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| Meeting of: | CORPORATE OVERVIEW AND SCRUTINY COMMITTEE |
| Date of Meeting: | 24 JULY 2025 |
| Report Title: | SCRUTINY BUDGET WORKING GROUP |
| Report Owner / Corporate Director: | CHIEF OFFICER, LEGAL AND REGULATORY SERVICES, HR AND CORPORATE POLICY |
| Responsible Officer: | RACHEL KEEPINS DEMOCRATIC SERVICES MANAGER |
| Policy Framework and Procedure Rules: | The Committee considered a Review of Scrutiny on 17 March 2025 and, subsequent to this, on 9 April 2025, Council agreed changes to the structure, names and remit of Scrutiny Committees and the setting up of a Budget Working Group. Accordingly, as required by the Council's Constitution, Council approved the related amendments to the Overview and Scrutiny Procedure rules within the Constitution and the size and Terms of Reference for the Overview and Scrutiny Committees at its Annual Meeting held on 14 May 2025. |
| Executive Summary: | <p>The Committee considered a report on the Scrutiny Review and the options for scrutiny arrangements going forward on 17 March 2025. Subsequently, on 9 April 2025, Council agreed changes to the structure, names and remit of Scrutiny Committees and the setting up of a Budget Working Group.</p> <p>The Committee considered a report on 30 June 2025 which presented details of the work being undertaken in consultation with Scrutiny Chairs on the proposed arrangements for the Budget Working Group. The Committee agreed to proceed with the scheduling of the first Steering Group in July but recommended that the remainder of the proposed structure be considered by the Committee at its July meeting after Group Leaders had taken the report to their Groups for discussion.</p> <p>The report is therefore presented for reconsideration by the Committee along with any comments arising from this consultation with Groups and individual Independent Members.</p> |

1. Purpose of Report

- 1.1 To present the Committee with the proposed arrangements for the Budget Working Group for consideration, including:
- a. Size, composition and nominations process for the Working Group;
 - b. Draft Terms of Reference;
 - c. Proposed Structure of Scrutiny Budget Working Group and Draft outline of schedule of meetings.

2. Background

- 2.1 At its meeting held on 17 March 2025 the Committee considered a report on the Scrutiny Review and the options for scrutiny arrangements going forward and made the following recommendation and request:

“Of the options presented within the report, the Committee unanimously favoured and **recommended** option 2; to retain 4 Scrutiny Committees with the Corporate Overview and Scrutiny Committee and three formally themed Committees: ‘Education, Social Services and Communities’ or similar. This was on the condition that the caveats contained in the report were included in that the names and remits of the Committees would not preclude a Committee from scrutinising an item in its entirety should any aspect stray slightly into the remit of another.

- 2.2 Members may recall that previous scrutiny of the Budget process included a dedicated Budget Research and Evaluation Panel (BREP), plus detailed scrutiny of the draft budget by each individual Overview and Scrutiny Committee (OVSC) who feed back to the Corporate Overview and Scrutiny Committee (COSC) to provide recommendations to Cabinet. This process resulted in an intense period of scrutiny in early January, which was resource intensive for officers and Members and there has been cross party feedback that the sessions are repetitive and overlap in subject matters.
- 2.3 On 9 April 2025, as part of its consideration of the Scrutiny Review, Council took the decision to allocate budget scrutiny exclusively to COSC and agreed that a working group be established with representatives from all scrutiny committees and chaired by the Chair of COSC to feed back to COSC. This would reduce duplication and allow for in-depth scrutiny to be undertaken throughout the budget setting process with meaningful engagement between Cabinet and Scrutiny.
- 2.5 In light of these decisions taken, work has been ongoing in consultation with Scrutiny Chairs regarding proposed arrangements for the Budget Working Group.

3. Current situation / proposal

- 3.1 Meetings have been held with the four Scrutiny Chairs to discuss arrangements for the setting up of the Working Group, its composition, frequency of meetings, role and purpose.

The following arrangements are therefore proposed with a plan to embed the process for 2025-26, with the potential to review and update in the future, evaluating its benefits, impact and outcomes and any improvements that could be made.

Size, Composition and Nominations to the Working Group

- 3.2 On 9 April 2025 Council agreed that the working group be established with representatives from all scrutiny committees and chaired by the Chair of COSC, to feed back to COSC. It is proposed that all Scrutiny Chairs sit on the Working Group.
- 3.3 It is proposed that the Scrutiny Budget Working Group be comprised of a total of 24 Members from across all Overview and Scrutiny Committees (OVSC), with Group Leaders being asked to seek expressions of interest for nominations from their Members. The Scrutiny Chairs agreed that whilst there would be an aim for political balance as far as possible, it was important that membership focused on Members who express a real interest in sitting on the Group and could commit their time, rather than meeting an allocated number. A membership of 24 was felt appropriate as it would allow for wide participation from Members with knowledge and experience from across all four Overview and Scrutiny Committee remits.

Draft Terms of Reference

- 3.4 Draft Terms of reference for the Scrutiny Budget Working Group (SBWG) are attached as **Appendix A** for Members' consideration.

Proposed Structure of Scrutiny Budget Working Group

- 3.5 A proposed structure for the Scrutiny Budget Working Group is attached as **Appendix B** which maps out the suggested meetings for this year to feed into the draft MTFs Budget process for 2026-30 Budget. The structure incorporates the following proposals from the Scrutiny Chairs:

a. Budget Steering Group meeting in July

Comprising: Chief Executive, Chief Officer - Finance, Housing and Change, Leader, Cabinet Member for Finance and Performance, Cabinet Members for Resources, Scrutiny Chairs and Group Leaders. Steering Group to consider and discuss previous year's recommendations and 2025-26 indicative proposals, main priorities going forward and areas of concern. This to then inform where Scrutiny can add value, proposing potential areas of focus for the Scrutiny Budget Working Group and Deep Dive Groups to consider.

b. **Scrutiny Budget Working Group in early September**

To discuss areas of focus following outcome from the Steering Group and allocate up to 6 SBWG Members to each of the four proposed Deep Dive Groups. Membership of Deep Dive Groups should be based on Member knowledge, expertise or preference expressed to contribute to a specific Deep Dive Group. Chief Officer - Finance, Housing and Change to be invited to answer any overarching questions.

c. **Four Deep Dive Groups meet once each from mid September to mid October and present findings to Scrutiny Budget Working Group mid-end October**

These Deep Dive Groups would be chaired by the corresponding Chair of the related OVSC and include up to 5 other Members.

Scrutiny will support the meetings and draft outline actions arising, however it will be for the Chair of each Deep Dive Group to present the key findings to all Members of SBWG, to discuss their merits and agree any resulting Recommendations.

This will enable there to be one clear overarching set of recommendations from the SBWG rather than four sets of recommendations that may potentially overlap, conflict or risk too much duplication.

The Chair of Corporate Overview and Scrutiny Committee would observe all Deep Dive Groups discussions and conclusions as well as chairing the relevant one to their OVSC.

d. **Budget Steering Group Meeting in early November**

To present the Conclusions and Recommendations of the Scrutiny Budget Working Group to feed into and potentially impact the development of Cabinet's draft budget proposals and Medium Term Financial Strategy (MTFS).

e. **COSC 11 December 2025**

To receive the conclusions from the Scrutiny Budget Working group for endorsing and formal onward reporting to Cabinet (as COSC is the Scrutiny Committee with overall responsibility for budget scrutiny).

f. **Cabinet 16 December 2025**

To formally receive the conclusions and Recommendations of the Budget Working Group from COSC in advance of final budget proposals and formal response to be provided by Cabinet on 17 Feb 2026.

g. **COSC 15 and 27 January 2026**

COSC consider draft MTFS and budget proposals and make Conclusions and Recommendations to Cabinet.

- h. **Cabinet 3 February 2026**
To present COSC Conclusions and Recommendations on the draft MTFS and Budget proposals
 - i. **Cabinet 17 February 2026**
Cabinet considers recommendations and agrees final MTFS / budget.
 - j. **Council 25 February 2026**
Council considers budget and votes on it.
- 3.6 Members are asked to note that as well as the ongoing budget work of the COSC and SBWG, the Chief Officer – Finance, Housing and Change has agreed to provide regular budget briefing sessions to all Members and to individual Political Groups should they wish.
- 3.7 The Committee considered a report on the proposed Scrutiny Budget Working Group at its previous meeting on 30 June 2025 at which the Committee made the following recommendations and requests:
- a. The Committee recommended that the first Steering Group set out at Step 2 of Appendix B to the report be scheduled in July but that the remainder of the proposed structure be reconsidered by the Committee at the July meeting after Group Leaders have taken the report to their Groups for discussion.
 - b. The Committee recommended that the Deep Dive Group for the Social Services and Wellbeing Directorate explore the financial contributions from the Health Board as a possible area to offset some of the costs.
 - c. The Committee highlighted the importance of preserving early intervention and preventative services recognising their impact on better outcomes for people and their importance on long term financial stability and recommended that the Scrutiny Budget Deep Dive Groups remain mindful of such.
 - d. The Committee requested that Directors bring all budget options being explored to the Deep Dive Groups.
- 3.8 As recommended, the report was circulated to all Group Leaders for discussion in their Groups with an invitation from the Chief Officer – Finance, Housing and Change and the Democratic Services Manager to attend any Group Meetings to provide any further information as required. The report was also circulated to individual Independent Members not part of any Group.
- 3.9 In order to ensure that Members nominated to the proposed Scrutiny Budget Working Group and allocated to the relevant Deep Dive Groups are able to commit their time to the Groups, and due to the number of Cabinet Members and Senior Officers who would be required to attend each of the Groups, it was felt prudent to hold proposed dates in diaries as follows:

- Tuesday 29 July - 1.30-3.30pm – Steering Group
- Monday 1 Sept - 10am -12noon – Scrutiny Budget Working Group
- Monday 22 Sept at 1pm-4pm – Deep Dive Group – Chief Executive Directorate
- Monday 6 Oct - 10am-4pm – Deep Dive Group – Education Directorate
- Thursday 16 Oct - 10am-4pm – Deep Dive Group – Social Services Directorate
- Monday 20 Oct - 10am-4pm – Deep Dive Group – Communities Directorate
- Tuesday 4 Nov – 10am-4pm – Scrutiny Budget Working Group (to consolidate Recommendations)
- Monday 17 Nov – 10am-12 noon – Steering Group (to receive the SBWG Recommendations)

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.
- 5.2 The Act provides the basis for driving a different kind of public service in Wales, with 5 Ways of Working to guide how public services should work to deliver for people. The scrutiny function contributes to the 5 Ways of Working set out in the Well-being of Future Generations (Wales) Act 2015 and how they contribute to the Council developing its own five ways of working, driving and measuring those ways of working.
- 5.3 The scrutiny arrangements assists in the achievement of the Council's 4 Well-being Objectives under the Well-being of Future Generations (Wales) Act 2015, listed below:
1. A prosperous place with thriving communities
 2. Creating modern, seamless public services
 3. Enabling people to meet their potential
 4. Supporting our most vulnerable

6. Climate Change and Nature Implications

6.1 There are no Climate Change or Nature Implications arising from this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no Safeguarding and Corporate Parent Implications arising from this report.

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 The Committee is requested to consider the report on the work undertaken in consultation with Scrutiny Chairs on the proposed arrangements for the Scrutiny Budget Working Group and, any comments received following consultation with Groups and individual Independent Members.

9.2 The Committee is requested to subsequently agree the:

- a. Size, composition and nominations process for the Working Group;
- b. Draft Terms of Reference;
- c. Proposed Structure of Scrutiny Budget Working Group and Draft outline of schedule of meetings.

Background documents

None.