

## Corporate Scrutiny Committee 23<sup>rd</sup> January 2024

Report Title	Budget 2024/2025 – Report from Budget Scrutiny Panel
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### List of Appendices

#### Appendix A – Draft Scrutiny Submission 2024/2025 (To follow)

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

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- 1.1. For the Committee to receive feedback from the seven budget sessions conducted on the Executive's budget proposals for 2024/25. These sessions were conducted between 5<sup>th</sup> December 2023 and – 19<sup>th</sup> January 2024. The Committee is being requested to determine its representation to the Executive for consideration at the Executive meeting on 15<sup>th</sup> February 2024. The final budget proposals from the Executive will be forwarded to Full Council on 22<sup>nd</sup> February 2024 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 2024-25. 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 Corporate Scrutiny Committee –
- (i) Receive the draft budget submission and notes from the seven scrutiny budget sessions (detailed in Appendix A to follow);
  - (ii) Agree which comments, questions, and/or recommendations the Committee wish to forward to the Executive;
- 3.2. *Reason for Recommendations – To ensure that the Council complies with its Constitution in setting the budget for North Northamptonshire.*
- 3.3. *Alternative Options Considered – None. It is a requirement of the Budget Setting process that scrutiny of the proposed budget takes place, which is essential for holding the Executive and Council to account.*

### 4. Report Background

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- 4.1. The Executive at its meeting on 21<sup>st</sup> December 2023 set out its draft proposals for the Council's budget 2024/25. These proposals included the Capital Programme 2024-27 and proposals for the Housing Revenue Account (HRA) 2024-25.
- 4.2. These draft proposals were submitted for public consultation, with the consultation period closing on 26<sup>th</sup> January 2024.
- 4.3. The main headline assumptions within the draft budget proposals are:
- A balanced general fund budget for 2024-25, with funding supporting net spend requirements of £371.5m (excluding the DSG).
  - Further investment of circa £53.4m to both protect vital services and invest in service change and improvement. This allows for demand and cost increases in services, most notably Adult Social Care (£19.4m) and Children's Services (£14.1m).
  - Cost pressures and service investment are, in part, offset by savings, efficiencies and income generation of £18.5m, this includes the continuation of savings already included as part of the 2024-25 medium term financial plan and which remain deliverable, with the remainder being met through improved business rates income, council tax income and Government grants.
  - An investment in Social Care which recognises a 9.8% increase in the National Living Wage from 1 April 2024 to £11.44 per hour.
  - 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 £1,740.22, an average weekly increase of £1.59 (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 unforeseen cost pressures totalling £4.1m. This is equivalent to over 1% of the Council's net budget and recognises the risks posed by the wider economy and rising demand.
- The use and retention of reserves to support non-recurring investment in service improvement, fund time limited projects, pump-prime schemes and help manage risk both in year and across years.
- Officers will continue to seek efficiencies in order to help address the budget requirement from 2025-26 and into future years.
- An indicative DSG settlement of £388.1m

4.4. In addition to the public consultation, the Corporate Scrutiny Committee was 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 8<sup>th</sup> February 2024 for the Executive's consideration.

4.5. To assist the Corporate Scrutiny Committee in formulating its representation, phase 1 and phase 2 budget scrutiny sessions were timetabled through a Budget Scrutiny Panel. These sessions were formulated around the main service areas of the Council.

4.6. For phase 1, seven sessions took place during November 2023, which included consideration of budget monitoring information for 2023/24 with the current outturn projections for 2023/24, as well as an early indication of key issues to be taken into account in the formulation of the draft 2024/25 budget proposals.

4.7. For phase 2, detailed scrutiny of the proposed 2024/25 budget took place, again with seven meetings taking place as follows:-

<b>Service Area</b>	<b>Budget Sessions</b>
Children's Services (Northamptonshire Children's Trust Contract Sum 2024/25 and Medium Tern Financial Plan)	5 <sup>th</sup> December 2023
Enabling Services	8 <sup>th</sup> January 2024
Adults	11 <sup>th</sup> January 2024
Communities and Public Health	12 <sup>th</sup> January 2024
Children's Services (NNC provided services)	15 <sup>th</sup> January 2024
Place and Economy	19 <sup>th</sup> January 2024
Adults, Health Partnerships and Housing	19 <sup>th</sup> January 2024

4.8. All members of the Corporate 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 Finance.

4.9. 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 2024/25. Each session included an opportunity for questions and answers.

4.10. Summary notes from each session are included within Appendix A (*to follow*) accompanying this report and are intended to assist the Scrutiny Committee in formulating its representation to the Executive.

4.11. The Executive at its meeting on 8<sup>th</sup> February 2024 will consider any representations received from the Corporate 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 Corporate 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.

## **6. Next Steps**

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6.1. Once the Corporate Scrutiny Committee has formulated its representation to the draft budget proposals this will be communicated to the Executive ahead of the Executive meeting on 8<sup>th</sup> February 2024. The Chair of Corporate 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 Corporate Scrutiny Committee is 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 Corporate Scrutiny Committee is 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 8<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 21<sup>st</sup> December 2023 – Draft Budget 2024-25 and Medium-Term Financial Plan

8.2. Executive Report 21<sup>st</sup> December 2023 – Capital Programme 2024-27

- 8.3. Executive Report 21<sup>st</sup> December 2023 – Housing Revenue Account (HRA)  
Draft Budget 2024-25 and Medium-Term Financial Plan Proposals  
[Meeting Papers for Executive held on Thursday 21st December, 2023](#)