

SCRUTINY COMMITTEE JUNE/JULY 2022

MTFP(13):

Involvement of Scrutiny Committees in the development of savings options



Development of MTFP(13)

- The 2022/23 revenue budget and four year financial plan for the period 2022/23 to 2025/26 [MTFP12] was approved by Council on 23 February 2022
- The MTFP12 forecasts identified a forecast £29.987 million savings shortfall for the period 2023/24 to 2025/26
- The majority of this savings shortfall [£16.607 million] was forecast to be required in 2023/24
- A lot has changed in the months since the budget was set on 23 February 2022!

Development of MTFP(13)

- The initial MTFP(13) forecasts will be presented to Cabinet on 13 July 2022
- MTFP(13) will cover the four year period 2023/24 to 2026/27
- The forecast savings shortfall is expected to increase significantly from the forecasts include in MTFP12 due to the impact of inflationary impacts upon the council's budget and continued demographic pressures in Children's Services
- Savings options need to be developed over the coming months to ensure the council can set a balanced budget for 2023/24 if, as expected, there is insufficient resources generated from council tax and government grant increases to meet the unavoidable cost pressures we will face
- It is hoped that additional funding will be provided to the sector by Central Government but it is expected that this will not be clarified until the draft local government financial settlement is received in December 2022

Scrutiny Role in Development of MTFP(13)

- Corporate Overview and Scrutiny Management Board will continue to have a strategic overview of the whole MTFP(13) process – including proposals for Council Tax increases and application of reserves
- It is recommended however that thematic scrutiny committees consider options for efficiency savings and/or opportunities for generating additional income within their thematic service areas
- This will provide the opportunity for thematic scrutiny committees to play an important role in the development of the MTFP(13) and help to attain a broader understanding of the services within their remit
- Any proposals put forward by thematic scrutiny committees will be considered by Cabinet for inclusion in MTFP(13) to assist in balancing budgets for 2023/24 and beyond

Proposed Process to Developing Savings Options

- Thematic scrutiny committees receive quarterly reports on budgetary control and service performance – this is a rich source of data
- Discussions during finance briefings with Members previously there has been a wide range of potential opportunities for efficiencies and income generation discussed
- The proposed process will provide an opportunity for these options to be considered and tested further
- Thematic scrutiny committees may wish to set up Task and Finish groups to consider options for savings
- The Task and Finish Groups may wish to produce a range of high level options they would wish to consider Cabinet to consider or may wish to carry out some of their own research into a small number of areas utilising resource from service areas and finance to support such work
- If significant work is generated by the process consideration may need to be given to reprioritising other planned scrutiny work to ensure that support teams have the capacity to meet all requirements

Timeframes

- It must be recognised that any detailed research into specific budget areas may take a number of months and would be unlikely to identify savings to support the 2023/24 budget setting process
- At the same time savings options could be identified to support future years' budgets
- If higher level options are submitted to Cabinet for consideration for the development of the 2023/24 budget they would be required by the end of November 2022
- Thematic scrutiny committees are requested to limit the number of budget areas to be looked at in detail as it must be recognised that this work would be a major drain on services whilst they are developing broader savings plans