

Report for: Overview and Scrutiny Committee – 17 January 2017

Title: Draft Budget Scrutiny Recommendations

Report authorised by : Cllr Pippa Connor, Vice Chair Overview and Scrutiny Committee and lead for Budget Scrutiny

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Ward(s) affected: All

**Report for Key/
Non Key Decision:** N/A

1. Describe the issue under consideration

1.1 This report sets out how budget proposals, detailed in the draft 5 year Medium Term Financial Strategy (2017/18 – 2021/22), have been scrutinised and the draft recommendations that have been reached to date by each of the Scrutiny Panels.

2. Recommendations

2.1 That the Overview and Scrutiny Committee:

(a) Notes the draft recommendations, attached at Appendix A, that have been developed by each of the Scrutiny Panels.

(b) Notes the additional information requested, outlined in Appendix A, will be made available for consideration on 30 January before final budget recommendations are made by the Committee.

3. Reasons for Decision

3.1 As laid out in the Council's Overview and Scrutiny Procedure Rules (Constitution, Part 4, Section G) the Overview and Scrutiny Committee is required to 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.

4. Alternative Options Considered

N/A

5. Budget Scrutiny Process

5.1 The Overview and Scrutiny Protocol lays out the process for Budget Scrutiny. This 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 above, each Scrutiny Review Panel shall hold a meeting following the release of the December Cabinet report on the new Medium Term Financial Strategy. Each Panel shall consider the proposals in this report, for their respective areas. The Scrutiny Review Panels may request that Cabinet Members 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.

6. Budget Scrutiny to Date

- 6.1 In July of this year the Overview and Scrutiny Committee considered the Medium Term Financial Strategy (MTFS) planning timetable and budget scrutiny process for 2017/18. As set out in that report, in order to cover the period of business rate devolution, work commenced on a new five year MTFS in May 2016.
- 6.2 The draft MTFS uses the last year of the currently approved MTFS (2017/18), as adjusted for known changes, and adds a further four years (2018/19, 2019/20, 2020/21 and 2021/22). After taking into account anticipated funding reductions, demand pressures and a review of the base financial position including the achievability of previously agreed savings, further savings are required to bridge the resulting budget gap. As a consequence, this led to a new range of proposals being reported to Cabinet in December 2016.
- 6.3 Following consideration by Cabinet, all four Scrutiny Panels met in December to scrutinise the draft budget proposals that fell within their portfolio areas:
 - Children and Young People Scrutiny Panel
 - o Priority 1
 - Adults and Health Scrutiny Panel
 - o Priority 2

- Environment and Community Safety Scrutiny Panel
 - o Priority 3
- Housing and Regeneration Scrutiny Panel
 - o Priority 4 and Priority 5

6.4 In addition, the Overview and Scrutiny Committee will meet on 17 January to consider proposals relating to Priority X (Enabling).

6.5 Cabinet Members, senior officers and finance leads were in attendance at each meeting to present proposals and to respond to questions from members. For some of the proposed revenue savings proposals, additional information was requested. A summary of each meeting, including draft recommendations, is provided at Appendix A.

7. Next Steps

7.1 The table below sets out the remaining steps in the budget scrutiny process:

Date	Meeting	Comments
17 January 2017	Overview and Scrutiny Committee	Scrutiny of draft budget proposals for Priority X (Enabling) and consideration of emerging budget scrutiny recommendations (attached at Appendix A).
30 January 2017	Overview and Scrutiny Committee	Final recommendations agreed and formally referred to Cabinet
14 February 2017	Cabinet	Cabinet will clearly set out its response to recommendations made by the Overview and Scrutiny Committee
27 February 2017	Full Council	Final budget setting

8. Contribution to Strategic Outcomes

8.1 The budget scrutiny process has made a contribution to strategic outcomes relating to “Outstanding for All”, “Clean and Safe” and “Sustainable Housing, Growth and Employment” (Haringey Corporate Plan 2015-18).

9. Statutory Officers Comments

Finance

- 9.1 The Chief Finance Officer has been consulted on this report and acknowledges the importance of budget scrutiny in preparing and subsequently approving the Council's Medium Term Financial Strategy (MTFS).
- 9.2 There are no specific financial implications as a result of the scrutiny process but there may be an impact on the overall Council budget if recommendations are made for change. Any such implications would be considered as part of February's Cabinet MTFS report.

Legal

- 9.3 There are no immediate legal implications arising from this report. The Overview and Scrutiny Committee is exercising its budget scrutiny function. This is part of the constitutional arrangements for setting the Council's budget, as laid out in Part 4, Section G of the Haringey Constitution.

Equality

- 9.4 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
 - Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.
- 9.5 The proposals in the draft Medium Term Financial Strategy are currently at a high level and will be developed further as new operating models, service changes and policy changes are progressed. Equality impact assessments will be developed as part of this process.
- 9.6 The Committee should ensure it addresses these equality duties by considering them within its work. This should include considering and clearly stating;
- How specific savings / policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
 - Whether the impact on particular groups is fair and proportionate;

- Whether there is equality of access to services and fair representation of all groups within Haringey;
- Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

10. Use of Appendices

Appendix A

- Draft list of recommendations from the budget scrutiny process to date

11. Local Government (Access to Information) Act 1985

11.1 Background papers:

- 5 year Medium Term Financial Strategy (2017/18 – 2021/22) – Cabinet 13th December 2016