



**TO:** Finance Council

**FROM:** Strategic Director Finance and Resources (the Council's designated s151 Officer)

**DATE:** 26<sup>th</sup> February 2024

**PORTFOLIOS AFFECTED:** All

**WARDS AFFECTED:** All

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**TITLE OF REPORT:** Statement on the Robustness of the Council's Budget Calculations for 2024/25 and the Adequacy of Financial Reserves

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## 1. PURPOSE

1.1 The purpose of this report is to report on the robustness of the Council's budget estimates for 2024/25 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 2024/25 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 Strategic Director Finance and Resources (as the Council's statutory finance officer) as provided at **Appendix A and B** when determining the budget (Revenue Budget and Capital Programme) and the level of Council Tax for 2024/25.

## 3. BACKGROUND

3.1 In accordance with Section 25 of the Local Government Act 2003, the Strategic Director Finance and Resources 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.

3.2 In light of the financial challenges faced by many local authorities, leading some Statutory Finance Officers to issue reports under s114 of the Local Government Finance Act 1988, it is important that the Council is cognisant of the basis on which the Council's budget has been prepared, the risks – financial and otherwise – faced by the Council and the adequacy of the Council's reserves. This report provides that information and should be considered when determining the Council's budget for the next financial year.

#### **4. RATIONALE**

- 4.1 To inform Finance Council of the Strategic Director Finance and Resource's assessment of the robustness of estimates for 2024/25 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 Strategic Director Finance and Resources as the Council's officer designated under s151 of the Local Government Act 1972 has a personal 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 2024/25, 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 Strategic Director Finance and Resources are provided at **Appendix A and B**.

- 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 Strategic Director of Finance and Resources to amend the statements provided at **Appendix A and B** 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

<b>VERSION:</b>	1
<b>CONTACT OFFICER:</b>	Dean Langton – Strategic Director of Finance and Resources
<b>DATE:</b>	February 2024
<b>BACKGROUND PAPERS:</b>	None