

EXECUTIVE

6th February 2025

Report Title	Annual Budget Scrutiny Report 2025/26 (Budget Consultation Submission from the Budget Scrutiny Panel of Corporate Scrutiny Committee)
Lead Member	Councillor Lyn Buckingham, Chair of the Corporate Scrutiny Committee and Budget Scrutiny Panel
Report Author	Kunwar Khan, Scrutiny Manager (Interim)

Key Decision	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there public sector equality duty implications?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	N/A
Which Corporate Plan priority does the report most closely align with?	Modern public services

List of Appendices

Appendix A - Annual Budget Scrutiny Report for 2025/26

1. Purpose of Report

- 1.1. To present the Annual Budget Scrutiny Report for 2025/26 to the Executive. This report from the Corporate Scrutiny Committee provides formal feedback from its Budget Scrutiny Panel on the Executive's budget proposals for 2025/26.
- 1.2. The report includes the formal recommendations of the Budget Scrutiny Panel, as approved by the Corporate Scrutiny Committee, to the Executive regarding the draft budget for 2025/26.

2. Executive Summary

- 2.1. The Annual Budget Scrutiny Report for 2025/26 details the structured and evidence-led process undertaken by the Budget Scrutiny Panel of the Corporate Scrutiny Committee to evaluate the proposed draft budget. The scrutiny process was conducted in two phases:

- 2.2. **Phase 1:** Reviewed in-year financial performance, identifying general pressures, challenges and opportunities.
- 2.3. **Phase 2:** Examined the draft budget, Medium-Term Financial Plan (MTFP) and service-specific challenges across key directorates.
- 2.4. The report scrutinises significant pressures, including demand in Adult Social Care (£23.7 million) and Children’s Services (£6.2 million), alongside proposed savings of £26.3 million. It provides targeted recommendations to strengthen financial resilience, improve risk management and drive service transformation.
- 2.5. The Corporate Scrutiny Committee invites the Executive to consider the findings of the Budget Scrutiny Panel and to adopt the evidence-led recommendations. These recommendations are designed to align the 2025/26 budget and scrutiny process with:
 - The Local Government Association (LGA) Peer Review Challenge Feedback Report (Full Council, December 2024);
 - Best practices highlighted by the Centre for Governance and Scrutiny (CfGS); the Chartered Institute of Public Finance and Accountancy (CIPFA); Corporate strategic priorities and the Council’s commitment to robust financial governance.

3. Recommendations

- 3.1. It is recommended that the Executive:
 - a) Receives the Annual Budget Scrutiny Report for 2025/26 from the Corporate Scrutiny Committee at **Appendix A**.
 - b) Endorses the enhanced budget scrutiny process undertaken to scrutinise the draft budget for 2025/26.
 - c) Delegates authority to Executive Directors, in consultation with the Executive Portfolio Holders and the Chair of the Corporate Scrutiny Committee, to agree an action plan with a detailed timetable to formally respond to the recommendations in the report.
- 3.2. Reason for Recommendations – To ensure that the Council complies with its Constitution, legislative requirements and best practice in setting the 2025-26 budget for North Northamptonshire Council. The recommendations aim to strengthen the alignment between the budget, the Council’s strategic priorities, statutory obligations; robust financial governance and scrutiny.
- 3.3. Alternative Options Considered – None. The Corporate Scrutiny Committee is a statutory consultee in the budget-setting process and plays a key role in ensuring transparency and accountability in compliance with its statutory responsibilities.

4. Report Background

- 4.1. The Executive approved the 2025/26 budget-setting process and scrutiny arrangements at its meeting on 14th November 2024.
- 4.2. The Corporate Scrutiny Committee, acting as the Budget Scrutiny Panel, undertook a structured and evidence-based review of the draft budget proposals. Its aim was to ensure the proposals aligned with the Council's statutory obligations, strategic priorities and best practice in financial governance and the process followed statutory guidance and best practice relating to scrutiny.
- 4.3. The scrutiny process was conducted in two phases: Phase 1 (28th October – 21st November 2024): Reviewed the in-year financial position, historical performance and emerging pressures. Phase 2 (2nd December 2024 – 24th January 2025): Focused on the draft budget proposals, the Medium-Term Financial Plan (MTFP) and the capital programme. Specific scrutiny sessions were split across the main service areas:
 - Adults, Health Partnerships and Housing, including the HRA
 - Children's Services
 - Enabling and Corporate Services
 - Place and Economy
 - Public Health and Communities
- 4.4. In total, eleven bespoke and detailed scrutiny sessions examined key service areas, engaging Executive Members, backbenchers, executive directors and senior officers. The process included rigorous analysis of directorate-specific challenges, feedback and financial assumptions relating to each directorate:
- 4.5. The findings and recommendations presented in this report reflect the Budget Scrutiny Panel's robust evidence base and targeted focus on addressing financial pressures, improving risk management and driving service transformation.
- 4.6. The process culminated in a concluding session of the Budget Scrutiny Panel which considered the overall strategic picture and agreed the draft recommendations to the Executive on 24th January 2025. These recommendations were agreed by the Corporate Scrutiny Committee at their meeting on 27th January 2025.

5. Issues and Choices

- 5.1. The key issues for the Executive to consider are outlined in **Appendix A**. These include:
 - The alignment of the 2025/26 draft budget with the Council's strategic priorities and statutory obligations.
 - Financial pressures in demand-led services, such as Adult Social Care (£23.7 million) and Children's Services (£6.2 million), alongside the delivery of £26.3 million in proposed savings.

- Recommendations to improve financial resilience, strengthen governance and address operational challenges in areas such as SEND, housing and public health.
- The Executive is invited to review these issues and ensure that the final budget reflects the evidence-led recommendations of the Budget Scrutiny Panel.

6. Next Steps

- 6.1. The final budget proposals, incorporating the recommendations of the Budget Scrutiny Panel, will be reviewed by the Executive at its meeting on 6 February 2025.
- 6.2. Following the Executive's review, the final budget proposals will be presented to Full Council for approval on 20th February 2025.
- 6.3. The Executive is encouraged to ensure that its acknowledgment and formal response to the recommendations, including the action plan and timetable, are aligned with the next step in the decision-making process facilitating timely and informed decision-making by the Full Council.

7. Implications (including financial implications)

7.1. Resources, Financial and Transformation

- 7.1.1. The Corporate Scrutiny Committee is required to ensure that the draft budget is robust and to challenge any assumptions or proposals that appear unreasonable. While it is not the role of the Committee to develop an “alternative budget,” it is entirely appropriate for the Committee to highlight areas of potential income or expenditure that require further exploration or adjustment. The overarching priority remains ensuring that the Council sets a balanced and sustainable budget.

7.2. Legal and Governance

- 7.2.1. In accordance with the Council’s Constitution (Part 7.1 Scrutiny Procedure Rules), the Committee is statutorily required to review the budget proposals, subjecting them to rigorous scrutiny and ensuring they align with legislative and constitutional requirements.
- 7.2.2. The Committee’s findings and deliberations are formally reported to the Executive so that they may support the Executive’s final recommendations to Full Council.
- 7.2.3. Senior officers have actively supported the scrutiny process by providing technical guidance, data and evidence, ensuring the process is transparent and collaborative.

7.3. Relevant Policies and Plans

7.3.1. This report supports the delivery of the Corporate Plan 2021/25.

7.4. Risk

7.4.1. It is important that any draft budget proposals ensure that they support the implementation of the Corporate Plan and satisfy all legislative requirements place on the Council.

7.5. Consultation

7.5.1. Executive Director Finance (Section 151 Officer); Director of Law and Governance (Monitoring Officer) were consulted in developing the report.

7.5.2. Executive Members, Members of the Corporate Leadership Team (CLT) and senior officers were present at scrutiny sessions throughout the process.

7.6. Consideration by Executive Advisory Panel

7.6.1. Not considered by an Executive Advisory Panel.

7.7. Consideration by Scrutiny

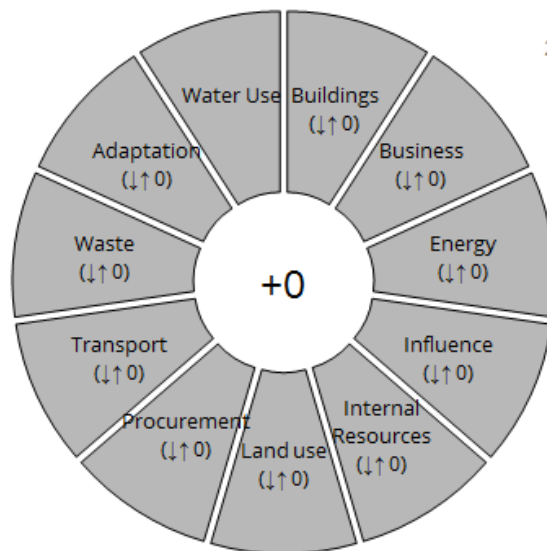
7.7.1. The Corporate Scrutiny Committee have been consulted on the budget proposals as required under the Council's Constitution.

7.8. Equality Implications

7.8.1 There are no direct equality implications of this report. Equality Impact Screening has been conducted for the draft budget proposals and can be viewed at the following [link](#).

7.9. Climate Impact

7.9.1. There are no climate and environmental impacts arising from this report.



North Northamptonshire Council has committed to being a carbon neutral organisation by 2030, 4 yrs & 11 mos away.

7.10. Community Impact

7.10.1. There is no community impact arising from this report.

7.11. Crime and Disorder Impact

7.11.1. There are no crime and disorder impacts arising from this report.

8. Background Papers

- 8.1. Executive Report 14th November 2024 – Executive Report 14th November 2024 – [Indicative Budget Timeline and Scrutiny Process 2025-26](#)
- 8.2. Executive Report 19th December 2024 – [Draft Budget 2025/26 and Medium-Term Financial Plan](#)
- 8.3. Executive Report 19th December 2024 – [Housing Revenue Account Draft Budget 2025-26 and Medium-Term Financial Proposals](#)
- 8.4. Executive Report 19th December 2024 – [Draft Capital Programme 2025-29](#)
- 8.5. Executive Report 16th January 2025 - [Post-Financial Settlement Budget Update](#)