

CONSTITUTION & DEMOCRATIC SERVICES COMMITTEE

Date of Meeting	Thursday, 26 th April 2018
Report Subject	Budget Consultation Process
Cabinet Member	Cabinet Member for Corporate Management & Assets
Report Author	Chief Executive, Chief Officer (Governance) and Democratic Services Manager
Type of Report	Operational

EXECUTIVE SUMMARY

The approach which the Council now uses for Budget Consultation with Overview & Scrutiny has developed beyond the simple form currently set out within the Council's Constitution.

This report provides feedback from Members and officers in developing the 'new' approach which has led to the Staged Budget Process Flow chart and an amended form of words for insertion into section 16 of the Constitution.

RECOMMENDATIONS

1	That the Staged Budget Process as set out in the appendix be approved for Budget consultation purposes.
2	That section 16 of the Constitution be amended to the suggested wording set out in paragraph 1.05 of this report.

REPORT DETAILS

1.00	EXPLAINING THE NEED TO REVIEW BUDGET CONSULATION	
1.01	At the all Member meeting of the Corporate Resources Overview & Scrutiny Committee on 6 th December 2017, it was agreed that the setting of the annual Budget Process should be reviewed. A report to the 31 st January Constitution & Democratic Services Committee detailed the approach used for the 2018/19 Budget Process. It acknowledged that the wording in the Constitution was drafted for simpler times. The Council's statutory officers were satisfied that the phased approach used had met constitutional requirements for consultation.	
1.02	It was also agreed that it would be inefficient to review the Budget Process whilst it was ongoing, and that on completion of the 2018/19 budget, the process would be reviewed. This review should include how to encourage contributions from Overview & Scrutiny (O&S) and ensure that our process meets Member's expectations for meaningful participation.	
1.03	Following consultation with Members and discussion amongst officers, a set of requirements was developed.	
	<u>Requirements</u>	<u>Response/</u> <u>Comment</u>
1	Council Tax must be set before 1 st March to enable the billing process. Therefore, the Budget Process should be completed by third week in February.	Acknowledged
2	It should be recognised that developing the Budget is a collective responsibility involving Members and professional officers who respect each other's respective roles within the process.	Acknowledged
3	Members should first seek professional analysis and information on complex issues before their own analysis and arriving at a judgement.	Acknowledged
4	The Council's statutory officers have a pivotal role within the Budget Process: the Corporate Finance Manager/Section 151 Officer must give a professional opinion on the safety of process and proposals and Members have a duty to consider that advice before making any final decisions.	Acknowledged
5	The staged approach should start with informal briefings to Group Leaders and other Members in June.	Acknowledged
6	The first Budget workshop should be held by July.	Acknowledged
7	The Budget will be approved on a staged basis. (For example, the 2018/19 Budget Process had	Acknowledged

	Stage One in October/November, Stage Two in December and concluded with Stage Three in January/February. However, the process in future years may be achieved in two or four stages (depending on a number of variables)	
8	As each stage is agreed, the officers should start to implement proposals to allow more time for planning and implementation, thus increasing potential for achieving planned levels of saving.	Acknowledged
9	The results of public consultation may be used to help inform Council, Cabinet and Overview & Scrutiny on the acceptability or potential impact of Budget proposals.	Acknowledged
10	The role of Overview & Scrutiny in supporting the Budget Process and sign posting alternative proposals is recognised.	Acknowledged
11	There should be an opportunity for feedback from an Overview & Scrutiny Committee to Cabinet.	Acknowledged
12	There should be an opportunity for feedback directly from an Overview & Scrutiny Committee to Council.	Acknowledged
13	We should ensure that all Members receive all of the information which they need to make decisions in a timely fashion.	Acknowledged
14	We should ensure that Members are given opportunities to ask for further Information.	Acknowledged
15	The Budget Process is a resource intensive exercise: Members should recognise that the officers have a heavy work commitment during this time and may not be able to respond to their questions/requests for information quickly.	Acknowledged
16	There must be a cut-off date and time after which it is not practical for officers to be able to respond to Member questions/requests for information.	Acknowledged
17	Every Corporate Resources Overview & Scrutiny Committee should be webcast.	This would have significant resource implications and thus is impractical for all meetings. The All Member Budget meeting of the

		committee could be webcast.
18	Once a proposal has been through the process and a decision has been made, the issue should be treated as concluded. Further suggestions and/or requests to vary it would affect the integrity and continuity of the Budget Process and hinder planning.	Acknowledged
19	We need to establish whether the use of call-in should be limited to non-Budget items, especially where a consultation item has already been to an Overview & Scrutiny Committee.	A further report will be made to the June meeting.
20	The lead Overview & Scrutiny Committee for Budget Consultation is Corporate Resources, with all Members being entitled to attend meetings should they wish.	Acknowledged
21	There should be opportunity for one of the 'service' Scrutiny Committees to ask that a Budget issue relating to a service within its remit be discussed at a meeting of that Committee – in a special meeting if necessary.	Acknowledged
22	We should ensure that Members are given opportunities to ask for further information and analyse that information which they must receive in sufficient time to give it proper consideration.	Acknowledged
23	The information provided should be risk and impact assessed so that Members have confidence in its use.	Acknowledged
24	Members must recognise the need to await professional officer advice/guidance before moving to a decision.	Acknowledged
25	There should be an agreed approach for how everything should be brought together at the end of the process in reporting to Council to set the overall Budget.	Acknowledged
1.04	To incorporate all of the views expressed into a document would make it too unwieldy. Instead, the ideas have been used to inform the flow chart which is attached as an appendix to illustrate a staged Budget Process. It is based on the 2018/19 approach, using dates for 2019/20, but should not be regarded as prescriptive. A differing number of stages will be equally appropriate as we react to circumstances in a particular year.	
1.05	The Budget Consultation process is covered by section 16.2 of the Constitution, parts (a) and (b).	

	<p>The Cabinet produces proposals and Overview & Scrutiny have not less than 4 weeks to respond. At the end of that period, Cabinet will draw up firm proposals, having regard to the responses to the consultation. Any report to Council will reflect comments made by consultees and the Cabinet's response.</p> <p><i>Suggested wording: Based on good practice and the need for efficiency, the Council has developed a staged Budget Process, as illustrated in the flow chart. This is not prescriptive; between two and four stages would be equally reasonable, depending on the circumstances in different years. At each stage, there is four weeks available for consultation, both on an individual member basis and through one of the six Overview & Scrutiny Committees. Time is made available for individual Members and Overview & Scrutiny Committees to ask for additional information, or query proposals up to and including a final deadline which will be set out at the start of the process.</i></p> <p><i>At the end of the consultation, Cabinet will draw up firm proposals, having regard to the responses to the consultation. Any report to Council will reflect comments made by consultees and the Cabinet's response. Overview & Scrutiny Committees may also prepare a response direct to Council for a non-executive decision, such as the Budget. Throughout the process, up to the deadline which will be determined on an annual basis, the Council's statutory officers will be available to guide and assist Members who wish to explore alternative proposals.</i></p>
1.06	<p>Members including Councillor Peers have made further suggestions for the explanation and presentation of more detailed information on the breakdown of (a) the current expenditure commitments by portfolio and income type (b) the cost pressures and (c) the forecast budget gap (noting that (c) was reported to both Corporate Resources Overview and Scrutiny Committee and Cabinet in April). These suggestions will be worked through in readiness for the first stage budget workshops in July.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>This report is intended to amend the current Budget Process as defined within the Constitution. It is acknowledged that the more extensive process which has developed over the past three years is more resource intensive but this has also promoted greater transparency and accountability.</p> <p>There would be significant resource implications in terms of licence and staff time if every meeting of Corporate Resources Overview & Scrutiny Committee was webcast.</p>

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	This report has been prepared and is published for consultation purposes.

4.00	RISK MANAGEMENT
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4.01	The Council's Budget decision making process has developed further than current Constitutional requirements and thus needs review.
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5.00	APPENDICES
5.01	1. Member consultation feedback 2. Three Stage Budget Process Flow chart

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	1. Minutes of the 'All Member' meeting of Corporate Resources O&SC, 6 th December 2017. 2. Report of the Democratic Services Manager to the Constitution & Democratic Services Committee, 31 st January 2018 – Budget Process, together with resultant minute. Contact Officer: Robert Robins, Democratic Services Manager Telephone: 01352 702320 E-mail: robert.robins@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue Budget and capital programme and any authorised amendments to them. Constitution: a document which sets out how the various elements within the Council must act and interact to support effective decision making.