

**Agenda Item No:** 6  
**Report To:** Cabinet  
**Date of Meeting:** 9th February 2017  
**Report Title:** Report of Budget Scrutiny Task Group  
**Report Author & Job Title:** Will Train  
Corporate Scrutiny and Overview Officer  
**Portfolio Holder** Cllr. N Shorter  
**Portfolio Holder for:** Finance, Budget and Resource Management



**Summary:** The Overview and Scrutiny Budget Scrutiny Task Group has scrutinised the Council's draft 2017/18 budget and regards it as legal and achievable.

**Key Decision:** NO

**Significantly Affected Wards:**

**Recommendations:** The O&S Committee recommends that the Cabinet:

- I. Be advised that the O&S Committee regards the Council's draft 2017/18 budget as legal and achievable.
- II. Endorse the Service Plans and Risk Registers for each service.
- III. Request that services include staff resource as a separate and individual risk within the Risk Register for each service.
- IV. Enhance the consideration of staffing within the strategic risk register.
- V. Endorse the PID process as a compulsory first step for determining the viability of all new and proposed Council projects.
- VI. Agree that an overview of progress made in delivering the Council's project programme be added as a regular item to the Cabinet and O&S Committee agendas.
- VII. Agree the need for further consideration of cross-service and strategic interdependencies to be taken forward by Management Team in liaison with the Overview and Scrutiny Committee.
- VIII. Agree to continue the existing apprenticeship and graduate schemes in place across the Council and extend these where possible.

**Policy Overview:** Under the Council's Constitution the O&S Committee has a

duty to scrutinise the Council's draft Revenue and Capital Budgets.

**Financial Implications:**

As noted in the report

**Legal Implications**

As Policy Overview above

**Equalities Impact Assessment**

Not required as appended to main budget report

**Other Material Implications:**

As noted in the report

**Exempt from Publication:**

**NO**

**Background Papers:**

**None**

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## **Report Title: Report of Budget Scrutiny Task Group**

### **Introduction and Background**

1. Under the Council's Constitution the Overview and Scrutiny Committee has a duty to scrutinise the Council's draft Capital and Revenue Budgets. The Committee constituted a five member Task Group to undertake this work, and presents its assessment of the draft Budgets within this report.

### **Foreword of the Chairman of the Budget Scrutiny Task Group**

2. As Chair of the Overview and Scrutiny Budget Task Group I would like to thank Cllr Winston Michael, Cllr Mrs Marion Martin, Cllr Alex Howard, and Cllr Mick Burgess for their service to the Task Group and this Council. I would also like to thank Cllr Smith who attended and supported the Task Group. The scrutiny of the budget is one of the most important functions that Overview and Scrutiny must perform, and in times when there are budgetary constraints that task becomes ever more important.
3. In addition, I would like to thank all Cabinet Members and Lead Members who were able to attend our meetings to speak on behalf of their department and in demonstrating political ownership of their respective budgets. This trend was set a few years ago under my previous Chairmanship of the Task Group and I believe it has been beneficial to Cabinet Members and those providing scrutiny of the budget. We would like to thank Cllr Shorter in particular who attended all budget meetings.
4. Overview and Scrutiny is now housed within the corporate centre. Can I thank our team within Policy and Performance who helped us through the process. Can I also thank Member Services for their support too. Many officers attended our meetings and answered questions and I would like to thank all of them for their time and commitment too.
5. The biggest issue, which arose from this year's scrutiny, was the issue of the increasing pressure on staff and staff resources. Every department expressed concern that the volume of work was difficult to deliver with current staffing levels. While Officers always perform well and deliver the objectives agreed by Members, the Task Group is very concerned that corporately staff resource is at a critical point. Further reductions and increased workloads could lead to real and significant operational and strategic challenges to Ashford Borough Council. We have made some recommendations within the report to try to address this point.
6. The Task Group commends the administration for proposing an increase this year in the Council Tax of 2.67%. Increasing Council Tax plays an important role in countering inflation and supports the base budget and council resources. We note that despite this increase Ashford Borough Council will still have the lowest Council Tax in Kent.

7. As the government continues to make reductions in funding to local authorities, the Task Group supports the administration in its attempts to make the Borough Council more commercial in its outlook. The Task Group believes that through purchasing property within the Borough, the Council will own assets, which will mature over time and provide a revenue stream. Other Councils in Kent would do well to follow Ashford in this direction.
8. Government changes in the provision of welfare continue to have an impact on the Borough Council. The removal of the Housing Benefit Subsidy is likely to have a severe impact on those affected. It is vitally important that even in these times when resource is restrictive we continue to support the needy and vulnerable within our Borough. Poverty in the rural and urban areas is increasing among the elderly, the poor, and now too for those in work. To this end the Task Group supports the Council's efforts to attract new business to the Borough to provide jobs and increased prosperity. Through the year we must remain conscious of the difficulties many of our residents face and be prepared to intervene where necessary to alleviate strain on families and communities.
9. The delivery of the Local Plan to 2030 is of high significance to the Council. It is crucial that the plan should be deemed sound by the Planning Inspectorate in order that the infrastructure developments, benefits to local employment and increase in homes to be delivered through the Local Plan are assured. The Task Group notes the importance of the successful agreement of this plan and supports all efforts to see it pass.
10. There are many pressures and risks associated with the budget for the coming financial year. Staffing pressures, resource allocations, and reductions in the government grants pose significant challenges to the authority. However, the Task Group has concluded that the budget for 2017/2018 is achievable and is balanced.

## Summary

11. The Overview and Scrutiny Committee would like to thank all the Officers, Portfolio Holders and Lead Members who attended the Task Group meetings. The sessions yielded much information on the challenges facing services across the authority and highlighted a number of common threads relating to the achievability of next year's budget.
12. The Task Group is satisfied on the basis of the evidence presented that the 2017/18 budget is legal and achievable (**Recommendation 1, 2**); but wishes to raise some specific points for consideration by the Cabinet.

## Staff Pressures

13. A common theme raised throughout the service sessions was the pressure on staff resources – whilst heads of service were confident that their service plans and budgets were achievable, the evidence gathered showed that in many areas staff were under pressure in terms of the volume of work required of them to deliver both the 'day job' and the projects within the service plans.

14. Concerns were also expressed over the implications for service delivery in the event of key members of staff leaving the organisation. Whilst it was noted that in some cases contingencies existed to contract in consultants, the Task Group felt that the common theme of staffing needed greater, and more comprehensive, consideration across services.
15. The Task Group noted that 'Workforce Skills and Capacity' is the foremost risk with the Strategic Risk Register but on reflection of the evidence gathered felt that greater consideration should be given to staff resource within this Register. **(Recommendation 4)**
16. Whilst several services included staffing as an individual risk within their Risk register, and it was felt that all services should assess this particular risk from an overall service delivery perspective rather than just focusing on staffing risks within the assessment of specific projects or activities.  
**(Recommendation 3)**

## **Programme Management**

17. The Task Group felt that the new service plan template and risk registers were helpful in providing clarity over the resource requirements for the various service activities. It also heard evidence from across the authority that the programme management and PID processes had not only been well-received by officers and members but were also beneficial in terms of supporting the authority's commercial approach.
18. It was evident that the success of the new approach to programme management would rely on a complete buy-in from Members and Officers and a recognition that all projects will need to be assessed through the PID process to avoid overstretching of resources. Equally importantly, that progress against these initiatives, and their ongoing resource implications, should be reported regularly to senior managers and members.  
**(Recommendation 5, 6)**

## **Interdependencies**

19. The new service plan template and accompanying risk register effectively highlights service interdependencies across the various projects being undertaken by the authority and will aid in determining the resource requirements for staff.
20. As part of a resilience measure to address concerns over staffing, some services noted that there were officers in other areas of the Council with the relevant skills to provide cover in the event of posts becoming vacant. Such arrangements, if required to be enacted, would doubtless be dependent on the level to which cover staff were already committed across the authority.
21. The evidence gathered through various sessions suggested that there was a high level of dependency on external consultants in some areas, with payments for consultant fees being drawn down from reserves rather than budget allocations being made for appointing permanent in-house staff, which concerned the Task Group given the authority's desire to grow talent in-house.

22. As a consequence, the Task group felt that the possibility of building resilience through cross-service support should be explored as a means to potentially achieve future budget savings instead of covering consultant fees. **(Recommendation 7)**

## **Apprenticeships**

23. The Task Group were pleased to hear that apprentices were being engaged in several services and that service heads and Portfolio Holders were supportive of the apprenticeship programme. It was felt that there was great potential in growing talent internally and that the apprenticeship programme was a very positive undertaking for the Council.
24. Several services noted that the apprenticeship scheme as it stood did not provide a suitable pool from which they could recruit and that their preference was for graduate level posts. The Head of HR, Communications and Technology noted that her service was undertaking work on degree level apprenticeships and the Task Group felt this was a positive step to expand the existing apprenticeship schemes which should be supported. **(Recommendation 8)**

## **Conclusion**

25. On consideration of these points, the Overview and Scrutiny Committee commend the following recommendations to the Cabinet.

### **The O&S Committee recommends that the Cabinet:**

- I. Be advised that the O&S Committee regards the Council's draft 2017/18 budget as legal and achievable.**
- II. Endorse the Service Plans and Risk Registers for each service.**
- III. Request that services include staff resource as a separate and individual risk within the Risk Register for each service.**
- IV. Enhance the consideration of staffing within the strategic risk register.**
- V. Endorse the PID process as a compulsory first step for determining the viability of all new and proposed Council projects.**
- VI. Agree that an overview of progress made in delivering the Council's project programme be added as a regular item to the Cabinet and O&S Committee agendas.**
- VII. Agree the need for further consideration of cross-service and strategic interdependencies to be taken forward by Management Team in liaison with the Overview and Scrutiny Committee.**
- VIII. Agree to continue the existing apprenticeship and graduate schemes in place across the Council and extend these where**

**possible.**

## **Contact and Email**

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