

Borough, Economy, and Infrastructure Executive Advisory Board Report

Ward(s) affected: All

Report of Director of Resources

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## **Progress on Councillor involvement in the preparation of the Budget**

### **Executive Summary**

Councillors will recall that, in September 2016, both EABs agreed to establish a Joint EAB Budget Working Group (JEABBWG), comprising four councillors appointed by each EAB. The terms of reference of the JEABBWG were approved as follows:

To consider and review for submission to the EABs, Executive and Council:

- (1) the draft General Fund and Housing Revenue Account revenue budgets, and
- (2) the draft General Fund and Housing Revenue Account capital programmes, including growth bids to inform the evaluation process.

The chairman was elected from the eight members on the working group, and the Lead Councillor for Finance attended meetings in an ex officio capacity.

The JEABBWG met in November 2016 and December 2016, where their comments against each of the bids were documented on a bid summary schedule and reported as part of the reports on the outline budget and capital programme to both the Society EAB meetings in November 2016 and January 2017 and then the Executive on 24 January 2017.

Meetings were organised and chaired by the Head of Financial Services. It was apparent that some members were expecting to review reports as well as bids; however, officers were still putting together reports and summaries at the time that bids were being provided to the JEABBWG. The issue was then raised that the JEABBWG was considering bids without having had sight of the overall summary position. This could be addressed by providing a presentation to the JEABBWG in lieu of a full report. For 2017-18, each EAB is asked, once again, to appoint four councillors who, together, will comprise the Joint EAB Budget Task Group.

Councillors will recall that the JEABBWG was politically balanced as follows:

4 x Conservatives,  
2 x Liberal Democrats,  
1 x Guildford Greenbelt Group member, and  
1 x Labour member

The councillors appointed to the JEABBWG last year were:

Councillor Colin Cross  
Councillor Mike Parsons  
Councillor Mike Piper  
Councillor David Quelch  
Councillor David Reeve  
Councillor Caroline Reeves  
Councillor Matthew Sarti  
Councillor James Walsh

If the EABs are happy to continue with this arrangement, it is suggested, based on the political composition of the two EABs, that the Borough EAB appoints three Conservative members and one Liberal Democrat member to the Task Group and the Society EAB, at its meeting on 13 July 2017, appoints to the Task Group one member each from the Conservative, Liberal Democrat, GGG and Labour groups.

The dates of meetings of the new Joint EAB Budget Task Group for 2017-18 will be confirmed by the Head of Financial Services.

**Recommendation:**

- (1) That a Joint EAB Budget Task Group be established, comprising eight councillors (four from each EAB), with the following terms of reference:

To consider and review for submission to the EABs, Executive and Council:

- (i) the draft General Fund and Housing Revenue Account revenue budgets, and
  - (ii) the draft General Fund and Housing Revenue Account capital programmes, including growth bids to inform the evaluation process.
- (2) That this EAB appoints four councillors (three Conservatives and one Liberal Democrat member) to serve on the Task Group for the 2017-18 municipal year.

Reason for Recommendation:

To ensure backbench councillor involvement in the budget setting process.

**1. Purpose of Report**

- 1.1 To appoint councillors to the Joint EAB Budget Task Group for 2017-18.

## **2. Strategic Priorities**

- 2.1 The budget is the financial expression of the Council's strategic priorities set out in the Corporate Plan. The preparation of the budget therefore underpins all of the strategic priorities.

## **3. Background**

- 3.1 Following the review of governance arrangements in 2015, the Council established the two EABs and the Overview and Scrutiny Committee. The governance review findings specifically envisaged the EABs playing a vital role in budget preparation. In September 2016, both EABs agreed to the establishment of a Joint EAB Budget Working Group (JEABBWG) with the following terms of reference:

"To consider and review for submission to the EABs, Executive and Council:

- (i) the draft General Fund and Housing Revenue Account revenue budgets, and
- (ii) the draft General Fund and Housing Revenue Account capital programmes, including growth bids to inform the evaluation process".

- 3.2 Each EAB was asked to appoint four councillors to serve on the JEABBWG for the 2016-17 municipal year, and to elect a chairman from among the eight working group members. The Lead Councillor for Finance was asked to attend meetings in an ex officio capacity.

- 3.3 The Head of Financial Services, in conjunction with the Lead Councillor for Finance, set the agenda for each meeting of the new working group. Other officers from Financial Services and other services attended as required.

## **4. Progress of the JEABBWG**

- 4.1 The JEABBWG met in November and December 2016 and councillors had an opportunity to ask questions and discuss the merits of each bid, and their comments were documented on a bid summary schedule which formed part of the reports on the outline budget and capital programme to both the Society EAB meeting and then the Executive at their meetings in January 2017. The agenda items covered at the JEABBWG meetings were:

- (1) Brief presentation on the Outline General Fund Revenue Budget
- (2) Evaluation of the revenue Growth Bids
- (3) Update on the Housing Revenue Account Budget
- (4) Review of capital programme bids

- 4.2 At the JEABBWG meetings, some members were expecting to review reports as well as bids. However, officers were still putting together reports and summaries at the time that bids were being provided to the JEABBWG. The issue was then raised that the JEABBWG was considering bids without having had sight of the

overall summary position. It is suggested, in future, that the Head of Financial Services provides a presentation on the Budget summary position to the Task Group.

- 4.3 Once the composition and membership of the Joint EAB Budget Task Group has been confirmed, the Head of Financial Services will fix dates for meetings.

## **5. Financial Implications**

- 5.1 There are no financial implications associated with the proposals in this report.

## **6. Legal Implications**

- 6.1 There are no legal implications associated with the proposals in this report.

## **7. Human Resource Implications**

- 7.1 There are no HR implications associated with the proposals in this report.

## **8. Summary of Options**

- 8.1 In summary, the options are as follows:

- (1) To continue with the arrangements for a Joint EAB Budget Task Group as recommended, in order to provide backbench councillor involvement in the preparation of the budget.
- (2) To discontinue such arrangements, which would mean that there would be no formal means by which backbench councillors could get involved in detail in budget preparation.

## **9. Conclusion**

- 9.1 The EAB is asked to confirm its agreement to the proposals outlined in this report so that backbench councillors can continue to assist the Lead Councillor for Finance and officers in their work on the preparation of the draft budget each year.
- 9.2 It would be very helpful if the Conservative and Liberal Democrat groups could submit nominations in respect of this EAB's four nominees to the Task Group in advance of this meeting.

## **10. Background Papers**

None

## **11. Appendices**

None