

## Finance and Resources Scrutiny Committee

30<sup>th</sup> January 2023

<b>Report Title</b>	<b>Budget 2023/202 – Report from Budget Scrutiny Meetings</b>
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### List of Appendices

**Appendix A – Session 1 Children’s Services 6<sup>th</sup> January 2023**

**Appendix B – Session 2 Place and Economy 17<sup>th</sup> January 2023**

**Appendix C – Session 3 Enabling Services 18<sup>th</sup> January 2023**

**Appendix D – Session 4 Adults, Health Partnerships and Housing 23<sup>rd</sup> January 2023**

**Appendix E – Draft Scrutiny Submission 2023/2024 (TO FOLLOW)**

### **1. Purpose of Report**

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- 1.1. For the Committee to receive feedback from the eight budget sessions conducted on the Executive’s budget proposals for 2022/23. These sessions were conducted between 6<sup>th</sup> – 24<sup>th</sup> January 2022. The Committee are being requested to determine its representation to the Executive for consideration at the Executive meeting on 10<sup>th</sup> February 2022. The final budget proposals from the Executive will be forwarded to Full Council on 24<sup>th</sup> February 2022 for determination.

### **2. Executive Summary**

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- 2.1. The report details the process undertaken by the Committee in reviewing the proposed draft budget for 2022-23. The report is requesting that the Committee having considered the budget proposals indicates whether the proposals are robust, whether there are any areas of concern noted, and whether there are other priorities that the Committee wish the Executive to consider.

### 3. Recommendations

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- 3.1. It is recommended that the Finance and Resources Scrutiny Committee –
- (i) Receive the notes from the four scrutiny budget sessions (detailed in Appendices A-D);
  - (ii) Agree what comments, questions, or recommendations the Committee wish to forward to the Executive;
  - (iii) Note that in the Municipal Timetable 2023/24 provision has been made for both Stage 1 and Stage 2 Budget Scrutiny meetings;
- 3.2. (*Reason for Recommendations* – To ensure that the Council complies with its Constitution in setting the budget for North Northamptonshire.)

### 4. Report Background

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- 4.1. The Executive at its meeting on 22<sup>nd</sup> December 2022 set out its draft proposals for the Council's budget 2023/24. These proposals included the Capital Programme 2022-25 and proposals for the Housing Revenue Account (HRA) 2022-23.
- 4.2. These draft proposals were submitted for public consultation, with the consultation period closing on 27<sup>th</sup> January 2023.
- 4.3. The main headline assumptions within the draft budget proposals are:
- A balanced budget for 2023-24.
  - Further investment of circa £57m to both protect vital services and invest in service change and improvement. This includes investment within the 2022-23 medium term financial plan that remains in place for 2023-24. This allows for demand and cost increases for Home to School Transport (c£7m), Adult Social Care (c£20m) and the Children's Trust (c£6m) alongside further investment in the Children's Trust to protect and increase the baseline funding from 2022-23 into 2023-24. The Children's Trust is also seeking additional one-off revenue investment of £2.2m countywide (c£1m from the North) to help deliver further service improvements and generate further efficiencies.
  - These pressures are, in part, offset by savings, efficiencies and income generation including new direct service grants of c£17m, this includes the continuation of savings already included as part of the 2022-23 medium term financial plan and which remain deliverable, with the remainder being met through improved business rates income, council tax and Government grants.
  - Planned savings and pressures from previous Medium Term Financial Plans will remain to be delivered, unless there is a requirement to change the assumptions following review.

- The use and retention of reserves to support non-recurring investment in service improvement, fund time limited projects, pump-prime invest to save schemes and help manage risk.
- The investment in Social Care recognises the increase in the National Living Wage from 1 April 2023 to £10.42 per hour and the reversal of a 1.25% increase in national insurance contributions for care providers, following the changes proposed in the Government’s budget earlier this year.
- An increase in Council Tax consisting of 2.99% for the “core” council tax and 2% for the Adult Social Care precept, which results in a new Band D equivalent Council Tax of £1,657.51, an average weekly increase of £1.52 (based on Band D equivalent)
- No change to the Local Council Tax Support Scheme which will continue at 25%.
- Inclusion of a contingency to mitigate against uncertainty, which totals £3.8m and is equivalent to around 1% of the Council’s Net Budget. This recognises that there remains uncertainty in funding and spending predictions.
- Officers will continue to seek efficiencies in order to help address the budget requirement from 2024/25 and into future years.

4.4. In addition to the public consultation, the Finance and Resources Scrutiny Committee were invited to consider the draft budget proposals and were invited to scrutinise these. Any comments, concerns or representations from the Scrutiny Committee would be reported to the Executive at its meeting on 9<sup>th</sup> February 2023 for the Executive’s consideration.

4.5. To assist the Scrutiny Committee in formulating its representation, four budget scrutiny sessions were timetabled. These sessions were formulated around the four main service areas of the Council:

<b>Service Area</b>	<b>Budget Sessions</b>
Children’s Services	6 <sup>th</sup> January 2023
Place and Economy	17 <sup>th</sup> January 2023
Enabling Services	18 <sup>th</sup> January 2023
Adults, Health Partnerships and Housing	23 <sup>rd</sup> January 2023

4.6. All members of the Scrutiny Committee were invited to attend each session, and each session was attended by the appropriate senior officers from the respective service area and officers from Financial Services.

4.7. Each session comprised a presentation from officers relating to the respective service area, with a focus on the budget implications as contained in the draft budget proposals 2023/24. Each session included an opportunity for questions and answers.

4.8. Summary notes from each session are included within Appendices A-D accompanying this report and are intended to assist the Scrutiny Committee in formulating its representation to the Executive.

- 4.9. It should be noted that in late 2022, officers conducted briefing sessions for members of the Committee which included budget monitoring information for 2022/23 together with then current outturn projections for 2022/23, together with an early indication of key issues to be taken into account in the formulation of the draft 2023/24 budget proposals.
- 4.10. The Executive at its meeting on 9<sup>th</sup> February 2023 will consider any representations received from the Scrutiny Committee and any representations received through the public consultation period. These representations will inform the Executive's final budget recommendations which will inform the final proposals submitted to Full Council for determination.

## **5. Issues and Choices**

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- 5.1. It is suggested that the Scrutiny Committee consider the outcome of the budget sessions held, by each service area, and consider the points raised for inclusion in any representations to the Executive.
- 5.2. It has been recognised that the scheduling of both Stage 1 and Stage 2 Budget Scrutiny sessions was complicated by the absence of pre-set diary appointments. To mitigate against this for the 2024/25 Budget Consultation, Full Council agreed as part of the Municipal Timetable for 2023/24 that both Stage 1 and Stage 2 sessions were prioritised. This will assist both officers and Members in both preparation and attendance.
- 5.3. It is further noted the absence of dedicated scrutiny officer support to the Committee has again caused concern in the preparation of any response, however the Committee will be aware that the restructure process of the Democratic Services is underway and this matter will be addressed in early 2023/24.
- 5.4. It is further suggested that the Committee may wish to consider obtaining further training and guidance in relation to assisting with its undertaking of scrutiny responsibilities, including scrutiny of budget proposals.

## **6. Next Steps**

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- 6.1. Once the Scrutiny Committee have formulated its representation to the draft budget proposals this will be communicated to the Executive ahead of the Executive meeting on 9<sup>th</sup> February 2023. The Chair of Scrutiny Committee (or their designated deputy) will have the opportunity to present the Committee's representation to the Executive.

## **7. Implications (including financial implications)**

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### **7.1. Resources and Financial**

- 7.1.1. The Scrutiny Committee are required to ensure that the draft budget is robust and to challenge any proposals or assumptions made which they feel are unreasonable. It is not the role of the Scrutiny Committee to develop an “alternative budget” but where the Committee feel that there are areas of potential income or expenditure that have not been fully explored or addressed it is reasonable for the Committee to raise these with the Executive. The need to ensure the Council set a balanced budget is paramount.

### **7.2. Legal and Governance**

- 7.2.1. Under the Council’s approved Constitution (Part 7.1 Scrutiny Procedure Rules) the Committee are required to challenge the draft budget proposals and any assumptions made in those proposals.
- 7.2.2. The Committee should report its findings and deliberations to the Executive, prior to the Executive making its final recommendations to Full Council.
- 7.2.3. Senior officers of the Council have been available throughout the Committee’s scrutiny process to assist the Committee in its deliberations.

### **7.3. Relevant Policies and Plans**

- 7.3.1. The Executive in compiling its draft budget proposals is required to ensure that these support the implementation of the approved Corporate Plan and satisfy all legislative requirements placed on the Council.

### **7.4. Risk**

- 7.4.1. It is important that any draft budget proposals are subject to rigorous challenge and appropriate scrutiny. This will assist in ensuring that the draft proposals are robust, meet the Council’s corporate priorities, fulfil statutory requirements, and provide for a balanced budget.

### **7.5. Consultation**

- 7.5.1. The Committee are being consulted on the budget proposals as required under the approved Council Constitution.

### **7.6. Consideration by the Executive**

- 7.6.1. The Executive approved the draft budget proposals on 22<sup>nd</sup> December 2023. The Executive will receive all consultation responses at its meeting on 9<sup>th</sup> February 2023.

## **7.7. Equality Implications**

7.7.1. None directly from this report.

## **7.8. Climate Impact**

7.8.1. The Council, having declared a climate change emergency in June 2021, is committed to reducing its climate impact both within its own Council buildings and in working with businesses and the wider community to achieve net zero energy emissions.

## **7.9. Community Impact**

7.9.1. The Executive's report stated that no distinct community impacts had been identified as a result of the proposals included in their report.

## **8. Background Papers**

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- 8.1. Executive Report 22<sup>nd</sup> December 2022 – Draft Budget 2023-24 and Medium-Term Financial Plan
- 8.2. Executive Report 22<sup>nd</sup> December 2022 – Capital Programme 2023-26
- 8.3. Executive Report 22<sup>nd</sup> December 2022 – Housing Revenue Account (HRA) Draft Budget 2023-24 and Medium-Term Financial Plan Proposals
- 8.4. Scrutiny Budget Sessions Presentations