

APPENDIX A

BUDGET PROTOCOL 2007- 08

Purpose	To set out a basis on which the challenges, choices and opportunities presented by the budget for the forthcoming financial year can be considered by scrutiny outside of the party political arena.
Objectives	To make a valid and constructive contribution to the development of a budget that is fair to taxpayers, tenants, service users and the Council's employees whilst seeking to ensure that the main challenges are addressed and that the budget proposed conforms to and supports the Council's plans and objectives and will enable the Council to make significant progress towards its visionary goals for 2011.
Principles	<p>Scrutiny will follow guidance on best practice as set out in the 'in the spotlight' briefing note published by the Centre for Public Scrutiny as follows:</p> <ul style="list-style-type: none"> ▪ Critical friend – challenging but constructive ▪ Engaging the public – understanding the process and the issues on behalf of the public ▪ Owning the process – authoritative, based on expert advice ▪ Making an impact – realistic approach, sensible suggestions
This protocol	<ul style="list-style-type: none"> ▪ Doesn't override the Council's constitution ▪ Is guidance to elected Members as to what has been agreed between Executive and Scrutiny ▪ Allows time for the Executive to consider options and to prepare proposals free from scrutiny ▪ Allows time for scrutiny to examine the key strategic issues and the choices facing the Council ▪ Provides that party political debate and challenge are reserved for the Council Chamber ▪ Sets out the basis for scrutiny which is to be evidence based and focussed on strategic issues
Confidentiality	<p>Subject to the rules about exempt information set out in schedule 12A of the Local Government Act 1972 (see Standing Order 50)</p> <ul style="list-style-type: none"> ▪ Consideration by scrutiny committees of options for service changes is to be 'in private'. ▪ Information about options for change is to be treated as confidential to the Council ▪ Information about the implications of options for change will be provided to scrutiny committees in confidence to the extent that it is available ▪ Scrutiny committees may decide to reserve their position if important information relevant to the consideration of the options cannot be provided at that stage ▪ Firm proposals for change will be scrutinised in public at the appropriate time ▪ Information released to Scrutiny about firm proposals will be treated as in the public domain

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What is being scrutinised	<ul style="list-style-type: none"> ▪ The big issues – e.g. budget pressures, policy changes ▪ Consistency and compliance – with corporate and service plans and progress towards the Council's visionary goals for 2011 ▪ Value for money – for taxpayers, residents and service users. ▪ Achievement of service standards ▪ Responsiveness to customers and the public – have their views and wishes been taken into account?
Who is being scrutinised	<ul style="list-style-type: none"> ▪ Questions of fact about the operational aspects of service delivery, the costs of services and the challenges facing services should be addressed to officers. ▪ Questions about the effectiveness of present policies and practices and about proposals for changes to services should be addressed to Executive Members. ▪ There will be some overlap and if an officer seeks or is asked to assist an Executive Member by providing supporting factual information this should be permitted.
Process	<ul style="list-style-type: none"> ▪ Members may have strong views based on party political principles about the allocation and deployment of resources and the extent and mode of delivery of services and questions arising from such should be allowed; however, ▪ Any Member of a committee scrutinising the budget may raise, as a point of order, an assertion that the present speaker is abusing the process by making an overtly party political point ▪ The Chair of the committee, having taken advice from the Director of Scrutiny or his representative, will give a ruling on the question of the appropriateness of the point in the context of the item under discussion ▪ If the Chair rules in favour of the complainant the present speaker will not be allowed to continue.
Timescale	<p><u>Stage 1 – September to early October</u> This is an opportunity for each scrutiny committee to receive a briefing about the overall budget prospects and the challenges facing the council this year and next year. It is also an opportunity for Members to hear and ask about any prospective service changes. This stage precedes the preparation of draft budgets and must therefore be based on information relating to the current year.</p> <p><u>Stage 2 – Executive 'purdah'</u> During this period scrutiny committees will not ask for information about next year's budget or seek to interview Executive Portfolio Holders about options or developing plans for next year's budget.</p> <p><u>Stage 3 – Scrutiny</u> 3.1 When the base budget and options for change have been produced these will be made available in confidence to the Scrutiny committees. The options for change provided to the scrutiny committees at this stage will have been developed by officers without any input from elected Members. This information will be available to</p>

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	<p>all Members of the Council. If Members or groups of Members request assistance from officers to develop alternative options or packages of options, such information will not be available to the scrutiny committees.</p> <p>3.2 The agenda and reports to the budget meeting of the Executive disclose in the public domain all of the proposals in relation to the service budgets and the overall budget position for the forthcoming year. This information will be released to Scrutiny as early as possible in the new year as soon as it is ready. Special meetings of the scrutiny committees can be arranged to take place immediately following the release of this information so that the committees can scrutinise the proposals to be considered at the budget meetings of the Executive and Council so that the views of the scrutiny committees can be conveyed to the Executive and/or the Council.</p> <p><u>Stage 4 – The overall picture</u> The overall picture will be considered by Performance Resources and Assets Scrutiny Committee at a meeting to which all Members of the Council will be invited.</p> <p><u>The Council Tax</u> The Executive will make its proposal as to the level of the Council tax at their budget meeting. However, consideration of and debate about the tax level should take place at the budget meeting of the Council and not at a scrutiny committee.</p>		
Timetable 2006/07	Stage 1		Environment and Non-executive Functions – 07/09/06 Performance, Resources and Assets - 14/09/06 Social Inclusion - 21/09/06 Regeneration and Citizenship - 05/10/06 Children and Young People - 12/10/06
	Stage 2	Oct to Nov	'Scrutiny Purdah'
	Stage 3	Dec/Jan	
	3.1	14/12/06	}Children and Young People, Environment and }Non-executive Functions, Performance, }Resources and Assets, Social Inclusion, }Regeneration and Citizenship
	3.2	5/02/07	
	Stage 4	7/02/07	All committees and Performance Resources and Assets – all Members of the Council invited

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Information	Stage 1	The format and content for this stage is unspecified; it will be relevant information provided to committees by Directors and Heads of Service about any significant challenges that will need to be addressed either to comply with the budget for the current year or in framing the budget for next year and about any service changes that may be under consideration.
	Stage 2	No information required.
	Stage 3	<p>3.1 Insofar as it is available at that time:</p> <p>Draft capital programme</p> <p>Draft Housing Revenue Account estimates</p> <p>Draft General Fund estimates – specification as for 2006-07 in terms of rows showing service and subjective analysis and columns showing past comparatives and the build up of the estimates.</p> <p>Options for changes to the base budget prepared by officers without Member input – reported in private.</p> <p>3.2 All the information about service budgets including the Executive's proposals to amend the base budget.</p>
	Stage 4	<p>All the information about service budgets including the Executive's proposals to amend the base budget plus the spend and resource equations for both capital and revenue budgets, highlighting where key strategic decisions are still required to be made.</p> <p>Any proposals to address the issues identified.</p> <p>The medium term financial strategy.</p>