

Cabinet



Forest Heath
District Council

Title of Report:	Budget and Council Tax Setting: 2017/18 and Medium Term Financial Strategy 2017- 2021	
Report No:	CAB/FH/17/008	
Report to and dates:	Cabinet	14 February 2017
	Council	22 February 2017
Portfolio holder:	Councillor Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk	
Lead officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	This report sets out details of the Council's proposed revenue and capital budgets for 2017-2021 for Cabinet's consideration and recommendation to Council.	
Recommendation:	It is <u>RECOMMENDED</u> that, subject to the approval of Council:- (1) the revenue and capital budget for 2017-2021 attached at Attachment A and as detailed in Attachment D, Appendices 1-5 and Attachment E be approved; (2) having taken into account the conclusions of the Assistant Director (Resources and Performance) report on the adequacy of reserves and the robustness of budget estimates (Attachment C) and the Medium Term Financial Strategy (MTFS) (Attachment D), particularly the Scenario Planning and Sensitivity Analysis (Attachment D, Appendix 5) and all other information contained in this report, to	

	<p>establish the level of council tax for 2017/18. (Note: the level of council tax beyond 2018 will be set in accordance with the annual budget process for the relevant financial year.);</p> <p>(3) the Assistant Director (Resources and Performance), in consultation with the Portfolio Holder for Resources and Performance, be authorised to transfer any surplus from the 2016/2017 revenue budget to the Invest to Save Reserve as detailed in paragraph 1.11.4, and to vire funds between existing Earmarked Reserves (as set out at Attachment D, Appendix 3) as deemed appropriate throughout the year;</p> <p>(4) the Discretionary Business Rates Relief awarded for local newspapers as detailed in paragraphs 1.4.2.1 to 1.4.2.3 to this report is approved.</p>
Key Decision:	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>
Consultation:	<ul style="list-style-type: none"> As detailed in the body of this report
Alternative option(s):	<ul style="list-style-type: none"> The council is legally required to set a balanced budget.
Implications:	
<p><i>Are there any financial implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> As detailed in the body of this report
<p><i>Are there any staffing implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> Staffing implications are considered as part of any proposed structure changes.
<p><i>Are there any ICT implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p><i>Are there any legal and/or policy implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> As detailed in the body of this report
<p><i>Are there any equality implications? If yes, please give details</i></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> To be considered as part of implementation of service changes

<p>Risk/opportunity assessment:</p>	<p>A risk assessment is included at Attachment C as part of the report by the Assistant Director (Resources and Performance) (Chief Finance Officer). The Assistant Director (Resources and Performance) conclusion is that overall the estimates are robust, taking into account known risks and mitigating strategies and the reserves are adequate for the 2017/18 budget plans. Cabinet and Council are advised to have regard to this report when making their decisions on the 2017/18 budget.</p>
<p>Ward(s) affected:</p>	<p>All Wards</p>
<p>Background papers: (all background papers are to be published on the website and a link included)</p>	<p><i>Delivering a Sustainable Budget 2017/18</i> – Performance and Audit Scrutiny Committee: 24 November 2016 Report No PAS/FH/16/032</p> <p><i>Delivering a Sustainable Medium Term Financial Strategy 2017-2020</i> – Performance and Audit Scrutiny Committee: 25 January 2017 Report No PAS/FH/17/005</p> <p><i>Budget Monitoring 1 April 2016 – 31 December 2016</i> – Performance and Audit Scrutiny Committee: 25 January 2017 Report No PAS/FH/17/004</p> <p>West Suffolk Medium Term Financial Strategy</p>
<p>Documents attached:</p>	<p>Attachment A: Revenue Budget Summary</p> <p>Attachment B: Summary of major budget changes</p> <p>Attachment C: Report by the Assistant Director (Resources and Performance)</p> <p>Attachment D: West Suffolk Medium Term Financial Strategy (not attached)</p> <ul style="list-style-type: none"> - Appendix 1: Five Year Revenue Budget (MTFS) - Appendix 2: Five Year Capital Budget - Appendix 3: Earmarked Revenue

	<p>Reserves</p> <ul style="list-style-type: none">- Appendix 4: Prudential Code for Capital Finance- Appendix 5: Scenario Planning and Sensitivity Analysis <p>Attachment E: Strategic Priorities and Medium Term Financial Strategy (MTFS) Reserve</p>
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1. Key issues and reasons for recommendation(s)

1.1 Local government funding

- 1.1.1 In the history of local government there have been few times that have seen such a transformation in the funding of local services as the current decade. The changes are numerous and continuous, and there is little doubt that the 2020s will bring even more changes.
- 1.1.2 Changes include reductions in grant funding from the Government, including removal of the revenue support grant, more business rates being retained locally (and the uncertainty around how that was going to work), plus the introduction, and then reduction, of New Homes Bonus. Alongside those cuts is the lowest bank base rate for years, so the Council's income from interest is significantly reduced, and increased demand for some services, such as housing. Council Tax increases have been capped at 2% but this local tax raises just a fifth of our income for local services. Bridging the gap between income and demand is the single biggest challenge facing local government across the country.
- 1.1.3 At a local level the two councils, Forest Heath and St Edmundsbury, working in partnership as West Suffolk have been tackling these changes together since 2010. The councils identified joint priorities and set up a joint staffing structure to deliver services. We saved in excess of £4m annually through sharing services, however the transformation in the way councils receive funds means that we no longer need just to deliver services – we must also maintain the income we receive now but also deliver our investment projects, enable the building of homes and increase our business base so that we deliver new income streams to replace those lost, which will enable us to continue delivering the services which people value and make West Suffolk an attractive place to live, work and invest.
- 1.1.4 Some of the projects will need considerable investment, both in money - including creating new funds where needed through borrowing (supported by robust business cases) and time, but that investment will build a more financially resilient and self-sufficient council, with less reliance on uncertain Government, or other, funding. That focus on income-generating projects, which may span several years before they bear fruit, means we no longer look simply to balance a budget for one year.
- 1.1.5 While we are now setting out a medium term budget position, which takes us to 2020/21, we must look beyond that date and be ready for what may come. Local government's funding challenges will change, but they will continue. The Government is encouraging Council Tax increases to fund local social care, for example, and much of the income raised from business rates will be kept locally from 2020. The relationship between residents, businesses and their local government services will continue to evolve as we work together to invest in the future.

1.2 Local Government Provisional Finance Settlement 2017/18

- 1.2.1 The Local Government Finance Settlement for 2017/18 was announced on 15 December 2016. This confirmed our figures from the 4 year Revenue Support

Grant settlement last year and gave details of the revised New Homes Bonus figure and rules.

- 1.2.2. New Homes Bonus (NHB) legacy payments (from previous years housing growth) will now only be paid for 5 years rather than the current 6 years in 2017/18 dropping to 4 years thereafter. In addition in calculating NHB from 2017/18 onwards, the increase in the number of dwellings (converted to Band Ds) is reduced by a proposed national baseline of 0.4%. Payments are therefore only made on the increase in the number of houses above the national baseline of 0.4%. The financial impact of these changes for Forest Heath is to reduce NHB payments by £1.053m in 2017/18.
- 1.2.3. Proposals for withholding NHB payments from authorities not supporting growth (houses built after appeal and where there is no Local Plan) have been delayed until 2018/19 when further consideration on their implementation will be taking place.
- 1.2.4. The Council's total formula grant for 2017/18 (including Revenue Support Grant and Baseline Funding from retained business rates – before growth) is £2.532m.
- 1.2.5. The council has seen a 75% cumulative cut in revenue support grant funding over the four years from 2013/14 to 2017/18. Expected cuts to the Revenue Support Grant element (including previous years Council Tax Freeze Grants) in subsequent years have been confirmed in the December settlement as part of the 4 year agreement which Forest Heath accepted. It is still expected that there will be no Revenue Support Grant available to the district by 2020/21.

1.3 Council Tax freeze and referendum requirements 2017/18

- 1.3.1. Between 2011/12 and 2015/16 the Government awarded Council Tax Freeze Grants to those councils that agreed to freeze their council tax levels. This incentive has not been included in the settlement since 2016/17 onwards and any previous awards are now included within the revenue support grant and phased out accordingly.
- 1.3.2. The Government has maintained the 2% or £5 threshold (whichever is the higher) for council tax increases for 2017/18 for Shire districts. Any council tax rise above this would trigger a local referendum, thus giving the local electorate the opportunity to approve or veto the increase. For information - a 2% increase in an average Band D property for Forest Heath would equate to income of approximately £48,000 for 2017/18, a £5 increase £87,000.
- 1.3.3. The current budget figures assume a £4.95 increase in Band D council tax for 2017/18, which equates to an increase of 3.6% per year.

1.4 Business rates reliefs 2017/18

- 1.4.1. The Government has continued to offer support for business rate bills in 2017/18, as well as raising the threshold for small business rate relief from £6,000 to a maximum of £15,000 and increasing higher rate relief from £18,000 to £51,000.

1.4.2 Two new business rates reliefs were announced in the December 2016 Autumn Statement:

1.4.2.1 1) Discretionary business rates relief for local newspapers:

The Government has consulted on providing a business rates relief for local newspapers as part of its commitment to supporting a strong and vibrant local press. Responses to the consultation indicated that a relief on business rates bills would generally be welcomed by the industry and help publishers occupy property in their local area. As a result a discount was announced in the recent Autumn Statement on the following terms:-

- A £1,500 business rates discount for office space occupied by local newspapers for up to 2 years from 1 April 2017
- A maximum of one discount per local newspaper title and per hereditament
- State Aid limits apply
- Will not apply to Local Councils that publish a local newspaper
- Will not apply to online-only publications and local magazines

1.4.2.2 Relief can be granted using discretionary powers under section 47(3) of The Local Government Finance Act 1988. Central Government will fully reimburse councils for any relief they grant to eligible properties that fall within the definitions contained within the guidance.

1.4.2.3 As the scheme is discretionary, members are asked to support its implementation on the basis that full recovery of the relief will be available from central government.

1.4.2.4 2) Business Rates Rural Rate Relief:

Extension of Rural Rate Relief from 50% to 100% (in line with the reliefs available to small businesses). Central Government will fully reimburse councils, under the business rates retention scheme, for this relief and that of the additional small business rates relief at paragraph 1.4.1 above.

1.5 Setting the budget – 2017/18 and across the medium term to 2020/21

1.5.1 The Overview & Scrutiny Committee scrutinised and recommended the approach to our medium term planning 2017-2020 (Report No: OAS/FH/16/022 refers).

1.5.2 One of the noticeable differences in approach needed for this year's budget process was the need to not only look at the detailed budget for forthcoming year (2017/18), but to formally set a medium term budget position. There are three main reasons for this:

- our capital projects will require investment up front however release benefits over a number of years;
- the continued shift towards investing, behaving more commercially and considering new funding models, often spans over more than a standard 12 month budget period; and
- the work package approach involves a review of a number of key areas. This includes the need to address underlying net inflationary cost pressures, contract profiles and opportunities, delivery vehicles, commercial asset

portfolio opportunities - many of which will create financial return/savings across the medium term.

- 1.5.3 The scale of financial savings and/or income needed to ensure that Forest Heath's shared priorities can be delivered across the medium term was significant, especially as the projected £1.5m million budget gap for 2017-20 (projected in the 2016/17 budget process) was on top of the savings delivered locally over the years alongside the £4 million annual shared service savings already delivered across West Suffolk with St Edmundsbury Borough Council.
- 1.5.4 As a result, a considerable amount of work took place identifying potential savings and income generation ideas, quantifying the current strategic project and investment aspirations, in order to secure a balanced budget for 2017/18 and to prepare for the medium term up to 2020/21.
- 1.5.5 A number of the proposals identified for the medium term financial position are relatively straightforward to implement with minimal impact on service delivery as these items fall mainly in the categories of contract, supplies and service efficiencies, further shared service savings and income generation opportunities from making better use of council assets. However, other proposals specifically those relating to our strategic project and investment aspirations required more detailed analysis in order to develop options and to provide clarity as to the potential savings/income.
- 1.5.6 The Performance and Audit Scrutiny Committee has a key role in the scrutiny of the budget process and proposals for achieving a balanced budget. The lists of proposals were presented to members of the Performance and Audit Scrutiny Committee in November 2016 (Report No: PAS/FH/16/032, 'Delivering a Sustainable Medium Term Financial Strategy 2017-2020') with their recommended saving proposals through to Cabinet and Council on 21 December 2016 (Report No: COU/FH/16/028).
- 1.5.7 The Committee received a further update and additional proposals at its meeting in January 2017 (Report No: PAS/FH/17/005, 'Delivering a Sustainable Medium Term Financial Strategy 2017-2020'), with further recommended saving and income proposals through to Cabinet as set out at Item 11. of this agenda. These savings proposals (from both Committee meetings) are included within the proposed budget for 2017/18 as contained at Attachment A, and have been summarised in Attachment B for ease of reference.
- 1.5.8 The table below shows the suggested additional items required for a balanced budget to be achieved.

1.5.9 **Table 1: Further savings and budget pressures identified**

Description	2017/18 Pressure/ (Saving) £000	2018/19 Pressure/ (Saving) £000	2019/20 Pressure/ (Saving) £000
Remaining Budget Gap per report to PASC in January 2017 (PAS/FH/17/005)	329	386	436
Council tax increases - £4.95 on a band D property across the medium term budgets	(87)	(176)	(266)
One off - Use of capital financing budget (borrowing cost budget) as a result of utilising internal cash balances	(221)	(55)	0
Investment interest received - reduction to reflect updated 5 year capital programme	29	73	80
One off - Utilisation of Risk and Recession Reserve to cover timing of project returns due in 2019/20	0	(28)	0
Additional income target to be allocated in future years following conclusion of Income MTFS work package	0	0	(49)
Pending Projects			
Investing in our Growth agenda - net return after allowing for cost of borrowing in line with the MTFS, see paragraph 1.6.2 below.	(50)	(200)	(200)
Final Budget Position	0	0	0

1.5.10 Attachment A is the revenue budget summary, which provides an overview of the proposed net service expenditure, (net revenue position after income, expenditure and recharges) for 2017/18. The total proposed net revenue expenditure in 2017/18 is £7.717 million.

1.6 Pending Project Proposals

1.6.1 In order to plan over the medium term, provision should be made in the revenue and capital budget projections for those projects we are aware of but are yet to approve. This report shows those items in table 1 above in the section 'Pending Projects'. These are pending budgets which will require the necessary approval of Business cases before they can be committed.

1.6.2 To support our growth agenda and to recognise the investments that might be required to deliver the aspirations of our future town centre masterplans, it is proposed that a revolving capital fund of approximately £20m, funded by external borrowing, be created within our medium term plans. The governance and use of this investment fund will be the subject of a separate business case to Council later this year.

1.7 Capital programme 2017-2021

1.7.1 The capital expenditure of the Council has an impact on the revenue budget

and is part of the overall preparation of the revenue proposals for the coming year.

1.7.2 It is estimated that £19.807 million will be spent on capital programme schemes during 2017/18 which are to be funded by a combination of grants and contributions (£0.175 million), earmarked revenue reserves (£5.976 million), the usable capital receipts reserve (£1.066 million) and external borrowing (£12.590 million).

1.7.3 Looking ahead, the total value of the capital programme over the next four years is approximately £55.778 million. Attachment D, Appendix 2 shows the planned capital expenditure in financial year 2017/18 and future years, together with information on the funding of that expenditure (that is, grants and contributions, use of earmarked revenue reserves, useable capital receipts reserve and external borrowing) and is summarised in Table 2 below.

1.7.4 **Table 2: Planned capital expenditure over four years to 2020/21**

	2017/18 millions	2018/19 millions	2019/20 millions	2020/21 millions	Total millions
Gross capital expenditure	£19.807	£32.649	£1.943	£1.379	£55.778
Funded by:					
Grants and contributions	£0.175	£5.525	£0.175	£0.175	£6.050
Earmarked revenue reserves	£5.976	£3.174	£0.305	£0.984	£10.439
Capital receipts reserve	£1.066	£5.977	£1.463	£0.220	£8.726
External borrowing	£12.590	£17.973	£0.000	£0.000	£30.563
Total	£19.807	£32.649	£1.943	£1.379	£55.778

1.8 Disposal of assets

1.8.1 Part of the funding arrangements for the capital programme is the disposal of surplus assets. The Council has an agreed programme of asset disposals, which has already been affected by the national economic situation. Table 3 below is a summary estimate of the likely level of income from asset disposals over the period 2017/18 to 2020/21.

1.8.2 **Table 3: Estimated income from asset disposals 2017-21**

	2017/18	2018/19	2019/20	2020/21
Council share of Right to Buy receipts	£200,000	£200,000	£200,000	£200,000
Asset disposals subject to Mildenhall Hub business case	-	-	£1,350,000	-

Total	£200,000	£200,000	£1,550,000	£200,000
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- 1.8.3 The above capital programme and asset disposals programme will, in the short to medium term, reduce the District Council's useable capital receipts reserves from £8.36 million to £1.78 million. This assumes that all borrowing included within current and future business cases will be drawn down. However, this approach still does not address the funding of longer term requirements for major capital repairs to key District Council assets including, for example, repairs and refurbishment of the District Council's leisure centres. Some of these will be addressed by pending Business Cases. Consideration of the affordability of these major capital expenditure proposals, including options for funding, will need to be included in the options and investment appraisals for these projects.
- 1.8.4 The Council has a number of pending growth projects (see paragraph 1.6.2 above) on the horizon that have the potential to require significant capital investment. Consideration of the affordability of these major capital expenditure proposals, including options for funding, will need to be included in the options and investment appraisals for these projects and will be subject to Council decisions.
- 1.8.5 The calculation of interest income used in the medium term plans are based on the use of existing and anticipated capital expenditure and receipts. Changes in the level and timing of these cashflows have a direct impact on investment returns and revenue funding requirements. However, the Interest Equalisation Reserve does allow for some change in the budgeted levels of income from interest to be accommodated. The Prudential Code for Capital Finance and matters relating to the affordability of the Capital Programme are addressed in Attachment D, Appendix 4. The revenue cost of the capital programme is achievable alongside a small annual increase in council tax (around £5 per annum) across the medium term provided the savings indicated in the MTFS and set out in Attachment D, Appendix 1 are implemented.

1.9 Project skills and capacity

- 1.9.1 The project support, skills and capacity work package review identified some skills and capacity challenges in supporting our exciting, but complex, range of services and growth projects, both in terms of current and future projects. The leadership team is therefore working to increase capacity and skills where it is needed and will seek to do so within the overall salary budget in the first instance. It's critical that we ensure the right capacity and skills are in place to go beyond the 'planning' and into the 'delivery' phase in order to achieve the financial expectations in our Medium Term Financial Strategy and to deliver our sustainable, self-sufficient future.

1.10 Minimum Revenue Provision (MRP)

- 1.10.1 The Treasury Management and Annual Investment Strategy included elsewhere on this agenda (Report No: CAB/FH/17/006) and the Prudential Indicators (Attachment D Appendix 4), provide a framework within which borrowing limits for the Council are established and will confirm our MRP policy for 2017/18.

1.11 General Fund Balance

- 1.11.1 The revenue budget, Attachment A, based on current budget projections, shows a balanced budget position for 2017/18. However, many of the assumptions supporting the budget projections for 2017/18 (and future years) are subject to significant uncertainty. This includes assumptions regarding:
- (a) sustainability of income stream estimates (including commercial property rental income and planning income);
 - (b) impact of Business Rates Retention scheme and Suffolk pooling arrangements; and
 - (c) pay inflation and employer's pension liabilities.
- 1.11.2 The District Council holds General Fund balances as a contingency to cover the cost of unexpected expenditure during the year. The District Council agreed as part of the 2014/15 budget process and development of the MTFs to hold a General Fund balance at the level of £2 million, which is around 26% of the 2017/18 net expenditure.
- 1.11.3 The recommended level of general fund balance has been established by taking into account the following:
- (a) allowance for a working balance to cushion the impact of any unexpected events or emergencies;
 - (b) the new risks placed at a local level under the new business rates retention scheme, such as appeals;
 - (c) the addition of greater income targets linked to being more commercial and the selling of councils' services; and
 - (d) other risks detailed in the Scenario Planning and Sensitivity Analysis provided at Attachment D, Appendix 5.
- 1.11.4 The budget monitoring report to the Performance and Audit Scrutiny Committee on 25 January 2017 (Report No: PAS/FH/17/004 refers) included an estimate of the year end budget position as breaking even. It is proposed to transfer any final year-end surplus in its entirety to the Council's Invest to Save reserve in order to fund future efficiencies and initiatives which will help to mitigate any further risks or budget pressures going forward. It is proposed that any year-end deficit is supported by a transfer from the Council general fund reserve.

1.12 Earmarked reserves

- 1.12.1 At the end of the 2017/18 financial year the Council will have an estimated £6.97 million in earmarked reserves. The current level of earmarked reserves and contributions during 2017/18 has been reviewed and where appropriate annual contributions have been adjusted. Attachment D, Appendix 3, provides details of the proposed contributions to, and projected expenditure from, earmarked reserves during 2017/18. At the end of 2020/21 these reserve balances are estimated to fall to £5.09 million.

1.13 Strategic Priorities and MTFS Reserve

1.13.1 This reserve will act as a one-off fund to provide the financial capacity, either through direct investment (revenue and/or capital) or through servicing external borrowing, for the West Suffolk authorities to drive forward the delivery of a sustainable Medium Term Financial Strategy (MTFS) and the West Suffolk Strategic Plan priorities.

1.13.2 Table 4 shows the total New Homes Bonus (NHB) grant payments made to the Council since the scheme began in 2011/12, including the expected receipt in 2017/18. These NHB allocations have all been put into this Strategic Priorities and MTFS reserve. Paragraph 1.2.2 refers to the new rules for NHB calculation.

1.13.3 Table 4: New Homes Bonus – Grant Receipts

2011/12 millions	2012/13 millions	2013/14 millions	2014/15 millions	2015/16 millions	2016/17 millions	2017/18 millions
£0.562	£1.436	£1.679	£2.166	£2.437	£2.644	£1.278

1.13.4 The 2017/18 budget and MTFS includes a number of draws on this reserve as previously approved or under consideration through the democratic process. Attachment E summarises the proposed draws on this reserve as part of the 2017/18 budget and the medium term budgets.

1.14 Adequacy of reserves

1.14.1 Section 25 of the Local Government Act 2003 requires the Section 151 Officer (Head of Resources and Performance) to report to Council, as part of the tax setting report, her view of the robustness of estimates and the adequacy of reserves. The Council is required to take these views into account when setting the council tax at its meeting on 22 February 2017. The full statement is set out in Attachment C.

1.14.2 In summary, the Section 151 Officer's overall assessment is that the estimates are robust (taking into account known risks and mitigating strategies) and reserves are adequate for the 2017/18 budget plans.

1.15 Medium Term Financial Strategy (MTFS)

1.15.1 The six themes within our agreed [West Suffolk Medium Term Financial Strategy](#) relate to areas of the West Suffolk councils' business which will support sustainability in a more financially constrained environment.

1.15.2 The themes are:

- aligning resources to the councils' strategic plan and essential services;
- continuation of the shared services agenda and transformation of service delivery;
- behaving more commercially;
- encouraging more use of digital forms of customer access;
- taking advantage of new forms of local government finance (for example, business rate retention); and
- considering new funding models (for example, becoming an investing

authority).

2. Legal implications

2.1 The Local Government Act 2003 imposed duties on local authorities in relation to financial management which covers the following areas:

- a) A power for the Secretary of State to determine a minimum reserve level for local authorities by regulations. The Government has indicated that their preference is to keep this power in reserve.
- b) Section 25 of the Act places a requirement on the S151 Officer to report on the adequacy of reserves and robustness of budget estimates as part of the authority's annual budget setting process. The Council is required to take these views into account when setting the Council Tax at its meeting on 22 February 2017. This is included as Attachment C of the report.
- c) Sections 28 and 29 of the Act place a statutory duty on local authorities to monitor their budgets and take such action as considered necessary in the case of overspends and shortfalls of income.
- d) Section 30 of the Act relates to the provisions preventing local authorities entering into agreements following a Section 114 Report which a S151 Officer must produce when it appears that expenditure of the authority in a financial year is likely to exceed the resources available to meet the expenditure. No such report has been produced for Forest Heath this year.