

Overview and Scrutiny Management Committee: Holding the Executive to Account

Scrutiny Monitoring – 10th December 2015

Date	Portfolio	Title	Action proposed	Action Taken	Progress Status
12/11/15	Finance	General Fund Revenue Budget 2016/17 to 2018/19	1) That the Chief Financial Officer provides the Overview and Scrutiny Management Committee with an overview of the proposed savings put forward by officers that had not been included in the Cabinet report.	<p>OSMC and opposition members are only entitled to certain information. Confidentiality is the key. Crucially when drafting budget proposals officers are tasked with a very wide brief to look at anything and everything by the Administration. Conversations and proposals between the Administration and officers when formulating proposals must be treated as confidential as they are “work in progress”. If they were not then mutual trust would break down and budget proposals would be considered within a constrained and unworkable process.</p> <p>Under the Constitution we have specifically added detail regarding this situation, extract as below.</p> <p>5.11 In relation to budget proposals:</p> <p>a. the Administration shall be entitled to confidential information / discussions with Officers regarding options and proposals. These will remain confidential until determined by the Administration or until published in advance of Committee / Council meetings, whichever is the earlier; and</p> <p>b. the opposition groups shall also be entitled to confidential information / discussions with Officers to enable them to formulate alternative budget proposals. These will remain confidential until determined by the respective opposition groups or until published in advance of</p>	

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				<p>Committee / Council meetings, whichever is the earlier.</p> <p>5.12 As part of the Budget process, Officers may be called upon to give advice on budgetary proposals, wherever they may emanate from (once political confidentiality has been lifted). This is in addition to the "normal" rights that any member has to seek advice "in confidence" from Officers. In addition, Officers may feel it appropriate to offer advice to individuals, groups or all Members. In doing so, they should be aware of the need to remain impartial. It is appropriate and indeed, in certain circumstances, necessary that as a matter of professional judgement, if a proposed course of action is imprudent, that Officers should advise the Members of the Authority that this is so. It would, however, be for the Officer to decide how and when to do so, subject to the general rules outlined in paragraph 5.10 below. This is without prejudice to issues of legality and financial administration which are covered by specific duties placed on the Chief Financial Officer and Monitoring Officer.</p> <p>Matters that are not published remain confidential. The Leader can lift confidentiality if he wishes, but until then any proposals that haven't formed part of the published budget papers remain confidential.</p>	
			<p>2) That, in the context of the financial sustainability of the Council, officers provide the Committee with a summary of the legal and constitutional role of</p>	<p>With regard to members rights and obligations regarding the budget specifically, the Council has to set a balanced budget and conduct proper administration of its</p>	

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			<p>elected members in relation to budget setting at Full Council in February 2016, and the requirements that need to be met to enable the Section 151 Officer to sign off the budget.</p>	<p>financial affairs as the law states. It is lawful, and far from unusual, to set out draft proposals for a budget that has a gap. It is treated as “work in progress” unless the CFO feels at that stage there is no realistic prospect of a lawful budget being set. After the budget consultation process is completed in February the CFO will have a better picture of whether the current gap is closed. If the CFO at that point believes it is not and therefore a lawful budget cannot reasonably be set then he has a duty to compile a report after consultation with the HoPS and MO (S114 LGFA 1988). That is considered by full Council within 21 days and the budget cannot be set until it is considered. That is the time for members to challenge. Until then the budget is draft and whilst it has a gap, and it is larger than usual, that is nothing new and is not unlawful.</p> <p>Equally, there are responsibilities on the Monitoring Officer to ensure that the Council carries out everything it does in a lawful manner. If the MO believes that the Council has, or is about to, carry out a significant unlawful act or act of maladministration ie that it will be setting an unbalanced budget, then he too has to compile a statutory report (s5 local Govt and Housing Act 1989). In the budget scenario this runs in tandem with the CFO’s report.</p>	
12/11/15	Housing & Sustainability	HRA Revenue Budget 2016/17 to 2018/19	1) That the Committee is provided with a breakdown of the number of Council owned homes that are estimated to be ‘high value’.	Based on the original published caps from the Conservative Party Press release prior to the General election the council only has 5 2-bed and 1 3-bed property that exceed the caps. However we anticipate the detail that will lead to the implementation of the scheme	We are currently completing a return for the DCLG as part of their data capture

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				to be based on a formula approach rather than actual property numbers. We await the detail of how this will operate and will then be able to evaluate the impact on the business plan.	exercise. We hope the detail will be available to include in the February Budget report.
			2) That the Cabinet Member targets closing the HRA budget through efficiencies rather than by reductions to the capital programme.	This principle is being adopted in the collation of the HRA business plan which will be presented to Council in February	Budget report will come to Council on 10/2/16.
			3) That robust and effective procedures are developed to reduce the likelihood of an increase in rent arrears following the introduction of Universal Credit.	Team roles have already been changed within the Income Team to provide a greater focus on Tenancy Sustainment and Eviction Prevention. Work will be undertaken from January 2016 on this tenants impacted by the Benefit Cap from April 2016 and we already have approval for additional resources into the Income Team during 2016 & 2017 to help address the additional workload demands with regard to the Introduction of Universal Credit. Housing Services strategic priority of Tenancy Sustainment will remain our key focus.	