

*These notes refer to the Local Government Act 2003 (c.26)
which received Royal Assent on 18th September 2003*

LOCAL GOVERNMENT ACT 2003

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2: Financial Administration

Summary

41. [Sections 25 to 29](#) impose new duties on local authorities about how they set and monitor their budgets. They are designed to help ensure that authorities make prudent allowance for risk and uncertainties in their budgets, and regularly monitor their finances during the year. Largely they leave discretion with the authorities about the allowances to be made and action to be taken. But section 26 is a reserve power for the Government or National Assembly for Wales to lay down the minimum reserves that local authorities must allow for when they set their budgets.
42. The objective of section 30 is to facilitate remedial action when an authority's expenditure is forecast to exceed its resources and its chief finance officer has made a formal report to that effect.