

BUDGET SCRUTINY PANEL – 3RD JANUARY 2017

ITEM 6 BUDGET SCRUTINY PROCESS/TERMS OF REFERENCE

As agreed by Scrutiny Management Board on 23rd March 2016, the budget scrutiny process and terms of reference for the Panel in respect of the 2017/18 budget are set out below for the Panel's assistance. This is the same as that adopted in 2015/16 for scrutiny of the 2016/17 budget.

Informal Meeting of Loughborough Councillors

June 2016. To enable Loughborough councillors to discuss the proposed Loughborough Special Expenses for 2017/18.

Invitees to the meeting: The Leader of the Council, relevant Cabinet Lead Members, the Chief Executive and relevant Strategic Directors and Heads of Service.

The above meeting was held on 20th July 2016.

Panel Meeting 1

Timing

- Early October 2016, following publication of the draft Medium Term Financial Strategy (MTFS)

Discussion Topics

- How the MTFS for 2017-2020 was constructed
- Key assumptions and sensitivities within the MTFS
- Projected financing shortfall within the MTFS
- The proposed approach being adopted in constructing the draft 2017/18 budget (to be presented to Cabinet in December)

Possible outcomes of Panel discussion

- Recommendations to Cabinet regarding changes to the MTFS to be considered when the final version of the MTFS is submitted in November 2016 after consultation.
- Recommendations to Cabinet regarding preparation of the draft 2017/18 budget.

Informal meeting of Loughborough Councillors

November 2016. To enable Loughborough councillors to propose items for the Loughborough Special Expenses for 2017/18 having received the findings of relevant Heads of Service and Cabinet Lead Members following consideration of the ideas put forward at the earlier meeting with Loughborough councillors in June 2016*.

* Note: the date of this meeting was later changed to 20th July 2016.

Informal Panel Meeting

Timing

- December 2016, following publication of the Cabinet report setting out the draft budget for 2017/18

Discussion topics

- Potential areas where the Panel may wish to focus its scrutiny of the draft budget
- Invitees for the next formal meeting of the Panel (to ensure appropriate Directors and Heads of Service of impacted areas are in attendance)

The meeting will also consider the input from Loughborough councillors in respect of the Loughborough Special Expenses element of the draft budget 2017/18, through receiving the notes of those meetings.

Panel Meeting 2

Timing

- January 2017

Discussion Topics

- General Fund service areas identified as being significantly impacted by draft budget proposals (with relevant Heads of Service and Directors in attendance)
- Housing Revenue Account – overview of budget
- Any proposed uses of reserves (balances)
- Proposed changes to the Borough Council Tax rates
- Proposed changes to the constituent components of the Loughborough Special Expenses
- Loughborough Special Expenses – overview of budget
- Other matters identified in the course of the informal meeting of the Panel in December 2016.

Possible outcomes of Panel discussion

- Recommendations to Cabinet regarding changes to the budget to be considered when the final version of the 2017/18 budget is submitted in February 2017 after consultation
- Recommendations to Cabinet regarding changes to the process for developing the budget in future years