

Meeting:	Overview and Scrutiny Committee
Date:	25 th September 2007
Subject:	Standing Scrutiny Review of the Budget – Initial Scope
Key Decision: (Executive-side only)	No
Responsible Officer:	Lynne McAdam, Service Manager Scrutiny
Portfolio Holder:	Cllr David Ashton Finance and Portfolio Co- ordination Portfolio Holder
Exempt:	No
Enclosures:	Appendix One – Initial scope for the Standing Scrutiny Review of the Budget

Section 1 – Summary and Recommendations

This report introduces initial discussion on the potential scope for the Standing Scrutiny Review of the Budget

Recommendations:

Councillors are asked to:

- i. Comment on the content of the initial scope for the standing review
- ii. Ask members of the review to develop this scope further
- iii. Report back with a final version of the scope to a future meeting of the Overview and Scrutiny committee

Reason: (For recommendation)

To enable the work of the standing scrutiny review of the budget to commence

Section 2 – Report

Background (if needed)

One of the key roles of the Overview and Scrutiny committee is to comment on and support the development of the council's budget. Traditionally this has been done via a presentation from the Director of Finance to a regular meeting of the Overview and Scrutiny committee.

As scrutiny has developed, and the options available to councillors to undertake their role have expanded, the committee has used different methods to investigate the budget making process. Last year saw the establishment of a challenge panel and this year councillors have decided to establish the standing scrutiny review of the budget. This will see the same group of councillors meet on a regular basis throughout the year to consider how budget planning is progressing.

The committee has also decided that, in order not to duplicate the work of other groups that support the development of the budget, the focus of the review should be on the longer term context within which the budget is set and also how far the council has considered the longer term impact of the budget decisions it makes in year.

The initial scope for the review is attached as Appendix One

Current situation

Arrangement for scrutinising the budget currently consist of one-off budget challenge panel or item on committee agenda

Why a change is needed

These processes do not offer a sufficiently robust challenge to the budget making process.

Main options

The option under consideration is the establishment of a standing scrutiny review of the budget to consider long term context within which the budget is set.

Other options considered

Previous options for challenging the budget setting process have lacked the rigour that councillors have identified as necessary to make a effective contribution to budget making.

Recommendation:

To consider the initial scope for the standing scrutiny review of the budget.

Considerations

Resources, costs and risks

Resources necessary to establish and support the standing review will be met from the scrutiny budget. Support, will be also be required from the Director of Finance.

The establishment of the standing review represents an opportunity to improve scrutiny of the budget. Consideration of the longer-term context within which the budget is set offers an opportunity to enhance the council's budget setting process and reduce duplication of effort.

Staffing/workforce

There are none specific to this report.

Equalities impact

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 borough can be identified and addressed as appropriate

Community safety (s17 Crime & Disorder Act 1998)

There are none specific to this report

Legal Implications

There are no legal implications arising from this report.

Financial Implications

Any costs relating to the standing review will be met from the scrutiny budget

Performance Issues

Current KPI's and Likely impact of decision on KPI's

Scrutiny performance management issues

Recommendations matrix attached as appropriate

Section 3 - Statutory Officer Clearance

Name: Sheela Thakrar	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 14 th September 2007		
Name: Jill Travers	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 14 th September 2007		

Section 4 - Contact Details and Background Papers

Contact: Lynne McAdam, Service Manager Scrutiny
020 8420 9387

Background Papers: None

If appropriate, does the report include the following considerations?

1.	Consultation	YES
2.	Corporate Priorities	YES

APPENDIX ONE

HARROW COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

2007/08

STANDING SCRUTINY REVIEW OF BUDGET - DRAFT SCOPE

1	SUBJECT	Standing Scrutiny Review of Council Budget
2	COMMITTEE	Overview and Scrutiny Committee
3	REVIEW GROUP	Cllr Noyce – Chairman (has been invited) Cllr Gate Cllr Green Cllr Idaikkadar Cllr Kinnear Cllr McLeod Cullinane Cllr Stephenson Cllr Teli Cllr Weiss Cllr Mudhar
4	AIMS/ OBJECTIVES/ OUTCOMES	To support the council to develop a robust budget that is prepared in the full understanding of the changing local government financial environment and the changing policy environment for service delivery
5	MEASURES OF SUCCESS OF REVIEW	<ul style="list-style-type: none">• Budget setting process is informed of impending policy changes• Long term budgetary implications are flagged up and risks mitigated• Cabinet acknowledge the support of the standing review
6	SCOPE	<ul style="list-style-type: none">• To consider the long term policy and financial framework within which the budget is being prepared• To consider the long term implications of the decisions made in-year
7	SERVICE PRIORITIES (Corporate/Dept)	Deliver Value for Money
8	REVIEW SPONSOR	Chief Executive
9	ACCOUNTABLE MANAGER	Corporate Director of Finance
10	SUPPORT OFFICER	Service Manager Scrutiny
11	ADMINISTRATIVE SUPPORT	TBC
12	EXTERNAL INPUT	Deloitte & Touche Audit Commission

13	METHODOLOGY	<p>To meet as a standing review group on a regular (possibly quarterly) basis to consider the council's budget preparation process and assess:</p> <ul style="list-style-type: none"> • how effectively the council is addressing changes to the local government financial regime and policy changes in other areas of service delivery that will have a consequence for the borough and • the long term implications of budget decisions and how risks associated with these decisions have been addressed. <p>Phase One</p> <ul style="list-style-type: none"> • Desktop analysis to clarify the regime within which the council's budget is set • Desktop analysis of potential changes to this regime • Desktop analysis to identify other potential changes to policy which may have significant impact on council's financial standing <p>Phase Two Roundtable discussion with officers to confirm the assessment of impact of change</p> <p>Phase Three Round table consideration of budget proposals in the light of the impact of change identified in phases one and two to assess how well the council is addressing these changes</p> <p>Phase Four Consideration of budget proposals to assess how effectively the council is anticipating the impact of current funding decisions in the longer-term.</p>
14	EQUALITY IMPLICATIONS	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 borough can be identified and addressed as appropriate.
15	ASSUMPTIONS/ CONSTRAINTS	<ul style="list-style-type: none"> • The review assumes the availability of financial information at appropriate times in the budget making process • The project will be constrained by the finances available to the scrutiny team
16	SECTION 17 IMPLICATIONS	There are none specific to this report
17	TIMESCALE	Ongoing
18	RESOURCE COMMITMENTS	Service Manager Scrutiny
19	REPORT AUTHOR	<ul style="list-style-type: none"> • Lynne McAdam • Chairman of the review

20	REPORTING ARRANGEMENTS	Outline of formal reporting process: To Service Director [] When..... To Portfolio Holder [] When..... To CMT [] When..... To Cabinet [] When.....
21	FOLLOW UP ARRANGEMENTS (proposals)	