

Appendix 3

Resources Allocation – General Fund Revenue Budget 2025/261. Summary of Proposals

The Overview and Scrutiny Committee has considered the revised budgets for 2024/25 and the base budgets for 2025/26 for each of corporate priorities and the support services areas. Any changes arising from this process are set out below along with a summary of the proposed General Fund budget for 2025/26.

2. Key Assumptions and Other Changes

During consideration of the budgets by the Overview and Scrutiny Committee, there has been a continuing focus on delivering the Council's vision in the new Corporate Plan.

The outcome of the latest budget consultation exercise that took place during the autumn was noted by Cabinet on 7 January 2025. The web-based survey, which was publicised through social media, generated 1,290 responses. Whilst this was slightly lower than 2023, it was still well above the response rates for the earlier years. The Council has responded to its residents with the following proposals being included in budgets:

- Greater investment in climate change and environmental services with the Council's successful Climate Change and Green Futures Delivery Programme, including the procurement of electric vehicles, conversion of the fleet to HVO biofuel, decarbonisation plans, housing energy efficiency measures and continued investment in parks, open spaces, play areas and waste and recycling services.
- Large investment in economic development and business growth is also important for local residents. Work continues to fully implement the visible and significant investment projects in Stapleford and Kimberley for which grant funding commitment has already been obtained. The Council will continue to work with the East Midlands Combined Counties Authority (EMCCA) to try to attract funding in other locations, such as Eastwood, and to receive a fair share of any future UKSPF funding for its communities. The earlier regeneration projects associated with Beeston town centre and The Square development is generating additional rental income streams.
- A continued substantial investment in the Council's housing stock covering compliance, meeting decent homes standards and social housing decarbonisation (considered within the HRA at **Appendix 2**). The Council has also developed a significant Housing Delivery Plan, with a pipeline of new homes added through the acquisition of former council houses and the house building programme, which will lever in grant funding from Homes England and the EMCCA, in addition to the Council's own resources.

- On the priority of health and leisure, the completion of a new community leisure facility at Hickings Lane in Stapleford will be a substantial and an additional investment in leisure in the town. The Council will continue to attempt to source sufficient funding to develop a new leisure centre at Bramcote, having already committed a significant sum within its capital programme to continue feasibility work.
- In terms of community safety, the Council has committed significant funding in maintaining and improving the provision of surveillance cameras over recent years to improve public safety and confidence. The Council's budget for community safety is relatively modest and reliant on external sources of funding which have to be bid for from agencies whose funding is being scaled back in future years by government. Even relatively modest increases in the revenue budget could make a difference in the Council being able to fund small initiatives which could enable work with voluntary groups to address anti-social behaviour or diversionary activity.
- In response to public demand for more investment in street cleansing, the Council is entering into a contract that will provide more capacity to address enforcement activity targeted at littering and fly tipping. Any proceeds from this activity will be reinvested back into street cleansing services.
- The Council will keep under review the cost and quality of its car parking provision and the associated parking charges. It continues to have ongoing discussions with local businesses about schemes to support the attraction of shoppers into the Borough's towns. There are no plans for any increases to parking charges and free charge periods have been extended during the current year which could be extended in to 2025/26 as well.

The base budgets for 2025/26 include estimates for inflation on certain headings such as utilities, fuel and energy costs and other contractual commitments. The pay budgets include an increase in National Insurance Contributions (potentially not fully funded), contractual increments, regrades following job evaluation, any market supplements for posts that have been difficult to recruit and an estimated 3% pay award for 2025/26.

Under the Prudential Framework for Capital Finance, prudential borrowing has to be considered in overall terms and taking account of the effect on revenue budgets and general affordability in the short and medium term. **Appendix 5** to this report proposes additional prudential borrowing of £7.818m in relation to the HRA capital programme in 2025/26 and borrowing of £1.750m in relation to the General Fund. Based on external borrowing interest rates, an estimate for additional borrowing costs has been included in the base budget for 2025/26.

It is prudent to provide a sum of money within the budget to cover unforeseen items of expenditure which may arise during the year. As in previous years, a General Fund Contingency has been established for 2025/26 at £50,000.

All known revenue developments have been incorporated into base budgets, including a new ongoing revenue development relating to tree surveys and maintenance (net £42k). No further revenue developments are expected but other items may be brought forward to Cabinet during the course of the year as and when need arises.

Any proposed establishment changes in the new financial year, above delegated limits, will be reported to Cabinet for consideration and, if approved, incorporated within the revised estimates for 2025/26.

Non-domestic rates income is primarily based on a calculation taking into account the local non-domestic rates tax base and the Government's calculations of each local authority's spending requirements. For budgeting purposes the Council completes an assessment at the beginning of each year and uses this to determine the amount of rates to be collected (the 'NNDR1'). The budget is then set on the basis of this assessment.

For 2025/26 the Business Rates income budget based on the NNDR1 for the year has been set at £4.610m, which includes estimates for losses on appeals and the recovery of deficits arising from prior year transactions on the Collection Fund. Any difference between budgeted income and actual income receivable will be recovered in the following year. Non-domestic rates income is also affected by Section 31 grants received from central government (estimated at £2.754m after tariff adjustment) and by payments to or receipts from the Nottinghamshire Business Rates Pool.

The provisional Local Government Finance Settlement for 2025/26 was announced by the Minister for Housing, Communities and Local Government (MHCLG) on 18 December 2024. This included details of the Council's Settlement Funding Assessment (SFA) for 2025/26 and the Central Government grant funding to be received as part of the settlement.

In terms of the Settlement Funding Assessment (SFA), the September Consumer Price Index (CPI) figure of 1.7% has been applied to increase the local government funding amount within the Business Rates retention scheme and Revenue Support Grant (RSG).

Grant funding includes £168k in RSG funding of £167,557 which has been determined using 2024/25 amounts plus 1.7% inflation initially (£129k in 2024/25). The uplift also includes a number of smaller grants rolled into RSG including grants relating to the Electoral Integrity Programme, Tenant Satisfaction and Transparency Code.

A new one-off Recovery Fund grant was announced as part of the Policy Statement, which is targeted at places with greater need and demand for services. Broxtowe is due to receive £55k in 2025/26.

The Services Grant has been discontinued for 2025/26, with the Council previously receiving £20k in 2024/25 and £117k in 2023/24.

The settlement included details of the New Homes Bonus (NHB) funding allocation. The overall allocation for NHB remains unchanged with the scheme now being a single year retrospective allocation which does not include any prior year legacy payments. The provisional NHB allocation to Broxtowe for 2025/26 is £360k. Whilst this is an increase from £255k in 2024/25 it is only similar to 2022/23 levels.

The former Funding Guarantee grant has been replaced by a Funding Floor grant. All local authorities are guaranteed no reduction to their core spending power in 2025/26 in cash terms. This is less generous than previously where a 3% floor was in place excluding assumed council tax rate increases. The provisional allocation to Broxtowe in 2025/26 is just £8k, which is significantly reduced from the £471k received in 2024/25.

In recognition of the increase employer's National Insurance Contributions (NIC), the Government will provide £515m to local authorities, including mayoral combined authorities and fire and rescue authorities. Actual funding allocations will be published as part of the final settlement, although it is expected that this will be based upon an assessment of each authority's share of relevant net service expenditure. It is now anticipated that this will not cover the full increase for the Council thereby adding a further budget pressure.

As set out in section 3 below, the recommendations are based upon withdrawing a budgeted £1.732m from the General Fund Reserve in 2024/25 and then withdrawing a further £1.277m from General Fund Reserves in 2025/26.

The General Fund Reserve is expected to reduce from £6.079m at 1 April 2024 to £4.347m at 31 March 2025. A further withdrawal from balances in 2025/26 will see the projected General Fund Reserve to be £3.070m at 31 March 2026.

3. Collection Fund Income

Income received from Council Tax and Business Rates goes into the Collection Fund. While this will have implications for the General Fund, the exact timing is dependent upon the Collection Fund accounting regulations. In order to support the economic recovery from the pandemic and the rising cost of living, the government introduced a number of initiatives that continue to directly support businesses in the area. Further details are set out below:

(i) Expanded Retail Discount and Nursery Relief

The Government announced an extension to the retail, hospitality and leisure relief that eligible businesses receive towards their Business Rates bills will continue into 2025/26. This relief equates to 40% of their annual Business Rates charge whereas the 2024/25 year was 75%.

This reduces the Net Rates Receivable from these businesses. In order that local authorities should not lose out financially as a result of these schemes, the government will provide compensation through Section 31 grants. However, these grants must, in accordance with the regulations, be paid into the General Fund as opposed to the Collection Fund.

(ii) Collection Fund Surplus/Deficits

One of the key features of the Collection Fund accounting arrangement is that an attempt to recover a projected deficit on either Council Tax and Business Rates in a particular year needs to be made when setting the budget for the following year. Conversely, a Collection Fund in surplus is redistributed accordingly to the respective preceptors in the following year.

In order to address any significant timing issues, Collection Fund Equalisation Reserves for both Council Tax and Business Rates were established around the time of the pandemic, to meet the cost of any anticipated deficits and to ensure that the impact of any issues do not unnecessarily distort the position on the General Fund Reserve. A further note on the utilisation of the NNDR Collection Fund Equalisation Reserve is considered further below.

(iii) Nottinghamshire Business Rates Pool

There are positive benefits of the Council being a collective part of the Nottinghamshire Business Rates Pool. Broxtowe are committed to remaining within the Pool, along with the County Council and the other Nottinghamshire districts. Having declared this commitment, the Secretary of State has retained the Nottinghamshire Business Rates Pool for 2025/26.

4. General Fund Revenue Budget

The table below shows the 2024/25 revised budget for each corporate priority along with the base budget figures for 2025/26. It also shows the impact that this would have upon the Council's available balances.

	Revised Estimate 2024/25 £	Base Budget 2025/26 £
<u>Corporate Priority</u>		
Business Growth	1,476,240	1,590,950
Community Safety	1,760,880	1,809,350
Environment and Climate Change	6,750,790	6,963,100
Housing – General Fund	674,980	699,900
Leisure and Health	1,334,860	1,081,700
Resources	3,537,150	3,258,350
Sub-Total	15,534,900	15,403,350
Add: Beeston Special Expenses	25,600	26,000
Total Net Expenditure	15,560,500	15,429,350
<u>Funding</u>		
Revenue Support Grant	(128,529)	(167,557)
Services Grant	(20,230)	-
Recovery Grant	-	(55,387)
Funding Floor Grant (was Funding Guarantee)	(471,034)	(7,983)
New Homes Bonus	(255,132)	(360,451)
NNDR (Business Rates after Tariff)	(3,793,060)	(4,609,931)
NNDR Collection Fund (Surplus)/Deficit (Note*)	1,194,079	55,177
Estimated Levy Payment to Pool	1,310,974	1,491,271
Estimated S31 Grant (per NNDR1)	(3,068,266)	(2,753,542)
Estimated Returned Funding from Pool	(800,000)	(850,000)
Council Tax	(6,601,729)	(6,862,179)
Council Tax Collection Fund (Surplus)/Deficit	(5,892)	49,791
Precept – Beeston Special Expenses	(25,600)	(26,000)
Total Funding	(12,664,419)	(14,096,791)
Allocation to/from Earmarked Reserves (below)	(1,164,079)	(55,343)
Withdrawal from General Fund balances	1,732,002	1,277,216

Note * - NNDR Collection Fund Surplus/Deficit (Broxtowe Share)

As reported to Cabinet in February 2024, the original budget for 2023/34 relating to the previous year's Business Rates Collection Fund surplus/deficit estimate was recorded as nil. As such, the projected £1.214m surplus on the Council's element of the Business Rates Collection Fund ('NNDR1 Part 4' January 2023) was not immediately brought into the General Fund budget. It was instead moved into Earmarked Reserves ('NNDR Equalisation Reserve'). The reasoning was linked to the considerable volatility risk within retained Business Rates and a further risk on the General Fund budget due to the timing created by collection fund accounting arrangements. The actual Business Rates Collection Fund surplus as at 31 March 2023 was lower at £668k ('NNDR3'). This effectively resulted in a £546k deficit on the Collection Fund to be recovered from the General Fund in 2024/25. As such, the budgeted surplus of £1.214m above that was moved into Earmarked Reserves was used to fully meet the identified Collection Fund 2023/24 deficit of £1.194m (increased further due to the impact of rating appeals). This would ordinarily have been fully recoverable from the 2024/25 General Fund budget.

The budget increase for total net expenditure in 2024/25 between the original budget and revised estimate is a consequence of the following items:

Revenue Budget 2024/25	£'000
Opening estimated withdrawal from balances in 2024/25	821
Add: Additional grant funding received in final Local Government Finance Settlement for 2024/25 compared to provisional figures	(106)
Add: General Fund Revenue items carried forward from 2023/24 approved by Cabinet on 27 July 2024	373
Add: Budget changes approved by Cabinet on 5 December 2023 (New Asset Systems and Data Officer)	38
Add: Budget changes approved by Cabinet on 9 January 2024 (Building Control Management Fee £48k; New Change Delivery Manager £14k (GF); New Head of Health, Safety and Emergency Planning £4k (GF); New Compliance Post £13k (GF); New Senior Health, Safety and Emergency Planning Officer £43k; Head of ICT and Corporate Services re-designation £10k; Events £3k)	135
Add: Budget changes approved by Cabinet on 6 February 2024 (New Town Centres and Contracts Manager)	55
Add: Budget changes approved by Cabinet on 7 February 2023 (Bramcote Leisure Centre Repairs Strategy/Re-inspection Programme £12k; Green Infrastructure Strategy Consultancy £50k; Environmental Health/Private Sector Housing Restructure £100k; and Durban House Refurbishment (net) £41k).	203

Revenue Budget 2024/25	£'000
Add: Budget changes approved by Cabinet on 23 July 2024 (Purchase of Property Management Software £17k; Income Management System £5k; ICT Licences £28k)	50
Add: Budget changes approved by Cabinet on 3 September 2024 (Civic and Events Officer – increased hours £9k; Community Health Bursary Projects (£14k)	23
Add: Budget changes approved by Cabinet on 1 October 2024 (Increased grant aid budget £31k; Kimberley Depot Options Appraisal £25k)	56
Add: Other budget changes (net)	84
Current estimated withdrawal from balances in 2024/25	1,732

The decrease for total net expenditure for the 2025/26 base budget compared with the 2024/25 revised estimate is primarily a consequence of the following:

Revenue Budget 2025/26	£'000
<p>Employee Related Expenses – A net increase in pay related costs including the following:</p> <ul style="list-style-type: none"> • The impact of pay awards for 2024/25 (fixed uplift of £1,290 across all pay points, averaging 4.4%) and for 2025/26 currently estimated at 3%; • The gross impact of the planned increase in the level of Employer's National Insurance Contributions with an estimated cost pressure of £330k for the General Fund. • The full-year effect of any agreed market supplements (where necessary to recruit and retain key staff), job evaluation grade changes, structure changes and other due increments within pay scales. • Savings of £196k from reduced agency costs, most notably with Capital Works where a full establishment means that there should be less reliance on the interim agency market for support in 2025/26. • A saving of £150k with an increase in the Employee Savings Target to £750k as identified in the Business Strategy. 	289
A net decrease in Premises Related Expenses and Transport costs. There continues to be careful management of costs with efficiencies in terms of programmed maintenance (including developments being completed) and energy consumption which has helped to mitigate the impact of inflation with higher prices for fuel and energy, materials and external contractor fees.	(41)

Revenue Budget 2025/26	£'000
Removal of 2023/24 budgets carried forward to 2024/25	(373)
An increased costs linked to ICT software maintenance (£139k) which includes the new contract for the Council's Financial Management System (£73k). These increases have been partially offset by a £53k reduction on ICT hardware maintenance and computer equipment supplies. A new budget for ongoing specialist procurement services (£60k) has been offset by freezing the budget for the established Procurement Officer post which has been vacant for some time.	159
An increase in the cost of equipment and system maintenance for the Lifeline Service based on the contract price and expected demand from tenants.	39
A new ongoing revenue development related to Tree Surveys and Maintenance. The estimated cost of the system and associated hardware, contractor survey of trees and potential maintenance works is partially offset by freezing the budgets for two long-standing vacant posts within the Grounds Maintenance team.	42
Increase in Building Control Management Fee costs	33
Net reduction in Leisure Management Fee	(100)
Other net budget changes in expenditure and income across the General Fund.	109
Reduction in anticipated Planning Fees income	153
Increase in Garden Waste income	(51)
Increase in Beeston Square rental income	(72)
Reduction in Car Parking income from pay and display charges (£50k) and the loss of the external contribution following the end of the shared services contract (£34k). This loss is partially offset by establishment changes.	84
Increased surplus distribution from Bramcote Crematorium following an uplift in income from the implementation of a new marketing strategy, alongside potential energy efficiency savings from investment in new cremators.	(50)
Decrease in Investment Income with the forecast taking into account expected cash flows and prevailing interest rates.	140

Revenue Budget 2025/26	£'000
Capital Charges – Significant uplift in external interest borrowing costs, initially charged to the General Fund, based upon current and forecast borrowing levels and interest rates (£645k). There has also been an increase on Minimum Revenue Provision (MRP) (£343k) as a result of capital expenditure. This is partially netted off by an increase in the reversal of depreciation (technical accounting adjustment).	815
An increase in the HRA Item 8 calculation mainly due to the external borrowing interest costs recharged to the HRA. This charge is based upon the proportion of debt financed capital schemes related to the HRA and the proportion related to the General Fund.	(718)
An increase in recharges to the HRA based on a review of the recharge base.	(186)
A new Section 31 grant anticipated to support the increased cost of employer's National Insurance Contributions, although assumed not to be fully funded.	(200)
An increase in the earmarked Homelessness and Rough Sleeping grants provided by central government.	(203)
Total Decrease in Net Expenditure	(131)

The net increase in funding from the 2024/25 revised estimate to the figures for the base budget 2025/26 is mainly due to the following:

Financing 2024/25 to 2025/26	£'000
Increase in Revenue Support Grant (includes other small grants not previously included)	(39)
Removal of Services Grant	20
New one-off Recovery Grant	(55)
Reduction in Funding Guarantee/Funding Floor Grant	463
Increase in New Homes Bonus	(105)
Increase in Business Rates including return funding from Pool	(372)
Increase in Council Tax Income	(261)
Increase in Collection Fund Surplus/Deficit balances (not covered by Earmarked Reserve)	26
Total Increase in Funding	(323)

The anticipated withdrawals from balances in 2024/25 and 2025/26 shown above would affect the Council's reserves as follows:

Change in Balances 2024/25	Actual Balance at 1 April 2024 £	Projected Withdrawal / (Addition) £	Estimated Balance at 31 March 2025 £
General Fund Reserve	(6,078,790)	1,732,002	(4,346,788)
Elections Reserve	(52,215)	(30,000)	(82,215)
Homelessness Grant Reserve	(305,066)	-	(305,066)
Stapleford Towns Fund Reserve	(1,082,257)	-	(1,082,257)
Planning Reserve	(31,071)	-	(31,071)
Noise Monitoring Equipment Res	(15,000)	-	(15,000)
Charity Accounts	(12,558)	-	(12,558)
Council Tax Equalisation Reserve	(65,610)	-	(65,610)
NNDR Equalisation Reserve	(1,213,812)	1,194,079	(19,733)
Total Balances	(8,856,378)	2,896,081	(5,960,297)

The reserves relating to Stapleford Town Fund will be utilised accordingly in 2024/25 and 2025/26 to be matched against approved revenue spend.

Change in Balances 2025/26	Estimated Balance at 1 April 2025 £	Projected Withdrawal / (Addition) £	Estimated Balance at 31 March 2026 £
General Fund Reserve	(4,346,788)	1,277,216	(3,069,572)
Elections Reserve	(82,215)	(30,000)	(112,215)
Homelessness Grant Reserve	(305,066)	-	(305,066)
Stapleford Towns Fund Reserve	(1,082,257)	-	(1,082,257)
Planning Reserve	(31,071)	-	(31,071)
Noise Monitoring Equipment Res	(15,000)	-	(15,000)
Charity Accounts	(12,558)	-	(12,558)
Council Tax Equalisation Reserve	(65,610)	65,610	-
NNDR Equalisation Reserve	(19,733)	19,733	-
Total Balances	(5,960,297)	1,332,559	(4,627,738)

The recommendations are based on withdrawing £1,277,216 from General Fund Reserves in 2025/26; withdrawing £65,610 from the Council Tax Equalisation Reserve; withdrawing £19,733 from the NNDR Equalisation Reserve; and adding £30,000 to the Elections Reserve to meet the cost of future Borough elections.

No legislative restriction applies as to how the Council's reserves may be used.

The minimum acceptable total of General Fund Reserves to meet revenue expenditure and capital financing commitments is considered to be £1.5 million.

5. Business Strategy and Budget Savings

A range of potential efficiencies and additional income has been identified and included in the Business Strategy agreed by Cabinet on 5 November 2024. These additional savings and income totalling £950k have been built into the 2025/26 base budget, as follows:

Proposal and Business Impact	Financial Impact on Budgets
Growth in Business Rates – A reasonable target based on the information available to date, although income growth is impacted by the pace of the economic growth.	£50k additional funding from Business Rates included in budget
Council Tax increase – A change to the government's referendum limits provides the ability to increase Council Tax by up to 3%, compared to the current MTFS which included a 2% rise for 2023/24.	£60k additional funding income over MTFS assumptions included in budget
Garden Waste income with expected volumes of service users and a nominal increase in the subscription price of £2 in 2025/26.	£47k additional income included in budget
Beeston Phase 2 development income to include new operators and a full review of the rental budget.	£65k additional income included in budget
Industrial Units planned increase in rents over a two year period, but remaining below market rents.	£30k additional income included in budget
Durban House additional income from lettings anticipated following refurbishment	£43k additional income included in budget
Enforcement income (net) collected and allocated to the Environment Services	£10k additional income included in budget
Homelessness government grant income allocated to assist the management of the homelessness service, including the impact of Ukrainian refugees	£150k additional grant income included in budget

Proposal and Business Impact	Financial Impact on Budgets
Increased surplus distribution from Bramcote Crematorium following an uplift in fees income from the development and implementation of a new marketing strategy, alongside potential energy efficiency savings from investment in new cremators	£50k additional income included in budget
Staffing efficiencies in leveraging new technology, taking advantage of vacancies to restructure to save money, manage vacancies and reduce administration.	£150k increase in the Employee Savings Target included
Price inflation (non-contractual) where an assumed level of price inflation on premises, supplies and services budgets at 1% (excluding energy and fuel) would add around £60k to base budgets. There is an opportunity freeze those budgets at current levels, thereby challenging budget managers to absorb this inflationary cost within operational activity. The impact would be spread across the General Fund services.	£60k reduction in budgeted costs
Insurances - A large uplift in insurance premiums was anticipated in advance of the scheduled 2024/25 tender exercise due to increased property sums insured and a hardening insurance market. This was duly recognised in the base budgets. The outcome of the tender was better than expected and has resulted in a budget saving for the General Fund, Housing Revenue Account and Liberty Leisure Limited. The target reduction for the General Fund in 2025/26 is included here.	£80k additional savings
Reshaping the Leisure offer following the outcome of strategic reviews of leisure facilities and efficiency reviews of leisure services.	£100k reduction in the Management Fee included in budget
Council Tax Single Persons Discount reduced following completion of a countywide review in 2024.	£5k additional Council Tax income
Review of Council Tax discounts and exemptions, including second homes and empty homes.	£50k additional Council Tax income

An employee savings target of £750k has been set for 2025/26 to be met from efficiencies and vacancies. The approved Business Strategy has increased this target in view of the inflationary increases in the establishment budget, with the target being around 4% of the total pay budget.

The budgets have been prepared with the best information available at the time of production. It is fair and reasonable to highlight potential developments, not sufficiently certain at present to include in the estimates, but matters which may reduce the proposed draw on the Council's General Fund Reserve in both 2024/25 and 2025/26.

Furthermore, there is no historical evidence of the Council overspending against its service budgets, with recent year-end balances typically providing an underspend which can then be returned to general balances.

Given the ongoing financial impact of developing economic circumstances and the medium term financial position, a further refresh of the Business Strategy will be required in 2025/26 to identify other potential efficiencies. This work will be led by the General Management Team and an updated Business Strategy will be presented to Cabinet in October 2025 for approval.

6. Beeston Special Expenses

Beeston and its surrounding area is a special expense area purely in relation to the cost of maintaining allotments. It is anticipated that, assuming no unforeseen and significant events occur, then sufficient monies will remain on the account such that an annual precept of £26,000 should be maintained for 2025/26.

In the Beeston Special Expenses Area, it is proposed to maintain the precept at £26,000 and hence the Council Tax charge. In reality this would mean that, within the Beeston Special Expenses Area, the combined effect of the two Council Tax elements would produce an increase of 2.94% per band D dwelling as per the other parts of the Borough.

7. Council Tax

The Local Authorities (Conduct of Referendums) (Council Tax Increases) (England) Regulations 2012, provide that any shire district or borough council proposing an increase of 2% (or more than 2%) and more than £5 their Council Tax will need to provide the opportunity for local people to approve or veto the increase in a referendum.

The Policy Statement accompanying the 2025/26 provisional local government finance settlement announcement, confirms that for Council Tax, shire district councils will have a referendum principle of 3% or £5, whichever is higher.

The Leader of the Council and the Deputy Leader and Portfolio Holder for Resources and Personnel Policy have been consulted, and it is proposed that the basic Council Tax amount for a band D equivalent property be increased by 2.94% from £187.42 in 2024/25 to £192.93 in 2025/26.

The Council's share of the estimated deficit on the Council Tax element of the Collection Fund at 31 March 2025 is £49,791. After taking this into account, and the increase in the Council Tax Base for 2025/26 as approved by Cabinet on 3 December 2024, then a 2.94% increase in the basic Council Tax (for a Band D property) amount equates to a Council Tax requirement (excluding the special expenses area) of £6,862,179 in 2025/26 and would require an overall withdrawal from General Fund Reserves of £1,277,216 (a net total of £1,332,559 including the contributions from Earmarked Reserves).