

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CORPORATE SCRUTINY COMMITTEE – WEDNESDAY, 4 JANUARY 2023



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| Title of Report | DRAFT ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES | |
| Presented by | Glenn Hammons Interim Head of Finance and Section 151 Officer | |
| Background Papers | Draft Capital Strategy, Treasury Management Strategy and Prudential Indicators 2023/24 Report (Corporate Scrutiny 4 January 2023) Draft General Fund Budget and Council Tax 2023/24 Report (Corporate Scrutiny 4 January 2023) Draft Housing Revenue Account Budget and Rents 2023/24 Report (Corporate Scrutiny 4 January 2023) | |
| Financial Implications | In line with statutory requirements the reports provides the Section 151 Officer advice on the robustness of budget estimates and the adequacy of reserves in the draft budget. Signed off by the Section 151 Officer: Yes | |
| Legal Implications | No direct legal implications arising. Signed off by the Monitoring Officer: Yes | |
| Staffing and Corporate Implications | Insert any staffing and corporate implications to be considered Signed off by the Head of Paid Service: Yes | |
| Reason Agenda Item Submitted to Scrutiny Committee | For Corporate Scrutiny Committee to provide any comments on the Robustness of Budget Estimates and Adequacy of Reserves Report by the Chief Finance Officer on the draft budget plans | |
| Recommendations | THAT CORPORATE SCRUTINY COMMITTEE PROVIDES ANY COMMENTS ON THE DRAFT ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES (APPENDIX A) FOR CONSIDERATION BY CABINET ON 10 JANUARY 2023. | |

1. BACKGROUND

- 1.1 Section 25(1) of the Local Government Act 2003 requires that the Chief Financial Officer (Section 151 Officer under the Local Government Act 1972) reports to the Council when setting its Council Tax on:
 - the robustness of the estimates in the budget.
 - the adequacy of the proposed financial reserves.
- 1.2 Section 25(2) of the 2003 Act requires the Council to have regard to this report in approving the budget and Council Tax.
- 1.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code reinforces this requirement stating that the statement in relation to the proposed financial reserves should consider whether the level of general reserves is appropriate for the risks (both internal and external) to which the Council is exposed and give reassurance that the authority's financial management processes and procedures are able to manage those risks
- 1.4 While the statutory local authority budget setting process continues to be on an annual basis, a longer-term perspective is essential if local authorities are to demonstrate their financial sustainability.
- 1.5 The Corporate Scrutiny Committee is invited to consider the Chief Finance Officer's report on the Robustness of Budget Estimates and Adequacy of Reserves for the Draft Budget and provide any comments to Cabinet to take into account on the 10 January 2023.
- 1.6 Cabinet will propose the draft budget for consultation at their meeting on 10 January 2023, then consider the outcome of the consultation at their meeting on 31 January 2023 where they make a recommendation to Council on 23 February 2023 for consideration of this report as part of the suite of budget reports.
- 1.7 The Draft Robustness of Budget Estimates and Adequacy of Reserves is included within the attached Cabinet Report (Appendix A).

| Policies and other considerations, as appropriate | |
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| Council Priorities: | <p>The report encompasses the Council's budget therefore is relevant to all Council Priorities:</p> <ul style="list-style-type: none"> - Supporting Coalville to be a more vibrant, family-friendly town - Support for businesses and helping people into local jobs - Developing a clean and green district - Local people live in high quality, affordable homes - Our communities are safe, healthy and connected |
| Policy Considerations: | None. |
| Safeguarding: | None. |
| Equalities/Diversity: | The equality impact assessments will be completed ahead of the final budget presented to Cabinet in late January 2023. |
| Customer Impact: | Customers are likely to be impacted by the changes to fees and charges and special expenses precepts set out in the draft budget. |
| Economic and Social Impact: | The General Fund capital programme allocates £9.6 million to investing in Coalville Regeneration Projects over five years. |
| Environment and Climate Change: | <p>The budget sees substantial new investment of £7.4m in the replacement of Council vehicles and reducing carbon emissions. There is £0.8m investment in bins and recycling containers to increase recycling from households.</p> <p>On revenue, the Climate Change Programme Manager post has been funded for the next five years from reserves.</p> |
| Consultation/Community Engagement: | The draft budget is to be considered by Corporate Scrutiny and will be subject to consultation with the public. In addition the Housing Revenue Account draft budget will be subject to engagement with the Tenants' Forum. |
| Risks: | This report provides the Section 151 Officer's view on the robustness of budget estimates and adequacy of reserves. The report identifies the key risks, provides an assessment of these and the proposed mitigating actions to manage those risks. |
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