

RESPONSE TO CORPORATE RESOURCES & IMPROVEMENT OVERVIEW & SCRUTINY COMMITTEE RECOMMENDATIONS

BUDGET CONSULTATION

Ref	Corporate Resources Overview and Scrutiny Recommendations	Response
CRI 1	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That the principle of allowing Corporate Directors to retain planned underspends and overspends is maintained as an incentive for service areas to manage their budgets and deliver services effectively. 	<p>In line with the Council’s Financial Procedure Rules, a Chief Officer may be able to carry forward any underspend on his budget as an “earmarked” part of the Council’s revenue balances following consultation and agreement of the Chief Finance Officer. Likewise any overspend against budget may also be carried forward. This is currently contained in the Council’s overall Constitution and it is not proposed to be amended at this stage.</p>
CRI 2	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That clear criteria is developed and applied to ensure that overspends and underspends are dealt with consistently and in line with the agreed principle as set out in Recommendation 1. Where the principle is not adhered to, there should be a clear rationale to support any changes. 	<p>Clear criteria are currently in place for Corporate Management Board to review directorate under and overspends. Subject to the Council not exceeding its overall budget, any planned under spends by directorates will be carried forward into next year to meet known funding pressures. Fortuitous under spends in budgets will be applied to offset over spends on other budgets.</p> <p>Corporate Management Board will also determine which, if any, overspends will be carried forward as the first call on the budget for 2015-16. This exercise will not be complete until the end of the financial year when the outturn position is known with a greater degree of certainty.</p>
CRI 3	<p>The CRI Overview and Scrutiny Committee recommend:</p>	<p>As part of the Performance Management</p>

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	<ul style="list-style-type: none"> • That a detailed breakdown of Directorate underspends/overspends (including any agreed earmarked reserves) used to achieve a balanced budget be provided as part of the Scrutiny Budget Monitoring process. 	<p>Framework, Cabinet is provided with quarterly reports on the financial position of the Council. The reports provide a breakdown of the significant variances, both under and overspends, for each directorate. Where overspends have been funded from earmarked reserves, these are identified and reported to Cabinet.</p> <p>The MTFS report includes the Council's policy on reserves at Appendix G and outlines the main earmarked reserves currently established. Budget monitoring reports are presented to Scrutiny Committees also on a quarterly basis as part of their budget monitoring role.</p>
<p>CRI 4</p>	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That a brief outline of the financial pressures facing the authority and the types of decisions it is having to make, taking up no more than the equivalent of one side of A4, should be included as an insert with the annual Council Tax demand. The BREP considers this would be a cost effective way of reaching a wide range of residents. 	<p>Following changes to legislation under the Council Tax (Administration and Enforcement) (Amendment) (Wales) Regulations 2013, the Council no longer sends out additional information on the budget overview position with its Council Tax demands or Non Domestic Rates bills. However, it does include information on its website outlining where the Council's funding comes from and how it is spent. The explanatory notes that accompany the Council Tax demand notice make reference to the location on our website where the Budget Overview leaflet is located. We will review the type of information provided and</p>

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		seek to include more detail on the pressures facing the Council going forward. Further information will be provided in the County Bulletin, due to be published in April.
CRI 5	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That the report format used to present the budget proposals to the Scrutiny Committees be retained for subsequent years. 	Agreed. The format for budget proposals will be retained for subsequent years.
CRI 6	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That the section describing the impact of each budget proposal is more detailed. 	Noted. Cabinet will work with Directors to provide more detail on the impact of each budget proposal.
CRI 7	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That future budget proposals incorporate a brief statement outlining why a particular item is identified as red, amber or green. 	Agreed. This will be included for all 2015-16 budget proposals that have been identified as being red or amber.
CRI 8	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That the BREP and the Scrutiny Committees be presented with information on both budget savings and budget pressures for each directorate, in order to have a fuller understanding of the overall budget position within each area. 	The budget process is a continuous process and budget reduction proposals are usually considered and refined first, before any pressures are considered. This is to ensure that the Council is able to produce a balanced budget. Once all proposals for budget reduction and budget pressure proposals have been finalised they will be presented at directorate level.
CRI 9	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That the overall budgets figures provided for the BREP and the Scrutiny Committees identified any “one off pressures” and protected 	Agreed. There are a number of budget pressures that are considered to be “one-off” and do not form part of the directorates recurrent budget. These should be identified

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	<p>elements for comparison.</p>	<p>separately for clarity.</p> <p>Similarly, where the Welsh Government has made commitments to protect specific services, such as schools and social care, additional growth for these services should also be identified to enable the Council true comparisons on service growth. Provision for demographic growth e.g. increase in number of elderly people, should also be identified. This will enable a true comparison of budget growth across directorates to be made.</p>
<p>CRI 10</p>	<p>The CRI Overview and Scrutiny Committee recommend:</p> <ul style="list-style-type: none"> • That the BREP continues to meet to consider and discuss long term issues relating to the delivery the MTFS from 2017 onwards. Its intention would be to support Cabinet and CMB in their consideration of which services would be provided and how future services were to be delivered. 	<p>Agreed that there is a continued role for BREP, which will be subject to review of the Terms of Reference and the general remit of Scrutiny committees.</p>