

Budget Review Panel Terms of Reference

A Introduction and Background

1. The (then) Finance and Corporate Affairs Policy and Scrutiny Panel on 15th March 2005 agreed to establish a Budget Review Group, now called the Budget Review Panel, to scrutinise and prioritise all Council Activities with reference to the Base Budget and future Budget Strategies proposed by the Cabinet. The work of the Budget Review Panel falls within the remit of the Corporate Resources Scrutiny Committee (since May 2009).
2. The first meeting was held on 13th April 2005 and a Work Programme was agreed for 2005-2008.
3. For the budget period 2010-13 the main emphasis of the review will be as follows:
 - Implementation of the Council's Priority Model
 - Consideration of the Proposed Efficiency Strategy
 - Consideration of the Cabinet's Budget Proposals and alternative budgets.
4. The Budget Review Panel meets as required and reports directly to the Corporate Resources Scrutiny Committee.

B Composition of Panel

5. The Panel comprises six members. Non-Cabinet members may be appointed as substitutes in exceptional circumstances.
6. The Panel may be chaired by one member, or on a rota basis by any Member expressing a particular interest in a given service area. Where no such expression of interest is given, the Chairmanship shall fall to the Chairman of the Corporate Resources Scrutiny Committee.

C Purpose and Objectives:

7. Meetings of the Panel will provide a forum for discussion of key budget issues and consideration of the budget.
8. The Panel will also consider the authorities approach to efficiency policy and plans for future proposals.
9. The objective of the Panel is to examine the principles that underline the Base Budget, Service Business Plans and Budget Strategy to establish that:
 - They are measured, clear, focused, achievable and based on sound

financial and operational practices.

- The relationship between the Budget, Service Business Plans and the priorities contained within the Sustainable Community Strategy Themes, Corporate Plan Aims and other Plans/Strategies are real and designed to improve services in the Council's priority areas.
- Politically, managerially and operationally the Council is clear about the direction and priorities for action to meet our objectives, standards and priorities.

D Projected Outcomes:

10. The Panel's projected outcomes will be to have:

- Support the Cabinet in developing budget proposals
- Examined the Budget as a whole and selected Service Plans in relation to efficiency
- Held the appropriate Cabinet Members to account over their Budget and Service Plan proposals
- Assisted the above Committee in providing an opportunity for public transparency and awareness of the Budget-setting process for the community.

E Approach to Reviews

11. As one of the aims of the exercise is to hold the Cabinet to account for their proposed Budget, the Panel has agreed the following approach to reviews:

- Examine and implement the Priority Model approved as part of the Financial Strategy for 2009-2012
- Comment as appropriate on the proposed Efficiency Strategy;
 - Make recommendations in relation to public consultation building upon the work undertaken during 2009-2010 budget process.
- Comment as appropriate, on the overall Three-Year Budget Strategy
- Based on the above and any other relevant findings, to make recommendations to the Corporate Resources Scrutiny Committee in relation to the allocation of resources for services in future Budgets.

F Scope of Questions

12. The overall scope of the questions will include the following:

(i) Priority Model

- Is the Priority model realistic?
- Are there any missing factors to be considered?
- How can the model be applied to the budget setting process?

(ii) Efficiency Strategy

- Is the strategy sufficiently challenging;
- What examples has the Council of delivering efficiencies?
- Review of NI 179 for 2008/09
- Will the strategy deliver required cost reductions?

(iii) Budget Strategy

- Is the Budget based on a sustainable approach?
- What are the criteria for the allocation of capital and revenue resources available?
- Are the Cabinet's Budget-monitoring arrangements robust enough to anticipate and manage Budget pressures?
- How does the proposed Budget fit with the Council's priorities in the Corporate Plan Aims, Sustainable Community Strategy Themes and other Strategies?
- Is the approach taken to identifying 'Gershon' efficiency savings and the impact that they have on the delivery of services robust?
- Is Budget risk management robust and projected within the Finance Strategy?
- What proposals (if any) have been put forward to manage the implications of any recent legislative requirements?

G Information to be provided to the Panel

13. Each Director will be asked to provide information to allow the application of the approved Prioritisation Model, attached at **Appendix 1**.
14. The Budget Review Panel will consider the draft Efficiency Strategy and comparative strategies if required
15. The Panel will receive the Cabinet's Financial Strategy which will include:
 - Three Year Budget and Policy Framework – 2010/13, including Cabinet Proposals;
 - Capital Programme 2010/11 Onwards;
 - Base Budget Variations
 - Comprehensive Spending Review Efficiency Gains – 2009/10
 - Risk Management and the Budget Process
 - Income Service Options