

How to... Challenge your Local Budget

Councillor Clarence Barrett
LGA Independent Group Treasurer
December 2018



The most challenging time for any council is setting a balanced budget against the twin pressures of reduced funding and increased demand. From an opposition perspective, the role in the budget setting process is a crucial factor. As important as setting a budget, is the need to ensure that it stands up to scrutiny, is transparent and is seen to be accountable. In addition, it is the role of any opposition to, where possible, provide an alternative.

Top Tips

- 1. Scrutinise:** Effective scrutiny of any proposed budget is about delving into the detail of the options, assessing risk, deliverability and impact on service delivery. Too often, savings options are unachievable and an additional pressure in the next budget setting round. This can often be the case where vague savings are agreed for future years only to be totally undeliverable when the time comes.
- 2. Challenge:** Effective and constructive challenge can be usefully conducted by focusing on a set of initial questions, for example: Do all the figures stack up? Does it reflect the priorities of the residents? How robust was the consultation process? What and where are the unintended consequences? Is there scope to bring savings forward? Is there a business case for additional funding items?
- 3. Provide an alternative:** An alternative doesn't have to be a full recast of the budget, an alternative can be one amendment (sometimes less is more!). It is, however, a great opportunity to showcase alternative priorities.
- 4. Be creative:** This may mean removing a saving proposal and replacing it with an alternative, or proposing additional resources offset by comparable savings. There may also be scope to review the composition of the capital programme to invest in schemes which may produce a revenue stream further down the line, but don't overlook the cost of capital financing.
- 5. Ensure it balances:** A fundamental outcome for any alternative budget is that it needs to balance and stand up to its own scrutiny. Make full use of the resources available and work closely with the S151 officer who will have to apply a robustness test to any alternatives – make it balance!
- 6. Share your ideas:** Communicate your strategy to residents, use the local media and involve community groups in the budget setting process. Where there is more than one opposition group, try working together to find common ground in developing an alternative budget strategy so any amendments don't end up being split at Budget Council.
- 7. Be prepared:** In regards to the Budget Setting Council meeting robust, constructive and informed presentation and debate will give credibility and integrity to any alternative budget strategy.