiny attached as appendix A

## 1. Background

- 1.1 At its meeting on 2<sup>nd</sup> September 2009, the Board requested that scrutiny of the 2010/11 budget be undertaken in the same way as previous budget scrutiny exercises. Members may recall that scrutiny of the 2009/10 budget proposals occurred in mid December 2008, with the Chairs, Vice Chairs and Partyspokes of all Overview and Scrutiny Committees meeting to scrutinise Strategic Directors Leadership Team's (SDLT) budget report and the Cabinet's budget proposals.
- 1.2 Overview and Scrutiny Committees have previously scrutinised the Corporate Business Plan during the January round of meetings. Consequently, Corporate Business Plan and budget scrutiny have previously occurred in isolation from each other. However, this is not considered good practice as the Council's Corporate Business Plan and budget are inherently linked and should be scrutinised together, with the Corporate Business Plan underpinning the scrutiny of the budget. Therefore, it is proposed that this year the scrutiny of the Corporate Business Plan and budget are aligned. This will provide Overview and Scrutiny with a more meaningful opportunity to challenge the Council's priorities, the capacity of the Council to deliver them and the appropriateness of the Cabinet's method of financing the priorities.
- 1.3 This report sets out a proposed approach to scrutiny of the Corporate Business Plan 2010/13 and the budget proposals for 2010/11.

## 2. Corporate Business Planning and Budget setting timetable

- 2.1 Scrutiny of the Corporate Business Plan and budget proposals is dependent upon the timetable allocated to the development of the Corporate Business Plan and Budget. The key dates in this years process are outlined below.

26 <sup>th</sup> November 2009	Cabinet agrees draft Corporate Business Plan and Key Risks
17 <sup>th</sup> December 2009	Cabinet considers SDLT's budget report and formally moves a budget proposal
28 <sup>th</sup> January 2010	Cabinet agrees a formal budget resolution
9 <sup>th</sup> February 2010	Council agrees the budget and the Corporate Business Plan

- 2.3 This timetable means that scrutiny of the Corporate Business Plan and Budget needs to occur between the 18<sup>th</sup> December 2009 and 28<sup>th</sup> January 2010. In identifying an appropriate date for Corporate Business Plan and Budget scrutiny, the following needs to be taken into consideration:
- The requirement to circulate copies of the Cabinet's budget proposal announced at the 17<sup>th</sup> December meeting at least 5 working days prior to the scrutiny meeting
  - The requirement for any recommendations to Cabinet from the Overview and Scrutiny Board to be circulated in a report by early January 2010.
- 2.4 Taking these issues into consideration, it is proposed that scrutiny of the Corporate Business Plan and Budget is undertaken during the first week of January 2010. This will provide sufficient time to circulate relevant papers prior to the scrutiny meeting and also allow sufficient time after the scrutiny meeting for any comments / recommendations to be fed back to the Cabinet.

## 3. Proposed process for Corporate Business Plan and Budget Scrutiny

- 3.1 There are two options available to the Overview and Scrutiny Board in undertaking scrutiny of the Corporate Business Plan and Budget

### Option A

- 3.2 The first option is to undertake scrutiny of the Corporate Business Plan and Budget in a single session. A potential programme would be:

9.00am-9.30am	Jim Graham, Chief Executive – challenges and national policy agenda
9.30 am–11am	Scrutiny of the Corporate Business Plan, opportunity to question Cabinet regarding

priorities within the Corporate Business Plan

- |                     |  |
|---------------------|--|
| 11 am–11.30am       | Dave Clarke, Strategic Director of Resources – Financial position                  |
| 11.30am –12.30pm    | Scrutiny of SDLT’s Budget Report presented to Cabinet on 17 <sup>th</sup> December |
| 13.00 pm –14.00 pm  | Scrutiny for SDLT’s Budget Report continued  |
| 14.00 pm - 17.00 pm | Scrutiny of Cabinet Budget proposals released on 17 <sup>th</sup> December         |

3.3 Holding Corporate Business Plan and Budget scrutiny in a single session has obvious advantages in terms of the flow of the discussion and the time commitment required from members and officers.

3.4 The proposed date for Option A is Thursday 7<sup>th</sup> January 2010.

#### Option B

3.5 The second option is for scrutiny of the Corporate Business Plan and the Budget to be considered in separate sessions, with scrutiny of the Corporate Business Plan occurring prior to the scrutiny of the budget proposals and ensuring that the Corporate Business Plan underpins scrutiny of the budget. A potential programme for this option would be:

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|----------------------|--|
| Day 1: 14.00-14.30pm | Jim Graham, Chief Executive – challenges and national policy agenda  |
| 14.30 -16.30pm       | Scrutiny of the Corporate Business Plan, opportunity to question Cabinet regarding priorities within the Corporate Business Plan |
| Day 2: 9.00-9.30am   | Dave Clarke, Strategic Director of Resources – Financial position  |
| 9.30am-12.00pm       | Scrutiny of SDLT’s budget report presented to the Cabinet on 17 <sup>th</sup> December   |
| 13.00pm -16.00pm     | Scrutiny of Cabinet’s budget proposal released on 17 <sup>th</sup> December  |

3.6 The proposed dates for Option B are Wednesday 6<sup>th</sup> January (pm) and Thursday 7<sup>th</sup> January (all day).

3.7 The Board is asked to agree an approach and agenda to Corporate Business Plan and Budget scrutiny for 2010/11.

DAVID CARTER  
Strategic Director for  
Customers, Workforce and  
Governance

Shire Hall  
Warwick

16 September 2009

## Warwickshire County Council Protocol for Budget Scrutiny

### 1. Purpose of Protocol

- 1.1 The purpose of this protocol is to set out a basis upon which the challenges and opportunities presented by the budget for the forthcoming financial year can be considered by Overview and Scrutiny outside of political group considerations.
- 1.2 This protocol sets out the following:
- Principles of Scrutiny
  - Objectives of budget scrutiny
  - Process for budget scrutiny
  - Who and what is being scrutinised?
  - Outcome of budget scrutiny

### 2. Principles of Scrutiny

- 2.1 Budget Scrutiny should reflect the four principles of effective scrutiny as promoted by the Centre for Public Scrutiny, namely:
- Provide a critical friend challenge
  - Be a member led process
  - Reflect the voice and concerns of members of the public
  - Have a positive impact upon the delivery of public services

### 3. Objectives of Budget Scrutiny

- 3.1 The objective of budget scrutiny is for the Council's Overview and Scrutiny function to make a valid and constructive challenge to the Cabinet's budget proposals. It enables Overview and Scrutiny to consider:
- the range of options that are available for the budget for the forthcoming financial year
  - the assumptions and principles upon which the proposed budget is based
  - how each option links to Corporate Priorities and associated targets, the Corporate Business Plan, the LAA and efficiency targets
  - the implications of those options in relation to service outcomes, citizens outcomes and the Council's target and priorities as set out in the Corporate Business Plan and the Local Area Agreement
  - how options reflect the voice and concerns of members of the public
  - the risks associated with the proposed budget
- 3.2 Whilst acknowledging the differing views of the political groups on budget issues, the process is not intended to be an opportunity for political point scoring. The budget scrutiny meeting should allow an open and honest dialogue enabling information gathering and sharing to take place.

## **4. Process**

- 4.1 The budget scrutiny meeting will take place after SDLT's budget report has been considered by Cabinet and Cabinet has "moved" its proposals in December, but prior to Cabinet making a formal budget resolution in January and full Council consideration in February.
- 4.2 In order to provide a co-ordinated approach the budget scrutiny will be managed by the Overview and Scrutiny Board, with Vice Chairs and Party Spokes being invited to participate in the meeting alongside the Chairs of the Overview and Scrutiny Committees. The meeting will be chaired by the Chair of the Overview and Scrutiny Board.
- 4.3 It is acknowledged that the political groups on the Council will have differing views on budget priorities. It is however important to remember that for scrutiny to be most effective it should be carried out in a non partisan way. The Chair will be responsible for ensuring that the meeting is constructive, non political and well mannered and focussed on service outcomes.

## **5. Who and what is being scrutinised?**

- 5.1. The budget scrutiny meeting will be split into two sessions.
- 5.2. The first session will be to enable members to establish with Strategic Directors the facts relating to SDLT's budget report and in particular:
- How the SDLT budget report was arrived at, in particular what assumptions and principles underpin the report?
  - What has been included and excluded from the budget report?
  - What risks are associated with the budget report?
  - What do individual Directors need to accommodate in budget – eg efficiency savings?
  - How will the proposals impact upon service outcomes?
  - How each option links to Corporate Priorities and associated targets, the Corporate Business Plan, the LAA and efficiency targets?
- 5.3 The afternoon session will enable members to ask Portfolio Holders questions in relation to Cabinet's budget proposal, the proposed budget for their respective Portfolios and in particular:
- How the Cabinet's budget proposals has been prioritised and in particular what assumptions and principles underpin the budget proposal?
  - How Cabinet proposals differ from SDLT's budget report and the reasons for this?
  - The extent to which the Cabinet's budget proposal will enable the delivery of the Corporate Business Plan and Local Area Agreement?
  - How the budget proposals will impact upon service outcomes?
  - What will be the consequences if the proposals are not implemented?
  - What risks are associated with the budget proposals?



## **6. Outcome from budget scrutiny**

- 6.1 The expected outcome from the budget scrutiny exercise is that a report summarising the points made by the Overview and Scrutiny Board in considering budget proposals, options being supported and associated impact upon service delivery, citizens outcomes and the Council's priorities and targets as set out in the Corporate Business Plan and the Local Area Agreement, will be presented to Cabinet in January when they meet to agree a formal budget resolution. Overview and Scrutiny Board may decide to make recommendations relating to specific budget proposals to the Cabinet.