



Committee and Date

Council
26th September 2024

Item

Public



Budget Task and Finish Group

Responsible Officer:	Tim Collard		
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Cabinet Member (Portfolio Holder):	Cllr Lezley Picton, Leader		

1. Synopsis

This report seeks approval to establish a cross-party Council Task and Finish Group to review of the Council’s finances and recommend a budget for 2025/26. The existing Alternative Budget procedures will be suspended until Council agrees to reinstate them.

2. Executive Summary

It has been proposed that given the perilous budgetary position that the Council finds itself in it is imperative that all the political parties work together to review the finances with a view to making recommendations to Cabinet (and thereon to Council) with regard to a balanced budget for 2025/26.

Currently the Finance Procedure Rules provide for an “Alternative Budget” process whereby alternative budget proposals are invited from Opposition Groups in the Autumn of each year with support being provided (to the extent possible) from finance officers in terms of financial estimates and operational consequences. It has been acknowledged that the current budgetary pressures mean that the adequate facilitation of this alternative budget process will place an almost impossible burden upon finance officers at a time when their focus needs to be exclusively upon securing a viable balanced budget for the Council.

It has been suggested to Group Leaders to suspend those particular Rules and to set up a Task and Finish Group made up of the Leaders of each political group, their

deputies, the Chair of the Transformation and Improvement Overview and Scrutiny Committee, and the Portfolio Holder for Finance, Corporate Resources and Communities. It is not proposed to remove the Alternative Budget process from the Financial Procedure Rules altogether, and the option remains for Council to reinstate them when it considers it would be appropriate to do so.

It is proposed that this Task and Finish Group should meet approximately fortnightly and have access to all relevant financial information and proposals to enable its members to thoroughly review the Council's financial position.

It is envisaged that the Task and Finish Group will prepare Recommendations to Cabinet initially with a view to Cabinet recommending a draft budget for 2025/25 to Council in December to enable the normal consultation process to take place before the final budget is approved by Council in February 2025.

3. Recommendations

That Council

1. Approves the establishment of a Budget Task and Finish Group, the membership and basic Terms of Reference of which are set out in the Appendix to this report.
2. Suspends the Alternative Budget Procedure set out in the Financial Procedure Rules until it reinstates it.

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1. It is essential that a more collaborative, cross-party approach is taken to the preparation of the budget for 2025/26. Such an approach is considered to be the most effective mechanism to secure a viable balanced budget.
- 4.2. To continue with the Alternative Budget process would risk distracting the focus of finance officers away from their primary goal of developing a viable budget for 2025/26 as well as maintaining the current pressure to achieve the savings targets for 2024/25.

5. Financial Implications

There are no direct financial implications resulting from these recommendations.

6. Climate Change Appraisal

There are no climate change implications resulting from these recommendations.

7. Background

- 7.1. The proposal as set out above was discussed at Transformation and Overview Scrutiny Committee on 9 September 2024. Group Leaders agreed to consider this approach.
- 7.2. It is not possible, under the Council’s constitution, for a Scrutiny Task and Finish group to be established that would include members from the Council’s Cabinet. For this reason, Council is asked to establish a cross-party Council Task and Finish Group with immediate effect.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Local Member: All

Appendices

None

APPENDIX – TERMS OF REFERENCE FOR BUDGET TASK AND FINISH GROUP

MEMBERSHIP

- Leader and Deputy of each political group
- Chair of the Transformation and Improvement Overview and Scrutiny Committee, and
- Portfolio Holder for Finance, Corporate Resources and Communities.

CONTEXT

The Council is facing an unprecedented period of financial challenge and uncertainty due to the impact of historic financial issues, the economic downturn, and the ongoing reductions in local government funding when compared to demand pressures. The Council has already delivered significant savings over the past decade, and in particular last year, but it still needs to find cuts, service reductions, further efficiencies, and income generation opportunities to balance its budget and ensure its long-term sustainability.

The Financial Settlement from Government is expected in late December 2024, all considerations made by the Task and Finish Group are before any consideration of this impact.

The Council expects its officers to show strong leadership, accountability and performance management skills, innovation, collaboration, and customer focus. The Council also

expects its officers to ensure that actions are delivered, and deadlines are met, and that any risks or issues are identified and escalated promptly and appropriately.

REMIT OF THE GROUP

- To review projections for the Council's budget over the medium term
- To agree the extent of, and approach to managing, any resulting financial gap between projected expenditure and income
- To consider proposals from officers to close the funding gap in the 25/26, as a minimum
- To consider and challenge the implications of any proposals put forward by officers
- To reach agreement on proposals to be put forward for public consultation on the 25/26 Budget

ACCOUNTABILITY

The Task and Finish Group should meet approximately fortnightly and have access to all relevant financial information and proposals to enable its members to thoroughly review the Council's financial position.

The Task and Finish Group will prepare Recommendations to Cabinet initially with a view to Cabinet recommending a draft budget for 2025/25 to Council in December to enable the normal consultation process to take place before the final budget is approved by Council in February 2025.

MEETINGS

The group will meet

- Fortnightly (up to 3 hours)
- Via Teams or Face to Face (agreed in advance)
- From September to December approximately