

Cabinet Meeting: Monday, 07 October 2024

Question from: Cllr Leigh MBE

Question to: Cllr Dacre

It was agreed at the Budget Council meeting in February that £2.3m would be added to the Council's reserves in 2026/27 and 2027/2028 in an effort to 'replenish reserves.' However, the Medium-Term Financial Plan is seeking Cabinet Approval to cease this funding into the reserves in those years. The Cabinet should not take this decision lightly. It is important that we add to the reserves to cover for any future financial shocks. Will the Cabinet please take this into account before agreeing to this element of the Plan.

Response

The report being presented to Cabinet today, provides an assessment of the financial forecast over the next three years as a basis for the strategic planning stage of the budget setting process.

The appendix identifies the underlying assumptions in the last MTFP and updates the baseline position using current information. It is a prudent assumption at this point, not to include a contribution to reserves, given the inherent cost pressures.

Once we have a clearer picture of our local spending power (after the Chancellor's budget) and further appraisal of resource allocation based upon priorities, we will take advice from the Director in the Cabinet Budget Proposals. The report to budget council will include the S151 Statement on Robustness of Estimates and Adequacy of Reserves. Decisions as to whether it is prudent to contribute to reserves in 2026/7 and 2027/8 can be reviewed in the Budget MTFP and the final budget proposal and also during review of the MTFP in future years.