

Norwich City Council

SCRUTINY COMMITTEE

ITEM 7

Pre – scrutiny of the proposed budget for 2015/16

Summary:

The scrutiny committee meeting of 29 January will carry out pre-scrutiny of the council's proposed budget for 2015/16.

The purpose of the session is to comment on the proposed budget and make suggestions to cabinet regarding the proposed budget's ability to deliver the council's proposed overarching policy framework (the draft corporate plan 2015-2020).

Council will be meeting to consider the corporate plan 2015-2020 and set the budget for the financial year 2015/16 at its meeting of 17 February 2015.

Conclusions:

The principles of budget scrutiny are provided in this report. Committee members are reminded of the link between the draft corporate plan 2015-2020 and the need to set a budget capable of delivering this.

Recommendation:

To determine any recommendations to Cabinet on the proposed budget for 2015/16.

Contact Officer

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1. The legal framework for financial scrutiny

- 1.1 Local Government Act 2000 – “it is the responsibility of the full council, on the recommendations of the executive (cabinet), to approve the budget and council tax demand. The role of scrutiny in the financial process is to hold the executive (cabinet) to account and to ensure that decisions are in the best interests of the community. Some scrutiny of budget setting and other financial planning processes is therefore essential”.
- 1.2 All members of the council need to have an understanding of how council spending matches against the priorities of the organisation set out in the corporate plan. As elected councillors, members need to ensure that budget will enable the council to deliver them effectively.

2. The role of budget pre-scrutiny

- 2.1 The scrutiny committee should seek to test, check, and evaluate the proposed budget through challenge. This may, if necessary, lead to advice and recommendations to the cabinet. The cabinet can use this as part of the testing of their proposed budget.

3. Key question

- 3.1 Will the budget as presented deliver the council's corporate plan 2015-2020 (which is included earlier on the scrutiny committee agenda)? By the process of overview, the scrutiny committee will need to check that the budget plans are robust and realistic.
- 3.2 Over the course of the year scrutiny committee members monitor certain aspects of service delivery and performance against funding and at times review certain specific services. The main way in which this is achieved is through the scrutiny of the performance monitoring reports.

4. Effective pre budget scrutiny

- 4.1 Effective pre-budget scrutiny involves:
 - (a) checking that financial planning and the draft budget is sufficient to deliver the council's draft corporate plan;
 - (b) reviewing the draft budget to ensure that it is consistent with the council's commitments and spending plans;

(c) reviewing proposals within the draft budget relating to savings or growth in line with the financial plan.