

Financial strategy and budget monitoring task and finish group draft terms of reference

Introduction

The Local Government Act 2000 states that it is the responsibility of the Full Council, on the recommendation of the executive, to approve the budget and related council tax demand. The Act makes it clear that the role of scrutiny in the financial process is to hold the executive to account and to ensure that its decisions are in the best interests of the community. Some scrutiny of budget setting and other financial planning processes is therefore essential.

The Local Government Act 2003 provides the central legislation surrounding a council's financial planning and budgeting arrangements. Sections 28 and 29 of the Act require members to be involved in budget monitoring throughout the year. Although it is not specified whether this is primarily an executive or scrutiny function, scrutiny provides the ideal vehicle for such involvement.

Terms of reference

The purpose of the proposed task and finish group will therefore be to:

- Track, scrutinise and contribute to the ongoing development of the medium term financial strategy and budget setting process as outlined in the committee's work programme, in particular:
 - How the financial strategy aligns with and supports corporate strategy priorities.
 - How policy underpinning corporate priorities reflects the council's financial position.
 - The risks in the council's strategic approach, and how the council mitigates those risks.
 - The particular risk that strategy may have on the ability to deliver a balanced budget.
 - The impact of budget setting on future service delivery.
- To report back to the Performance Management Scrutiny Committee on its work.
- To escalate any areas of concern it may have regarding the financial strategy to the Performance Management Scrutiny Committee, for formal scrutiny in public.

Information required

- Financial strategy 2021/2022 – 2025/2026
- Current and developing service plans
- Financial planning from partner authorities, where available or needed.
- Ad-hoc financial information as requested during the group's work
- Learning, benchmarking and good practice from other local authorities
- Shropshire Council's Strategic risk register

Timescale

The committee will meet monthly from October until February 2023.