

# Scrutiny Report



## Overview and Scrutiny Management Committee

### Part 1

Date: 31 January 2019

### Subject 2019/20 Budget and Medium Term Financial Plan

Author Scrutiny Adviser

The following people have been invited to attend for this item:

Role / Areas of responsibility	Lead Officer
Budget Overview and Process	Meirion Rushworth, Head of Finance
Budget Public Engagement	Rhys Cornwall, Head of People and Business Change

## Section A – Committee Guidance and Recommendations

### 1 Recommendations to the Committee

The Committee is asked

- (i) The Committee is asked to consider:
  - the process undertaken for this year's Draft budget proposals;
  - the public engagement undertaken for this year's Draft budget proposals;
- (ii) Determine if it wishes to make any comments on the budget process or the public engagement to the Cabinet;
- (iii) Note the comments made by the Performance Scrutiny Committee – People, and Performance Scrutiny Committee – Place and Corporate to be forwarded to the Cabinet.

### 2 Context

- 2.1 In accordance with the constitution, the Cabinet is required to consult on the proposals before recommending an overall budget and required council tax to the Council for approval in March. Scrutiny Committees must be consulted as part of this process. The timetable for the consultation on the budget is as follows:

Cabinet agrees budget proposals as a basis for consultation	12 December 2018
Consultation period	13 December 2018 to 30 January 2019
Cabinet considers feedback from consultation and agrees final budget proposals for recommendation to Council	13 February 2019
Council approves the 2019/20 budget and council tax level	26 February 2019

### Structure of Scrutiny of the Budget Proposals

- 2.2 Each Committee will meet to discuss the budget proposals in detail and formulate comments relating to their portfolio:

Committee	Date	Role
Performance Scrutiny Committee - Place and Corporate	14 January 2019	Savings proposals within the Place Directorate and Corporate.
Performance Scrutiny Committee - People	15 January 2019	Savings proposal within the People Directorate
Overview and Scrutiny Management Committee	31 January 2019	<ul style="list-style-type: none"> <li>• Coordination of comments from all Scrutiny Committees</li> <li>• Comments on the budget process</li> <li>• Comments on public engagement</li> </ul>

- 2.3 Recommendations of the People and Place and Corporate Committees will be agreed verbally at the meetings; the final wording will be approved by the Chairperson after the meeting. These recommendations will then be sent to the Overview and Scrutiny Management Committee (OSMC) at its meeting on 31 January 2019 to confirm the list of comments that will be submitted from Scrutiny to the Cabinet. The Chairs of the People and Place and Corporate Committees will be invited to attend the meeting of the OSMC where the Committees recommendations are discussed.
- 2.4 The role of the Overview and Scrutiny is to coordinate the comments from Scrutiny to ensure that there are no overlaps in what is being recommended and ensure that scrutiny as a whole provides a cohesive and consistent response to Cabinet. It also has overall responsibility for comments on the budget process, and public engagement, which it will be focusing on at its meeting.
- 2.5 At its meeting on 12 December, the Cabinet agreed draft proposals for consultation. The full papers are available on the website ([Link](#)).

**Appendix 1** - Budget investments

**Appendix 2** - New budget savings for consultation

**Appendix 3** - New budget savings implemented under delegated authority (Cabinet Member and Head of Service)

- Appendix 4** - Budget savings previously approved
- Appendix 5** - Budget savings for consultation – proposals
- Appendix 6** - Demand models – social care and education
- Appendix 7** - Fees & charges for consultation
- Appendix 8** - Financial resilience ‘snapshot’
- Appendix 9** - Medium term financial projections
- Appendix 10** - Projected earmarked reserves

### **Cabinet Proposals – Business Cases**

- 2.6 The proposals for consultation are contained within **Appendix 2** (Summary) and **Appendix 5** (detailed business cases).

### **Cabinet Member Decisions**

- 2.7 **Appendix 3** are the proposals delegated to Cabinet Member and Head of Service Decision. The Cabinet member decisions will be subject to the usual democratic decision making process and all Member consultation. The Head of Service decisions are operational and are taken under delegate authority by the relevant Head of Service.

### **Fees and Charges**

- 2.8 **Appendix 7** are the proposed fees and charges for consultation. A hard copy of this is available on request.

## **3 Information Submitted to the Committee**

- 3.1 The following attachments are included for the Committee’s consideration:

**Appendix A** – Cabinet Report – 19/20 Budget and MFTP

**Appendix B** – Recommendations and comments of the PSC – Place and Corporate and PSC – People

## 4. Suggested Areas of Focus

### Role of the Committee

The role of the Committee in considering the report is to:

- **Assess and make comment** on the overall budget process and public engagement:
  - Is there evidence of links to the Corporate Plan and a strategic long term approach to budget;
  - Fairness and Equalities Impact Assessments – have these been completed consistently and used to develop the proposals?
  - Has the Wellbeing of Future Generations Act been incorporated into the proposals in terms of the need for long term thinking and planning?
  - Approach to public engagement - is there a cohesive and consistent approach demonstrated to how the public have been involved and consulted on the proposals.
  
- **Conclusions:**
  - Comments / recommendations to Cabinet on:
    - Budget process;
    - Public Engagement;
    - FEIA's;
    - Wellbeing of Future Generations Act.
    - Any overarching issues emerging from the two Performance Scrutiny Committee meetings.
  - Agree to forward the comments of the two performance Scrutiny Committees to the Cabinet on the specific proposals.

### Suggested Lines of Enquiry

- 4.1 Councillors have a fundamental democratic right to commission financial information and provide challenge to executives and officers about finances. Scrutiny councillors are not expected to be financial experts, but they have a key role in ensuring **accountability** and **value for money** are demonstrated to the public.
- 4.2 The following has been adapted from Section 3.1-3.4: Source: Grant Thornton – Local Government Financial Resilience Review 2012 (“Towards a tipping point?”) to provide examples of the questioning and lines of enquiry that the Committee may wish to consider:

<b>Links to Strategic Planning</b>	How does the proposal contribute to the achieving corporate priorities?
	How do these proposals fit into an overall budget strategy / what is the long term approach to budget at the Council?
<b>Fairness and Equalities Impact Assessments</b>	Have these been completed?
	Have any impact identified within the FEIA been considered within the business case?

## Section B – Supporting Information

### 5 Links to Council Policies and Priorities

- The overall aim of the budget and MTFP is to ensure resource allocation is based on priorities, supports the delivery of the Council’s change programme and saving proposals and protects the financial health of the Council. Scrutiny should seek to ensure that the MTFP and Draft budget proposals contribute to this aim:

<b>Well-being Objectives</b>	Promote economic growth and regeneration whilst protecting the environment	Improve skills, educational outcomes & employment opportunities	Enable people to be healthy, independent & resilient	Build cohesive & sustainable communities
<b>Corporate Plan Commitments</b>	Thriving City	Aspirational People		Resilient Communities
<b>Supporting Function</b>	Modernised Council			

#### 5.1 Fairness and Equalities Impact Assessment (FEIAs)

Fairness and Equality Impact Assessments (FEIA) are a systematic approach to ensure that the Council takes decisions that balances the needs of people, local culture, the economy and the environment over time. FEIAs assist the Council in ensuring that our decision-making process is inclusive. They are used to look at the effect of any change to Council services or employment from everybody’s viewpoint, to make sure that changes are fair and do not discriminate.

Officers have a responsibility to inform decision makers of all the relevant implications of any proposal and provide evidence on which they will base their decisions. FEIAs help decision makers understand service users, employees and other stakeholders’ perspectives, and provide evidence that citizens have shaped the council’s work. There is legal requirement to publish FEIAs.

Within the Budget proposal Business Cases, there is an indication as to whether or not an assessment is necessary for a proposal. The Performance Scrutiny Committees were asked to consider these during their discussion on the proposals within their remit.

The FEIAs are published on the Council’s Equalities page on the website ([link](#)).

5.2 **The UK Government's Seven Consultation Criteria**

<b>Criterion 1 - When to consult</b>	<i>Formal consultation should take place at a stage when there is scope to influence the policy outcome.</i>
<b>Criterion 2 - Duration of consultation exercises</b>	<i>Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible.</i>
<b>Criterion 3 - Clarity of scope and impact</b>	<i>Consultation documents should be clear about the consultation process, what is being proposed, the scope to influence and the expected costs and benefits of the proposals.</i>
<b>Criterion 4 - Accessibility of consultation exercises</b>	<i>Consultation exercises should be designed to be accessible to, and clearly targeted at, those people the exercise is intended to reach.</i>
<b>Criterion 5 - The burden of consultation</b>	<i>Keeping the burden of consultation to a minimum is essential if consultations are to be effective and if consultees' buy-in to the process is to be obtained.</i>
<b>Criterion 6 - Responsiveness of consultation exercises</b>	<i>Consultation responses should be analysed carefully and clear feedback should be provided to participants following the consultation.</i>
<b>Criterion 7 - Capacity to consult</b>	<i>Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.</i>

These criteria should be reproduced in consultation documents.

## 6 Wellbeing of Future Generation (Wales) Act

The Committees consideration of the service plans and the performance of the service areas should consider how services are maximising their contribution to the five ways of working:

5 Ways of Working	Types of Questions to consider:
<p><b>Long-term</b></p> <p>The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.</p>	<p>What consideration have you given to the long term trends that could affect your budget process and public engagement?</p>
	<p>How will the needs of the citizens of Newport potentially change in the future?</p>
<p><b>Prevention</b></p> <p>Prevent problems occurring or getting worse.</p>	<p>How are you addressing these issues to prevent a future problem?</p>
	<p>How have the decisions, so far, come about? What alternatives were considered?</p>
<p><b>Integration</b></p> <p>Considering how public bodies' wellbeing objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.</p>	<p>Have you consulted with the health board, third sector, emergency services, businesses and anyone else you think might be impacted?</p>
	<p>What practical steps will you take to integrate your project with existing plans and strategies of other public organisations to help us all contribute fully to the seven national well-being goals?</p>
<p><b>Collaboration</b></p> <p>Acting in collaboration with any other person (or different parts of the organisation itself).</p>	<p>Who have you been working with? Why? Who have you collaborated with in finding out more about this problem and potential solutions?</p>
	<p>How are you co-working with other sectors?</p>
	<p>How are you using the knowledge / information / good practice of others to inform / influence the Council's work?</p>
<p><b>Involvement</b></p> <p>The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.</p>	<p>How have you involved the people who are being impacted by this decision?</p>
	<p>How have you taken into account the diverse communities in your decision making?</p>
	<p>How have you used different / alternative methods to reach people and involve them?</p>
	<p>How will you communicate the outcome of your decision?</p>

## 7. Background Papers

Include all additional documents that are referenced in the report, and those that you have used as background reading. Hyperlink to online versions of them if available.

- [The Essentials - Wellbeing of Future Generation Act \(Wales\)](#)
- [Corporate Plan](#)
- [HM Government – Code of Practice on Consultation](#)

Report Completed: January 2019