



Appendix A

MEMBERSHIP 2010/11

- Councillor Mortimer (Chair)
- Councillor Bell (Vice Chair)
- Councillor Derbyshire
- Councillor Martins
- Councillor Poole
- Councillor Greenslade
- Councillor Watkin

Budget Scrutiny Panel Work Programme 2010/11

Budget Scrutiny Panel - PROGRAMME OF WORK 2010/11

INTRODUCTION

The work programme of the Budget Panel is a live document which will be managed throughout the year. Items may be added or deleted as the year progresses at the discretion of the Committee. The Committee will review its work programme periodically during the year.

The Panel's work programme is based around:

- i. A review of spending priorities.
- ii. Fees and charges
- iii. Value for money
- iv. Council Tax levels and trends.
- v. Budget proposals brought forward by the Executive
- vi. Monthly budget monitoring reports

HOW DO I RAISE AN ISSUE?

If you would like to raise an issue with the Budget Scrutiny Panel, please contact Mike Thomas

Telephone 01923 278194

Email: Mike.Thomas@watford.gov.uk

Meeting 1 – Wednesday 23 June 2010

Venue – Committee Room 2/Time – 7:00pm

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
1. Agree the work programme for 2010/11 and training needs. Scrutiny Manager	For the Panel to consider its work for the year ahead.	Agree what the Panel will do and how it will operate.	Draft programme and cover report.	I was agreed that the Budget Panel would review services to understand the service planning rather than review the performance of the service, which would fall within the remit of the Call-in and Performance Scrutiny Committee.
2. Summary of the 2009/10 out turn. Head of strategic Finance	Reconciliation back to the last budget monitoring statement.	Examine and comment on the outturn position.	Report on the outturn.	Members noted the under-spend for the year and commented discrepancies relating to – project management, S106 funds, the Colosseum project and some specific areas of overspend.
3. Service Priority Programme. Head of strategic Finance	This report will provide options (and a recommendation) for considering resource allocations to service areas in 2011/12.			Deferred to the next meeting.

Meeting 1 – Wednesday 23 June 2010

Venue – Committee Room 2/Time – 7:00pm

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
<p>4. Budget Management and Control/the new virement system.</p> <p>Head of strategic Finance</p> <p>Head of strategic Finance</p>	<p>To review proposals for budgetary control/virements during 2010/11.</p>		<p>Report on the new system.</p>	<p>The report reviewed the current system for approving aspects of Budget. Members felt this was a good report and set clear parameters, however, the reference to earmarked reserves was lacking. The use of reserves has been an opportunity to bypass the budget system and members would prefer a procedure where the reserves could not be used unless a report had been approved by Cabinet or Council. The report should contain levels of criteria, more mechanisms of control. The Head of Strategic Finance should amend the report and circulate it to the Budget Panel for further comments before it is presented to Cabinet and Council.</p>

Meeting 1 – Wednesday 23 June 2010

Venue – Committee Room 2/Time – 7:00pm

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
<p>5. The Government's budget proposals.</p> <p>Head of strategic Finance</p>	<p>To discuss the Government's emergency budget, affecting local government. Including implications for the Council's Medium Term Financial Strategy.</p>	<p>To understand the implications of the emergency budget.</p>	<p>Report on the emergency budget.</p>	<p>Figures covered the five-year period of Parliament. A public sector pay freeze is to be for the 2011/12 and 2012/13 financial years although this does not affect annual incremental payments due to staff during this period. The reference to cuts in investment in capital projects could include local schemes, such as the redevelopment of Watford Junction and the Croxley rail link. The biggest impact on the Council would be MTFS where officers are preparing scenarios based on 7.5% and 10% reductions in Government Support for future years.</p>
<p>6. Update of the Medium Term Financial Strategy.</p> <p>Head of strategic Finance</p>	<p>A scene setter for budget monitoring in 2010/11 and also a target for savings in future years.</p>	<p>To note the plans set out in the strategy and have clarification on issues raised by members.</p>	<p>Updated MTFS report.</p>	<p>The position as at 31 March 2010 was noted. Future Initiatives are dependent upon the future level of support from government.</p>

Meeting 1 – Wednesday 23 June 2010

Venue – Committee Room 2/Time – 7:00pm

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
<p>7. Current budget and service levels as a percentage of council tax.</p> <p>Head of strategic Finance</p>	<p>Demonstrate an alternative way of expressing the budget which may be more helpful to the Panel.</p>	<p>Agree the new format for future budget presentations.</p>	<p>Revised budget report.</p>	<p>The Panel received a report showing a summary of the 2010/2011 Revenue Budget expressed as a percentage of the annual Council Tax levy. A weekly breakdown will be presented at the next Budget Panel meeting.</p>
<p>8. Value for money (VfM)</p> <p>Head of strategic Finance</p>	<p>Follow up the work started in 2009/10 looking at VfM for specific services.</p>	<p>Determine VfM of council services.</p>	<p>Report on progress.</p>	<p>The Planning and Development study has not yet been completed. Further report at the next meeting.</p>

Meeting 2 – Tuesday 20 July 2010

Venue – Committee Room/Time – 7:30pm

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
The meeting will be preceded by a training session on “Budgeting during a recession” Starting at 6:30pm.				

Meeting 2 – Tuesday 20 July 2010

Venue – Committee Room/Time – 7:30pm

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
<p>1 The Medium Term Financial Strategy (MTFS) and the Service Priority Programme.</p> <p>Head of strategic Finance</p>	<p>To understand the programme and budget implications for the current year and 2011/12.</p>	<p>Construct an initial view of the proposals.</p>	<p>Report on the service priority programme.</p>	<p>There is a projected £243,000 overspend in 2010/11 which could be reduced through close budget monitoring. The extent of savings in 2011/12 indicates that £1,068,000 should be taken from current budgets; this equates to 6.2% of current expenditure</p> <p>Following discussion the Panel:</p> <ol style="list-style-type: none"> 1. noted the main features of the Government Emergency Budget 2. noted the actions taken in response to Government reductions announced for 2010/2011 3. noted the potential budget shortfall on the 2010/2011 revenue estimates but that the need for corrective action should be considered after the first quarter's budget monitoring statement has been analysed. 4. approved that for the purposes of Budget Planning for 2011/2012, there should be a review of the Council's income charging policies and that a service prioritisation process should be developed. 5. noted that the results of both reviews will be reported during late September/early October to Budget Panel and Cabinet.

Meeting 2 – Tuesday 20 July 2010

Venue – Committee Room/Time – 7:30pm

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
2 Monthly monitoring report / Finance Digest – month 3. Head of Strategic Finance	Scrutinise spending against budget, review outturn.	Determine whether income and spending are in line with plans and whether profiled expenditure is accurately managed.	Report from the Interim Head of Finance. (New format)	The Panel noted that Collection rates for Council Tax, and specifically N.N.D.R., were lower than in previous years.
3 Value for Money (VfM) work in 2010/11. Head of strategic Finance	Progress report on the Council’s approach to VfM in 2010/11.			Deferred to the September meeting.

Meeting 3 – Wednesday 1 September 2010

Venue – Committee Room 2/Time – 7:00pm

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
<p>1. Service Priority Programme.</p> <p>Head of Strategic Finance</p>				<p>Reports from officers not ready. All business postponed to the meeting on 27 September.</p>
<p>2. Value for Money – Play services.</p> <p>Head of Strategic Finance</p>				
<p>3. Monthly monitoring report / Finance Digest</p> <p>Head of Strategic Finance</p>	<p>Scrutinise spending against budget, review outturn.</p>	<p>Determine whether income and spending are in line with plans and whether profiled expenditure is accurately managed.</p>	<p>Report from the Interim Head of Finance. (New format)</p>	
<p>4. Budget Consultation Proposals</p> <p>Partnerships & Performance Section Head</p>	<p>To consult the Panel on the process for this year.</p>	<p>Comment on the proposed process.</p>	<p>Report of the Partnerships & Performance Section Head</p>	

Meeting 4 – Monday 27 September 2010

Venue – Committee Room/Time –

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
<p>1. Service Priority Programme.</p> <p>Head of strategic Finance</p> <p>Part B item</p>	<p>The Panel to monitor the programme and its progress</p>	<p>To pass comment to Cabinet on the programme and its outputs.</p>	<p>Progress report on the programme – Part B, to be taken in private.</p> <p>Invitations to Service Heads? Bernard to advise.</p>	<p>The Budget Panel noted the report and attachments and will reconsider the views expressed at this meeting when it next meets on 25 October with a view to making firm recommendations for consideration by Cabinet on 1st November 2010.</p>
<p>2. Value for Money – Play services.</p> <p>Head of Strategic Finance</p>	<p>Follow up the work started in 2009/10 looking at VfM for specific services.</p>	<p>Determine VfM of council services.</p>	<p>Progress report.</p>	<p>Postponed to the next meeting on 25 October.</p>

Meeting 4 – Monday 27 September 2010

Venue – Committee Room/Time –

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
<p>3. Monthly monitoring report / Finance Digest. Month 5. Head of Strategic Finance</p>	<p>Scrutinise spending against budget, review outturn.</p>	<p>Determine whether income and spending are in line with plans and whether profiled expenditure is accurately managed.</p>	<p>Report from the Interim Head of Finance. (New format)</p>	<p>Members discussed the report passed some general comments and asked for further information as follows – More in-depth information relating to the funding of the Cassiobury CPZ scheme and actual figures to be made available as soon as possible. The figure shown for Corporate Service/ Project Management includes on-costs which, in local government, are very high; this figure should be shown separately. Details to be circulated about the £12K in respect of Langley Road. The Budget Panel’s comments on the revenue and capital forecast for 2010/11 out turn as at 31st August 2010 be noted and actions taken as identified.</p>
<p>4. Shared services income. Head of Strategic Finance</p>				<p>Postponed to the next meeting on 25 October.</p>

Meeting 4 – Monday 27 September 2010

Venue – Committee Room/Time –

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
5. Budgets, service planning and statutory and discretionary spending. Head of Strategic Finance			To be included with the Service Priority Programme item	
6. Budget Consultation Proposals Partnerships & Performance Section Head	To consult the Panel on the process for this year.	Comment on the proposed process.	Report on proposals for methodology and the extent of coverage.	The Panel noted the intention to develop an engagement and consultation programme that will encourage feedback on the council's budget proposals and service prioritisation options. The Panel's comments be noted and action taken as identified.
7. Revenue Support formula grants system. Head of Strategic Finance	Summary report on the effects of potential proposed changes and an indication of the comments Watford should make to the DCLG.	To assess the potential changes and their effect on next year's budget.	Report from the Interim Head of Finance.	The report and summary be noted and the draft responses endorsed.

Meeting 5 – Monday 25 October 2010

Venue – Committee Room/Time –

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
1. Service Priority Programme. Head of strategic Finance	The Panel to monitor the programme and its progress	To pass comment to Cabinet on the programme and its outputs.	Progress report on the programme – Part B, to be taken in private. Invitations to Service Heads?	The outcome of the Panel's discussion be reported to Cabinet at its next meeting on 1 November 2010.
2. Comprehensive Spending review Head of strategic Finance	Hear the Government's plans and assess their effects on the council's spending.			The Medium Term Financial Strategy should include options for future years council tax increases and should be further reviewed for report back in December.

Meeting 6 – Thursday 2 December 2010

Venue – Committee Room/Time –

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
1. Monthly monitoring report / Finance Digest Head of Strategic Finance	Scrutinise spending against budget, review outturn.	Determine whether income and spending are in line with plans and whether profiled expenditure is accurately managed.	Report from the Interim Head of Finance. (New format)	The Panel discussed the report but made no specific recommendations.
3. Fees and charges 2011/12 Head of Strategic Finance.	Consider and comment on proposals.	Pass comments to Cabinet.	Report of the Head of Strategic Finance.	Taken with item 4.
4. Watford Draft Budget Proposals. Draft revenues and capital estimates for 2011/15. Head of Strategic Finance.	To consider draft proposals. To compare with the Panel's views on spending priorities as agreed at the July, October and November meetings. Challenge whether the budget matches the strategy and priorities.	Provide a view for consideration by Cabinet. Forward comments to Cabinet in time for its meeting the following week.	Draft Budget report. Attendance of the Head of Strategic Finance or sub. Attendance of the Financial Services Portfolio Holder.	The Budget Panel's comments on the draft revenue and capital estimates 2011/2015 and Service Prioritisation proposals be noted. The Budget Panel noted the revised Medium Term financial strategy including the need to make efficiency savings of £3.8 million over a four year period.

Meeting 6 – Thursday 2 December 2010

Venue – Committee Room/Time –

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
5. Service Priority Programme. Head of Strategic Finance	The Panel to monitor the programme and its progress	To pass comment to Cabinet on the programme and its outputs.	Progress report on the programme – Part B, to be taken in private. NB To include a follow up report on the Medium Term Financial Strategy.	T The Budget Panel noted the proposals contained in the report. The recommendations of the Panel be considered by Cabinet at its next meeting on 13th December 2010.
6. Budget Consultation Results – initial evaluation. Partnerships & Performance Section Head	To inform the Panel of the emerging results for this year.	Comment on the initial evaluation.	Report on responses and first conclusions.	Discussed as part of the draft budget item.
8. Pensions and related matters. Head of Strategic Finance				Moved to January
9. Value for Money – Play services. Head of Strategic Finance	Follow up the work started in 2009/10 looking at VfM for specific services.	Determine VfM of council services.		Moved to January

Meeting 6 – Thursday 2 December 2010

Venue – Committee Room/Time –

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
10. Shared services income. <i>Head of Strategic Finance</i>				Moved to January

Meeting 7 – Tuesday 11 January 2011

Venue – Committee Room/Time –

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
The formal agenda will be preceded by a presentation on “relevant factors in setting a budget”.				

Meeting 7 – Tuesday 11 January 2011

Venue – Committee Room/Time –

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
<p>3. Revenue and Capital Budgets.</p> <p>Head of Strategic Finance</p>	<p>Consider final budget proposals.</p> <p>Consider the Cabinet's response to the points raised at the December meeting.</p> <p>Consider officer responses to any questions asked at the December meeting.</p>	<p>Provide a view for consideration by Cabinet.</p>	<p>Budget report.</p> <p>Attendance of the Portfolio Holder.</p>	<p>The Panel noted points 12.1 and 12.2 in the report and suggested other methods for increasing available funding. These included outsourcing, Shared Services and increasing fees and charges. It was also suggested that contributions to voluntary services could be decreased; these services should be asked to ensure they were efficiently organised in order that demands on Council funding would not be not so great.</p> <p>Outsourcing: Members considered that outsourcing services should be a priority option.</p> <p>Shared Services: Members agreed that the principle of sharing services jointly with other authorities was a wise option.</p> <p>Use of Reserves: The Panel considered that use of the reserves should be limited and used only as a 'last resort'. Council Tax Increases: The Panel considered that it would be wise to keep Council Tax at a low and acceptable level of increase.</p>

Meeting 8 – Wednesday 9 February 2011

Venue – Committee Room/Time –

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
1. Service Priority Programme. Head of strategic Finance				
2. Monthly monitoring report / Finance Digest Head of Strategic Finance	Scrutinise spending against budget, review outturn.	Determine whether income and spending are in line with plans and whether profiled expenditure is accurately managed.	Report from the Interim Head of Finance. (New format)	
3. Pensions and related matters. Head of Strategic Finance				
4. Value for Money – Play services and/or housing Head of Strategic Finance	Follow up the work started in 2009/10 looking at VfM for specific services.	Determine VfM of council services.		

Meeting 8 – Wednesday 9 February 2011

Venue – Committee Room/Time –

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
5. Shared services income. <i>Head of Strategic Finance</i>			Head of Revenues and benefits.	

Meeting 9 – March 2011 (date to be agreed) <i>Venue – Committee Room/Time –</i>				
AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	PROGRESS
Scrutiny Annual Report. <i>Scrutiny Officer</i>	Reflect on the work carried out in 2010/11 and agree content for the Annual Report to Council.	Draft content for the Annual Report.	Completed work programme for 2010/11 Summary of the Committee's performance.	
To review the budget scrutiny process during 2010/11 and make recommendations for changes and improvements. <i>Scrutiny Officer</i>	Find improvements in process and outcomes.	Make recommendations to Council about the Panel's work for 2010/11 through the Scrutiny Annual Report.	Discussion report setting out issues. Work programme for 2010/11.	