



Overview and Scrutiny Commission

5 February 2024

Report Title	2025/26 Budget Scrutiny Task Group Final Report
Cabinet Portfolio	Finance & Governance
Cabinet Member	Councillor Martin Bond
Exempt Report	No
Reason for Exemption	N/A
Key Decision	No
Public Notice issued	N/A
Wards Affected	All
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Borough Priorities	Ensure children and young people have a positive start in life.	X
	Promote good health, independence, and care across our communities.	X
	Create safe and strong communities and neighbourhoods for all.	X
	Support a strong, thriving, inclusive and well-connected local economy.	X
	Create green and vibrant places that reflect our heritage and culture.	X
	Be a responsible Council.	X

1. Summary

- 1.1 This report provides an overview of the 2025/26 Budget Scrutiny Task Group's examination of the Council's budget setting process and sets out its findings and recommendations. The Commission is required to approve the statement which will be submitted to Cabinet and Council as part of the reports on the 2025/26 Budget.

2. Recommendation for Decision

Overview and Scrutiny Commission is recommended to:

- 1) note the report;**
- 2) approve the statement of the 2025/26 Budget Task Group in relation to the robustness of the budget setting process; and**
- 3) submit the statement to the Director of Finance (Section 151 Officer) for inclusion in the Budget Report to Cabinet and Council.**

3. Purpose of this report

- 3.1 This report presents to the Overview and Scrutiny Commission, the recommended statement of the Commission on the budget setting process for 2025/26 following the meeting of the 2025/26 Budget Scrutiny Task Group held on 16 January 2025.

4. Background / Reason for the recommendations

- 4.1 As part of the Overview and Scrutiny Commission's work programme a Budget Task Group was established to review the Council's budget setting process for the 2025/26 Budget. The aims and objectives of the Task Group were:

- To examine the robustness of the 2025/26 Budget setting process; and
- To examine whether sufficient consideration had been given to relevant information when developing the 2025/26 Budget.

- 4.2 The following members of the Overview and Scrutiny Commission took part in the Task Group:

- Councillor Mancyia Uddin (Chair)
- Councillor John Hodkinson
- Councillor Linda Mussell
- Councillor Damian O'Connor
- Councillor Geoff Pearl
- Councillor Lisa Preston
- Councillor Michelle Sweeney
- Councillor James Tasker

- 4.3 The Task Group met on the 16th January 2025. All Cabinet Members and Executive Directors were invited to attend the meeting to provide an overview of the processes that they had undertaken to develop the budgets for their respective areas.
- 4.4 The Task Group focused on assessing the robustness of the budget setting process, the general implications of the budget proposals and any alternatives that had been considered rather than a formulaic line-by-line scrutiny of the individual decisions themselves.
- 4.5 During the meeting the Task Group received a presentation about the budget setting process. The Director of Finance (Section 151 Officer) provided an overview of the budget timetable, the current in-year financial position, an update in relation to the Medium-Term Financial Strategy (MTFS), an overview of the provisional settlement from Government and other funding streams, and an overview of the public consultation process. Executive Directors presented an overview of the budget proposals in each of their directorates (namely: People, Place and Corporate).
- 4.6 Cabinet Members were present to answer questions from the Task Group. Prior to the presentation by officers, the Leader provided an overview of the role Cabinet Members played during the budget setting process. As the Leader and Cabinet had been newly appointed at the beginning to the municipal year Cabinet Members had been reviewing their budgets early in the year to develop an understanding of their new portfolios. There was an understanding that following the setting of the MTFS the previous year there was little room within budgets for additional spending or savings and every penny needed to be managed effectively. It was noted that Cabinet Members had worked with officers to develop mitigations in relation to in-year overspends and to look at where additional savings could be made where required.
- 4.7 To document its findings and conclusions the Task Group developed the statement on the budget setting process set out in section 4.8 to 4.14. The Task Group recommends that the Overview and Scrutiny Commission adopt this statement and that the statement be submitted to Cabinet and Council for consideration during determination of the 2025/26 Budget.

Statement of the Commission on the Budget Setting Process

- 4.8 The Overview and Scrutiny Commission (Commission) established a cross-party Task Group to examine the robustness of the 2025/26 budget setting process undertaken by Cabinet Members and officers. To examine the budget setting process, the Task Group held a meeting on 16 January 2025. Cabinet Members and senior officers attended the meeting to provide an overview of the processes they undertook to determine the decisions that were required to set a balanced budget. The Commission is thankful to all Cabinet Members and

Senior Officers for their commitment to supporting the scrutiny process.

- 4.9 The Commission notes the overspends and undelivered savings that have occurred this year as documented within the Financial Monitoring Reports for Quarter 1 and Quarter 2. The reasoning behind the Council's financial position following quarter 2 is well understood by officers and Cabinet members and the Commission notes the efforts that have been taken to address those budget pressures.
- 4.10 The Commission recognises that demand for Children's and Adults' services together with inflationary pressures have contributed hugely to an increase in costs to the Council that are difficult to mitigate and are unavoidable. The Commission also notes the pressure pay increases and increases in employer national insurance contributions have had across the Council but particularly in Place where a large proportion of staff are employed.
- 4.11 The Commission is reassured with regard to the stability of the Council's financial position given the additional funding from Grants, Business Rates and in-year savings that have enabled the Council to again set a balanced budget. The Commission notes, however, that increased revenue will not lead to additional spending power but rather cover the increased costs that the Council is facing.
- 4.12 Overall, the Commission is satisfied that the Council's budget setting process has been robust and that decisions regarding spending plans are well understood and relevant information has been taken into account.
- 4.13 The Commission acknowledges that the public consultation process was ongoing during the work of the Task Group so feedback from the public was not available for Members to consider as part of their deliberations. The Commission notes that as budgets had already been projected as part of the MTFS the consultation process is different this year. The Commission is assured that the feedback from the public will be given due consideration during the finalising of the Council's budget.
- 4.14 The Commission will continue to play its role in holding services to account for the delivery of savings through its work on the Quarterly Financial Monitoring Reports and contribute to efforts to communicate effectively with the public on this issue where appropriate.

5. Consideration of Alternatives

- 5.1 N/A

6. Conclusions

- 6.1 This report provides an overview of the 2025/26 Budget Scrutiny Task Group's examination of the Council's budget setting process and sets out its findings and recommendations. The Commission is requested to approve the statement on the robustness of the budget setting process that the Task Group developed following their meeting with senior officers and cabinet members. An approved statement will be submitted to Cabinet and Council as part of the report on the 2025/26 Budget.

7. Legal Implications

- 7.1 Whilst there will be legal implications associated with the approval of a Budget for 2025/26 by Cabinet and Council, there are no legal implications of the decision by the Overview and Scrutiny Commission to submit a statement in relation to the budget setting process to Cabinet and Council for them to consider. The Budget Task Group process has been undertaken in line with the Overview and Scrutiny Procedure Rules set out in the Council's Constitution and good scrutiny practices.

8. Financial Implications

- 8.1 Whilst there will be financial implications associated with the approval of a Budget for 2025/26 by Cabinet and Council, there are no financial implications of the decision by the Overview and Scrutiny Commission to submit a statement in relation to the budget setting process to Cabinet and Council for them to consider.

9. Equality Impact Assessment

- 9.1 No equality impact assessment was required as part of the 2025/26 Budget Scrutiny Task Group's work.

10. Social Value

- 10.1 The proposed statement of the Commission will have no direct impact on social value.

11. Net Zero and Environment

- 11.1 The proposed statement of the Commission will have no direct impact on sustainability of the environment.

12. Health and Wellbeing

- 12.1 The proposed statement of the Commission will have no direct impact on health and wellbeing of residents.

13. Customer and Resident

13.1 There are no direct customer or resident impacts in this report. The report provides customers and residents with the opportunity to understand more about the views of the Overview and Scrutiny Commission in relation to the Council's budget setting process.

14. Asset and Property

14.1 There are no direct impacts on assets and property of this report.

15. Staffing and People Management

15.1 There are no direct staffing or People Management implications of this report.

16. Risks

16.1 Failure to carry out some form of scrutiny in relation to the budget setting process would undermine the robustness of the budget setting process and could potentially lead to issues within the final budget. Having undertaken a scrutiny review of the budget setting process the Council has mitigated this risk.

17. Policy Framework Implications

17.1 No Council policies are affected by the recommendations in this report.

18. Impact and Opportunities on Localities

18.1 There are no direct impacts or opportunities on localities resulting from this report.

19. Background Documents

19.1 2025/26 Budget Task Group agenda for meeting held on 16 January 2025

19.2 PowerPoint presentation delivered to the Task Group on 16 January 2025

20. Appendices

20.1 None.