

Extract from the Annual Report 2010/11

4. Budget Panel**Membership:**

Councillor Mortimer (Chair)

Councillor Bell (Vice-Chair)

Councillors Derbyshire, Greenslade, Martins, Poole and Watkin

4.1 The panel's work programme for 2010/11

The panel met on eight occasions during 2010/11. Aside from its core work of scrutinising the council's budget proposals the panel also looked at value for money and monitored budget spending through periodic reports.

At its eight meetings the panel:

- Looked at the medium term financial strategy, the panel noted the projections of savings required and asked for report on how they will be achieved at a later date.
- Considered the asset management plan and capital strategy, their purpose and how well they meet the council's needs.
- Scrutinised spending against budget through the monthly monitoring report to determine whether income and spending are in line with plans and whether profiled expenditure is accurately managed.
- Examined the savings headlines for 2008/09 and how the council performed against forecast.
- Worked with officers on Value for Money (VfM) investigations relating to fees and charges, trade waste and planning and enforcement. Points for consideration were, how do Watford's services compare with other local authorities in terms of quantity and quality and does the borough need to take any action to reduce costs or improve standards? This area of scrutiny did not progress as planned because the panel modified its programme to accommodate discussion of service prioritisation. It is proposed that VfM will feature in next year's work programme.
- Looked at growth and savings projected for 2010/11 and considered whether savings are being realised and if growth in line with plans. The panel noted a satisfactory position.
- Scrutinised fees and charges for 2010/11.
- Scrutinised the draft budget proposals and draft revenues and capital estimates for 2010/11 at its December meeting and the final revenue and capital budgets in January.
- Considered the outcome of public consultation on the 2011/12 budget.

4.2 Review of work carried out in 2010/11

At the end of each year panel members and support officers indulge in a spot of navel gazing to review their performance and consider issues and topics for scrutiny in the following year. This year members concluded –

The view of panel members, supported by comments received from officers and other members, is that the panel works well and has continued to develop. This development can be attributed to well informed members and good support from

officers. Member attendance has been high and members have shown a high level of interest in the subject matter.

The panel welcomes the support of the cabinet member. Conclusions from panel meetings have been taken to cabinet and many taken up by cabinet.

The early reports on service prioritisation received by the panel provided a useful introduction to the consideration of budget proposals. There were good outcomes from the services prioritisation work. The concept of zero-based budgeting which emerged as part of service prioritisation should be considered as a standard format for all services.

Value for money (VfM) is an important issue and should be considered by all services when setting budgets. The Budget Panel should include VfM as a priority item in its 2011/12 work programme.

This year savings have been concentrated on reducing central support costs and this has been effective. In 2011/12 the panel should examine ideas for economies in front line services.

4.3 Training

Training was informative and useful to panel members in their scrutiny role. However, the attendance of other members who are not on the Budget Panel was poor and this is disappointing. The timing of training sessions may be an issue and sessions next year will be included in the main agenda. It will be suggested that the training programme for the year is included in the members' bulletin and the council consider providing on-line finance training.

It is recommended that training continues routinely in 2011/12.

4.4 Chair's/Vice Chair's commentary

This year's Budget Panel work has been dominated not surprisingly by "service prioritisation" and the efforts made by Heads of Service and the Director of Finance in conjunction with the Managing Director to be as transparent as possible with the financial options available to the Council at this time of national economic problems.

We had 3-Part B meetings where members were free to express views "off the record" taking into account the advice given by Bernard Clarke.

It was the most rigorous examination of the individual spending plans since I have been on the Budget panel and I think all members would agree that it was an effective exercise.

While we can always learn more how to be more effective at scrutinising the Budget process (and we have improved steadily over the last three or four years) this year has been a good example.

Sadly, value for money work has suffered, but we hope that this will be rectified in the new council year.

We have had regular updates from Bernard on the finance digest and the medium term financial strategy as finances changed throughout the year.

We pay tribute to Bernard for his excellent preparation, especially this year his clear explanation of the comprehensive spending review, and other officers who have provided reports and help throughout this difficult year.

Finally a particular mention to Mike Thomas for his valued and vital work over the last five years and we wish him all the best in the future.

Councillors Andrew Mortimer and Nigel Bell
Chair and Vice-Chair, Budget Panel