

Agenda Item No: 6



Report to Overview and Scrutiny Committee

[Budget Scrutiny Review 2021]

The Overview and Scrutiny Committee is asked to:

- i. Approve the Proposed Budget Scrutiny Schedule regarding the Draft Budget 2022/23.
 - ii. Appoint at least four members of the main Committee to form the Budget Scrutiny Task Group looking at the draft budget 2022/23.
 - iii. Agree to include a 'lessons learnt' section within future reports of the Budget Scrutiny Task Group to evaluate the process annually.
 - iv. Request additional narrative around the draft budget papers and provide separate details of the council's biggest income streams.
 - v. Agree to hold all budget scrutiny meetings virtually to enable flexible working for Members and to increase participation at meetings.
 - vi. Approve the ongoing provision of budget scrutiny training sessions when required and advise Members to sign up to external training offered when possible.
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Date of O&S meeting: 12 October 2021

Chair of O&S Committee: Cllr Ovenden

Relevant Portfolio(s): Finance & IT
Corporate Policy, Economic Development and Communications

Summary: As the Committee approaches the start of next year's budget scrutiny, a short review was conducted. The purpose of the review was to look at the Committee's current budget scrutiny process, draw comparisons with other local authorities and recommend any changes that would improve the process.

Exempt from Publication: **NO**

Background Papers: **LGA: A Councillor's workbook on scrutiny of finance**
[A councillor's workbook on scrutiny of finance \(local.gov.uk\)](#)

CIPFA, CFGS: Financial Scrutiny Practice Guide (2020)
[Financial-scrutiny-practice-guide_proof3.pdf \(cfgs.org.uk\)](#)

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Report Title: Budget Scrutiny Review 2021

Introduction and Background

1. A key function of the Overview and Scrutiny Committee is to scrutinise the draft budgets each year prior to adoption. A Task Group is formed to examine the draft budget papers and identify any areas that require further scrutiny. The Task Group is then able to make recommendations regarding the draft budget to Cabinet.
2. It was proposed that a short review would be undertaken to look at the budget scrutiny process and propose some recommendations for scrutiny of the 2022/23 draft budget. The Chairman of the Committee has been involved in discussions over the proposals. Some research has also been conducted to identify the different approaches taken by other local authorities.
3. One of the main findings from this review concludes that the council has a sound and in depth budget scrutiny process. It has been proposed that for the 2022/23 draft budget, Task Group meetings will start during December this year and will aim to conclude all findings in the coming January.

Research from other Local Authorities

4. Table 1

Authority	Committee/Task Group	Number of meetings	Training	Additional details
Folkestone & Hythe	Finance & Performance Sub Committee	1	Yes in line with 2019 new election term. Relevant courses are offered throughout term.	An additional meeting was held last year due to impact of Covid.
Thanet	Overview and Scrutiny Panel	2	The training is on how the Panel can review the council budget and conduct other scrutiny activities on the financial affairs of the council. The training is provided by LGA approved trainers and that includes getting the services of peer trainers. Refresher scrutiny training is also provided	October/November – OSP reviews Cabinet fees and charges proposals and make recommendations to cabinet January – OSP considers the cabinet budget proposals and makes recommendations back to Cabinet who make final

			on any subject of Members. For example, this month there is a refresher training on "Call-Ins."	recommendations to Full Council.
Dartford	Audit Board acts as scrutiny function for accounting matters	1	No specific training	Audit Board receives quarterly updates on all aspects of accounting.
Dover	Committee	1		A briefing is also given separately by the Strategic Director (Corporate Resources)
KCC	Scrutiny Committee	1	Unknown	The Committee meeting once per year to discuss the draft budget and make recommendations to the Executive.
Charnwood BC	Budget Scrutiny Panel	3	Unknown	Has a similar process to Ashford in terms of the number of meetings held and timings. Reviews the MTFP during September. In latest budget report, separate recommendations are made regarding future budget scrutiny.
Blaby DC	Scrutiny Commission	3	Unknown	All meetings held during January. Invites all other non-executive Members to

5. From Table 1, it is clear that there are many ways of conducting scrutiny of council budgets. The research indicates that scrutiny committees tend to break in to smaller task and finish groups/panels/sub-committees and have one or more dedicated meetings. This supports the Budget Scrutiny Task Group already installed at Ashford Borough Council, although we do tend to have more meetings than others.
6. In addition to making recommendations for the draft budget, Charnwood BC also made a number of recommendations in respect of their future budget scrutiny process. This approach ensures that the budget process itself is annually reviewed and gives the opportunity for the Task Group to reflect on any lessons learnt for future budgets.

7. At Ashford, scrutiny training is provided to Members following a new election term. Also, a short introduction session is normally provided to the Committee prior to the start of budget scrutiny. This is to refresh Members on the draft budget process and can also be useful for any new Members of the Committee. Members are also offered a place on training seminars/webinars provided by the Centre for Governance and Scrutiny (CFGS). The CFGS website (www.cfgs.org.uk) also has research and publications on finance scrutiny as well as other scrutiny topics. It is recommended that Members of the Committee attend any external training offered if possible.
8. During September 2021, a few Members of the Committee attended a financial scrutiny webinar hosted by the CFGS. Members found the session very useful for understanding how other council's conduct budget scrutiny, and all in attendance were able to share advice on the common challenges that councils face.

Proposed Budget Scrutiny Schedule

9.

Key Dates	Details
Wednesday 1st December 2021 6pm	This will be an initial meeting of the Task Group to look at the draft budget papers, the MTFP, Quarter 2 performance report, Corporate risk report. The Task Group will review all the paperwork and raise areas for further scrutiny.
Wednesday 15th December 2021 6pm	This will be the second meeting of the Task Group and topics will be decided as per the initial meeting.
Monday 20th December 2021 6pm	This will be the third meeting of the Task Group and topics will be decided as per the initial meeting.
Tuesday 21st December 2021 6pm	If required, this will be the final meeting of the Task Group and topics will be decided as per the initial meeting. The wrap up will be included in this meeting. Any draft recommendations will be discussed.
January 2022 MT meeting	MT will review the draft recommendations and final report.
January 2022 O&S Committee Meeting	The final report of the Task Group will be reviewed by the main Committee and approved for Cabinet.
January 2022 Cabinet	Cabinet will receive the final report from the Task Group for approval.

	The draft budget will then go to Full Council for adoption.
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10. As a result of the global pandemic, the Task Group was required to hold budget scrutiny meetings virtually via Microsoft Teams. Hosting the meetings online gave Members and Officers greater flexibility by attending the meeting from home. Also, this resulted in wider Member participation in budget scrutiny than ever before and this contributed to the quality of discussion and recommendations.
11. For this years' budget scrutiny, it has been suggested that Members are provided with information regarding the top ten areas of income for the council. Additionally, Members could also be provided with more narrative within the draft budget papers. This has been recommended based on queries from previous years. The MTFP (Mid Term Financial Plan), the Corporate Risk Register and recent Corporate Performance Reports will also be put together in an agenda reports pack.

Conclusion

12. Scrutiny plays a vital role in ensuring the councils draft budget is sound and deliverable. The formation of the Budget Scrutiny Task Group demonstrates the in depth process adopted by the Committee. Over the course of 3 or 4 meetings, Members are given the opportunity to look at draft budget papers in detail and suggest areas for additional scrutiny. Overall, the changes recommended are to improve on the quality of information provided to Members and enhance the current structure in place.

Recommendations

13. The Overview and Scrutiny Committee is asked to:
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Contact and Email

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