



Scrutiny Committee
6 August 2014

Report from Assistant Chief Executive

For Information

Budget Scrutiny Panel - Terms of Reference

1. Summary

- 1.1 This paper sets out the proposed terms of reference for the Budget Scrutiny Panel. The Panel will be responsible for providing scrutiny of the council's budget proposals as they are developed for the financial year 2015/16 and beyond. The panel will meet from September 2014 through to March 2015 to review the council's emerging budget proposals and provide feedback to the Cabinet. The Budget Panel will produce a final report reflecting their discussions and findings to the Cabinet and to Full Council in March 2015.

2. Recommendations

- 2.1 Members of the Scrutiny Committee are recommended to agree the proposed terms of reference for the Budget Scrutiny Panel attached at Appendix A.

3. Detailed Considerations

- 3.1 The budget panel will review the council's financial performance, medium term financial strategy, budget proposals and measures being taken to set a robust budget capable of delivering the administration's priorities while achieving a balanced budget. This includes examining the main issues, risks and pressures facing the council and the actions being taken to mitigate them. In addition, the panel report aims to be a source of accessible information for all non-cabinet councillors, thus enabling robust challenge and debate on the administration's budget proposals. The budget panel should mirror that of the budget setting process and will meet to review the emerging budget strategy from September 2014 through to March 2015.

The Budget Scrutiny Panel has three opportunities to make its views known to the Cabinet and to the council as a whole. These are:

- First reading debate in November 2014, when the administration provides an initial outline of their priorities and budget strategy for the coming financial year.

- First interim report in January 2015 when the Cabinet makes their budget proposals.
- Final report on the budget to Full Council in March, which builds on the interim report and includes detailed recommendations.

3.2 The financial context within which the council is setting the budget for 2015/16 and beyond is the most challenging faced by local government in the UK. The continued reductions in central government funding, along with increased demand from a growing population, present significant and far-reaching choices for the Council.

3.3 Brent Council will continue to face difficult decisions about which services are delivered in the future, how they are provided, as well as the size and shape of the organisation that will be sustainable in the future. The main issue is how the administration proposes to set a balanced budget achieving significant savings whilst delivering on its priorities and taking advantage of any opportunities to innovate.

The panel's remit will include:

- Informing the budget setting process through scrutiny of the emerging proposals and reflecting the views of members and their constituents.
- Assisting in the setting of the council's budget within the context of the Administrations priorities and the needs of Brent residents.
- Supporting the longer term service planning of the council by focusing its discussions on the Medium Term Financial Strategy, the principles for budget setting, the robustness of the budget and the ability to deliver savings, key revenue budget outputs and decisions, and key capital budget outputs and decisions.
- Identifying potential budget risks and assessing the robustness of mitigating actions
- Reviewing the delivery of efficiency savings from transformational change projects within the One Council Programme.
- Scrutiny of the Capital Programme
- Effective management of budget pressures due to increases in population and demand.

3.4 The Budget Scrutiny Panel will be chaired by Cllr Aslam Choudry, Chair of Scrutiny and will be composed of 7 other members. In order to fulfil their remit the panel will hold a series of meetings with:

- The Operational Director of Finance, who can provide provided regular updates on the budget process, budget gap, budget pressures and the future financial prospects for the council.

- The Strategic Director of Regeneration & Growth who can provide information about the capital programme
- The Programme Management Office Manager who can provide an overview of the One Council Programme and projected savings.
- All Strategic Directors of council services who will provide updates on their department's current budget position, actions being taken to control budget pressures deliver projects which aim to making savings and efficiencies and potential innovation.
- The Leader of the Council and Lead Member for Finance and Resources to answer questions, discuss the First Reading Debate Papers and set out the administration's approach to setting a robust budget.

3.5 Attached at Appendix A are the terms of reference for the Budget Scrutiny Panel.

4. Financial Implications

4.1 There are no direct financial implications arising from this report. However the purpose of the budget scrutiny panel is to ensure that the members of the Scrutiny Panel are able to influence and inform the medium term financial strategy of the council and ensure that financial and service risks are appropriately scrutinised.

5. Legal Implications

5.1 Under the terms of reference for the Scrutiny Committee agreed by Full Council in the constitution the committee is empowered to review or scrutinise the decisions made or other action taken in connection with the discharge of any of the Authority's executive functions including the process and setting of the councils budget and medium term financial strategy.

6. Diversity Implications

6.1 As part of the scrutiny of the council's budget proposals, the panel will take into account the potential diversity impacts arising from the budget process and ensure that adequate diversity impact assessments are undertaken for all changes in service provision.

Contact Officers

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Appendix A

Budget Scrutiny Panel Terms of Reference

Membership

- The Panel is comprised of 8 councillors.
- None of the members shall be members of the Executive.

Terms of Reference

The Budget Scrutiny Panel shall perform the following functions. These functions are subject to the limitations set out below.

1. To participate in the budget setting process in accordance with the provisions of Standing Order 25.
2. To facilitate the setting of the Council's budget within the context of the Corporate Strategy and any other overarching partnership strategies.
3. To support the longer term service planning of the Council by focusing its discussions on the Medium Term Financial Strategy, the principles for budget setting, the robustness of the budget and the ability to deliver savings, key revenue budget outputs and decisions, and key capital budget outputs and decisions.
4. To monitor spend compared to budget and the management of financial and other resources of the council and spend compared to budget.
5. To produce and publish a report to Full Council on its discussion and findings.