

COMMITTEE: REGENERATION AND CITIZENSHIP SCRUTINY

DATE: 5th OCTOBER 2006

SUBJECT: BUDGET PROSPECTS

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 submit to all of the scrutiny committees the report of the Head of Corporate Finance on the prospects for the Council's budget for the forthcoming and subsequent years and the changes that have been made to the way in which the budget is developed and the evidence on which it is based. It also provides an opportunity for the Corporate Directors to brief the committees about key issues and major projects.

RECOMMENDATION(S)

2. **The Committees are recommended to consider the report, invite Heads of Service to comment on current year budget pressures and to indicate the challenges facing their services in the forthcoming year and ask questions in order to gain an understanding of the position as work begins on preparing the budget.**
3. **The committees are also recommended to receive briefings from the Corporate Directors about key issues and major projects.**

BACKGROUND

4. In recent years there has been a protocol agreed between Executive and Scrutiny governing the process by which the Council's budget has been scrutinised. The first stage in the process is this opportunity for the committees to gain an understanding of the Council's financial position and the outlook for next year and to have an input at the very beginning of the preparation of the budget.

REPORT

5. Attached as an appendix is the report of the Head of Corporate Finance to the Executive on the prospects and process for the Council's budget for 2007-08. The report includes at appendix C a draft protocol for scrutinising the budget for the forthcoming year as it is developed.
6. Heads of Service have been invited to attend so that they can appraise the committees of any challenges they anticipate in framing the budgets for their services. The disposition of Heads of Service in relation to scrutiny committees for budget scrutiny purposes has previously been agreed by the Scrutiny Board and has been amended to reflect the recent changes to the responsibilities of committees (Lifelong Learning/Children and Young People and Social Inclusion). The arrangements for this year are as set out in the following table:

| SCRUTINY COMMITTEE | SERVICE AREA COVERED |
|---------------------------------------|---|
| Environment & Non-Executive Functions | Environment & Regeneration Department <u>excluding</u> Regeneration (Laura Church) and Environmental and Consumer Services (Colleen Welfare) |
| Children and Young People | Children & Learning Department |
| Performance, Resources & Assets | Overall budget Corporate and Customer Services (Resources) Department |
| Regeneration & Citizenship | Regeneration (Laura Church) Environmental & Consumer Services (Colleen Welfare) Leisure & Community (Peter Jones) Chief Executive's Department |
| Social Inclusion | Housing and Community Living Department <u>excluding</u> Leisure & Community (Peter Jones) |

PROPOSAL/OPTION

- Members are asked to consider the report and any presentations and to ask questions so that they can gain an understanding of the backdrop to the preparation of the Council's budget.

LEGAL IMPLICATIONS

- There are no specific legal implications to this report as agreed with the relevant solicitor in legal services on 30th August 2006.

FINANCIAL IMPLICATIONS

- The financial implications are set out in the report attached at Appendix 1 to this report (paragraph no. 54).

APPENDIX

9. Appendix 1: Report of the Head of Corporate Finance entitled “2007/08 Budget Preparation and Strategy Update.”

LIST OF BACKGROUND PAPERS

LOCAL GOVERNMENT ACT 1972, SECTION 100D

10. Budget Scrutiny Protocol
Scrutinising finance and budgets – ‘in the spotlight briefing’ – Centre for Public Scrutiny