

**Bolsover District Council**

**Finance and Corporate Overview Scrutiny Committee**

**23rd January 2025**

**MEDIUM-TERM FINANCIAL PLAN 2024/25 to 2028/29**

**Report of the Portfolio Holder for Resources**

<b>Classification</b>	This report is public.
<b>Contact Officer</b>	Theresa Fletcher Director of Finance and Section 151 Officer

**PURPOSE / SUMMARY**

To enable the Committee to consider the current budget for 2024/25 and the proposed budget 2025/26, for the General Fund, Housing Revenue Account and Capital Programme as part of the Council's Medium-Term Financial Plan covering the years 2024/25 to 2028/29, prior to the report being taken to Council.

To provide Elected Members with an overview of the Council's financial position in order to inform the decision-making process. Any comments expressed by the Finance and Corporate Overview Scrutiny Committee will be reported verbally to Council.

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**REPORT DETAILS**

**1 Introduction**

1.1 This report presents the following budgets for Members to consider:

- General Fund – Appendix 1 and 2
- Housing Revenue Account (HRA) – Appendix 3 and 4
- Capital Programme – Appendix 5

In particular financial projections are provided for:

- 2024/25 Current Budget Position – this is the current year budget, revised to take account of changes during the financial year that will end on 31<sup>st</sup> March 2025.
- 2025/26 Original Budget – this is the proposed budget for the next financial year, on which the Council Tax will be based, and will commence from 1<sup>st</sup> April 2025.
- 2025/26 Original Budget, this includes proposed increases to rents and fees and charges for the next financial year for the Housing Revenue Account.

- 2026/27 to 2028/29 Financial Plan – In accordance with good practice the Council agrees its annual budgets within the context of a Medium-Term Financial Plan (MTFP). This includes financial projections in respect of the next three financial years.
- 1.2 Recommendations agreed by Executive and Finance and Corporate Overview Scrutiny Committee will be referred to the Council meeting on the 29th of January 2025 for Members' consideration and approval.

## **General Fund**

### **2024/25 Current Budget**

- 1.3 In January 2024, Members agreed a budget for 2024/25 to determine Council Tax. The original budget showed a balanced budget with neither a surplus nor deficit. Throughout the year budgets have been actively managed with savings removed from the budget once they have been agreed.
- 1.4 The Revised Budget was considered by Executive at its meeting on the 2nd of December 2024 and by the Finance and Corporate Overview Scrutiny Committee at its meeting on the 28<sup>th</sup> of November. Since the revised budgets were first presented there has been an adjustment made to the reported figures. This has been necessary to include the increases to the salary budgets within Dragonfly Management, which were approved by the Dragonfly Board, but need to be approved by the Council. An amount of £0.177m will be added to the general fund budget for 2024/25. To ensure the position on the general fund remains balanced, a transfer for the same amount will be made from the NNDR Growth Protection Reserve.
- 1.5 The final in-year position will be dependent on the actual financial performance out-turning in line with the revised budgets as there may be further costs and/or savings identified as the year progresses. Whilst these estimates reflect the position at the time of setting there can be some volatility from the budget to the outturn position.
- 1.6 It was agreed that any surplus on the Council's two main revenue accounts be transferred to reserves in preparation for future expenditure and to protect services at a time of financial uncertainty in local government.

### **2025/26 Original Budget and 2026/27 to 2028/29 Financial Plan**

- 1.7 The financial projection for 2025/26 to 2027/28 was approved by Members in January 2024. The 2024/25 budget process has updated those projections and established a base for 2028/29.
- 1.8 The proposed budget for 2025/26 is balanced with a small transfer from the NNDR Growth Protection Reserve of £0.049m. Based on current information, where there is a shortfall in funding for the years 2 - 4, that shortfall can be met from within the NNDR Growth Protection Reserve as discussed in paragraphs 1.30 – 1.34 of this report. The shortfall for 2028/29 however, cannot currently be met from within the reserve. The financial summary for each year of the

MTFP is shown in **Appendix 1**. **Appendix 2** details the net cost of each cost centre by Directorate.

1.9 Table 1 below shows the updated figures resulting from the budget process.

**Table 1**

	<b>2024/25 Revised Budget £000</b>	<b>2025/26 Forecast £000</b>	<b>2026/27 Forecast £000</b>	<b>2027/28 Forecast £000</b>	<b>2028/29 Forecast £000</b>
Net Cost of Services	16,879	15,609	15,732	16,349	16,904
Net debt charges + investment interest	(2,057)	(1,635)	(2,067)	(2,415)	(2,619)
Net t/f to/(from) reserves + balances	(1,808)	1,209	568	524	471
Net t/f to/(from) NNDR Growth Protection Reserve	1,694	(49)	(4,964)	(5,017)	(4,180)
Parish Precept	4,583	4,583	4,583	4,583	4,583
Funding from council tax, business rates and government grants	(19,291)	(19,717)	(13,852)	(14,024)	(14,206)
<b>Shortfall</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>953</b>

1.10 The main factors taken into account in developing the Council's financial plans are set out within the sections below. No changes have been made to the financial plans concerning the Government's recently published, English Devolution White Paper.

#### Level of Government Funding

1.11 The provisional local government finance settlement for 2025/26 was published on the 18<sup>th</sup> of December 2024. This was a one-year settlement with no projected or indicative numbers for 2026/27 and beyond. We have made assumptions for 2026/27 and future years, based on our consultant's advice.

1.12 When compared to the estimates we made for our 2025/26 position in January 2024, the provisional figures given for this year only, mean for 2025/26 we will be £0.155m better off. It is important to note that this position is before any implications for business rates (or NNDR – national non-domestic rates) are included.

1.13 Although the provisional settlement delivered large increases in funding in total to local government (6% in cash terms), the average increase for district

councils was just 0.3%, as long as the council tax increase is assumed to be applied for the year. For shire districts there was actually a cut in the 'Core Spending Power' element of the funding.

1.14 Alongside the usual consultation on the provisional settlement, the government also launched a consultation on 'Local authority funding reform: objectives and principles,' ahead of the 2026/27 multi-year local government finance settlement.

1.15 As mentioned in previous MTFP reports, indicative results from the Fair Funding Review; the abolition of New Homes Bonus; the fundamental review of Business Rates and the baseline reset of Business Rates were all detrimental to us as a district council who has seen much growth in recent years, both in business rates and New Homes Bonus grant.

1.16 As these reforms are expected to be included in the 2026/27 finance settlement, assumptions of their effects are included in the figures of this MTFP. However, at this stage no funding for transitional arrangements is included (see paragraphs 1.26 +1.27).

1.17 The following paragraphs show our government funding for 2025/26 from the provisional settlement and the assumptions we have had to make for future years:

#### *New Homes Bonus*

1.18 For 2025/26 we have received a roll-over of the current approach to New Homes Bonus with the delay of its abolition and a new allocation based on our property numbers. Last year we assumed 2024/25 would be the final year of the grant, therefore, the £0.282m allocated in the provisional settlement is an increase in grant income to us for 2025/26.

1.19 For 2026/27 onwards we have assumed that no New Homes Bonus will be received. In the government's consultation the proposal is for 2025/26 to be the final year of the grant.

#### *Resetting the Business Rates Retention System*

1.20 The figures in the MTFP for Business Rates have been updated for the latest assumptions around likely changes to our baseline funding level information and tariff amounts. In addition, the government announced in the local government finance policy statement that it intends to carry out a full reset of the system in 2026/27, therefore the implications of this are now included for 2026/27 and beyond.

1.21 This has resulted in some large decreases in income, particularly for 2026/27 and 2027/28. It has been assumed 2026/27 is now the year when the reset occurs, and the income slowly increases each year as we build back the growth lost from the reset. No growth in these business rates figures has been included in any year to protect against further negative adjustments.

### Revenue Support Grant

- 1.22 Yet again, there has been a roll-over in receiving Revenue Support Grant. We estimated this would be the case last year with the grant eventually tailing off in 2027/28. However, we have received £0.056m more than estimated in 2025/26, £0.183m more for 2026/27, £0.184m more for 2027/28 and £0.480m for 2028/29. We have assumed this will be the final year of receiving the grant.

### Services Grant

- 1.23 This was introduced for 2022/23 and was meant to be a one-off grant to support all services delivered by Councils. This was distributed to every authority using the 2013/14 Settlement Funding Assessment. This grant continued into 2024/25 but was cut significantly. We estimated to receive £0.019m for 2025/26 but this grant has been removed in the provisional settlement and replaced with the Recovery Grant (see below).

### 4% Funding Guarantee Grant

- 1.24 The 3% Funding Guarantee grant was introduced in 2023/24 and ensured that no authority had a Core Spending Power increase of less than 3% without having to increase their Band D Council Tax. For 2024/25 we were allocated funds, and the grant was increased to 4%. We estimated to receive £0.493m for 2025/26 but this grant has also been removed in the provisional settlement and replaced with the Recovery Grant (see below).

### Recovery Grant

- 1.25 The Recovery Grant has been introduced in the 2025/26 settlement. 'It is intended to target money towards areas with greater need and demand for services (as proxied by deprivation), and less ability to raise income locally (specifically, council tax.' We have been allocated £0.328m for 2025/26. When the loss of the Services and Funding Guarantee grants are included we have received a net reduction of £0.184m in these 3 grants for 2025/26. We have assumed this will be the only year of receiving this grant.

### Transitional Arrangements

- 1.26 As discussed above, our assumption is that the 2026/27 finance settlement will include the effects of the reforms the government is currently consulting on. An estimate of the likely reductions in our funding have already been included in the MTFP. However, due to having no indication of likely transitional arrangements to smooth changes in allocations from 2026/27, we currently are showing the worst-case scenario.
- 1.27 The consultation document states the government is investigating a wide range of options regarding the design and scope of Transitional Arrangements. They are proposing moving authorities to their updated allocations over several years to avoid sudden changes in funding allocations and to allow time to plan. The table below is an estimate of potential income that might be received, but this is only an estimate provided by our consultant and is very likely to change.

	2026/27	2027/28	2028/29
Potential Income to compensate BDC for reductions in funding	£2.774m	£1.913m	£1.031m

Extended Producer Responsibility Payment

- 1.28 This is new for 2025/26 and is income paid to us by the government from a levy on producers to cover the cost of managing/reducing packaging waste. This funding sits outside of the core finance settlement, but it is not ringfenced so can effectively be used to support the Council's general fund. As this is paid to the waste collection authority, it has been suggested that this funding is to compensate district councils for the lack of extra funding in the finance settlement.
- 1.29 However, only the allocation for 2025/26 is guaranteed, there have been no suggestions for future years' allocations, and it has been stated that this income stream is subject to being reduced for penalties/claw-back applied by the Scheme Administrator, in future years. The system is designed to reduce costs for us by improving recycling and making it cheaper, so the payments are intended to reduce over time as producers avoid the levy by meeting the requirements. For this reason, no income has been assumed in the MTFP for 2026/27 onwards. As allocations are received the MTFP will be updated.

Mitigating Losses in Government Funding

- 1.30 To help mitigate losses caused by funding changes the NNDR Growth Protection Reserve was created a number of years ago. Originally this only included transfers of income from the general fund when Business Rates income calculations were updated for new growth.
- 1.31 This meant income received would be more than initially estimated for that year and the extra amount to be received would be transferred into the reserve, almost as a savings account to be returned back to the general fund when income was reduced in future years.
- 1.32 In recent years extra income received from all sources of government funding mentioned above have been transferred into the reserve if the budget for that year has already been in surplus when the extra funding has been realised.
- 1.33 The balance accumulated has meant we are able to use the reserve to even-out the government funding losses over the life of the current MTFP. A transfer from the reserve to general fund will be necessary in 2025/26 of £0.049m. Latest estimates for transfers back to the general fund for future years are £4.964m 2026/27; £5.017m 2027/28 and £4.180m in 2028/29. The reserve is fully used during 2028/29 and this leaves an unfunded amount in the MTFP for 2028/29 of £0.953m. This amount could be funded from other reserves or balances held by the Council if we have not built up sufficient of the NNDR Growth Protection Reserve, by this year.
- 1.34 When savings are found from elsewhere or extra income is earned, the transfers from the reserve will be reduced.

### Expenditure, income levels and efficiencies

1.35 In developing the financial projections covering the period 2025/26 to 2028/29, officers have made a number of assumptions. The major assumptions are:

- For all years of the MTFP, 3% has been included in staffing budgets as an estimate for a pay award.
- Investment income as a result of treasury management decisions has been increased in all years of the MTFP as interest rates are not expected to reduce as quickly as previously suggested. The current bank rate is 4.75% and it is thought it will slowly begin to fall over the next couple of years. This is the assumption we have used for our investment income levels.
- Inflation specific budgets such as energy costs and fuel have been amended to reflect anticipated price changes.
- With respect to planning fees, a base level for income has been included in the MTFP for all future years of £0.425m. The rules of the government's 20% increase to planning fees means we have to set-aside the additional 20% income we receive, to be spent specifically on the planning function.
- Fees and charges – service specific increases as agreed by Members.
- The increase to Employers' National Insurance Contributions (NICs) is due to be compensated by government but the allocations of funding are not due to be announced until the final settlement. As it is not known how the allocations will be calculated, we have not included the income for any year of the MTFP. Only the direct NICs paid by the Council will be funded, i.e. not any of the Dragonfly NICs paid to their staff.

### **Council Tax Implications**

#### Council Tax Base

1.36 In preparation for the budget, the Section 151 Officer under delegated powers has determined the Tax Base at Band D for 2025/26 as 23,366.76. This is an overall increase on the 2024/25 Tax Base. However, the Tax Base of some of the Parishes have seen a decrease due to local circumstances relating to Single Person Discount, Council Tax Support claimants and/or net reductions in property numbers.

#### Council Tax Options

1.37 The Council's part of the Council Tax bill in 2024/25 was set at £202.89 for a Band D property. This was an increase of 2.99%.

1.38 The Council has a range of options when setting the Council Tax but in calculating our funding allocation in the settlement, the government will assume we will increase Council Tax by the maximum allowed. The government indicate what upper limit they consider acceptable. For 2025/26 District Councils are permitted to increase their share of the Council Tax by the greater of 3% or £5 without triggering the need to hold a referendum.

1.39 The table below shows some of the options and the extra revenue generated.

Increase	New Band D £	Annual Increase £	Weekly Increase £	Extra Revenue £
2.00%	206.94	4.06	0.08	94,738
2.46%	207.89	5.00	0.10	116,756
2.99%	208.95	6.07	0.12	141,672

1.40 The level of increase each year affects the base for future years and the proposed increase for 2025/26 is 2.99%, or £6.07 per year for this Council's part of the Council Tax bill, generating additional revenue of £141,672. This ensures we do not accidentally trigger a referendum.

1.41 Members will recall that in our Medium-Term Financial Strategy (MTFS) approved in October 2024, we have the strategic intention '*to raise Council Tax by the maximum allowed in any given year, without triggering a Council Tax referendum, to endeavour to continue to deliver services*'.

### **Financial Reserves – General Fund**

1.42 The Council's main uncommitted Financial Reserves are the General Fund Working Balance of £2.001m, the uncommitted element of the Transformation Reserve of £0.682m and the NNDR Growth Protection Reserve which had a balance of £14.211m after the revised budget process, to fund the MTFP. Due to the uncertainty surrounding local authority income and the fact that the Council has reduced budgets to a minimal level, it is important that the Council continues to review whether we have an acceptable General Fund Working Balance.

### **Housing Revenue Account (HRA)**

#### **2024/25 Current Budget**

1.43 In January 2024, Members agreed a budget for 2024/25. Rent levels were set in line with government regulations with an increase of 7.7%, effective from the 1<sup>st</sup> of April 2024. HRA fees and charges were also set, effective from the same date.

1.44 The Revised Budget was considered by Executive at its meeting on the 2nd of December 2024 and by the Finance and Corporate Overview Scrutiny Committee at its meeting on the 28<sup>th</sup> of November. There have been no changes to the budget position since this time.

1.45 The revised budget for 2024/25 showed a balanced budget with a transfer of £0.363m back to the HRA balance, which was in line with the original budget.

#### **2025/26 Original Budget and 2026/27 to 2028/29 Financial Plan**

1.46 The proposed budget for 2025/26 currently shows a balanced budget. This has been achieved by the use of the HRA reserves £0.460m. Based on current information the position for 2026/27, 2027/28 and 2028/29 is a similar, but



improving one. All years are balanced, with the use of the HRA reserves in 2026/27 £0.150m and 2027/28 £0.025m. This is shown on **Appendix 3**. The proposal is to transfer any surplus that arises over these amounts into the HRA Revenue Reserve in all years. **Appendix 4** details the net cost of each cost centre.

- 1.47 The HRA budget is made up of the same assumptions as the General Fund budget for staff costs, superannuation costs and inflation. There are, however, some assumptions that are specific to the HRA. The main factors taken into account in developing the Council's financial plans for the HRA are set out within the sections below.

#### Level of Council Dwelling Rents

- 1.48 The MHCLG Policy Statement on rents for social housing – published February 2019 states, *'In October 2017, the government announced its intention to set a long-term rent deal for both local authority landlords and housing associations. This would permit annual rent increases on both social rent and affordable rent properties of up to CPI (Consumer Price Index) plus 1 percent from 2020, for a period of at least five years.'*

- 1.49 Therefore for 2025/26 the income for dwelling rents has been included in the budget at CPI rate 1.7% (for September 2024), plus 1%. For future years it has been assumed the same policy will apply but 3% has been included as an estimate of the increase in income. The government consultation in relation to social housing rent policy from the 1<sup>st</sup> of April 2026, closed on the 23<sup>rd</sup> of December 2024. It is expected that there will be little change to the current policy, but Members will be updated when the policy is approved.

- 1.50 The table below shows the average rent increases excluding service charges, for both Social Rent and Affordable Rent, which is charged on all new build properties.

Increase	New Rent Charge	Annual Increase	Weekly Increase	Range of New Rent Charge
2.7%	£95.20	£130.00	£2.50	£69.04 - £128.75
Average for Social Rent				
2.7%	£132.64	£181.48	£3.49	£89.82 - £285.88
Average for Affordable Rent				

#### Empty Property Levels - Voids

- 1.51 It is inevitable during a financial year that there will be occasion when properties are empty and therefore no income will be earned. This could be the gap in the tenancy between one tenant vacating and the next one taking up the property or could be part of a management decision to leave the property empty because it is part of a capital or repair scheme which is soon to commence.

- 1.52 An estimate of the number of void properties which may occur in each financial year needs to be made so that the dwelling rent income budget can be reduced to reflect this. For 2025/26 the estimate for voids which has been included in the MTFP is 3%, for the years 2026/27 to 2028/29 the estimate is 2%.

#### Fees and Charges

- 1.53 Although the main source of income for the HRA is property rents, the HRA is also dependent for its financial sustainability on a range of other charges. These charges are set on the principle that wherever possible charges for services should reflect the cost of providing those services.
- 1.54 A schedule of the proposed charges is set out at **Appendix 4, table 1**. For 2025/26 in most cases the charges are recommended to be increased by 2.7%.

#### **Financial Reserves - HRA**

- 1.55 The Council's main uncommitted Financial Reserves are the Housing Revenue Account Working Balance of £1.644m. As mentioned in paragraph 1.45, there is a transfer of £0.363m back to the HRA balance included in the revised budget for 2024/25, to re-instate the £2m minimum balance previously held. In addition to the Working Balance there are further reserves for the HRA used to fund the Council's HRA capital programme. These are the Major Repairs Reserve, New Build Reserve, Vehicle Repair and Renewal Reserve and Development Reserve.

#### **Capital Programme**

- 1.56 There will be three separate reports to Council on the 29<sup>th</sup> of January 2025 concerning the Council's Treasury Management Strategy, Investment Strategy and Capital Strategy. The Capital Strategy report will consider capital financing such as borrowing which enables the proposed capital programme budgets to proceed.

#### **2025/26 Current Budget**

- 1.57 In January 2024, Members approved a Capital Programme in respect of 2024/25 to 2027/28. Scheme delays and technical problems can cause expenditure to slip into following years and schemes can be added or extended as a result of securing additional external funding. Where capital expenditure slipped into 2024/25 the equivalent amount of funding was not applied during 2023/24 and is therefore available in 2024/25 to meet the delayed payments.
- 1.58 The Revised Capital Programme was considered by Executive at its meeting on the 2<sup>nd</sup> of December 2024 and by the Finance and Corporate Overview Scrutiny Committee at its meeting on 28<sup>th</sup> November. The changes made since the December report, relate to committee approvals and total a net £0.771m.

#### **General Fund Capital Programme 2025/26 to 2028/29**

- 1.59 The proposed Capital Programme for the General Fund totals £1.667m for 2025/26; £2.589m for 2026/27; £1.422m for 2027/28 and £1.075m for 2028/29 (**Appendix 5**).

### **Housing Revenue Account Capital Programme 2025/26 to 2028/29**

- 1.60 The proposed Capital Programme for the Housing Revenue Account totals £20.303m for 2025/26; £5.418m for 2026/27; £5.398m for 2027/28 and £5.596m for 2028/29 (**Appendix 5**).
- 1.61 A list of all the schemes and associated funding are attached as **Appendix 5** to this report.

### **Robustness of the Estimates – Section 25 Local Government Act 2003**

- 1.62 Under the provisions of the Local Government Act 2003, the Council's Section 151 Officer is required to comment on the robustness of the estimates made and on the adequacy of the financial reserves.
- 1.63 The Council's Section 151 Officer (The Director of Finance) is satisfied that the estimates are considered to be robust, employee costs are based on the approved establishment, investment income is based on the advice of the Council's Treasury Management Advisors and income targets are considered to be achievable.
- 1.64 Likewise, the Section 151 Officer is satisfied that the levels of reserves are considered to be adequate to fund planned expenditure and potential issues and risks that face the Council.

## **2 Reasons for Recommendation**

- 2.1 This report presents a budget for approval by Council. It seeks to ensure approval to budgets in respect of the General Fund, the Housing Revenue Account and the Capital Programme.

## **3 Alternative Options and Reasons for Rejection**

- 3.1 Alternative options are considered throughout the report.

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## **RECOMMENDATIONS**

- 1 That Finance and Corporate Overview Scrutiny Committee note the report and make any comments that they believe to be appropriate to be given verbally at the Council meeting on 29<sup>th</sup> of January 2025.

### **The Executive report recommendations are as follows:**

- X1 That all recommendations below are referred to the meeting of Full Council on the 29th of January 2025.

The recommendations to Council are:

- X2 That in the view of the Section 151 Officer, that the estimates included in the Medium-Term Financial Plan 2024/25 to 2028/29 are robust and that

the level of financial reserves whilst at minimum levels are adequate, be accepted.

- X3 That officers report back to Executive and to the Finance and Corporate Overview Scrutiny Committee on a quarterly basis regarding the overall position in respect of the Council's budgets.

#### **GENERAL FUND**

- X4 A Council Tax increase of £6.07 is levied in respect of a notional Band D property (2.99%).
- X5 The Medium-Term Financial Plan in respect of the General Fund as set out in Appendix 1 of this report be approved as the Revised Budget 2024/25, as the Original Budget in respect of 2025/26, and the financial projection in respect of 2026/27 to 2028/29.
- X6 That any further under spend in respect of 2024/25 is transferred to the Council's General Fund Reserves.
- X7 On the basis that income from Planning Fees may exceed £0.500m in 2024/25, the Head of Paid Service in consultation with the Leader be granted delegated powers to authorise such additional resources as are necessary to effectively manage the resultant increase in workload.

#### **HOUSING REVENUE ACCOUNT**

- X8 That Council increases its rent levels by 2.7% to apply from 1<sup>st</sup> April 2025.
- X9 That the increases in respect of other charges as outlined in **Appendix 4 Table 1** be implemented with effect from 1<sup>st</sup> April 2025.
- X10 The Medium-Term Financial Plan in respect of the Housing Revenue Account as set out in **Appendix 3 and 4** of this report be approved as the Revised Budget in respect of 2024/25, as the Original Budget in respect of 2025/26, and the financial projection in respect of 2026/27 to 2028/29.
- X11 That under spends in respect of 2024/25 to 2028/29 are transferred to the HRA Revenue Reserve.

#### **CAPITAL PROGRAMME**

- X12 That the Capital Programme as set out in **Appendix 5** be approved as the Revised Budget in respect of 2024/25, and as the Approved Programme for 2025/26 to 2028/29.

Approved by Councillor Clive Moesby, Portfolio Holder for Resources

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**IMPLICATIONS:**

**Finance and Risk:**            Yes             No

**Details:**

The issue of Financial Risk is covered throughout the report. In addition, the Council has a risk management strategy and associated framework in place and the Strategic Risk Register is regularly reviewed through the Council's performance management framework. The risk of not achieving a balanced budget is outlined as a key risk within the Council's Strategic Risk Register and is therefore closely monitored through these practices and reporting processes.

The reductions in government funding on the general fund are currently being managed by contributions to and from the National Non-Domestic Rates (NNDR) Growth Protection Reserve. The HRA does not have the use of this general fund reserve and needs to be carefully managed to ensure it continues to be sustainable over the life of the 30-year business plan. This includes any borrowing undertaken for the capital programme.

On behalf of the Section 151 Officer

**Legal (including Data Protection):**            Yes             No

**Details:**

Under section 25 of the Local Government Act 2003, the Section 151 Officer is required to report on the robustness of the estimates made for the purposes of determining the budget for the forthcoming year and the adequacy of the proposed financial reserves.

There is also a requirement for the Council to have regard to the report of the Section 151 Officer when making decisions on its budget requirement and level of financial reserves.

The Council is legally obliged to set and deliver a balanced budget prior to the commencement of the new financial year in April 2025, which shows how income will equal spend over the short and medium term. This can take into account deliverable cost savings and/or local income growth strategies as well as useable reserves. However, a budget will not be balanced where it reduces reserves to unacceptably low levels. This report together with the associated budget timetable has been prepared in order to comply with our legal obligations.

There are no Data Protection issues arising directly from this report.

On behalf of the Solicitor to the Council

**Environment:**

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

**Details:**

Not applicable to this report

**Staffing:** Yes  No

**Details:**

These are covered in the main report and supporting Appendices where appropriate.

On behalf of the Head of Paid Service

**DECISION INFORMATION**

<p><b>Is the decision a Key Decision?</b>          A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds:</p> <p>Revenue - £75,000 <input type="checkbox"/> Capital - £150,000 <input type="checkbox"/>  <input checked="" type="checkbox"/> Please indicate which threshold applies</p>	<p>No</p>
<p><b>Is the decision subject to Call-In?</b>          (Only Key Decisions are subject to Call-In)</p>	<p>No</p>

<p><b>District Wards Significantly Affected</b></p>	<p>None</p>
<p><b>Consultation:</b>          Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/>          SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/>          Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></p>	<p>Details:          Portfolio Holder for Resources</p>

<p><b>Links to Council Ambition: Customers, Economy and Environment.</b></p>

<p><b>DOCUMENT INFORMATION</b></p>	
<p><b>Appendix No</b></p>	<p><b>Title</b></p>

1	General Fund Summary
2	General Fund Detail
3	Housing Revenue Account Summary
4	Housing Revenue Account Detail
4 table 1	HRA – Fees and Charges 2025/26
5	Capital Programme

**Background Papers**

*(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive you must provide copies of the background papers).*

None