

# Agenda Item 4b

## TRAFFORD BOROUGH COUNCIL

**Report to:** Executive  
**Date:** 21 February 2018  
**Report for:** Decision  
**Report of:** Executive Member for Corporate Resources and the Chief Finance Officer

### Report Title

**Executive's Response to Scrutiny Committee's Recommendations to the Budget Proposals for 2018/19**

### Summary

At the Executive meeting on the 29 January 2018 a report was presented by the Scrutiny Committee chair, setting out their comments and findings from the review of the Executive's draft budget proposals for 2018/19.

The Executive values the contribution that the Scrutiny Committee makes to the budget process and is committed to working with Scrutiny Committee during the forthcoming year as part of their planned work programme.

This report contains a detailed response to each of the points raised by the Scrutiny Committee in their report.

### Recommendation(s)

That the Executive's response to Scrutiny be approved.

### Contact person for access to background papers and further information:

Name: Nikki Bishop  
Extension: 4884

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	The Scrutiny review of the budget is a requirement of the budget policy framework. It is relevant to all corporate priorities.
Financial	All financial implications are contained in the body of the report.
Legal Implications:	The Scrutiny review of the budget is a requirement of the Council's constitution.
Equality/Diversity Implications	There are none arising from this report.
Sustainability Implications	There are none arising from this report.
Resource Implications e.g. Staffing	There are none arising from this report.

/ ICT / Assets	
Risk Management Implications	There are none arising from this report.
Health and Wellbeing Implications	There are none arising from this report.
Health and Safety Implications	There are none arising from this report.

**Other Options**

Not Applicable

**Consultation**

The report is in response to the consultation carried out by the Scrutiny Committee.

**Reasons for Recommendation**

The report is in response to the consultation carried out by the Scrutiny Committee.

**Key Decision**

This is a key decision currently on the Forward Plan: No

**Finance Officer Clearance** .....GB .....

**Legal Officer Clearance** .....TR.. .....

**CORPORATE DIRECTOR'S SIGNATURE**

.....  
To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

**BUDGET SCRUTINY ACTION PLAN**

<b>Issue</b>	<b>Scrutiny Recommendation</b>	<b>Executive Response</b>
<b>Budget Scrutiny Process</b> – Scrutiny Members will again review the Budget Scrutiny process to ensure it is working as effectively and efficiently as possible.	Scrutiny will be reviewing the Budget Scrutiny process ahead of next year and will provide the Executive with their recommendations once the review has been undertaken. Members request that any information and presentations be provided in advance of the meeting in future.	The Executive thanks the Scrutiny Committee and will consider the recommendations once received.  Where possible presentations will be provided ahead of the meetings in future.
<b>£6m amber risks -</b> Members are concerned about the level of risks rated as amber as part of the proposals.	Scrutiny would like regular updates on the progress made against these risks throughout the 2018/19 municipal year.	The Executive note this position. A number of savings measures have been classed as amber at this stage, particularly if they require some

		<p>management action or where external factors could impact on the level of savings forecast.</p> <p>A full robustness review has been undertaken of the savings measures included in the final budget proposals for 2018/19 and the savings required to balance the budget are deemed prudent.</p> <p>Updates on the progress against these savings targets can be provided during the year 2018/19 as requested.</p>
<p><b>Adult Social Care –</b> Members are concerned by the pressures on the Adult Social Care sector.</p>	<p>Health Scrutiny will be closely monitoring Adult Social Care as part of its 2018/19 work programme.</p>	<p>The Executive note this position.</p> <p>The updated proposals for 2018/19 have taken the increasing demands on our social care services into consideration and a further investment of £3.4m has been included in these proposals, since the draft budget stage.</p>
<p><b>Budget Reserves –</b> Scrutiny are concerned by the diminishing amount of reserves held by the Council.</p>	<p>Scrutiny would like assurances that the Executive are aware of the diminishing reserves and would welcome information on any contingency plans considered.</p>	<p>The level of earmarked and general reserves is at a relatively low level and caution is placed on using them on a one-off basis to support the budget.</p> <p>An amount of £1.6m has been applied from the Budget Support Reserve to help balance the 2018/19 budget, leaving a balance on the reserve of £2.2m for later years.</p> <p>The Executive continue to look at measures to bolster reserve levels and in recent years underspending on the overall revenue budget has been transferred to this</p>

		<p>Budget Support reserve.</p> <p>Other reserves have been created for example, by adjusting the profile of debt repayments and these are now planned to be used to generate additional revenue streams to support the budget.</p> <p>Business rates, whilst proving to be a significant source of funding, are inherently risky particularly due to the volatility caused by appeals. Separate provisions are maintained to cover the cost of successful appeals.</p> <p>In addition one-off benefits, for example from the business rate growth pilot have been transferred to a new earmarked reserve to help with future funding volatility, particularly from 2020/21 when we expect a national reset of the system.</p>
<p><b>Investment Income -</b> Members are concerned that the assumptions made as part of the investments will not materialise as expected, which could leave a budget deficit.</p>	<p>Scrutiny will be monitoring the returns on investment and will invite the Executive to provide the Committees with periodic updates.</p>	<p>The Executive note this position. The Investment Strategy is closely monitored and will ensure that decisions are taken to ensure investments are proportionate and that due regard is given to the security and liquidity of future investments.</p> <p>Periodic updates on the Investment Strategy can be provided to Scrutiny during 2018/19.</p>