



Overview and Scrutiny Commission

5 February 2024

Report Title	2024/25 Budget Scrutiny Task Group
Cabinet Portfolio	Corporate Services
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 2024/25 Budget Scrutiny Task Group's examination of the Council's budget setting process and sets out its findings and recommendations. The Commission is required to approve the statement which will be submitted to Cabinet and Council as part of the reports on the 2024/25 Budget.

2. Recommendation for Decision

Overview and Scrutiny Commission is recommended to:

- 1) note the report;**
- 2) approve the statement of the 2024/25 Budget Task Group in relation to the robustness of the budget setting process; and**
- 3) submit the statement to the Director of Finance (S151) for inclusion in the Budget Report to Cabinet and Council.**

3. Purpose of this report

- 3.1 This report presents to the Overview and Scrutiny Commission, the recommended statement of the Commission on the budget setting process for 2024/25 following the meeting of the 2024/25 Budget Scrutiny Task Group held on 16th January 2024.

4. Background / Reason for the recommendations

- 4.1 As part of the Overview and Scrutiny Commission's work programme a Budget Task Group was established to review the Council's budget setting process for the 2024/25 Budget. The aims and objectives of the Task Group were:

- To examine the robustness of the 2024/25 Budget setting process;
- To examine whether sufficient consideration had been given to relevant information when developing the 2024/25 Budget; and
- To understand the extent to which the implication of budget decisions on service provision and outcomes for residents was known.

- 4.2 The following members of the Overview and Scrutiny Commission took part in the Task Group:

- Councillor Derek Long (Chair)
- Councillor Robyn Hattersley
- Councillor Trisha Long
- Councillor Anne McCormack
- Councillor Linda Mussell
- Councillor Bisi Osundeko
- Councillor Michelle Sweeney

- Councillor James Tasker
- 4.3 The Task Group met on 16th January 2024. All Cabinet Members, Executive Directors and Directors were invited to attend the meeting to provide an overview of the processes that they had undertaken to develop the budgets for their respective areas.
 - 4.4 The Task Group focused on assessing the robustness of the budget setting process, the general implications of the budget proposals and any alternatives that had been considered rather than a formulaic line-by-line scrutiny of the individual decisions themselves.
 - 4.5 All Cabinet Members and Executive Directors attended the meeting, supported by a number of Directors and Assistant Directors for People, Place and Corporate services, demonstrating the commitment of senior leadership to the scrutiny function and the budget setting process.
 - 4.6 Executive Directors and Cabinet Members, supported by Directors and Assistant Directors, presented an overview of the budget setting process and the budget proposals that had been developed to ensure the Council is able to set a balanced budget as required by the Local Government Finance Act 1992.
 - 4.7 To document its findings and conclusions the Task Group developed the statement on the budget setting process set out in section 4.8 to 4.17. The Task Group recommends that the Overview and Scrutiny Commission adopt this statement and that the statement be submitted to Cabinet and Council for consideration during determination of the 2024/25 Budget.

Statement of the Commission on the Budget Setting Process

- 4.8 The Overview and Scrutiny Commission established a cross-party Task Group to examine the robustness of the 2024/25 budget setting process undertaken by cabinet members and officers. To examine the budget setting process, the Task Group held a meeting on 16th January 2024. Cabinet Members and senior officers attended the meeting to provide an overview of the processes they undertook to determine the decisions that were required to set a balanced budget. The Overview and Scrutiny Commission is thankful to all Cabinet Members and Senior Officers for their commitment to supporting the scrutiny process.
- 4.9 The Overview and Scrutiny Commission recognises the very difficult financial situation that many local authorities across the country currently find themselves in. With so many local authorities having no choice but to issue Section 114 notices, those councils that have continued to set balanced budgets over the years deserve huge credit. The Commission commends the continued efforts of Council staff in these difficult circumstances in to maintaining high standards whilst finding ways to reduce expenditure. However,

it is evident that St Helens Council is beyond the point at which savings can be made without significantly impacting service delivery and some very difficult decisions need to be made to balance budgets over the next three years.

- 4.10 The Commission recognises the huge gap between available funding and demand for services that the Council needs to bridge and has been trying to tackle with emergency measures in the current year as well as having to plan for savings in the next three years. Demand for Children's and Adults' services together with inflationary pressures have contributed hugely to an increase in costs to the Council that are difficult to mitigate and are unavoidable.
- 4.11 The Commission believes that, based on the evidence presented to the Task Group, the budget setting process has been robust and is satisfied that the approach taken has carefully considered the implications of the proposed budgetary decisions on the wider community. The Commission was reassured that senior leaders have a demonstrable understanding of the potential impact on residents of the decisions that are being considered in order to meet the Council's legal obligation to set a balance budget.
- 4.12 The Commission commends efforts to find new ways of working, particularly with neighbouring authorities and partner organisations that will hopefully ease impacts of increasing demand in Children's and Adult's Social Care. The Commission wishes to note, in particular, the success of the efforts made to recruit more foster carers in house and hope this can continue to further reduce costs of reliance on more expensive agency fostering and external residential placements.
- 4.13 The Commission also hopes that the ambitious economic regeneration and home building programmes that Place Services have worked so hard on will produce benefits to the Borough that help to ease pressure on Council finances and services. The Commission joins Cabinet Members and Executive Officers in their regret that the Council will need to dispose of land at Bold Forest Garden to generate funds necessary to ensure a balanced budget.
- 4.14 Officers in Corporate Services should also be praised for their continued efforts to support those in the People and Place Directorates, to deliver for the Borough, especially the effort by the Finance Department to find ways of setting a balanced budget and leading on communication with the public on these matters.
- 4.15 The Commission recognises, as Cabinet Members and Senior Officers do, that there are likely to be negative impacts on service quality and outcomes for residents from some of the difficult decisions that are required to be made. The Commission is satisfied that, as far as possible, efforts have been made to understand any potential impacts and where possible to ensure mitigations are in place but understands that in some cases there will be little that can be done

fully mitigate undesirable impacts given the resources available. The Commission notes that these difficult decisions that no one wishes to make are being forced upon the Council by the unsustainable financial situation that has developed over years of underfunding from Central Government.

- 4.16 To balance its budget the Council has no option but to increase contributions from residents, but it is positive to see from the responses to the public consultation undertaken by the Council, that many residents recognise the need to do so to maintain the important services that the Council delivers, particularly to our vulnerable residents. The Commission recognises the alternative options to raising council tax that respondents to the consultation put forward but acknowledges many of those have been exhausted in the past and are no longer viable alternatives. The Commission commends the consultation exercise undertaken with the public and stakeholders regarding the budget proposals but asks that consideration be given to ways to further increase participation in future years. It is vital that the Council continues to effectively communicate the need to make the decisions being proposed and how they will affect service users to the public so they understand the reasoning and, where applicable, prepare for the changes.
- 4.17 With regards to the delivery of the budget in the coming years, the Commission is pleased to note that the recently established Budget Savings Delivery Board will ensure there is greater oversight in relation to the delivery of savings by each service. The Commission recognises that any slippage in the delivery of savings will create further financial pressures, however it understands that many of the savings required to set a balanced budget will not be easy to implement. The Commission will play its role in holding services to account for delivery of savings through its work on the Quarterly Financial Monitoring Reports and contribute to efforts to communicate effectively with the public on this issue where appropriate.

5. Consideration of Alternatives

- 5.1 N/A

6. Conclusions

- 6.1 This report provides an overview of the 2024/25 Budget Scrutiny Task Group's examination of the Council's budget setting process and sets out its findings and recommendations. The Commission is requested to approve the statement on the robustness of the budget setting process that the Task Group developed following their meeting with senior officers and cabinet members. An approved statement will be submitted to Cabinet and Council as part of the report on the 2024/25 Budget.

7. Legal Implications

- 7.1 Whilst there will be legal implications associated with the approval of a Budget for 2024/25 by Cabinet and Council, there are no legal implications of the decision by the Overview and Scrutiny Commission to submit a statement in relation to the budget setting process to Cabinet and Council for them to consider. The Budget Task Group process has been undertaken in line with the Overview and Scrutiny Procedure Rules set out in the Council's Constitution and good scrutiny practices.

8. Financial Implications

- 8.1 Whilst there will be financial implications associated with the approval of a Budget for 2024/25 by Cabinet and Council, there are no financial implications of the decision by the Overview and Scrutiny Commission to submit a statement in relation to the budget setting process to Cabinet and Council for them to consider.

9. Equality Impact Assessment

- 9.1 No equality impact assessment was required as part of the 2024/25 Budget Scrutiny Task Group's work.

10. Social Value

- 10.1 The proposed statement of the Commission will have no direct impact on social value.

11. Net Zero and Environment

- 11.1 The proposed statement of the Commission will have no direct impact on sustainability of the environment.

12. Health and Wellbeing

- 12.1 The proposed statement of the Commission will have no direct impact on health and wellbeing of residents.

13. Customer and Resident

- 13.1 There are no direct customer or resident impacts in this report. The report provides customers and residents with the opportunity to understand more about the views of the Overview and Scrutiny Commission in relation to the Council's budget setting process.

14. Asset and Property

- 14.1 There are no direct impacts on assets and property of this report.

15. Staffing and People Management

15.1 There are no direct staffing or People Management implications of this report.

16. Risks

16.1 Failure to carry out some form of scrutiny in relation to the budget setting process would undermine the robustness of the budget setting process and could potentially lead to issues within the final budget. Having undertaken a scrutiny review of the budget setting process the Council has mitigated this risk.

17. Policy Framework Implications

17.1 No Council policies are affected by the recommendations in this report.

18. Impact and Opportunities on Localities

18.1 There are no direct impacts or opportunities on localities resulting from this report.

19. Background Documents

19.1 2024/25 Budget Task Group agenda for meeting held on 16th January 2024

19.2 PowerPoint presentation delivered to Task Group on 16th January 2024

20. Appendices

20.1 None