

**REPORT OF THE CABINET MEMBER FOR FINANCE**

**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 2024/25.

**Budget monitoring**

2. The Council approved the 2023/24 budget at its meeting on 9 February 2023. 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 timetable for the production of 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	
1	30/04/2023	02/05/2023	7	11/05/2023	22/05/2023	30/05/2023	05/06/2023		
2	31/05/2023	01/06/2023	7	09/06/2023	20/06/2023	27/06/2023		20/07/2023	
3	30/06/2023	03/07/2023	7	11/07/2023	20/07/2023	01/08/2023	07/08/2023		
4	31/07/2023	01/08/2023	7	09/08/2023	18/08/2023	29/08/2023	04/09/2023		
5	31/08/2023	01/09/2023	7	11/09/2023	20/09/2023	03/10/2023		09/11/2023	
6	30/09/2023	02/10/2023	7	10/10/2023	19/10/2023	31/10/2023	06/11/2023		
7	31/10/2023	01/11/2023	7	09/11/2023	20/11/2023	28/11/2023	04/12/2023		
8	30/11/2023	01/12/2023	7	11/12/2023	19/12/2023	26/12/2023		08/02/2024	
9	31/12/2023	02/01/2024	7	10/01/2024	19/01/2024	30/01/2024	05/02/2024		
10	31/01/2024	01/02/2024	7	09/02/2024	20/02/2024	27/02/2024	04/03/2024		
11	29/02/2024	01/03/2024	7	11/03/2024	19/03/2024	26/03/2024		25/04/2024	
12	31/03/2024	01/04/2024	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 brings forward 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 a number of reports to Cabinet and Overview Committee before approval of the Budget at Full Council in February 2023. The process has been reviewed to ensure any learning from last year's process can be brought into the process for establishing the Budget for 2024/25.
14. Consequently, consideration has been given to:
  - a. The Full Council meeting for approving the budget to be at the end of February 2024.
  - b. Extending the time between the Overview Committee meeting in January and the Cabinet meeting for proposing the budget to allow more time to assess recommendations arising from Overview Committee.

c. The option to bring forward the public consultation within the timetable.

15. The provisional timetable for the setting of the budget for 2024/25 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 2024/25.

### **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 2024/25.

**Councillor Richard Jackson**  
**Cabinet Member for Finance**

### **For any enquiries about this report please contact:**

Nigel Stevenson – Service Director Finance, Infrastructure & Improvement  
[nigel.stevenson@nottsc.gov.uk](mailto:nigel.stevenson@nottsc.gov.uk)

**Constitutional Comments (GR 20/04/2022)**

21. Pursuant to the Nottinghamshire County Council Constitution the Overview Committee has the delegated authority to receive this report.

**Financial Comments (NS 06/04/2023)**

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 2024/25

Month	Date	For/From	Action/Event
September	13 September 2023	Democratic Services	Publication of Cabinet papers
	21 September 2023	Cabinet	Approve public consultation
	21 September 2023	Corporate Communications	Public Consultation Starts
November	03 November 2023	Corporate Communications	Public Consultation Ends (6 weeks)
	15 November 2023	Democratic Services	Publication of Overview Committee papers
	23 November 2023	Overview Select Committee	Budget Update report
	late Nov 2023	HMT	Chancellor of Exchequer Autumn Statement (Budget Report)
December	14 December 2023	DLUHC	Provisional Local Government Settlement including provisional council tax and adult social care precept arrangements
	13 December 2023	Democratic Services	Publication of Cabinet papers
	21 December 2023	Cabinet	Outcome from Budget Consultation
January	15 January 2024	District/Borough Councils	Confirmation of District and Borough Council tax base, business rate forecasts and collection fund surplus/deficits
	17 January 2024	Democratic Services	Publication of Overview Committee - Budget Update
	25 January 2024	Overview Committee	Scrutiny of Budget Update before Full Council
	31 January 2024	Democratic Services	Publication of Cabinet papers
February	mid Feb 2023	DLUHC	Final Local Government Settlement
	08 February 2024	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
	14 February 2024	Democratic Services	Publication of Budget Report to Full Council
	14 February 2024	Democratic Services	Publication of amendments to Cabinet budget by Opposition Groups and Independent Councillors
	22 February 2024	Full Council	Budget Report to Full Council