

# Committee Model Review Group

24 April 2025



**Report of:** Director – Legal and Democratic Services

**Title:** Budget setting process

**Ward:** All

## **Recommendations:**

That the Committee Model Review Group considers the matters set out in this report.

## **The significant issues in the report are:**

This report provides an overview of the arrangements that the Council has in place in respect of the budget setting process and identifies areas for consideration by the Review Group.



## **1. Summary**

The Council's arrangements for the budget setting process were agreed by Full Council as part of the development of the new Committee Model of governance and came into effect on 6 May 2024.

This report provides an overview of the arrangements that the Council has in place for the budget setting process and areas for consideration by the Review Group.

## **2. Policy and Budget Framework Procedure Rules**

The procedures for preparing the Council's budget are set out in the Policy and Budget Framework Procedure Rules in Part 4. The Council's budget for the financial year 2025/26 was prepared in accordance with these rules and included the following key elements.

- the development of the Medium-Term Financial Strategy which set out the key considerations for the setting of the budget;
- the consideration of the budget proposals by the Finance Sub-committee, through a series of confidential briefings as well as public meetings;
- public consultation;
- the consideration of the draft budget proposals by the Strategy and Resources Committee;
- the recommendation of the draft budget proposals by the Strategy and Resources Committee to Full Council
- the consideration of the draft budget proposals by Full Council;
- the process for the debating of amendments to the budget proposals by Full Council

The preparation of the Council's annual budget is dependent on certain external factors, including announcements from central government, in particular the Autumn Statement and the Local Government Financial Settlement, so the process is iterative and has to be flexible to accommodate changes arising from these announcements. Looking ahead to the development of the budget in future years, it is hoped that the Comprehensive Spending Review will provide multi-year settlements for local authorities which will enable longer-term planning.

## **3. Areas for consideration**

The following matters could be reviewed by the Review Group.

### **a. The role of the Finance Sub-committee**

It has already been acknowledged that there is an inconsistency in the way that the role of the Finance Sub-committee is defined in the Council's Constitution and providing clarification about the role of the Finance Sub-committee is required. Now that the Council has been through the budget setting cycle, it is clear that the role of the Finance Sub-committee is to support the development of the budget. It is not responsible for the budget. In addition, it has not been necessary for the Finance Subcommittee to have oversight of budget monitoring as this is done through the relevant policy committees.

Therefore, the Terms of Reference for the Finance Sub-committee as defined in Part 3 of the Council's Constitution will be amended to reflect this position.

## **b. The role of the Policy Committees**

The Policy and Budget Framework Procedure Rules set out the responsibility of the Strategy and Resources Committee to consider draft budget proposals and to make a recommendation to Full Council. However, the rules do not provide a means for other Policy Committees to have a formal role in the development of the budget, although the Chairs of all the Policy Committees supported the development of the budget proposals and were involved in the consideration of the draft proposals by the Finance Sub-committee.

The Working Group may wish to consider whether there should be a role for all Policy Committees as part of the development of the budget proposals.

## **c. The role of Full Council and the budget meeting**

Full Council is responsible for approving the Council's budget and the process for doing this includes the consideration of amendments to the budget as part of the budget meeting.

The arrangements for the budget setting meeting are well-established within the Council. However, the Working Group may wish to consider whether any changes are required to the procedures for the budget meeting.

## **4. Summary of matters for consideration by the Committee Model Review Group**

To summarise, the Committee Model Review Group could consider whether the arrangements for the following matters are effective and whether any changes are required:

- a. Should there be a role for all Policy Committees as part of the budget development?
- b. The role of the Finance Sub-committee should be clarified as set out in this report.
- c. Are there any changes to the role of Full Council and the process for the budget setting meeting?

## **5. Recommendation**

That the Committee Model Review Group considers the matters set out in this report.

## **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

### **Background Papers:**

None

### **Appendices**

None