

## **Statement of the Chief Finance Officer**

### **Introduction**

The 'Chief Finance Officer' within the meaning of section 151 of the Local Government Act 1972, and known as the S151 Officer, is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

*(1) Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major precepting authority) or section 85 of the Greater London Authority Act 1999 (c.29) (Great London Authority) applies is making calculations in accordance with that section, the chief finance officer of the authority must report to it on the following matters-*

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

*(2) 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.*

This includes reporting and taking into account:

- The key assumptions in the proposed budget and to give a view on the robustness of those assumptions.
- The key risk areas in the budget and to assess the adequacy of the Council's reserves when reviewing the potential financial impact of these risk areas on the finances of the Council. This should be accompanied by a Reserves Strategy.

This report has to be considered and approved by Council as part of the budget approval and Council Tax setting process.

This document concentrates on the 2023/24 General Fund and Housing Revenue budgets, the Capital Programme, Treasury Management, and also considers key medium term issues faced by the Council.

### **Assurance Statement of the Council's Section 151 Officer**

The following are the summary assurances and recommendations of the Council's Section 151 Officer.

In relation to the 2023/24 Budgets I have examined the proposals and I believe that they are achievable, given the political and management will to implement them. The Council has a history of strong financial management, along with sound and robust monitoring of performance and budgets. A comprehensive budget planning process has ensured the robustness of the budget proposals, and I believe the estimates are reasonable, given the inherent uncertainties, economy and current additional uncertainties arising from the ongoing impacts global COVID-19 pandemic and cost of living crisis.

The forecast reserve levels in 2023/24 are appropriate and adequate, given the amount of known financial risks and future volatility, along with the potential for unknown financial risks.

The financial outlook beyond 2023/24 is dependent upon wider ongoing economic recovery from the pandemic and cost of living crisis and the outcome of the Fair Funding Review and Business Rates Retention system, which is also accompanied by a full reset of all the mechanisms within the business rates system within the term of the MTFs. There are also continued uncertainties around New Homes Bonus funding and the new grant streams such as the Funding Guarantee Grant.

Due to the ongoing risks associated with the pandemic, an increase to the minimum level of General Fund Reserves have been included for 2023/24, and I can confirm the forecast reserves exceed this minimum level.

Over the medium term (2023/24 to 2026/27), I will continue to closely monitor the achievement of savings targets which need to be delivered and report progress against these during the year, to ensure reserve balances continue to be maintained at an adequate level.

There are challenging financial targets for 2024/25 and beyond, and early identification of efficiencies will be required in order to meet this challenging gap. Areas are already being considered to start progress towards closing the gap for future years.

I, as the Council's Section 151 Officer, consider the estimates for 2023/24 to be sufficiently robust, and that the level of reserves adequate for approval by the Council. This statement is conditional upon the agreement of the budget proposals, appendices, strategies and policies contained within the budget report for 2023/24.

**Richard Baker, CPFA**  
**Executive Director (Finance and Transformation)**