

Report of	Meeting	Date
Chairman of Overview & Scrutiny Committee	Executive Cabinet	1 December 2005

## SCRUTINY OF THE DRAFT BUDGET 2006/2007

### PURPOSE OF REPORT

- To inform members of the Executive Cabinet of the proposed process for scrutinising the Cabinet's draft budget proposal for 2006/2007, which will be circulated for consultation after the Executive Cabinet meeting scheduled for the 12 January 2006.

### CORPORATE PRIORITIES

- This report has no direct link to corporate priorities.

### RISK ISSUES

- The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy		Information	
Reputation		Regulatory/Legal	√
Financial		Operational	
People		Other	

- The robust scrutiny of the budget is regarded as good governance and may impact on the Council's further CPA ratings.

### BACKGROUND

- The Overview and Scrutiny Committee has been deliberating on its intentions with regard to the Scrutiny of the Cabinet's draft budget. This report outlines their proposal.
- Previous attempts to scrutinise the budget in relation to identifying priorities and through the analysis of business plans has to some extent not allowed the Scrutiny Committee to feel they have contributed effectively to the budget setting process. The 2006/2007 budget represents an opportunity to rethink its approach.

### SPECIFIC ISSUES

- The Overview and Scrutiny Committee is keen to be able to demonstrate that it has added value to the budget setting process. Consequently it proposes a slightly different approach to that taken previously. For 2006/2007 it proposes to scrutinise the following:
  - Areas of non-performance as identified in the Business Plan Performance Monitoring reports presented to Scrutiny throughout the year. The intention will be to see that the Executive Cabinet has allocated resources, if appropriate, to areas of non-performance in order to rectify the problem.



- Areas of high spend. The intention is to undertake a review of the Council's spending, not just at budget setting but throughout the year to consider whether the Council's policies and objectives are being delivered whilst at the same time delivering value for money for the Council tax payer.

The recent Value for Money Self Assessment undertaken by the Council identified a number of areas of high cost compared to the Council's nearest neighbours. The intention will be to try to identify why this is and enable the Executive Cabinet to comment on the findings of the Overview and Scrutiny Committee.

- To review the 'Corporate Basket' of priorities/key actions included in the new Corporate Plan. The new priorities may require a reallocation of resources within the units to help achieve strategic objectives.

8. In addition, the Overview and Scrutiny Committee would welcome the opportunity to comment on any of the draft budget proposals including any savings or growth items that are proposed.

9. I therefore propose to look in more detail at the following areas and invite the relevant Executive members and Head of Services to the Overview and Scrutiny Panel meetings to discuss budget issues in relation to that service.

Community Overview & Scrutiny Panel	Planning Services
Customer Overview & Scrutiny Panel	Revenues & Benefits
Environmental Overview & Scrutiny Panel	Environmental Services

10. These three services were identified as upper quartile costs in the VFM Self Assessment. There may be valid reasons for this being the case and the purpose of the Scrutiny would be to explore in more detail why the services are showing as upper quartile in cost terms.

11. As this is a new approach, and the Committee's first attempts at looking at costs in detail, it may be the case that some of the Scrutiny questions/queries cannot be answered, but over time I hope that through the process of budget scrutiny the Committee will be able to add value but also feel as though they have been effective in the Scrutiny of the Council's budget.

## MEETING TIMETABLE

12. The budget consultation process must be completed before the last week of February 2006. Therefore subject to Member agreement, it is proposed that the following Scrutiny meetings be held.

Executive Cabinet	12 January 2006	Draft budget for consultation approval
Overview and Scrutiny Committee	19 January 2006	Initial consideration of the Draft budget proposals
Environment Overview & Scrutiny Panel	2 February 2006	Review of Environmental Services budget
Customer Overview & Scrutiny Panel	7 February 2006	Review of Revenues & Benefits budget

Community Overview & Scrutiny Panel      8 February 2006      Review of Planning Services budget

Overview & Scrutiny Committee (Special meeting)      16 February 2006      Feedback from Panels and review of the budget consultation documents. Identification of issues for Executive Cabinet

13. The scheduled meetings of the Environment O&S Panel on 15 February and the Customer O&S Panel on 22 February 2006 will need to be cancelled to meet the above timetable.
14. The views of the Overview and Scrutiny Committee expressed at its meeting on 16 February 2006 will be submitted to the Special Executive Cabinet meeting to be held on 23 February 2006 for the purpose of determining the proposals for the 2006/07 budget to be considered by the Council on 7 March 2006.

### **RECOMMENDATIONS**

15. That the Executive Cabinet note as a point of information the proposed involvement of the Overview and Scrutiny Committee and its Panels in the 2006/07 budget consultation process.

### **REASONS FOR RECOMMENDATION(S) (If the recommendations are accepted)**

- 16 To enable the Overview and Scrutiny Committee and its Panels to contribute effectively to the budget setting process.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

17. None

GARY HALL  
DIRECTOR OF FINANCE

There are no background papers to this report.

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Gary Hall	5480	16 November 2005	ADMINREP/REPORT