



**Reigate & Banstead**  
BOROUGH COUNCIL  
Banstead | Horley | Redhill | Reigate

<b>SIGNED OFF BY</b>	Director of Finance and Organisation
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<b>TO</b>	Overview and Scrutiny Committee
<b>DATE</b>	Wednesday, 10 April 2019
<b>EXECUTIVE MEMBER</b>	Executive Member for Finance

<b>KEY DECISION REQUIRED</b>	N
<b>WARDS AFFECTED</b>	(All Wards);

<b>SUBJECT</b>	Service and Financial Planning 2020/21 - Process and Overview
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<b>RECOMMENDATIONS</b>
(i) Members of Overview and Scrutiny Committee are asked to note the overview of the Service and Financial Planning process for 2020/21, and to provide any observations on matters for consideration during this planning process.

<b>REASONS FOR RECOMMENDATIONS</b>
To support consideration of strategic budget matters, it is has been agreed that the Overview and Scrutiny Committee be asked to consider an overview of the Service and Financial Planning process for 2020/21, and to offer any observations to support this process.

The comments of the Committee will then be available to be considered by officers and Executive Members during the earlier stages of the development of the 2020/21 budget.
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<b>EXECUTIVE SUMMARY</b>
The Overview & Scrutiny Committee's work programme for 2019/20 includes the proposed approach to scrutiny of the budget proposals as part of the established service and financial

planning process.

- The Committee has established a Budget Scrutiny Review Panel each year on a task and finish basis. This process will continue for 2020/21 budget setting.
- The Panel's work in 2019/20 will be based on consideration of the Provisional Budget proposals for 2020/21, including any updated assumptions within the Medium Term Financial Plan along with Revenue Budget and Capital Programme projections.
- To support additional consideration of strategic budget matters during the development of the budget, it is has also been agreed that early consideration of an overview of the Council's Service and Financial Planning for 2020/21 be undertaken by the Committee at this meeting.
- The comments of the Committee emerging from this meeting will then be available to be considered during the earlier stages of the development of the 2020/21 budget.

## **STATUTORY POWERS**

1. The Local Government Act 1992 places a requirement on Councils to set the following year's Council Tax by 11 March each year. The Local Government Act 1972, as part of proper financial management, requires a Council to set the associated annual budget requirement. This report is part of that process.
2. Section 65 of the Local Government Finance Act 1992 requires the Council to consult representatives of those subject to non-domestic rates in the Borough about its proposals for expenditure for each financial year.

## **BACKGROUND**

3. The Overview & Scrutiny Committee's work programme for 2019/20 includes the proposed approach to scrutiny of the budget proposals as part of the established service and financial planning process.

## **KEY INFORMATION**

### **Scrutiny Arrangements – Budget Proposals 2020/21**

4. The Committee establishes a Budget Scrutiny Review Panel each year on a task and finish basis. The Panel held one meeting in 2018/19 and reviewed the proposed budget for 2019/20 and provided feedback to Overview & Scrutiny Committee which fed into their response to the Executive. A streamlined approach, supported by an advance questioning process, continued to work well and allowed the Panel to conclude its work in one meeting. This process will continue for 2020/21 budget setting, enabling the emerging draft Corporate Plan and draft Housing Strategy priorities to be taken into account.
5. The Panel's work in 2019/20 will be based on consideration of the Provisional Budget proposals for 2020/21, including any updated assumptions within the Medium Term Financial Plan along with Revenue Budget and Capital Programme projections.
6. To support additional consideration of strategic budget matters, it is has also been

agreed that early consideration of an overview of the Council's Service and Financial Planning for 2020/21 be undertaken by the Committee at this meeting.

7. The comments of the Committee emerging from this meeting will then be available to be considered during the earlier stages of development of the 2020/21 budget.

### Budget-Setting Timetable and Approach

8. The proposed timetable for 2020/21 service and financial planning, including proposed dates for budget scrutiny, is set out below:

<b>STAGE 1: DIRECTION OF TRAVEL</b>	
<b>Overview &amp; Scrutiny Committee</b> Advanced discussion and overview	10 April
Development of service directions of travel (officers in consultation with relevant portfolio holders)	By 31 May
<b>STAGE 2 : PROVISIONAL SAVINGS &amp; GROWTH PROPOSALS</b>	
<b>STAGE 3: DRAFT BUDGET PREPARATION</b>	
Preparation of draft business plans and provisional savings and growth proposals in consultation with relevant portfolio holders)	Late July – mid Sept
<b>Executive</b> To consider draft budget proposals	7 Nov
<b>STAGE 4: FINAL BUDGET</b>	
<b>Budget Scrutiny Panel</b>	21 Nov
<b>Overview &amp; Scrutiny Committee</b> To receive Budget Scrutiny Panel report	11 Dec
<b>Executive</b> To receive Overview & Scrutiny report	16 Jan
<b>Executive</b> To recommend final budget	30 Jan
<b>Council</b> To approve final budget and council tax	13 Feb

9. Members of Overview and Scrutiny are asked to provide feedback on any matters that officers and Members should focus on during Stage 3: Draft Budget Preparation, including any feedback on the proposed budget-setting timetable.

### LEGAL IMPLICATIONS

10. It is a legal requirement that the Council sets a balanced budget which it can deliver. A statement from the Chief Finance Officer (CFO) on the robustness of the 2020/21 budget and adequacy of reserves will be included in the final budget report to Executive in January 2020.

### FINANCIAL IMPLICATIONS

11. These will be addressed throughout the service and financial planning and budget-setting reports.

### EQUALITIES IMPLICATIONS

12. The budget report will include a summary of the service and financial planning

activities of the Council. Where individual changes, projects or policies are being developed, equalities impact assessments will be carried out by the responsible officer(s).

13. Changes that impact on staff will be discussed directly with individuals affected and with their representatives.

## **RISK MANAGEMENT CONSIDERATIONS**

14. These will be addressed throughout the service and financial planning and budget-setting process.

## **CONSULTATION**

15. Budget proposals will be circulated to the business community via the monthly Business e-bulletin (which has in excess of 1,500 recipients).
16. Savings and growth proposals will be considered by the Budget Scrutiny Panel of the Overview & Scrutiny Committee in December 2019. The conclusions and recommendations of the Panel and the Committee will be reported to the January 2020 meeting of the Executive.

## **POLICY FRAMEWORK**

17. Approval of the annual Revenue Budget, determination of the Council Tax and approval of the Capital Programme are functions of the full Council under the Council's constitution (Article 4.12).
18. The budget will be developed taking into account the priorities in the Council's 5 Year Plan and the emerging Corporate Plan 2020-2025 and put in place resources to deliver these priorities.

**Background Papers:**      *Overview & Scrutiny Workplan 2019/20*