

**ISLE OF ANGLESEY COUNTY COUNCIL**

<b>Report to:</b>	<b>The Executive</b>
<b>Date:</b>	<b>1st March, 2016</b>
<b>Subject:</b>	<b>To report on the views of the Corporate Scrutiny Committee held on the 16<sup>th</sup> November 2015 &amp; 1<sup>st</sup> February 2016</b>
<b>Portfolio Holder(s):</b>	<b>Councillor H. E. Jones</b>
<b>Head of Service:</b>	<b>Head of Resources and Section 151 Officer</b>
<b>Report Author:</b> Tel: E-mail:	<b>Head of Democratic Services</b>  <b>jhjxce@anglesey.gov.uk</b>
<b>Local Members:</b>	<b>N/A</b>

**A –Recommendation/s and reason/s**

**The Executive is requested to consider the Corporate Scrutiny Committee’s Recommendations/Comments in section 8 of the report.**

1. The context for the scrutinising of the initial Executive budget proposal 2016-17 has been set out in reports to the Corporate Scrutiny Committee. Work has been undertaken by the Committee within a revised budget setting process, to enable a more systematic approach to budget scrutiny.
2. This report summarises the views of the Corporate Scrutiny Committee held on the 16th November, 2015 and the 1st February, 2016. The following key elements have been scrutinised:
  - Revenue budgets 2016/17
  - Capital budgets 2016/17 and
  - Outcome of Public Consultation exercise
3. Input was received from the Partnership and Regeneration Scrutiny Committee members who were invited to both meetings. Scrutiny of the budget took place within the context of a revised budget setting process and a more systematic approach to financial scrutiny as part of the budget and service planning framework. Following service review meetings a series of Member workshops were held in September / October 2015 to inform the budget process for 2016/17.
4. On the 9th November, 2011 the Executive approved a standstill budget of £126.7 million and a projected 4.5% increase in Council Tax. Details of savings proposals identified by Directorates were presented; however a funding gap of over £1.6 million had been identified.

5. The Corporate Scrutiny Committee on the 16th November, 2015, scrutinised proposals and sought clarification from Heads of Service on key elements:
  - Impact on users and ratepayers
  - Impact on service standards and the drive for improvements
  - Deliverability during 2016/17
  - Potential for further efficiencies towards the funding deficit.
6. The Committee also scrutinised Capital bids recommended for approval. A resume of the Committees deliberations in relation to Revenue and Capital budgets are found in the minutes of the meeting held on 16th November, 2015.
7. To assist Members of the Committee to further scrutinise budget proposals on the 1st February a position statement on the proposed revenue and capital budget was presented by the Head of Resources – Section 151 Officer and attention given to:
  - The Executive’s initial budget proposals
  - Local Government provisional settlement
  - Revised budget position for 2016/17
  - Council Tax (including comparative information from other North Wales authorities.
  - Reserves
  - School budgets
8. In addition, Members were reminded of the core principles of the Council’s efficiency strategy and discussion focussed on addressing a number of key questions as a basis for reporting back to the Executive on both draft revenue and capital budgets and formalising of specific recommendations. The key questions addressed below mainly refer to key headings highlighted in the Head of Resources and Section 151 Officer ‘s report to Corporate Scrutiny Committee 1<sup>st</sup> February, 2016:
  - i. Should the savings identified as achievable in 2016/17 be maximised bearing in mind that by maximising savings it allows the Council greater flexibility to respond to service pressures and future savings requirements?

**Recommendation/Comments**

**To recommend that savings identified as achievable in 2016/17 be maximised to allow the Council greater flexibility to respond to service pressures and future savings requirements**

- ii. Does the Committee support a recommendation to be considered by the Executive, that a sum is allocated from general reserves to fund business process changes designed to release further efficiency savings which can be used to respond to service improvements/ pressures?

**Recommendation/Comments**

**To recommend that a sum be allocated from general reserves to fund business process changes noted above.**

- iii. What should the level of Council Tax be moving forward bearing in mind the matters raised by the head of Resources in his report, the contribution that Council Tax makes to the overall revenue of the Council and the financial pressures likely to be face by the Council from 2017/18 onwards?

**Recommendation/Comments**

**To recommend that an increase in Council Tax be no greater than 3.5% whilst acknowledging the availability of Council reserves and the need to invest in services in order to maintain service standards.**

- iv. What level of protection should be afforded to school budgets bearing in mind the need for schools to contribute to the overall savings required by the Council?

**Recommendation/Comments**

**To recommend that a level of protection be afforded to school budgets as part of the medium term financial strategy.**

- v. If a final decision is taken by the Executive to implement efficiency savings to the school budgets, the Committee is asked to comment on whether the levels of reserves in the primary sector should influence the decision as to how the savings are allocated across the sectors.

**Recommendation/Comments**

**In relation to school budgets in general to recommend that there is scope within the primary sector to achieve savings in the future should the Executive request future efficiency savings.**

- vi. Does the Scrutiny Committee have any further observations regarding the proposed capital budget?

**Recommendation/Comments**

**The Committee did not formulate a view on this issue**

- vii. How do the 2016/17 budgetary proposals enable the Executive to deliver on the Corporate plan and transformation programme? And are there any specific risks?

**Recommendation/Comments**

**To recommend that balances be used to mitigate key risks in the Corporate Plan and Transformation programme.**

- viii. How are the savings proposals underpinned by the principles of the Council's Efficiency Strategy?

**Recommendation/Comments**

**The Committee did not formulate a view**

**9. Public Consultation**

The Committee also scrutinised a report on the outcome of the consultation exercise undertaken as part of the budget and views from a range of stakeholders.

**The feedback and key messages highlighted in the report, was accepted by the Committee.**

**B – What other options did you consider and why did you reject them and/or opt for this option?**

N/A

**C – Why is this a decision for the Executive?**

IoACC Constitution paragraph 4.3.2.1.2(i), 4.3.2.1.3 and 4.3.2.1.4

**CH – Is this decision consistent with policy approved by the full Council?**

Yes

**D – Is this decision within the budget approved by the Council?**

N/A

<b>DD – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Strategic Leadership Team (SLT)</b> (mandatory)	On 22 February, 2016, SLT received and accepted the report.
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	As above.

3	<b>Legal / Monitoring Officer</b> (mandatory)	—
4	<b>Human Resources (HR)</b>	N/A
5	<b>Property</b>	N/A
6	<b>Information Communication Technology (ICT)</b>	N/A
7	<b>Scrutiny</b>	Scrutiny considered the Executive's Initial Budget Proposal at their 16.11.15. meeting and again on 1.2.16. To day's report summarises and now closes their review on the Executive Budget Proposal for 2016-17.
8	<b>Local Members</b>	N/A
9	<b>Any external bodies / other/s</b>	N/A

<b>E – Risks and any mitigation (if relevant)</b>		
1	<b>Economic</b>	N/A
2	<b>Anti-poverty</b>	N/A
3	<b>Crime and Disorder</b>	N/A
4	<b>Environmental</b>	N/A
5	<b>Equalities</b>	N/A
6	<b>Outcome Agreements</b>	N/A
7	<b>Other</b>	N/A

<b>F - Appendices:</b>
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<b>FF - Background papers (please contact the author of the Report for any further information):</b>
<ul style="list-style-type: none"> <li>• Budget Setting and Capital Strategy 2016/17- Executive 20<sup>th</sup> July, 2015.</li> <li>• Draft Revenue Budget 2016/17- Executive Report 9<sup>th</sup> November, 2015 –</li> <li>• Draft Revenue Budget 2016/17- Corporate Scrutiny Committee -16<sup>th</sup> November, 2015.</li> <li>• Minutes of the Corporate Scrutiny Committee -16th November, 2015</li> <li>• Ynys Môn / Isle of Anglesey 'Meeting the Challenges' Consultation document 2016/17.</li> <li>• Report and Minutes- Corporate Scrutiny Committee- 1st February, 2016</li> </ul>