



NORWICH City Council

Committee name: Scrutiny

Committee date: 02/02/2023

Report title: The council's 2023/24 budget and medium-term financial strategy

Portfolio: Councillor Kendrick, cabinet member for resources

Report from: Interim S.151 Officer

Wards: All wards

OPEN PUBLIC ITEM

Purpose

The scrutiny committee meeting of 2 February 2023 will carry out pre-scrutiny of the council's proposed budgets for 2023/24.

The purpose of the meeting is to comment on the proposed budget papers for 2023/24; and make recommendations to cabinet regarding the proposed budgets' ability to deliver the council's overarching policy framework (as proposed in the corporate plan 2022-2026).

Council will be meeting to set the budgets for the financial year 2023/24 on 21 February 2023.

The principles of budget scrutiny are provided in this report. Committee members are reminded of the link between the proposed corporate plan 2022-2026 and the need to set a budget capable of delivering this.

Recommendation:

To determine any recommendations to cabinet on the proposed budgets for 2023/24.

Policy framework

The council has five corporate priorities, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report meets all corporate priorities.

This report helps to meet the securing the council's finances objective of the COVID-19 Recovery Plan and provides the resources required to deliver the wider aims and objectives of the Plan.

Report details

The legal framework for financial scrutiny

1. Local Government Act 2000 – “it is the responsibility of the full council, on the recommendations of the executive (cabinet), to approve the budget and council tax demand. The role of scrutiny in the financial process is to hold the executive (cabinet) to account and to ensure that decisions are in the best interests of the community. Some scrutiny of budget setting and other financial planning processes is therefore essential”.
2. All members of the council need to have an understanding of how council spending matches against the priorities of the organisation set out in the corporate plan. As elected councillors, members need to ensure that budget will enable the council to deliver them effectively.
3. The budget is drawn up in line with the council’s corporate plan, which is the overarching policy framework for the council.

The role of budget pre-scrutiny

4. The scrutiny committee should seek to test, check, and evaluate the proposed budget through challenge. This may, if necessary, lead to advice and recommendations to the cabinet. The cabinet can use this as part of the testing of their proposed budget.

Key question

5. Will the budget as presented deliver the council’s proposed corporate plan 2022-2026? By the process of overview, the scrutiny committee will need to check that the budget plans are robust and realistic.
6. Over the course of the year scrutiny committee members monitor certain aspects of service delivery and performance against funding and at times review certain specific services. All corporate performance data reports are on the council’s website. Members of the scrutiny committee should review this quarterly and identify any issues that require further scrutiny.

Effective pre budget scrutiny

7. Effective pre-budget scrutiny involves:
 - a) checking that financial planning and the draft budget is sufficient to deliver the council’s draft corporate plan;
 - b) reviewing the draft budget to ensure that it is consistent with the council’s commitments and spending plans;
 - c) reviewing proposals within the draft budget and service review programme relating to savings or growth in line with the financial plan.
8. The relevant draft cabinet papers are appended to this report.

Consultation

9. Details against this requirement are provided in the draft Cabinet Cover Report. Implications

Financial and resources

10. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2022-26 and budget.
11. Details against this requirement are provided in the draft Cabinet Cover Report.

Legal

12. Details against this requirement are provided in the draft Cabinet Cover Report.

Statutory considerations

Consideration	Details of any implications and proposed measures to address:
Equality and diversity	Details against this requirement are provided in the draft Cabinet Cover Report.
Health, social and economic impact	Details against this requirement are provided in the draft Cabinet Cover Report.
Crime and disorder	Details against this requirement are provided in the draft Cabinet Cover Report.
Children and adults safeguarding	Details against this requirement are provided in the draft Cabinet Cover Report.
Environmental impact	Details against this requirement are provided in the draft Cabinet Cover Report.

Risk management

13. Details against this requirement are provided in the draft Cabinet Cover Report.

Other options considered

14. The Council has a legal duty to set a balanced budget before the statutory deadline. The recommendations are to allow effective pre-scrutiny of the budget. Reasons for the decision/recommendation

Background papers: None

Appendices:

- Budget Cabinet – Cover Report (draft)
- Section 1: Local Government Finance
- Section 2: General Fund – MTFS and 2023/24 Budget
- Section 3: HRA 2023/24 Budget
- Section 4: Capital and Commercial strategy (Incl. Capital Programme)
- Section 5: Treasury Management Strategy
- Section 6: Summary of Key Financial Indicators
- Section 7: Chief Finance Officers Statement
- Section 8: Financial Glossary
- Section 9: Equality Impact Assessment

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