

CONSTITUTION & DEMOCRATIC SERVICES COMMITTEE

Date of Meeting	Wednesday, 31 st January 2018
Report Subject	Budget Process
Cabinet Member	Corporate Management & Assets
Report Author	Democratic Services Manager
Type of Report	Operational

EXECUTIVE SUMMARY

At the All Member meeting of the Corporate Resources Overview & Scrutiny Committee on 6th December 2017, it was resolved 'That a report reviewing the process for the setting of the annual budget process be prepared for the Constitution & Democratic Services committee'.

This report details the approach used for the 2018/19 Budget Process. It acknowledges that the wording in the Constitution was drafted for simpler times.

The Council's statutory officers are satisfied that the current phased approach has met constitutional requirements for consultation.

As it would be inefficient to review the Budget process whilst it was ongoing, it is suggested that, on completion of the 2018/19 budget, the process be reviewed. This review should include how to encourage contributions from Overview & Scrutiny (O&S) and ensure that our process meets Member's expectations for meaningful participation. That review would produce a Budget Consultation protocol.

RECOMMENDATIONS

1	That the Committee is assured by the process being used for consultation and scrutiny of the 2018/19 Council Budget.
2	That a further report, reviewing the 2018/19 Budget process and including a draft Budget Consultation protocol, be prepared for a future meeting of the Committee,
3	That the next meeting of the Committee be moved to April.

REPORT DETAILS

1.00	EXPLAINING THE BUDGET CONSULTATION PROCESS
1.01	Budget consultation is covered by Section 16 of the Constitution: <i>Budget and Policy Framework Procedure Rules</i> . Proposals are published, the Overview & Scrutiny Chairs notified and there must be a minimum of 4 weeks for consultation.
1.02	Over the years, a number of different approaches to budget consultation have been used. We used to consider all budget proposals in one go. This was resource intensive for Cabinet and Overview & Scrutiny Members and senior officers. Some O&S Members heard the same presentation several times: this is not efficient.
1.03	All Members have a role in the budget process, which is now more important than ever. For the 2018/19 budget, Member engagement and consultation commenced in July, continued throughout the autumn and is still ongoing. The phased approach gives more opportunity for preparation and implementation of the non-controversial proposals, and is more efficient.
1.04	<p>Following the two very well attended all Member workshops in July and September, the Budget for 2018/19 was developed in three stages:</p> <p>Stage One - Portfolio Business Plan proposals endorsed by Cabinet were reviewed by the respective Overview and Scrutiny Committee throughout October. Council approved the Council Fund Budget 2018/19 Stage One report on 14th November 2017.</p> <p>Stage Two - Secondary Options were developed for consideration through November and December: an All Member Corporate Resources Overview & Scrutiny Committee on 6th December and Council on 12th December 2017 noted the <i>Financial Forecast & Stage Two of the Budget</i> report.</p> <p>Stage Three - Final Balancing options considered through January and February for the Council to be able to approve a balanced budget to meet its statutory duty.</p> <p>Specific budget items were considered at Environment Overview & Scrutiny on 16th January (car parking charges) and Education & Youth Overview & Scrutiny Committee on 18th January (school budgets)</p> <p>30th January 2018. Council – Budget process update report and Planning for Closing Stage 3.</p>
1.05.	<p>This process is still ongoing: the remaining stages are:</p> <p>20th February 2018. Cabinet- Budget setting recommendations to be made to Council.</p> <p>20th February 2018. Council – Budget setting for 2018/19.</p>

	1 st March 2018 Council – Council Tax for 2018/19 setting.
1.06	During the current budget process, to ensure that decisions are being made with all the relevant information, we have used a detailed draft resolution from the special All Member meeting of Corporate Resources Overview & Scrutiny Committee on 6 th December. This was presented at the meeting of Cabinet on 12 th December and subsequently circulated at Council that afternoon. As part of any review, we need to formalise this approach for future use.
1.07	In reviewing budget consultation, we need to ensure that the rules in the Constitution reflect how we do things now. This would be through a new Budget Consultation protocol.
1.08	The Budget Protocol should set out principles for : <ul style="list-style-type: none"> • feeding back from an O&S committee to Cabinet; • feedback directly from an O&S committee to Council; • ensuring that all Members receive all of the information which they need to make decisions in a timely fashion; • ensuring that Members are given opportunities to ask for further information; • how everything should be brought together at the end of the process in reporting to Council to set the overall budget; • whether the use of call-in should be limited to non-budget items, especially where a consultation item has already been to an Overview & Scrutiny committee.
1.09	We need all Members of the Council to contribute their own ideas for promoting transparency in and engagement with the budget process.

2.00	RESOURCE IMPLICATIONS
2.01	None directly from this information report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Cabinet Member and statutory officers.

4.00	RISK MANAGEMENT
4.01	The report provides assurance as to the appropriateness of the 2018/19 Budget Process.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None other than published material.</p> <p>Contact Officer: Robert Robins, Democratic Services Manager. Telephone: 01352 702320 E-mail: robert.robins@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. It includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to the Council for a given period, and sets out plans for how best to deploy those resources to meet our priorities, duties and obligations.</p>