

CABINET

31 JANUARY 2025

REFERENCE REPORT FROM THE RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE

A.1 SCRUTINY OF THE INITIAL BUDGET PROPOSALS FOR 2025/26

(Report prepared by Ian Ford)

BACKGROUND

In accordance with the requirements of the Budget & Policy Framework Procedure Rules the Resources and Services Overview and Scrutiny Committee (“the Committee”) has undertaken its scrutiny of the budget for the Council. Prior to its meeting on 13 January 2025, the Members of the Committee, met informally on 6 January 2025 with the Section 151 Officer and the Head of Democratic Services & Elections in attendance. The informal meeting aided the Members of the Committee in developing key lines of inquiry for its formal scrutiny meeting that was held on 13 January 2025.

At the Committee’s formal meeting on 13 January, it was aware that the initial General Fund and the Housing Revenue Account (HRA) Budget proposals for 2025/26 had been considered by Cabinet on 20 December 2024.

The Committee had been provided, as part of the material for them to consider, the following:

- 1) Updated General Fund Financial Forecast / Budget 2025/26 – the report considered by Cabinet on 20 December 2024.
- 2) Updated Housing Revenue Account Business Plan and Budget Proposals 2025/26 – the report considered by Cabinet on 20 December 2024.

Following the informal meeting of the Committee held on 6 January 2025 a series of written questions had been circulated to Portfolio Holders and their responses had been circulated to the Committee prior to its formal meeting on 13 January 2025. The Minutes of that formal meeting record those questions and responses in an Appendix.

At the 13 January meeting further, supplementary questions had been asked of Cabinet Members and responses provided. Those further responses were also recorded in the Appendix to the Minutes.

RESOURCES AND SERVICES OVERVIEW & SCRUTINY COMMITTEE’S RECOMMENDATION(S) TO CABINET

(a) *That the Committee has recorded that it felt that it was not in a position to comment on the robustness of the budget plans for 2025/26 and beyond and, in this regard, it noted that:*

- (i) *in respect of the General Fund, the Forecast Risk Fund (used to smooth deficits in particular years) would be exhausted within 2028/29 and (as at the day of the meeting) there were no specific plans to address the full savings/income generation necessary up to that point to support a balanced budget from that point;*

- (ii) *in respect of the Housing Revenue Account, there were not the written plans to move it to a sustainable position;*
- (iii) *through the papers submitted and statements made to the Committee, it was understood that plans to address (i) and (ii) were being worked upon; and*

(b) *That Cabinet be informed of the above and requested to address the issues raised.*

PORTFOLIO HOLDER COMMENT(S) AND RECOMMENDATION(S) TO CABINET

PORTFOLIO HOLDERS' COMMENTS

The comments of the Corporate Finance & Governance Portfolio Holder and other relevant Portfolio Holders (as appropriate) will be submitted to Cabinet at the meeting, to be considered as part of items 10 and 13 of the agenda, which are the General Fund and HRA final budget proposals for 2025/26.

RECOMMENDATIONS TO CABINET:

That the recommendations made by the Resources and Services Overview & Scrutiny Committee be welcomed and noted and that it be further noted that the responses of Portfolio Holders thereto will be considered as part of items 10 and 13 of the agenda.