

Cheltenham Borough Council**Social & Community Overview and Scrutiny Committee - 20th
October 2003****2004/05 Budget Review****Report of the Assistant Director Finance and Asset
Management****1. Summary and recommendation**

- 1.1 The purpose of this report is to provide members with some background and guidance to the budget review process to be undertaken by members of the committee.
- 1.2 **It is recommended that members review the budgets for services within the Group using the criteria set out within this report.**

2. Background

- 2.1 The Deputy Exchequer expressed a desire to see an increased role of the overview and scrutiny committees in the budget setting process for 2004/05 and suggested that they consider certain areas of work. The chair of the committee has agreed to support this approach and requests that members review the current level of budgets and potential growth bids for 2004/05.

3. Review of base budgets for 2003/04.

- 3.1 Members have been supplied with extracts from the Councils budget book (Appendix 1) for the areas under review. This information summarises the cost of services using the standard CIPFA classification of income and expenditure which will allow members to focus debate on strategic issues.
- 3.2 In reviewing the base budgets members are tasked with determining the following:
 - Review of additional growth added to budgets in 2003/04, contained in Appendix 2 - i.e. an analysis of impact on service.
 - Identify any potential areas of savings and efficiencies - with implications on service.
 - Identify any growth requirements resulting from policy or statutory changes and the method of financing from within the area under review. These should also identify, where applicable, how they complement the Corporate Plan.
- 3.3 Assistant Directors and / or Heads of Service and the representative from Financial Services will assist members in reviewing the budgets.
- 3.4 A proforma will be issued to each working group to capture the outcome of the reviews which would be fed back through the Economy and Business Improvement Overview and Scrutiny chairman in order to collate the review work and feed back to Cabinet for consideration in setting the Cabinet's budget for consultation.

4. Review of Capital / Revenue Bids

- 4.1 Bids from service managers for additional resources are expected back by 24th October 2003. In advance of having these detailed bids, overview and scrutiny committees are invited to discuss outline bids, to support them and rank them in order of priority. This will be fed back to Cabinet.

5. Future work in respect of budget for 2004/05.

- 5.1 In early December, the Cabinet will have determined the budget on which it will consult. Overview and scrutiny committees are invited to give their views on the budget. The Deputy Exchequer will attend the December / January round of meetings to present the budget. Views of overview and scrutiny committees will be fed back to the Cabinet for consideration in finalising the budget proposals for the Council meeting in February 2004.
- 5.2 It is not intended that overview and scrutiny committees determine alternative budget scenarios but that they feed into the main process

6. Implications

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| 6.1 | Financial | The feedback from the reviews will form part of the consultation work fed back to the Cabinet. |
| 6.2 | Legal | The budget development process is governed by the Budget and Policy Framework Procedure Rules (contained in the Council Constitution) and the process recommended in this report is designed to meet and surpass the requirements of those Rules. |
| 6.3 | Human Resources | None at this stage, other than the need to ensure proper consultation with staff and trade unions in relation to the budget setting process and implications arising therefrom |
| 6.4 | Equal opportunities, social justice and anti-poverty | It is anticipated that the budget process, through improved consultation, will address these issues. |
| 6.5 | Environmental | None arising from this report |

Background papers

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Accountability	Councillor James Stuart Smith
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Scrutiny Function	All
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