

Policy and Budget Framework

1. Purpose of the Report

- 1.1. To set out proposals for revising the corporate policy and budget framework, to improve the robustness of the process and the inclusiveness of the linked consultation.

2. Recommendations

- 2.1. **That Council approve the revised Policy and Budget Framework as set out in Appendix 1 to this report.**
- 2.2. **That Council note the revised Framework will commence in June 2006 and be used to guide the development of the Corporate Plan and Budget for 2007/08.**
- 2.3. **That the Budget and Strategic Planning Working Group include a member of the Overview and Scrutiny Committee.**
- 2.4. **That the State of the Area Debate be removed from the Constitution.**
- 2.5. **That Council request that the Overview and Scrutiny Committee comment on the effectiveness of the revised framework, with a view to making any necessary further improvements for the following year.**

3. Links to the Corporate Plan

- 3.1. The preparation and delivery of the Corporate Plan are intrinsically linked to the policy and budget framework of the Council.

4. General Background Information

- 4.1. For the past three years, the authority has been evolving its business and budget planning processes.
- 4.2. The production of the Corporate Plan, Business Area (Service) Plans, the Best Value Performance Plan and the Budget should be linked together into one process that includes both consultation with the community and development of individual performance targets for staff.
- 4.3. Most of the elements within the framework have been in place for several years. However, the links between elements within the framework need strengthening and the timing of the process required review to maximise its effectiveness.
- 4.4. At its meeting on 31 January 2006, Council resolved:
that the process and timetable for setting priorities and addressing budget challenges for next year be reviewed fully by the Overview and Scrutiny committee to make it more inclusive.
- 4.5. Overview and Scrutiny Committee made the following recommendations at their meeting on 23 March 2006:

- a. That the Committee note that revised Framework would commence in April 2006 and be used to guide the development of the Budget and Corporate Plan for 2007/08;
 - b. Recommend to the Executive the membership of Budget and Strategic Planning Working Group include a representative of the Overview & Scrutiny Committee who will report back to the Committee;
 - c. That the Committee agree to review the effectiveness of the revised framework in a year's time at the meeting in January 2007, with a view to recommending any further improvements for the following year.
- 4.6. The Executive address the Policy and Budget Framework at their meeting on 20 April 2006. Any amendments or recommendations for the revised Policy and Budget Framework arising from this meeting will be reported to Council on 25 April.
- 4.7. Appendix 1 sets out a proposed framework for the Council to follow. This framework would commence in June 2006 and be used to guide the development of the Budget and Corporate Plan for 2007/08 and for each year thereafter.
- 4.8. Some specific elements of the framework are discussed below.
- 4.9. Budget and Strategic Planning Working Group
- 4.9.1. As part of this framework, it is proposed that the Leader of the Council appoint a Budget and Strategic Planning Working Group to advise the Leader and the Executive. The political make-up of this working group would be agreed by the Leader as appropriate.
- 4.9.2. The terms of reference for the Budget and Strategic Planning Working Group should comprise the following:
- To review the Council's strategic intentions and establish corporate priorities and objectives for future financial years, linked to the annual review of the Corporate Plan.
 - To consider, review and report upon the Council's Medium Term Financial Plan and looking ahead to the long term financial strategy for the authority.
 - To consider and establish a detailed framework for the budget and strategic planning process, based upon the proposals outlined in this report.
 - To consider future revenue and capital expenditure and estimates in consultation with budget holders and Lead members.
 - To make recommendations to the Executive in respect of the Council's policy and budget framework.
- 4.10. Consultation on Priorities and Budget
- 4.10.1. Consultation with the public and partner organisations, including statutory consultation with business ratepayers:

- (i) Consultation mechanisms available include the People's Voice panel, focus groups, the Area Committees and the use of the Council's website. It is suggested that the use of these and any other mechanisms should be reviewed to ensure the most effective combination is used. The proposed framework suggests appropriate timing for various stages in this consultation with partner organisations, businesses and the public. The Budget and Strategic Planning Working Group will be responsible for approving appropriate consultation mechanisms.
- (ii) Additional work will be carried out to consider how best to access 'hard to reach' groups, in conjunction with the Council's equalities and diversity policy.

4.10.2. Involvement of elected members:

- (i) Involvement of all members in the policy and budget framework is important, to ensure that their views are gathered and addressed by the Budget and Strategic Planning Working Group at appropriate stages in each year's process.
- (ii) A specific Policy Day for members is proposed as an integral part of the revised framework, giving members an opportunity to discuss and put forward their views on priorities and non-priorities. In addition, a member seminar on the budget proposals is included in the framework to assist all members in understanding the budget proposals that are being put forward before they are asked to consider this at full Council.

4.10.3. State of the Area Debate:

- (i) If the communication and consultation with stakeholders – including our Local Strategic Partnership partners – is carried out in line with the proposed framework, it is questionable whether the State of the Area Debate adds anything of merit to the framework. It is therefore proposed that the State of the Area Debate be deleted from the Council's Constitution. Members' views are sought on this proposal.

4.10.4. Business/Service Plans:

- (i) It is proposed that business/service planning commences early in the new financial year, with a review of performance over the previous 12 months. This will enable resource issues to be addressed by the Budget and Strategic Planning Group at a much earlier stage in the budget development process. Business/service plans should be set out with a three year focus, to bring them in line with the Council's Medium Term Financial Plan.
- (ii) It is also proposed that members (through the Overview and Scrutiny Committee) take an active role in commenting on business/service plans in the autumn, prior to their being finalised for the forthcoming year. This should assist in increasing member awareness of both core services and work in support of corporate priorities.

4.10.5. Staff Appraisals and Individual Workplans:

- (i) All staff should receive an annual appraisal (and a six monthly update) under the current system, linking to an individual workplan containing performance targets that link through the business/service plan to the Council's overall objectives.
- (ii) The timing of appraisals is to be addressed as part of the development of the policy and budget framework, so that individual targets are set at an appropriate time in the year to ensure the links with business/service planning are strengthened.

4.10.6. Dates of Public Member Meetings:

- (i) Appendix 2 lists the dates for key public meetings during the 2006/07 municipal year that would contribute to the proposed policy and budget framework.

5. Financial Implications

- 5.1. The revised policy and budget framework should be capable of being delivered within existing resources. The first year of the revised framework will test this assumption and any additional requirements will need to form part of the budget proposals for 2007/08.

6. Equalities and Diversity Implications

- 6.1. Any consultation carried out as part of the framework should aim to be as inclusive as possible of all section of the North Wiltshire community.

7. Human Resources Implications

- 7.1. The revised framework should be able to be delivered within existing resources.

8. Legal Implications

- 8.1. None.

Documentation used in the preparation of this report

Councillor's Guide to Local Government Finance (CIPFA, 2005)

Minutes of Council, 31 January 2006

Agenda and minutes of Overview & Scrutiny Committee, 23 March 2006.

Agenda of Executive, 20 April 2006.

REPORT OF THE STRATEGIC MANAGER – CORPORATE SERVICES TO COUNCIL, 25 APRIL 2006

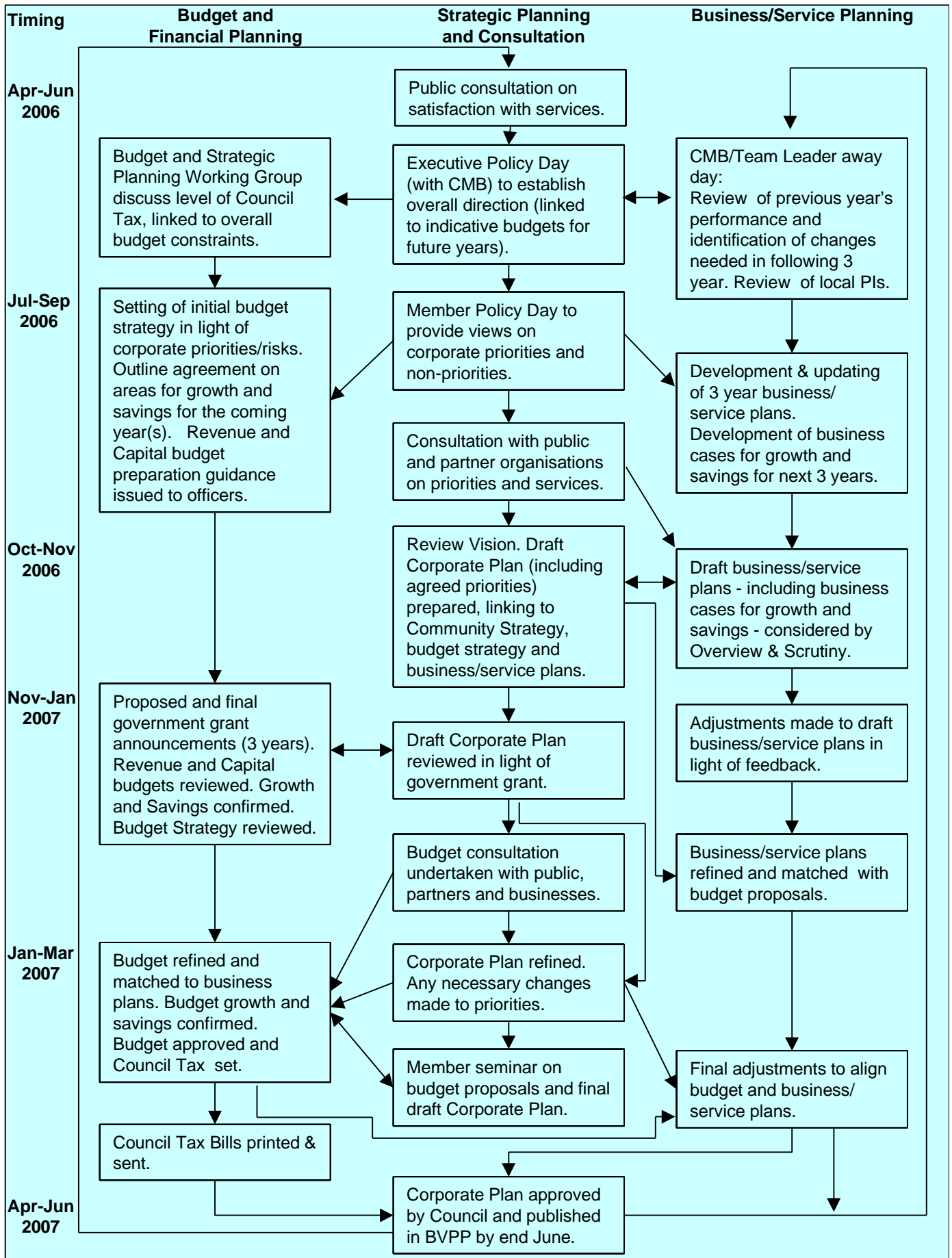
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Appendix 1 – Proposed Policy and Budget Framework



Appendix 2**Key Public Meeting dates for 2006/07, linking to Policy and Budget Framework**

Date	Meeting	Purpose
27 June 2006	Council	Approval of BVPP (including Corporate Plan 2006/07)
13 July or 31 August	Executive	Budget Strategy report
16 November 2006	Executive	Initial proposals for 2007/08 budget, linked to Corporate Plan priorities. Includes review of risks and reserves/balances.
29 November 2006	Malmesbury Area Committee	Option to use for Budget consultation
4 December 2006	Chippenham Area Committee	Option to use for Budget consultation
12 December 2006	Calne Area Committee	Option to use for Budget consultation
20 December 2006	Cricklade & Wootton Bassett Area Committee	Option to use for Budget consultation
16 January 2006	Corsham Area Committee	Option to use for Budget consultation
25 January 2007	Overview & Scrutiny	Review budget consultation process and suggest improvements for the next year
30 January 2007	Council	Receives feedback from budget consultation
1 February 2007	Executive	Budget proposals for 2007/08 (including Council Tax level), linked to Corporate Plan priorities and prudential indicators and including s.151 Officer's views on robustness of estimates.
13 February 2007	Council	Approval of Budget and Corporate Plan priorities for 2007/08

In addition to the public meetings, there would be key dates for:

- Budget and Strategic Planning Group meetings
- Away-days for CMB/Team Leaders and for Executive/CMB
- Policy Days for members – linked to Member Training Days in calendar of meetings (currently 20 June 2006, 24 October 2006 and 6 February 2007)
- Consultation with local businesses
- Overview & Scrutiny Task Groups as required.