
REPORT TO:	FINANCE & MANAGEMENT	AGENDA ITEM: 13
DATE OF MEETING:	22 ND November 2001	CATEGORY: OPEN
REPORT FROM:	CHIEF FINANCE OFFICER	
MEMBERS' CONTACT POINT:	Terry Neaves (x5800)	DOC: budget strategy2002\ FMC Budget Process
SUBJECT:	BUDGET PROCESS 2002/3	REF: TN
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1. Recommendations

Members are asked to:-

- Approve the timetable set out at Appendix A
- Approve the creation of the Service and Financial Planning Working Group as set out in paragraphs 4.5 to 4.8
- Provide for a scrutiny committee to comment upon the proposals put forward the the Service & Financial Planning Working Group
- Confirm that the Scrutiny Committee (Overview) will undertake formal consultation with Business Groups
- Approve the assessment criteria for revenue bids (Appendix B)
- Approve the assessment criteria for capital bids (Appendix C)

2. Purpose of Report

- 2.1 This report asks members to agree the budget process for setting the Capital and Revenue Budget for 2002/3 and beyond.

3. Executive Summary

- 3.1 This is the first year that the Council's budget will be set under the new modernised arrangements.
- 3.2 Effectively this introduces scrutiny arrangements into the budget process. This means that budget proposals will need to be considered by a scrutiny committee.
- 3.3 The scrutiny arrangements also provide for public consultation on the Council's budget proposals and it is proposed that the area committees are used for this purpose.
- 3.4 This year also sees the first Council Corporate Plan, which was approved by Council on 1st November 2001. This has provided the framework for producing service plans, which are being considered during this cycle of committees. In turn these service plans will provide invaluable information to assist with budget decisions.

- 3.5 Members are also highlighting spending pressures/savings opportunities that they would wish to be addressed within the current budget round.

4 Detail

Budget Timetable

- 4.1 The budget timetable for 2002/3 is attached at Appendix A. This also includes the production of service plans, which are now becoming an integral part of this budget process.
- 4.2 During this cycle all policy committees, including Finance & Management, are considering service plans for the services covered within their committee.

Savings & Growth Proposals

- 4.3 It has already been stated that these service plans form an integral part of the budget process. When members have considered these plans they have also been asked to:-
- Highlight any revenue spending pressures that they wish to be addressed within the budget process
 - Identify areas where they would wish officers to look closely to identify savings within the revenue budget process
 - Propose any capital projects that they consider appropriate
- 4.4 Clearly all of these proposals, together with information from managers on service pressures and savings, will need to be considered in the context of the overall limited resources available to the Council.

Service and Financial Planning Working Group

- 4.5 In previous years, a special Service and Financial Planning Working Group was established to consider budget proposals at a reasonably early stage.
- 4.6 It is proposed that a similar politically balanced group of 7 members should be established for considering:-
- Revenue Budget Spending pressures
 - Savings proposals
 - Future Capital Schemes.
- 4.7 It is proposed that this meeting should take place in mid December after the Government Grant Announcement but prior to Policy Committees considering budget proposals for their individual committee.

Assessing Proposals

- 4.8 To assist this process it is proposed that all bids be scored based on existing criteria for scoring capital bids and proposed criteria for scoring revenue bids, which are attached. The scoring will be completed prior to the Service and Financial Planning Working Group and serve as a guide for assessing proposals.

Scrutiny Arrangements

- 4.9 A scrutiny meeting will also be convened after the Service & Financial Planning Working Group to comment on any proposals stemming from the Working Group.
- 4.10 The formal scrutiny arrangements for the budget commence in Mid January once Finance & Management has formally set out budget proposals.
- 4.11 As has been stated previously, the programme provides for area meetings to be used as a means of public consultation on the Council's budget plans. It is further proposed that the Scrutiny Committee assumes the statutory responsibility for undertaking formal consultations with Business Groups as part of the scrutiny process. This consultation was undertaken previously by a special meeting of the former Policy & Resources Committee.

5. Financial Implications

- 5.1 As set out within this report

6. Conclusions

- 6.1 The proposals within this report provide a workable way forward for implementing the new scrutiny arrangements and involving all members within the budget process.

7. Background Papers

- 7.1 Council Capital Strategy 2001/2

