

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

**OVERVIEW AND SCRUTINY RESPONSE TO THE MAYOR'S BUDGET PROPOSALS 2016/17**

<b>Relevant Cabinet Member(s)</b>	<b>Wards Affected</b>	<b>Key Decision</b>
The Mayor	All	None

**EXECUTIVE SUMMARY**

1. The purpose of this report is to assist the OSMC in agreeing its response to the Mayor's draft budget proposals for 2016/17 and enable the Mayor to take account of these when presenting the proposals to Council on 1<sup>st</sup> March, 2016. In agreeing its response OSMC will consider the views and comments expressed at the budget session held on 27<sup>th</sup> January, 2016.

**EXEMPT REPORT**

2. The report is not exempt.

**RECOMMENDATIONS**

3. That the OSMC agrees its response to the Mayor's 2016/17 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 outline the concerns of the citizens and communities they represent throughout the consultation process.

**BACKGROUND**

5. Prior to receiving the Mayor's budget proposals the Committee agreed that its focus would be reviewing the evidence base for the proposals and their alignment with Borough priorities. This will assist in helping to focus on the outcomes and impact that the budget seeks to achieve, how services will be delivered in the future and whether the Council is achieving value for money.

The three key areas for consideration are:

1. Do the proposals conflict with the Borough Strategy priorities in any way?
  2. Is money being put into the areas that were originally proposed?
  3. What Consultation has been undertaken and are proposals deliverable?
6. 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 and where will the capacity to deliver community services be developed for those services where the Council needs to cease or reduce its provision.
7. The Committee regularly reviews the implementation of the budget proposals through the quarterly monitoring reports and has met to initially discuss the proposals at a session held on 27<sup>th</sup> January 2016.

### **Guidance For Overview and Scrutiny Members**

8. 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**

9. 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 in line with the Medium Term Financial strategy.
  - 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 for 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**

10. 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. This should not however, be borne from a line by line analysis of each budget heading but based more around delivering priorities for the Council.
  - iii. **Link to Stated Priorities** – Overview and Scrutiny should not use the Budget Setting Process as a means of developing alternative priorities – it should ensure there is an alignment with those priorities already agreed in the Borough Strategy and Corporate Plan.

### **Next Steps**

11. Once the Committee has agreed its response to the Mayor this can be presented to the Executive providing an opportunity for Cabinet's consideration of Overview and Scrutiny's feedback prior the proposals being presented to Full Council.
12. OSMC is asked to agree its overall response to the Mayor's budget proposals taking account of information received and considered at the OSMC meeting on 27<sup>th</sup> January, 2016. The Committee may also wish to consider whether it would wish to add any further comments in response to the Mayor's draft proposals in so far as they relate to the three questions identified at paragraph 3 above.

### **OPTIONS CONSIDERED**

13. No other options have been considered.

### **REASONS FOR RECOMMENDED OPTION**

14. The Budget and Policy Framework stipulates Overview and Scrutiny's role in considering and responding to the Mayor's budget proposals.

## 15. IMPACT ON THE COUNCIL'S KEY OUTCOMES

	<b>Outcomes</b>	<b>Implications</b>
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Be a strong voice for our veterans</i></li> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	
	<p>All families thrive.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	
	<p>Council services are modern and value for money.</p>	
	<p>Working with our partners we will provide strong leadership and governance.</p>	<p>The Council's budget will ultimately support and impact on all of the priority outcomes. Overview and Scrutiny's consideration will help support the robustness of proposals and help support good governance.</p>

## **RISKS & ASSUMPTIONS**

16. 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**

17. 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**

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

## **EQUALITY IMPLICATIONS**

19. There are no specific equality implications included within this report. The Committee however, may wish to consider the extent to which consideration has been given to equalities in developing the budget proposals. In particular Members should seek assurances as to what account has been given to the impact on protected groups who may be affected by service reduction or transformation.

## **TECHNOLOGY IMPLICATIONS**

20. There are no specific technology implications within this report. The Committee may wish to give consideration to any specific technology implications included within the budget proposals.

## **CONSULTATION**

21.The Mayor's budget proposals were forwarded to the OSMC on 27<sup>th</sup> January, 2016 for initial consultation.

## **BACKGROUND PAPERS**

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

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