



Haringey Council

Briefing for:

- Overview and Scrutiny Committee
- Environment and Community Safety Scrutiny Panel
- Adults and Health Scrutiny Panel
- Children and Young People Scrutiny Panel
- Housing and Regeneration Scrutiny Panel

Title: Scrutiny of the Draft Medium Term Financial Strategy

Officer Support: **Environment and Community Safety Scrutiny Panel & Children and Young People Scrutiny Panel:**

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Date: December 2014

1. Haringey Constitution

- 1.1 As laid out in Part 4, Section G of the Haringey Constitution, the Overview and Scrutiny Committee shall undertake scrutiny of the Council's budget through a Budget Scrutiny process. The procedure by which this operates is detailed in the Protocol covering the Overview and Scrutiny Committee.
- 1.2 Also laid out in this section is that the Chair of the Budget Scrutiny Review process will be drawn from among the opposition party Councillors sitting on the Overview and Scrutiny Committee. The Overview and Scrutiny Committee shall not be able to change the appointed Chair unless there is a vote of no confidence as outlined in Article 6.5 of the Constitution.

2. Overview and Scrutiny Protocol

- 2.1 The Overview and Scrutiny Protocol lays out the process of Budget Scrutiny and includes the following points:
 - a. The budget shall be scrutinised by each Scrutiny Review Panel, in their respective areas. Their reports shall go to the OSC for approval. The areas of the budget which are not covered by the Scrutiny Review Panels shall be considered by the main OSC.

- b. A lead OSC member from the largest opposition group shall be responsible for the co-ordination of the Budget Scrutiny process and recommendations made by respective Scrutiny Review Panels relating to the budget.
- c. Overseen by the lead member referred to in paragraph 9.2, each Scrutiny Review Panel shall hold a meeting following the release of the December Cabinet report on the new 3-year Medium Term Financial Strategy. Each Panel shall consider the proposals in this report, for their respective areas. The Scrutiny Review Panels may request that the Cabinet Member for Finance and Sustainability and/or Senior Officers attend these meetings to answer questions.
- d. Each Scrutiny Review Panel shall submit their final budget scrutiny report to the OSC meeting in January containing their recommendations/proposal in respect of the budget for ratification by the OSC.
- e. The recommendations from the Budget Scrutiny process, ratified by the OSC, shall be fed back to Cabinet. As part of the budget setting process, the Cabinet will clearly set out its response to the recommendations/ proposals made by the OSC in relation to the budget.

3. Budget Scrutiny & Haringey Corporate Plan

3.1 Scrutiny Members should consider the savings and investments as outlined in the Draft Medium Term Financial Strategy taking into account the key priorities and outcomes of the Council. The key priorities and outcomes as stated in the Draft Corporate Plan are:

- Enable every child and young person to have the best start in life, with high quality education;
- Empower all adults to live healthy, long and fulfilling lives;
- A clean and safe borough where people are proud to live;
- Drive growth and employment from which everyone can benefit
- Create homes and communities where people chose to live and are able to thrive.

3.2 These are underpinned by 6 cross-cutting principles:

- Prevention and early intervention – preventing poor outcomes for children, young people and adults and intervening early when help and support is needed;
- A fair and equal borough – tackling the barriers facing the most disadvantaged and enabling them to reach their potential;
- Working together with our communities – building resilient communities where people are able to help themselves and support each other;
- Value for money – achieving the best outcome from the investment made;
- Customer focus – placing our customers needs at the centre of what we do;
- Working in partnership – delivering with and through others.

Nb. The Draft Corporate Plan is provided in background papers for Budget Scrutiny meetings.

3.3 On consideration of the Draft MTFP Scrutiny Members should make draft recommendations to be referred to the Overview and Scrutiny Committee for discussion, prior to approval and referral to Cabinet for consideration and response.

4. Budget Scrutiny Timetable

November 2014	Budget Scrutiny training session for OSC and Panel Members.
December 10th , 11th and 15th	Scrutiny Panels scrutinise Draft MTFs and any budget saving identified in their area of responsibility. Cabinet Member and Senior Officers attend to answer questions
Early Dec '14	Local Government settlement announced
16th Dec '14	Draft Medium Term Financial Strategy (budget) at Cabinet
18th December	OSC scrutinises Draft MTFP within its portfolio and agrees budget recommendations of scrutiny panels.
Dec '14 to early Jan '15	Actions from Budget Panel meetings and OSC meeting followed up. OSC Budget Scrutiny report formulated ensuring legal and finance input
9th Jan '15	OSC budget report submitted to legal and finance for comment
18th Jan '15	Final budget report and recommendations published for OSC
26th Jan '15	Final budget scrutiny report and recommendations approved by OSC and formally referred to Cabinet.
10th Feb '15	Cabinet. OSC recommendations from the Budget Scrutiny process report to Cabinet for response. As part of the budget setting process, the Cabinet will clearly set out its response to the recommendations/ proposals made by the OSC in relation to the budget
23rd Feb '15	Budget setting at Full Council

5. Areas covered by each Scrutiny body

- 5.1 Overview and Scrutiny Committee and Panels are asked to consider the draft MTFs in relation to the areas which their OSC/panels cover, as agreed by the Overview and Scrutiny Committee in July 2014. Cross cutting areas will be considered by the Overview and Scrutiny Committee.
- 5.2 The Draft MTFs is structured according to outcomes as outlined in the Corporate Plan and therefore the outcome areas covered by each Panel are laid out below:

Adults and Health Scrutiny Panel	<ul style="list-style-type: none"> • Adults Social Care • Public Health
Environment and Community Safety Panel	<ul style="list-style-type: none"> • Environment • Communities • Carbon Reduction
Housing and Regeneration Scrutiny Panel	<ul style="list-style-type: none"> • Tottenham and Borough wide regeneration • Housing investment and policy • Homelessness • Homes for Haringey

	<ul style="list-style-type: none"> • Planning
Children and Young People Scrutiny Panel	<ul style="list-style-type: none"> • Children and Families
Overview and Scrutiny Committee	<ul style="list-style-type: none"> • Growth and investment • Unemployment and worklessness • Post 16 education • Adult learning and skill • Resources and culture

6. Effective Budget Questioning

- 6.1 In June 2014 Grant Thornton and the Centre for Public Scrutiny published “Raising the Stakes: financial scrutiny in challenging times”. Whilst the guide was published for Welsh local authorities it offers practical advice to council officers and councillors about how scrutiny can add value to financial planning and financial management and so may be of interest to Scrutiny Members.
- 6.2 The guide draws on existing good practice from Welsh and English local government to provide practical advice and ideas on how councils can ensure effective scrutiny and accountability of the use of public money.
- 6.3 The guide to effective questioning may be of particularly interest to Scrutiny Members, and can be found at Appendix A of this briefing.

APPENDIX A

Raising the Stakes: Financial Scrutiny in Challenging times

Checklist for effective questions

- How much will that cost?
- Are you sure that the cost will be what is stated here?
- Is this cost for this year only or is it ongoing?
- Is this a statutory requirement?
- What happens if this is not funded?
- What would be the consequences of only part funding?
- Is there external funding available to contribute to the cost?
- Could we charge for this?
- When will we see the benefits from this spending?
- Can this be deferred?
- Where is the business case?
- What can be used to measure its success?
- Can we increase income from assets?
- Is this funding contractually committed?
- Why are our balances set at this level?

... and more detailed questions

- How will the budget reflect investments that are aimed at achieving longer-term savings –‘invest to save’?
- What consideration has been given to maximising income (where appropriate and equitable) – e.g. income from sales, fees and charges etc.?
- How is the workforce planned and managed to ensure that market considerations are taken into account when determining pay scales?
- What is the anticipated impact of efficiency targets on the budget and how is the council planning ahead to deal with the cumulative effects of efficiency targets?
- What is the anticipated impact of budget pressures on: – Services – Performance (including performance indicators and standards) – Clients/service users – Partnerships and joint working – Staffing levels – Job Evaluation

- To what extent is compliance with external inspection having an effect on budgets and spending?
- What choices and options did you have when setting your budget targets?
- How were decisions arrived at in order to decide between options?
- How do your budget targets contribute to the achievement of: – corporate priorities – E-government targets?
- Is this external funding time-limited – if yes, have we got an exit strategy?
- Are we making full use of prudential borrowing and trading and charging powers?
- How can our income be increased in a sustainable way?
- How much of our budget is fixed – what do we have discretion over?
- Can you clarify how setting the budget is linked to medium term financial planning?
- How do we use the medium term financial strategy to decide on resource allocation to corporate and service priorities?
- Are the financial implications of proposals from departments and services built into the overall budget?
- Are the level of reserves appropriate and what is the logic behind that level?