

**Cabinet – 8 February 2021 - 2021-2025 Financial Planning and Budget Process: Cabinet’s Draft Budget and Council Tax Requirement proposals**

**Formal response to the Overview, Scrutiny and Policy Development Committee Recommendations**

The General Fund Annex 1 (Section 8) of the 2021-2025 Financial Planning and Budget Process: Cabinet’s Draft Budget and Council Tax Requirement proposals report to Cabinet on 1 February 2021, published on 22 January 2021, noted the recommendations raised by the Overview, Scrutiny and Policy Development Committee following its review by the Budget Scrutiny sub-group.

The Budget Scrutiny sub-group met on 17 December 2020 where the Head of Resources and Senior Officers presented the 2021-2025 Financial Planning and Budget Process: Cabinets Initial Budget proposals. A further meeting took place on the 12 January 2021 where it received updated information on the level of central government funding for the Authority.

The sub-group reported its views to Overview, Scrutiny & Policy Development Committee at its meeting on the 18 January 2021, which were then received by Cabinet at its meeting on 1 February 2021.

In response to Cabinets Initial Budget proposals there were two themes that the Committee considered needed to be emphasised further, these, alongside Cabinet’s response are outlined in Table 1 below. A further meeting of the Committee was held on 2 February 2021. No further recommendations were raised for Cabinet to consider following this meeting.

**Table 1: Recommendations and Cabinet’s Responses**

<b>Recommendations</b>	<b>Cabinet’s Response</b>
<p><b>Recommendation 1:</b> The level of strategic reserve is reported each year and the Budget Scrutiny sub-group is provided with a comprehensive explanation to the levels of committed/ringfenced funds for future use. The Committee raised that there continues to be some misunderstanding with residents and the press as it is often reported that the Council has access to an extensive level of reserves.</p> <p>The Committee’s recommendation was that the levels and use of the strategic</p>	<p>Noted.</p> <p>During the Budget-setting process the Authority has issued a number of press releases which provide additional information in relation to the use and level of reserves.</p> <p>In addition to this, a Budget update will be included in the next edition of the Our North Tyneside Magazine which will cover the use of and level of reserves to ensure there is sufficient information for the residents of North Tyneside to</p>

## Appendix B

<p>reserve be more widely explained to the public.</p>	<p>gain further insight and understanding.</p> <p>The level and use of reserves have also been included in the information provided during Budget engagement with residents and other stakeholders.</p>
<p><b>Recommendation 2:</b> The Committee discussed the reporting of funding provided by Central Government to local authorities. It was expressed that the information provided by Central Government is given with a national context view and often reports the funding in billions and hundreds of millions. The concern was that the funding received by North Tyneside Council from Central Government is not clearly understood at the local context by residents and businesses.</p> <p>The Committee's recommendation is that a simple graphical representation of what funding has been or will be received by North Tyneside Council from Central Government may provide a greater understand to the public.</p>	<p>Noted.</p> <p>This information has been shared during the Budget engagement sessions that took place with residents and other stakeholders throughout the Budget-setting process.</p> <p>The Budget update which will be published in the next edition of the Our North Tyneside Magazine will include a graphical representation of how the General Fund Budget is funded which will include a breakdown of the Authority's available resources.</p> <p>The Council Tax leaflet for 2021/22 will include an additional insert which will show how each £1 of Council Tax is used to fund the Services that the Authority provides.</p>