

### Overview and Scrutiny

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**To:** Sharon Kemp  
Chief Executive

**Our Ref:**  
BS/OSMB

**Direct Line:**  
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**Please Contact:**  
Councillor Brian Steele

Dear Sharon,

### **Budget 2017/18 – Feedback on Savings Proposals from Overview and Scrutiny Management Board**

In accordance with previous precedent, I write to provide you with feedback from Overview and Scrutiny Management Board (OSMB) following its consideration of the savings proposals for the Council Budget for 2017-18. This will enable the final considerations of OSMB to be fed into the final stages of the budget setting process.

The proposals across all portfolios and directorates have been considered by OSMB at meetings in November and December. Members discussed the proposals and their implications in detail. OSMB formally supported all of the savings proposals put forward.

On 3 February 2017, OSMB also received the Budget report which the Council will consider in March. I can confirm that OSMB resolved to support the budget and the proposals contained therein.

Throughout the process, OSMB has expressed concerns in respect of the additional investments required in Children and Young People's Services and how these would be managed to ensure that the Council is not faced with further significant overspends in future years. OSMB will continue to monitor the financial position alongside performance information to ensure that robust oversight is provided.

OSMB has also noted that reviews are required in a number of service areas to deliver the proposed savings. This will again require continued oversight from Members to ensure that these savings are delivered. OSMB will want to receive assurances from Cabinet Members and senior officers that these reviews will be undertaken promptly and will enable the proposed savings to be delivered in full. Following from this, OSMB has also indicated that the continued use of reserves is not a sustainable approach to sound financial management and planning. OSMB have sought assurances from Cabinet Members and senior officers that robust measures are in place to prevent and identify issues that may arise.

A constant topic of discussion at OSMB in the past few months has been the use of agency staff and consultants across the authority and the absence of robust management control. You will recall previous discussions where it had been agreed that information on agency staff and consultants would be reported to OSMB. We have been given a commitment from the Assistant Chief Executive that a paper will be brought to a meeting in the near future and we look forward to being reassured that the Workforce Management Board is providing challenge to drive down the number of agency staff and consultants and consequently reduce the associated financial impact.

Members were keen to learn more about the future operating model of the Council and understand the implications in respect of service delivery. Whilst there was recognition of the need to become a smaller, more efficient and better connected organisation, Members felt that this would require further discussion at OSMB when plans have been further developed.

In future, OSMB would like to be more involved in the development of the public consultation process for budget proposals. Members expressed concern at the low number of responses received in this year's consultation and felt that this required further work before next year's consultation.

Further to this, OSMB would like budget proposals to be developed and submitted for scrutiny at an earlier stage next year. Whilst the challenges in developing the proposals for the 2017-18 budget have been noted, Members supported the notion of the development of the budget for 2018-19 commencing immediately after the setting of the 2017-18 budget. I will be happy to work with Cabinet Members and senior officers at an early stage to establish OSMB's requirements for next year's process.

We will continue to monitor the financial position throughout the year and will also be monitoring the impact of investments that have been and are to be made. We will again invite Cabinet Members and senior officers to be held to account at future meetings.

Finally, I would like to place on record my thanks to Cabinet Members and officers who have attended recent meetings of OSMB for budget scrutiny.

Your sincerely,

A handwritten signature in dark ink, appearing to read 'B Steele', with a large, sweeping flourish above the name.

Councillor Brian Steele  
Chair – Overview and Scrutiny Management Board

