

REPORT OF THE CABINET MEMBER FOR FINANCE AND RESOURCES

BUDGET MONITORING PROCESS & BUDGET FRAMEWORK

Purpose of the Report

1. This report is to provide an update to Overview Committee on the current budget monitoring process and the budget framework for 2025/26.

Budget monitoring

2. The Council approved the 2024/25 budget at its meeting on 22 February 2024. As with previous financial years, progress updates are closely monitored and reported to management, the Cabinet Member for Finance or Cabinet each month.
3. Cabinet receives budget monitoring reports on a quarterly basis, with the Cabinet Member for Finance and the Corporate Leadership Team receiving monthly monitoring information. A copy of the detailed draft timetable to produce budget monitoring information is set out below:

Period	Period End	Data available	Input and approval	Approval complete	DLT reports to Corporate	CLT	Finance Member Briefing	Cabinet
		1st of the Month, or the First Working Day on the Month	Working Days	Close of Play	7 Working Days after "Approval Complete"	Tuesdays		Mon 14.00
1	30/04/2024	01/05/2024	7	10/05/2024	21/05/2024	28/05/2024	10/06/2024	
2	31/05/2024	03/06/2024	7	11/06/2024	20/06/2024	02/07/2024		25/07/2024
3	30/06/2024	01/07/2024	7	09/07/2024	18/07/2024	30/07/2024	12/08/2024	
4	31/07/2024	01/08/2024	7	09/08/2024	20/08/2024	27/08/2024	09/09/2024	
5	31/08/2024	02/09/2024	7	10/09/2024	19/09/2024	01/10/2024		07/11/2024
6	30/09/2024	01/10/2024	7	09/10/2024	18/10/2024	29/10/2024	04/11/2024	
7	31/10/2024	01/11/2024	7	11/11/2024	20/11/2024	26/11/2024	02/12/2024	
8	30/11/2024	02/12/2024	7	10/12/2024	18/12/2024	24/12/2024		06/02/2025
9	31/12/2024	02/01/2025	7	10/01/2025	21/01/2025	28/01/2025	03/02/2025	
10	31/01/2025	03/02/2025	7	11/02/2025	20/02/2025	04/03/2025	10/03/2025	
11	28/02/2025	03/03/2025	7	11/03/2025	19/03/2025	25/03/2025	07/04/2025	
12	31/03/2025	01/04/2025	7	OUTTURN REPORTING				

4. The budget monitoring report, published on the Council's website, sets out the financial position for the revenue budget, the anticipated year-end forecast, the capital programme and treasury management activity. Also included will be the explanation of major variances, the action that management is taking to control any committee overspend, together with any virements or capital programme amendments and requests from contingency.
5. The quarter end budget monitoring report will also include performance analysis on accounts payable, accounts receivable and procurement activities.

Budget Framework

6. On 31 March 2022 the Council approved the change to the Council's governance arrangements from a committee system of governance to the executive system (Leader and Cabinet model) to be implemented with effect from the Council's annual meeting on 12 May 2022. As a consequence, a new budget and policy framework procedure rules were adopted (Appendix 5 of the report to Full council on 31 March 2022).
7. The Full Council is responsible for the approval of the Annual Budget. The Council's Cabinet is responsible for its implementation by discharging executive functions in accordance with it.
8. In accordance with the Budget and Policy Framework Procedure Rules, Cabinet will recommend to Full Council the proposed revenue and capital budget for the forthcoming financial year, inclusive of council tax to be levied.
9. The Full Council will be responsible for approving the annual budget.
10. In approving the annual budget, the Council will also specify the extent of virement (the limits for the transfer of budget provision from one budget head to another) within the budget and degree of in-year changes to the Annual Budget.
11. The annual budget must be approved by the end of February each year.
12. This new framework set out the process for Cabinet in establishing the annual budget, including the consultation process, where and when Overview Committee is able to consider Cabinet's initial budget proposals. It also indicated the initial deadline of the 8 February in any financial year for Cabinet to submit to Council for its consideration in relation to the following financial year. This effectively allowed the ability to bring forward of the date for Full Council to approve the annual budget and allows time for any further revision of the budget if Full Council so wishes.
13. The Budget for 2023/24 was the first budget to be approved under these new governance arrangements and included several reports to Cabinet and Overview Committee before approval of the Budget at Full Council in February 2023. The process was reviewed during 2024/25 to ensure learning from the 2023/24 budget process was implemented and the cycle for the 2025/26 budget will continue to embed these improvements.
14. Consequently, consideration had been given to:
 - a. The Full Council meeting for approving the budget will be at the end of February 2025.

- b. Continuing with the extended time between the Overview Committee meeting in January and the Cabinet meeting in February for proposing the budget which allows more time to assess recommendations arising from Overview Committee.
- c. Continuing with the option that brought forward the public consultation within the timetable. The Council should continue with the pre-launch advertising of the consultation wherever possible.

15. The provisional timetable for the setting of the budget for 2025/26 is shown at the Appendix.

Other Options Considered

16. This report sets out the process for monitoring the annual budget and the new budget framework under the new governance arrangements only.

Reasons for Recommendation/s

17. To provide information to Overview Committee on the Council's approach to budget monitoring and the budget setting process for 2025/26.

Statutory and Policy Implications

18. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

19. There are no direct financial implications arising from this report.

Data Protection and Information Governance

20. A full Data Processing Impact Assessment has been done and the contract contains all the relevant clauses

RECOMMENDATION

1. That Overview Committee notes the established processes for monitoring the budget and note the Budget Framework for establishing the budget for 2025/26.

Councillor Richard Jackson
Cabinet Member for Finance and Resources

For any enquiries about this report please contact:

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Constitutional Comments

21. This report is for information only and no decisions are required.

Financial Comments (NS 06/04/2024)

22. There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All

Provisional Timetable for Budget 2025/26

Month	Date	For/From	Action/Event
September	11 September 2024	Democratic Services	Publication of Cabinet papers
	19 September 2024	Cabinet	Approve public consultation
	23 September 2023	Corporate Communications	Public Consultation Starts - provisional date
November	01 November 2024	Corporate Communications	Public Consultation Ends (6 weeks)
	13 November 2024	Democratic Services	Publication of Overview Committee papers
	21 November 2024	Overview Select Committee	Budget Update report
	late Nov 2024??	HMT	Chancellor of Exchequer Autumn Statement (Budget Report)
December	16 December 2024	DLUHC	Provisional Local Government Settlement including provisional council tax and adult social care precept arrangements
	11 December 2024	Democratic Services	Publication of Cabinet papers
	19 December 2024	Cabinet	Outcome from Budget Consultation
January	15 January 2025	District/Borough Councils	Confirmation of District and Borough Council tax base, business rate forecasts and collection fund surplus/deficits
	15 January 2025	Democratic Services	Publication of Overview Committee - Budget Update
	23 January 2025	Overview Committee	Scrutiny of Budget Update before Full Council
	29 January 2025	Democratic Services	Publication of Cabinet papers
February	06 February 2025	Cabinet	Cabinet considers outcomes from Overview Committee as well as service & financial planning, EQIA, consultation feedback and agrees revenue budget and capital programme recommendations to Full Council
	mid Feb 2025	DLUHC	Final Local Government Settlement
	19 February 2025	Democratic Services	Publication of Budget Report to Full Council
	19 February 2025	Democratic Services	Publication of amendments to Cabinet budget by Opposition Groups and Independent Councillors
	27 February 2025	Full Council	Budget Report to Full Council