

To the Chair and Members of the Overview & Scrutiny Management Committee

OVERVIEW AND SCRUTINY RESPONSE TO THE MAYOR'S BUDGET PROPOSALS 2017/18

Relevant Cabinet Member(s)	Wards Affected	Key Decision
The Mayor	All	None

EXECUTIVE SUMMARY

1. The purpose of this report is to assist the Overview and Scrutiny Management Committee in agreeing its response to the Mayor's draft budget proposals for 2017/18 and enable the Mayor to take account of these when presenting the proposals to Council on 2nd March, 2017. In agreeing its response OSMC will also consider the views and comments expressed at the budget session held on 13th December, 2016.

EXEMPT REPORT

2. The report is not exempt.

RECOMMENDATIONS

3. That the OSMC agrees its response to the Mayor's 2017/18 draft budget proposals.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER

4. Consideration of the budget proposals enables elected Members to hold the Executive to account in relation to the impact on the quality of services that can be delivered, and through consideration provides openness and transparency. Elected Members are able to reflect the concerns of the citizens and communities they represent throughout the consultation process.

BACKGROUND

5. The Mayor's budget proposals 2017/18 were formally launched on 24th November 2016 and the report detailing these proposals is attached at Appendix A for Members' information. In accordance with the Budget and Policy Framework, Overview and Scrutiny is required to provide a response to the proposals that can be considered by the Mayor when the proposals are presented to Full Council.

6. To add value to the Council's budget setting process the Committee will focus on the following four issues:
 - i. To what extent are the Mayor's proposals in line with central government policy, pressures and directives?
 - ii. To what extent will the Mayor's proposal ensure that the Council is able to contribute to the outcomes set out in the Borough Strategy, Corporate Plan bearing in mind the constraints detailed at i. above and Medium Term Financial Forecast?
 - iii. To what extent do the Mayor's proposals demonstrate that the results of any consultation, research or other evidence have been taken into account?
 - iv. To what extent are the challenges in delivering the savings within the timescales and the capacity to deliver services with reduced resources being addressed?
7. Beneath each of these broad themes there are a number of important issues that Members may wish to tease out such as how the proposed changes to services and savings will be delivered in practice, where are the key risks and challenges in delivering these savings?
8. It is recommended that as in previous years the Committee continues to follow these four lines of enquiry in relation to the Mayor's budget proposals.
9. Directors have been invited to the meeting to assist the Committee when considering the information presented.

Guidance for Overview and Scrutiny Members

10. Detailed below is some guidance that may assist Members in undertaking their Overview and Scrutiny of the budget setting process.
 - a. Adding Value to the Budget Setting Process**
11. The Centre for Public Scrutiny highlights *"four key roles and areas where scrutiny can add value to the Council's management of its finances"*.
 - i. Scrutiny can challenge whether the processes are effective and accessible** - is there a level of integration between corporate and service planning and performance and financial management?
 - ii. Overview and Scrutiny can test out and make explicit whether the Council is directing its resources effectively to meet its priorities and demonstrate whether it is achieving value for money.** The Committee may want to satisfy itself that any proposals are aligned to corporate priorities such as the Borough Strategy, Corporate Plan and look to deliver value for money services.

iii. Scrutiny can challenge how resources are allocated, monitor how they are used, and examine their impact. Overview and Scrutiny may wish to challenge the assumptions behind the budget strategy and the key strategic considerations that have gone in to building up the budget e.g. what issues (such as consultation) informed decisions around the budget? How will they be delivered?

iv. Overview and Scrutiny provides an additional and transparent challenge to the Executive's management of the Council's finances. Overview and scrutiny is a key mechanism enabling Councillors to represent the views of their constituents and other organisations to the executive and local authority and hence to ensure that these views are taken into account in policy development and expressed through the budget. Councillors are then able to feed back to the public where choices can/have been made and the reasons for doing this.

b. Avoiding Common Pitfalls

12. To respond effectively to the Mayor's proposals and avoid some common pitfalls OSMC may wish to take account of the following issues that have been identified through best practice Scrutiny research:

i. Understanding the purpose of Overview and Scrutiny. Scrutiny's role is not the same as the oppositions – it is not a political process or a means of putting forward an alternative budget. Instead OSMC may wish to explore the extent to which the proposals; align with the key priorities of the Borough, are based on sound reasoning, take account of the views of the public and will deliver effective value for money services particularly during a time of reduced resources.

ii. Remain Strategic – Overview and Scrutiny should focus on the strategic budget assumptions and impact they will have on services. Detailed line by line analysis will obscure the scrutiny process and make it difficult to see the full picture and focus on the wider outcomes. Overview and Scrutiny may wish to make recommendations for changes (but not alternative proposals) or for the inclusion of additional considerations within the budget.

iii. Link to Stated Priorities – Overview and Scrutiny should examine how the proposals align with those priorities already agreed in the Borough Strategy and Corporate Plan.

Next Steps

13. Following the meeting the Committee's response will be presented to the Mayor providing an opportunity for Cabinet's consideration of Overview and Scrutiny's feedback prior the proposals being presented to Full Council.

OPTIONS CONSIDERED

14. No other options have been considered.

REASONS FOR RECOMMENDED OPTION

15. The process identified for reviewing the budget provides a clear process to ensure understanding of how the review will be undertaken.

IMPACT ON THE COUNCIL'S KEY PRIORITIES

16. The Council's budget will ultimately support and impact on all of the priority outcomes.

RISKS & ASSUMPTIONS

17. There is a risk that responding to the Mayor's draft budget proposals may be driven by party politics or result in the development of alternative budget proposals both of which are incompatible with the role of Overview and Scrutiny. The development of three specific questions based around reviewing how the Mayor's proposals take account of national policy context, are evidence based and link to wider priorities will seek to ensure the process remains focused and appropriate.

LEGAL IMPLICATIONS

18. The role of Overview and Scrutiny in the Council's budget setting process is detailed within the Council's Budget and Policy Framework Procedure Rules. The Executive will draw up proposals in relation to the budget, and the plans and strategies listed in Part 4.
 - (b) The proposals will include:
 - (i) A timetable for development and adoption of the proposal.
 - (ii) Details of any consultation, research or other investigation already undertaken or proposed to be undertaken by the Executive.
 - (c) The proposal will be given to the relevant Overview and Scrutiny Panel or Management Committee which will be given at least 4 weeks to respond to the proposals from the date the proposal is notified.
 - (d) Not less than 4 weeks after the initial proposal, the Executive will report the proposal to the Full Council showing how any response from the Overview and Scrutiny Committee and the outcome of consultation, research or investigations were taken into account.

FINANCIAL IMPLICATIONS

19. There are no specific financial implications associated with this report. The financial implications are contained within the draft budget proposals attached at Appendix A.

CONSULTATION

20. The Mayor's budget proposals were made available on the Council's internet for all members of the public following the Mayor's announcement at Full Council on 24th November, 2016.

BACKGROUND PAPERS

21. The Centre for Public Scrutiny/Local Government Information Unit/the Chartered Institute of Finance and Accountancy Guidance, "On the Money"

REPORT AUTHOR & CONTRIBUTORS

Andrew Sercombe, Members Support and Scrutiny Manager

Tel: 01302 734354.

Email: andrew.sercombe@doncaster.gov.uk

Christine Rothwell, Senior Governance Officer

Tel: 01302 735682

Email: christine.rothwell@doncaster.gov.uk

Caroline Martin, Senior Governance Officer

Tel: 01302 735682

Email: caroline.martin@doncaster.gov.uk

Simon Wiles

Director of Finance and Corporate Services