



ST HELENS
BOROUGH COUNCIL

Overview and Scrutiny Commission

7 February 2022

Report Title:	Budget Scrutiny Task Group
Cabinet Portfolio	Finance and Governance
Cabinet Member	Councillor Martin Bond
Exempt Report	No
Reason for Exemption	N/A
Key Decision	No
Public Notice issued	N/A
Wards Affected	All
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Borough priorities	Ensure children and young people have a positive start in life	X
	Promote good health, independence, and care across our communities	X
	Create safe and strong communities and neighbourhoods for all	X
	Support a strong, thriving, inclusive and well-connected local economy	X
	Create green and vibrant places that reflect our heritage and culture	X
	Be a responsible Council	X

1. Summary

- 1.1 This report provides an overview of the Budget Scrutiny Task Group's examination of the Council's budget setting process and sets out its findings. The Overview and Scrutiny Commission is required to approve the statement which will be submitted to Cabinet and Council as part of the 2022/23 Budget.

2. Recommendations for Decision

The Overview and Scrutiny Commission is recommended to:

- i) Note this report;**
- ii) Adopt the proposed statement on the budget setting process as set out in section 4.7 to 4.13 of this report; and**
- iii) Submit the Commission's statement on the budget setting process to the Executive Director of Corporate Services for inclusion in reports on the Council's Budget for 2022/23 to be considered by Cabinet on 23 February and Council on 2 March.**

3. Purpose of this Report

- 3.1 This report presents to the Overview and Scrutiny Commission, the Statement of the Commission on the Budget Setting Process for 2022/23 following the meetings of the Budget Scrutiny Task Group held in January 2022.

4. Background /Reasons for the recommendations

- 4.1 At its meeting on 13 December 2021, the Overview and Scrutiny Commission agreed to establish a cross-party Budget Scrutiny Task Group to review the Council's budget setting process for 2022/23. The Task Group's remit was to assess the budget setting process to ensure it had been robust.
- 4.2 The following Councillors took part in the Task Group:

- Councillor Mancyia Uddin (Chair)
- Councillor Jeanette Banks
- Councillor Trisha Long
- Councillor Dennis McDonnell
- Councillor Linda Mussell

4.3 The Task Group held four meetings on 20 January 2022 to review the budget setting process undertaken by directorates / portfolios as follows:

- Council Overview and Corporate Services
 - Finance and Governance
 - Reset and Recovery
- Children and Young Peoples Services
 - Children and Young People
 - Education, Skills and Business
- Place Services
 - Safer, Stronger Communities
 - Regeneration and Planning
 - Environment and Transport
 - Education, Skills and Business
 - Wellbeing, Culture and Heritage
- Integrated Health and Social Care
 - Integrated Care and Health
 - Wellbeing, Culture and Heritage

4.4 During the Task Group's meetings, portfolio holders were asked to explain the process they had undertaken with officers, and as a Cabinet, to develop the budget proposals and the opportunities, challenges and pressures facing services within their remit in 2022/23. Portfolio holders were questioned on how they worked together to consider issues which affected services in multiple portfolios and different directorates and where decisions regarding services in one portfolio might have adverse consequences for other portfolios. The Task Group also sought assurances as to whether the implications of all possible options regarding budget proposals were fully understood, as well as the opportunities for income generation that had been explored and opportunities for the 'localities' model to be implemented.

4.5 To avoid duplicating the role of a portfolio holder, the Task Group focused on assessing the robustness of the budget setting process and portfolio holders' understanding of the potential proposals they were making, rather than a line-by-line scrutiny of the individual decisions themselves.

4.6 Relevant senior officers and business support officers for each portfolio attended the meetings and the Scrutiny Team attended to support the Task Group. To document its findings and conclusions, the Task Group has developed the statement on the budget setting process as set out in section 4.7 to 4.13 below. The Task Group recommends that the Overview and Scrutiny Commission adopt this statement to be submitted to Cabinet and Council for consideration during determination of the 2022/23 Council Budget.

Statement of the Commission on the Budget Setting Process

- 4.7 The Overview and Scrutiny Commission established a cross-party Budget Scrutiny Task Group to examine the robustness of the 2022/23 budget setting process undertaken by portfolio holders and officers. To examine the budget setting process, the Task Group held a series of meetings on 20 January 2022 with portfolio holders and officers invited to attend. The Task Group focused on portfolio holders' understanding of the potential proposals they were making, rather than a line-by-line scrutiny of the individual decisions themselves.
- 4.8 The Commission acknowledges that the ongoing Covid-19 pandemic continues to impact significantly on the Council, as well as all local authorities across the country. The Commission recognises the increasing pressures faced by the Council in maintaining the delivery of services whilst providing good outcomes for the residents of the Borough, particularly the most vulnerable in our society, at a time of unparalleled financial constraints. During their responses, portfolio holders demonstrated a commitment to ensuring the Council meets its statutory duties whilst delivering a balanced budget and this is commended by the Commission.
- 4.9 The Commission noted that the one-year financial settlement from central government impacts on the Council's ability to plan for the long-term. This was particularly evident in the ongoing review and redesign of services and structure within Council directorates. However, the Commission welcomes the approach taken by portfolio holders to use the Council's *Borough Strategy* (agreed by Cabinet in February 2021) and the numerous other strategies agreed and in development, as the basis to prioritise how services operate and are delivered to ensure they offer value for money and efficiency for the borough's residents.
- 4.10 The Commission was pleased to hear of the consistent approach of cross portfolio and collective Cabinet discussion to understand how services in each portfolio are interrelated; how decisions in relation to one service/directorate can impact on those of another; and how services (and partners) can work more closely to avoid duplication. The Commission also notes the challenge provided by the portfolio holder for Finance and Governance which was noted by fellow portfolio holders in all sessions.
- 4.11 The Commission recognised that the Council's new 'ways of working' and 'localities' models presented new opportunities for directorates and services and would be a key factor in the future sustainability of services across all directorates. The Commission looks forward to seeing these models of working becoming further embedded within the Council over the course of the forthcoming year.
- 4.12 The Commission welcomes the importance placed during the budget setting process on looking for opportunities to generate additional revenue. This includes through exploring commercial opportunities, bidding for grant funding where appropriate, and commissioning and procuring services in a commercial way whilst still retaining the social value and ethical principles of the Council. The Commission was especially pleased to note success of the Council in securing external funding from a variety of sources, such as the Liverpool City Region Combined Authority and others. Whilst welcoming steps to improve income generation, the Commission underlines the importance of ensuring proposals are robust and will deliver realistic returns.
- 4.13 Overall, the Overview and Scrutiny Commission is satisfied that in context of the amount of time available for scrutiny, the process for setting the Council Budget for 2022/23 has been robust and thorough. The Commission recognises that there is still further work to be done by portfolio holders and officers to develop the final budget which will be presented to Council on 2 March. The Overview and Scrutiny Commission welcomes the commitment of portfolio

holders and officers to continue to engage fully with Scrutiny over the forthcoming year to further understand the implications for services, residents, stakeholders and the borough as a whole.

5. Community Impact Assessment

5.1 No Community Impact Assessment was carried out for the purposes of this Task Group.

6. Consideration of Alternatives

6.1 N/A

7. Conclusions

7.1 This report provides an overview of the Budget Scrutiny Task Group's examination of the Council's budget setting process and sets out its findings. The Overview and Scrutiny Commission is required to approve the statement which will be submitted to Cabinet and Council as part of the 2022/23 Budget.

7.2 The Overview and Scrutiny Commission is satisfied that in context of the time available, the process for setting the Council Budget for 2022/23 has been robust and thorough. The Commission recognises that there is still further work to be done by portfolio holders and officers to develop the final budget which will be presented to Cabinet on 23 February and Council on 2 March.

7.3 The Commission would like to place on record its thanks to portfolio holders and officers for the time given to this Task Group and how they engaged in the Scrutiny process.

8. Implications

8.1 Legal Implications

8.1.1 The report is in line with the Overview and Scrutiny Commission's terms of reference, and the Commission's responsibility to consider the Council's Budget Strategy and budget proposals made by the Cabinet.

8.2 Community Impact Assessment (CIA) Implications

8.2.1 Social Value

8.2.1.1 There are no direct social value implications within this report.

8.2.2 Sustainability and Environment

8.2.2.1 There are no direct sustainability and environment implications within this report.

8.2.3 Health and Wellbeing

8.2.3.1 There are no direct health and wellbeing implications within this report.

8.2.4 Equality and Human Rights

8.2.4.1 There are no direct equality and human rights implications within this report.

8.3 Customers and Resident

8.3.1 There are no direct customer and resident implications within this report.

8.4 Asset and Property

8.4.1 There are no direct asset and property implications within this report.

8.5 Staffing and Human Resource

8.5.1 There are no direct staffing and human resource implications within this report.

8.6 Risks

8.6.1 There are no direct risks identified within this report.

8.7 Finance

8.7.1 There are no direct financial implications within this report.

8.8 Policy Framework Implications

8.8.1 The Budget Scrutiny Task Group report considers all six of the Borough Priorities.

8.9 Impact and Opportunities on Localities

8.9.1 There are no direct localities implications within this report

9. **Background papers**

9.1 Budget 2022/23 Report (Cabinet, 12 January 2022)

10. **Appendices**

10.1 None