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**Meeting:** Executive  
**Date:** 8 June 2010  
**Subject:** Budget Task Force Observations & Recommendations  
**Report of:** Budget Task Force  
**Summary:** The report details the outcomes flowing from a meeting of the Budget Task Force, which reconvened recently to reassess its original recommendations (as described in Appendix A of the Executive report "Budget Setting Process 2011/12") in light of the receipt and consideration of said Executive report.

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**Advising Officer:** Bernard Carter, Overview & Scrutiny Manager  
**Contact Officer:** Bernard Carter, Overview & Scrutiny Manager  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Executive  
**Key Decision** Yes  
**Reason for urgency/  
exemption from call-in  
(if appropriate)** N/A

#### **CORPORATE IMPLICATIONS**

**Council Priorities:**

The Budget Setting Process will contribute indirectly to all 5 Council priorities.

**Financial:**

The Financial implications are set out in the report.

**Legal:**

None

**Risk Management:**

Areas of ongoing underperformance are a risk to both service delivery and the reputation of the Council.

**Staffing (including Trades Unions):**

None

**Equalities/Human Rights:**

A longer-term approach to the scrutiny of the budget will mean that all of the implications of change, and their potential adverse impact on specific communities within the region can be identified and addressed as appropriate.

**Community Safety:**

None

**Sustainability:**

None

**RECOMMENDATION:**

**That the Executive considers and responds to the observations and recommendations contained in paragraphs 4 to 12 of this report.**

*Reason for Recommendation(s): So that the Executive can take full account of the final recommendations and observations of the Budget Task Force when considering its own Budget Setting Process 2011/12 report contained elsewhere on today's agenda.*

**Introduction**

1. The Executive will be aware of the existence of a Budget Task Force, established by the Customer & Central Services Overview & Scrutiny Committee (OSC), which has recently reviewed the Authority's budget setting process and made recommendations thereon.
2. Although these recommendations were endorsed in full by the OSC at its meeting of 17 May, this endorsement was made without sight of the Portfolio Holder's Budget Process 2011/12 report contained elsewhere on today's Executive agenda. The OSC therefore authorised its Task Force to meet again to reassess its original recommendations in light of the receipt and consideration of the Portfolio Holder's report and submit any additional observations and recommendations as a result directly to the Executive's meeting of 8 June 2010.
3. This report presents these additional observations and recommendations and should be read in conjunction with the Task Force's original recommendations, replicated in full at Appendix A of the Portfolio Holder's Budget Process 2011/12 report.

## Observations and Recommendations

### *Task Force Recommendation (i)*

4. The Task Force was pleased to note that the Budget Setting Process Timetable (the Timetable) made early reference to the development of critical outcomes against each of the Council's five priorities; however it is imperative that these outcomes are formally approved by the Executive and full Council before the budget setting process can effectively proceed. The Executive is therefore requested to include such approvals in the Timetable.

### *Task Force Recommendation (ii)*

5. The Task Force was pleased to note that in general terms the Portfolio Holder's report had taken account of this recommendation however, it would request that the Executive considers, endorses and/or addresses the following points:-
  - (i) That the Timetable be enhanced by clearly identifying those critical dates within it that can not slip;
  - (ii) That the Timetable be amended to include additional OSC review in the January cycle of committee meetings (and before 8 February Executive) **should it be considered necessary** i.e. where significant changes have been made to budget proposals following the OSC's consideration of directorate budgets in the November cycle of meetings;
  - (iii) That the Timetable be amended to allow an OSC Task Force to review the robustness and accuracy of the budgets following production of detailed budget proposals but prior to 2 November Executive i.e. sometime in October. This would then allow individual OSCs to concentrate their efforts on challenging budget proposals against corporate priorities and service outcomes in the November cycle of meetings; and
  - (iv) That the Executive confirm that the Timetable has been adhered to thus far and is therefore on schedule.

### *Task Force Recommendation (iii)*

6. Although the Task Force recognised that the proposals contained within the Portfolio Holder's report attempt to improve the challenge process (compared to last year), unfortunately the report contained insufficient detail to assess the effectiveness of these proposals. The Task Force therefore believes it is essential that the robustness and accuracy of the budget proposals are challenged via Task Force review as outlined in 5 (iii) above.

#### *Task Force Recommendation (iv)*

7. Although the proposals contained within the Portfolio Holder's report referred to the production of a Medium Term Financial Strategy (MTFS), it was the Task Force's view that it contained insufficient detail and would be prepared too late to effectively drive the budget setting process. For this reason, the Task Force would wish to reiterate its recommendation (iv) regarding the need for a longer term Corporate Plan, which is a "live document" and request the Executive to respond accordingly.

#### *Task Force Recommendation (v)*

8. Whilst the Task Force was pleased to note that the MTFS would take account of the level of efficiencies required throughout the organisation, it was nevertheless concerned to note mention of a funding gap of £30M, inclusion of which forms no part of a process based review and which additionally, is unsubstantiated within the confines of the report. The Executive is therefore asked to comment upon the inclusion and substance of such a figure.

#### *Task Force Recommendation (vi)*

9. Whilst the Task Force had not seen a "Budget Pack" as such, it was pleased to note that the proposals contained reference to the production and distribution of guidance for budget managers. It did however wish the Executive to endorse the need for such guidance to include a request to budget managers to clearly identify:-
  - (i) Cost Drivers for demand led budgets; and
  - (ii) One off, short term expenditure such that underlying expenditure can be identified.

#### *Task Force Recommendations (vii), (viii) and (ix)*

10. The Task Force was disappointed to note that the issues associated with the above recommendations had not been recognised within the Portfolio Holder's proposals but understood to some degree that they did not necessarily form part of a budget process report. Nevertheless, the Task Force believes these issues are critical to the successful delivery of good financial management, particularly so budget ownership, which is a fundamental building block of such. The Task Force therefore calls upon the Executive to respond positively to these recommendations and outline how they will be addressed.

#### *Portfolio Holder's Report (What involvement was there from Scrutiny?)*

11. The Task Force was pleased to note that the Portfolio Holder has recognised at paragraphs 15 to 17 of his report that Overview & Scrutiny was hampered from challenging effectively by a lack of information and opportunity, and calls upon the Executive to ensure that this does not happen again.

*Portfolio Holder's Report (Overview & Scrutiny)*

12. The Task Force was concerned with the meaning and content of paragraph 53 of the Portfolio Holder's report and therefore requests the Executive considers amending it as follows:-

“Overview & Scrutiny will be given greater **support in** their role for 2011/12. It is expected that Overview & Scrutiny **Committees** will have a greater degree of challenge on the relationship between the proposals and corporate priorities and service outcomes, **assisted by robust and separate Task Force** challenge on the accuracy of the data provided to them.”

**Appendices:** None

**Background Papers:** None

**Location of papers:** n/a