

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – TUESDAY, 9 JANUARY 2024**



<b>Title of Report</b>	<b>DRAFT ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES</b>	
<b>Presented by</b>	Councillor Nicholas Rushton Corporate Portfolio Holder  PH Briefed Yes	
<b>Background Papers</b>	Draft Capital Strategy, Treasury Management Strategy and Prudential Indicators 2024/25 Report (Cabinet 9 January 2024)	<b>Public Report:</b> Yes
	Draft General Fund Budget and Council Tax 2024/25 Report (Cabinet 9 January 2024)  Draft Housing Revenue Account Budget and Rents 2024/25 Report (Cabinet 9 January 2024)	<b>Key Decision:</b> Yes
<b>Financial Implications</b>	In accordance with statutory requirements the report provides the Section 151 Officer's advice on the robustness of budget estimates and the adequacy of reserves in the draft budget.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	No direct legal implications arising.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	No direct Staffing and Corporate implications arising.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To advise Cabinet on the robustness of the estimates in the budget and the adequacy of the proposed financial reserves.	
<b>Reason for Decision</b>	To ensure the Council meets its statutory requirements when considering its budget.	
<b>Recommendations</b>	<b>THAT CABINET NOTES THE S151 OFFICER'S ADVICE SET OUT IN SECTION 7 AND CAREFULLY CONSIDERS THE CONTENT OF THIS REPORT AS PART OF PROPOSING THE DRAFT BUDGET FOR</b>	

## **1.0 BACKGROUND**

- 1.1 Section 25(1) of the Local Government Act 2003 (the “2003 Act”) 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.

## **2.0 CONTEXT**

- 2.1 The Council is setting its budget at a time when it continues to face a range of issues to contend with. In broad terms these can be split into three categories: economic, local government and locally in North West Leicestershire. Each of these is explored below:

### Economic

- 2.2 The recent report by the Office of Budget Responsibility (OBR) in respect of the Economic and Fiscal Outlook describes how the economy has proved to be more resilient to the shocks of the Covid pandemic and energy crisis than anticipated. GDP stood nearly 2% above its pre-pandemic level and around 3% above the OBR March forecast but is now expected the economy will grow more slowly over the medium term.
- 2.3 Inflation was expected to fall below 5% the end of the calendar year, which was achieved with Consumer Price Index (CPI) being confirmed at 4.6% in October. However, it is not forecast to return to its 2% target until the first half of 2025.

### Local Government

- 2.4 High inflation, energy prices and pay awards have put substantial financial pressure on councils. The Local Government Association has estimated that councils face a funding gap of £2.4bn in 2023/24 and £1.6bn in 2024/25. These gaps relate to funding needed to maintain services at their current level.
- 2.5 The Autumn Statement 2023 announced in November 2023 was silent on wider issues in respect of local government funding for 2024/25 and beyond, including council tax

referendum principles, grant funding and total increase in spending power. However, there were announcements welcomed by district councils including:

- Increasing the Local Housing Allowance (LHA) rate to the 30th percentile of local market rents from April 2024. The LHA is designed to ensure that people receive enough housing benefit to cover the cost of renting a typical home in their area that is large enough for their needs.
- £120m funding for local authorities in England and the devolved administrations to invest in homelessness prevention, including to support Ukrainian households who can no longer remain in sponsorship arrangements
- Extending 'thank you' payments for Homes for Ukraine sponsors into a third year
- Creating the flexibility for Local Planning Authorities to charge a locally-set premium fee for major planning applications, allowing them to recover the full cost
- £110m Local Nutrient Mitigation Fund for councils to mitigate the impact of nutrient pollution in waterways and deliver thousands of homes that have been on hold. The Council would use monies secured from the Local Mitigation Fund to appoint specialist consultants to develop a detailed mitigation strategy and to identify short, medium and long term potential mitigation measures that could enable phosphate nutrient neutrality to be achieved for anticipated new housing and economic development in the River Mease Special Area of Conservation catchment.

2.6 Ahead of the Provisional Local Government Finance Settlement, the Government released a Policy Statement 2024 to 2025 on 5 December 2023. It set out the Government's intentions for the Local Government Finance Settlement 2024/25. It confirmed the Council Tax referendum principles for 2024/25, this being a principle of up to 3% or £5, whichever is higher, for shire district councils.

2.8 In addition, the Statement confirmed that all local authorities will see at least a 3% increase in their Core Spending Power before any decision they make about organisational efficiencies, use of reserves and Council Tax levels through a funding guarantee. Core Spending Power includes revenue from Council Tax, business rates, grants and other sources.

2.9 The Provisional Local Government Finance Settlement was announced on the 18 December. As the draft budget was prepared prior to the announcement, the draft budget has been compared to the finance settlement, overall, the funding allocations are broadly in line with the estimates set out in this report but will be updated accordingly for the Final Budget Report.

#### Local – North West Leicestershire

2.10 North West Leicestershire District Council continues to face increased costs from high inflation and pay awards.

2.11 In recent years the Council has seen growth in its business rate income as new companies have moved into the area due to its location and excellent communication links. This has led to the Council being the largest beneficiary in England from the business rates growth retention scheme. The business rates growth has enabled the Council to fund services without increasing council tax.

- 2.12 This continues to present the Council's highest financial risk as government has indicated that it is looking to reset the business rates growth baseline and redistribute resources to councils across the country with a fair funding review which is expected to be implemented in 2026.
- 2.13 Recognising the wider context within which the budget is being set, the Council made improvements to financial management in the last 12 months and has continued to use processes to develop its draft budget plans for 2024/25 and over the medium term. This recognises the greater focus within the organisation on its finances. The process, coupled with that used in previous years, has involved:
- Services completing budget proposals to justify the need for any changes to the budget.
  - Budget STAR Chamber sessions between Directors and Heads of Service.
  - Regular reporting to the Corporate Leadership Team on the Council's overall budget position.
  - Engagement with councillors through Portfolio Holder briefings, Strategy Group and an all-councillor budget briefing.
  - Further engagement is planned through scrutiny, consultation with the public and the Housing Revenue Account (HRA) tenants' forum.

### **3.0 DRAFT FINANCIAL STRATEGIES AND POLICIES**

- 3.1 To ensure the Council has a clarity on its financial management objectives it is imperative to have a clear financial strategy in place for the short, medium, and long term. As part of setting the Budget for 2024/25 and beyond the following guiding principles have been developed for the budget setting approach:
- Financial Stability and Sustainability
  - Resources Focussed on Priorities
  - Maximising Sources of Income
  - Managing Risk

#### Capital Strategy

- 3.2 The Capital Strategy has been significantly enhanced to make it fit for the future. To provide greater accountability, governance, and due diligence of the capital programme the Capital Strategy was updated in 2022 to improve the way the Council manages its capital schemes through their life cycle by splitting the programme into an Approved Programme for 'in flight' schemes and a Development Pool for schemes at business case stage. A Capital Strategy and Investment Group, Chaired by the Director of Resources has been in operation for over 12 months and oversees this process and proposes schemes through the Council's governance for formal approval by Cabinet or Council in line with the Council's Constitution.

#### Treasury Management Strategy

- 3.3 The Treasury Management Strategy has been refreshed and improved in line with required national guidance to ensure the Council is appropriately managing risk in both its borrowing and investment portfolios. The introduction of the liability benchmark indicator which measures the Council's future borrowing liabilities to fund its capital investment against how these will be financed either through external borrowing or by using our surplus cash resources (internal borrowing).

## Corporate Charging Policy

- 3.4 The Corporate Charging Policy, which contains the Council's fees and charges, reflects the Council's financial strategy and provides greater clarity for service users on the rationale for future changes in levels of fees and charges. The draft budget includes a range of proposed amendments to fees and charges in line with the Policy, which includes an inflationary increase in line with the Consumer Price Index.

### **4.0 DRAFT GENERAL FUND BUDGET 2024/25**

- 4.1 High levels of inflation, recruitment and retention, high interest rates present a challenging and uncertain economic environment.
- 4.2 There will be a one-year funding settlement for 2024/25 with a core referendum principle of 2.99%. Despite the financial pressures experienced by local authorities because of high inflation and rising demand for services, the local government sector is not expecting these costs to be funded.
- 4.3 The forecast outturn position for the general fund revenue budget 2023/24 is an operating deficit of £252k. This is largely due to the pay award for 2023/24, agreed in November 2023, being higher than originally estimated. There are overspends in other service areas such as property, planning and leisure services, however, these are offset by additional investment income.
- 4.4 In setting the budget for 2023/24, key strategies were applied to budget development and these have continued for the budget process for 2024/25. These include:

<b>Guiding Principles</b>	<b>Key Strategies for Developing Budget 2024/25 and MTFP 2024-29</b>
Financial Stability and Sustainability	<ul style="list-style-type: none"><li>• Plan ahead for potential Government funding changes (including Business Rates Reset)</li><li>• Do not become overly reliant on Business Rates funding for on-going service provision</li><li>• Use future surpluses in Business Rates funding for future one off investment to reduce ongoing revenue costs or generate income</li></ul>
Resources Focussed on Priorities	<ul style="list-style-type: none"><li>• Align resources to Council Delivery Plan objectives</li></ul>
Maximising Our Sources of Income	<ul style="list-style-type: none"><li>• Fees and Charges maximised in accordance with the Corporate Charging Policy (increased by inflation)</li></ul>
Managing our Risks	<ul style="list-style-type: none"><li>• Acceptable level of risk tolerance</li><li>• Review of reserves strategy and position</li></ul>

- 4.5 The forecast medium term position is set out in the table below.

	<b>2024/25 £m</b>	<b>2025/25 £m</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>
Net Revenue Expenditure	18.384	17.863	18.094	18.291	18.431
Funding	18.384	17.544	17.298	16.859	16.424

Surplus/(Deficit)	0	(0.319)	(0.796)	(1.432)	(2.007)
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- 4.6 The position shows a balanced budget for 2024/25 and a forecast funding gap of £0.319m in 2025/26 rising to £2.007m per annum, equivalent to 10.9% of net budget by 2028/29. This is an improved position over the medium term compared to last years forecast, largely as a result of the work completed during the Autumn, to identify a range of budget options to close the funding gap.
- 4.7 The primary reasons for the forecast funding gap are pay, inflationary, and service demand pressures on the Council's cost base and anticipated changes to its funding streams arising from promised Government funding changes to local authorities as a result from a reset of growth from the business rates retention scheme, fair funding review and New Homes Bonus. The Government has promised a review of the funding mechanism for local authorities; however, no timeframes have been set for this.
- 4.8 There still remains a significant risk face the Council on its revenue budget which is the potential Government funding changes, particularly in relation to a reset in growth from the business rates retention scheme. This is due to the fact that North West Leicestershire has seen the biggest growth above its business rates baseline in all local authorities in England.
- 4.9 The latest indication is that the earliest a business rates reset could happen is 2026/27. The Government has been delaying implementation for several years now, so there is no certainty as to when it is likely to happen. When this funding change is implemented, there is likely to be an element of transitional protection to assist those council like North West Leicestershire, to manage reduced funding over a period of time. This transitional protection is included in the medium-term forecasts show in paragraph 4.5 above.
- 4.10 The Council will continue to use the guiding principles set out in paragraph 4.4 above to plan for any potential Government funding changes and ensure that the funding gap this could create in its revenue budget is appropriately managed.
- 4.11 The Draft Revenue Budget for 2024/25 is balanced.
- 4.12 At the time of publishing the draft budget for 2024/25, the Provisional Local Government Finance Settlement has not been announced. The figures included for the funding are estimates based on latest intelligence. An update will be provided once the Provisional Settlement has been made available.
- 4.13 The Capital Programme has been developed in line with the guiding principles and a substantially improved Capital Strategy:
- The existing capital programme has been split into Approved schemes and Development Pool schemes as per 2023/24.
  - No new borrowing, over and above that approved in the 2023/24 budget, is proposed to fund the capital programme. This is to ensure the Council does not create additional revenue pressures in the future arising from interest and capital repayment costs.
  - The funding source for schemes over the medium term is capital receipts (£48k), government grants (£6,374k), business rates reserve (£11,105), revenue contributions (£34k) and borrowing (£4,348k).

- Schemes in the Development Pool will be worked up in more depth through the governance arrangements set out in the Capital Strategy and Constitution.

4.14 The draft budget is based on the Council having the following levels of reserves.

	<b>Estimated Balance 1/4/24 £'000</b>	<b>Change during 2024/25 £'000</b>	<b>Estimated Balance 31/3/25 £'000</b>
General Fund - Minimum Level of Reserves	1,544	0	1,544
Earmarked Reserves	4,662	(235)	4,427
MTFP Reserve	7,936	(700)	7,236
Business Rates Reserve	7,321	3,399	10,720
<b>Total</b>	<b>21,463</b>	<b>2,464</b>	<b>23,927</b>

4.15 As part of preparing the reserves for the draft budget the following should be noted:

- The minimum level of reserves has been risk assessed and is considered to be set at an appropriate level.
- Earmarked reserves have been reviewed to assess if the risks/commitments continue to exist and if the amounts are still appropriate.
- The MTFP Reserve will be used for managing risks over the medium term, investing in projects to make the Council more efficient, reduce its revenue costs, generate income and fund the capacity for the Council to deliver its financial plans
- The Business Rates Reserve includes the additional business rates revenues from growth in the district (including contributions from Business Rates Pool and Freeport) in excess of that included in the revenue budget to fund on-going services. This additional growth will be prioritised to fund the capital programme and projects.

## 5.0 DRAFT HOUSING REVENUE ACCOUNT BUDGET 2024/25

- 5.1 The Housing Revenue Account (HRA) is a ringfenced account for the operation of the Council's housing stock. The Council has 4,181 homes. The budget for the HRA is also experiencing the inflationary pressures seen in other areas of the Council's budget, particularly on its staffing, maintenance, and capital budgets.
- 5.2 In 2012, the Council took on the debt associated with its housing stock under the nationally HRA Self Financing initiative. As part of this a 30-year business plan was developed. A core component of the business plan is for the HRA to repay the self-financing borrowing by 2042. The Council should continue to make provision in its HRA to repay this outstanding borrowing.
- 5.3 The forecast outturn position for the HRA budget 2023/24 is an operating deficit of £436k due to the pay award and an adverse variance for rent income. If no action is taken reserves will be less than anticipated when the budget was set. The service will seek to recover the budget position through vacancy management and use of reserves.

5.4 The position shows a balanced budget for 2024/25. The table below provides a summary of the changes.

	<b>2023/24</b>	<b>2024/25</b>	<b>Movement</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Income	-20,139	-21,300	-1,161
Operating Expenditure	17,077	18,838	1,761
<b>Operating (surplus)/deficit</b>	<b>-3,062</b>	<b>-2,462</b>	<b>600</b>
Appropriations	7,541	4,946	-2,595
<b>Net (surplus)/deficit</b>	<b>4,479</b>	<b>2,484</b>	<b>-1,995</b>

5.5 The draft HRA budget for 2024/25 shows an operating surplus of £2,462k. This is a £600k reduction from 2023/24.

5.6 To deliver the HRA Capital Programme in 2024/25 and ensure sufficient monies are set aside for future debt repayment an overall deficit £2,484 is being budgeted for. This will be paid from accumulated surpluses of £3,618k which have been built up in reserves. This leaves a minimum operating balance of approximately £1 million for unexpected events. This minimum balance is considered adequate for the size of HRA and risks faced.

5.7 The HRA Capital Programme is planned to spend £15,525k in 2024/25. Based on previous years' experience this is an ambitious level of estimated spend. The area of the capital programme at greatest risk of delay is the Housing Improvement Programme.

5.8 To mitigate the risks of the capital programme not delivering to budget the draft Capital Strategy proposes a number of improvements to manage schemes through their project lifecycle.

## 6.0 ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES

6.1 The table below provides an assessment of the key risk areas to determine the robustness of the estimates and adequacy of reserves included in the General Fund and Housing Revenue Account budgets:

<b>Area</b>	<b>Y/N</b>	<b>Comments</b>
Is performance against the current year's budget on track and where variances are evident, ongoing and unavoidable, are they appropriately	Y	The 2023/24 financial monitoring is showing a projected overspend of £252k on the General Fund and £436k on the HRA. Work is currently on-going within services to



Area	Y/N	Comments
reflected in the plans?		mitigate these pressures and minimise any drawdown from reserves. The on-going and unavailable pressures, alongside potential reductions in reserve levels, have been factored into budget plans for 2024/25 and the medium term.
Are arrangements for monitoring and reporting performance against the savings plans robust?	Y & N	In recent years the Council has not been required to make significant savings to maintain its financial position. With such a significant funding gap estimated for 2024/25, there are a range of budget options proposed for the General Fund Budget 2024/25. Where it is appropriate, delivery of savings/efficiencies will be monitored throughout the financial year and reported to stakeholders alongside the financial monitoring reports on a quarterly basis. Therefore, clear savings plans and delivery has not been required. As part of the Council's Transformation Programme, project management principles will be adopted with a suite of guidance and templates to support good practice, which, in turn will help the Council manage and monitor largescale transformation programmes.
The reasonableness of the underlying budget assumptions	Y	All budget proposals have been justified by service managers, reviewed by finance and subject to budget challenge sessions in the new process. External review has also been undertaken by the treasury advisers, Arlingclose, on the Treasury Management Strategy.
The alignment of resources with the Council's service and organisational priorities	Y	Resources are aligned to the current priorities of the Council. A new Council Delivery Plan (CDP) has been developed and was approved by Council on 14 November 2023. The CDP is aligned to the resources available and risks faced by the Council. The Council's ambition to be carbon neutral by 2030 is likely to require additional investment, however, the Council will look to maximise grant funding made available to it to support this priority. An exercise to identify the costs of getting to net zero will be completed in 2024/25.
A review of the major risks associated with the budget	Y	The major risks within the budget have been assessed and are set out in the budget report, including mitigations and strategies about how these are being managed.
The availability of un-earmarked	Y	The Council has a minimum level of

Area	Y/N	Comments
reserves to meet unforeseen cost pressures		<p>reserves for both its General Fund (£1.5m) and HRA (£1m). In the Audit Commission's 'Striking a Balance' report published in 2012, the majority of Chief Finance Officers at the national level regarded an amount of between three and five per cent of council's net spending as a prudent level for risk-based reserves. Over the medium term the Council's forecast figure is 8%.</p> <p>The General Fund position has been risk assessed to take account of potential unforeseen pressures.</p>
Have realistic income targets been set and 'at risk' external funding been identified?	Y	<p>An assessment of income targets has been undertaken as part of the development of the draft budget.</p> <p>The income areas which have the greatest risk (including business rates, council tax, planning and leisure) have had greater focus for this work and focus on the budget challenge sessions.</p> <p>Fees and charges have been increased, where it is appropriate to do so, in accordance with the Council's Corporate Charging Policy.</p>
Has a reasonable estimate of demand cost pressures been made?	Y	The enhanced budget process used in the development of the draft budget has improved the reasonableness of estimates.
Has a reasonable estimate of future income been made?	Y	The budget proposals presented by services were reviewed by finance and subject to budget challenge sessions.
Have one-off cost pressures been identified?	Y	All pressures have been reviewed to assess if they are one-off or ongoing in nature. One-off proposals are to be funded from reserves. Services will need to ensure exit plans exist for one off expenditure.
Are arrangements for monitoring and reporting performance against the budget plans robust?	Y	<p>For 2023/24, quarterly financial reporting to Cabinet and Scrutiny Committee has been introduced.</p> <p>The new finance system is intended to bring enhanced financial reporting for budget holders to support robust and regular monitoring of budgets.</p> <p>The Council will also need to enhance its development, monitoring and delivery of its plans to deliver balanced budgets over the medium term.</p>
Is there a reasonable contingency available to cover the financial risks faced by the Council?	Y	The Council has incorporated estimates for pay award, inflation and demand pressures into its budget. It has also made provisions

Area	Y/N	Comments
		for key income streams not materialising for business rates and council tax.
Is there a reasonable level of reserves, which could be used to mitigate any issues arising and are they reducing as the risks decrease?	Y	The Council has a range of earmarked, MTFP and minimum levels of reserves to ensure its financial stability.
The strength of the financial management function and reporting arrangements?	Y & N	The Council implemented a new financial system in April 2023 to improve its reporting. Further enhancements to the system are required in the short-term to deliver this.  A review of the Financial Procedures Rules is planned.
Have the previous years Accounts been signed off by external audit to verify balances?	N	The Council's Accounts for 2021/22 are currently being audited. The audit for the 2022/23 accounts will commence in Spring 2024.  Budget estimates and reserves balances for 2024/25 and beyond are based on the latest information incorporated into the 2021/22 and 2022/23 accounts.
Has there been a degree and quality of engagement with colleagues and councillors in the process to develop and construct the budget?	Y	There has been a continuation of the improvements introduced to the budget setting process last year.  This has included a series of budget challenge sessions between the Directors and Heads of Service, as well as engagement with Corporate Leadership Team, Portfolio Holders, Strategy Group and an all councillor briefing.

6.2 There are a number of specific actions arising from the table above that the Council needs to undertake, alongside the delivery of its draft budget, to ensure risks and issues associated with the budget are mitigated. These actions are:

#### Financial Strategy

- The financial strategy set out at paragraph 4.4 above is followed. This underpins the draft budget 2024/25 and provides a stable platform from which to build over the medium term.
- A robust corporate and financial plan is required to bridge the funding gap and ensure the Council can balance its budget over the medium term. This plan is reliant on the delivery of a transformation programme which will focus on being more efficient with the aim of having the same service outcomes at a lower cost. However, it needs to be flexible enough to adapt to potential national changes to local government funding which may require reductions in service levels in the future.
- To ensure this plan is developed and delivered the Council will need to invest in the transformation programme to ensure a structured approach to achieving the desired outcomes.
- Special expense budgets must be in a balanced position for 2024/25.

#### Financial Reporting

- Continue to present a quarterly financial report to Cabinet and Scrutiny to promote transparency and accountability of the financial position.
- Ensure the 2021/22 and 2022/23 Accounts are signed off.

Financial Management and Control

- Implement enhancements to the new financial system to support enhanced reporting for budget holders and improve financial systems and processes
- Services need to develop exit plans for government grant funding and one-off proposals funded by reserves.
- Continue to review and improve the Council’s governance arrangements.

**7.0 CONCLUSION**

7.1 Based on the assumptions made in its Draft Budget 2024/25 and MTFP 2024-29 for income and expenditure, the Council can set a balanced draft budget for 2024/25.

7.2 However, there are a number of risks. The most significant of these for the Council is the timing of a potential reset in business rates and associated changes to the local government finance system with no indication from the Government as to when these will happen.

7.3 Whilst the Council’s financial position is currently stable and sustainable there are several uncertainties. As such the Council will need to ensure it makes the right decisions in the short term to ensure it is financially stable and sustainable over the medium to long term. This includes maximising all income streams, being more efficient, growing its financial management capability, influencing the risks faced to optimise the Council’s future financial viability and delivering on the actions set out at paragraph 6.2.

7.4 The single most important action is for the Council to recognise the future risks ahead and start to develop, implement and, most importantly, deliver a medium term financial plan.

7.5 Provided the Council carefully considers and acts upon the analysis in this report, and officers robustly manage the implementation of the Revenue and Capital Budgets, a positive opinion can be given under Section 25 of the Local Government Act 2003 on the robustness of budget estimates and the level of reserves.

**8.0 EXEMPTION FROM CALL IN**

8.1 The approval of the Chairman of the Council has been given to the exemption of the Council’s Scrutiny Procedure rules in relation to the call-in of the decision on this item, since any call-in would prejudice the ability of the Council to commence the statutory consultation period commencing 10 January 2024. The Chairman has considered the timetable for the consultation period and agrees that the matter before Cabinet is urgent for this reason.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	The report encompasses the Council’s budget, therefore, is relevant to all Council Priorities: <ul style="list-style-type: none"> <li>- Planning and regeneration</li> <li>- Clean, green and Zero Carbon</li> </ul>

	<ul style="list-style-type: none"> <li>- Communities and Housing</li> <li>- A well-run council</li> </ul>
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	The equality impact assessment will be completed for the draft budget to be presented to Cabinet.
Customer Impact:	Customers are likely to be impacted by the changes to fees and charges, Council Tax increase and special expenses precepts set out in this report. Equalities Impact Assessments will be undertaken where necessary.
Economic and Social Impact:	<p>The General Fund capital programme allocates £7.9 million to investing in Coalville Regeneration Projects over five years.</p> <p>£3.7 million is being invested in Council owned land to support regeneration and bring employment to the district. The Council has been awarded £1.3 million in government grants to undertake regeneration projects in the district. This includes refurbishment of Moira furnace and provision of office spaces</p>
Environment, Climate Change and Zero Carbon:	The budget sees investment of £1.5m in the replacement of council vehicles and reducing our carbon emissions. There's £0.8m investment in bins and recycling containers to increase recycling from households. The Council also has a permanent Climate Change Programme Manager post
Consultation/Community/Tenant 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 Officers view on the robustness of budget estimates and adequacy of reserves. The report identifies the key risks, provides an assessment of these and proposed mitigating actions to manage those risks.
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