

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

**CORPORATE SCRUTINY COMMITTEE – THURSDAY, 4
JANUARY 2024**



Title of Report		DRAFT ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES
Presented by	Paul Stone Director of Resources	
Background Papers	<p>Draft Capital Strategy, Treasury Management Strategy and Prudential Indicators 2024/25 Report (Corporate Scrutiny 4 January 2024)</p> <p>Draft General Fund Budget and Council Tax 2024/25 Report (Corporate Scrutiny 4 January 2024)</p> <p>Draft Housing Revenue Account Budget and Rents 2023/24 Report (Corporate Scrutiny 4 January 2024)</p>	Public Report: Yes
Financial Implications	In accordance with the 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	No direct staffing and corporate implications.	
	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 for 2024/25.	
Recommendations	THAT CORPORATE SCRUTINY COMMITTEE PROVIDES ANY COMMENTS ON THE DRAFT ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES (APPENDIX 1) FOR CONSIDERATION BY CABINET ON 9 JANUARY 2024.	

1. 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 are 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 consider on the 9 January 2024. A copy of the report is shown in Appendix One.

Policies and other considerations, as appropriate	
Council Priorities:	<ul style="list-style-type: none"> - Planning and regeneration - Clean, green and Zero Carbon - Communities and Housing - A well-run council
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	The appropriate equality impact assessments will be completed ahead of the final budget presented to Cabinet in late January 2024.
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 the draft budget.
Economic and Social Impact:	<p>The General Fund capital programme allocates £7.9m to investing in Coalville Regeneration Projects over five years.</p> <p>£3.7m is being invested in Council owned land to support regeneration and bring employment to the district. The Council has been awarded £1.3m 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:	<p>The budget sees investment of £1.5m in the replacement of council vehicles and reducing our carbon emissions. There is £0.8m investment in bins and recycling containers to increase recycling from households.</p> <p>The Council also has a permanent Climate Change Programme Manager post.</p>
Consultation/Community Engagement:	The draft budget is to be considered by Corporate Scrutiny and will be subject to consultation with the public, business ratepayers and trade unions
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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