

Item No:	Classification: Open	Date: October 13 2009	Meeting Name: Scrutiny Sub-Committee C
Report Title:		Follow up report on budget framework	
Ward(s) or Group affected:		All	
From:		Finance Director	

RECOMMENDATION

1. That the committee notes the report and considers what action it would wish to take, with reference to the proposals set out in the presentation to the committee.

BACKGROUND INFORMATION

2. At their meeting on 22 June 2009, members of this sub-committee considered proposals for scrutiny reviews for inclusion in their work programme for the coming year. They agreed to take as their first topic "What is the true meaning of the budget and policy framework?" and a report on the budget and policy framework was presented to members at their meeting on 20 July 2009.
3. The July report set out the requirements of the Local Government Act 2000 and associated Regulations (the Local Authorities (Functions and Responsibilities) (England) Regulations 2000) in relation to the role of council assembly and executive in setting the budget and the policy framework and also looked at government guidance on what the term 'budget' includes. It also addressed reallocation of monies within the budget and outside the budget framework.
4. The report then considered the format and level of detail of information presented on the annual revenue budget including reserves at Southwark and also at Westminster.
5. Members agreed to focus further attention on the budget rather than the policy framework and identified a number of areas for further consideration.

KEY ISSUES FOR CONSIDERATION

6. Issues identified for further consideration were: format and detail of revenue budgets; scrutiny of budget proposals and improved consideration by council assembly; approval of the capital programme; and use of reserves. A presentation will be made at the meeting to help provide context and more detail for members in their consideration of these issues. It will cover the areas listed below.

Budget framework –

- Statutory context
- Regulatory context
- Local context – as per the council's constitution, including
 - budgetary responsibilities reserved to council assembly and the executive;
 - the budget and policy framework procedure rules;
 - decisions (including urgent ones) outside the budget framework and in-year changes; and
 - the financial standing orders

Format and detail of revenue budgets

Scrutiny of budget proposals and more detailed consideration by council assembly

Role of council assembly in approving the capital programme

Use of reserves

BACKGROUND DOCUMENTS

Background Papers	Held at	Contact
Financial Governance files	Financial Management Services, Tooley Street, Second Floor	Jo Anson 020 7525 4308

Audit Trail

Lead Officer	Duncan Whitfield	
Report Authors	Jo Anson	
Version	Final	
Dated	02/10/2009	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	No	
Finance Director	N.A.	
Executive Member	No	