

COMMITTEE: ALL SCRUTINY COMMITTEES

DATE: 14TH DECEMBER 2006

SUBJECT: BUDGET SCRUTINY

REPORT BY: DIRECTOR OF SCRUTINY

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IMPLICATIONS:

LEGAL	COMMUNITY SAFETY
EQUALITIES	ENVIRONMENT
FINANCIAL	CONSULTATIONS
STAFFING	OTHER

WARDS AFFECTED: NONE

PURPOSE

1. The purpose of this report is to provide each of the Scrutiny Committees with background information about the process of scrutinising the budget and to set out the information being provided at this stage of the process.

RECOMMENDATION(S)

2. **All Scrutiny Committees are recommended to consider the information submitted and to ask questions about the services and service budgets that come within their remit.**

BACKGROUND

3. The Performance, Resources and Assets Scrutiny Committee and the Executive have agreed a protocol for the scrutiny of the budget. It is based on the protocol which was used last year and, apart from the dates, very few changes have been made. The dates indicated for the final stages of the process were provisional at the time the protocol was agreed, however, at the meeting on 7th November the Council approved changes

to the calendar of meetings in order to allow for all of the scrutiny committees to meet on 5th February 2007 to consider the budget proposals before the budget meeting of the Executive which has been put back to 12th February 2007.

REPORT

4. The protocol is attached as appendix A. The key points of the protocol are:
 - An agreement that the scrutiny committees will respect the confidentiality of information that is provided to them on this basis
 - An agreement that the Executive will release certain information at certain stages in the process
 - An agreement that the scrutiny of the budget will not become a party political process but that party politics will be reserved for debate in the Council Chamber
 - A statement of principles about the purpose of the budget scrutiny process
 - A timetable for the process – the dates for the final stage of the process have been amended to reflect the decision made by the Council at the meeting on 7th November 2006
5. We are now at stage three of the process and the information being submitted to the scrutiny committees at this stage is the draft base budget for services for 2007-08.
6. As scrutiny members are aware, from the Budget Prospects report of the Head of Corporate Finance provided to each committee in the September/October cycle of meetings, the predictions are that the Council will be faced with substantial and growing deficits in the next and subsequent years unless decisions are taken to reduce expenditure so that total net expenditure is constrained to what is affordable each year.
7. Performance Resources and Assets Scrutiny Committee has recognised the importance of this issue, and has been considering the need to balance the Council's medium term financial plan as a key scrutiny topic.
8. In these circumstances the scrutiny committees would not be fulfilling their role as 'critical friend' if they were simply to recommend rejection of options for reducing the budget without proposing alternatives.

PROPOSAL/OPTION

9. The service areas for each committee to scrutinise have been aligned with the responsibilities of Heads of Service as follows:

SCRUTINY COMMITTEE	SERVICE AREAS COVERED
Environment & Non-Executive Functions	Environment & Regeneration Department excluding Regeneration and Environmental and Consumer Services
Children and Young People	Children & Learning Department
Performance, Resources & Assets	Overall budget Corporate and Customer Services Department
Regeneration & Citizenship	Regeneration Environment & Consumer Services Leisure and Community Chief Executive's Department
Social Inclusion	Housing and Community Living Department excl. Leisure and Community

Heads of Service will be present to respond to Members questions.

10. The committees may ask whatever questions they wish about the services that come within the remit of their committees and the base estimates for next year; however it is suggested that the focus of their questions should be on strategic issues such as:
- Growth pressures arising from demand led services
 - Growth pressures from legislative changes
 - Policy driven service changes and developments
 - Progress towards the Council's goals for 2011
 - Service standards and value for money and the connection between investment and performance
 - Responsiveness to the needs, wishes and priorities of local people

LEGAL SERVICES

11. There are no legal implications to this report and this has been agreed with the relevant solicitor in Legal Services on 9th November 2006

APPENDIX

Appendix A - Budget protocol

LIST OF BACKGROUND PAPERS **LOCAL GOVERNMENT ACT 1972, SECTION 100D**

Budget prospects report submitted to the September/October cycle of scrutiny committee meetings.

'In the spotlight' briefing note prepared for and published by the Centre for Public Scrutiny.