

**SCRUTINY BOARD RECOMMENDATIONS - REVENUE
AND CAPITAL BUDGET 2018/19 AND MEDIUM TERM
FINANCIAL STRATEGY TO 2022/23**

Report by: Scrutiny Board

For recommendation

Key decision: no

Cabinet Lead: Councillor Tony Briggs

1.0 Purpose of the Report

1.1 To consider the recommendations of the Scrutiny Board in relation to the:

- (a) scrutiny undertaken by the Budget Scrutiny and Policy and Development Panel into the 2018/19 Budget; and
- (b) draft proposals for the Revenue and Capital Budget 2018/19 submitted to the Scrutiny Board on 30 January 2018.

2.0 Recommendations

2.1 That the Cabinet be recommended:

- 2.1.1 to instruct the Chief Finance Officer to review each service's budget to identify funds which could be used by more than one service and that these budgets be moved so that they can be easily accessed by all relevant services and avoid a situation whereby one service uses its budget to fund a service where there is a specific fund held for this purpose by another service as referred to in paragraph 10.4(a) of the submitted Budget Scrutiny Panel's report;
- 2.1.2 to request the political group leaders to encourage their members to consent to receiving electronic versions of all committee papers;
- 2.1.3 to instruct officers to prepare a business case for paperless meeting papers, highlighting the costs and potential savings for this move;
- 2.1.4 to instruct the officers and cabinet leads to put in place communication plans for any changes to fees and charges to ensure residents are fully informed; and

2.1.5 to agree to the 2019/20 Budget Timetable for budget meetings in January and February 2019 (Appendix A).

3.0 Summary

3.1 The Budget Scrutiny and Policy Development Panel's Budget Scrutiny 2018/19 Report

3.1.1. The Scrutiny Board considered

- (a) a report (Appendix A) from the Budget Scrutiny and Policy Development Panel, setting out its findings and recommendations following a scrutiny of the 2018/19 budget.
- (b) Comments on (a) submitted by the Chief Executive Officer (Appendix C)

3.1.2 The Board endorsed the recommendations of the Panel subject to the amendments and additional conditions suggested by the Chief Executive Officer

3.1.3 The Board also considered a submitted timetable for meetings to be held in January/February 2019 to consider the 2019/20 budget. The Board considered that this timetable would overcome problems caused by the late submission of the budget proposals to the Board and enable a proper scrutiny of the budget before it is submitted to Cabinet. The timetable was agreed in principle by the Chief Finance Officer and the Leader of the Council.

3.2 Draft Proposals for the Revenue and Capital Budget 2018/19 and Medium Term Financial Strategy to 2022/23

3.2.1 The Board was also given an opportunity to consider and comment upon the draft Revenue and Capital Budget 2018/19 to 2022/23.

3.2.2 The Board endorsed the recommendations set out set out in Agenda Item 7 (Revenue and Capital Budget 2018/19 and Medium Term Financial Strategy to 2022/23)

Appendices

Appendix A Report of the Budget Scrutiny and Policy Development Panel

Appendix B Suggested 2019/208 Budget Timetable for meetings to be held in January/February 2019/20

Appendix C Comments of the Chief Executive Officer on the Budget Scrutiny and Policy Development Panel's Report and Findings Pack

Background Papers

[Findings Pack](#)

The comments of the Chief Executive Officer on the Budget Scrutiny and Policy Development Panel are set out in Appendix C of this report.

Contact: Councillor Paul Buckley
Title: Chairman of the Scrutiny Board
Telephone: (023) 9226 6418
E-Mail: paul.buckley@havant.gov.uk

Contact: Councillor Gary Hughes
Title: Scrutiny Lead for the Budget Scrutiny and Policy Development Panel

Telephone: 02392 374152
E-Mail: gary.hughes@havant.gov.uk

HAVANT BOROUGH COUNCIL

Scrutiny Board

30 January 2018

Review of the Budget 2018/2019

FOR RECOMMENDATION

KEY DECISION NO

REPORT BY: Budget Scrutiny and Policy Development Panel

1.0 EXECUTIVE SUMMARY

1.1 The review was established to analyse the formation process for the 2018/19 budget.

2.0 RECOMMENDATIONS

2.1 The Scrutiny Board Recommend to Cabinet:

2.1.1 to instruct the Chief Finance Officer to review each service's budget to identify funds which could be used by more than one service and that these budgets be moved so that they can be easily accessed by all relevant services;

2.1.2 to request the political group leaders to encourage their members to consent to receiving electronic versions of all committee papers; and

2.1.3 to instruct officers to prepare a business case for paperless meeting papers, highlighting the costs and potential savings for this move.

3.0 RESOURCES:

3.1 A move towards paperless meeting papers will reduce the Council's printing costs.

3.2 The creation of central budgets for funds accessible by more than one service will ensure that budgets are more effectively used.

4.0 LEGAL:

4.1 In relation to paperless meeting papers, the Council is required to supply a reasonable number of papers agendas/reports for members of the public. The Council is also required to send paper copies of meeting papers to Councillors, if they do not consent to electronic versions of meeting papers.

5.0 STRATEGY:

5.1 The delivery of financially sustainable services is a key commitment in the Councils' Corporate Strategy.

6.0 RISKS:

6.1 An increase in fees is likely to lead to complaints from members of the public.

7.0 COMMUNICATIONS:

7.1 Residents should be fully informed of any change in fees and charges and the reasons for these increases.

8.0 FOR THE COMMUNITY:

8.1 The delivery of financially sustainable services, which are affordable for customers will benefit the community.

9.0 METHODOLOGY

9.1 This review was undertaken to review the budget proposals for 2018/19. It was agreed that the review would be carried out investigating a sample of services as follows:

- a) Early thoughts discussions' with four services.
- b) Discussion with the Leader of the Council, Chief Executive Officer, and the Chief Finance Officer on the strategic direction for the budget 2018/19.
- c) Deep Dive' sessions with the four services reviewed at a) above.

9.2 Full details of the methodology of the project are set out in a separate Findings Pack.

10.0 KEY FINDINGS

10.1 The current financial year had included a £1million target for Heads of Service (HoS) to make up through stretched incomes or efficiency targets. This had proved difficult as there had been additional pressures on services within the year.

10.2 These additional pressures had included elements such as additional costs relating to the 5 Councils Contract, the implementation of Universal Credit, and Government policy on planning fees.

10.3 The Panel was concerned to learn that efficiency targets appeared to be set, without consultation on services after the budget had been agreed. As a result services are unlikely or struggling to make savings/increase income to reach these targets. The Panel notes that processes are in place to improve monitoring of the Council's financial performance.

10.4 The Panel has identified the following potential efficiencies

(a) Contingency Funds

The Panel was concerned to learn that funds for works to repair a listed building in this financial year was funded out of the Neighbourhood Service even though there was a specific fund for this purpose held in the Planning Service. The Head of Service for Neighbourhood Support was unaware of the budget held by Planning and explained that the difficulties using a budget from another service to fund works undertaken by another service was lengthy and in some cases it was easier just to use her own budget to fund the works. The Panel consider that a review of each service's budget should be undertaken to identify funds which could be used by more than one service and that these budgets be moved so that they can be easily accessed by all relevant services.

(b) Paperless Meetings

The Panel noted that Hampshire County Council had saved money by moving away from paper agendas/minutes and requiring all members of their Council to access these documents using tablets issued to them by the Council. The Panel acknowledges that there are some legislative requirements that require paper copies of reports and agendas to be made available to members of the public and Councillors. However, it considers if members could be persuaded to move towards using tablets to access meeting papers, it will reduce the Council's printing costs.

The Panel accepts that the Council does not have the funds to supply tablets to all Councillors. However, there are a number of Councillors who possess tablets and the Council does give an IT allowance (as part of the basic Councillor allowance) which can be used towards purchasing the required equipment. The Panel therefore consider that Councillors should be encouraged to agree not to have paper copies of meeting papers and the feasibility of using the Council agenda management system to supply paperless copies of these papers be investigated.

10.5 Based on the information submitted during the review, the Panel are satisfied with the proposals put forward. The officers have undertaken research to calculate the market rate for each fee or charge and the proposed increases can be justified. It is acknowledged that details of some of the increases in fees and charges may be challenged in areas such as off

street parking fees. However, these fees have not been increased for the past 4 years.

Appendices

Appendix – Comments on Final Report

Background Papers

[Findings Pack](#)

Contact: Councillor Gary Hughes
Title: Scrutiny Lead for the Budget Scrutiny and Policy Development Panel
Telephone: 02392 374152
E-Mail: gary.hughes@havant.gov.uk

APPENDIX B

Budget Timetable 2019/20

	13-Jan-19	
Monday	14-Jan-19	Budget Scrutiny Panel
Tuesday	15-Jan-19	
Wednesday	16-Jan-19	
Thursday	17-Jan-19	
Friday	18-Jan-19	
Saturday	19-Jan-19	
Sunday	20-Jan-19	
Monday	21-Jan-19	Budget Seminar <i>(to also consider Budget Panel's initial recommendations)</i>
Tuesday	22-Jan-19	Scrutiny Board <i>(to consider Budget Panel's initial recommendations)</i>
Wednesday	23-Jan-19	
Thursday	24-Jan-19	
Friday	25-Jan-19	
Saturday	26-Jan-19	
Sunday	27-Jan-19	
Monday	28-Jan-19	Extraordinary Cabinet Briefing <i>(to review draft budget and consider Scrutiny Board recommendations)</i> <i>Publish Scrutiny Board Agenda</i> <i>(Cabinet Budget Report to follow)</i>
Tuesday	29-Jan-19	<i>Publish Cabinet Agenda</i> <i>(Scrutiny Board Recommendations to follow)</i> <i>(Send Budget report to Scrutiny Board Members)</i>
Wednesday	30-Jan-19	
Thursday	31-Jan-19	
Friday	01-Feb-19	
Saturday	02-Feb-19	
Sunday	03-Feb-19	
Monday	04-Feb-19	Budget Scrutiny Panel <i>(to consider budget recommendations and proposed fees)</i>

		<i>and charges set out in Cabinet Report and make recommendations to Cabinet)</i>
		Scrutiny Board <i>(to consider budget report, Panel recommendations and to make recommendations to Cabinet)</i>
Tuesday	05-Feb-19	
Wednesday	06-Feb-19	Cabinet
Thursday	07-Feb-19	
Friday	08-Feb-19	
Saturday	09-Feb-19	
Sunday	10-Feb-19	
Monday	11-Feb-19	
Tuesday	12-Feb-19	
Wednesday	13-Feb-19	
Thursday	14-Feb-19	
Friday	15-Feb-19	
Saturday	16-Feb-19	
Sunday	17-Feb-19	
Monday	18-Feb-19	Finance Workshop for Councillors
Tuesday	19-Feb-19	Publish Council Agenda
Wednesday	20-Feb-19	
Thursday	21-Feb-19	
Friday	22-Feb-19	
Saturday	23-Feb-19	
Sunday	24-Feb-19	
Monday	25-Feb-19	
Tuesday	26-Feb-19	
Wednesday	27-Feb-19	FULL COUNCIL

Review of the Budget 2018/19 — Additional Comments Received since the Agenda was Published

Chief Executive

Report

2.0 Recommendations

2.1.1 Comment:

It would be helpful to reference this point to the later evidence of the neighbourhood v planning maintenance.

There are some good examples of resources used centrally e.g. Legal fees for external advice has been centralised in the last year and corporate support services are centralised.

Response

Recommendation 2.11 be amended to read

To instruct the Chief Finance Officer to review each service's budget to identify funds which could be used by more than one service and that these budgets be moved so that they can be easily accessed by all relevant services and avoid a situation whereby one service uses its budget to fund a service where there is a specific fund held for this purpose by another service as referred to in paragraph 10.4(a) of the report

6.0 Risks

Comment:

Additional risks:

Paperless office is dependent upon good IT system and information management system — business continuity planning required in case IT system goes down.

7.0 Communications

Comment:

7.1 Should this be another recommendation to ensure communications plans are put in place by services and portfolio holders.

Response:

Add the following recommendation:

To instruct the officers and cabinet leads to put in place communication plans relating to any changes to fees and charges to ensure residents are fully informed.

Findings Pack

Section G — Findings

Comment:

- 2.2.1 A further example of selling services is the sale of Executive Director role to Waverley for 9 months August-March - covering fixed cost of this role plus providing a contribution to the council to be offset against other services.