

**To: Scrutiny Finance Panel**

**Date: 7<sup>th</sup>. November 2013**

**Report of: Scrutiny Panel Chair**

**Title of Report: Scrutiny Review of the Medium Term Financial Strategy (MTFS) 2015 to 2018**

## **Summary and Recommendations**

**Purpose of report:** To propose to the Panel an outline scope and timetable for review of the MTFS and budget for 2014 to 2018.

**Key decision: No**

**Scrutiny Lead Member: Councillor Simmons**

**Policy Framework: Effective, Efficient Council**

**Recommendation(s):**

1. Comment on and agree the focus for the scrutiny budget review.
2. Comment on and agree the process timetable.
3. Set dates for:
  - Initial discussion to identify extra information and questions.
  - 3 meetings with officers and Board Members (with alternatives).
  - Review and final questions.
  - Recommendations and report writing.

## **Introduction**

1. At the last Panel meeting the Chair agreed to consider and propose a scope and timetable for the review of the MTFS and budget. This report contains those proposals.
2. The consultation budget and MTFS is schedule to be agreed at the City Executive Board (CEB) on the 11<sup>th</sup>. December 2013. These proposals are currently being developed via a review of all the grant assumptions, savings and efficiencies, challenges and pressures and reserves and contingencies agreed in the MTFS in February 2013.

3. The Panel Chair has discussed this process with the Head of Finance and is happy that outcomes are not likely to significantly change from that already agreed in the MTFS and reported to Council in September. The budget remains balanced over the life of the MTFS without the need for further major change. The proposal therefore is that the scrutiny review process begins once the consultation budget and MTFS is advertised for consultation. The exception to this is the review of contingencies and ear marked reserves and the forward method of allocating these. Information to begin the Panels consideration of this is included elsewhere on this agenda.

### Scope and Timetable

4. The Chair recommends that the focus for the Panel is:
- Policy and schemes for allocating contingencies and ear marked reserves.
  - Assumptions for grants and corporate challenges.
  - Robustness of savings and efficiencies.
  - Estimates for current and new income streams.
  - Budget pressures and link to current spending.
  - All proposals within the HRA and Business Plan
5. The Chair recommends that the Panel follow the process used in previous years, the outline and timing of this process is detailed in the table below.

Stage	What happens	When
Data gathering and review.	Scrutiny Panel members consider the information provided in the consultation budget, budget monitoring for 13/14 and data on contingencies and decide: <ul style="list-style-type: none"> <li>• Extra information required</li> <li>• Questions.</li> </ul> Request to all Scrutiny Councillors to highlight issues for consideration by the Panel.	Between 4 <sup>th</sup> . December and the 18 <sup>th</sup> . December.  The Chair requests that this process starts on the 16 <sup>th</sup> . December.
Organisation response.	Request for answers and information sent out to the organisation for response.	Questions out by 20 <sup>th</sup> . December.
Scrutiny review meetings with Board Members and Senior Officers.	3 meetings: <ul style="list-style-type: none"> <li>• Executive Director City Regeneration and Housing plus appropriate Board Members.</li> <li>• Executive Director Community Services plus appropriate Board Members.</li> </ul>	Between 6 <sup>th</sup> . January 2014 and the 15 <sup>th</sup> . January 2014.  Responses to questions requested to

	<ul style="list-style-type: none"> <li>Executive Director Organisational Development and Corporate Services, Chief Executive and appropriate Board Members.</li> </ul> <p>Information gathered and responses to question used as the basis for a discussion on budget proposals.</p>	be received no later than 3 days before these meetings.
Scrutiny Panel member review.	Review of information gathered and any final requests and questions identified.	Final requests and questions out by 24 <sup>th</sup> . January 2014.
Scrutiny Panel members draw conclusions and make recommendations.	Report is written around agreed conclusions.	24 <sup>th</sup> . January to 3 <sup>rd</sup> . February 2014.
Report out to Board Member for comment.	<p>Opportunity for Board Member to consider recommendations and make comment before consideration at the City Executive Board (CEB).</p> <p>Report also circulated to all Scrutiny Councillors for consideration.</p>	<p>3<sup>rd</sup>. February 2014 to Board Member.</p> <p>4<sup>th</sup>. February 2014 scrutiny report published on the CEB agenda.</p>
Presentation of Scrutiny Panel report to CEB.	Councillor Simmons presents report.	<p>12<sup>th</sup>. February 2014 CEB meeting.</p> <p>Council 19<sup>th</sup>. February 2014 meeting.</p>

6. This timetable does not allow the final report to go to the City Executive Board via the Scrutiny Committee. Instead it consults all scrutiny councillors at the questioning and recommendation stages. This is acceptable within the operational arrangements agreed by the Scrutiny Committee. It is likely that some councillors will want the process to include clearance through the Scrutiny Committee so to allow this to be fully discussed and agreed a discussion will take place at the Scrutiny Meeting on the 5<sup>th</sup>. November 2014.

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**List of background papers: None**

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