

**COMMITTEE:** ALL SCRUTINY COMMITTEES

**DATE:** 11<sup>TH</sup> DECEMBER 2008

**SUBJECT:** BUDGET SCRUTINY

**REPORT BY:** SCRUTINY MANAGER

**CONTACT OFFICER:** MARK FARMER 01582 546496

**IMPLICATIONS:**

|                   |   |                         |
|-------------------|---|-------------------------|
| <b>LEGAL</b>      | ✓ | <b>COMMUNITY SAFETY</b> |
| <b>EQUALITIES</b> |   | <b>ENVIRONMENT</b>      |
| <b>FINANCIAL</b>  |   | <b>CONSULTATIONS</b>    |
| <b>STAFFING</b>   |   | <b>OTHER</b>            |

**WARDS AFFECTED: NONE**

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### **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 the Budget Scrutiny Protocol for 2009-10, which is attached as Appendix A. It is based on the generic protocol used every year, which has been updated and adjusted to reflect this year's timetable.
4. As is evident from the new timetable, the budget prospects (Stage 1), have already been considered by all Scrutiny Committees at their meetings in September and October 2008. Stage 2 is the Executive

‘Purdah’, when scrutiny will not seek any information about next year’s budget. During Stage 3, all scrutiny committees will meet simultaneously on two occasions. On 11<sup>th</sup> December 2008, each committee will consider the budget options. On 2<sup>nd</sup> February 2009, committees will consider the budget proposals,

5. At Stage 4, the Performance Resources and Assets Scrutiny Committee will consider the overall budget 2009-10 at its meeting on 4<sup>th</sup> February 2009. All Members of the Council are invited to attend.

## **REPORT**

6. The key points contained in the Budget Scrutiny Protocol for 2009-10 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 new timetable for the process.
7. We are now at stage 3 of the process and the information being submitted to the scrutiny committees is the draft base budget for services for 2009-10.
8. 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.
9. Given prevailing circumstances, if scrutiny committees were minded to recommend rejection of options for reducing the budget, they should also consider what alternative proposals to recommend, to fulfil their role as ‘critical friend’.

## **PROPOSAL/OPTION**

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

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

11. Heads of Service will be present to respond to Members questions.
12. 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;
  - Implications for the Efficiency Strategy and Luton Excellence.

### **LEGAL SERVICES**

13. There are no legal implications to this report and this has been agreed with Richard Stevens, Head of Legal Services on 22<sup>nd</sup> November 2008.

### **APPENDIX**

15. Appendix A - Budget Scrutiny Protocol 2009- 10
16. Appendix B – Draft Base Estimates Data 2009-10 (To Follow)

### **LIST OF BACKGROUND PAPERS**

### **LOCAL GOVERNMENT ACT 1972, SECTION 100D**

17. Budget prospects report submitted to the September/October cycle of scrutiny committee meetings.
18. 'on the money – the scrutiny of local government finance' published by the Centre for Public Scrutiny in collaboration with the Local Government Information Unit and the Chartered Institute of Public Finance and Accountancy.