

**OVERVIEW AND SCRUTINY COMMITTEE
BUDGET PROCESS TASK AND FINISH GROUP
REPORT AND RECOMMENDATIONS
JULY 2010**

CONTENTS

	Page
1 INTRODUCTION	1
2 MEMBERSHIP OF THE TASK AND FINISH GROUP	1
3 TERMS OF REFERENCE	1
4 FINDINGS	1
5 CONCLUSIONS AND RECOMMENDATIONS	2
6 ACKNOWLEDGEMENTS	5

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1 INTRODUCTION

1.1 The purpose of the report is to set out the Recommendations of the Budget Process Task & Finish Group.

1.2 The Group met on the following dates –

- 14 April 2010;
- 19 May 2010; and
- 14 July 2010

2 MEMBERSHIP

2.1 The Task and Finish Group had cross-party membership comprising of –

Councillor Declan Wilson – Spokesperson / Chair
Councillor Jim Porter
Councillor Mary Smith

3 TERMS OF REFERENCE

3.1 The Task and Finish Group was established to consider –

- The Budget Consultation process
- Scrutiny of the Budget
- Budget Monitoring
- Member Training
- Annual Council (Budget) meeting

4 FINDINGS

4.1 At its meeting on 14 April, the Task and Finish Group took evidence from Peter Gillett – Corporate Director for Resources and Steve Phelps – Group Manager, Financial Services.

4.2 Steve Phelps set out the background to the Three Year Money Plan (TYMP) and provided details of the timeline for setting the budget each year. The internal process had previously started in about September each year but in more recent years the process had started in early August. Peter Gillett said that he welcomed Scrutiny's involvement in reviewing the process. He talked about the TYMP and the annual budget setting process. He felt that Scrutiny could have a different role in looking at each of these issues. In addition, Scrutiny would need to establish an informed approach to any in-year budgetary monitoring, eg –

- Looking at savings and income targets
- Considering how the Council is progressing against these targets

4.3 Any Budget Monitoring Report could be considered at the same time as the Performance Monitoring Report. The Council could also consider moving to a Five Year Money Plan.

- 4.4 It was noted that Members would need additional training on all these aspects if they were to add value to any process. It was disappointing that only three Members attended the training course held earlier in the year.
- 4.5 Peter Gillett advised that the TYMP was approved by Council in September / October and that Scrutiny could look at it at that stage. They could also look at any possible public consultation to be carried out on the TYMP.
- 4.6 The following outline timetable was suggested, subject the receipt of figures from Government –

Cabinet – 1 September
O&S Committee – 6 September
Council – 15 September

(Note: since establishing the timetable it has been confirmed that the Government figures will not be available until October and so the timetable has been amended as set out in Recommendation 1 below)

- 4.7 Peter Gillett advised that following on from the initial discussions, there would be a line-by-line review of all budgets within each Directorate. This was an objective challenge including a review of all services and included looking at –
- Current budget
 - Short or one off pressures
 - Longer term plans / pressures
 - Savings Plans
- 4.8 Cabinet Members would be briefed on the discussions coming from the service reviews.
- 4.9 The Task and Finish Group asked whether each Cabinet Member could present detailed budgets to Scrutiny / Council, and if so, at what stage in the process could Scrutiny add more value by looking at the budgets in more detail.
- 4.10 It was agreed that Scrutiny could add more value to the process by reviewing the draft budget prior to public consultation (December) than was currently added when looking at the budget in February. If Scrutiny was to look at the budget in December then consideration should be given to inviting all Members to attend and participate in that meeting.

5 CONCLUSIONS AND RECOMMENDATIONS

- 5.1 The Task and Finish Group felt that the Overview and Scrutiny Committee could add more to the budget setting process by gaining a better understanding of the Three Year Money Plan. To achieve this it is recommended that both the Cabinet and Overview and Scrutiny

Committee consider the Three Year Money Plan report prior to its approval at Council.

Recommendation 1 – Three Year Money Plan

That the Three Year Money Plan (TYMP), subject to the necessary information being received by Government, be considered by Cabinet, Overview and Scrutiny, and Council in September each year. However, it was noted that the figures for 2011 would not be available until October 2010 and so for this year the timetable will be –

27 October – Cabinet

1 November – Overview and Scrutiny

25 November – Council

- 5.2 The Task and Finish Group noted that only a few Members had attended the Budget Training session held earlier in the year and wished to ensure that all Members had the opportunity to receive training on the Three Year Money Plan prior to any consideration of the report in September / October. All Members should be encouraged by their Groups to attend this session.

Recommendation 2 – Member Training

That prior to consideration of the Three Year Money Plan (TYMP), a training event detailing how the TYMP works, be held on 29 July between 5.30pm and 6.15pm and that all Members be encouraged to attend.

- 5.3 The Task and Finish Group felt that to add more value to the budget setting process, the Overview and Scrutiny Committee should fully examine the draft proposals prior to consultation in December, rather than when the budget had been finalised in February.

Recommendation 3 – Scrutiny of the Budget

That in acknowledging the current political make-up of the Council, it be agreed that Overview and Scrutiny can add far more value to the budget setting process by fully examining the draft budget in December, together with the intended questions to be asked as part of the consultation process, rather than scrutinising the budget in February / March, just a few days prior to the Council budget setting meeting.

- 5.4 To improve the way that information regarding changes to the budget is presented to the Overview and Scrutiny Committee, it is proposed that each Cabinet Member present their budget proposals to the Committee

with full details of the significant changes and pressures. Each Cabinet Member should be supported by the relevant Corporate Director.

Recommendation 4 – Draft Budget Proposals

That the Draft Budget be presented to the Overview and Scrutiny Committee in December, prior to the commencement of the public consultation.

That each Cabinet Member, supported by the Corporate Director, be invited to present their respective elements of the budget to the Overview and Scrutiny Committee, focusing on –

The pressures for the following years

Any changes to priorities

Any projected changes to income – and the anticipated impact

5.5 The Task and Finish Group wished to ensure that all discussions with relevant stakeholders were lead by the relevant Cabinet Member. It was acknowledged that, on occasions, issues arise that mean that this is not always possible but would recommend that, wherever possible, a Cabinet Member was always present. It was further felt necessary to commence these discussions as soon as possible in each year.

Recommendation 5 – Consultation with Stakeholders

That the relevant Cabinet Member should, wherever possible, begin discussions with affected groups, organisations etc as soon as possible to discuss options in the budget and be present at all consultation meetings with stakeholders.

5.6 The Task and Finish Group welcomed the new initiatives such as the use of on-line consultation, but felt that the process should be made far simpler by allowing more general comments to be made on any proposals rather than being restricted as to which services to support.

Recommendation 6 – Online Consultation

That the online consultation process be repeated for 2011/12 budget setting, but the system used be reviewed to a more simpler system asking the public to identify their priorities.

5.7 The Task and Finish Group supported use of roadshows to encourage people to get more involved in identifying priorities but felt that the questions could be made simpler so as to encourage greater participation. This could include the use of pictures for people to identify the services they felt needed more or less funding.

Recommendation 7 – Public Consultation / Roadshows

That the consultation roadshows be repeated but with consideration given to asking the public to simply identify their priorities for additional funding / reduced funding, eg by placing stickers on a chart to prioritise services or by the use of pictures of services and facilities.

5.8 So as to encourage more people to get involved in the in the consultation process, the Task and Finish Group would recommend trialling the use of direct mailing to a random selection of residents.

Recommendation 8 – Direct mailing consultation

That consideration be given to writing to a random selection of members of the public asking them for their comments on the draft budget with an incentive given for returning a completed questionnaire, eg voucher for courts at the tennis centre, swimming vouchers for GL1, shopping vouchers (resident to choose). Use of the E-consultation process should also be widened.

5.9 The Task and Finish Group recommended that all Members receive a quarterly budget monitoring update in the form of a Member Information Sheet.

Recommendation 9 – Budget Monitoring

That a Budget Update / All Members Briefing be produced on a quarterly basis.

5.10 The Task and Finish Group considered recommending some changes to the format of the Council Budget meeting but on reflection felt that no significant changes were needed at the present time.

6 ACKNOWLEDGEMENTS

The Task and Finish Group would like to thank the following for their contribution to the review –

- Councillor Paul James, Leader of the Council and Cabinet Member for Regeneration and Culture
- Councillor Debbie Llewellyn, Cabinet Member for Performance and Resources
- Peter Gillett – Corporate Director for Resources
- Steve Phelps – Group Manager, Financial Services

