

Information/Discussion Paper

Social & Community Overview and Scrutiny Committee

Budget Reviews

This note contains the information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed

1. Why has this come to scrutiny?

- 1.1 Members are requested to identify potential areas for cost review either at the meeting, via the committee chairman or by notifying the Assistant Director Finance and Asset Management.

2. Summary of the Issue

- 2.1 Following concerns raised by both officers and members about the effectiveness of the budget process, the Economy and Business Improvement Overview and Scrutiny Committee set up a Budget Process Review Group to examine the way in which the Council approached annual budget setting. The Group proposed a number of recommendations for revision to the budget process which were approved by members of the Economy and Business Improvement Overview and Scrutiny committee and incorporated in the budget strategy report approved by Cabinet on 28th September 2004.

- 2.2 One of the areas considered by the budget review Group was the mechanism for reviewing the cost of services and the role of Overview and Scrutiny Committees in reviewing the budget. The Group agreed that the existing method of budget scrutiny was not working and suggested that 'cost of service reviews' should be ongoing. It was recommended that scrutiny committees should identify a programme of services for cost review which, depending upon the number of services identified, may be over a number of budget cycles. This should be linked where possible to the review of services under the best value programme. Members also agreed that the best forum for these reviews were informal member / officer working groups rather than involving the whole committee.

3. Scope of the Budget / 'cost of Service' Reviews

Members are encouraged to use the reviews to gain a deeper understanding of the service area and its pressures / issues and determine whether:

- 3.1 Services represent value for money.

- 3.2 Are there any ways in which the cost of the service could be reduced recognising the

potential impact of a reduction.

- 3.3** Is there any other way in which the service could be undertaken which should be given further consideration.
- 3.4** How does the service standard / cost compare with other authorities.

4. Next Steps

- 4.1** Members are requested to identify cost centre or areas of expenditure, under the committee's control, which they would wish to review either at the meeting or via the committee chairman. The full list of suggestions will be presented to a future committee meeting for members to determine a programme of future reviews.

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| Background Papers | Budget Process and Strategy Cabinet report 28 th September 2004 |
| Contact Officer | Mark Sheldon, Assistant Director finance and Asset Management, 01242 264123, mark.sheldon@cheltenham.gov.uk |
| Accountability | All Overview and Scrutiny committees |
| Scrutiny Function | All Overview and Scrutiny committees |