

# Overview, Scrutiny & Policy Development Committee

8 October 2018

Present: Councillor S Graham  
Councillors J Allan, A Austin, B Burdis, M Green, Janet Hunter, A McMullen, A Newman,  
P Oliver, J O'Shea, M Rankin and M Thirlaway

Church representative – Rev M Vine  
Parent Governor Representative - Mrs M Ord

Also in attendance  
Cllr Bruce Pickard – Deputy Mayor  
Paul Hanson – Acting Chief Executive  
Janice Gillespie – Head of Finance

## **OV24/10/18 Apologies**

Apologies for absence were received from Councillor N Craven.

## **OV25/10/18 Substitute Members**

There were no substitutes reported.

## **OV26/10/18 Declarations of Interest**

There were no declarations of interest reported.

## **OV27/10/18 Minutes**

Resolved that minutes of the meetings held on 3 September 2018 be confirmed.

## **OV28/10/18 2019-23 Budget and Financial Plan**

The Acting Chief Executive and Head of Finance were in attendance to deliver a presentation which detailed the 2019-23 Budget and Financial Plan Process. The presentation briefed Members on a review of the process that had taken place; the General Fund changing financial picture; development of the General Fund and Financial Plan and Budget; the Housing Revenue Account; The Investment Plan; reserves and key dates in the budget setting process.

A review of the budget process had taken place which identified aspects of the process that worked well and areas where improvements could be made. It was noted that large amounts of data could sometimes obscure the picture and Members were asked to consider a large amount of data at once. In undertaking the review, officers listened to Members involved in the process, looked at the requirements in the Constitution and reviewed the paperwork and the timetable. The review had resulted in a revised approach, revised paperwork and a different timetable was agreed by Cabinet on 10 September 2018.

Officers outlined to Members the main differences to emerge following completion of the review. At its meeting in November, Cabinet would consider and agree initial proposals and an approach to engagement. This would be examined by Overview, Scrutiny and Policy Development Committee and recommendations on this could be made to the Elected Mayor. Following public engagement of the proposals, Cabinet would consider all feedback and agree final proposals at its meeting in January 2019. Those final proposals would then be considered by Overview, Scrutiny and Policy Development Committee with the opportunity to provide feedback to the Elected Mayor and Cabinet prior to the final proposals being submitted to Council. This additional meeting of Overview, Scrutiny and Policy Development Committee was in recognition that initial proposals could sometimes change significantly during the engagement process and therefore scrutiny was not always considering the most up-to-date information. It was also highlighted that documentation would be revised in order to give greater explanation to the policy intent behind the budget proposals.

The Committee was briefed on the General Fund Financial Plan and how the budget had changed, in terms of base budget, growth areas and saving targets. It was also explained how resources had changed over the years. In developing the 2019/23 Financial Plan, resource and pressure assumptions were reviewed. It was noted that 2019/20 was Year 4 of the 2016 Spending Review and that the Autumn Budget was expected to be announced late October 2018. Until this time there was some uncertainty over resources, including all Central Government Grants.

The Committee was provided details of the Estimated General Fund Base Budget, Estimated Growth/Pressures and Estimated Resources for the following 5 financial years, along with a summary of change which demonstrated the current efficiencies/savings year on year. It was highlighted that key issues driving pressures within the budget included the pay award, living wage increases and an increase in service demands/volume growth. The Council was continually looking at grants to identify what would be falling out of the budget and what could be brought in.

The Committee considered the Forecast Outturn of the Housing Revenue Account (HRA) for 2018/19 and the draft budget for the years ahead. It was noted that 2019/20 was the final year of the requirement for 1% reduction on Council property rent. There was an assumption that from 2020/21 onwards rents would return to the Consumer Price Index plus 1% rent increases. Other key issues impacting on the HRA would be the transfer on the construction offer back in house and the impact of Universal Credit on rent arrears. In relation to the Investment Plan, it was explained that this would be reshaped and would be focused on finishing the current plans at the Coast, reaching an end state at Swans and delivering the Depot Project and securing savings.

Members were provided with a timetable of key dates throughout the budget setting process. The Budget Sub-group would begin its work on 13 December 2018 and all non-executive Members had been invited to serve on the group. On 21 January 2019 Cabinet would consider its Budget proposals, Council tax base, HRA rent and service charges and the Overall Investment Plan. A further meeting of Overview, Scrutiny and Policy Development Committee would then be arranged for the week commencing 22<sup>nd</sup> January 2018 for scrutiny of the final proposals.

The Chair thanked the Acting Chief Executive and Head of Finance for their attendance and presentation.

It was **agreed** to note the presentation.