

BUDGET AND COUNCIL TAX 2025/26	
Executive Summary	This report presents for approval the budget for 2025/26 and to make statutory calculations in accordance with the Local Government Finance Act 1992 to set the Council Tax for 2025/26. The report also includes the Chief Finance Officer's report on the robustness of the estimates and adequacy of reserves.
Options considered	It is a statutory requirement to set the budget each year, whilst there are options around the content of the budget presented for approval, the budget now recommended reflects the recommendations made by Cabinet at its meeting on 3 February 2025.
Consultation(s)	The proposed budget has been presented to the Overview and Scrutiny Committee for pre-scrutiny at its meeting on 22 January 2025. Public and business consultations have also taken place on the Council's website and on all the Council's other social media platforms.
Recommendations	<p>That having considered the Chief Finance Officer's report on the robustness of the estimates and the adequacy of the proposed financial reserves, the following be approved:</p> <ol style="list-style-type: none"> 1) The 2025/26 revenue budget as outlined at Appendix A; 2) The service budgets detailed in Appendix B; 3) The statement of the movement in reserves as detailed at Appendix C; 4) The updated Capital Programme and financing for 2024/25 to 2027/28 as shown in Appendix D; 5) The new capital bids recommended for approval as detailed at Appendix E; 6) The statement of identified savings as detailed in Appendix F; 7) That Members note the current financial projections for the period 2026/27 to 2028/29 that form the Medium Term Financial Strategy as presented as a Cabinet recommendation from its meeting on 3 February 2025; 8) The the Optimum Level of the General Fund Reserve of £2.1m for 2025/26 to 2027/28; 9) The Local Council Tax Support Scheme (LCTS) for 2025/26 as recommended for approval by Cabinet at its meeting on 3 February 2025;

	<p>10) That Members undertake the Council Tax and statutory calculations set out at Appendix F, and set the Council Tax for 2025/26;</p> <p>11) The demand on the Collection Fund for 2025/26 is as follows:</p> <ul style="list-style-type: none"> a. £7,812,584 for District purposes which reflects the recommended Council Tax increase of £4.95 for the district element for a Band D equivalent property b. £3,755,203 for Parish/Town Precepts; <p>to approve the 2025/26 budget for revenue and capital and to make the statutory calculations in respect of the 2025/26 Council Tax.</p> <p>To note the two capital schemes that will come forward in due course as detailed in paragraphs 5.5 and 5.6 relating to Overstrand and the Watch House.</p>
Reasons for recommendations	It is a statutory requirement to set the budget each year. To enable the Council to set a balanced budget.
Background papers	Budget reports and briefings, precepts (NCC, Police and Parishes) Draft Revenue Budget Report for 2025/26 presented to Cabinet on 3 February 2025

Wards affected	All
Cabinet member(s)	All
Contact Officer	Tina Stankley Director of Resources and s151 Officer tina.stankley@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	Strong Responsible & Accountable Council.
Medium Term Financial Strategy (MTFS)	The setting of a balanced budget for 2025/26 provides the base position for reviewing the following years of the Medium-Term Finance Plan.
Council Policies & Strategies	Budget Setting & Medium-Term Finance Strategy

Corporate Governance:	
Is this a key decision	Yes
Has the public interest test been applied	Yes
Details of any previous decision(s) on this matter	

1. Purpose of the report

- 1.1. This report presents for approval the 2025/26 General Fund revenue and 2025/26 capital budgets along with the Council Tax for 2025/26.

2. Introduction & Background

- 2.1. Detailed budgets have been prepared by officers. These have been consolidated to give a Summary General Fund Budget for 2025/26. The budget has been considered by Cabinet and is presented to full Council for approval.
- 2.2. Local authorities across the UK continue to find themselves under considerable financial pressure as a result of external factors that are beyond their control. These are manifesting themselves with ever increasing pressures on demand led services e.g. temporary accommodation. There have been several S114 notices issued over the last 18 months and there have been several Council's seeking exceptional financial support from the Government in recent times.
- 2.3. The provisional Local Government Finance Settlement for 2025/26 announced on 18 December 2024 was a shock for the majority of District Councils. The Labour Government's Budget announcement of an allocation of £1.3bn new grant funding for local authority services in 2025/26 led to an expectation that the increase in core spending power 3.2% for local authorities would be for all local authorities. However, the Government made substantial changes in the distribution of funding. So, whilst the overall increase in core spending power was 6%, District Councils' overall increase was only 0.32%. The total of the floor funding of £121m was used entirely for districts. There were 133 out of the 164 District Councils that received a zero per cent increase, with NNDC being allocated £805,000 to bring its increase up to 0.0% i.e. without this the Council would have seen a reduction in funding of this £805,000. The diagram below shows how funding was redistributed across authority type and who the winners and losers of this were.
- 2.4. Both the Rural Services Delivery Grant and the Recovery Grant were abolished, and this funding was repurposed. In 2024/25 the Council received £680,000 via a combination of both grants. A new Recovery Grant was introduced, however, rural authorities seemed to have lost out as they will receive a lower share of this.

3. The 2025/26 Budget

3.1. The 2025/26 budget presented in Appendix A and summarised in the table below is a balanced budget for approval by Full Council.

General Fund Summary 2025/26 Base Budget							
Line no.	Column A	Column B	Column C	Column D	Column E	Column F	Column G
		2024/25 Base Budget	2024-25 Updated Budget	2025/26 Base Budget	2026/27 Projection	2027/28 Projection	2028/29 Projection
	Service Area	£	£	£	£	£	£
1	Corporate Leadership/ Executive Support	406,880	3,141,750	3,044,560	3,034,010	3,082,840	3,132,660
2	Communities	11,530,420	8,827,660	9,129,890	9,180,770	9,251,860	9,335,660
3	Place and Climate Change	7,121,380	5,420,880	4,520,790	4,384,060	4,430,660	4,508,800
4	Resources	4,707,480	6,219,660	5,653,740	5,600,040	5,272,520	5,364,840
5	Savings to be Identified	(250,000)	0	0	0	0	0
6	Net Cost of Services	23,516,160	23,609,950	22,348,980	22,198,880	22,037,880	22,341,960
7	Parish Precepts	3,129,190	3,129,190	3,755,200	3,755,200	3,755,200	3,755,200
8	Capital Charges	(2,962,370)	(2,962,370)	(2,962,370)	(2,962,370)	(2,962,370)	(2,962,370)
9	Refcus	(761,650)	(761,650)	(761,650)	(761,650)	(761,650)	(761,650)
10	Interest Receivable	(1,865,160)	(1,865,160)	(1,403,400)	(1,403,400)	(1,403,400)	(1,403,400)
11	External Interest Paid	40,280	340,280	302,100	302,100	302,100	302,100
12	Revenue Financing for Capital:	210,000	2,447,780	320,000	0	0	0
13	Minimum Revenue Provision	487,860	487,860	527,260	576,150	594,070	594,070
14	IAS19 Pension Adjustment	268,000	268,000	276,280	276,280	276,280	276,280
15	Net Operating Expenditure	22,062,310	24,693,880	22,402,400	21,981,190	21,838,110	22,142,190
16	Collection Fund –Parishes	(3,129,190)	(3,129,190)	(3,755,200)	(3,755,200)	(3,755,200)	(3,755,200)
17	Collection Fund –District	(7,068,940)	(7,068,940)	(7,812,580)	(8,026,540)	(8,302,870)	(8,594,960)
18	Collection fund surplus	(108,320)	(108,320)	0	0	0	0
19	Retained Business Rates	(7,683,010)	(7,683,010)	(8,660,930)	(8,500,000)	(8,500,000)	(8,500,000)
20	New Homes bonus	(5,600)	(5,600)	(596,090)	0	0	0
21	3.2% Funding Guarantee	(1,230,670)	(1,230,670)	(805,170)	(805,170)	(805,170)	(805,170)
22	Revenue Support Grant	(309,050)	(309,050)	(335,420)	(335,420)	(335,420)	(335,420)
23	NI Compensation	0	0	(150,580)	(150,580)	(150,580)	(150,580)
24	Recovery Grant	0	0	(194,580)	0	0	0
25	Extended Producer responsibility	0	0	(1,616,000)	0	0	0
26	Rural Services Delivery Grant	(656,970)	(656,970)	0	0	0	0
27	Ctax Discount Grant	(51,580)	(51,580)	0	0	0	0
28	Services Grant	(22,520)	(22,520)	0	0	0	0
29	Total Income from Government Grant and Taxpayers	(20,265,850)	(20,265,850)	(23,926,550)	(21,572,910)	(21,849,240)	(22,141,330)
30	(Surplus)/Deficit	1,796,460	4,428,030	(1,524,150)	408,280	(11,130)	860
31	Contribution To/(From) Earmarked Reserves	(1,796,460)	(4,428,030)	1,524,150	500,780	529,020	598,320
32	Net Position	0	0	0	909,060	517,890	599,180

3.2. The table above shows

- The Original Base Budget in Column B which was approved by full Council on 21 February 2024. It shows a balanced budget position for 2024/25.
- In Column C the latest updated balanced budget position for 2024/25 as reported to Full Council on 2 December 2024. There are two things to note with this, the latest updated budget.
 - Firstly, there is significant movement between the Directorate budgets when comparing the 2024/25 original and updated figures. This is because the

original budget is presented with all of the support services (e.g. finance, HR, IT, legal etc.) recharged to the frontline services, whereas the updated budget figures do not include the support services' recharges. This is a presentational change that will improve budget monitoring as all variances can be seen e.g. if there is an overspend in Finance this will now be seen whereas before it would have been recharged to a frontline service and the overspend would then appear against that frontline service.

- Secondly, it should be noted that the last budget monitoring report (i.e. as at 30 September 2024) identifies a forecast overspend for 2024/25 of £995k. The s151 Officer has asked Assistant Directors to incur only necessary spending for the remainder of the year to contain the overspend position for the year.
- In Column D the proposed budget for 2025/26 is balanced (line 32).
- Line 6 shows the net cost of running the Council's services i.e. £22.349m. It is the total of Lines 1 to 5. This figure comprises the cost less the fees and charges income earned by the services.
- Line 15 is the total cost of operating as a Council i.e. £22.402m and includes items that are not attributable to any particular service e.g. investment income. It is the total of Lines 6 to 14.
- Line 29 is the total of Lines 16 to 28, and it is the amount of funding from Government Grant and Local Taxpayers i.e. £23.927m.
 - Line 16 is the income that NNDC will collect from taxpayers for the town and parish councils' precepts which is matched at line 7 as NNDC pay this straight over to the town and parish councils.
 - Line 17 is NNDC's Council Tax income to be collected from Council Taxpayers. This includes an assumed increase of £4.95 per Band D equivalent property.
 - Line 19 is NNDC's Business Rate income to be collected from businesses within the District.
 - Line 20 to 28 are the grants that NNDC will receive from Central Government.
- Line 30, Column D is the deficit that needs to be met from NNDC reserves i.e. £1.524m. It should be noted that some of this deficit and funding from reserves is planned e.g. where it has been approved previously that a grant sum held in reserves is to be used to fund a post for one year.
- Line 31, Column D shows the net amount of reserves, i.e. £1.524m, that is required to balance the budget for 2025/26. This also includes earmarked reserves used to fund one off expenditure within the service. It should be noted that a summary of the reserves being utilised is contained in paragraph 3.15

3.3. The initial draft budget for 2025-26 produced by officers forecasts a net deficit of £1.8m. Officers were tasked with finding savings and additional income to bridge this gap and balance the budget. The savings and additional income identified are listed in Appendix F and have been included in the proposed budget.

Variiances 2024/25 to 2025/26

3.4. The changes in base budget from 2024/25 to 2025/26 are summarised in Table 3 below and significant variances are explained in 3.5 to 3.10.

Table 3: Variances from 2024/25 to 2025/26

	2024/25 Base Budget £'m	2025/26 Base Budget £'m	Variance £'m	% Movement
Employees	17.149	17.439	0.289	1.69%
Premises	4.057	4.115	0.059	1.45%
Transport	0.280	0.282	0.003	1.00%
Supplies and Services	14.057	13.331	(0.726)	-5.16%
Transfer Payments	18.715	20.188	1.473	7.87%
Income (External)	(34.198)	(36.455)	(2.257)	6.60%
Total Direct Costs and Income	20.060	18.901	(1.159)	13.45%
Notional Charges:				
Capital Charges	3.724	3.724	0.000	0.00%
IAS 19 Notional Charges	(0.268)	(0.276)	(0.008)	3.09%
Total Notional Charges	3.456	3.448	(0.008)	3.09%
Total Net Costs	23.516	22.349	(1.167)	16.54%

Employees

3.5. The significant variances in employee's costs are summarised in Table 4

Table 4: Employee Cost Variances

£'m	Main Explanation
0.706	Inflation including pay award. This also includes NI changes highlighted below.
1.360	Employee costs funded from various grants within People Services and CTAP.
0.256	Higher Employee costs, partly due to some temporary posts being made permanent.
(0.750)	Savings in Employee Costs, including £523k identified as part of the 2025/26 savings bid exercise.
0.208	Temporary posts funded from earmarked reserves in 2025/26.
(1.579)	Non-recurring items taken out of budget i.e. reserve & grant funded posts in 2024/25.
0.088	Other minor variations.
0.289	Total Movement

Pay Inflation

3.6. Currently pay inflation is included at 3% for 2025/26 and then at 2% for the remaining years of the Medium-Term Financial Plan.

Changes to employers National Insurance announced in the budget will see employers' contribution rates increase in rate from 13.8 to 15%. There will also be a decrease in the employer's threshold (the point at which the employer starts to contribute) from £9,100 to £5,000. This has resulted in a budget pressure of c.£500k. Central Government had announced in the Autumn Statement that it would compensate local authorities, but in the final settlement the funding for this was £150k, which leaves a shortfall of £350k). However, this is a concern as the announcement didn't cover what would happen in future years when there will still be a pressure.

Premises Costs

3.7. Significant variances are highlighted in the following table:

Table 6: Premises Costs Variances

£'m	Main Explanation
0.082	Internal Drainage Board Levy increases
0.050	Increases in utilities costs including Council tax and Business rates
(0.040)	Savings identified in the budget process
(0.044)	Reduction in costs of Premises Insurances
0.022	Increase in rents the Council pays
(0.011)	Other minor variations
0.070	Total Movement

Transport Costs

3.8. There has been inflation and growth on Transport Costs of £18k but this has been offset by a reduction of £15k generated through savings.

Supplies and Services

3.9. There are a number of variances across this wide-ranging category of expenditure the most significant being those highlighted in the following table:

Table 7: Supplies and Services Variances

£'m	Main Explanation
0.350	Inflation increases of £254k for the waste and recycling contracts, £36k for computer software licence and maintenance contracts and £15k Management fees
0.028	The main element of growth relates to the Pier condition survey.
(0.377)	Savings made in budgets, e.g. an adjustment relating to the external audit fee and £167k from the current service savings exercise.
0.209	One-off funding from reserves in 2025/26.
(0.936)	Removal of non-recurring budget items funded from reserves and grants in 2024/25 e.g. Local Plan, environmental strategy projects, UKSPF expenditure and People Services expenditure.
(0.726)	Total Movement

Transfer Payments

3.10. The increase in expenditure is predominantly due to the increase in Housing Benefit payments of £1.476m which is in line with the mid-year subsidy estimate for 2024/25. This is offset by an increase in income referenced in paragraph 3.11.

Income

3.11. The significant variances in income between Base 2024/25 and 2025/26 are summarised in the Table 8 below:

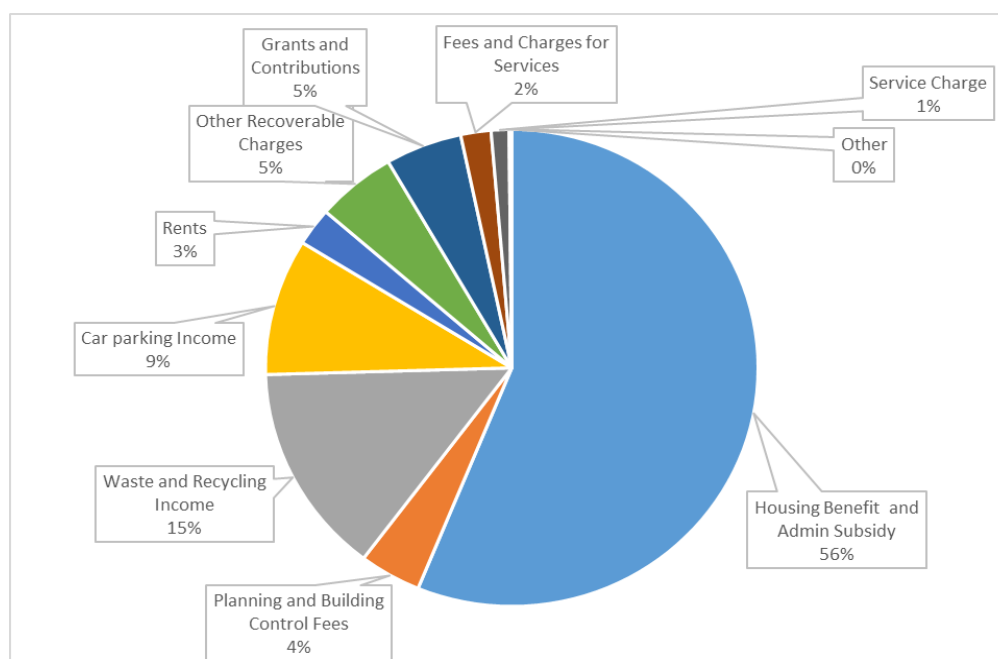
Table 8: Income Variances

£'m	Main Explanation
(1.476)	Increased Housing Benefit Subsidy to cover increase in payments
(1.259)	Grants allocated for one-off expenditure items including CTAP & Communities grants
(0.113)	Inflation Fees and Charges including service charges.
0.191	Reduction in income e.g. from car park extension, employee costs recharged to capital & for Land Charge fee income due to transfer of some functions to the Land Registry.
(1.160)	Projected additional income e.g. car parks and garden bins.
1.691	Non-recurring grants including UKSPF and Communities grants.
(0.131)	Other minor variations
(2.257)	Total Movement

3.12. The increase in Housing Benefit Subsidy offsets the increase in payments within Transfer Payments (see paragraph 3.10).

3.13. The pie chart below shows the make-up of the 2025/26 budgeted income.

Table 9: 2025/26 Budgeted Income



Reserves

3.14. The Council holds a General Fund Reserve which it keeps for unexpected expenditure or for emergencies. The Council's s151 Officer assesses what the optimum level for this reserve should be each year to ensure that the Council has sufficient funds to meet any unexpected expenditure.

3.15. The Council also holds Earmarked Reserves, which have been set up to fund specific expenditure. These reserves are being used to fund some of the costs of services. There are also instances of contributions being made to the reserves and this is where it is known that costs will be incurred in the future and so the contributions are set aside e.g. district council elections are held every 4 years at a

cost of about £240k and so each year £60k is put into the Elections Reserve so that there is a balance of £240k to take from the Elections Reserve in the fourth year to cover the cost. A full breakdown of the use of Reserves can be found at Appendix D.

Table 10: Use of Reserves

	Budgeted Movement 2024/25	Budgeted Movement 2025/26
	£	£
General Fund	(4,043)	(14,706)
Capital Projects	(484,708)	0
Asset Management	(310,033)	0
Benefits	(46,622)	(51,567)
Building Control	(122,542)	(19,874)
Business Rates	(18,000)	(18,000)
Coast Protection	(265,738)	0
Communities	(131,550)	0
Delivery Plan	(1,898,768)	(80,000)
Economic Development & Regeneration	(10,000)	0
Election Reserve	60,000	60,000
Extended Producer Responsibility	0	1,616,000
Grants	(77,969)	(85,159)
Housing	(356,479)	(56,299)
Land Charges	(89,100)	0
Legal	(36,000)	(4,579)
Major Repairs Reserve	(55,600)	0
Net Zero Initiatives	(22,000)	(300,000)
New Homes Bonus (NHB)	(150,000)	(83,763)
Organisational Development	(26,123)	0
Planning	(37,300)	46,763
Restructuring & Invest to Save	(45,456)	0
Second Homes Premium	0	515,337
Treasury	(300,000)	0
Total (Line 31, GF Summary Para 3.1)	(4,428,031)	1,524,153

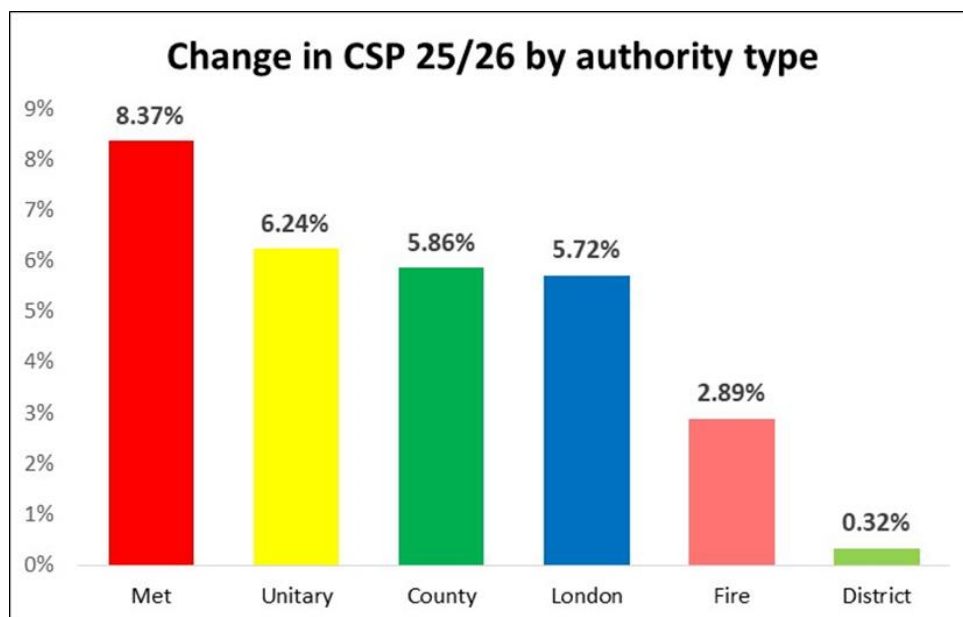
- 3.16. As shown in the table above the projected drawdown from reserves over the 2-year period 2024/25 to 2025/26 is £2.9m. It should be noted that this use of reserves includes the planned use of reserves which have been set aside in previous years to meet the expenditure that is being incurred now.
- 3.17. The Council has received a large one-off grant to cover the costs of implementing the Extended Producer Responsibility service. It is not yet known what costs will be incurred and so a reserve has been up for this and then the reserve can be drawn upon when needed. It should be noted that the grant was not ring-fenced. A second reserve for the Second Homes Premium has been set up so that again when expenditure is incurred on the projects that this is to be spent on a transfer from the reserve can be made to cover it.

- 3.18. Without these two reserves there would be a net use of reserves of £607k which would bring the projected drawdown from reserves over the 2-year period 2024/25 to 2025/26 is £5m.
- 3.19. It is recommended that the minimum level that the General Fund Reserve should be maintained at is £2.1m for 2024/25. This represents 10.1% of the net budgeted operating expenditure (excluding parish precepts).

Funding

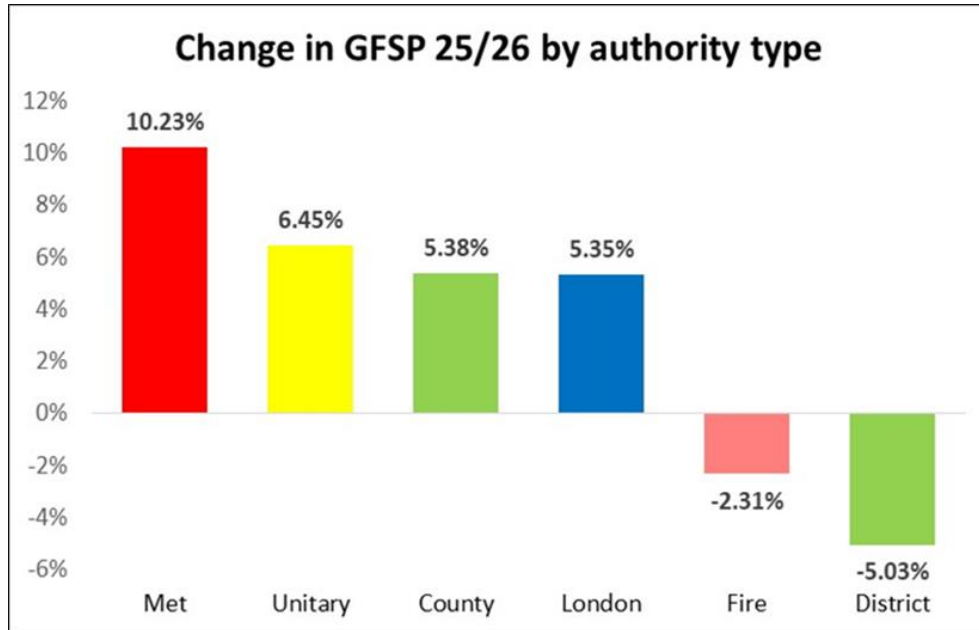
Local Government Finance Settlement

- 3.20. The Local Government funding settlement is issued each year by the Ministry of Housing, Communities and Local Government (MHCLG) and for NNDC has comprised several elements. These include Revenue Support Grant, New Homes Bonus, Baseline Funding Level (via the Business Rates Retention Scheme), Council Tax and Rural Services Delivery Grant.
- 3.21. The Government's Autumn Statement announced on 30 October 2024 set the scene for what to expect in the Local Government Settlement. It was announced that there would be an additional £1.3bn for local government that would be distributed through the settlement. However it, along with the policy statement the government published on 28 November 2024 gave councils notice of our proposals for the 2025-26 local government finance settlement, including how it intended to redistribute the £1.3 billion additional funding. The funding would be distributed based on need.
- 3.22. The redistribution of funding hit district councils hard with the redistribution being towards authorities with Adult Social Care and Children's Services along with the abolition of several grants e.g. Rural Services Delivery Grant which the Council received. The chart below (source: Pixel Financial Management) shows the increases in Core Spending Power by each authority type. There were 133 of the 164 district councils which received no increase at all and the total £121m made available for floor funding went to district councils.



- 3.23. The Core Spending Power (CSP) for each authority assumes that councils apply the maximum council tax increase. If council tax income is taken out of the calculation the

change in CSP shows how the government funding has been redistributed. The chart below (source: Pixel Financial Management) shows how the government funded spending power was distributed.



- 3.24. The Government made available through the provisional Local Government Finance Settlement (LGFS) an increase for councils in England of 3.2% in core spending power when compared with the 2024/25 amount. This does however assume that District Councils apply the maximum increase in Council Tax.
- 3.25. However when the final settlement was published on 5 February 2024 the confirmed actual funding level was £109k less than the provisional settlement and the overall funding was £195k less than the funding for 2024/25. The movement between the Provisional and Final Settlement sums is shown in the table below.

Funding:	Provisional Settlement £m	Final Settlement £m	Additional Funding £m
New Homes Bonus	(0.596)	(0.596)	0.000
Revenue Support Grant	(0.335)	(0.335)	0.000
Floor damping	(0.805)	(0.805)	0.000
Recovery Grant	(0.195)	(0.195)	0.000
NI Compensation	(0.260)	(0.151)	0.109
	(2.191)	(2.082)	0.109

- 3.26. With this year’s funding being the seventh consecutive one-year settlement and no details of what any new funding regime may be like, this continues to make it difficult to plan with any degree of certainty. It means that far higher levels of estimation and assumptions have to be made around future funding levels in the medium-term.

Consultation on the Budget for 2025/26

- 3.27. The Overview and Scrutiny Committee have had the opportunity to pre-scrutinise the budget proposals at its meeting on 22 January 2025 before being considered by Cabinet at its meeting on 3 February 2025. Cabinet considered the Overview and Scrutiny Committee pre-scrutiny recommendations.

3.28. External stakeholders have also been consulted about the budget proposals and the increase in Council Tax. A public consultation has also taken place on the Council's website. The public consultation results of the consultation have been circulated to Members in advance of the full Council meeting so that they can be considered prior to making a decision about the 2025/26 budget proposed by Cabinet. The paper that is circulated will be included as an appendix to the minutes of the full Council meeting.

4. Medium Term Financial Strategy

4.1. The Medium-Term Financial Strategy (MTFS) has been prepared alongside the budget for 2025/26. This is included as a separate agenda item at this meeting.

4.2. The Government's Budget announcement and the provisional local government finance settlement laid out plans for significant local government reform. The Government confirmed that it will start to issue multi-year financial settlements starting in 2026/27. There will also be Business Rates Reform and the implementation of the Fair Funding Review.

4.3. The Government also published its White Paper on English Devolution and since then its plan for reorganisation. This will obviously have far reaching consequences with potentially NNDC not existing as it is in 3-4 years' time. It is not possible to plan for such changes at this time.

4.4. Therefore, the MTFS has been prepared assuming no change for the foreseeable future. Assumptions have been made for the years 2026/27 to 2028/29 which are shown below. It should be noted that the further into the future we look the greater the increase in uncertainty is particularly around the funding streams. However, it should be noted that there is currently a deficit in all years after 2025/26.

Table 13: Projected Deficit over the life of the MTFP.

	2025/26 Budget £	2026/27 Projection £	2027/28 Projection £	2028/29 Projection £
Net Operating Expenditure	22,402,400	21,981,190	21,838,110	22,142,190
Contribution To/(From) Earmarked Reserves	1,524,150	500,780	529,020	598,320
Amount to be met from Government Grants and Taxpayers	23,926,550	22,481,970	22,367,130	22,740,510
Income from Government Grant and Taxpayers	(23,926,550)	(21,572,910)	(21,849,240)	(22,141,330)
(Surplus)/Deficit	0	909,060	517,890	599,180

4.5. Assumptions included are:

- The pay award is assumed to be at 3% for year 2025/26 as the rate of inflation has started to fall significantly.
- Increases in costs have been included for all years where the Council is contracted to increase costs on an annual basis.

- Increases in fees and charges (included in the Net Cost of Services) have been increased based on prudent assumptions that are in line with the increases that have been assumed for expenditure.
- For the calculation of Council Tax income, a modest increase of around 1% in the tax base, plus for the first time collection of the Second Homes Premium at 100% has been assumed year on year and then an increase has been applied to the Band D Council Tax at £4.95 for 2025/26 and then 2.99% thereafter.
- For the central government funding, assumptions are for no increases in funding.

Council Tax and referendum limit

4.6. The Councils Medium Term Financial Strategy in part relies on increasing Council Tax income. This is a relatively stable source of income with collection being cost effective. The LGFS assumes that District Councils apply the maximum increase before a referendum is required, of 3.00% or £5 in Council Tax. The recommendation is to increase Council Tax in 2025/26 by £4.95 for a Band D property. The table below shows what the total Council Tax income will be for 2025/26 and that the additional income generated by the £4.95 increase for a Band D will be £223k for the year.

Council Tax Income

		Council tax 24/25
1	Council Tax Base for 25/26	45,024.10
2	Band D Council Tax before increase	£168.57
3	Maximum increase allowed	£4.95
4	Band D Council Tax after increase (Add Lines 2 and 3)	£172.52
5	Income assuming CT increase (line 1 multiplied by Line 4)	£7,812,582

Additional Council Tax generated by the annual increase - Council Tax base (Line1) multiplied by Maximum increase allowed (Line 3)	£222,869
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Council Tax Support

- 4.7. Council Tax Support (CTS) is financial support that the Council can give to people on low incomes. It is administered as a reduction to their Council Tax bill.
- 4.8. Since 2013 each district council has been responsible for its own CTS scheme for working-age people. The scheme must be reviewed and agreed each year as part of the taxbase and budget setting process. The scheme has been revised and Cabinet considered the proposed revised CTS Scheme for 2025/26 at its meeting on 3 February 2025 and agreed to recommend it to full Council for approval. The revised scheme is an agenda item for approval.

Rate Relief Policy

- 4.9. The full report and accompanying appendices for the updated Rate Relief Policy has been included as a separate agenda item.

Retained Business Rates

- 4.10. The Business rate Retention scheme was introduced in April 2013 to promote local economic growth. It is vital that the Council ensures it has a comprehensive and up to date business ratings list. It is important to note that any significant changes, such as backdated valuation appeals, have a direct impact of reducing funding levels.
- 4.11. To calculate the forecast income level financial modelling has been undertaken that uses information available for 2024/25 which is then updated with any known changes. The resulting income is based on what is known now.

5. Capital Programme

- 5.1. Capital expenditure is incurred to provide new assets and improve its existing ones. As capital expenditure is incurred, a source of finance must be identified. This can be by applying capital receipts, grants and other revenue resources or alternatively through borrowing. A summary of the Capital Programme is shown below. The list of schemes that are included in the approved programme can be found at Appendix D and the details of proposed new bids is contained in Appendix E.

Table 14: The Capital Programme and its Funding for 2024/25 to 2029/30

Approved Capital Programme	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Budget 2029/30
	£	£	£	£	£	£
Our Greener Future	22,451,187	6,296,051	6,697,712	300,000	0	0
Developing Our Communities	6,284,864	8,209,000	0	0	0	0
Meeting Our Housing Needs	4,827,670	1,700,000	1,700,000	1,400,000	1,400,000	1,400,000
Investing In Our Local Economy & Infrastructure	5,637,387	210,000	60,000	0	0	0
A Strong, Responsible & Accountable Council	427,619	162,000	60,000	0	0	0
Total Approved Capital Programme	39,628,727	16,577,051	8,517,712	1,700,000	1,400,000	1,400,000
Financing	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Budget 2029/30
	£	£	£	£	£	£
Grants	27,630,458	14,373,328	7,147,712	1,000,000	1,000,000	1,000,000
Other Contributions	2,127,014	718,723	300,000	0	0	0
Reserves	2,447,783	0	0	0	0	0
Revenue Contribution to Capital (RCCO)	0	0	0	0	0	0
Capital receipts	3,394,654	712,000	610,000	300,000	0	0
Borrowing	4,028,818	773,000	460,000	400,000	400,000	400,000
Total Financing	39,628,727	16,577,051	8,517,712	1,700,000	1,400,000	1,400,000

Capital Bids	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Budget 2029/30
	£	£	£	£	£
Our Greener Future	171,400	342,900	0	0	0
Developing Our Communities	100,000	0	0	0	0
Meeting Our Housing Needs	1,400,000	0	0	0	0
Investing In Our Local Economy & Infrastructure	410,000	0	0	0	0
A Strong, Responsible & Accountable Council	70,000	0	0	0	0
Total of Bids	2,151,400	342,900	0	0	0
Financing	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29	Budget 2029/30
	£	£	£	£	£
Grants	150,000	0	0	0	0
Other Contributions	80,000	0	0	0	0
Reserves	21,400	278,600	0	0	0
Revenue Contribution	20,000	0	0	0	0
Capital Receipts	90,000	0	0	0	0
Internal / External Borrowing	1,790,000	64,300	0	0	0
Total Financing	2,151,400	342,900	0	0	0

- 5.2. The proposed funding for the schemes is also shown in Table 14 above. Consideration is given to level of grants available, the level of capital receipts available and what we might generate in future years. After these sources of financing have been applied then the balance for any financing required will have to be met through borrowing. Borrowing increases the Council's 'Capital Financing Requirement' (CFR). This will result in a revenue charge (one that impacts on the bottom line of the budget and is a charge to the Council Taxpayer) called the Minimum Revenue Provision (MRP) that is made to reflect the funding of the CFR by the taxpayer. It is required to be set aside each year starting the year after the works are completed and/or the asset comes into use. It is a charge to revenue that covers the repayment of the borrowing needed to finance the capital expenditure. As the need to borrow increases, the CFR and MRP

also increase. If the Council has sufficient cash resources to meet the expenditure, it will not be necessary to borrow externally in the short term, and cash balances can be used to cover the expenditure. This is referred to as 'internal borrowing' and attracts an MRP charge in the same way that external borrowing does.

- 5.3. Any new projects included in the programme in the future will need to be financed by borrowing, which will result in an additional MRP charge if no capital resources such as capital grants or capital receipts are available. Alternatively, existing revenue reserves could be used to finance these projects through a revenue contribution to capital (RCCO) which would avoid the need to make an MRP charge. Both are charges to the General Fund and will be included in the amount to be met from Government grant and local taxpayers.
- 5.4. In addition to the existing capital programme, approval is also being sought to include the proposed capital projects as outlined within Appendix E.
- 5.5. It should be noted that there is an issue with the stability of the cliff face at Overstrand which will need resolving. A bid for this work has not been included at this time as it not yet certain what remedial action will need to be taken to stabilise the cliff face, nor is it known at this time what this might cost and if there is any external funding that might be available for such a scheme. Officers will prepare proposals for a scheme and bring this forward for Members to consider in due course.
- 5.6. It should also be noted that the Council has a legal obligation to maintain the cliff behind the Rocket House upon which the Watch House sits. This has not been included as a separate bid, as it is expected that the Rocket House costs will be sufficiently less than the budget to leave enough to be diverted to this scheme. Approval to divert these funds will be sought as and when required.

Robustness of Estimates

- 5.7. When considering the robustness of the estimates and adequacy of reserves a holistic approach is taken, which considers the general reserve, earmarked reserves and the identified risks in relation to the revenue and capital budgets presented for approval.
- 5.8. The Local Government Act 2003 requires the Section 151 Officer to report on the robustness of estimates made for the purpose of calculating Council Tax. The Director for Resources (Section 151 Officer) is satisfied that the estimates, as presented in the budget are sufficiently robust and that the reserve balances proposed for 2025/26 are adequate.
- 5.9. Below is the assessment of the robustness of the estimates now presented and provides an analysis of the risks facing the Council in relation to the control of income and expenditure flows compared to the budgets that are recommended for 2025/26.
- 5.10. The framework within which the budget for 2025/26 has been prepared is like that of previous years and takes into account the following:
 - a) Previous financial year out-turn position (2023/24 being the latest full year)
 - b) Medium Term Financial Strategy (MTFS) 2025/26 to 2028/29
 - c) In-year budget monitoring for 2024/25 and associated reports
 - d) Cash flow monitoring

- 5.11. The outturn position for 2023/24 was reported to Cabinet on 8 July 2024. The outturn position is used to update the financial planning process and helps to establish the baseline for the current estimates by reflecting significant movements against the current position and those which will have an on-going impact on the future financial position of the Council.
- 5.12. The financial planning process is an established process. For 2025/26 the updated Medium Term Financial Strategy (MTFS) has been produced alongside the budget for 2025/26. The MTFS for the period 2025/26 to 2028/29 has been prepared against a backdrop of uncertainty for the reasons discussed above earlier in the report. This uncertainty, the uncertainty around the funding for local government and now Devolution and Local Government Reorganisation results in a far higher level of risk associated with forecasting a robust financial position over the medium term. However best estimates and assumptions have been used in producing this.
- 5.13. Budget monitoring throughout the year is critical to ensuring the robustness of the estimates and maintaining a sound financial position. The in-year budget monitoring process is carried out throughout the year with all expenditure and income being monitored monthly. This provides an essential tool for identifying early on any variances so that mitigating action can be taken. It is also fundamental in enabling the inclusion of the most up to date information in the modelling of future budgets and projections, where budget pressures and additional income and savings are identified during the year.
- 5.14. The regular budget monitoring exercises that take place are also used to inform the annual financial planning and budget process in terms of whether any changes will have an on-going financial impact in future years, or whether they will have just a one-off impact in the current financial year.
- 5.15. As part of the budget monitoring process, budget managers compile monthly variance reports and regular reports are presented to Cabinet and the Overview and Scrutiny Committee detailing the latest projected outturn position for the current year. Regular reviews of expenditure, commitments and income streams are carried out to identify any overspends or shortfalls in income at the earliest opportunity and reported to the Corporate Leadership Team (CLT) and Members along with action plans to mitigate the impact on the Council's overall financial position.
- 5.16. In terms of cash flow monitoring, there have been no major cash flow issues during the year, although the Council has had to take short-term borrowing on several occasions during the year for cash flow purposes. Whilst this has been secured at the best rates available, with the interest rates being significantly higher than they have been for a number of years, this has cost the Council a significant amount in borrowing costs. The need for short-term borrowing indicates that the Council may need to take some external borrowing to replace the internal borrowing that it has been using to fund its capital programme. However with interest rates being high at present now is not the time to do this. The S151 Officer will consider this when interest rates start to fall.
- 5.17. Instead of taking short-term borrowing the Council could have called back some of its investments to meet the cash flow fluctuations. However this would have resulted in a loss of investment income. By maintaining the investments levels the interest income earned will cover in part the short-term borrowing costs.

- 5.18. The annual budgets and the financial projections are prepared by service managers and budget holders, using their expertise and knowledge of the latest developments and changes in their field that may affect their service delivery and consequently the cost of providing their services. Officers of the Council will also seek advice from any external advisors, professional bodies and networks to determine if there is anything that may impact on the Council's financial position.
- 5.19. However, many budgets are related to factors that fall outside the control of the Council, e.g. pay awards, changes in demand led services, changes in inflation and interest rates, and all of these can have a significant impact on the Council's overall budget and financial position both in the current and future years. Forecasting for these external influences is a challenge and a risk for the Council.
- 5.20. There are several financial risks facing the authority which are relevant at both service and corporate level. To manage these risks there are a few key areas within the budget that need to be closely monitored during the forthcoming financial year, as any variances can have a significant impact. These include:
- a) **The impact of changes in global and national politics and economies** – This is very difficult to predict accurately, but by keeping abreast of developments and seeking advice from experts in these fields, informed assumptions can be made, and sensitivity analysis can be undertaken so should there be changes in any areas the Council can react quickly and look at options to reduce the impact. Officers will monitor the actual position against that forecast throughout the year. Whilst action will be taken to minimise the impact, if this is not possible, then ultimately shortfalls will have to be covered by using reserves. One example is the global impact of the actions being taken and policies that are being introduced by the new President of the USA. Another example is the Bank of England's control of inflation and interest rates.
 - b) **Car park income** – This area generates a significant level of income for the Council which in turn supports the delivery of other services across the Council. As this is a demand led service which is influenced by external factors this area is regularly monitored. The 2024/25 budget currently assumes gross income of over £3.0m from all car parking related fees and charges. Increases in car park fees and charges are due to be implemented on 1 April and whilst it is hoped this won't have a negative impact on income levels it is still something that could happen.
 - c) **Planning and building control fees** – The 2024/25 budget includes income totalling over £1.0m from planning and building control fees. This income, like car parking, is demand led. This is being monitored and it has identified a significant shortfall in income. This is being closely monitored and will be reported to Members as part of the Period 10 Budget Monitoring.
 - d) **Waste fee income and recycling credits** – This is another significant source of income to the Council and reflects the activity across the district in recycling domestic refuse and commercial waste. The 2024/25 total income budget is c.£4.5m.
 - e) **Future Funding** – The new government is wanting to devolve responsibilities to regional level and undertake a reorganisation of local government. The long talked about funding reforms have not yet taken place, but the new government at saying that they will still happen. It has also promised the re-introduction of multi-year which will bring about more stability and certainty.
 - f) **New Homes Bonus (NHB)** – The NHB grant rose from £6k 2024/25 to £596k in 2025/26. This large increase is due to the impact of the review of the Council Tax

Support Scheme will have. The downside of the increase is that it is now a grant the government includes within its Core Spending Power calculation and so what we gained on the one hand we lost out elsewhere. The new government has announced that 2025/26 will be the last year we'll receive this grant in this format.

- g) **Investment Returns** – During 2024/25 the Council's investment income has fluctuated as the Bank of England have used interest rates to control inflation. The forecast is for further reductions in interest rates during the year.

The investment income budget includes interest on loans made to housing associations, investments in various pooled funds, covered bonds and term deposits.

- h) **Employee budgets** – The budget has been updated to include the national pay review and annual increments and assumes a 3% pay award for 2025/26. For 2026/27 onwards the pay award has been assumed to be 2%. As a guide each 1.0% change in the pay award equates to approximately £155k per annum. Both the risk of strike action and higher than budgeted pay awards are significant risks to the Council. There will obviously be a disruption to services potentially should staff take strike action to secure higher pay awards. A pay award higher than that budgeted for will place additional pressure on the Council's budget.

- i) **Procurement** – Construction procurement continues to bring challenges as costs have continued to rise. However the rate of inflation has reduced markedly with the December 2024 annual rate of inflation being 2.7% (for CPI) compared with a 10.1% for January 2023. So whilst the rate of price increases is falling the actual prices are not coming down. This continues to place pressure on budgets especially with capital projects. The Council will need to closely monitor the budget position particularly where there are any estimates involving construction costs.

5.21. Looking beyond 2025/26, the financial projections included in the MTFS indicate that further substantial savings and efficiencies will have to be made. This is based on a forward projection of the 2025/26 levels as there is currently no indication of what the future funding regime will be. It is also assumed that if there is a reset of business rates (thought to be 2026/27 at the earliest) then growth will be taken out and this could lead to a large reduction in this funding stream.

5.22. The current financial projections are shown below.

- 2026/27 – a deficit of £0.909m
- 2027/28 – a deficit of £0.518m
- 2028/29 – a deficit of £0.599m

5.23. The capital programme continues to be funded from external and internal resources i.e. capital receipts, grants, preserved right to buy receipts and revenue. Member preference is to avoid borrowing to fund capital projects. However as other funding sources become scarcer and if this can be demonstrated to provide value for money then borrowing is being used as a source of funding. Prudent estimates are made of the timing of capital receipts and grant funding is always secured before a scheme is included if it is to be a grant funded scheme. A detailed Capital Programme and its funding can be found at Appendix D of the main report and the new capital bids that have been presented for consideration can be found at Appendix E.

5.24. Elected Members have been involved in the preparation of the 2025/26 budget. Assistant Directors' proposed savings were presented to the Corporate Leadership

Team and Cabinet with a final list of proposed savings being included in the budget. These are listed in Appendix F and are for Members to consider.

- 5.25. The Council also takes professional advice from third party organisations concerning technical areas that impact on the budget process, e.g. external advice in relation to the Collection Fund income, treasury management, VAT and insurance. By doing so the Council can monitor the wider implications of changes in interest rates, inflation and employment and take remedial action to mitigate financial risk.

Adequacy of the Reserves

- 5.26. The Local Government Act 2003 also requires the Section 151 Officer to report on the adequacy of the Council's financial balances. The minimum prudent level of reserves that the Council should maintain is a matter of judgement for the Section 151 Officer and cannot be judged merely against the current risks facing the Council as these will change over time.
- 5.27. The Office for Local Government (OFLOG) was established in July 2023 to provide authoritative and accessible data and analysis about local government performance and support improvement. One of the areas of focus is the level of local authority reserves.
- 5.28. In the opinion of the Chief Finance Officer the overall budgeted level of both the General Fund Reserve and the Earmarked Reserves shown in Appendix C are considered adequate in the short term. The forecast General Reserve balance (£2.2m) at the end of 2025/26 would be above the recommended minimum balance (£2.1m). All reserves will continue to be monitored throughout 2024/25 and will be subject to another annual review in 2026/27.
- 5.29. An assessment of the adequacy of the available reserves throughout 2025/26 is based on the potential commitments against the reserves which are either:
- General Reserve
 - Earmarked Reserves.
- 5.30. Where there is budgeted expenditure to be funded from a reserve, this has been included in the reserves statement.
- 5.31. There are three main reasons for holding reserves:
- as a contingency to cushion the impact of unexpected events or emergencies;
 - to cushion against the impact of uneven cash flows and to avoid temporary borrowing; and
 - as a means of building up funds to meet known or predicted liabilities (earmarked reserves).
- 5.32. The review the reserves is a well-established part of the budget setting and monitoring process and financial planning for the Council. An updated reserve statement is included at Appendix C to this report.
- 5.33. When assessing the level of reserves the Council should take account of the strategic, operational and financial risks facing them.
- 5.34. There continues to be uncertainty around the funding streams for Local Government and so this continues to be a risk for Councils. The system or Business Rates Retention now means there will be fluctuations of income in year and between years, an element of this risk is mitigated by the earmarked reserve which was established for this purpose.
- 5.35. Other income streams from demand led services remain vulnerable both from economic factors and seasonal factors including weather that can influence income e.g. car parking income. Steps are taken, e.g. reviewing previous year trends, to set

prudent estimates of income from these services but the activity that drives the income remains difficult to predict.

- 5.36. The outcome of the assessment of the General Fund Reserve for 2025/26 and forward years is that it is recommended that the minimum level that the reserve should be maintained at is £2.1m for 2025/26. This represents 11% of the net budgeted operating expenditure (excluding parish precepts). The actual level of the General Reserve at the end of the 2024/25 financial year is estimated to be just over £2.2m.
- 5.37. Earmarked reserves are estimated to total around £10.8m by the end of the 2024/25 financial year. The earmarked reserves have been reviewed, as decisions are made on the utilisation of these reserve, the overall reserves position and projections will be updated accordingly.
- 5.38. All the earmarked reserves follow the protocol of the Policy Framework.

Conclusion of the Robustness of the Estimates and the Adequacy of the Reserves

- 5.39. In the opinion of the Chief Finance Officer the overall budgeted level of both the General Fund Reserve and the Earmarked Reserves shown in Appendix C are considered adequate in the short term. The General Reserve balance (£2.2m) at the end of 2025/26 is forecast to be above the recommended minimum balance (£2.1m). All reserves will continue to be monitored throughout 2024/25 and will be subject to another annual review in 2025/26.

6. Corporate Plan Objectives

- 6.1. Financial Sustainability and Growth – a balanced budget based on savings that are achievable will ensure the Council's financial sustainability over the medium term.

7. Financial and Resource Implications

- 7.1. The Council must set a balanced budget for 2025/26 before 11 March 2025. This report presents the budget for 2025/26 which has been achieved through a combination of planned savings and a draw down from reserves.
- 7.2. The Director for Resources (S151 Officer) is required by section 114 of the Local Government Finance Act 1988 to report to Members if it appears that the expenditure the authority proposes to incur in a financial year is likely to exceed the resources available to it to meet that expenditure.
- 7.3. These duties therefore require a professional judgement to be made by the Director for Resources as the officer ultimately responsible for the authority's finances. As a result, the officer takes a view of the robustness of the Council's budget across the whole period covered by the Medium-Term Financial Strategy, and this is reported to Members as part of the budget setting process. In view of this duty, and the considerable uncertainty around funding levels after the end of the current one-year settlement, the Council will need to achieve further, sustainable savings in 2026/27 to establish a solid platform for the development of a robust budget in future years.

Comments from the S151 Officer:

The Council must set a balanced budget before the start of the forthcoming financial year.

8. Legal Implications

- 8.1. The Council must set its budget in accordance with provisions of the Local Government Finance Act 1992 and approval of a balanced budget each year is a statutory responsibility. Sections 25 to 29 of the Local Government Finance Act 2003 impose duties on the Council in relation to how it sets and monitors its budget. These provisions require the Council to make prudent allowance for the risk and uncertainties in its budget and to regularly monitor its finances during the year. The legislation leaves discretion to the Council about the allowances to be made and action to be taken.
- 8.2. Section 30(6) of the Local Government Finance Act 1992 provides that the Council must set its budget before 11 March in the financial year preceding the one in respect of which the budget is set.
- 8.3. The provisions of Section 25 of Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Section 151 Officer as to the robustness of the estimates made and the adequacy of the proposed financial reserves.
- 8.4. Where a service is provided pursuant to a statutory duty. It would not be lawful to fail to discharge it properly or abandon it, and where there is discretion as to how it is to be discharged, that discretion should be exercised reasonably.

Comments from the Monitoring Officer

The annual budget report needs to be considered with reference and in accordance with the following:

- **Consideration of any consultation responses (including the requirements under section 65 Local Government Finance Act 1992 with regard to consultation with bodies/representatives or persons subject to non-domestic rates, being the statutory budget consultation)**
- **The Council provides both statutory and discretionary services. Where a statutory duty exists to provide a service, there needs to be adequate provision to allow the statutory duty to be exercised so as not to place the Council at risk of failing to discharge a statutory duty. In provision for discretionary services, this should be exercised reasonably, balancing the nature and quality of the service with the cost of provision.**
- **The Council has a fiduciary duty to the taxpayers in its district**
- **As with other Council decisions, the budget decisions must have regard to the Council's public sector equality duties and requirement to reduce crime and disorder**
- **Members must have regard to the section 25 Local Government Act 2003 report of the Council's Chief Finance Officer which comments as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves**
- **Any failure to set a legal budget may lead to the issue of a s.114 report or other intervention**

Section 106 Local Government and Finance Act 1992

Under Section 106 a Member who has not paid an amount due in respect of their Council Tax for at least 2 months after it became payable is precluded from voting on any matters affecting the level of Council Tax or the arrangements for administering the Council Tax. (The Member is, however, entitled to speak.) Any Member affected by Section 106 is required to make a declaration to that effect at the commencement of the meeting or immediately on arrival if this is at a later time.

9. Risks

- 9.1. This report does raise the risk that a balanced budget may not be set, but the financial sustainability of the Council is already included in the risk register.
- 9.2. The main risk in preparing the detailed budgets is that the Council sets an illegal budget (expenditure is greater than income). This is avoided in 2025/26 by using some reserves, however the risk that the reserves are being run down to support the General Fund Budget remains unless savings are delivered.
- 9.3. An illegal budget would cause severe reputational damage to the Council; however, members should note that the risk is mitigated by many existing controls and processes. Members should understand though that if further savings are not delivered to close the budget gap, the Section 151 Officer may have no option other than issue a Section 114 notice at some point in the medium term, (a Section 114 notice indicates that the income forecast is not sufficient to meet forecast expenditure for year. If, during the year, the Section 151 Officer realises that the Council does not have the money to meet spending commitments and that it cannot cut spending enough to balance the budget, she will issue a section 114 Notice, which in effect freezes spending).
- 9.4. The delivery of the Financial Strategy will be challenging and is not without risk. Any delays in closing the budget gap will place further pressure on future years' budgets. The 2025/26 budget includes £1.8m of savings most of which are straight forward to achieve. Failure to deliver any of them will place further pressure on future years budgets.

10. Net Zero Target

- 10.1. This report does not raise any issues relating to climate change.

11. Equality, Diversity & Inclusion

- 11.1. The Council is legally required to consider the equality duty in its decision making and this includes the budget process. As part of any savings or investments the Council must consider how it can:
- Eliminate unlawful discrimination, harassment and victimisation.
 - Advance equality of opportunity between different groups: and

- Foster good relations between different groups by tackling prejudice and promoting understanding.

12. Community Safety issues

- 12.1. This report does not raise any issues relating to Crime and Disorder considerations.

13. Conclusions and Recommendations

- 13.1. The General Fund Revenue Budget has been balanced for 2025/26.
- 13.2. All 2025/26 budgets will continue to be subject to pressure in the forthcoming year. The Council has sufficient reserves to ensure financial resilience in the short-term, however these balances will continue to reduce as significant budget gaps in the Medium-Term Financial Plan remain. A programme of service reviews will be undertaken during 2025/26 to close the gap and deliver a sustainable financial plan.
- 13.3. The Council's ability to deliver future capital projects is dependent on funding and affordability. Any new projects will need to be supported by a robust business case and existing schemes will be kept under review for affordability.
- 13.4. It is recommended that Full Council approve the 2025/26 budget for revenue and capital and to make the statutory calculations in respect of the 2025/26 Council Tax and the corresponding £4.95 increase in the district element for a Band D equivalent property.