

# Corporate Scrutiny Committee

17 January 2024

## Scrutiny of the Budget

### Report of the Statutory Scrutiny Officer

#### 1 Purpose

- 1.1 To scrutinise the service impacts of the specific proposals put forward from the Finance and Resources and Chief Executive's Directorates and to provide a response to the Executive to be viewed alongside the formal consultation process.
- 1.2 To note the Council's overall budget process, focusing on the overarching financial position, ensuring a balanced budget and Medium Term Financial Plan (MTFP), and to provide any initial comments to the Executive as part of the formal consultation process. The overall MTFP and budget will be brought back to the Committee's February meeting for further scrutiny and comment following its final consideration at Executive Board.
- 1.3 To note that the service impact of proposals put forward from the Council's other Directorates will be scrutinised by the other Scrutiny Committees at their meetings in January as these matters fall outside the terms of reference for this committee. This scrutiny will not form part of the formal budget consultation process.

#### 2 Action required

- 2.1 To discuss the budget with the officers and Executive Councillors present, gather information and draw conclusions.
- 2.2 To scrutinise the overall financial impact of the Council's budget proposals as part of the formal consultation process and provide feedback to the Executive.
- 2.3 To scrutinise the service impact of proposals put forward from the Finance and Resources and Chief Executive's Directorates and provide feedback to the Executive.

#### 3 Background information

##### 3.1 The Role of Overview and Scrutiny

All Council's operating Executive Governance arrangements are required to establish Overview and Scrutiny Committees. These Committees act as a check and balance to the power of the Executive, holding decision makers to account for their decisions, reviewing proposals and

supporting the development of policy. When operating effectively Overview and Scrutiny supports effective decision making and good governance through processes of supportive but robust challenge and transparent public accountability.

- 3.2 As part of its governance improvement work, Nottingham City Council has recently reviewed the structure, operation and support for Overview and Scrutiny to ensure it can deliver the above aims as effectively as possible, thereby supporting the Council's overall improvement journey. A new structure for Overview and Scrutiny, with dedicated officer support, was established in May 2023 with five committees, each linked to one of the Council's Directorates, with separate Committees for Children's Services and Health and Adult Social Care. Each of these Committees has a role to play in the scrutiny of the budget and these roles are outlined in this report.
- 3.3 **Scrutiny of the Budget – 2024/25**  
All Councils are legally required to agree a balanced budget, outlining how resources will be allocated to enable them to deliver their statutory responsibilities within their financial means. Drawing up proposals to deliver a balanced budget for 2024/25 has been exceedingly challenging due to reductions in funding for local authorities, increases in demand for services where statutory duties exist, particularly Children's and Adult's social care and homelessness, and inflationary and other pressures. This has resulted in the need to put forward proposals to stop or reduce some services in order to seek to balance the budget.
- 3.4 In Nottingham, proposals have been developed by Council Officers and, at its meeting on 19 December 2023, Executive Board agreed to put these proposals to the public with a formal consultation process for those proposals requiring it. Proposals not requiring formal consultation were shared in the interests of transparency. The Executive Board report to the 19 December meeting, outlining the Council's financial position and the proposals to achieve balance is attached in full as an appendix to this report.
- 3.5 As the Overview and Scrutiny Committee responsible for scrutinising finance, this Committee will provide the formal response to the consultation on the budget. This response will be incorporated into the report to the Executive Board meeting on 13 February where the Executive will agree proposals to put forward to Council for final decision and setting of the Council Tax on 26 February.
- 3.6 When scrutinising the budget proposals it is important that the Committee focusses on:
- a) How robust the proposals put forward are in terms of delivering a balanced budget
  - b) The level of risk the proposals expose the Council to
  - c) How effectively equalities have been considered as part of the process. The Equality Impact Assessments conducted can be

found at <https://www.nottinghaminsight.org.uk/Document-Library/Document-Library/acqNHUAO>

d) The public consultation process.

Once the Committee has considered the budget proposals, it should agree comments to feedback to the Executive for consideration at their meeting in February.

### **3.7 Scrutiny of the Impact of Individual Proposals**

In addition to providing formal feedback to the Executive as part of the consultation process on the overall budget, this Committee is responsible for scrutinising the service impact of individual proposals put forward from the Finance and Resources and Chief Executive's Directorates. These are identified in the appendices to the Executive Board report, appended to this report. Any comments or recommendations should be fed back to the Executive to be viewed alongside the formal consultation process.

3.8 The service impact of the individual proposals put forward from the Council's other Directorates will be scrutinised by the four other Overview and Scrutiny Committees at their meetings in January/February with comments fed back to the relevant Portfolio Holders. These matters fall outside of the Terms of Reference for this Committee and should not form part of the considerations at this meeting.

## **4 List of attached information**

4.1 Report, including appendices, to Executive Board on 18 December 2023, outlining the budget proposals.

## **5 Background papers, other than published works or those disclosing exempt or confidential information**

5.1 None

## **6 Published documents referred to in compiling this report**

6.1 None

## **7 Wards affected**

7.1 All.

## **8 Contact information**

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