

Report of: Strategic Director of Finance, Governance and Support

Submitted to: Overview and Scrutiny Board, 30 October 2018

Subject: Annual revenue budget – consultation process

Summary

Proposed decision(s)

That the Board notes and endorses the Mayor’s proposed approach to consulting on the 2019/20 and future years’ budgets.

Report for:	Key decision:	Confidential:	Is the report urgent?
Information and discussion	N/A	No	N/A

Contribution to delivery of the 2018-22 Strategic Plan

Business Imperatives	Physical Regeneration	Social Regeneration
The proposed arrangements will ensure that the Council’s approach to budget consultation is legally compliant and maximises participation within a proportionate approach.	The approach will ensure that appropriate consultation and engagement is undertaken on proposals that impact on the physical regeneration agenda.	The approach will ensure that appropriate consultation and engagement is undertaken on proposals that impact on the social regeneration agenda.

Ward(s) affected

The budget consultation process is relevant to all wards.

What is the purpose of this report?

1. Following the detailed engagement of Ad Hoc Scrutiny Panel and Overview and Scrutiny Board in the consultation process for the 2018/19 revenue budget, this approach summarises, for the information of the Board, the proposed approach to consultation for the 2019/20 and future budgets.

Why does this report require a Member decision?

2. While in constitutional terms it is for the Elected Mayor of Middlesbrough to determine consultation arrangements in respect of the annual revenue budget and to ensure their legal compliance, the Mayor and the Executive Member for Finance and Governance have invited and have had regard to the views of scrutiny in establishing these arrangements.
3. The views of the Board are sought on the proposed approach to consultation for 2019/20 and future years, which has been amended to take account of recommendations from scrutiny to encourage greater participation in the process, reported to the Executive in September 2018.

Report Background

4. In recent years, the Mayor has adopted the following approach to consulting on the revenue budget:

Month	Activity
November / December	Publication of draft proposals to deliver a balanced budget for the coming years, with associated proposals for consultation, endorsed by Full Council.
December – January	Consultation programme on draft budget proposals.
January	Analysis of consultation feedback, finalisation of impact assessments (where required) and issues arising considered by the Mayor and the Executive.
February	Endorsement of annual budget by the Executive.
March	Approval of annual budget by Full Council.

5. The consultation programme delivered is proportionate to budget proposals, but has typically involved:
 - general public consultation on the Council's website, with explanatory material where required;
 - publicising the consultation to the Council's Citizen's Panel, the Council's partners, and to the general public via local media and social media;
 - specific consultation with the business sector (a statutory requirement); and
 - briefings for all elected members and groups.

Report of Ad Hoc Scrutiny Panel and response

6. Detailed engagement with scrutiny took place during the 2018/19 budget setting process, resulting in amendments to the wording of proposals ultimately agreed by

Council and some changes to the process for that year. Discussions also resulted in a report to Executive (September 2018) recommending changes for future years to increase participation in the process. The proposed approach for future years outlined below, reflects Executive’s response to those recommendations and fulfils the commitment to report back to the Board in October 2018.

Proposed approach for future years

7. Proposed savings initiatives outlined in the provisional budget report to Full Council in November / December will be categorised as follows:

Appendix	Description
1	Initiatives requiring no, or no further public consultation or impact assessment prior to <u>consideration by Full Council as part of the 2019/20 revenue budget</u> for implementation in 2019/20 or future years. Some internal consultation may be required prior to implementation if the initiatives have a significant impact on employees. This will be undertaken by management as appropriate.
2	Initiatives that will be subject to the impact assessment process and on which the Council will consult now prior to <u>consideration by Full Council as part of the 2019/20 revenue budget</u> for implementation in 2019/20 or future years.
3	Initiatives that will be subject to the impact assessment process and on which the Council will consult prior to <u>consideration via either member or officer decision (as appropriate)</u> either during 2019/20 or in future years. The relevant decision making body and provisional timing is listed for each proposal.

8. A standardised approach will be then be taking to inviting comment on Appendix 1 and consulting on those proposals in Appendix 2 with universal impact will be undertaken, across a minimum of six weeks. This will involve the activity outlined at paragraph 5, together with:

- provision of promotional material in community hubs;
- provision of promotional material to elected members; and
- direct emails to community councils.

9. In addition, a targeted approach will be adopted for proposals within Appendices 2 and 3 where specific groups and / or individuals may potentially be adversely affected e.g. the closure of an age-targeted service. These approaches will be bespoke to the proposal at hand but may include:

- specific online consultation;
- public meetings – if for example, a community building is proposed for closure;
- targeted focus group work e.g. engagement with children through the Voice of the Child Participation Co-ordinator if a child-targeted service is particularly affected by a proposal; or
- face-to-face consultations.

10. Should the level of consultation required exceed the circa six week window for the overall budget consultation (e.g. typically at least a term is taken to consult on changes to school-related services), the proposal will be considered in-year once appropriate consultation has concluded and so be included in Appendix 3.

What decisions are being asked for?

11. That the Board notes and endorses the Mayor's proposed approach to consulting on the 2019/20 and future years' budgets.

Why is this being recommended?

12. To ensure continued compliance with legislative requirements, while improvement engagement with residents on budget savings proposals.

Other potential decisions and why these have not been recommended

13. The Mayor could choose to undertake a 'legal-minimum' approach to the budget consultation (e.g. simply inviting responses by a specified date), as is adopted by other local authorities. However, the Mayor is committed to a process that ensures residents are provided with an appropriate range of options to influence budget setting, while balancing the need to undertake a proportionate approach to the consultation.

Impact(s) of recommended decision(s)

Legal

14. The proposed approach supports compliance with legal requirements in respect of budget consultation and the Council's broader legal duty to achieve Best Value.

Financial

15. It is anticipated that all activity set out in this report is achievable within existing and planned budgets.

Policy framework

16. The proposals do not amend the Council's Policy Framework.

Equality and diversity

17. The proposals provide for meaningful consultation on proposals which will in turn inform the development and finalisation of impact assessments for specific proposals, which will be completed prior to consideration by the appropriate decision-making body, where required.

Risk

18. A sound approach to budget consultation will ensure continued legal compliance and support delivery of the required transformation of services, change and savings.

Actions to be taken to implement the decision(s)

19. The 2019/20 provisional budget proposals and associated consultation arrangements will be presented to the Board for comment on 13 November, prior to consideration by Executive on 20 November and approval by Full Council on 5 December 2018. The

consultation programme outlined in that report will be launched on that day, with the results and review of the process presented back to the Board on 19 February 2019.

Appendices

None.

Background Papers

No background papers were used in the preparation of this report.

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