

ITEM 10

Original report considered by Council Cabinet attached as Appendix A

COUNCIL CABINET
20 January 2016

Minute Extracts

Budget and Policy Framework

135/15 Report on the Robustness of Estimates and on the Adequacy of Reserves

The Council Cabinet considered a report on the Report on the Robustness of Estimates and on the Adequacy of Reserves. The Council's Medium Term Financial Plan – MTFP – had been prepared with consideration to the resources available to the Council and to the demands and priorities included within the Council Plan. It was clear that the Council was no longer capable of providing the services it had for many years. Many of these services would have to stop unless they were provided externally and at no cost to the Council.

A key part of the Council MTFP process was the review of current levels of reserves and contingency budgets to ensure there was adequate cover for future planned needs and unforeseen eventualities and to identify any reserves or contingencies which could be released to support the delivery of a balanced budget.

The purpose of the report was to provide an opinion under Section 25 (1) of the Local Government Act 2003 which required the Chief Finance Officer to report to Council on the robustness of the estimates made for the purposes of the budget calculations and the adequacy of Council reserves.

The report was split into; Section 4 detailing the MTFP process and budgetary controls, Section 5 covering the robustness of estimates, Section 6 covering the adequacy of reserves and Section 7 detailing the requested movement in reserves.

The Corporate Scrutiny and Governance Board supported the recommendations set out in the report.

Decision

1. To note the Chief Finance Officer's opinion that the estimates used in the production of the budget proposal for 2016/17 were adequately robust.
2. To note the Chief Finance Officer's opinion that, based on the assessment of the Council's reserves, the key financial risks identified, and the thorough process used for developing the Medium Term Financial Plan, the level of reserves and balances for 2016/17 was adequate.

3. To approve the transfers between reserves and creation and use of new reserves as detailed in section 7 of the report.
4. To recommend to Council that they consider this report in conjunction with the General Fund Revenue Budget 2016/17 report.