

Corporate Scrutiny Committee

24 July 2024

Finance Update

Report of the Statutory Scrutiny Officer

1. Purpose

- 1.1 To consider a presentation from the Portfolio Holder and the Director of Finance on the 2025/26 Budget Strategy and approach endorsed by the Executive Board in June 2024.

2. Action required

- 2.1 The Committee is asked if it wishes to make any comments or recommendations regarding the information presented at the meeting.

3. Background information

- 3.1 The budget strategy and medium-term financial plan (MTFP) for 2024/25 to 2027/28 was approved by City Council on 4 March 2024, setting out an estimated cumulative budget gap of c£172m, of which the 2024/25 budget gap of £41.024m is being met from Exceptional Financial Support (EFS).
- 3.2 The significance of the budget gap over the medium-term financial plan of c£172m combined with the need to rely on substantial amounts of EFS should not be underestimated and although the EFS has allowed the Council to set a balanced budget in 2024/25, the Council has set itself a significantly higher hurdle to achieve in 2025/26. Therefore, it is essential that the Council looks to develop a budget strategy early in year that will support the Council achieving a financially sustainable budget over the medium-term financial plan period and in particular in meeting the conditions of the EFS and government intervention.

4. 2025/26 Budget Strategy

- 4.1 The overarching objective of our budget strategy is to ensure that the Council have set a priority-led budget over the medium term that is balanced and realistic supported by achievable saving plans. However, it must be recognised that the Council is currently facing the most significant budget challenge on record, which requires the Council to transform the way it delivers services and doing some things differently.
- 4.2 The 2025/26 Budget Strategy report to the Executive Board in June 2024 represented the first stage in the Council's annual budget planning process,

endorsing the budget strategy and approach for the MTFP period 2025/26 to 2028/29.

- 4.3 Appendix 1 provides a copy of the report to June 2024 Executive Board on the 2025/26 Budget Strategy. A powerpoint presentation summarising the key elements of the budget strategy and approach will be provided at the meeting.

5. List of attached information

- Appendix 1 – 2025/26 Budget Strategy Report to June 2024 Executive Board.
- A presentation will be provided at the meeting.

6. Background papers, other than published works or those disclosing exempt or confidential information

- 6.1 None

7. Published documents referred to in compiling this report

- 7.1 Report to the Executive Board – July 2024

8. Wards affected

- 8.1 All

9. Contact information

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