

### **SCRUTINY INVOLVEMENT IN THE BUDGET PROCESS**

#### **Introduction**

1. At the request of the Sub-Committee, and following a report to Policy and Resources Committee on 6 November 2001, I met with four members of this Sub-Committee (Mr M Hewson, Mr D J McCarthy, Mr A Molland and Mr D J Willmott) to discuss the role of scrutiny in the budget process and how it might be discharged.
2. This report sets out some of the discussion and the proposals that came forward.

#### **What is the role of scrutiny?**

3. The members agreed that the role of Scrutiny is to provide a balance to the power available to the Leader and Cabinet under the new executive arrangements.
4. In the context of the budget, the scrutiny function may wish to comment on the deliverability of the budget but its primary task should be to review how inclusive the process is, both in theory and in practice. In considering this task scrutiny may wish to ask of itself and others:
  - (a) Who should participate in the process?
  - (b) Is there adequate provision for participation?
  - (c) Does participation happen in practice?
  - (d) Are advisory panels adequately informed?
  - (e) Do minority interests have opportunities to speak?
  - (f) Does the advice (or recommendations) of panels get taken to Cabinet?
  - (g) Does Cabinet take the advice of Panels?
  - (h) If not, are the reasons for the decision adequately stated?
5. It is NOT the role of scrutiny to ask if the Cabinet's recommendation to the Council is acceptable to all political groups.

#### **When and how should scrutiny take place?**

6. The members noted the likely budget programme and agreed that scrutiny should review the process at three stages in the process:
  - (a) In September, when the financial plan is considered
  - (b) In late December/early January, after the advisory panels have considered budget proposals, to report to the Cabinet's meeting on 18 January 2002
  - (c) In late January, to consider the Cabinet's initial proposals and report back to it on 1 February 2002.
7. There is provision for the County Council to send back the recommendations to Cabinet. I do not believe that it is appropriate for scrutiny to be applied to this extended process.
8. At each of the stages, the reports being considered will be available upon request to all members of the Council, who would also be able to attend the meetings of the Cabinet and the Advisory Panels. Members may wish to refer issues to scrutiny.
9. In September, it would be appropriate to invite the Leader and/or Deputy to attend with the Chief Executive and Treasurer.

10. In late December, scrutiny might wish to see one or two portfolio holders, with their respective chief officers. This sub-committee may wish to recommend the portfolio holders who might be summoned for the 2002-03 budget.
11. At the end of January, it would once again be the turn of the Leader and/or Deputy to attend with the Chief Executive and Treasurer.
12. The process will operate under the new Overview and Scrutiny Managing Board, which is expected to set up a number of panels for specific purposes. It is suggested that it should have a dedicated panel, of perhaps four members, specifically for scrutiny of the budget.
13. The dates for the meetings would be subject to discussion between the panel members and the Leader and portfolio holders.
14. When the budget has been approved by the full Council in February, the panel may wish to review and comment on the total budget process.

#### **Should Scrutiny have a role in budget monitoring?**

15. Under previous arrangements, budget monitoring reports go to service committees, which may make recommendations to Policy & Resources Committee. A corporate report is circulated to members of Policy and Resources Committee.
16. I envisage that, under the new arrangements, budget monitoring reports will go directly to Cabinet, unless chief officers or portfolio holders wish to involve advisory panels.
17. Scrutiny may wish to review the progress of these arrangements.

#### **Recommendations**

18. The Sub-Committee is asked to consider this report and forward it to the Overview and Scrutiny Managing Board with a recommendation that it should agree that:
  - (a) It should set up a budget scrutiny panel or sub-committee of perhaps four members.
  - (b) The panel should review the budget process each year after:
    - (i) The cabinet has approved the financial plan in September.
    - (ii) Advisory panels have made budget recommendations in December.
    - (iii) The Cabinet has proposed a draft budget in January.
    - (iv) After the County Council approval in February.
  - (c) The Leader and/or Deputy should be asked to attend the panel with the Chief Executive and Treasurer after the September and January cabinet meetings.
  - (d) Selected portfolio holders, with their respective chief officers, should be asked to attend the panel after the December advisory panel meetings.
  - (e) Review the progress of budget monitoring arrangements in autumn 2002.

DAVID CHALKER  
County Treasurer

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Unpublished documents relied upon in the production of this report: NONE

Environmental impact of these proposals: NONE