

Appendix 3

General Fund Revenue Budget 2026/27**1. Summary of Proposals**

The Overview and Scrutiny Committee has considered the revised estimates for 2025/26 and the base budgets for 2026/27 for each of the corporate priorities and support services areas. Any changes arising from this process are set out below along with a summary of the proposed General Fund budget for 2026/27.

2. Key Assumptions and Changes

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

The outcome of the latest budget consultation exercise that took place during the autumn was considered by Cabinet on 6 January 2026. The web-based survey, which was publicised through social media, generated 1,035 responses. Whilst this was slightly lower than the previous year, it was still well above the response rates for 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.
- 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 attract funding in other locations, such as Eastwood, and to receive a fair share of any future UKSPF funding for its communities. Earlier regeneration projects, including the Beeston Square development, are generating additional rental income streams.
- Ongoing and substantial investment in the Council's housing stock ensuring safety compliance, meeting decent homes standards and social housing decarbonisation. The Council has also developed a significant Housing Delivery Programme, with a pipeline of new homes being added through the acquisition of former council houses and new house building, which levers in grant funding from Homes England and EMCCA, in addition to the Council's own resources.

- On the priority of health and leisure, the Council has successfully delivered the new Hickings Lane Community Pavilion and facilities in Stapleford. Work continues with the development of a new replacement Bramcote Leisure Centre. The Council has already committed a significant sums for feasibility work and was recently granted planning permission for this significant capital investment project. The Council is working to resource a sufficient funding package to develop this scheme, with proposals to be reported to Cabinet in the near future. The Council is also committed to the development of a Health and Wellbeing Centre at Walker Street in Eastwood that will lever in significant external investment from key partners to support the business case.
- 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 budget for community safety is relatively modest and largely reliant on external funding sources which have to be bid for from agencies when available. Even modest increases in the revenue budget could make a difference in the Council being able to fund small initiatives to 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 has entered into a contract that provides more capacity to address enforcement activity targeted at littering and fly tipping. The proceeds from this activity are reinvested back into street cleansing services.
- The Council will keep under review the cost and quality of its car parking provision and associated charges. It continues to have discussions with local businesses about schemes to attract 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 2026/27 as well.

The 2026/27 base budget includes estimates for inflation on certain headings such as energy, fuel and utilities costs and other contractual commitments.

The pay budgets include a decrease in employers pension fund contributions (from 19.0% to 16.8% in 2026/27) based on the latest projections from the actuaries; contractual increments; regrading following job evaluation; any market supplements for posts that have been difficult to recruit; and an estimated 3% pay award for 2026/27.

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 2026/27.

Under the Prudential Framework for Capital Finance, prudential borrowing has to be considered in overall terms and taking account of the effect on revenue and general affordability in the short and medium term. Appendix 5 to this report proposes additional prudential borrowing of £10.7m in relation to the HRA capital programme and £3.0m in relation to the General Fund in 2026/27. An estimate for additional borrowing costs has been included in the base budget for 2026/27.

It is prudent to provide a 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 2026/27 at £50,000.

All known revenue developments have been incorporated into the budget. 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.

3. Fair Funding and the Provisional Local Government Finance Settlement

The provisional Local Government Finance Settlement for 2026/27 was announced by the Minister for Housing, Communities and Local Government (MHCLG) on 17 December 2025. The settlement reflected the outcome of the long-awaited Fair Funding Review, which looked to redistribute the 2025/26 funding totals.

The provisional settlement included details of the Council's Fair Funding Assessment (FFA) for 2026/27 and the levels of central government funding to be received as part of the settlement.

Some of the key points, including the impact for the Council, are as follows:

- There are major changes to the main funding formula with a stronger link to levels of deprivation and population.
- The baseline for retained Business Rates will be fully reset in 2026/27, although transitional arrangements will protect much of the retained income, including growth returns from 'pooling', at least in the short term.
- Most new burdens funding streams will be rolled into the main funding formula instead of being provided as separate grants. This would suggest that the settlement covers the anticipated new burdens funding associated with 'Simpler Recycling' and food waste, although this is not specifically itemised and there is little additional funding to support its inclusion.
- Several grant pots, including for homelessness prevention, rough sleeping and temporary accommodation, will be consolidated and simplified.

- Government figures indicate that total Core Spending Power (CSP) will rise by 5.7% in 2026/27. CSP consists of the Fair Funding Assessment (FFA), split between the sum of the Baseline Funding Level (BFL) and Revenue Support Grant (RSG); income from Council Tax (assuming tax base growth and maximum increases in tax allowable under referendum principles); all rolled-in grants including Recovery Grant, Income Protection Floor Grant, Homelessness Grant; and other grants, many of which only apply to unitary and upper-tier authorities.
- There is significant variation in outcomes for district councils. Whilst some districts will benefit from the funding reforms, most will lose compared to current funding. Over the indicative three-year settlement period, CSP for all English councils (in aggregate) is expected to rise by 15.1% in cash terms. This compares to an estimated 3.3% cash increase for districts, which almost certainly means a real terms cut overall. Many districts, including Broxtowe, will rely heavily on transitional protection to cushion the impact and remain financially sustainable.
- In 2026/27 district councils will receive an average 0.6% cash increase in CSP if full use is made of the council tax flexibilities on offer. This is below the sector average increase in cash terms. Broxtowe's CSP will increase by 2.6% in 2026/27, but is then projected to fall back to just 0.5% in 2027/28 and 0.1% in 2028/29 (both below the respective shire district averages).

In terms of the provisional settlement position for Broxtowe:

- The Council Tax referendum threshold for shire districts will remain at 3% or £5, whichever is higher for a band D property. An increase in Council Tax at the limit would provide an additional £60k income over the baseline 2% provided for in the latest Medium Term Financial Strategy (MTFS). This has now been factored into the Council's budget, as part of the 2026/27 Business Strategy.
- The Fair Funding Assessment (FFA) is split between the Baseline Funding Level (BFL) and Revenue Support Grant (RSG), with some additional funding beyond the redistribution of 2025/26 monies being added to settlement figures through BFL indexing and RSG increases. The Baseline Funding Level (BFL) and Revenue Support Grant (RSG) for Broxtowe in 2026/27 will be £2.971m and £4.791m respectively.
- The split of the Fair Funding Assessment to BFL and RSG, and the new top-up and tariff amounts, reflect the government's latest analysis on the impact of the business rates revaluation, business rates reset and the introduction of new business rates multipliers.
- There will be transitional arrangements in place for Fair Funding, including a minimum funding floor grant, to protect local authorities from the full impact of the funding changes. Most councils will have their current income protected in cash terms (a 0% funding floor). The transition to new funding

amounts is not fully achieved over the three-year period and there remains a high degree of uncertainty beyond 2028/29 for those in receipt of material floor payments. Local Government Reorganisation may reduce this burden for 2029/30 if funding amounts are recalculated for new authorities. Broxtowe will receive £230k in Income Protection Floor Grant in 2026/27.

- More grants have been consolidated into CSP, including the Homelessness, Rough Sleeping and Domestic Abuse grant. This is not new funding as it brings together existing grants including Domestic Abuse Safe Accommodation new burdens; part of Homelessness Prevention Grant; Rough Sleeping Prevention/Recovery Grant; and the Rough Sleeping Accommodation Programme. The consolidated grant will have its own bespoke distribution for each element and be ringfenced. Broxtowe will receive £628k in 2026/27 including £592k for homelessness and rough sleeping (up from around £494k in 2025/26).
- The Recovery Grant, which is targeted at places with greater need and demand for services linked to high levels of deprivation, has been preserved for three years. Broxtowe is set to receive £55k again in 2026/27.
- The New Homes Bonus scheme has been scrapped for 2026/27. The Council's previous allocation for 2025/26 was £360k.
- Ongoing impact of the earlier increase in the level of Employer's National Insurance Contributions (NIC) adding cost pressures of £450k to the establishment budget. Although the Council received a partial grant to cover this uplift in 2025/26, there are no specific grants in 2026/27 for the NIC uplift with any support now considered part of the wider settlement.
- The Council is anticipating to receive around £1.1m from the new Extended Producer Responsibility (EPR) funding stream in 2025/26 for use on developing the recycling service and improving recycling rates. Any funding in future years has not been confirmed as part of the provisional settlement and, as such, is not recognised in the budget at this stage.

4. Business Rates

Business Rates (National Non-Domestic Rates/NNDR) is a significant part of financing the Council's non-housing services. Business Rates 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 ('NNDR1'). The budget is then set on the basis of this assessment.

With the reset of Business Rates, including the impact of revaluation, new top-up and tariff amounts and the introduction of new business rates multipliers, the identified Baseline Funding Level for the Council at £2.971m reflects the amount that the Council expects to retain from its Business Rates in 2026/27 (plus a nominal amount retained relating to renewables).

The NNDR1 for the year will include estimates for losses on appeals, credit liabilities 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, either through the Collection Fund and/or supported by a Safety Net payment from Government.

There are some uncertainties that have to be factored in when producing the Business Rates estimates:

- The government has announced several new multipliers for 2026/27 which are designed to reduce the gross rates charges for businesses in the Retail, Hospitality and Leisure (RHL) sectors.
- The changes to multipliers will remove the current RHL Relief. This requires the Council to evaluate the businesses that have a Rateable Value (RV) under 15,000, and where they received Small Business Rates Relief, to establish the sector for the business as there is no requirement for this to currently be recorded. This is a risk to the Council as any recorded incorrectly during the NNDR1 completion could result in an under/over-estimation of the Section 31 grant.
- There will be a revaluation in April 2026. Based upon the current draft listing, the Council's total RV will increase from 75.4m to 86.2m for 2026/27. A revaluation is not designed to increase the overall amount of tax collected nationally but to distribute the liability more appropriately. In order to ensure this remains the case, there are transitional arrangements in place to limit the increase in charges. In terms of the budget, 'top-ups and tariffs' will be applied to limit the increase the Council can obtain from this growth.
- Estimating RV appeals is always a challenging part of NNDR1 calculations, with several appeals still outstanding from both the 2017 and 2023 valuation lists. This will be further complicated by the inclusion of the updated 2026 lists which will see more significant increases than previous revaluations.

Some other matters relating to Business Rates Retention is provided below:

- Since its introduction in 2013/14, the Business Rates Retention Scheme (BRRS) has been stable, with only changes due to revaluation and the creation of enhanced local shares. For 2026/27 the scheme will see wide ranging changes, which relate to both the Business Rates as a tax and the resources local authorities can expect to receive. This includes revaluation (the taxbase), changes to top-up and tariff calculations and changes to multipliers for RHL.

- A full reset of the BRRS means that the Council's Business Rates Baseline (target amount) will be set at what is expected to be collected in 2026/27. This amount will be set on the RV at 31 March 2026, with the provisional revaluation 2026 list used for the purposes of the provisional finance settlement. This means that resources received will equal baseline need.
- The reset has seen £2.38bn of business rates growth that would have been previously retained locally by individual authorities collecting it, now added to the national control totals and distributed based on Fair Funding. Part of the transitional arrangements put in place has seen councils 2025/26 base position reflect an estimate of the growth that would have been retained.
- With the reset taking place at the same time as revaluation and the introduction of the new multipliers, MHCLG determined that moving the BRRS from a Net Rates to a Gross Rates system was needed. Whether or not this is advantageous to individual councils will depend on local circumstances and is let to be determined.

Nottinghamshire Business Rates Pool

The Business Rates reset and changes to the BRRS will have a significant impact on pooling arrangements. The Council, along with the County Council and the other Nottinghamshire districts, has been a collective part of the Nottinghamshire Business Rates Pool since its inception in 2023/14. Pooling has proven to be a lucrative option for local authorities and in Nottinghamshire over £74.6m in growth has been retained locally that would otherwise have been paid to central government.

As part of the Fair Funding Assessment, the BRRS has been revamped. Under previous arrangements, the County Council's top-up status exceeded the sum of the districts tariffs, meaning that Pool's overall levy rate was 0%. This meant that the 50% levy that would have been due to the government from districts had there not been a pool, would remain within Nottinghamshire. Where districts were collecting more in Business Rates than set in respective baselines, this triggered a levy to be paid. As the levy rate for the pool was 0% this meant that that levy was not payable to MHCLG, enabling the funds to stay within Nottinghamshire as pooling gains.

For 2026/27 there are two significant changes in the BRRS that will impact on the viability of Business Rates pools. Firstly, a full reset of the BRRS where all councils will have a new baseline amount that is expected to be equal to the amount to be collected. As such, there is unlikely to be significant differences between the amount to be collected and the baseline amount and variances are just as likely to leave councils above or below the baseline.

There has also been changes to the levy and safety net system, where the levy rates have been changed for 2026/27 onwards. These are now uniform for all councils, instead of being linked to top up and tariff status.

Due to these changes, the risks to pooling now outweigh the potential rewards. As Baseline Funding Levels have been adjusted to be more accurate, it is more likely that councils will require a safety net payment. Where pooling is in place, this loss would need to be funded by the partners in the pool. The government will only fund a safety net payments where individual councils are not in a pool.

The Section 151 Officers at the Nottinghamshire Finance Officers Association (NFOA) have considered the options. It was seen that in only the most unlikely of scenarios (at this stage) would the Pool generate growth and a net surplus. In most cases the position would be at most neutral or make a loss that would have to be funded by the Pool. As such, it was resolved by NFOA to dissolve the Nottinghamshire Business Rates Pool at the end of 2025/26 and revoke the intention to pool in 2026/27 with MHCLG. This position will be monitored to determine potential pooling viability again in 2027/28.

5. Collection Fund Income

Revenue 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.

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 surplus is redistributed accordingly to the respective preceptors in the following year.

In order to address any significant timing issues, a Collection Fund Equalisation Reserves was 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. This has been utilised to great effect, particularly with the volatility of Business Rates, and continues to be of value.

6. Use of Reserves

As set out in further below, the recommendations are based upon withdrawing a budgeted £1.343m from the General Fund Reserve in 2025/26 and then withdrawing a further £760k from General Fund Reserves in 2026/27.

The General Fund Reserve is expected to reduce from £5.557m at 1 April 2025 to £4.215m at 31 March 2026. A further withdrawal from balances in 2026/27 will see the projected General Fund Reserve to be £3.454m at 31 March 2027.

7. General Fund Revenue Budget

The table below shows the 2025/26 revised budget for each Corporate priority along with the base budget figures for 2026/27. It also shows the impact that this would have upon the Council's available balances.

	Revised Estimate 2025/26 £	Base Budget 2026/27 £
<u>Corporate Priority</u>		
Business Growth	1,667,300	1,371,250
Community Safety	1,847,950	2,125,650
Environment and Climate Change	7,136,700	6,472,700
Housing (General Fund)	699,900	741,200
Leisure and Health	1,157,700	1,186,300
Resources	3,099,500	4,204,400
Sub-Total	15,609,050	16,101,500
Add: Beeston Special Expenses	26,000	26,450
Total Net Expenditure	15,635,050	16,127,950
<u>Funding</u>		
Revenue Support Grant	(167,557)	(4,790,674)
Recovery Grant	(55,387)	(55,387)
Income Protection Floor Grant or similar	(7,983)	(229,696)
New Homes Bonus	(360,451)	-
NNDR (Baseline Funding Level after Tariff)	(4,609,931)	(2,994,867)
NNDR Collection Fund (Surplus)/Deficit	55,177	387,488
Estimated Levy Payment to Pool	1,491,271	-
Estimated Section 31 Grant (per NNDR1)	(2,753,542)	-
Estimated Returned Funding from Pool	(850,000)	-
Council Tax	(6,862,179)	(7,189,966)
Council Tax Collection Fund (Surplus)/Deficit	49,791	(28,205)
Precept – Beeston Special Expenses	(26,000)	(26,450)
Total Funding	(14,096,791)	(14,927,757)
Allocation to/from Earmarked Reserves (below)	(195,517)	(439,883)
Withdrawal from General Fund balances	1,342,742	760,309

The ring-fenced Homelessness, Rough Sleeping and Domestic Abuse grant that is now specifically identified in the provisional Finance Settlement is allocated directly to the respective income budget included within Net Expenditure.

The budget increase for total net expenditure in 2025/26 between the original budget and revised estimate is a consequence of the following items:

Revenue Budget 2025/26 – Revised	£'000
Opening estimated withdrawal from balances in 2025/26	1,277
Add: General Fund Revenue items carried forward from 2024/25 approved by Cabinet on 1 July 2025	82
Add: Budget changes approved by Cabinet on 4 February 2025 (Senior Pay review £70k; New Property Management Compliance Officer £31k GF)	101
Add: Budget changes approved by Cabinet on 11 March 2025 (Eastwood Health and Wellbeing Centre Feasibility Study)	15
Add: Budget changes approved by Cabinet on 23 June 2025 (Cemetery Memorials - Safety Works and Repairs and Maintenance of Historical Memorials)	31
Add: Budget changes approved by Council on 16 September 2025 (External Consultancy Support for Appointment of a new Chief Executive)	40
Add: Budget changes in 2025/26 approved earlier by Cabinet on 3 September 2024 (C-Cities Project Officer)	21
Add: Budget changes approved by Cabinet on 6 October 2025 (Groundworks Investigations at Kimberley Depot)	41
Add: Budget changes approved by Cabinet on 27 November 2025 (Uplift in Grants to Voluntary and Charitable Organisations)	45
Less: Proposed budget uplift in the Employee Savings Target to £1.0m to align to forecast outturn in 2025/26	(250)
Less: Other budget changes (£20k net) and adjustments to allocations from Earmarked Reserves (£40k).	(60)
Current estimated withdrawal from balances in 2025/26	1,343

The increase for total net expenditure for the 2026/27 base budget compared with the 2025/26 revised estimate is primarily a consequence of the following:

Revenue Budget 2026/27 – Base	£'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 2025/26 (uplift of 3.2%) and for 2026/27 currently estimated at 3%. • The impact of the reduction in the Employer's Pension Fund Contributions primary rate from 19% to 16.8% following the latest actuarial valuation (£274k 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 (£42k). • Savings of £61k from reduced agency costs, most notably within Capital Works where a full establishment means that there should be less reliance on the interim/agency market for support in 2026/27. • A saving of £50k with the increase in the base budget for the Employee Savings Target to £800k as identified in the Business Strategy (although this shows as an increased cost following the proposed uplift in the 2025/26 revised estimate from £750k to £1.0m to reflect anticipated outturn). 	307
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.	(159)
Removal of the 2024/25 budgets carried forward to 2025/26.	(82)
An increase in Supplies and Services costs linked to telephone systems (£97k); ICT software maintenance (£52k); audit fees (£92k) and Legal Counsel and court fees (£29k). These increases have been partially offset by a £17k reduction on ICT hardware maintenance.	253
A reduction in the cost of Park Attendants and Security and other parks related costs as identified in the Business Strategy.	(70)
Additional insurance savings relating to premiums and claims experience as identified in the Business Strategy.	(80)

Revenue Budget 2026/27 – Base	£'000
Increase in the gross cost of the Events Programme 2026/27 as agreed by Cabinet on 27 November 2025.	29
Net reduction in the Leisure Management Fee.	(69)
Increase in anticipated Planning Fees income as identified in the Business Strategy.	(50)
An increase in rental income from Beeston Square to include new operators and a full review of the overall budget as identified in the Business Strategy.	(50)
An increase in the earmarked Homelessness and Rough Sleeping grants provided by central government.	(77)
Decrease in Investment Income with the latest forecast taking account of expected cash flows and prevailing interest rates.	350
Capital Charges – A significant uplift in external interest borrowing costs, initially charged to the General Fund, based upon current and forecast borrowing levels and interest rates (£615k). There has also been an increase on the Minimum Revenue Provision (MRP) charge (£283k) as a result of capital investment. The cost is increased further by the reversal of depreciation (technical accounting adjustment (£93k).	991
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.	(305)
A net increase in the recharges to the HRA based on a review of the recharge base.	(358)
A net reduction in the recharges from General Fund to the Capital Programme (capital salaries).	(176)
Other net budget changes in expenditure and income across the General Fund.	39
Total Increase in Net Expenditure	493

The net increase in funding from the 2025/26 revised estimate to the figures for the base budget 2026/27 is mainly due to the following:

Financing 2025/26 to 2026/27	£'000
Increase in Council Tax Income	(328)
Net reduction in Business Rates Income (Baseline Funding Level)	3,727
Increase in Revenue Support Grant (part of Fair Funding Assessment)	(4,623)
Increase in Income Protection Floor Grant (was Funding Floor Grant)	(222)
Removal of New Homes Bonus	361
Net increase in Collection Fund deficit balances (before allocation from Earmarked Reserves)	254
Total Increase in Funding	(831)

The anticipated withdrawals from balances in 2025/26 and 2026/27 shown above would affect the Council's reserves as follows:

Change in Balances 2025/26	Balance at 01/04/2025 £	Projected Withdrawal/ (Addition) £	Estimated Balance at 31/03/2026 £
General Fund Reserve	(5,557,383)	1,342,742	(4,214,641)
Elections	(82,215)	-	(82,215)
Homelessness Grant Initiatives	(286,600)	75,000	(211,600)
Stapleford Towns Fund Reserve	(1,082,257)	-	(1,082,257)
Planning Reserve	(181,071)	50,000	(131,071)
Noise Monitoring Equipment Reserve	(9,400)	-	(9,400)
Leisure Development Reserve	(123,000)	-	(123,000)
Unapplied Revenue Grants Reserve	(996,156)	70,517	(925,639)
Charity Accounts	(11,790)	-	(11,790)
Collection Fund Equalisation Reserve	(275,383)	-	(275,383)
	(8,605,255)	1,538,259	(7,066,996)

The reserves relating to Stapleford Towns Fund will be utilised accordingly in 2025/26 and 2026/27 to be matched against approved revenue spend.

Change in Balances 2026/27	Estimated Balance at 01/04/2026 £	Projected Withdrawal/ (Addition) £	Estimated Balance at 31/03/2027 £
General Fund Reserve	(4,214,641)	760,309	(3,454,332)
Elections	(82,215)	-	(82,215)
Homelessness Grant Initiatives	(211,600)	75,000	(136,600)
Stapleford Towns Fund Reserve	(1,082,257)	-	(1,082,257)
Planning Reserve	(131,071)	50,000	(81,071)
Noise Monitoring Equipment Reserve	(9,400)	-	(9,400)
Leisure Development Reserve	(123,000)	-	(123,000)
Unapplied Revenue Grants Reserve	(925,639)	39,500	(886,139)
Charity Accounts	(11,790)	-	(11,790)
Collection Fund Equalisation Reserve	(275,383)	275,383	-
	(7,066,996)	1,200,192	(5,866,803)

The recommendations are based on withdrawing £760,309 from General Fund Reserves in 2026/27; withdrawing £75,000 from the Homelessness Grants Initiatives Reserve; withdrawing £50,000 from the Planning Reserve; withdrawing £39,500 from the Unapplied Revenue Grants Reserve (linked to Sager Streets Funding, Cyber Assessment Fund and New Burdens Land Grant); and withdrawing £275,383 from the Collection Fund Equalisation Reserve.

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.

8. 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 4 November 2025. These additional savings and income totalling £835k have been built into the 2026/27 base budget, as follows:

Proposal and Business Impact	Financial Impact on Budgets
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 earlier MTFS which included a 2% rise for 2026/27.	£60k additional funding income over MTFS assumptions included in budget
Council Tax Single Persons Discount reduced following completion of a countywide SPD review in 2025.	£20k additional Council Tax income

Proposal and Business Impact	Financial Impact on Budgets
Completion of a review of Council Tax discounts and exemptions, including second homes and empty homes.	£80k additional Council Tax income
Beeston Square Development – Rental income to include new operators in Phase 2 and a full review of the overall budget.	£50k 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
Environmental Enforcement Income (net) collected by enforcement, subject to the current pilot scheme being extended for at least one year.	£10k additional income included in budget
Planning fees income in 2025/26 is expected to more than achieve its budget targets due to several larger schemes coming forward in this financial year. Although there are no expectations of similar larger schemes coming forward in 2026/27, it is likely that with appropriate planning fee increases, the baseline budget for income can be increased.	£50k additional income included in budget
Homelessness – Government grant allocated to assist the management of the homelessness service. This includes applying residual balances held by the Council in earmarked reserves.	£150k additional grant income included in budget
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, although this has not been included at this stage and will continue to be monitored.
Staffing efficiencies in leveraging new technology, taking advantage of vacancies to restructure to save money, manage vacancies and reduce administration. The General Fund (GF) establishment budget is forecast to significantly underspend in 2025/26. In view of inflationary increases and growth in the overall establishment, it is recommended to increase the baseline savings target to £800k (4.8% of total GF salary budget £16.7m).	£50k increase in the Employee Savings Target included

Proposal and Business Impact	Financial Impact on Budgets
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 Premiums and Claims – The outcome of the insurance tender for the new policies from April 2024 was better than expected and resulted in a budget savings for the General Fund, HRA and Liberty Leisure Limited. The target reductions have already been reflected in 2025/26 budgets. In addition, the Council should be able to benefit from its positive risk management and effective claims management arrangements and utilise Insurance Fund balances that may not be fully needed.	£80,000 release of Insurance Fund balances
Reshaping the Leisure offer following the outcome of strategic reviews of leisure facilities and efficiency reviews of leisure services.	£70k reduction in the Management Fee included in budget
Park Attendants and Security – Potential efficiency savings that could be generated with the development of a new online sports bookings system and by utilising short-term agency cover. A business case is being developed for the budget setting process.	£50k efficiency saving
Cemeteries – Review the use of contractors providing a bin emptying service at cemetery sites. A potential efficiency savings could be generated by utilising existing Grounds Maintenance teams that would also provide better resilience.	£15k efficiency saving

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 alter the proposed draw on the General Fund Reserves in 2025/26 and 2026/27.

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 balances.

Given the ongoing financial impact of the economy and the medium term financial position, a further refresh of the Business Strategy will be required in 2026/27 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 November 2026 for approval.

9. 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, sufficient monies will remain on the account such that an annual precept of £26,450 will be retained for 2026/27.

In the Beeston Special Expenses Area, it is proposed to maintain the precept at £26,450 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.

10. 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 2026/27 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 £192.93 in 2025/26 to £198.61 in 2026/27.

The Council's share of the estimated surplus on the Council Tax element of the Collection Fund at 31 March 2026 is £28,205. After taking this into account along with the increase in the Council Tax Base for 2026/27, as approved by Cabinet on 27 November 2025, 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 £7,189,966 in 2026/27 and would require an overall withdrawal from General Fund Reserves of £760,309 (a net total of £1,200,192 including the contributions from Earmarked Reserves).