

**CIVIC AFFAIRS**26 June 2013  
(6.00-9.00pm)

**Present:** Councillors Rosenstiel (Chair), Cantrill (Vice-Chair), Ashton, Herbert, Johnson and Pitt

**FOR ADOPTION BY THE COUNCIL****CIV/42/13 Update On Actions To Address Issues Emerging From The Budget Forecasting Error**

The Chief Executive introduced the report. The Committee welcomed the proposals to change the approach for the MTS process and member scrutiny by Strategy & Resources Scrutiny Committee on 30 September. Members explicitly requested the mid-year financial review should also cover financial performance for the first quarter of 2013/14, reporting in-year variances and in-year specific issues. There was general agreement of the need to make the report understandable so that it could be a useful tool for Members in performing their duties.

Cllr Herbert requested further information at a later stage on the structure of the Budget Setting Report.

With regard to the recommendation on designating a new Head of Finance post as Section 151 Officer, the Chief Executive highlighted to the Committee that this proposal would be a departure from CIPFA guidelines (para 4.3/4.6) and reference would need to be made in future Annual Governance Statements.

Cllr Herbert stated that the word 'endorse' in the recommendation was presumptuous as the Chief Executive's report to the Leader and the Strategy and Resources Scrutiny Committee on a restructure of senior management in the Resources Department had only just been published and therefore this committee did not have the detail before it. The Committee agreed to a more appropriate resolution by removing 'endorse' with 'raises no concerns about'.

**Council is recommended -**

- (i) That the Budget Setting Report should be the place where the Council sets out its medium term financial strategy in future years, rather than being produced as a separate Medium Term Strategy document.
- (ii) That the Council undertakes a Mid-Year Financial Review in its autumn cycle comprising the following core elements:
  - a) To consider the implications of year-end actuals on both revenue and capital expenditure going forward and level of reserves and first quarter performance against agreed budget
  - b) To consider any implications from the Annual Statement
  - c) To reflect any changes from the Government's Budget and Spending Review Announcements
  - d) To test underlying assumptions about inflation and interest rates in the light of latest information and conditions
  - e) To review forecasts on retained business rate and Council Tax in light of actual growth and latest projections
  - f) To consider what impact all of the above have on reserves and future savings targets
- (iii) That the proposed Mid-Year Financial Review document should be considered by Strategy & Resources Scrutiny Committee before the Leader makes a recommendation to Council.
- (iv) To delegate authority to the Chief Executive to amend the Council's Constitution to reflect these new arrangements.

The meeting ended at 9.00pm

**CHAIR**