

# Review of the process of budget forecasting

For Overview and Scrutiny Committee on Thursday 29 September 2022.

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## Summary

**Lead Member:** Councillor Christopher Hall – Cabinet Member for Finance and Performance

**Lead Director:** Lee Colyer – Director of Finance, Policy and Development

**Head of Service:** Jane Fineman – Head of Finance, Procurement and Parking

**Lead Reporting Officer:** Jane Fineman – Head of Finance, Procurement and Parking

**Covering Report Author:** Mark O’Callaghan – Scrutiny and Engagement Officer

**Classification:** Public document

**Wards Affected:** All

Committee Timetable	Date
Overview and Scrutiny Committee	29 September 2022

## Recommendations

Officer recommendations:

1. That the Committee consider the report and presentation then determine next steps, which may include one of the options set out in section 2 of the report.

# 1. Introduction and Background

- 1.1 Under the Overview and Scrutiny Committee's terms of reference set out in Part 3 of the Council's Constitution. The Committee's purpose is, in summary, to a) hold the executive to account and b) to contribute to the delivery of efficient and effective services that meet the needs and aspirations of local residents.
- 1.2 Amongst several specified functions, the Committee has a duty to:
  - 8.4.2.2 Review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas;
  - 8.4.2.3 Question members of the Cabinet and/or Committees and Chief Officers from the Council about their decisions and performance, whether generally in comparison with services plans and targets over a period of time, or in relation to particular decisions, initiatives or projects.
- 1.3 The committee has been pleased to note that the budget gap for 2021-22 had been closed but was concerned that such a large difference between the forecast spend and the actual spend had developed. To help the committee understand – ahead of the budget setting process for next year – a review was requested to understand the process of budget forecasting. In particular, the committee requests an explanation of the technical process of forecasting the budget and managing the budget on a quarterly basis.
- 1.4 The review, in the first instance, will take the form of a presentation by the relevant Head of Service and question and answer session.
- 1.5 In accordance with the committee's agreed Statement of Principles, the relevant Cabinet Member is also invited to comment and answer questions on any matter within their portfolio.
- 1.6 Committee members may also invite other relevant persons to attend to give evidence or answer questions, notice of this should be given to the Scrutiny Officer in good time to allow such arrangements to be made.

## 2. Options

- 2.1 Having considered the report, presentation and any related discussion, the Committee may decide what, if anything, it wishes to do next. Options include, but are not limited to:
- 2.2 **To note the report (i.e. no further action)** – The Committee may be satisfied with the reviewed service areas and take no further action on this matter.

- 2.3 **Request further information** – Unresolved matters or matters which require further clarification may be addressed by requesting further details. This may take the form of a written update to the members of the Committee, a members' briefing or a further presentation at a future meeting.
- 2.4 **New lines of enquiry** – The Committee may identify related but different lines of enquiry and seek evidence from alternative sources. These could either be delivered in writing or by attendance at a future meeting. New lines of enquiry will usually be treated as a separate review and it may be necessary or desirable to prepare a related initiation document to ensure clarity in the request.
- 2.5 **Review in 6 – 12 months** – The Committee may request an update from the relevant officer or Cabinet Member in a specified period of time. 12 months would be typical unless there is a specific event or deadline which would make a shorter period desirable.
- 2.6 **Establish a Task and Finish Group** – If examination of outstanding matters or new lines of enquiry would be more involved than a single report or further presentation at a meeting, the Committee may form a Task and Finish Group (TFG). The terms of the reference for a TFG should be clearly defined.
- The Committee may only have two simultaneous Task and Finish Groups.
- 2.7 **Make recommendations** – Recommendations may be made to Cabinet. Recommendation should be explicit and actionable but must be evidence based and should, where necessary, be costed. This would usually be achieved by commissioning a report from relevant officers setting out the evidence collected, the recommendations made and the cross-cutting implications of any proposals. Such a report would be prepared and brought to a future meeting of the Committee for approval prior to being referred to Cabinet.

### 3. Preferred Option and Reason

- 3.1 This is a matter for the members of the Overview and Scrutiny Committee to decide and no recommendation is provided by this report. The Committee should have regard to the Council's available resources and the prioritisation of the Committee's own work.

### 4. Consultation on Options

- 4.1 No public consultation has taken place on this matter but this document and any documents referred to therein are publicly available. The public are encouraged to attend meetings and, subject to giving due notice, comment on any matter under consideration by the Committee.

## **5. Implementation**

- 5.1 The decision of the Committee will be communicated to relevant persons and published through the minutes.
- 5.2 If the Committee was to request a review or instruct a TFG, this should include expected timelines.

## **6. Appendices and Background Documents**

Appendices:

- None

Exempt appendices (if any):

- None

Background Papers:

- None

## **7. Cross Cutting Issues**

### **A. Legal (including the Human Rights Act)**

The Overview and Scrutiny Committee has the power to establish a task and finish group on any matter that it feels is affecting residents of the borough, without Cabinet approval, but does not have decision making powers in terms of staffing or resources. As such any recommendations it makes will ultimately need to be referred to the relevant decision maker for approval.

There are no direct legal implications arising from this report, however further reports will be required to give effect to the option adopted and legal input will be provided at the appropriate time in respect of such reports.

There are no consequences arising from this report that adversely affect or interfere with individuals' rights and freedoms as set out in the Human Rights Act 1998.

### **B. Finance and Other Resources**

There are no direct financial implications as a result of the options within this report. There is no specific budget for the Committee. However, the Committee is resourced to undertake a maximum of two concurrent Task and Finish Groups. Any substantive recommendations of the Committee would be subject to separate consideration of any financial implications.

Mark O'Callaghan, Scrutiny and Engagement Officer, 21 September 2022.

### **C. Other implications (Staffing, Risk Management, Environment and Sustainability, Community Safety, Equalities, Data Protection, Health and Safety, Health and Wellbeing)**

There are no direct, significant implications as a result of the options within this report. Any substantive recommendations of the Committee would be subject to separate consideration of any relevant implications.

Mark O'Callaghan, Scrutiny and Engagement Officer, 21 September 2022.