

Date: 5 July 2021



**District Council**

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Dear Sir/Madam

## **Budget Planning Committee Agenda - 13 July 2021**

Notice is hereby given that a meeting of the Budget Planning Committee will be held at 6.45 pm on Tuesday, 13 July 2021 at the The Ballroom, The George Hotel, Devonshire Street, Penrith.

**Please note: if you would like to attend this meeting you will need to book in advance. This is necessary due to Covid restrictions on the number who can attend. Please contact Democratic Services; the details are below\***

### **1 Appointment of Vice-Chairman**

To receive nominations for and appoint a Vice-Chairman of the Budget Planning Committee.

### **2 Apologies for Absence**

### **3 Minutes**

To sign the minutes BPc/48/02/21 to BPc/53/02/21 of the meeting of this Committee held on 09 February 2021 as a correct record of those proceedings (copy previously circulated).

### **4 Declarations of Interest**

To receive any declarations of the existence and nature of any private interests, both disclosable pecuniary and any other registrable interests, in any matter to be considered or being considered.

### **5 Terms of Reference and Proposed Business for the Municipal Year (Pages 3 - 10)**

To consider the report of the Interim Director of Resources Report F28/21 with a view to setting out the Budget Planning Committee Terms of Reference and highlight the proposed business for the Committee for the municipal year 2021/22.

### **6 Any Other Items Which the Chairman Decides are urgent**

## 7 Date of Next Scheduled Meeting

The next scheduled meeting of this Committee be confirmed as Tuesday 7 September 2021.

Yours faithfully



J Gooding  
Interim Chief Executive

\*Democratic Services Contact: Email: [cttee.admin@eden.gov.uk](mailto:cttee.admin@eden.gov.uk)  
or telephone: 01768 212266

Encs

### For Attention

All members of the Council

**Chairman** – Councillor G Nicolson OBE (Conservative Group)

**Vice Chairman** – Councillor

### Councillors

P G Baker, Liberal Democrat Group  
P Dew, Conservative Group  
E Martin, Conservative Group  
N McCall, Liberal Democrat Group

W Patterson, Independent Alliance Group  
D Ryland, Independent Group  
D Smith, Liberal Democrat Group  
D Wicks, Conservative Group

### Standing Deputies

A Armstrong, Conservative Group  
C Atkinson, Conservative Group  
D Banks, Independent Alliance Group  
R Briggs, Conservative Group  
M Clark, Independent Group

L Harker, Liberal Democrat Group  
D Holden, Liberal Democrat Group  
S Lancaster, Independent Group  
H Sawrey-Cookson, Independent Group

**Please Note: Under the Openness of Local Government Bodies Regulations 2014 this meeting has been advertised as a public meeting (unless stated otherwise) and as such could be filmed or recorded by the media or members of the public**

**Report No: F28/21**

**Eden District Council  
Budget Planning Committee  
13 July 2021**

## **Terms of Reference and Proposed Business for the Municipal Year**

|                         |                               |
|-------------------------|-------------------------------|
| <b>Report from:</b>     | Interim Director of Resources |
| <b>Wards:</b>           | All Wards                     |
| <b>Open Public Item</b> |                               |

### **1 Purpose**

- 1.1 To set out the Budget Planning Committee Terms of Reference and highlight the proposed business for the Committee for the municipal year 2021/22.

### **2 Recommendation**

It is recommended that the Committee note the report.

### **3 Report Details**

- 3.1 Members will recall that the Budget Planning Committee was set up in April 2020/21 from the recommendation of the Budget Scrutiny Group approved by Full Council in February 2020.
- 3.2 This is therefore only the second year for this Committee with meetings in the first being undertaken wholly online through Teams. Meeting face-to-face presents an opportunity to hold some more interactive training to help members understanding both the role of the Committee and the subject matter that will be presented.
- 3.3 After a suggestion from the Chair it is therefore proposed to hold an informal training session immediately after the first two Committees of the municipal year, ie 13 July and 7 September.
- 3.4 As well as providing training for members it will present an opportunity for members to provide feedback on how the Committee undertakes its key functions such as the Scrutiny of the Budget.
- 3.5 This can then be presented in future reporting to help provide a clear focus and direction for the business of the Committee.
- 3.6 In order to start to progress this the remainder of the report sets out the terms of reference for the Committee, the key business for the municipal year along with a short commentary and timetable.
- 3.7 The Terms of Reference for the Budget Planning Committee are attached as Appendix 1 to this report.
- 3.8 The terms of reference highlight four main areas of focus for the Committee:
- Budget Monitoring for 21/22;

- Medium Term Financial Strategy and any impacts on the MTFP;
- Budget Scrutiny of the 22/23 Proposals and MTFP;
- Treasury Management.

### **Budget Monitoring for 21/22**

- 3.9 Budget monitoring reports are produced on a quarterly basis and set out the year to date and projected outturn for both revenue and capital budgets.
- 3.10 Monitoring and management of budgets is key to ensuring that expenditure is as anticipated or to understand the reasons where budgets have major variances.
- 3.11 The first quarters monitoring will be presented to the Committee in September along with the revisions of both the Medium Term Financial Strategy and Plan.

### **Medium Term Financial Strategy & Plan**

- 3.12 The Medium Term Financial Strategy is prepared to signal the start of the annual budget process and considers all national and local factors that could impact upon the budget and or the medium term finances for the Council.
- 3.13 The Strategy is used to inform the Medium Term Financial Plan, which is the numerical representation of the Council's current budget with assumptions built in for future years. All Councils are required to maintain a sustainable medium term financial position and not just a balanced budget for a single year.
- 3.14 The current position for all businesses let alone Local Authorities is extremely volatile. This increases the importance of understanding the strategic impact of any factors that could affect the Councils budgets.

### **Budget Scrutiny 22/23**

- 3.15 A key responsibility for the Committee will be to undertake the scrutiny of the budget for 2022/23, in line with the Council priorities.
- 3.16 The meeting in September will see the presentation of the Medium Term Financial Strategy, which signals the start of the annual budget process. This therefore provides a good opportunity to consider in the formal session how the Committee wishes to scrutinise the budget and report to the Executive and/or Council.
- 3.17 This will also guide what reports are presented to the Committee in its meetings between October 2021 and February 2022.

### **Treasury Management**

- 3.18 The treasury management function is fundamental to the Council's budget and its budget planning.
- 3.19 There are two statutory reports presented each year for treasury management. The annual report, which is presented in February along with the budget and a mid-year report, which will be presented in October.

- 3.20 The Council uses Arlingclose who provide many local authorities with treasury management advice. We will arrange a session during the year for them to come and provide a training session for members of the Committee.

### **Work Programme**

- 3.21 The draft work programme is set out at Appendix 2.

## **4 Policy Framework**

- 4.1 The Council has four corporate priorities which are:

- Sustainable;
- Healthy, safe and secure;
- Connected; and
- Creative

- 4.2 This report meets the sustainable and healthy, safe and secure corporate priorities.

## **5 Consultation**

- 5.1 The Terms of Reference have been developed in accordance with the resolution of Full Council on 27 February 2020.

No further consultation has taken place.

## **6 Implications**

### **6.1 Financial and Resources**

- 6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.

- 6.1.2 There are no financial or resources implications arising from this report.

### **6.2 Legal**

- 6.2.1 There are no legal implications arising from this report.

### **6.3 Human Resources**

- 6.3.1 Additional resource will be required to service the meetings of the Committee, this can be met within existing budgets.

### **6.4 Statutory Considerations**

| <b>Consideration:</b>                                  | <b>Details of any implications and proposed measures to address:</b> |
|--|--|
| Equality and Diversity                                 | None arising from this report.                                       |
| Health, Social<br>Environmental and<br>Economic Impact | None arising from this report.                                       |
| Crime and Disorder                                     | None arising from this report.                                       |
| Children and<br>Safeguarding                           | None arising from this report.                                       |

## 6.5 Risk Management

| <b>Risk</b>  | <b>Consequence</b>  | <b>Controls Required</b>     |
|--|---|------------------------------|
| Reputational risk to Council – scrutiny of the Council's budget is a vital part of transparent governance. | Inadequate Terms of Reference could undermine public confidence in the effectiveness of the Council | Approval by the Full Council |

## 7 Other Options Considered

7.1 No other options were considered.

## 8 Reasons for the Decision/Recommendation

8.1 To set out the Terms of Reference for the Committee and to provide a framework for the Budget Planning Committee which will enable strategic oversight of the Council's Budget.

**Background Papers:**        **None**

**Appendices:**                **Appendix 1 – Budget Planning Committee Terms of Reference**

**Appendix 2 – Work Programme**

**Contact Officer:**            **Paul Sutton, Interim Director of Resources**

## **Budget Planning Committee – Terms of Reference**

### **9 Members**

The Budget Planning Committee will consist of nine Members, and will have responsibility for overseeing the Council's budget and treasury management functions throughout the year. This will include the responsibility for scrutinising the Council's Budget and Budget preparation process. This Committee will meet at least quarterly.

### **Terms of Reference**

The Budget Planning Committee is a committee of Council and will make recommendations to the Executive as appropriate within its terms of reference.

The Committee will:

- Provide strategic overview of all matters that could significantly impact upon the finances of the authority;
- Oversee the implementation of any financial reform that will significantly affect the Council;
- Consider the impact of business and housing growth in the district and estimate the financial impact of such growth;
- Be responsible for supporting and scrutinising the budget setting strategy and process for:
  - o the general fund;
  - o capital programme;
  - o assets;
  - o treasury management;
  - o reserves;
  - o investments;
  - o recommending the Committee's preferred option, for formal consideration by Executive, in light of the Council's stated priorities.
- Consider quarterly revenue and capital budget monitoring reports;
- Consider the medium term planning horizon, including the Council's medium term financial strategy and plan;
- Consider how the Council responds to changes in the way the council is funded, value for money and other legislative initiatives and reforms;
- Innovate and challenge the way the Council manages its budget and financial affairs,

## Budget Planning Committee – Work Programme

| Committee Date   | Report Title  | Public/<br>Private |
|------------------|---|--------------------|
| 13 July 2021     | Terms of Reference and Proposed Business for the Municipal Year | Public             |
|                  |   |                    |
| 7 September 2021 | Quarter 1 – Revenue and Capital Budget Monitoring               | Public             |
| 7 September 2021 | Medium Term Financial Strategy Review                           | Public             |
| 7 September 2021 | Budget Process and Timeline                                     | Public             |
| 7 September 2021 | Medium Term Financial Plan Update                               | Public             |
| 7 September 2021 | Work Programme Update   | Public             |
|                  |   |                    |
| 12 October 2021  | Quarter 2 – Revenue and Capital Budget Monitoring               | Public             |
| 12 October 2021  | Medium Term Financial Plan Review                               | Public             |
| 12 October 2021  | Half Year – Review of Treasury Management                       | Public             |
| 12 October 2021  | Work Programme Update   | Public             |
|                  |   |                    |
| 7 December 2021  | Revenue and Capital Budget 2020/21 Progress                     | Public             |
| 7 December 2021  | Medium Term Financial Plan Review                               | Public             |
| 7 December 2021  | Work Programme Update   | Public             |
|                  |   |                    |
| 11 January 2022  | Quarter 3 – Revenue and Capital Budget Monitoring               | Public             |
| 11 January 2022  | Revenue and Capital Budget 2020/21 and MTFP                     | Public             |
| 11 January 2022  | Treasury Management Strategy 2020/21                            | Public             |
| 11 January 2022  | Work Programme Update   | Public             |
|                  |   |                    |



| <b>Committee Date</b> | <b>Report Title</b>                         | <b>Public/<br/>Private</b> |
|-----------------------|---|----------------------------|
| 8 February 2022       | Revenue and Capital Budget 2020/21 and MTFP | Public                     |
| 8 February 2022       | Work Programme Update                       | Public                     |

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