

Zero Based Budgeting

Summary

To consider the recommendations of the Performance & Finance Scrutiny Committee in respect of Zero Based Budgeting.

Portfolio: Finance

Wards Affected: All

Recommendation

The Executive is advised to RECOMMEND to Full Council that a Zero Based Budget be commenced this autumn for services that are particularly reliant on income from fees and charges, with incremental budgeting process retained for all other services.

1. Key Issues

1.1 At its meeting on 26 February 2020, the Council resolved:

- (v) that the Interim Deputy Chief Executive be instructed to prepare proposals, within the next three months, for consideration by the Performance and Finance Scrutiny Committee, for the undertaking of a Zero Based Budget (ZBB) exercise, and carried out in time for the setting of the 2021/22 budget, on all Council Services which, based upon the latest Budget Book, account for more than 0.75% of the gross Council expenditure. Recycling and Refuse is to be excluded from the ZBB process.

1.2 The Performance & Finance Scrutiny Committee considered a report on proposals for Zero Based Budgeting at its meeting on 9 September 2020.

1.3 The Committee considered the following options:

- (i) a Zero Based Budget be commenced this Autumn for services that are particularly reliant on income from fees and charges, with incremental budgeting process retained for all other services;
- (ii) a full Zero Based Budget be commenced this Autumn. This would require additional resources and training for officers and members and could only be successfully implemented for the 2021/22 financial year; or
- (iii) the incremental budgeting process be retained. This would potentially lead to inappropriate budgets remaining.

1.4 Further details on the options presented and recommended option were included in the agenda report, which is attached at Annex A to this report.

2. Resource Implications

2.1 Resource implications for Zero Based budgeting primarily relate to the officer resource required to conduct the ZBB exercise and will vary depending on the option chosen.

3. Options

3.1 The Executive has the option to support the recommended option proposed by the Performance & Finance Scrutiny Committee or recommend any alternative options it considers appropriate.

4. Proposals

4.1 It is proposed that the Executive RECOMMENDS to Full Council that a Zero Based Budget be commenced this autumn for services that are particularly reliant on income from fees and charges, with incremental budgeting process retained for all other services.

Annexes	Annex A – Report to the Performance & Finance Scrutiny Committee on Zero Based Budgeting
Background Papers	None
Author/Contact Details	Martin Hone – Executive Head of Finance Martin.hone@surreyheath.gov.uk
Head of Service	Martin Hone - Executive Head of Finance