

Meeting:	Overview and Scrutiny Committee
Date:	4 <sup>th</sup> November 2008
Subject:	Standing Scrutiny Review of the Budget – Initial Report
Responsible Officer:	Tom Whiting Assistant Chief Executive
Portfolio Holder:	David Ashton Performance, Communication and Corporate Services Portfolio Holder
Exempt:	No
Enclosures:	Initial Report from the Standing Scrutiny Review of the Budget

## Section 1 – Summary and Recommendations

This report accompanies the initial report from the standing scrutiny review of the budget

### **Recommendations:**

The Committee is requested to:

- i. Approve the report and recommendations from the standing scrutiny review of the budget
- ii. Consider and comment upon the proposed programme of activity for phase two of the review
- iii. Refer the report to Cabinet
- iv. Call for a further report on completion of the activities included in phase two – summer 2009

## **Section 2 – Report**

### **Background**

As part of the 2008/09 work programme, the Overview and Scrutiny committee commissioned a standing review to consider the council's budget setting process. This was in response to a growing recognition of the need to improve scrutiny's consideration of the budget.

The review has been meeting since October 2007 and has received a range of evidence regarding the council's processes and national best practice. Councillors have also been able to visit a number of other boroughs to discuss with them their views on managing a council's finances.

This report marks the completion of the first phase of the project, which councillors agreed should focus on the council's own budget setting process. The next phase in the review will consider some of the longer term issues which if effectively addressed, might improve the council's financial performance. The outline of the work programme for the next phase is included in Appendix Two of the report.

### **Financial Implications**

There are no financial implications associated with the delivery of this project as costs will be met from within the existing scrutiny budget.

### **Performance Issues**

The council's use of resources score is '2' which breaks down as per the table below.

<b>Auditor judgements</b>	<b>2007</b>
Financial reporting	2
Financial management	2
Financial standing	1
Internal control	3
Value for money	2

It is anticipated that this long-term project will support the improvement of the council's financial performance and its ambition to score '3' this year.

### **Risk Management Implications**

There are no risks associated with this report.

Risk included on Directorate risk register? No

Separate risk register in place? No

### Section 3 - Statutory Officer Clearance

Name: Sheela Thakrar	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 22 <sup>nd</sup> October 2008		
Name: Hugh Peart	<input checked="" type="checkbox"/>	Monitoring Officer
Date: 21 <sup>st</sup> October 2008		

### Section 4 - Contact Details and Background Papers

Contact: Lynne Margetts, Service Manager Scrutiny, 020 8420 9387

Background Papers: Initial report of the scrutiny standing review of the budget.

If appropriate, does the report include the following considerations?

1.	Consultation	NO
2.	Corporate Priorities	NO