

REPORT OF THE CABINET MEMBER FOR FINANCE

BUDGET UPDATE REPORT

Purpose of the Report

1. This report is to provide an update to Overview Committee on the budget development process for 2024/25.

Budget Update

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. In accordance with the Budget and Policy Framework Procedure Rules, Cabinet at its meeting on 9 November 2022 considered the Council's current and medium-term financial position (MTFS) and the ongoing measures to tackling the predicted budget deficit over the medium-term. This report is attached at Appendix A.
4. The report set the Council's approach to the Budget challenges, the linkages to the Nottinghamshire Plan as well as identifying the background and difficulties that local government sector and Nottinghamshire County Council is facing in establishing its budget for next year.
5. The attached report identifies the processes that have been undertaken in creating the budget, together with the emerging pressures, both from demand for our services and inflation, the measures we have in place to mitigate future rising pressures, assumptions, and the risks behind the assumptions in the MTFS.
6. Finally, the report set out the continued update process to the MTFS, the measures that are being explored and the key milestones for the construction of the 2024/25 Budget.

Budget Framework

7. The Council's budget framework set out the process for Cabinet in establishing the annual budget, including the consultation process, where and when Overview Committee can consider Cabinet's initial budget options. 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. A previous report to this Committee identified the learning from the

first budget established under the new governance arrangements. Consequently, the date for Full Council to approve the annual budget is now 22 February 2024 with a greater time between the meeting of Overview Committee, Cabinet and Full Council to allow consideration of recommendations from Overview Committee.

- 8. 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.
- 9. 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.
- 10. The Full Council will be responsible for approving the annual budget, which must be approved by the end of February each year.

Other Options Considered

- 11. This report sets out the budget update and sets out the process for construction of the Budget for 2024/25. It gives an opportunity for the Committee to consider the budget, and the current assumptions in the MTFS.

Reasons for Recommendation/s

- 12. To provide information to Overview Committee on the Council's approach to the budget setting process and the current assumptions behind the budget. It also provides the opportunity for the Committee consider the assumptions in the MTFS.

Statutory and Policy Implications

- 13. 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

- 14. There are no direct financial implications arising from this report.

Data Protection and Information Governance

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

RECOMMENDATIONS

That Overview Committee:

- 1) Notes the significant challenges presented by the financial landscape the Council operates within.
- 2) Notes the process in establishing the Council's budget for 2024/25.
- 3) Considers and comments upon the current assumptions that have been made in updated Council's Medium-Term Financial Strategy.

Councillor Richard Jackson
Cabinet Member for Finance

For any enquiries about this report please contact:

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Constitutional Comments (GR 08/11/2023)

16. Pursuant to the Nottinghamshire County Council Constitution, this committee has the delegated authority to receive this report and make any recommendation contained within it.

Financial Comments (NS 19/10/2023)

17. The attached Cabinet report identified the financial implications. 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