



Walsall Council

Scrutiny Overview Committee

Meeting to be held on: **4 October 2022 at 6.00 P.M.**

Meeting to be held via: **Council House and Microsoft Teams**

Public access to meeting via: www.WalsallCouncilWebcasts.com

MEMBERSHIP:

Chair: Councillor Murray

Vice Chair: Councillor Nawaz

Councillor P. Bott
Councillor Cooper
Councillor Ditta
Councillor Follows
Councillor Hicken
Councillor K. Hussain
Councillor Johal
Councillor Samra
Councillor Singh-Sohal

LEADER OF THE COUNCIL:

Councillor Bird

PORTFOLIO HOLDERS:

All

ITEMS FOR BUSINESS

1.	Apologies To receive apologies for absence from Members of the Committee.	
2.	Substitutions To receive notice of any substitutions for a Member of the Committee for the duration of the meeting.	
3.	Declarations of interest and party whip To receive declarations of interest or the party whip from Members in respect of items on the agenda.	
4.	Local Government (Access to Information) Act 1985 (as amended) To agree that the public be excluded from the private session during consideration of the agenda items indicated for the reasons shown on the agenda (if applicable).	
5.	Minutes To approve and sign the minutes of the meetings held on 16 June 2022.	<u>Enclosed</u>
6.	Registered providers of social housing in Walsall To receive updates and presentations from Green Square Accord and Walsall Housing Group (WHG) on their operations in Walsall.	<u>Presentations</u>
7.	Effectiveness of Scrutiny To reflect on recent reviews and improvements to overview and scrutiny at Walsall Council and identify further opportunities for scrutiny improvement.	<u>Enclosed</u>
8.	School Gate Parking Working Group – Terms of reference To consider and approve the draft terms of reference.	<u>Enclosed</u>
9.	Feedback from Overview & Scrutiny Committees To receive any feedback from meetings of Overview & Scrutiny Committees since the last meeting.	<u>Enclosed</u>
10.	Recommendation Tracker To consider progress on recommendations from the previous meeting.	<u>Enclosed</u>
11.	Areas of Focus 2022-23	<u>Enclosed</u>

	To review the Committee's Work Programme and the Forward Plans for Walsall Council and the Black Country Executive Committee.	
12.	Date of next meeting To note that the date of the next meeting will be 10 November 2022.	

The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012

Specified pecuniary interests

The pecuniary interests which are specified for the purposes of Chapter 7 of Part 1 of the Localism Act 2011 are the interests specified in the second column of the following:

Subject	Prescribed description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by a member in carrying out duties as a member, or towards the election expenses of a member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Regulations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority:</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to a member's knowledge):</p> <p>(a) the landlord is the relevant authority;</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where:</p> <p>(a) that body (to a member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either:</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is more than</p>

	one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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Schedule 12A to the Local Government Act, 1972 (as amended)

Access to information: Exempt information

Part 1

Descriptions of exempt information: England

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes:
 - (a) to give any enactment a notice under or by virtue of which requirements are imposed on a person; or
 - (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
8. Information being disclosed during a meeting of an Overview and Scrutiny Committee when considering flood risk management functions which:
 - (a) Constitutes a trades secret;
 - (b) Its disclosure would, or would be likely to, prejudice the commercial interests of any person (including the risk management authority);
 - (c) It was obtained by a risk management authority from any other person and its disclosure to the public by the risk management authority would constitute a breach of confidence actionable by that other person.

SCRUTINY OVERVIEW AND SCRUTINY COMMITTEE

16 June 2022 AT 6.00 P.M. AT THE COUNCIL HOUSE

Committee Members Present Councillor Murray (Chair)
Councillor Nawaz (Vice-Chair)
Councillor Bains
Councillor P. Bott
Councillor Cooper
Councillor Ditta
Councillor Follows
Councillor Hicken
Councillor K. Hussain
Councillor Samra
Councillor Singh Sohal

Officers Kerrie Allward – Executive Director, Adult Social Care (virtual)
Paul Gordon – Director, Resilient Communities (virtual)
Deborah Hindson – Interim Executive Director, Resources and Transformation (virtual)
Elise Hopkins – Director, Customer Engagement (virtual)
Simon Neilson – Executive Director, Economy, Environment and Communities
Craig Goodall – Senior Democratic Services Officer
Edward Cook – Assistant Democratic Services Officer

Others in attendance Angela Hosford – Head of Sprint Development, Transport for West Midlands (Virtual)
Jason Griffin – Head of Sprint Delivery, Transport for West Midlands (Virtual)

Portfolio Holders Councillor Bird – Leader of the Council
Councillor Ferguson – Internal Services
Councillor Perry – Deputy Leader and Resilient Communities (virtual)
Councillor Ali – Customer (virtual)
Councillor Murphy – Clean and Green (virtual)

Councillor Andrew – Deputy Leader and Regeneration
Councillor Pedley – Adult Social Care
Councillor Flint – Health and Wellbeing
Councillor M. Statham – Education and Skills
Councillor Wilson – Childrens’

401/22 **APOLOGIES**

No apologies for absence received.

402/22 **SUBSTITUTIONS**

No substitutions received

403/22 **DECLARATIONS OF INTEREST AND PARTY WHIP**

There were no declarations of interest or party whip identified at this meeting.

404/22 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 (AS AMENDED)**

There were no items in private session.

405/22 **MINUTES**

Resolved:

That the minutes of the meeting held on 28 April 2022, a copy having previously been circulated, be approved as an accurate record.

406/22 **A34 SPRINT – Walsall to Solihull**

An update on the A34 Sprint project was introduced by the Head of Sprint Development, Transport for West Midlands. A brief introduction to the project was given and Phase One was explained. New one-way bus lane and contraflow system is now operational at the Upper Rushall – Ablewell Street Junction, but bus lane enforcement still needs to be installed. Junctions are being remotely observed to see if changes are required, with full operationalisation by September 2022. Outstanding tasks were covered including a full road safety audit.

A response to the motion regarding compensation, from the previous meeting of the Committee held on 28 April 2022, was received [annexed].

There then followed a period of questioning. Disappointment was raised by members to the response regarding compensation. The letter outlining the compensation option of business rates rebates will be published online on the Council's website. Clarity was requested on whether private hire vehicles can use bus lanes, with the Head of Sprint Development, Transport for West Midlands this would need checking but ideally be in line with policy throughout the borough and West Midlands. This information will be provided to the Committee.

Responding to Member questions, the Head of Sprint Development, Transport for West Midlands outlined that the rationale for the Sprint scheme and bus lanes was to build in reliability where there are lots of bus delays. Some new interventions have reduced delays by 10 minutes. There is no planned provision to remove the bus lanes if they do not work, but they will be monitored to ensure optimum results.

The zero-emission vehicle fleet will be fully operational by 2030 and Phase 2 funding and decisions will not circumvent the usual process of consultation with the public, Members and cabinet.

Resolved:

- 1. That the Committee note the update;**
- 2. That the letter received from TfWM outlining the options for compensation via business rate rebates be published on the council's website;**
- 3. That this item will not be kept as a substantive item for further meetings of the Committee.**

407/22 **AREAS OF FOCUS 2022-23**

The Committee received presentations from Cabinet Portfolio Holders and Officers on services within the remit of the Committee.

Leader of the Council:

The Leader of the Council highlighted a balanced budget, the Asset Management Access Plan, and Equality and Diversity and culture change, as priorities for the new municipal year. Suggestions for scrutiny include considering budgetary approaches; use of offices and workspaces; digital engagement and inclusiveness; and how big issues can be discussed by Scrutiny and fed into Cabinet.

Following the presentation there was a discussion about the effectiveness of scrutiny and a desire from Members and the Leader for more effective scrutiny.

The Deputy Leader of the Council and Resilient Communities:

Highlighted the priority for the year as being taking the next step forward with the key concepts of resilient Communities, focusing on areas and issues where the public frequently come with issues, and refining actions. The 100 Days of Action, motor vehicle crime summit, CCTV modernisation and expansion, and working with communities at Hub level are key projects. Responding to questions, the Deputy Leader of the Council identified that there are currently no plans to expand Trading Standards or Food Hygiene teams. Police numbers have increased though not as much as would be preferred and Community Protection are keeping a high presence in order to improve safety, but societal issues remain. The Town Deal will help address some of these.

At this point, Councillor Nawaz raised the following points for consideration later in the meeting. The Black Country Plan should come to either this Committee or the Economy and Environment Overview and Scrutiny Committee before the next consultations begin in August. Secondly, the effectiveness of scrutiny across the Council should be assessed, including updates from Executive Directors and the effective engagement with council services.

Councillor Nawaz left the meeting.

The Portfolio Holder for Customer:

Highlighted the Customer Experience Centre as important for providing Customer engagement and interaction, especially on issues such as levies, benefits and housing issues. Responding to concerns surrounding lack of public accessibility, the Portfolio Holder identified the importance of libraries and the planned local hub strategy as means of addressing this. Digital services are a key part of future plans, but in-person services are also being considered.

The Portfolio Holder for Internal Services:

The portfolio was introduced with priorities identified as the delivery of HR projects and action plans, including the Workforce Strategy, streamlining of administration, and supporting transformation The Equality and Diversity inclusion Strategy and changes to the use of corporate building facilities are other priorities.

Officers

The Committee also received presentations from the Executive Director, Adult Social Care; the Interim Executive Director, Resources and Transformation; Director, Resilient Communities; and Director, Customer Engagement. These presentations outlined the key services within directorates which fall under the remit of the Committee; the structure of directorates; priority focuses within service areas; and suggested areas of focus for the Committee.

The Principal Democratic Services Officer provided an overview of the outstanding items identified in the previous Municipal Year which included COVID 19 data, affordable housing, the Equalities working group and the School Gates Parking working group. It was suggested the Committee engage with budget scrutiny, Council Plan performance review and scrutiny of Proud Workstreams. The Principal Democratic Services Officer explained that due to staffing challenges Democratic Services would only be able to support one working group for the 2022-23 Municipal Year across all scrutiny committees.

The Committee considered the Forward Plans of Walsall Council and the Black Country Joint Executive Committee. The Committee discussed the approach to be taken regarding working groups and the importance of safety concerns around the school gates parking issue. There then followed a period of extensive discussion regarding proposed areas of focus and priorities for scrutiny during the 2022/23 Municipal Year, including those raised by Members earlier in the meeting

Resolved:

- 1. That the Committee establish the working group on School Gates Parking for the 2022-23 Municipal Year with the following membership:**
 - a. Cllr Cooper
 - b. Cllr Hicken
 - c. Cllr Nawaz
 - d. Cllr Samra.

2. That the following items be included as areas of focus for the Committee in the 2022-23 Municipal Year:

- a) The Black Country Plan, preferably before August 2022;**
- b) The effectiveness of scrutiny;**
- c) Council customer engagement ;**
- d) To Invite Chief Executives of registered housing providers including Walsall Housing Group to present to Committee;**
- e) Housing strategy;**
- f) Children’s play strategy and relation to children’s health (to be passed to the Chair of the Children’s Scrutiny Overview Committee);**
- g) Budget setting and quarter 2 update;**
- h) Council Plan performance report;**
- i) Officer responses to Member queries;**
- j) Section 106 and the Infrastructure Levy;**
- k) Enforcement (all areas excluding planning);**
- l) Role of Council Officers and their consultations;**
- m) Proud workstreams;**
- n) Recruitment and employee retention.**

408/22 DATE OF NEXT MEETING

The date of the next meeting will be 4 October 2022.

The meeting terminated at 20:34

Chair:

Date:

4 October 2022

Registered providers of social housing

Ward(s) All

Portfolios: Cllr A. Andrew – Deputy Leader and Regeneration
Cllr G. Ali - Customer

Report:

At the Committees last meeting Members expressed the wish to holds discussion with local registered providers of social housing.

As part of this theme two local providers will attend the meeting and provide presentations. The attendees are:

GreenSquareAccord	Rachel Crownshaw, Executive Director of Operations David Loon, Head of Localities.
Walsall Housing Group	Fay Shanahan, Director of Corporate Affairs

Recommendations:

That Members receive the presentations provided at the meeting, ask questions and consider if there are any areas they wish to make recommendations on or follow up at future meetings.

Contact Officer:

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4 October 2022

Improving the effectiveness of overview and scrutiny

Ward(s): All

Portfolios: All

1. Purpose of the report

To reflect on recent reviews and improvements to overview and scrutiny at Walsall Council and identify further opportunities

2. Recommendations

- 2.1 that Members consider the contents of the report and identify further opportunities to develop the role of overview and scrutiny;
- 2.2 that Members consider the available options to scrutinising budget setting and provide feedback;
- 2.3. that progress with implementing the recommendations arising from the Scrutiny Survey be noted.

3. Aim

- 1.1 The role of good governance and scrutiny is critical to public trust and confidence in decision-making. In times of uncertainty and significant change, it is important that decisions are made in a way that is transparent, involves others and holds to account those responsible for implementation.
- 1.2 This report sets out recent self-reflection and improvements made and seeks the views of members on the budget-setting process and any further areas for consideration.

4. Know

Context

- 4.1 The Council has continually reviewed its scrutiny process and sought to make improvements over recent years. This has included scrutiny research, benchmarking and a review of recent best practice has taken place to reflect on the way that scrutiny could be further evolved in Walsall, identify good practice and opportunities for new ways of working. Further to this a Member

Survey took place which led to recommendations being made and implemented. Following the survey the Committee made a number of recommendations on improvements which have been implemented over the last few months. Progress on these is recorded in Appendix 1 to the report.

4.3 ***Budget setting scrutiny***

4.4 One of the recommendations arising from the scrutiny survey was a desire to improve scrutiny of the budget setting process.

4.5 The survey findings reported higher levels of dissatisfaction, with six respondents describing scrutiny in this aspect as 'poor'. Having said that, 7 respondents responded 'good' or 'very good'. Feedback included being 'unsure Cabinet take any notice' and a suggestion that consultation should take place 'half yearly' and that 'not much is covered on the agenda to do with the budget of this area'. When asked how they thought scrutiny should consider the budget setting process the majority of respondents (9) stated that budget scrutiny should be undertaken at all scrutiny committees. Other Members felt it should be undertaken by a specialist working group (6).

Options and benchmarking

4.6 There are a variety of options undertaken by other local authorities that Members could consider as vehicles for scrutiny of the budget setting process, namely:

- All OSCs - Status Quo – options within the remit of each committee presented to all OSCs;
- A single committee – for example the SOC could lead on budget scrutiny;
- A specialist finance committee – could be established to consider budget setting, budget monitoring and the Medium Term Financial Outlook;
- A specialist working group – could be convened each year to review the budget and make recommendations;
- Stop budget setting scrutiny – feedback through the formal public budget setting consultation and reserve debate and challenge until budget Council.

Benchmarking information from neighbouring local authorities is included at Appendix 2 to this report.

CIPFA financial scrutiny practice guide

4.6 It is important to note that the mixed views of Members on budget scrutiny are felt at other Councils too. Centre for Governance and Scrutiny (CfGS) research and discussion with scrutiny members nationally shows that high quality and effective financial scrutiny is not the norm. A recent CfGS's annual

survey of overview and scrutiny in local government revealed that 51% felt that they did not carry out scrutiny of finance issues effectively. Much budget scrutiny focuses on review, in committee, of a draft budget a matter of weeks (or days) before it is submitted to full council for approval. The CfGS argues that this is not an effective way to conduct oversight. Scrutiny of council finances 'in year' (rolling oversight of spending) is often ad hoc, and often focuses on the review of scorecard data rather than an understanding of how spending impacts on local people's lives. Financial issues can be conspicuous by their absence when scrutiny investigates other issues – there is sometimes a sense that finance is too difficult to address as part of a substantive scrutiny review, or that members struggle to 'find a way in'.

4.7 Financial scrutiny can take many forms but there are four fundamental areas CIPFA suggest where effective scrutiny can add value. The four areas are:

a. Reviewing how resources are allocated:

Monitoring how they are used and examining their impact. This is about following through from budget development and planning to the delivery of a budget, and oversight over that budget in-year. It links to the way that scrutiny selects and prioritises its work.

b. Reviewing the integration between financial and service planning:

What is the level of integration between corporate and service planning and performance and financial management?

c. Testing out and making explicit whether the council is directing its resources effectively

To meet its priorities and demonstrating whether it is achieving value for money, equity and social value.

d. Providing, through scrutiny in a public forum, challenge to the executive's management of the council's finances, and a different perspective on challenges.

This is about scrutiny having a clearly defined role, and bringing something unique to the table in how it goes about its work.

The CIPFA guidance referenced above and an LGA publication are included at Appendix 3 and 4 respectively to this report.

'Improvement is a matter of minor reform'

4.8 The Interim Chief Executive of the CfGS wrote in the Local Government Chronicle recently *'that for most Councils improvement [of scrutiny] is a matter of minor reform not wholesale transformation'*.

4.9 He also writes that it is difficult to advise on the most effective methods of scrutiny as *'the way scrutiny works is unique to each council – driven as it is by councillors and their priorities'*.

4.10 This feedback is valuable as it is reflective of the journey that the Council is on with its continuous review, self-evaluation and reform of its own overview and

scrutiny processes. Whilst change may appear incremental overtime the culture of change and willingness to try new ideas at Walsall will bring benefits.

Council Corporate Plan Priorities

- 4.11 It is important that the Councils Governance arrangements are robust, transparent and effective to ensure that decisions affecting residents across the borough are made in a lawful way. This contributes to the Councils 'Internal Focus' Priority and ensures that the service is efficient and effective.

Risk Management

- 4.12 None directly related to this report.

Financial Implications

- 4.13 None directly related to this report.

Legal Implications

- 4.14 None directly related to this report.

Procurement Implications/Social Value

- 4.15 None directly related to this report.

Property Implications

- 4.16 None directly related to this report.

Health and Wellbeing implications

- 4.17 None directly related to this report.

Staffing implications

- 4.18 None directly related to this report.

Reducing Inequalities

- 4.19 None directly related to this report.

Consultation

- 4.20 None directly related to this report.

5. Decide

- 5.1 Members are asked to review the recommendations as set out in the report and consider whether or not they wish to take them, or alternative suggestions, forward.

6. Respond

Subject to the views of elected members, the recommendations will be implemented and further reports provided to the Committee for Member feedback will be submitted as required.

7. Review

Subject to the agreement of the next steps regular reports will be provided as required.

Author

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Appendix 1 – progress report on implementation of recommendations following Scrutiny Survey

Recommendations	Progress
<p>The Member Learning and Development Programme is enhanced to include training for Members on financial scrutiny, scrutiny legislation, chairing meetings and asking questions</p>	<p>Member L&D Team met and included requests in Member Development Programme for 2022/23.</p>
<p>Due to mixed comments in relation to the scrutiny of the council’s budget setting process, the Scrutiny Overview Committee review the existing approach and consider how it could be improved</p>	<p>Proposal made to SOC 04.10.22</p>
<p>A recommendation tracker be developed to assist systematic follow up of recommendations made by overview and scrutiny committees to monitor progress on specific actions and information requested at meetings</p>	<p>Draft tracker presented and agreed by SOC on 07.02.21. Rolled out to all OSCs.</p>
<p>Further development of the scrutiny report template takes place to include model recommendations which encourage outcomes and avoid requesting that reports are noted</p>	<p>Draft recommendations completed. Democratic Services Officers working with report authors on implementation. Ongoing.</p>

Budget setting scrutiny at local neighbours

Authority	Approach
Birmingham	TBC
Coventry	<p>Finance Board (OSC) considers the Medium Term Financial Outlook.</p> <p>No specific scrutiny of draft budget proposals. These are picked up through the formal public consultation.</p>
Dudley	<p>The Future Council Scrutiny Committee leads in scrutinising the Council's overall financial position and budget process. Reports are taken to the 5 Scrutiny Committees. All Scrutiny Committee comments are collated and included in the report to the Cabinet/Council in February/March.</p>
Sandwell	<p>The Budget and Corporate Scrutiny Management Board, the overarching board for scrutiny that is made up of all scrutiny chairs, vice chairs and opposition representatives, receive all budget reports including proposals around December. Directors are invited to the meeting to provide context/answer questions.</p> <p>The Board's comments are submitted to Cabinet to consider.</p>
Solihull	<p>A Budget Strategy Group (BSG) is established in the autumn with Councillors from all parties invited to participate. They meet with each Director. Information from the BSG is pulled together. In December all Members are invited to a Budget Seminar where they are briefed on the emerging picture.</p> <p>January sees each of the Scrutiny Boards consider their specific budgets, with recommendations/observations being considered by the main Scrutiny Board in February, with the main Board making a recommendations to Cabinet.</p>

financial scrutiny practice guide

June 2020

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\ about this guide

This guide has been produced by the Centre for Public Scrutiny (CfPS) and CIPFA to provide councils and councillors with thoughts and ideas about how they might best integrate an awareness of council finances into the way that overview and scrutiny works.

The impact of the COVID-19 pandemic on council finances – on top of a decade of progressively more significant financial constraints – has placed local government in a hugely challenging position. Added to the continued uncertainty around the delayed fair funding review and around the future operation of social care, for many councils it presents an existential risk to their ability to provide local people with services and support.

Council budgeting will, in 2020/21 and beyond, be even more about the language of priorities and difficult choices than ever before. Exceptionally difficult decisions – which will make a profound difference to people’s lives – require exceptionally robust and diligent oversight as they are developed.

Historically, some councils’ approach to scrutiny of the budget development process has been perfunctory at best. In-year monitoring of spending and its impacts has also been limited. This guide suggests ways to move budget and finance scrutiny beyond set-piece scrutiny ‘events’ in December and quarterly financial performance scorecards being reported to committee.

Scrutiny is a critical part of the overall governance framework. Effective financial scrutiny is one of the few ways that councils can assure themselves that their budget is robust and sustainable, and that it intelligently takes into account the needs of residents. Scrutiny can provide an independent perspective, drawing directly on the insights of local people, and can challenge assumptions and preconceptions. It can also provide a mechanism to ensure buy-in – or at least understanding – of the tough choices that councils are now making.

The guide is for councils in England only.

COVID-19 note

This paper has been published as the local government sector is seeking to manage the unique set of financial circumstances arising from the COVID-19 pandemic. This has resulted, through the [Coronavirus Act 2020](#) and other legislation, in changes to local authorities’ formal duties around financial systems and procedures.

The approaches set out in this guide reflect our thinking on scrutiny’s role on financial matters as things stand but the preparation for the 2021/22 budget might look different. CfPS has produced a separate guide to assist scrutineers in understanding financial matters during the pandemic; this paper should be read alongside it.

financial scrutiny: what is it, why do it?

The current status of financial scrutiny

From CfPS's research and discussion with scrutiny members it is apparent that high quality and effective financial scrutiny is not the norm.

- CfPS's 2017 annual survey of overview and scrutiny in local government revealed that 51% felt that they did not carry out scrutiny of finance issues effectively.
- Much budget scrutiny focuses on review, in committee, of a draft budget a matter of weeks (or days) before it is submitted to full council for approval – this is not an effective way to conduct oversight.
- Scrutiny of council finances 'in year' (ie rolling oversight of spending) is often ad hoc, and often focuses on the review of scorecard data rather than an understanding of how spending impacts on local people's lives.
- Financial issues can be conspicuous by their absence when scrutiny investigates other issues – there is sometimes a sense that finance is too difficult to address as part of a substantive scrutiny review, or that members struggle to 'find a way in'.

Councillors have a right to challenge and oversee council finances, in a way that makes sense for them given the overall role of overview and scrutiny within the authority. In order for this to happen, councillors need access to some basic information, and the skills necessary to understand it. Once these information and skills issues have been satisfied, scrutiny can consider the specific role or roles it can perform in respect of the council's finances.

How scrutiny fits together with the council's governance and financial management requirements

Making financial scrutiny – whatever it might look like – work properly is not just the business of scrutiny councillors and the officers who support them. It is a whole council, whole system responsibility. All councillors have what is known as a 'fiduciary duty' to look after the interests of local taxpayers in the management of the council's resources. The [Local Government Act 2003](#) places a responsibility on councils to ensure that councillors in general play some role – which the Act does not specify – in the oversight of financial matters.

There are a number of councillor roles that form part of this collective responsibility. These are:

- The role of the leader, in setting out and leading on the council's overall vision and objectives, and the associated financial requirements.
- The role of the cabinet member for finance – in taking the member lead on financial matters and working closely with the Section 151 (s151) officer to design and deliver a balanced budget.
- The role of other cabinet members, in ensuring that the objectives for which they hold responsibilities can be delivered within the council's budget and policy framework.

- Councillors on the audit committee, who hold a responsibility for transacting that committee's formal audit duties, and for ensuring the overall health of the financial control environment.
- All councillors, who annually at budget council are obliged to agree the council's budget and who, over the course of the year, have general responsibilities relating to budget oversight.

The final responsibility is that of the scrutiny function. Budget council aside, this provides the primary mechanism over the course of a year for councillors not in any other specific, finance-facing role to inquire into and influence budgetary matters. This unique role is important, and reflects the centrality of scrutiny to the council's governance framework. [Delivering Good Governance in Local Government, Framework](#): (CIPFA/Solace, 2016) (the Governance Framework) emphasises the need to ensure that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. Governance and procedures and standards around prudential management of finances, are closely linked. Providing support to scrutiny and engaging with its work is an important part of how councils can assure their adherence to financial standards.

The constitution and terms of reference for council committees should make clear their respective responsibilities for financial decision making, scrutiny and assurance. Council scrutiny committee structures vary, but all such committees will hold a responsibility for oversight of financial matters in some form. The relationship between financial scrutiny and the audit committee and their separate responsibilities are explored later in this section.

Where financial scrutiny can most add value

Financial scrutiny can take many forms but there are four fundamental areas where effective non-executive oversight can add value.

The four areas are:

- Reviewing how resources are allocated**, monitoring how they are used, and examining their impact. This is about following through from budget development and planning to the delivery of a budget, and oversight over that budget in-year. It links to the way that scrutiny selects and prioritises its work.
- Reviewing the integration between financial and service planning**: what is the level of integration between corporate and service planning and performance and financial management? We will explore this in the context of the need for scrutiny to 'mainstream' an understanding of financial issues, and the need to undertake scrutiny that is strategic rather than line-by-line.
- Testing out and making explicit whether the council is directing its resources effectively** to meet its priorities and demonstrating whether it is achieving value for money, equity and social value.
- Providing, through scrutiny in a public forum, challenge to the executive's management of the council's finances, and a different perspective on challenges**. This is about scrutiny having a clearly defined role, and bringing something unique to the table in how it goes about its work.

The next part goes through each of these in turn. These can be seen as 'key tasks' for scrutiny in any council.

Understanding how resources are prioritised and allocated

Financial planning and management work hand in hand with the policy and performance cycles of the authority. These operate across the short, medium and long term and to engage with this agenda it is helpful for councillors to understand how resources are prioritised and allocated. The fundamentals of local government finance are set out in the Appendix, together with links to further information and resources.

There are short-term, medium-term and long-term activities on which scrutiny can work – reflecting the different timescales for financial management and planning. Where members decide to focus their time is influenced by scrutiny's unique role. Areas of focus are also influenced by timetables used by the executive.

Some scrutiny will cut across the short, medium and long term. An awareness of medium-term issues is important in considering short-term, in-year matters, for example. Long-term objectives will also influence short-term decision making.

- **Short term.** In-year issues include monitoring performance against the budget, identifying overspends and underspends and understanding the impact of budget decisions on ongoing service performance. For example:
 - How is our immediate financial health affecting our performance?
 - Can we anticipate any changes in our finances (and our needs) which may affect the way we manage our resources in-year – how is that reflected in our risk register?
- **Medium term.** A financial horizon two to three years in the future takes in the medium-term financial strategy (MTFS). For example:
 - How are we keeping the MTFS under review by reflecting on our current performance?
 - To what extent do our medium-term plans reflect our overall priorities as an organisation and our strategic direction?
 - If we have strategic plans in place (or in contemplation) about major transformation – a shift to a different delivery model, for example – how will our financial plans make that change possible?
- **Long term.** Long-term issues include reserves policy, and other approaches to long term financial planning. For example:
 - How much does the council hold in reserve and how does this compare to councils with similar circumstances?
 - What are we holding reserves for? What are the risks or future spending plans for which the council is holding reserves?
 - Are the levels of the council's different reserves appropriate to the risks it faces and the scale of its future spending plans?
 - Has the council considered alternative approaches to financial planning? Has zero-based budgeting, outcomes-based budgeting or priority-based budgeting been considered as viable alternatives to 'incremental' budgeting, if that is the model that the council currently operates?

CIPFA recently issued a new [Financial Management Code](#) (2019) which authorities are expected to adopt by April 2021. The code sets out the collective responsibility for financial management and scrutiny plays its part in mainstreaming good financial management.

The CIPFA Financial Management Code

Strong financial management is an essential part of ensuring public sector finances are sustainable. The *Financial Management Code* (FM Code) provides guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively.

It requires authorities to demonstrate that the processes they have in place satisfy the principles of good financial management. The FM Code identifies risks to financial sustainability and introduces a framework of assurance. This framework is built on existing successful practices and sets explicit standards of financial management. Complying with the standards set out in the FM Code is the collective responsibility of elected members, the chief finance officer and their professional colleagues in the leadership team. Complying with the FM Code will help to strengthen the framework that surrounds financial decision making.

Reviewing the integration between financial and service planning

'Finance scrutiny' and 'budget scrutiny' are not things that happen on top of, or alongside, other scrutiny work. They form an indivisible part of that work.

So, for example, scrutiny of the council's performance on child protection should also involve a review of budgets for related services. Understanding the resource envelope within which a service operates – and the limitations, restrictions and opportunities that this envelope provides the council in how it works together with partners – means that debate on substantive policy issues (and recommendations made as a result) will be more robustly framed by an understanding of the financial issues.

Service plans and departmental plans will give councillors the information they need to begin to understand how financial matters inform wider decision-making. It will give members the context they need in order to understand performance information, for example.

Financial decisions can and should be made to further policy goals. Councils may, for example, prioritise expenditure and investment on renewable energy over fossil fuels in order to pursue a rigorous policy platform around climate change, or may use commercial activity to promote economic development. Scrutiny councillors will want and need to assure themselves that these links and cross-cutting features are recognised, and that they are taken into account in the way that budgets operate.

Looking at financial and budget information in isolation means that the opportunity to understand how they impact on people's lives is lessened. The figures become divorced from their impact, meaning that scrutiny becomes focused on narrow issues around cost control – which is likely to be unproductive.

Testing whether the council is directing its resources effectively

Effective spending can only happen when a council has a clear sense of the value of what it is trying to achieve. The Governance Framework includes the principle of defining outcomes that are sustainable in terms of economic, social and environmental benefits. The way the council directs its resources to achieve sustainable outcomes means that it must consider value to mean more than just 'low cost' or 'cheapest'.

Councils have particular legal duties around matters such as equality, social value and human rights. These will provide a lens through which to understand value, because councils can be expected to carry out research to understand the impact of decisions on their statutory obligations in these areas. For example, councils need to understand the human rights implications of decisions, and are obliged to carry out 'equalities impact assessments' to assure themselves – at a minimum – that people with protected characteristics under the [Equality Act 2010](#) will not be adversely affected by a proposed decision.

Councils' legal requirements around equality can be found in the Equality Act 2010. In policymaking, councils should have regard to the extent to which particular groups or individuals affected by a policy have a "protected characteristic" – sex, age, religion, race, disability – and whether a given policy might be seen as unduly affecting people with that characteristic (or a range of characteristics). The intersection between protected characteristics is often poorly understood, but is often particularly present in groups with a range of complex needs – speaking bluntly, a group or groups whose needs will often lead them to have a higher than average call on the public purse in terms of the services and support they require in order to benefit from equality of opportunity to engage in the social, cultural, economic and civic life of a given area, as well as having a full and rounded private life.

Equity itself is slightly different. It is about ensuring that people have access to the opportunities and resources that they, as individuals, require; it is about recognising the structural inequality inherent in society and taking proactive steps to address it. It is an evolution of the principles in the Equality Act and requires that public authorities should take positive actions, rather than to ensure that action taken does not have negative consequences for a particular group. The concept of equity also requires consideration of the needs of future service users and taxpayers as well as the current generation. Short-term budget savings that keep costs down for the current tax payer may mean a higher burden is borne by future generations. There are no formal legal obligations associated with equity in England, although it is a principle that politicians may wish to begin to integrate into how their authority conceives of services and the people who need them.

Social value itself is defined in legislation. The [Public Services \(Social Value\) Act 2012](#) obliges councils engaged in procurement exercises, before that exercise commences, to consider the "social, economic or environmental well-being of the area" in deciding how, and from whom, it will procure.

Value for money (VfM), finally, is a term with a longer vintage. In its original use it encompasses the 'three Es' – economy, efficiency and effectiveness. VfM can encompass some of the other terms we have described above as much hinges on what is considered to provide or add 'value'. Value can be, for example, social cohesion, healthy people, or a safe and supportive environment for children. The importance and value we place on these outcomes will define how much we are willing to spend on achieving them – now, and in the longer term.

These factors will all have an influence on how services and issues are prioritised, and how ‘effectiveness’ in delivering those services can therefore be gauged.

Providing challenge and a different perspective on decision making

In order to carry out work of value, scrutiny has to offer and provide something that is distinctive and unique. There is a particular risk, in respect of matters relating to council finances, that scrutiny will simply duplicate what happens elsewhere – line-by-line review of budget information, or post-hoc review of performance and finance information that echoes discussions that have already happened elsewhere. Proper challenge therefore requires that scrutiny’s unique and distinctive role is clear.

How scrutiny engages with a council’s finances will depend on what the role of scrutiny is overall. The idea of scrutiny needing a clear role is set out in government guidance published in 2019; more information can be found in the CfPS publication [The Good Scrutiny Guide](#) (2019).

Scrutiny’s role will influence how it uses financial information.

For example, if scrutiny’s role is to use risk as a framing device to better understand the critical challenges the area faces, and to better address them, this will involve digging in to how financial information influences the development of the risk register, the relative impact and likelihood of risks, and how this influences the work both of audit (see below) and other council governance functions.

Whatever role scrutiny has, it should attempt to use and engage with this strength as much as possible. In respect of member scrutiny of finance issues, members bring vital local context.

The relationship between audit committees and scrutiny

Audit committees provide important assurance to the authority and to external auditors. Their function is to provide an independent and high-level resource to support good governance and strong public financial control (see CIPFA’s [Position Statement: Audit Committees in Local Authorities and Police](#) (2018)). Within the wider control environment, the audit committee holds a responsibility to ensure probity, and holds oversight responsibility for the finance system in general, alongside governance and audit arrangements. It is concerned with the robustness of the authority’s arrangements to implement its policies and to manage its resources but it has no wider role in engaging with policy. This is where scrutiny comes in. Scrutiny – including financial scrutiny – is about reviewing and investigating the council’s finances in light of its stated policy goals.

The roles of audit and scrutiny can overlap. Some duplication is sensible – scrutiny will be looking at the same issue, but with a different perspective, to audit. But coordination is needed to make sure that things are covered adequately.

The relationship between scrutiny and the wider audit and governance framework

Effective financial scrutiny is an important aspect of the wider governance framework. The Governance Framework emphasises the need to ensure that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review.

Under the [Accounts and Audit Regulations 2015](#), councils have an obligation to publish an annual governance statement. The annual review should consider the extent to which arrangements, including scrutiny, are in place and their effectiveness in supporting the authority's planned outcomes. The final statement should be approved by members and signed by the leading member of the authority. In the context of this overall framework, there are a range of associated responsibilities around financial governance:

- Full council holds an overall responsibility for agreeing the council's policy and budget framework.
- The council's executive, and senior officers, will continually oversee and have regard to the council's financial performance.
- The s151 officer has particular, formal, statutory responsibilities to ensure that the authority's control environment is robust, and that money is spent in accordance with law.
- The audit committee undertakes core functions of financial governance, including the review of the financial statements, monitoring the effectiveness of the control environment and liaison with the council's external auditors.
- The 'golden triangle' of corporate officers – comprised of the s151 officer, the monitoring officer and the head of paid service – have a wider responsibility for effective corporate governance, which includes finance.
- A council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes and each year the head of internal audit will provide an annual opinion on their adequacy and effectiveness.
- The council's external auditor will report publicly on the council's value for money arrangements, and whether the financial statements provide a true and fair view of the financial position of the audited body and its expenditure and income for the period in question.

how forensic does scrutiny need to be?

In the section above, we talked about four fundamental 'key tasks' for scrutiny in relation to financial matters. How should it go about transacting these tasks?

The most significant challenge lies around detail and focus. Scrutiny ought to be forensic – but in trying to be forensic, there is the risk that it will get drawn into highly operational matters. Line-by-line scrutiny of budgets and other financial information is tempting because it feels anchored in reality – in the delivery of small elements of individual services – but this kind of detailed work is likely to be ineffective.

But it would be an abrogation of responsibility for scrutiny to withdraw from some form of monitoring and oversight; particularly given its shared 'whole system' responsibilities, made explicit in the four tasks we discussed in the section above.

The answer lies in using operational data, and the monitoring carried out by others, as a source of information to escalate important, strategic issues for more detailed discussion.

Escalating critical financial matters to make scrutiny more effective

Members will have access to a wide range of finance and performance information which will help scrutiny members to understand the current issues, financial plans and strategies of the council. The following list provides some examples of what is likely to be available. It is likely that, rather than being formally submitted to scrutiny for comment, this information can, with other paperwork, help councillors to understand what substantive matters should be escalated to committee for detailed consideration.

This will include:

- The MTFS, including:
 - background papers used to inform the MTFS process
 - evaluations and predictions about future demand
 - the council's capital strategy
 - accurate and robust predictions about future funding:
 - from central government (which may involve informed estimates)
 - from local sources, including details of business rate retention arrangements and from council and partner-led commercial activity, and the use of fees and charges for services, along with associated business planning material.
- The council's current budget, including:
 - monthly and quarterly monitoring information
 - quarterly information on budget underspends and overspends, and associated risk information
 - quarterly information on service outcomes, mapped to financial and budget information
 - Information on virements and other notable changes to the budget position.

- Other material to provide context to the business of financial scrutiny, including:
 - performance and risk information
 - complaints information and external inspection/ombudsman data
 - performance information (and other periodic management data) produced by partner organisations
 - strategic information on procurement and the letting of major contracts, and the delivery of major strategic commissioning outcomes
 - where applicable, information and data that allows councillors to make judgements about how the council is delivering against targets set in an ‘outcomes-based accountability’ framework (for example, under outcomes-based budgeting and outcomes-based commissioning, where financial statements might provide useful information for scrutiny)
 - the narrative report which is published as part of the annual financial statements. This provides the CFO’s view of the council’s financial performance and the risks and opportunities ahead.

Scrutiny will not be able to look effectively at all of this information – and completeness is impossible. As a start, members will want to look for information presented as follows:

- Summary tables, rather than lengthy information.
- Contextualised information (scrutiny’s triangulation of financial information with other data will help here). This will include present budget monitoring reports alongside service monitoring reports and performance indicators, as we have discussed above.
- Reporting by exception or at least highlighting areas of most concern – further to our comments below on escalation.
- A plain language summary of the budget estimates book produced for the public and councillors, in hard copy or online.
- Agreement between the cabinet and scrutiny about the timing of papers so that sufficient time is allowed for effective scrutiny and challenge, set out in a timetable or in a more formal protocol which also confirms what information scrutiny should expect to receive.
- Reports checked for overuse of jargon and financial technical terms – where this is unavoidable, they should be clearly defined in plain language. This goes particularly for information shared informally to members in advance of the kind of escalation activities discussed below.

Statutory guidance on overview and scrutiny suggests the preparation of an ‘information digest’ to enable councillors to keep a watching brief on local services. Prepared properly (and with discrimination as to what is, and is not, included) the above information could form part of this digest.

When members have a sufficiently accurate sense of the financial state of the authority and the services it provides – alongside other information and metrics – this information can be used to escalate issues of particular concern to scrutiny committee for further discussion.

Members have to decide what to escalate, and how. The questions members will need to ask themselves in this regard will largely depend on scrutiny’s role and the organisation’s overall priorities and financial state. They may include ones relating to corporate risk, or the impact on local people’s lives. Overall, matters escalated will tend to be ones where the council is struggling to tackle a complex issue.

In reality, members should expect that a review of financial and other information would result in only a handful – six or eight, maybe – substantive issues being escalated to committee per year. This would allow meaningful time to be devoted to each, and for the issues to be properly discussed and pored over. It might even be appropriate for particularly intractable issues escalated in this way to be considered by a task and finish group.

The dangers of trying to ‘manage costs’ through line-by-line scrutiny

Managing costs and managing value are very different things. Line-by-line scrutiny encourages the former.

Cost management is invariably unproductive. It is about making marginal gains on cost without addressing the root causes that may lead to a service, or a function, being poor value.

Cost control is important, and different – as part of a council’s wider control environment, oversight over costs is important. Auditors, and s151 officers, need the assurance that agreed budgets are being spent on the right things in the right way. But this process – though important for the purposes of accountability and responsibilities – tell us little about the impact that such costs have.

Scrutiny can play a role in challenging approaches that see the management of costs within services as an appropriate way to *reduce* costs. In reality, the only way to reduce the amount spent on a service or issue is to:

- **return to first principles – evaluate who your users are, and what their needs are**
- **check your existing systems and processes, and evaluate the extent to which those systems and processes deliver the outcomes that your users want**
- **make changes necessary to align systems with outcomes.**

Following this approach means that increases in efficiency derive naturally from a service better aligned with where needs lie. The approach is known as ‘systems thinking’, although it has other names. Line-by-line scrutiny, in contrast, drags discussion away from the overall system onto the specific cost of individual elements of that system.

Skills

Councillors do not need to be financial experts, but they do need to understand enough about local finances to ask intelligent questions.

The basic skillset: for chairs

- The ability to lead and enthuse other members.
- The ability to frame financial issues, especially where they appear to be esoteric and intangible, in a way that engages and enthuses other councillors.
- The ability to promote scrutiny’s unique role and capabilities to those within and outside the council.

- The ability to manage and organise meetings – ensuring that the right issues are discussed at the right time (on which we comment at length below when considering the year in financial scrutiny) and at the right level (which we discuss when considering the difference between line-by-line and strategic scrutiny).

Beyond basic skills, something else less tangible is needed – confidence. Council finances can look complicated, and this can encourage members to shy away from it.

The support that councillors are likely to need

Member development on financial scrutiny matters is likely to integrate with members' wider development needs. In so doing, it will recognise that separate training sessions – divorced from scrutiny members' wider work – are unlikely to ensure engagement.

Training designed to be integrated with members' substantive work is likely to deliver the greatest impact. In practice, this means:

- Use of member induction (at the beginning of a councillor's term) to introduce basic financial concepts.
- Frequent workshops at which ongoing financial issues – in-year performance, budget development and so on – are discussed with members. This will form important background that members can use to escalate matters to committee, as appropriate.
- Reports drafted so as to limit the use of unnecessary jargon, and where possible, to provide contextual information.

Councillors themselves are likely to be best placed to understand where their needs lie; a survey of councillors on whether the financial information they get is adequate will provide a good baseline, allowing mutual expectations to be explored and potentially allowing scrutiny's overall role (see below) to begin to be discussed.

a financial year in scrutiny

Budget and monitoring scrutiny

In a general sense there are two ‘types’ of financial scrutiny in which councils engage.

- Budget scrutiny. This is review and consideration of the development of the council’s budget for the next financial year. A lot of this will look and feel informal – particularly in the early months – but its formality will develop as the time for council signoff approaches. As this happens the opportunity may be available to engage with local people, to understand their needs and to use this understanding to feed back into conversations about priority. Many of the questions we set out below relate to budget scrutiny but most are *not* designed to be asked in a formal committee environment – on which point see below.
- In-year performance scrutiny – this is the continual process of review of financial information as it is produced over the course of the year – checking the delivery of the budget against plans and identifying discrepancies.

In most respects, the questions we suggest below are generic and exploratory. They are best deployed as part of a process for scrutiny councillors to understand enough about an issue to be able to have the confidence in knowing whether or not to escalate an issue for more detailed investigation or formal scrutiny.

The questions below are not intended just as prompts for scrutiny practitioners. They should also act as a reminder for s151 officers and other senior managers about the general questions that members are likely to want to see answered on the strategies and plans with which they are presented over the course of the year.

The financial year overall

Financial scrutiny is a continuing duty, throughout the year. There is activity to transact every month.

The rest of this guide aims to provide a sense of what happens throughout the year, and suggests scrutiny activity to complement it. This comes, however, with an important caveat. All councils manage their finances, and the development of their budgets, differently – within the same legal and regulatory framework. Where councils operate systems like zero-based budgeting, or outcomes-based budgeting, some of the elements described below may be different.

Readers should therefore treat the below as illustrative. The first port of call for councillors wishing to engage with the budget cycle should be with the s151 officer; that officer, alongside members, can work through members’ expectations from the budget process and consider how to incorporate those expectations.

At the time of writing (June 2020) the COVID-19 pandemic means that councils have been obliged to transact business remotely. Remote meetings present challenges for the effective operation of some of the activities set out below – particularly those which directly face the public. Council operating social distancing arrangements will need to think carefully about how best to engage the public in this work, and how to make it transparent.

April

- **Review and reflection on the previous year's budget cycle**
- **End of year performance**
- **Reflecting on the MTFS**

Review and reflection on the previous year's budget cycle

Once the budget has been agreed, it can be productive to hold a debrief, or washup, of that process – what went well, what might be change next year?

What did the MTFS say that this year's budget needs to achieve – did it achieve those aims?

To what extent was the draft budget refined over the course the previous year? (For clarity – members should expect to see the budget changing in response to new information – particularly with regard to external sources of funding). On what basis were these refinements made?

What opportunities existed for the draft budget to be challenged, and what were the outcomes of those exercises? What can we learn from this experience?

End of year performance

Wrapping up the year means taking a final look at performance across the whole year.

How does performance match with expectations; how do expectations match with what we understand about local people's needs?

How has our overall performance aligned with that of our partners? How have partners' performance – their successes and failures – influenced our own performance?

How does overall performance at the end of the year match up with what we have spent?

How, if at all, have we been able to mitigate the risks that we anticipated at the beginning of the year?

Reflecting on the MTFS

How well we understand the context

- How will this council be affected by likely changes to funding in 2020/21?
- How do we understand our responsibilities to local people, and the interface between statutory and non-statutory services?
- What are our principal demographic pressures?
- What pressures do our partners face – in terms of funding, responsibilities, local expectations – and how will this impact on how we work with them?
- How are those issues expressed in our risk plans?
 - What is our overall risk appetite?
 - What is our risk appetite in relation to these specific pressures?
 - How is the council overseeing this risk management activity? The council's audit committee may have a role, as will the council's leadership and the s151 officer.

What is our overall outlook and how is it expressed in the MTFS

- What are the principal sources of evidence that we have used to formulate the MTFS?
- How have the insights and perspectives of a sufficiently wide range of individuals and groups been taken into account in the preparation of the MTFS?
- How has the preparation of the MTFS been refined and developed over time?
- What is the authority's level of confidence that the MTFS can be delivered – in totality, and in the respective years covered in the strategy?
- How have our risk plans, and our risk appetite, influenced the MTFS?

What are our priorities

- Where, and how, will our priorities as an organisation express themselves as savings or growth proposals in the budget (and in the longer term, in the MTFS)?
- How will our priorities help us to deliver a balanced budget? How might our responsibility to deliver a balanced budget be challenged by our priorities?

What are our principal challenges and risks

- How have we framed our understanding of the risks we face?
- How do we evaluate and consider those risks, their likelihood and their impact?
- What processes do we have in place to escalate and manage these risks?
- Who are the principal decision makers on corporate and other risks?
- How do we align our understanding of risk to those of our partners?

How are we mitigating those risks: who does what

- Who leads on the preparation and agreement of plans to mitigate risk?
- Who “owns” risks; at a corporate and service level?
- How will we know if our plans to mitigate risks have been successful – or if they have failed?
- If we cannot mitigate risks, how do we change our plans to adapt to them?

May

- **Planning**

Planning

On the basis of the evaluation activity carried out in the previous month, scrutiny can turn its mind to the coming year and consider how it can best plan for ongoing financial scrutiny activity.

Expectations can be discussed, and agreed, with the s151 officer and service directors. Key times and deadlines in the year (when key budget components are being drafted and agreed) can be identified and scrutiny's involvement built in. Discussion can incorporate agreement of where work will be informal – happening in private, with its outcomes reported to committee – and where it will be formal, and in public.

June

■ Budget headlines

Budget headlines

In June, the earliest work will already have begun to translate the themes of the MTFS into the next year's budget.

Overall headlines and assumptions will be sketched out – based on multi-year plans and programmes already agreed by the council, and other matters discussed with partners. This information will not yet have been developed sufficiently to allow for consideration in public, and scrutiny is likely to need to engage with it informally.

How are the principal headlines in the budget influenced by what we know, and what we can assume about next year – as expressed in our overall priorities and in the MTFS?

What will our priorities be next year? Do we know enough about demand and user needs across all the areas for which we hold responsibility to have confidence here?

To what extent have we involved our partners in formulating this headline information?

What are the principal corporate risks that we face in delivering a balanced budget?

What are the principal corporate risks that we face in providing the services that local people need and expect?

Is there a variance in how we articulate these respective risks?

July

■ End of Q1 – reflection against plans

End of Q1 – reflection against plans

These questions can be asked in relation to performance in any quarter

Did expenditure meet (or help to meet) the performance objectives set by members? Is it possible to make assessments on this to support a view of whether the service(s) in question were value for money?

Have new risks emerged which might affect deliverability of plans in the next quarter?

Are officers aware of the reasons for any under or overspends; how is cabinet overseeing this, where have issues been escalated to the s151 officer and what action is being taken?

What impact do under/overspends have on the achievement of the council's plans and policies?

Has this impact been taken into account for next year's budget and future budget?

September

- Building the budget
- Testing plans

Building the budget

The mechanics by which the budget are developed are not a matter of only technical interest – the process demands scrutiny to ensure it is robust. In order to review the substance of the budget, scrutiny councillors require assurance that the way evidence is pulled together and used is as high quality as possible. This exercise will provide one of the early opportunities to identify pinch points and issues of controversy that can be looked into further in later months.

Who holds responsible for developing and testing different elements of the budget?

To what extent is the s151 officer and cabinet member for finance (and other members of cabinet) carrying out a coordinating role?

Where does accountability lie for quality assurance and accuracy?

How are we testing assumptions – what is our level of optimism with the budget overall, and we will we continue to evaluate this as the process develops?

How will concerns be escalated as they emerge? Have any concerns emerged yet, and how are they being dealt with?

Testing plans

By this time, headline plans for individual services will be beginning to emerge. They are likely still to be fairly strategic at this stage, but the opportunity will exist for scrutiny members to sit down with the s151 officers – and, for the first time, with service directors – and to work through these plans and what they mean. It may be that issues around certain plans can form the basis for topics to be selected for escalation to a committee, for more detailed discussion. Or plans may form the basis for study in a task and finish group.

Do the proposed spending plans fit with the council's overall aims, objectives and priorities?

Is it clear how outcomes/outputs will be measured?

What opportunities might there be to make this service/our management of this issue more sustainable through alternative means of funding/income generation?

What targets have been established, and how will they be monitored (and amended, where necessary)?

How do plans link with expected service demand?

October

- End of Q2 – reflection on plans
- Budget refinement

End of Q2 – reflection on plans

This will follow a similar format to that adopted in Q1. By this point in the year it may be possible to discern particular trends.

Budget refinement

At this stage it will be possible to ask much more detailed questions on the budget. The following is a useful menu – a range of questions that may be relevant in respect of a wide range of budget-facing issues. We should highlight again that we do not intend that these kinds of exploratory questions would be asked in formal committee – they are questions that invite clarification, and can be used to decide how, if at all, consideration of particular issues should be escalated.

Many of these questions engage with issues of cost. Cost is a challenging issue to unpick – looking at cost in isolation gives a skewed picture of value overall. Trying to ‘manage costs’ can be a futile exercise unless and until the value that derives from spending is fully understood. Hence our posing these questions as exploratory – as the beginning of scrutiny’s investigation of an issue rather than the end.

How much will that cost?

Are you sure that the cost will be what is stated here; on what basis can you make that prediction?

How will this cost ensure value?

Is this cost for this year only, or is it ongoing? How does it compare with costs in previous years, and our expectations of cost for future years?

Is this a statutory requirement; how does it engage with our expectations about our ability to deliver a ‘core service’ to local people?

What would happen if we chose not to fund this specific issue?

Are there alternative methods available to deliver this policy objective that would involve spending money in different ways; how have those options been considered and discounted? (Scrutineers can expect that this point would at least have been partially covered by earlier scrutiny activity – see above.)

What would be the consequences of only part-funding?

Is there external funding available to contribute to the cost?

Could we charge for this; how do our plans for this service, and for responding to this issue, align with the council’s wider plans for commercialisation? Can we increase income from assets?

When will we see the benefits from this spending?

Can this be deferred?

How does the cost align with the initial business case?

How will we measure success/value/equity against this cost?

Is this funding contractually committed?

Why are our balances set at this level?

November

- Further refinement
- Savings and growth proposals (as applicable)
- Definition of outcomes

Further refinement

By November, further detail will be present in the budget proposals. In draft form, it will be being shared among a wide range of senior managers – in particular, to allow final judgements to be made about resource requirements associated with its delivery.

How will the budget reflect investments that are aimed at achieving longer-term savings?

What consideration has been given to maximising income (where appropriate and equitable – eg income from sales, fees and charges etc) How well does the council understand the rationale that underpins decisions around fees and charges, and wider revenue opportunities?

How is the workforce planned and managed to ensure that market considerations are taken into account when determining pay scales?

What is the anticipated impact of current and planned efficiency /savings targets on the budget and how is the council planning ahead to deal with the cumulative effects of efficiency targets?

What is the anticipated impact of budget pressures on:

- services
- performance
- clients/service users
- partnerships and joint working
- staffing levels
- job evaluation?

How are borrowing and trading opportunities taken into account in our plans?

How does the budget engage with the need to stabilise and increase our income sustainably?

How can the council have the assurance that the draft budget continues to conform with the principles and expectations of the MTFs?

How will the MTFS alongside this draft budget be used to make detailed decisions on resource allocation?

What are the overall interfaces between the draft budget as it currently stands and our wider treasury management strategy?

Savings and growth proposals

By this point the development of the budget will have reached a phase where the detail of individual savings and growth proposals are likely to have been sketched out. Not all the detail may be present, but enough to allow those issues to be engaged with.

What are the general principles that underpin when, and how, proposals for savings and for growth will be made?

Were the proposals being made as part of the budget envisaged as the budget began to be formulate; are they reflected in the MTFS and in the council's broader strategy documents? If not, why not?

Do we expect that these proposals may change as further research is done; are they immutable now?

How can we have confidence in our assessment about the impact that savings and growth will have on local people?

Definition of outcomes

By this point, it will be possible to discern the detail of the outcomes that the council expects to deliver for the expenditure that it is making. Scrutiny councillors can begin to test the ambition and realism of those projected outcomes.

To what extent do the outcomes we have set for this expenditure reflect the needs of local people?

How have local people been involved in this assessment?

How will we evaluate a) whether these were in fact the right outcomes and b) whether these outcomes were met?

Do we have confidence that we will be measuring the right things in the right way in assessing whether outcomes have been delivered?

To what extent are outcomes contingent on the activity of our partners?

December

- **The settlement**
- **Design and beginning of formal scrutiny**

The tempo of budget development builds significantly in December. Substantial activity happens in this month to finalise proposals. With only about two and half or three weeks of productive time to work with, there will probably be no detailed, formal scrutiny at this stage. What there will be is the opportunity to plan for the formal scrutiny on the final budget proposals that will be submitted in January.

The settlement

In December – usually late December – government announces its proposed financial settlement to the sector. This will remain the case beyond the conclusion of the fair funding review. This presents the need to revise the budget in line with what the settlement says. Knowing the level of the settlement will allow the council to finalise its budget plans.

There will not be time for detailed scrutiny of ‘the council’s response to the settlement’. The following are likely to constitute checking questions that scrutiny can pose informally, to inform the further design process we discuss below.

Is there a variance between our expectation of the settlement and the final figure agreed?

What does the level of the settlement mean for our expectations around the setting of council tax (and any associated precepts, if applicable)?

How does the notification of the settlement impact on the level of risk, and our expectations of being able to deliver a balanced budget?

Does the settlement, and the mix of other funding sources, provoke us to shift our assumptions about what our priorities will be in the coming year?

Does the settlement provoke us to rethink the MTFs?

Design and beginning of formal scrutiny

This phase marks the point at which the more informal scrutiny of developing budget proposals becomes more formal – and public. At this point enough detail is present in the budget, including in savings and growth proposals and the proposed level of council tax for the new year, for information to be published in the public domain.

As a matter of general principle, the prior work that scrutiny has done more informally – the gathering of information, probing and exploration of various drafts and proposals earlier in the year – will prepare members for this more formal exercise of their responsibility.

At this point it will be possible to:

- Identify those matters where formal scrutiny will be particularly appropriate – because they relate to issues of local contention, or political disagreement, or to matters that will have a significant effect on how the council operates (for example).
- Identify how scrutiny of those matters should be managed, and how it should be framed (bearing in mind that wholesale change to the budget, at this point, will be essentially impossible).
- Identify what further evidence might be drawn to support this work – whether it might be to invite others to give evidence, or facilitating discussion at a formal meeting amongst interested stakeholders.
- Begin to sketch out what the outcome of this process will be.
- Sharing those ideas with the s151 officer and others, and refining them, maximises the chance that this ‘formal’ scrutiny will be as effective as possible.

January

- **Formal scrutiny and MTFS**
- **Budget passes to Council**
- **End of Q3 – reflection on plans**

Formal scrutiny and MTFS

In January, the time will come for the draft budget to be formally submitted to scrutiny. This process will precede (by a matter of a few days or a couple of weeks) the submission of the budget to council for signoff – see below.

The opportunity to influence and change the budget at this stage will be very limited, and probably does not exist at all.

As a public space for debate on the budget proposals, it may be best for scrutiny to:

- Summarise its involvement in the budget development process so far – the opportunities that councillors have had to exert some influence, and the results of that process.
- Highlight areas that remain contentious, and where scrutiny has made recommendations and suggestions that have not been taken up.
- Highlight and discuss the impact of particular elements of the budget on local people.

Planning (discussed in the section above) will help to ensure that this works well.

As part of this process, the most recent iteration of the MTFS can also be considered.

Budget passes to council

This is the legal process by which the council formally adopts the budget for the next year. This will be preceded by debate; again, the opportunity to influence the budget at this stage (beyond voting it down) is basically zero at this stage.

End of Q3 – reflection on plan

This will be a review process for quarterly information that will reflect that which happened at the end of Q1 and Q2, as we described above.

February

- Budget agreed
- Initial washup

February will be a month for significant formal activity; little actual scrutiny activity will be transacted around finances and the budget.

Budget agreed

Budget council usually falls at the start of February. It is a function reserved to full council.

Initial washup

Immediately after the budget has been agreed members might want to begin considering the lessons that can be learned to influence the following year's activity.

APPENDIX:

local government finance: the basics

The Local Government Association (LGA) has published [A Councillor's Workbook on Scrutiny of Finance](#) (2017), which this guide has been drafted to complement. This workbook provides a range of practical exercises and prompts for councillors to work through, either individually or in groups. Thinking about how to practically apply some of the principles set out in this guide, and in the LGA workbook, forms a critical element of putting into place effective financial scrutiny.

In conducting and thinking about financial scrutiny, scrutiny councillors should think about the above support offer, and where their council has taken advantage of it, there may be elements of the outcomes that can be useful in supporting some of the activities that we describe in this guide.

This guide also complements the significant body of material that CIPFA has produced in recent years to provide advice and support to council, some of which is set out above.

The first step is to understand the basics of local government finance. This introductory section sets out some of these basics, and signposts to more detailed material available elsewhere. In particular, the CIPFA publication [A Introductory Guide to Local Government Finance](#) (2019) will be of use.

At the end of this section we provide a range of questions to help councillors to better understand local finances in their area.

The fundamentals

The whole system approach

Financial decision making goes hand in hand with general policymaking in a local authority. Understanding financial planning and the financial system requires an understanding of the policy cycle – the way that councils and other public bodies gather evidence, make decisions, and review those decisions once made.

Responsibility for the overall finances of the council sits with the council's s151 officer, usually known as the chief financial officer. The role is legally defined; the postholder may have a slightly different job title from council to council. Further information about the role is set out in [The Role of the Chief Financial Officer in Local Government](#), (CIPFA, 2016).

This person has specific duties *to the authority* (as distinct to the executive leadership of the authority).

The s151 officer shares, with other statutory officers, a responsibility for taking a 'whole system approach' (WSA) to financial management and governance. CIPFA has described the relationship between the s151 officer, the head of paid service (or chief executive) and the monitoring officer (or chief legal officer) as the 'golden triangle'. It is a relationship given legal force by virtue of the [Local Government Act 1988](#).

These three individuals have a leadership responsibility for a WSA to council finances. A critical point – one fundamental to understanding the role that elected members should play – is that financial management, oversight, and governance generally do not sit apart from the way that council plans and delivers its budget. This governance is central to the council's core responsibilities, and to the council's ability to deliver outcomes and services to local people.

The WSA has been developed and promoted by CIPFA to help public finance professionals to understand their responsibilities and accountabilities.

More information can be found in CIPFA's [Whole System Approach](#) (2nd edition, 2017).

The funding mix

Councils are obliged by law to set a balanced budget, and to manage the council's resources effectively. This is the cornerstone of financial management in councils – a failure to do this will result in the s151 officer being compelled to issue a Section 114 notice, as we describe below.

At present, local government funding derives principally from four sources.

- Central government grant – although this will change in light of the 'fair funding' review.
- Business rates – although this will also change in light of the fair funding review
- Council tax. Council tax rates are notionally set at local level; local authorities are, at the time of writing, limited to an annual rise of 4.99%.
- Income generation such as rents, fees and charges and returns on investments.

The 'split' between these four varies significantly from council to council. In some district councils income generation is considerably more important than government grant.

The funding model is likely to change as a result of the fair funding review, although this has now been deferred until after 2021/22.

When planning their finances councils have to think about the short, medium and long term. Assessments of risk play an important role here.

For long-term finances, councils have to think about their level of **reserves**, and about investment and treasury management. CfPS's publication on **treasury management**, [Treasure Your Assets](#) (2017) provides significantly more background, and advice on the scrutiny and oversight of this area. CIPFA's [Treasury Management Code](#) (2017) provides significant additional context and guidance for councils on their duties and responsibilities here.

In the medium term, councils are obliged to set out a medium-term financial strategy (MTFS). The MTFS acts as a bridge between a council's overall understanding of its general financial position, and its long-term plans, and its short-term needs. It is a critical tool for councils in ensuring their resilience, and their ability to deliver effective services to local people.

Councils' ability to develop and agree accurate MTFSs has been placed under stress in recent years, but elected councillors are well placed to understand the political dynamics and consequences, of these pressures. CIPFA's *Financial Management Code* is likely to provide useful insights – and can give members a sense of what good practice looks like in long- and medium-term strategic financial planning.

The difference between revenue and capital budgeting

Under accounting rules council budgets are between expenditure and income on **revenue** and **capital**. Revenue spending covers day-to-day costs such as wages. Capital expenditure relates to investments in assets such as buildings and transport infrastructure.

So if a council wanted to construct a community centre, it would need to commit capital to the physical construction, but it would also need the assurance that it would be able to finance the operation of that centre out of its revenue budget on an ongoing basis.

Capital spending and borrowing vary between authorities. This will reflect the particular services each authority provides and the distinctive nature of their local economies. For example, some authorities are responsible for assets like markets or historic buildings; some authorities hold assets in the form of commercial premises that can rental income, which is expressed in the form of revenue.

Rules about the management of council finances

Basic rules about the management of council finances can be found in two places. The Local Government Act 2003 sets out the basic framework. It focuses on rules relating to capital expenditure and borrowing, and overall financial management. This includes decision-making on council tax and budget monitoring. The council's **constitution** will lay out more detail on responsibility for financial decision-making – in particular, the scheme of delegation and the financial procedures.

Current financial pressures

At the time of writing (June 2020), LGA and CIPFA research suggests that councils are in, and will continue to be in, an extremely challenging position with respect to their finances. This will be substantially exacerbated by the impact of the COVID-19 crisis. Understanding these circumstances and conditions is critical to being able to plan and carry out effective financial scrutiny.

Councils will inevitably profile their risks and exposure to further financial shocks, and some are likely to be under more pressure than others. Some of the principal risks and pressures include:

- **Central funding.** At the time of writing the government's 'fair funding' review has been delayed owing to the COVID-19 crisis – resulting in yet more uncertainty for the sector.
- **Demographics.** Councils are increasingly finding that 'demand led' services (particularly adult social care) are placing huge demands on their finances. These services are difficult to control from a cost perspective – they are driven by need and in part by the action, or inaction, of other public service actors (such as the NHS and DWP). An ageing population is an impact which is not shared equally between councils – some will feel the impact more than others.
- **Market and provider failure.** The recent failure of the large contractors Carillion and Interserve has significant implications both for the way that councils procure, and the way they deliver services. Even previously healthy suppliers may, as a result of COVID-19, be at risk of failure.
- **Dwindling reserves and external shocks.** As reserves dwindle, unexpected external shocks could lead to councils suddenly finding themselves underfunded and overexposed. A lack of corporate capacity to manage these shocks could lead to councils facing failure. COVID-19 is an obvious example of one such shock; its presence makes councils especially vulnerable to other shocks.

These factors can all contribute to significant failure risks. Failure has a range of components. Some of these issues are discussed in the CfPS/Localis paper [Decline and Fall](#) (2018).

Recent CIPFA research also highlights the importance of financial resilience to councils' ongoing health and sustainability. Resilience is about more than being able to deliver a balanced budget (see below) – it is also about being able to assure your medium- and long-term position, including being able to have a robust MTFS. All councils are currently challenged in this area.

Overcoming these challenges

Some of the ways that councils are developing solutions to these challenges include (this list is not exclusive):

- **Redesigning services to better reflect local need.** This is a response to the idea that inaccurate understanding of need can lead to overprovision or to the wrong provision at the wrong time in the wrong place. It links to the need for councils to have a closer sense of what citizens' requirements of a service area, and for the service to be designed around those needs.
- **Entrepreneurialism and commercialisation.** More councils are adopting commercial, entrepreneurial approaches to better ensure their financial resilience. This can be about developing new opportunities for income, but is also connected to a clearer focus on 'customer' need as discussed above.
- **Partnership and confederation.** Joint commissioning, contracting and partnership has been a central feature of local working for at least fifteen years, but the nature of these partnerships is beginning to become deeper. The creation of joint ventures (see above) and more formal shared officers between councils, and council and partners, will involve the merging of budgets – the health and social care integration agenda (in whatever form it eventually takes)
- **The 'core services' offer.** The withdrawal and decommissioning of services is now being actively pursued by some councils. Withdrawing the council to service a 'core', statutory offer to local people is risky, but many councils feel that they are unable to identify an alternative. Financial scrutiny will be vital in these circumstances – to understand the financial situation in which the council finds itself, the financial consequences of any alternatives, the risk factors – both financial and social – and the financial impact on partners, among other issues. Some could challenge the central thesis of whether it is possible in practical terms to distinguish clearly between 'statutory' and 'non-statutory' services, given that the two are difficult to separate in an operational sense, and that the effective delivery of statutory services may depend on the provision on non-statutory ones (for example, relation to prevention).

What all these measures have in common is the need to place local authority finances on a sustainable footing while continuing to deliver the services that local people need and expect. Again, long-term resilience is the focus and objective.

\ further reading

The LGA also provides a range of support to councils on finance improvement. As well as corporate support through the peer challenge process, this includes:

- A financial healthcheck. This work provides a technical assessment and analysis of councils' finances, led by technical experts. It provides a review and appraisal of a council's financial standing, and any resource challenges, as well as a reflection of the steps that a council is taking to address its financial issues.
- Budget challenge. This is a facilitated process led by an LGA member peer (working with a council's cabinet member for finance). It looks at prioritisation, savings options, short- and medium-term financial strategies, and other technical aspects of the budget.
- Broader support around productivity and innovation. These are two central planks of the LGA's overall support offer; the organisation can share expertise of others around the kinds of steps that councils can take to improve their approach to sustainable finances. This includes the LG Inform and LG Inform Plus services, which provides up to date information about council performance which can be used for modelling and comparison purposes.

The LGA also offers a range of support targeted at finance portfolio holders, by way of its Leadership Academy scheme.

CIPFA has issued a suite of codes of practice which together provide a robust framework within which councils can ensure that they are discharging their responsibilities on financial management. These include, principally, the:

- [Code of Practice on Local Authority Accounting in the UK](#) (2019)
- [Service Reporting Code of Practice](#) (2019)
- [Treasury Management Code of Practice](#) (2017)
- [Code of Practice on Managing the Risk of Fraud and Corruption](#) (2014)
- [Prudential Code for Capital Finance in Local Authorities](#) (2017)
- [Financial Management Code of Practice](#) (2019)

These codes are produced with guidance notes alongside and are reviewed and revised regularly. Scrutiny councillors will not need to be familiar with the detail of the content of the codes, but they will need – as part of their responsibility to maintain a watching brief over financial issues, escalating where necessary – to work with the s151 and the audit function to have assurance that the codes are understood and are being complied with.



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A councillor's workbook on scrutiny of finance



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Introduction

This Local Government Association (LGA) workbook has been designed as a distance learning aid for local councillors. It is intended to provide councillors with insight and assistance and develop the key skills which will help you to be most effective in your role. Some of the content may be of most use to more newly elected councillors, but nonetheless if you have been a councillor for some time, the workbook should serve as a useful reminder of some skills, approaches and tactics that make up the key features of financial scrutiny. If you fall into the latter category the workbook should serve as a useful reminder. It may even challenge you to reconsider how you have approached aspects of the role to date. This workbook will provide you with an understanding of the principles and practicalities of scrutinising the financial affairs of your council.

The workbook offers few firm rules for councillors as it is recognised that each individual must decide how best to approach their role in relation to financial scrutiny. This will be influenced by the type of area you represent, any specialist roles you have taken on and the nature of the financial management arrangements in your council.

The workbook can be used as a standalone learning aid or alongside other material you may cover such as training courses, e-learning modules or sessions within your own council. As such, the workbook should serve more as a direction marker rather than a road map.

You do not need to complete it all in one session and may prefer to work through the material at your own pace. In working through the material contained in this workbook you will encounter a number of features designed to help you think about your role in scrutiny of finance.

These features are represented by the symbols shown below:



Guidance – this is used to indicate research, quotations, explanations and definitions that you may find helpful.



Challenges – these are questions or queries raised in the text which ask you to reflect on your role or approach – in essence, they are designed to be thought-provokers.



Case studies – these are 'pen pictures' of approaches used by other people or organisations.



Hints and tips – these represent a selection of good practices which you may find useful.



Useful links – these are signposts to sources of further information and support, outside the workbook, which may help with principles, processes, methods and approaches.

The importance of financial scrutiny

Financial scrutiny is the term used to describe the process of applying overview and scrutiny (O&S) to the financial management arrangements of a council:

- **Overview** – a proactive policy development and review process. In effect, gathering and using evidence to consider whether the financial plans and strategies of the council are sound and have taken into consideration all relevant factors.
- **Scrutiny** – a reactive challenge to decision-making, budgeting, service delivery or performance issues. In effect, using evidence to hold the council to account for its expenditure or to investigate pertinent financial concerns.

For simplicity, the shorthand term scrutiny is used throughout this workbook to describe both the overview and scrutiny element.

The legal framework for financial scrutiny

The Local Government Act 2000 states that it is the responsibility of the full council, on the recommendation of the executive, to approve the budget and related council tax demand. The Act makes it clear that the role of scrutiny in the financial process is to hold the executive to account and to ensure that its decisions are in the best interests of the community. Some scrutiny of budget setting and other financial planning processes is therefore essential.

The Local Government Act 2003 provides the central legislation surrounding a council's financial planning and budgeting arrangements. Sections 28 and 29 of the Act require members to be involved in budget monitoring throughout the year, although it is not specified whether this is primarily an executive or scrutiny function.

The council's financial affairs – who's interested?



Challenge 1

Write down who you think might wish to know about the financial affairs of your council and why:

Who has to know?

Why?

Who might need to know?

Why?

Who might want to know?

Why?

The councillor's role: scrutiny of finance

As a councillor, you have an essential role to play in understanding and scrutinising your council's use of public money. The sums of money involved can often be sizeable and the task can be one of the most challenging elements of the wider scrutiny function.

There are many stakeholders who have a vested interest in the financial affairs of your council, including central government, partner agencies, local public auditors and the various communities you serve. All of these look to you to act with a degree of financial stewardship to help ensure that your council spends its money wisely. This, therefore, is a key task of financial scrutiny.

Why financial scrutiny is important

From a council perspective, there are many good reasons for undertaking financial scrutiny. For example, to:

- reality check budgets and financial plans prior to their approval
- ensure that there are clear links between budget setting and strategic/operational plans
- assess the value for money provided by local public services or provided by council grant funding programmes
- research and learn best practice in other local authorities
- investigate matters in the public interest or address financial issues raised by constituents or community groups
- oversee how the council is pooling its resources with partner agencies to tackle jointly agreed priorities
- identify evidenced based options for reducing costs, generating income or introducing new models of delivery
- challenge how resources are allocated and used and examining their impact
- provide an additional and transparent challenge to the executive's management of the council's finances.



Challenge 2 – financial scrutiny in your council

Write down some examples of financial scrutiny in your council. Using the information available to you (members' library, internet/intranet site, committee papers), identify what happened as a result of each scrutiny activity, ie

a) no evidence of action by the executive/council

b) some recommendations accepted by the executive/council, or

c) most or all recommendations accepted by the executive/council.

Having completed the activity, what lessons can you draw from the council's choice of financial scrutiny work?

Being a good financial scrutineer does not require you to be a financial expert. But it does require you to ask questions and challenge when you are not clear about how the council is spending its money and how it is ensuring that there are sufficient financial resources to fund its current and future plans. Similarly, don't be put off by the columns of detailed figures you may be presented with as a member. The same principle applies – if the key messages are not clear to you, ask your cabinet members or financial officers to explain what the information is supposed to tell you. Good financial scrutiny will require you to develop a reasonable knowledge of the council's financial standing, but it will require you to ask pertinent questions even more.



Guidance

“Understanding local government finance is not just about understanding where the money comes from, but also about understanding how we can make this money work for the local community and meet local needs.”

Scrutiny of the council's financial affairs

The constitution of your council will make it clear who has the principal responsibility for monitoring important aspects of the organisation's financial health: from issues of budget monitoring and financial probity to long term financial planning and fiscal stability. In most cases, it is not usually an effective use of scrutiny time to duplicate these roles if they are being carried out in a clear, transparent and effective way.

That said, there are some important scrutiny tasks in this area that can add value. For example:

- Reviewing draft financial plans (eg the medium term financial plan) to challenge the forecasts, affordability, risks, clarity and feasibility of what is proposed. In particular, how any financial plans will affect other important corporate or service plans? It is also a good idea not to review these plans only once per year. Scrutiny can follow the budget reporting cycle of the executive/cabinet.
- Monitoring some internal and external audit reports or the council's risk registers to identify areas where further, more detailed, scrutiny may be beneficial in improving financial systems, reporting processes, resource allocation or resource prioritisation.
- Responding to requests from the public for greater clarity on the council's finances and spending plans, eg reviewing the financial plans and financial reports made available to the public, to ensure that they are sufficiently clear and understandable.
- Carrying out periodic 'post implementation reviews' of large revenue or capital projects to determine whether these were delivered on time and within budget, achieved their stated aims and delivered the outcomes and value for money anticipated.

- Challenging decisions relating to new service commitments, investments and previously un-budgeted demands.
- Scrutinising the financial implications of greater partnership working, eg how partnerships are financially managed, the impact of pooled budgets on the council's spending, the financial rationale for entering into partnerships and what impact, if any, spending is having in cross-cutting policy areas.
- Keeping a regular 'watching brief' on important matters affecting general resource management, eg improvements in procurement or programme/project management.



Guidance

"Members need to get an understanding of how the spending matches against policies, and so must get to grips with the numbers. Don't be mesmerised by the big numbers – as councillors you are here to deliver on programme – you don't need to be a financial expert but understanding the figures is a useful skill for members to have."



Case study

Bristol City Council's Overview and Scrutiny Management Board reviewed how scrutiny was working to find new and better ways of working. Eleven priority topics were identified and each piece of scrutiny would be conducted in the way that was considered most appropriate for the topic. One of the priority areas identified was the council's medium term financial plan (MTFP). Due to the importance of this work, it was agreed that a scrutiny commission would meet regularly to carry out this ongoing scrutiny.

"For any large organisation a clear financial strategy is essential. The work which is being undertaken will ensure a robust and rigorous framework for the MTFP, which will be reviewed on an annual basis.

It will improve transparency and ensure that all officers, residents, interested parties and members can have a single view of council finances".

Councillor Graham Morris, Chair of the Resources Scrutiny Commission



Hints and tips

Scrutiny checklist – financial planning

- Has the council got an MTFP?
- How well is it integrated with other corporate strategies and plans in the council?
- How is the MTFP used in the annual budget setting process?
- How is the MTFP monitored on an on-going basis by members?

Budget setting and monitoring – the importance of scrutiny

Just as the budget process in your council is carried out on a cyclical basis throughout the financial year, budget scrutiny must also be carried out on a rolling programme. This work can involve:

- Challenging how the budget has been constructed before it is agreed and before the level of council tax has been set. In particular, probing any assumptions that lie behind the executive's budget strategy, ie is the approach incremental or is it starting from a base budget, what are the main savings proposals, how will any growth be funded, are the financial implications of proposals from departments or committees built into the overall budget and has an appropriate level of reserves been set?
- Carrying out budget monitoring activity, for example in areas where expenditure against budget looks to be well above or below forecasts and where growth/savings targets and revised forecasts are involved. As a scrutiny chair with responsibility for financial scrutiny, a relationship with the chief finance officer and relevant executive member is essential.
- Undertaking some evaluation of performance and value for money.
- Maintaining a 'big picture' view of the financial pressures affecting the council and continuously challenging how these might impact on existing budgets and budget setting in subsequent years.

An important area for members to constantly bear in mind is the format and content of any budget monitoring information. Many councils now use summary information, exception reporting or 'traffic light' style indicators to cut down on detailed financial information and to provide 'early warnings' of potential problems. If this type of information is not available or could be improved to enable better scrutiny, members could suggest it to their executive/ cabinet and/or officer colleagues to make such information available.



Scrutiny checklist – questions to ask during budget setting

- Do the proposed spending plans fit with the council's overall aims, objectives and priorities?
- Is it clear how outcomes/outputs will be measured?
- What opportunities are there to generate income for the council? (eg from fees, charges etc)?
- Have targets been established? Are these targets acceptable and how will they be monitored by members?
- Has the budget been reviewed thoroughly by members and set in accordance with the medium term financial plan?
- How well does the budget link with expected service demand?



Scrutiny checklist – questions to ask during budget monitoring

- Did expenditure meet (or help to meet) the performance objectives set by members?
- Are officers aware of the reasons for any under or overspends?
- What impact do under/overspends have on the achievement of the council's plans and policies?
- Has this impact been taken into account for next years' budget and future budgets?
- Have revenue generation targets been reached?
- What are the risks if they are not? How will these be monitored and addressed?



Challenge 3 – budget scrutiny: getting the full picture

Imagine you are scrutinising the budget performance of a service in your council.

You are presented with the following scenario:

a) performance in the particular service area looks to have fallen short of a key corporate target, and

b) expenditure in the service area concerned is below budget.

Are the two indicators linked in any way? Why?

The simple answer to the question posed is 'they might be'. But without further questioning and analysis it would be difficult to draw any conclusions. Analysis of basic budget information and performance indicators can help to flag up areas of concern and matters that need to be further investigated but only further scrutiny can give you a more complete picture of performance.

Scrutinising performance, efficiency and value for money

Scrutiny can play a major role in improving performance, delivering efficiencies and demonstrating value for money. In examining these issues, members might have questions on the following:

- **Inputs** – the resources used in delivering a service, eg the financial and staffing costs of delivering a housing benefits service each year. In value for money terms, a service that operates to minimise the inputs required is described as economic in its use of resources.
- **Processes** – the approach that an organisation takes in using its available financial and staffing resources to deliver a customer service, eg the method of processing housing benefits claims. In value for money terms, a service which makes best use of the inputs it has available in delivering high quality processes is described as efficient in its use of resources.
- **Outputs** – the services that are delivered as a result of the inputs and processes of the council, eg the number of customers receiving their housing benefits payments as planned each month.
- **Outcomes** – the improvements in the quality of life experienced by those in the community as a result of the outputs delivered by the council, eg the reduction in poverty resulting from the efficient delivery of housing benefits payments to those in need.

In value for money terms, a service which delivers a high volume of quality outputs and/or outcomes is described as effective in its use of resources.

Planning and structuring financial scrutiny work

Most councils use a variety of approaches in carrying out financial scrutiny. This can include:

- specific financial and budget scrutiny activity as part of the regular work of standing scrutiny committees
- budget scrutiny panels which ‘shadow’ the financial monitoring work carried out by executive members
- service scrutiny panels which take the lead in scrutinising all aspects of individual service performance, including departmental budget performance and value for money issues
- time limited ‘task and finish’ groups which can investigate a particular financial issue or look in more depth at the scope for efficiency savings or value for money improvements.

Whatever structural arrangements are adopted, financial scrutiny work should be programmed and planned as efficiently as all other elements of the scrutiny function and will rely on three essential ingredients:

- robust and effective work planning which is owned and driven by members
- the development of an effective culture of scrutiny, based on consensual politics, robust challenge and accountability (as opposed to party politics, opposition and blame) (see text box)
- a reliance on evidence and reasoned judgement rather than opinions and speculation.



Financial scrutiny – characteristics of an effective culture of scrutiny

New scrutiny culture:

- inquisitorial
- questioning
- cross-examination
- probing the ‘heart of the matter’
- dialogue and debate
- variety of views
- holding to account

As with other scrutiny work, good information is needed for members to form opinions and draw conclusions. In financial scrutiny it is likely that quantitative evidence will be the main source of information, ie numerical data or information that can be converted into numbers, eg financial accounts, budget reports, performance indicators or analyses of user or population statistics. This can provide answers to the essential questions of 'how many?', 'how much?', 'how often?' and 'at what cost?'

However, in budget monitoring and value for money reviews, the importance of qualitative evidence should not be overlooked in helping members to understand the processes and procedures that lie behind any analysis of costs and performance. Much of this can be gathered through the effective questioning of expert witnesses and other relevant stakeholders as illustrated below:



Effective questioning during financial scrutiny

Positive practice

- **Free narratives and open questions** – asking an open question and allowing the respondent to give a free narrative of the situation from their perspective, eg “What are your thoughts regarding the cost overrun...?”
- **Probing** – using a range of techniques to elicit information and deepen understanding:
- **Challenging** – “What exactly did this cost?”
- **Encouraging** – “That is a significant underspend!” (with a pause for a further response).
- **Acknowledging/repeating** – “You said that no overspend was predicted in this area, can you explain more about how these conclusions were reached?”

- **Probing for details** – “Did you do anything else to make savings?”
- **Direct questions** – “How do other authorities manage to stay within budget?”
- **Showing understanding** – “I see” (allowing time for the respondent to elaborate).

Unhelpful practice

- **Double bind questions** – impossible to answer without incrimination,
- **Biased question** – which have an inbuilt bias, eg “What do you think about the problems that the lack of budget is causing?”
- **Leading questions** – which unfairly lead the respondent to a particular answer, eg “I think the financial controls are poor – what do you think?”
- **Terminating statements** – which prevent the respondent from answering, and implicitly assume that the person agrees with the point raised, eg “I could ask you what cost controls were in place, but your earlier comments have already confirmed that you believe no financial control was evident”
- **Tag questions** – which are small additions to the end of a statement in order to prompt a response, eg “This is the best course of action, isn't it?”
- **By focusing on good information** – gathering techniques and making best use of a range of questioning approaches, those involved in financial scrutiny should be able to form sound judgements, conclusions and recommendations.

Overcoming the challenges of financial scrutiny

In earlier sections of this workbook we hinted at some of the inherent challenges presented by financial scrutiny. This includes the fact that it is often seen as a technical pursuit and can be viewed as overly 'political', highlighting financial shortcomings at both a corporate and service level and potentially bringing scrutiny members into conflict with executive members and/or officers.

Many of these problems can be overcome by building an effective culture of scrutiny (see text box on page 10) and by considering the following good practice tips:

- be positive and seek to enhance and influence, not criticise or undermine
- challenge the jargon, technical language and acronyms. If you can't understand the information presented, it is likely that others won't be able to either
- concentrate on adding value, rather than opposing for its own sake
- be clear about the value of different roles at different times, eg challenging the budget setting process at a time when it can make a difference rather than attacking it after the event.
- focus on the big picture – don't scrutinise the budget or financial plans in isolation and don't demand unnecessary detail
- challenge issues of integration within the planning process, eg how the longer term capital strategy is aligned with the annual budgeting process and medium term financial plan.

In overall terms, remember that while financial scrutiny should be critical, it should also be constructive: scrutiny is often deemed the 'critical friend'.

A final word – summary

Financial scrutiny is an important element of the overall scrutiny armoury. If council services are to be run economically, efficiently and effectively, they must make best use of the scarce resources allocated to them. This requires sensible financial planning, transparent processes for resource allocation, robust fiscal controls and strong budgetary and performance monitoring. In all of these areas, financial scrutiny can add value in challenging how councils make best use of the public money they receive.



Challenge 4 – where do you go from here?

Look back over the material contained in earlier sections of this workbook and consider the following:

a) What key action points can you identify to improve your contribution to financial scrutiny, ie what three or four things might you start doing, keep doing or stop doing?

b) Have you identified any gaps in your knowledge or shortcomings in your personal skills? If so, please set these out below and identify how any further training or development might help you, eg further reading/research, attending courses, coaching, mentoring, work shadowing etc.

Appendix

Sources of further information

Printed publications

LGA Councillors' Guide

www.local.gov.uk

The LGA website has many pages discussing community leadership and a number of publications, a series of case studies, the Knowledge Hub, and development programmes for councillors and council officers.

For more information please go to www.local.gov.uk/our-support/highlighting-political-leadership

Useful websites

The LGA website is an invaluable source of help and advice for all those in local government. www.local.gov.uk

Leadership Essentials: Effective Scrutiny

The LGA delivers a two day programme for new or aspiring scrutiny chairs or task-and-finish group review lead members covering:

- leading and managing a scrutiny review
- chairing scrutiny meetings in all their forms
- increasing participation by members and the public
- ensuring impact of scrutiny recommendations.

Drawing on experts in their field, the programme offers the opportunity to focus in depth on the hot topics that are currently most relevant to your work, whether that is children's safeguarding, welfare reform, changes in health services or pressure on budgets driving major changes in how services are delivered or commissioned.

For further details on how to apply and dates: <https://www.local.gov.uk/our-support/highlighting-political-leadership/leadership-essentials>

The Centre for Public Scrutiny website has extensive resources for scrutiny: publications, events, a library of review reports and a discussion forum.

www.cfps.org.uk

The website of the Chartered Institute of Public Finance and Accountancy

www.cipfa.org.uk

Local Government Information Unit (LGIU)

The Local Government Information Unit website gives information on publications and other scrutiny work.

www.lgiu.org.uk



Local Government Association

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For a copy in Braille, larger print or audio,
please contact us on 020 7664 3000.
We consider requests on an individual basis.

26 September 2019

School Gate Working Group – Terms of Reference

Ward(s) All

Portfolio: Councillor A. Andrew – Deputy Leader and Regeneration

Report:

At its meeting on 16 June 2022, the Committee agreed to establish a working group to consider issues surrounding School Gate parking.

The working group met on 21 September 2022 to discuss and agree its draft terms of reference. A copy of the terms of reference agreed at this meeting is attached at Appendix 1 for approval by the Committee.


Recommendation:


That the School Gate Working Group Terms of Reference be approved.

Contact Officer:

Jack Thompson

Democratic Services Officer

 01922 654196

 Jack.Thompson@walsall.gov.uk

4 October 2022

Feedback from Overview and Scrutiny Committees

Portfolios: All

Wards: All

1. Summary of report

This report provides a short summary of the activity of the Council's Overview and Scrutiny Committees.

2. Recommendation

That, subject to any comments Members may wish to make, the feedback from Overview and Scrutiny Committees be noted.

3. Report

Children's Services Overview and Scrutiny Committee

The Committee met on 26 July and agreed its work programme as follows:

- Budget consultation.
- Children's Services Locality Working
- Residential Homes
- Early Help Strategy - process
- Social Worker recruitment and retention
- Private Fostering.
- Youth Justice – serious violence and young people.
- Exploitation and Safeguarding
- Family hubs update and progress.
- Children's Services Performance and Benchmarking.

The next meeting of the Committee is 27 September 2022 where Members considered the early help strategy and the Youth Justice Annual Plan and strategic priorities.

Education Overview and Scrutiny Committee

The Committee met on 30 June and agreed the following items for its work programme:

- School attendance, School attendance bill and Children not in school bill
- SEND and EHCP (meeting targets), alternative provision green paper

- Briefing on OFSTED when available
- Education and Home Learning
- Fair access to all children
- Transitioning from schools
- Making sure the council has provision in place in terms of the Black Country Plan
- Children not in school (linked to both attendance and elective home education)
- School place planning (linked to provision of school places)
- Walsall Right 4 Children
- Schools White paper
- Education Investment and priority areas
- Improving the number of good and outstanding schools
- Attainment and improving educational outcome

The Committee met on 6 September 2022 and considered:

- School Attendance Bill and Children Not in School Bill
- Children not in school (attendance, exclusions, elective home education and children missing education)
- Fair Access and the Fair Access Protocol
- Vulnerable Learners Hub

Economy and Environment Overview and Scrutiny Committee

The Committee met on 30 June and agreed the following items for its work programme:

- a) Street Scene Strategy including tree planting and tree management
- b) Waste Strategy including information on the new Household Waste Recycling Centre and Transfer Station
- c) Derelict Properties
- d) Council Bonfire and Fireworks Update and Success Rates
- e) Town Deal
- f) Phoenix 10
- g) West Midlands Local Transport Plan
- h) District Town Centres
- i) Willenhall Framework Plan
- j) Partnership working with West Midlands Police regarding speed enforcement

The Committee next meets on 29 September and will consider the annual report from the Black Country Local Enterprise Partnership and Cemetery Maintenance.

Social Care and Health Overview and Scrutiny Committee

The Committee met on 14 July and agreed the following items for its work programme:

- Ambulance response and waiting times.
- Access to GP services and the Walk in Centre.
- Waiting times for A&E and the urgent care centre.
- Report on progress of improvements to inadequate areas found by the CQC for Manor Hospital and maternity services.
- Waiting times for elective surgeries and procedures.
- Childhood Obesity (referred from Education Overview and Scrutiny Committee).
- Teenage Pregnancy (referred from Education Overview and Scrutiny Committee).
- Dental provision.
- Transfer of patients into the social care system (bed blocking).

The Committee meets again on 29 September 2022 and will look at access to GP services and the Urgent Treatment Centre.

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Scrutiny Overview Committee – Recommendation Tracker (22/23)

Committee Meeting Date	Agenda Item	Action/Recommendation	Officer responsible	Status	Target Completion Date	Notes
15 March 2022	Fly Tipping Enforcement	A report on the use of 'electric refuse collection vehicles' be brought to a future meeting.	Dave Brown	In progress	n/a	Feedback provided to members (Sent 20.04.2022). Date for report to be agreed in new municipal year.
16 June 2022	Areas of Focus	A work programme for the municipal year be produced and be circulated to members of the Committee.	Craig Goodall	Complete	7 July 2022	Work programme drafted. Individual items to be scheduled.
		The suggested items of children's play strategy and associated children's health be referred to the Children's Overview and Scrutiny Committee.	Craig Goodall	Complete	26 July 2022	Members of the Children's Overview and Scrutiny Committee considered the item for inclusion on the Committee work program.
		That a working group be established to investigate the issue of School Gates Parking	Craig Goodall	Complete	27 July 2022	First meeting held on 27 July, with further meeting on 21

						September 2022.
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Walsall Council

FORWARD PLAN OF KEY DECISIONS

**Council House,
Lichfield Street,
Walsall, WS1 1TW**
www.walsall.gov.uk

5 September 2022

FORWARD PLAN

The forward plan sets out decisions that are termed as “key decisions” at least 28 calendar days before they are due to be taken by the Executive (Cabinet). Also included on the plan are other decisions to be taken by the Cabinet (“non-key decisions”). Preparation of the forward plan helps the Council to programme its work. The purpose of the forward plan is to give plenty of notice and an opportunity for consultation on the issues to be discussed. The plan is updated each month with the period of the plan being rolled forward by one month and republished. Copies of the plan can be obtained from Democratic Services, Walsall MBC, Council House, Walsall, WS1 1TW craig.goodall@walsall.gov.uk and can also be accessed from the Council’s website at www.walsall.gov.uk. The Cabinet is allowed to make urgent decisions which do not appear in the forward plan, however, a notice will be included on the agenda for the relevant Cabinet meeting which explains the reasons why.

Please note that the decision dates are indicative and are subject to change. Please contact the above addressee if you wish to check the date for a particular item.

The Cabinet agenda and reports are available for inspection by the public 7 days prior to the meeting of the Cabinet on the Council’s website. Background papers are listed on each report submitted to the Cabinet and members of the public are entitled to see these documents unless they are confidential. The report also contains the name and telephone number of a contact officer. These details can also be found in the forward plan.

Meetings of the Cabinet are open to the public. Occasionally there are items included on the agenda which are confidential and for those items the public will be asked to leave the meeting. The forward plan will show where this is intended and the reason why the reports are confidential. Enquiries regarding these reasons should be directed to Democratic Services (craig.goodall@walsall.gov.uk).

“Key decisions” are those decisions which have a significant effect within the community or which involve considerable expenditure or savings. With regard to key decisions the Council’s Constitution states:

- (1) A key decision is:
 - (i) any decision in relation to an executive function which results in the Council incurring expenditure which is, or the making of savings which are, significant, having regard to the Council’s budget for the service or function to which the decision relates or
 - (ii) any decision that is likely to have significant impact on two or more wards within the borough.
- (2) The threshold for “significant” expenditure/savings is £500,000.
- (3) A decision taker may only make a key decision in accordance with the requirements of the Executive Procedure Rules set out in Part 4 of this Constitution.

**FORWARD PLAN OF KEY DECISIONS
OCTOBER 2022 TO JANUARY 2023 (05.09.22)**

1	2	3	4	5	6	7
Reference No./ Date first entered in Plan	Decision to be considered (to provide adequate details for those both in and outside the Council)	Decision maker	Background papers (if any) and Contact Officer	Main consultees	Contact Member (All Members can be written to at Civic Centre, Walsall)	Date item to be considered
110/22 (6.6.22)	<p>Draft Revenue Budget and Draft Capital Programme 2023/24 to 2026/27:</p> <p>To provide an updated medium term financial outlook, draft revenue budget and capital programme for 2023/24 to 2026/27, including savings proposals, and to set out the process and timescales for setting a legally balanced budget for 2023/24.</p>	Cabinet Non-key decision	Vicky Buckley Vicky.Buckley@walsall.gov.uk	Public Internal Services	Cllr Bird	19 October 2022
111/22 (6.6.22)	<p>Corporate Financial Performance 2022/23:</p> <p>To report the financial position based on 5 months to August 2022, including the impact of Covid-19.</p>	Cabinet Non-key decision	Vicky Buckley Vicky.Buckley@walsall.gov.uk	Public Internal Services	Cllr Bird	19 October 2022
127/22 (8.8.22)	<p>Council Plan 2022/25:</p> <p>To note the Quarter 1 2022/23 (outturn) performance against the Markers of Success in the Council Plan 2022/25</p>	Cabinet Non-key decision	Elizabeth Connolly (Elizabeth.Connolly@walsall.gov.uk) Policy & Strategy Unit (policyandstrategy@walsall.gov.uk) Page 77 of 89	Internal Services	Cllr Bird	19 October 2022

108/22 (6.6.22)	Town Deal: To report for consideration business cases for the Town Deal.	Cabinet Key Decision	Philippa Venables Philippa.Venables@walsall.gov.uk	Internal Services, Town Deal Board members	Cllr Andrew	19 October 2022
114/22 (4.7.22)	West Midlands Enhanced Partnership Scheme for Buses (Variation): To approve a revised scheme to improve bus travel in the West Midlands.	Cabinet Key Decision	Matt Crowton Matt.Crowton@walsall.gov.uk	Internal Services	Cllr Andrew	19 October 2022
107/22 (6.6.22)	Procurement of Corporate Landlord Strategic Partner: To seek approval to the appointment of a strategic partner to support the programme of capital schemes related to the council's property portfolio.	Cabinet Key Decision	Nick Ford Nick.Ford@walsall.gov.uk	Internal Services	Cllr Andrew	19 October 2022
116/22 (4.7.22)	Young person homelessness accommodation and support contract awards: To approve the contract awards for: 1) Dispersed temporary accommodation and intensive housing management 2) Supported lodgings, and Night Stop and Day Stop facility	Cabinet Key Decision	Rashida Hussain Rashida.Hussain@walsall.gov.uk	Internal services, service users, external stakeholders	Cllr Ali Cllr Wilson	19 October 2022
128/22 (5.9.22)	Climate Change Action Plan: To provide an update on the Climate Change Action Plan and agree a new target.	Cabinet Key Decision	Dave Brown Dave.Brown@walsall.gov.uk Page 78 of 89	Internal Services	Cllr Flint	19 October 2022

113/22 (20.6.22)	<p>Adult Social Care – Extension of contractual arrangements:</p> <p>To approve:</p> <p>1) the extension of the interim contracts for Residential and Nursing Care Services for Older People, Complex Care and Mental Health Services from 1.4.23 to 31.3.24 with an option for a further 12 months should this be necessary.</p> <p>2) the extension of the current contractual arrangements for Community Based Services from 1.4.23 to 31.3.24 with an option for a further 12 months should this be necessary.</p>	Cabinet Key Decision	Grace Charles Grace.Charles@walsall.gov.uk	Internal Services	Cllr Pedley	19 October 2022
129/22 (5.9.22)	<p>Update on Resilient Communities Safer Streets Programme</p> <p>To report back on Safer Streets activity and will recommend any adjustments/additions to the programme.</p>	Cabinet Non-key Decision	Paul Gordon Paul.Gordon@walsall.gov.uk	Internal Services?	Cllr Perry	19 October 2022
109/22 (6.6.22)	<p>Schools Mainstream Local Funding Formula 2023/24:</p> <p>To approve a full consultation with all schools for the Mainstream Local Funding Formula, to be used for the allocation of mainstream funding to schools in Walsall</p>	Cabinet Key Decision	Schools Forum ESFA – Schools revenue funding operation guide Richard Walley Richard.Walley@walsall.gov.uk	Schools Forum Cabinet	Cllr M. Statham	19 October 2022

130/22 (6.9.22)	<p>Sexual Health and 0-19 Contracts</p> <p>To approve the extension of the integrated sexual health service, contract delivered by Walsall Healthcare NHS Trust from 01 April 2023 to 31 March 2024; and</p> <p>To delegate authority to the Executive Director of Adult Social Care, Public Health and Hub in consultation with the Portfolio Holder for Health and Wellbeing to extend contracts on behalf of the Council and to subsequently authorise the variations to the contractual arrangements for the services should this be required at any time during the term, in line with Public Contract Regulations and the Council's Contract Rules to 31 March 2024.</p>	Cabinet Key Decision	Tony Meadows Interim Director of Commissioning	Internal Services	Cllr Flint	19 October 2022
131/22 (6.9.22)	<p>Community Based Services (Adult and Children's) and Complex Needs (Children's)</p> <p>To approve the extension of the two current framework agreements.</p>	Cabinet Key decision	David DeMay David.Demay@walsall.gov.uk	Internal Services	Joint report Cllr Pedley and Cllr Wilson.	19 October 2022
121/22 (8.8.22)	<p>Corporate Financial Performance 2022/23:</p> <p>To report the financial position based on 7 months to October 2022, including the impact of Covid-19.</p>	Cabinet Non-key decision	Vicky Buckley Vicky.Buckley@walsall.gov.uk	Internal Services	Cllr Bird	14 December 2022
122/22 (8.8.22)	<p>Autumn Budget and Spending Review, and feedback from Overview and Scrutiny Committees on draft revenue and capital budget proposals, 2023/24 to 2026/27:</p>	Cabinet Non-key decision	Vicky Buckley Vicky.Buckley@walsall.gov.uk Page 80 of 89	Public Internal Services	Cllr Bird	14 December 2022

	To provide an update on the impact of the Autumn Budget and Spending Review on the medium term financial outlook, and to consider feedback from Overview and Scrutiny Committees on the draft revenue and capital budget.					
123/22 (8.8.22)	<p>Treasury Management Mid Year Position Statement 2022/23:</p> <p>The council is required through regulations issued under the Local Government Act 2003 to produce a mid-year position statement reviewing treasury management activities and prudential and treasury indicator performance.</p>	<p>Cabinet</p> <p>Non-key decision</p>	<p>Vicky Buckley</p> <p>Vicky.Buckley@walsall.gov.uk</p>	Internal Services	Cllr Bird	14 December 2022
124/22 (8.8.22)	<p>Schools Mainstream Local Funding Formula 2023/24:</p> <p>That Cabinet approves the Mainstream Local Funding Formula, to be used for the allocation of mainstream funding to schools in Walsall</p>	<p>Cabinet</p> <p>Key Decision</p>	<p>Walsall Schools Forum report December 2022 – Proposed Schools Local Funding Formula 2023/24</p> <p>ESFA – Schools revenue funding operation guide</p> <p>Richard Walley</p> <p>Richard.Walley@walsall.gov.uk</p>	<p>Schools Forum</p> <p>Cabinet</p>	Cllr M. Statham	14 December 2022
125/22 (8.8.22)	<p>Housing First contract award:</p> <p>To approve the contract award enabling the continuation of flexible support to former rough sleepers housed through the Housing First initiative</p>	<p>Cabinet</p> <p>Key decision</p>	<p>Neil Hollyhead</p> <p>Neil.Hollyhead@walsall.gov.uk</p> <p>Page 81 of 89</p>	Internal services, service users, external stakeholders	Cllr Ali	14 December 2022

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Next = 132/22

**FORWARD PLAN OF KEY DECISIONS
OCTOBER 2022 TO JANUARY 2023 – ADDITIONAL ITEMS (20.09.22)**

1	2	3	4	5	6	7
Reference No./ Date first entered in Plan	Decision to be considered (to provide adequate details for those both in and outside the Council)	Decision maker	Background papers (if any) and Contact Officer	Main consultees	Contact Member (All Members can be written to at Civic Centre, Walsall)	Date item to be considered
132/22 (20.09.22)	Black Country Plan Regulation 19: To approve consultation on Publication (Regulation 19) version of the Black Country Plan, and to delegate authority to submit the Publication Black Country Plan and any recommended minor modifications to the Secretary of State.	Council Key Decision	Neville Ball Neville.Ball@walsall.gov.uk Patrick Jervis Patrick.Jervis@walsall.gov.uk	Internal Services	Cllr Bird	19 October 2022
108/22 (6.6.22)	Town Deal: To report for consideration business cases for the Town Deal. <i>This will be a private session report containing commercially sensitive information.</i>	Cabinet Key Decision	Philippa Venables Philippa.Venables@walsall.gov.uk	Internal Services, Town Deal Board members	Cllr Andrew	19 October 2022
126/22 (8.8.22)	Strategic acquisition of a freehold heritage building in Walsall Town Centre: To seek approval to the freehold acquisition of a heritage property in Walsall Town Centre to support the preservation of the property.	Cabinet Key Decision	Nick Ford Nick.ford@walsall.gov.uk Bryte Legister – Bryte.Legister@walsall.gov.uk Page 83 of 89	Internal Services	Cllr Andrew	19 October 2022

	<i>This will be a private session report containing commercially sensitive information.</i>					
133/22 (20.09.22)	<p>Waste Management Strategy – Waste Transfer Station (WTS) and Household Waste Recycling Centres (HWRC):</p> <p>To seek approval for the pre-tender budget and amendment of the Capital Programme, to provide a new waste transfer station (WTS) and household waste recycling centre (HWRC).</p> <p><i>This will be a private session report containing commercially sensitive information.</i></p>	<p>Cabinet</p> <p>Key Decision</p>	<p>Stephen Johnson</p> <p>Stephen.Johnson@walsall.gov.uk</p>	<p>Internal Services</p>	<p>Cllr Andrew</p>	<p>19 October 2022</p>

**Black Country Executive Joint Committee
Forward Plan of Key Decisions Published up to January 2023**

<u>Date created</u>	<u>Key Decision</u>	<u>Contact Officer</u>	<u>Main Consultee</u>	<u>Date of meeting</u>
09/05/2022	<p>Future working arrangements of the Black Country Executive Joint Committee</p> <p>Consider the future working arrangements in light of the receipt of Government correspondence dated 31 March 2022: Integrating Local Enterprise Partnerships into local democratic institutions.</p>	<p>Sarah Middleton Sarah.Middleton@blackcountryconsortium.co.uk</p>	<p>Dudley MBC Sandwell MBC Walsall MBC City of Wolverhampton Council</p>	19/10/2022
Black Country Enterprise Zone (EZ)				
06/06/2022	<p>Governance Principles: Enterprise Zones</p> <p>Approval of the amended Supplemental Deed of <i>Governance Principles: Enterprise Zones</i>, relating to the Black Country Executive Joint Committee Collaboration Agreement.</p>	<p>Simon Neilson Simon.neilson@walsall.gov.uk</p>	<p>Walsall Council</p>	19/10/2022
Land and Property Investment Fund (LPIF)				
25/08/2022	<p>Swan Lane West Bromwich</p> <p>Approval for the Accountable Body for the Land and Property Investment Fund (Walsall Council) to proceed to enter into a Grant Agreement with Green Square Accord Ltd for £3.2m, to deliver the Land and Property Investment Fund (LPIF), funded elements of the Swan Lane West Bromwich project</p>	<p>Tony McGovern Tony.McGovern@sandwell.gov.uk</p>	<p>Sandwell Council</p>	19/10/2022

**Black Country Executive Joint Committee
Forward Plan of Key Decisions Published up to January 2023**

<u>Date created</u>	<u>Key Decision</u>	<u>Contact Officer</u>	<u>Main Consultee</u>	<u>Date of meeting</u>
	with delivery to commence in the 2022/23 financial year.			
Local Growth Fund (LGF)				
25/08/2022	<p>Mill Lane Bridge GRIP 3 Study & Aldridge Line Aqueduct GRIP 3 Study</p> <p>Approval for the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the Grant Agreement with Walsall Council, to deliver the Local Growth Fund (LGF) funded elements of the Mill Lane Bridge GRIP 3 Study & Aldridge Line Aqueduct GRIP 3 Study project.</p> <p>Note that change request relates to a change in match funding.</p>	<p>Simon Neilson Simon.neilson@walsall.gov.uk</p>	Walsall Council	19/10/2022
Local Growth Fund (LGF) Programme changes				
06/04/2021	<p>Dudley Advanced Construction Centre</p> <p>Approval for the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the Grant Agreement with Dudley College, to deliver the Local Growth Fund (LGF) funded elements of the Dudley Advanced Construction Centre project with delivery to continue in the 2022/23 financial year.</p>	<p>Helen Martin Helen.Martin@dudley.gov.uk</p>	Dudley Council	01/02/2023

**Black Country Executive Joint Committee
Forward Plan of Key Decisions Published up to January 2023**

<u>Date created</u>	<u>Key Decision</u>	<u>Contact Officer</u>	<u>Main Consultee</u>	<u>Date of meeting</u>
	Note that change request relates to a change in outputs.			
06/09/2021	<p>Elite Centre for Manufacturing Skills</p> <p>Approval for the Accountable Body for the Growth Deal (Walsall Council) to proceed to amending the Grant Agreement with the University of Wolverhampton, to deliver the Local Growth Fund (LGF) funded elements of the Elite Centre for Manufacturing Skills (ECMS) project with delivery to continue in the 2022/23 financial year.</p> <p>Note that change request relates to a change in outputs.</p>	<p>Richard Lawrence Richard.Lawrence@wolverhampton.gov.uk</p>	<p>Wolverhampton City Council</p>	01/02/2023

Scrutiny Overview Committee – Area of Focus – 2022-23

	4 October 2022	10 November	12 December	7 February	16 March	20 April
Economic Growth, for all people communities and businesses <i>Lead OSC: Economy & Environment</i>						
People have increased independence, improved health and positively contribute to their communities <i>Lead OSC: Social Care & Health</i>						
Internal focus, all Council services are efficient <i>Lead OSC: Scrutiny Overview Committee</i>	Effectiveness of scrutiny					
Children have the best possible start and are safe from harm, happy, healthy and learning well <i>Lead OSCs: Children's & Education</i>						
Communities are prospering and resilient with all housing needs met in safe and healthy places that build a strong sense of belonging and cohesion <i>Lead OSC: Scrutiny Overview Committee</i>	Social Housing School gate parking	Black Country Plan				

Items to be scheduled

Notes: Council Plan themes can be cross cutting for all Overview and Scrutiny Committees. Lead Overview and Scrutiny Committees identified for reference

Scrutiny Overview Committee – Area of Focus – 2022-23

To be scheduled

- a) The Black Country Plan, preferably before August 2022;
- b) The effectiveness of scrutiny;
- c) Council customer engagement ;
- d) To Invite Chief Executives of registered housing providers including Walsall Housing Group to present to Committee;
- e) Housing strategy;
- f) Children’s play strategy and relation to children’s health (to be passed to the Chair of the Children’s Scrutiny Overview Committee);
- g) Budget setting and quarter 2 update;
- h) Council Plan performance report;
- i) Officer responses to Member queries;
- j) Section 106 and the Infrastructure Levy;
- k) Enforcement (all areas excluding planning);
- l) Role of Council Officers and their consultations;
- m) Proud workstreams;
- n) Recruitment and employee retention.

Via Email

Quarterly Financial Monitoring