

**Local Government Act 2003: Section 25
Supplementary Report by the Executive Director of Resources &
Section 151 Officer (Chief Finance Officer) based on the Labour
and Co-operative Group budget amendments**

Introduction

1. This paper should be read in conjunction with Section 3.1 of the Cabinet's Budget and Business Planning Report 2025/26 to 2027/28 which sets my view of the robustness of the budget estimates recommended by the Cabinet and the adequacy of the level of reserves as required by the Local Government Act 2003. My assurance statement sets out that these are both adequate.
2. This paper sets out an assessment of how the budget changes proposed by the Labour and Co-operative Group (L&CO) Group impact on my assurance statement.
3. The council is required to have due regard to this report when making decisions on the budget. The law expects councillors to consider this advice and not set it aside lightly.

Budget Assumptions

4. The following paragraphs set out the changes to the budget assumptions made, together with an assessment of their risk are set out below:
 - a) Investments and Savings – the L&CO amendments include additional investments of £0.6m for Children's Services and £0.4m in Environment & Highways. These additions are partly offset by a reduction in the administration's investment in active travel measures of -£0.2m and £0.1m in developing services to support under 5 year olds. There is also a small amount of additional income. A further amendment of £0.6m relates to the potential use of funding relating to prevention with Children's Services. These changes do not impact the budget assumptions set out in Cabinet's Section 3.1 and are considered achievable.
 - b) Use of Reserves – the L&CO amendments would release £0.6m from the funding proposed to be added to the Transformation reserve on a one – off basis to balance the budget in 2025/26. This small utilisation of funding is not expected to impair delivery of the wider Transformation programme.
 - c) Capital Programme - the Cabinet's proposed ten-year Capital Programme has a shortfall of funding of/is over-programmed by £11.1m. The L&CO amendments would increase the level of over-programming by £3.0m to £14.1m. Given the programme is £1.5bn over a ten-year period, this level of over-programming is not considered an imprudent position. Any new capital

resources which arise in 2025/26 will be prioritised to bringing the programme back into balance.

The proposals also bring forward £1.0m of Highways Maintenance funding for spend on repairs to pavements and cycleways from 2026/27 into 2025/26. In the context of the additional £58.8m funding added for Highways Maintenance this is a manageable change that will not have a significant impact on the availability of funding in future years.

Level of total reserves

5. The amendments to the Earmarked Reserves and General Balances Policy Statement at L&CO Section 4.6 amendments do not impact on the overall level of Earmarked Reserves across the period of the MTFS.

Assurance Statement of the Chief Finance Officer

6. The amendments proposed maintain a balanced position for the 2025/26 budget. Across the medium term, there is a £0.3m increase in the deficit compared to the Cabinet's proposals in 2026/27 but this is offset by a reduction of £0.3m in 2027/28. Overall, therefore there is no change over the medium term from the Cabinet's position. The additional use of reserves is nominal and does not impact on the financial resilience of the council.
7. Given the immaterial financial impact of the proposals on the council's financial position for 2025/26 and across the medium term, I can formally report that in my view the budget amendments proposed by the Labour and Co-operative Group are robust.

Lorna Baxter FCPFA

Executive Director of Resources and Section 151 Officer

6 February 2025