AGENDA MANAGEMENT SHEET

Name of Committee	**Overview And Scrutiny Co-Ordinating Group**
Date of Committee	**19th November 2008**
Report Title	**Budget Scrutiny**
Summary	This report outlines a proposed agenda, format and protocol for budget scrutiny

For further information please contact:	Michelle McHugh Interim Overview and Scrutiny Manager Tel: 01926 412144 michellemchugh@warwickshire.gov.uk	John Wright Committee Manager Tel: 01926 412320 johnwright@warwickshire.gov.uk
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 Grant, Chair of OSCG
Cabinet Member	☐	....
Chief Executive	☒	Jim Graham
Legal	☒	Jane Pollard, Corporate Legal Services Manager
Finance	☒	Dave Clarke, Strategic Director for Resources
Other Strategic Directors	☒	David Carter, Strategic Director for Performance and Development
District Councils	☐	....
Health Authority	☐	....
Police	☐	....

Other Bodies/Individuals ☐ ....

FINAL DECISION   NO

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 ☐

Overview And Scrutiny Co-Ordinating Group
19th November 2008.

Budget Scrutiny

Report of the Strategic Director for Performance and Development

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Recommendation

OSCG is recommended to agree:
- the agenda for the budget scrutiny meeting on 18th December 2008,
- the budget protocol, which sets out principles and objectives of budget scrutiny.

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1.   Background

1.1   At its meeting on the 7th July 2008, the Group considered a report by the Strategic Director for Resources, outlining the budget setting process for the forthcoming financial year (2009/10). In considering the report, members considered the involvement of Overview and Scrutiny in the process. Members felt that the process adopted last year had been successful. Last year the budget had been scrutinised by the Chairs, Vice Chairs and Partyspokes of all Overview and Scrutiny Committees meeting together. The Group discussed the timing and format for the budget scrutiny meeting and agreed it should be arranged between the Cabinet meeting on 11th December, at which the budget would initially be considered, and mid January 2009. The Group decided that the meeting should last all day, with Strategic Directors being invited to attend the meeting in the morning and Portfolio Holders in the afternoon. The date for budget scrutiny meeting has now been set as 18th December 2008.

1.2   At its meeting on 1st October 2008, the Group considered at report by the Strategic Director for Performance and Development outlining the process for agreeing the Corporate Business Plan 2009-12. During the discussion surrounding this report and members requirements for support, the Group requested that a draft programme for the budget scrutiny event be submitted to the next meeting of the Group. This report addresses that request.

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2. Budget Scrutiny Event

2.1 Attached as Appendix A is a draft agenda for the 18th December budget scrutiny meeting. The agenda is broken into a morning and an afternoon session, with SDLT's budget proposal being presented in the morning and the Cabinet's budget proposals being presented in the afternoon.

2.2 It is proposed that prior to the formal budget scrutiny meeting commencing, members of the budget scrutiny exercise receive an informal briefing from the Overview and Scrutiny Manager outlining the following:
- Process
- Objectives and focus of budget scrutiny
- Suggested key lines of enquiry

2.3. During the morning session members will be able to scrutinise the budget proposal put forward by SDLT, and in particular ask questions in relation to:
- How the SDLT proposed budget was arrived at?
- How individual Directorate bids were arrived at? What is the rationale underpinning the proposals?
- What do individual Directors need to accommodate within the budget – eg efficiency savings
- How will the proposals impact upon service outcomes?
- What will be the consequences if proposals are not accepted?

2.4 In considering the agenda, the Group may wish to consider whether OSCG should question Strategic Directors for an equal amount of time, or whether the time allocated should be proportionality weighted in relation to where the biggest budget pressures lie.

2.5 During the afternoon session, members will be able to scrutinise the Cabinet's budget proposal, and in particular ask questions in relation to:
- How the Cabinet's proposal differs from SDLT's proposal and the reasons for this?
- When there has been a choice, why one option been supported over another?
- How proposals link into the Corporate Business Plan and LAA, and associated priorities and targets?
- Portfolio Holders views in relation to:
  - How proposals will impact upon service outcomes?
  - What will be the consequences if the proposals are not implemented?

2.6 In terms of the information requirements to support the budget scrutiny meeting, it is proposed that members taking part in the budget scrutiny meeting will receive a file of information at the beginning of December relating to SDLT's budget proposal. This will be the same information that will be considered by Cabinet on 11th December 2008. The file will contain:
- Current budget 2008/09
- Proposed budget 2009/10

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- Options for service reduction - rationale for proposals, associated impact, link to Corporate Business Plan and LAA, and associated priorities and targets

2.7.   Members of the budget scrutiny exercise will also receive the outcome of the Cabinet meeting on 11th December, which will detail Cabinet's budget proposal. In considering both SDLT's budget proposal and Cabinet's budget proposals, members will need to consider how the proposals have been arrived (eg. what method of prioritisation has been used) and what the impact of the proposals will be in terms of service outcomes for those services prioritised and those services that have not been prioritised.

2.8.   Attached as Appendix B is a draft budget protocol. The protocol aims to develop a cross party agreement and understanding regarding the following:
- objectives of budget scrutiny,
- process,
- who and what is being scrutinised,
- outcome from budget scrutiny.

DAVID CARTER
Strategic Director for
Performance and
Development
Shire Hall
Warwick, 17 October 2008

Warwickshire
County Council

Budget Scrutiny

Agenda   18th December 2008

The Budget Scrutiny meeting will meet at the **SHIRE HALL, WARWICK** on **Thursday 18th December 2008 at 10.00am. (Informal briefing from Overview and Scrutiny Manager from 9.30am)**

The agenda will be:

1. General

> (1) Apologies

> (2)   Members' Disclosures of Personal and Prejudicial Interests

2. Budget Scrutiny – Directorate budgets

> Dave Clarke, Strategic Director for Resources – financial position

> Jim Graham, Chief Executive – organisational position

> Members opportunity to question Strategic Directors in relation to SDLT's budget proposal

> - Adult, Health and Community Services
> - Children Young People and Families
> - Community Protection

- Environment and Economy
- Performance and Development
- Resources

Appendix A

3. Budget Scrutiny – Cabinet's Budget Proposal

Councillor Alan Farnell	Leader of the Council and Chair of Cabinet
Councillor Bob Stevens	Deputy Leader
Councillor Alan Cockburn	Resources
Councillor Peter Fowler	Partnerships and Localities
Councillor Colin Hayfield	Adult, Health and Community
Councillor Martin Heatley	Environment
Councillor Richard Hobbs	Community Protection
Councillor Chris Saint	Economic Development
Councillor Izzi Seccombe	Children, Young People and Families
Councillor Heather Timms	Corporate Services

Jim Graham
Chief Executive
Shire Hall
Warwick

Membership

The Chairs, Vice Chairs and Group Spokes of all the Overview and Scrutiny Committees namely Councillors
John Appleton, George Atkinson, Peter Barnes, Sarah Boad, David Booth, Ken Browne, Richard Chattaway, Gordon Collett, Chris Davies, Josie Compton, Richard Dodd, Anne Forwood, Eithne Goode, Richard Grant,
John Haynes, Barry Longden, Mick Jones, Frank McCarney, Helen McCarthy, Phillip Morris-Jones, Raj Randev, Jerry Roodhouse, Mota Singh, Ray Sweet, Heather Timms and John Whitehouse

John Wright, Committee Manager, Performance and Development Directorate
Tel. 01926 412320 or e-mail johnwright@warwickshire.gov.uk.

Warwickshire County Council
Protocol for Budget Scrutiny

1. Purpose of Protocol

1.1 The purpose of the 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
- 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, public value, Council employees, and the Council's target and priorities as set out in the Corporate Business Plan and LAA
- how options reflect the voice and concerns of members of the public
- the options which are being supported by the Portfolio Holders and the reasons why
- the reasons why, when there is a choice, one option is being supported over another

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 in mid December, after SDLT's budget proposals have been considered by Cabinet and Cabinet has "moved" its proposals, but prior to Cabinet making a formal budget resolution in January and full Council consideration in February. Appendix A outlines how budget scrutiny aligns with the Business and Financial Planning Framework 2008/09.

4.2 In order to provide a co-ordinated approach the budget scrutiny will be managed by the Overview and Scrutiny Co-ordinating Group, with Vice Chairs and Party Spokes being invited to participate in the meeting. The meeting will be chaired by the Chair of the Overview and Scrutiny Co-ordinating Group.

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. Recognition also needs to be given to the further challenges that may arise in setting the 2009/10 budget, due to the forthcoming election. This reinforces the need for scrutiny to remain focussed upon the impact and service outcomes of proposals, with a full debate taking place in relation to the principles underpinning the proposed budget at full Council in February 2009.

5. Who and what is being scrutinised?

5.1 The budget scrutiny meeting will be split in to two sessions.

5.2 The first session will be to enable members to establish with Strategic Directors the facts relating to the budget and in particular:

- How the SDLT proposed budget was arrived at?
- How individual Directorate bids were arrived at? What is the rationale underpinning the proposals?
- 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 to questions in relation to Cabinet's budget proposal, the proposed budget for their respective Portfolios and in particular:

- How Cabinet proposals differ from SDLT proposals and the reasons for this?
- When there has been a choice, why has one option been supported over another?

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- How proposals link into the Corporate Business Plan and LAA, and associated priorities and targets?
- Portfolio Holders views in relation to:
  - How proposals will impact upon service outcomes?
  - What will be the consequences if the proposals are not implemented?
  -

6.   Outcome from budget scrutiny

6.1   The expected outcome from the budget scrutiny exercise is that a report summarising the points made by OSCG in considering budget proposals, options being supported and associated impact upon service delivery, citizens outcomes, public value, WCC employees and the Councils priorities and targets as set out in the Corporate Business Plan and LAA, will be presented to Cabinet in January when they meet to agree a formal budget resolution. OSCG may decide to make recommendations relating to specific budget proposals to the Cabinet.

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Appendix A - Business & Financial Planning Framework 2008/09

Month	Business & Financial Planning Framework 2008/09		
	Budget process	**Corporate Business Plan**	**Directorate Service Plans**
June	Corporate Vision and Priorities reaffirmed by Cabinet and SDLT		
July	Corporate Business and Financial Planning process agreed by Cabinet		
	Budget process agreed by Cabinet made request made to SDLT to propose a budget		
Aug			
Sept	Directorate Spending proposals and risk assessments submitted to the Corporate Finance Team	Corporate risk assessment considered by SDLT	
Oct	SDLT consider spending for each service as part of the Star Chamber process	Directorate contributions to the CBP developed through engagement with Directorate Leadership Teams and Performance Leads	Initial Service planning guidance sent out to Directorates as part of the revised Perf. Mang't Framework (incl. guidance on risk assessment)
Nov	SDLT issue formal budget proposals to Cabinet	SDLT issue CBP proposals to Cabinet	Directorate/service priorities considered and clarified and risk assessment completed
Dec	Formal budget proposals considered by Cabinet	CBP proposals considered by Cabinet and Political Groups	Detailed Service Planning Framework distributed to Directorates based upon Cabinet affirmation of the Priorities
	Political Groups & OSCG consider the formal budget proposals		
Jan	Responses from O&S Committees considered by Cabinet and formal budget resolution and any amendments agreed	O&S Committees consider the CBP proposals	
		Responses from O&S Committees considered by Cabinet and formal CBP resolution and any amendments agreed	
Feb	Budget agreed by full Council	CBP agreed by full Council	Specific targets for the Directorate Service Plans agreed
March	MTFP considered and agreed by Cabinet and Council		
April	CBP and MTFP published on the WCC website		Directorate Service Plans published on the intranet and copies placed in Group Rooms

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