

Corporate Scrutiny Committee

14 February 2024

Scrutiny of the Budget

Report of the Statutory Scrutiny Officer

1 Purpose

- 1.1 At its meeting on 17 January, the Committee provided Executive Councillors with its initial comments and views on the budget proposals and Medium Term Financial Plan (MTFP) as part of the formal consultation process.
- 1.2 In addition, the service impact of proposals put forward by each of the Council's Directorates have been scrutinised by all five Scrutiny Committees at their meetings in January and February. These views were passed on to the relevant Portfolio Holders to be viewed alongside the formal consultation process.
- 1.3 The purpose of this meeting is to note and scrutinise the Council's final budget following public consultation which the Executive has considered, at its meeting on 13 February, to be put forward to Council for final decision and setting of the Council Tax on 4 March. The Committee should focus on the overarching financial position, ensuring a balanced budget and MTFP.

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.

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 was considered by the Corporate Scrutiny Committee at its meeting on 17 January 2024.
- 3.5 As the Overview and Scrutiny Committee responsible for scrutinising finance, this Committee provided the formal response to the consultation on the budget. This response was incorporated into the report to the Executive Board meeting on 13 February where the Executive has considered proposals to put forward to Council for final decision and setting of the Council Tax on 4 March.
- 3.6 When scrutinising the budget proposals it is important that the Committee focuses on providing an overall view on the budget, following consultation with the public and stakeholders, and provide that view to City Council when making its decision on 04 March.
- 3.7 **Scrutiny of the Impact of Individual Proposals**
- 1.1 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 proposals were scrutinised by the Committee at its meeting on 17 January 2024 and the Committee's comments and recommendations

were 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 were scrutinised by the four other Overview and Scrutiny Committees at their meetings in January/ February with comments fed back to the relevant Portfolio Holders.

4 List of attached information

- 4.1 Report, including appendices, to Executive Board on 13 February 2024, 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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