



TO: Finance Council

FROM: Director of Finance

DATE: 27th February 2023

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF REPORT: Statement on the Robustness of the Council's Budget Calculations for 2023/24 and the Adequacy of Financial Reserves

1. PURPOSE

1.1 The purpose of this report is to report on the robustness of the Council's budget estimates for 2023/24 and the adequacy of financial reserves in accordance with Section 25 of the Local Government Act 2003. Section 25(2) of the Act states that:-

“an Authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made”

1.2 **Councillors should, therefore, have regard to this report when making decisions on the 2023/24 Budget (Revenue Budget and Capital Programme) and the associated level of Council Tax.**

2. RECOMMENDATIONS

2.1 Finance Council is recommended to consider and have regard to the statements from the Director of Finance (as the Council's statutory finance officer) as provided at **Appendix A** when determine the budget (Revenue Budget and Capital Programme) and the level of Council Tax for 2023/24.

3. BACKGROUND

3.1 In accordance with Section 25 of the Local Government Act 2003, the Director of Finance as the Council's statutory finance officer is required to make a report to the Council on the robustness of the budget estimates and the adequacy of reserves allowed for in the budget proposal.

4. RATIONALE

4.1 To inform Finance Council of the Director of Finance's assessment of the robustness of estimates for 2023/24 and to ensure that Councillor's fully appreciate the implications of the proposed budget on the Council's overall financial position for the year and over the medium term.

5. KEY ISSUES

5.1 Under Section 25 of the Local Government Act 2003, the Director of Finance as the Council's officer designated under s151 of the Local Government Act 1972 has a duty to report to Council, when it considers the budget for the forthcoming financial year, on the following matters:-

- a) The robustness of estimates made for the purposes of the calculations; and
- b) The adequacy of the proposed financial reserves.

5.2 In deciding on the Budget Requirement (and Council Tax Requirement) for 2023/24, the Council is required to take into consideration this report. The purpose of this is to acknowledge the risks and uncertainties faced by the Council and that adequate provision has been made for these both as part of the budget estimates and also in determining the adequacy of reserves.

5.3 The statements from the Director of Finance are provided at **Appendix A**.

5.4 Councillors should note that these statements are predicated on the budget as presented elsewhere on the Agenda for this meeting. Should there be material changes to the proposed budget that impact on the robustness of estimates or the adequacy of reserves, it may be necessary for the Director of Finance to amend the statements provided at Appendix A as is considered necessary.

6. POLICY IMPLICATIONS

6.1 There are no policy implications arising directly from this report.

7. FINANCIAL IMPLICATIONS

7.1 There are no financial implications arising directly from this report.

8. LEGAL IMPLICATIONS

8.1 There are no legal implications arising directly from the contents of this report.

9. RESOURCE IMPLICATIONS

9.1 There are no other resources implications arising from the contents of this report.

10. EQUALITY AND HEALTH IMPLICATIONS

10.1 There are no equality and health implications arising from the contents of this report.

11. CONSULTATIONS

11.1 None arising from the contents of this report.

12. STATEMENT OF COMPLIANCE

12.1 None arising from the contents of this report.

Appendices

Appendix A – Statement on the Robustness of Estimates and Adequacy of the Council's Reserves

Appendix B – General Fund Working Balance

VERSION:	1
CONTACT OFFICER:	Dean Langton – Director of Finance
DATE:	February 2023
BACKGROUND PAPERS:	None