

From: Lynda McMullan, Director of Finance

To: Scrutiny Board – 22 April 2010

Subject: POSC IMGs on Budget Issues

Summary: To explore the involvement of POSC IMGs in developing budget options

1. Background

1.1 Policy Overview and Scrutiny Committees receive regular updates throughout the year on the budget. At each meeting the latest budget monitoring for the portfolio is reported and in November and January the committee receives information and is asked to comment on portfolio budget proposals for the forthcoming year and medium term plan.

1.2 In November the POSC is asked to comment on its priorities for the forthcoming year and medium term plan and in January the committee is asked to comment on the Cabinet proposals which have been published for formal consultation. Despite receiving regular monitoring reports throughout the year POSC members often find it difficult to comment on priorities in the November round of meetings without detailed knowledge of the overall resource framework the County Council are operating within and specific issues affecting budgets within the portfolio.

1.3 For the last couple of years we have suggested that POSCs set up an Informal Member Group which can to explore budgets in more detail and evaluate various options for budget changes within the portfolio. In 2009/10 we provided IMGs with a budget simulation tool to help them prioritise spending.

1.4 Traditionally these IMGs have met between the November and January meetings with the January report including a summary of their recommendations and the Cabinet member's response within the proposed budget.

1.5 We also have an authority budget wide IMG which receives similar updates on budget monitoring reports for the whole council throughout the year and consultation on forthcoming budget and MTP proposals in November and January.

2. Options for the Future

2.1 It is difficult to engage with IMGs much earlier in the budget setting process and have a meaningful conversation based on knowledge of the overall resource framework. If we end up getting another 3 year settlement from Government then we could have an earlier debate but even then we would not have any certainty on the level of Council Tax which increasingly

has assumed greater importance in the budget as the proportion of resources raised locally has increased.

2.2 Currently there is different practice between individual portfolios and last year only the Corporate Services POSC received detailed IMG proposals on the forthcoming budget and the portfolio member's response. Some differences in practice are inevitable but there would be merit in the authority wide IMG reviewing the information presented to POSCs and recommending good practice.

2.3 There is also merit in each POSC considering whether an IMG could examine budget monitoring in more depth outside POSC meetings. This would have the benefit of giving individual members greater knowledge of the budgets within the portfolio but could have an impact on finance staff resources which are already pressed to produce the existing cabinet reports if IMGs asked for information in a different format.

2.4 Finally we are also considering changes to the presentation of the budget book to provide more information and there could be a role for IMG to consider what information should be presented so that we can strike the right balance between providing sufficient information and enabling directorates to have adequate authority to carry out their functions without having to continually seek authority through the decision making process.

3. Recommendations

3.1 Scrutiny Board is asked to comment on the future role of IMGs in the budget setting process.

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