

Public Agenda Pack



FULL COUNCIL

Wednesday, 5 March 2025

12.00 pm

The County Room - Somerset County Cricket Club

SUPPLEMENT 5 TO THE AGENDA

To: The members of the Full Council

We are now able to enclose the following information which was unavailable when the agenda was published:

Agenda Item 8 Revenue and Capital Budget and Council Tax 2025-26 and Medium Term Financial Strategy 2025-26 - 2029-30 (Pages 3 - 18)

Covering Report.

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Decision Report – Council Decision

Forward Plan Reference: FP/25/01/02

Decision Date – 05 March 2025

Key Decision – Yes

Revenue and Capital Budget and Council Tax 2025/26 and Medium Term Financial Strategy 2025/26 - 2029/30

Executive Member(s): Cllr Liz Leyshon, Deputy Leader of the Council and Lead Member on Resources and Performance

Local Member(s) and Division: All

Lead Officer: Maria G. Christofi – Interim Chief Finance Officer (Section 151 Officer)

Executive Summary

1. This report seeks Council approval of the Revenue Budget, Capital Programme, Treasury Management Strategy and Council Tax for 2025/26 and the Medium-Term Financial Strategy & Plan (MTFS & MTFP) for the period 2025/26 to 2029/30.
2. Executive considered the Budget report on 3 March 2025 and endorsed the budget proposals and recommendations for Council to consider at this budget setting meeting. The Executive report is attached at Appendix AA. The report includes several appendices as summarised in Section 4 below. These provide detailed information that should be used to support Members in their decision making. Where updated information has been received since the Executive, this report highlights changes that have been made.
3. This report provides an overview of the Council's financial position and the national economic context and uncertainty and risk for local government in relation to continued absence of long-term funding plans for the local government sector.
4. The report includes several appendices as set out in the table below. These provide more detailed information that should be used to support Members in their decision making:

Appendices:	
A	Section 25 Report – Section 151 Officer Report on the Robustness of the Estimates and Adequacy of Reserves Annexes: Annex Ai 2025/26 Exceptional Financial Support (EFS) In Principle Agreement

Appendices:	
	Annex Aii 2024/25 Exceptional Financial Support (EFS) In Principle Agreement Annex B Directorate Budget Assurance Statements: (i) Adults Services & Housing (ii) Children's, Families & Education (iii) Community, Place & Economy (iv) Resources, Strategy & Transformation (v) Finance & Procurement (vi) Chief Executive
AA	Revenue and Capital Budget and Council Tax 2025/26 to Executive
B(i)	New Savings
B(ii)	2024/25 Savings for delivery in 2025/26
B(iii)	All Savings
C	New Growth
D	Proposed Revenue Budget 2025/26
E	MTFP Movements since October 2024 Executive
F	MTFP Five Year Projections
G	Medium Term Financial Strategy 2025/26 – 2029/30
H	Fees and Charges for approval 2025/26
I	Specific Revenue Grants Schedule 2025/26
J(i)	Dedicated Schools Grant (DSG) Forecast spend
J(ii)	Summary DSG Settlement 2025/26
K	Parking Account 2025/26
L	Cumulative Equalities Impact Assessment
M	2025/26 Budget Consultation Feedback
N	Earmarked Reserves Forecast
O	Capital Investment Strategy 2025/26
P	New Capital Schemes
Q(i)	Capital Programme Summary 2024/25-2029/30
Q(ii)	Capital Programme Full Schemes 2024/25-2029/30
R(i)	Treasury Management Strategy including Prudential Indicators
R(ii)	Minimum Revenue Provision Policy
S	Flexible Use of Capital Receipts Strategy
T	Non-Treasury Investment Strategy 2025/26
U	Calculation of Council Tax Requirement 2025/26 – provisional
V	Council Tax Scenarios

Recommendations

5. It is recommended that Council:

In respect of the Robustness of the Budget

- a. Confirms that it has had regard to the report of the Council's Interim Chief Finance Officer (Section 151 Officer) (Appendix A) as to the robustness of the estimates made for the purposes of the calculations of the budget in making the calculation of its budget requirement confirming the robustness of the Budget estimates and the adequacy of the financial reserves, noting in particular their warning about the forecast deficits and the lack of Financial Sustainability over the period 2026/27 to 2029/30, as required by Section 25 of the Local Government Act 2003;

In respect of the General Fund Revenue Budget 2025/26

- b. Having considered the detailed Equalities Impact Assessments **Appendix L**, approve the Savings and Income generation plans outlined in **Appendices B(i)**, **B(ii)** and **B(iii)**.
- c. Approve the additional funding for new Growth requirements set out in **Appendix C**.
- d. Approve the General Fund Net Revenue Budget for 2025/26 of £622.089m and the individual Executive and Service Directorate Budgets for 2025/26 as outlined in **Appendix D**.
- e. Note the MTFP Movements set out in **Appendix E** from the report that was presented to Executive in October 2024.
- f. Approve the MTFP for the next five years set out in **Appendix F** and the MTFP 2025/26 – 2029/30 Strategy Document set out in **Appendix G**.
- g. Approve the changes to the Fees and Charges schedule for 2025/26 set out in **Appendix H**.
- h. Note the Specific Revenue Grants Schedule 2025/26 set out in **Appendix I**
- i. Note the Parking Account for 2025/26 set out in **Appendix K**
- j. Note the MTFP Cumulative Equalities Impact Assessment set out in **Appendix L**
- k. Note the 2025/26 Budget Consultation Feedback set out in **Appendix M**
- l. Note and agree that the 2025/26 Budget has been balanced. The budget includes £43.000m of Exceptional Financial Support from MHCLG in the form of a Capitalisation Direction which enables operational expenditure to be capitalised as set out in **Appendix AA** and **Appendix D**.
- m. Note and accept the conditions set out in the Minister's 'minded to approve' Exceptional Financial Support letter dated 20 February 2025 set out in **Appendix A**, **Annex A(i)**, that Somerset Council will need to accept and fulfil in order to secure the Capitalisation Direction of up to £43.000m.

In respect of the Dedicated Schools Grant (DSG)

- n. Note that the forecast spending on the Dedicated Schools Grant, set out in **Appendix J(i)** is forecast to exceed the funding provided by government by £33.914m in 2025/26 and is projected to reach a cumulative deficit of £99.125m by 31 March 2026.
- o. Note the overall Dedicated Schools Grant allocation of £481.393m for 2025/26 and breakdown by block set out in **Appendix J(ii)**.
- p. Approves the distribution of the Schools Block of £416.883m in compliance with the National Funding Formula and as recommended by Schools Forum on 15 January 2025 and agrees that any changes to the budget reasonably required as a result to the 2025/26 DSG settlement are delegated for decision to the Chief Finance Officer (Section 151 Officer) **Appendix J(i) and J(ii)**.

In respect of the Earmarked Reserves

- q. Notes the annual review of reserves and that the level of General Reserves is maintained within the risk-based assessment range of £33.254m minimum to £60.000m appropriate level.
- r. Note the Earmarked Reserves reprofiling as set out in **Appendix N**.
- s. Note the overall estimated position of Earmarked Reserves outlined in **Appendix AA, Table 17** and the proposed use of reserves detailed in **Appendix N** which includes the estimated use of Earmarked Reserves during the year.

In respect of the General Fund Capital

- t. Consider and approve the Capital Investment Strategy for 2025/26 to 2029/30 set out in **Appendix O**
- u. Approve the £235.103m new Capital proposals 2025/26 to 2029/30 set out in **Appendix P**
- v. Approve the revised Capital Programme of £1,077.384m 2024/25 to 2029/30, as set out in **Appendices Q(i) and Q(ii)**
- w. Approves the Flexible use of Capital Receipts Strategy 2024/25 and 2025/26 as set out in **Appendix S**.

In respect of the Treasury Management Strategy and Prudential Indicators 2025/26

- x. Approve the Treasury Management Strategy 2025/26, the Treasury Management Policy Statement 2025/26, the Prudential Indicators and the Annual Investment Strategy 2025/26 as set out in **Appendix R(i)**
- y. Approve the Minimum Revenue Provision 2024/25 & 2025/26 set out in **Appendix R(ii)**
- z. Approve the Non Treasury Investment Strategy 2025/26 set out in **Appendix T**

In respect of Council Tax

aa. Approve the calculations for determining the Council Tax requirement for the year 2025/26 in accordance with the Local Government Finance Act 1992 set out in the Council Tax Resolution in **Appendix U**.

bb. Agree to continue the Council Tax precept of £14.65, included in the overall Band D Council Tax for the shadow Somerset Rivers Authority (representing no increase for 2025/26). This results in a Council Tax Requirement of £3,112,887 for the Somerset Rivers Authority.

cc. Approve the increase in Council Tax for a Band D property for Somerset Council, including the Somerset Rivers Authority Precept, by £129.43 for 2025/26, giving a Band D Council Tax of £1,857.61 per year, being:

- i) The General Band D Council Tax by 5.49%, £94.87, being the maximum 2.99% permitted without a referendum and the additional 2.5% permitted by the Ministry of Housing Communities and Local Government as part of the Local Government Finance Settlement for 2025/26; and
- ii) The Adult Social Care Precept by 2.00%, £34.56.

dd. Approve a Special Expenses rate of £151,509 as detailed in **Appendix U**.

ee. Approve the precept requirement of £394,863,503 (including Special Expenses Rate) £394,711,994 (excluding Special Expenses Rates).

ff. Approve the 7.49% increase formal Council Tax resolution, in **Appendix U**, for Council Tax incorporating:

- 5.49% General Council Tax (including an additional 2.5% EFS) and
- 2.00% Adult Social Care Precept and
- Note the precepting bodies precepts as below:

	2024/25 £	2025/26 £	Increase %
Somerset Council	1,498.80	1,593.67	5.49
Somerset Council – Social Care	229.38	263.94	2.00
Somerset Council Total	1,728.18	1,857.61	7.49
Police and Crime Commissioner	279.20	293.20	5.01
Devon and Somerset Fire Authority	99.68	104.68	5.02
Sub-Total	2,107.06	2,255.49	7.04
Special Expenses Average	1.11	0.71	(36.04)
City, Town and Parish Council (average)	158.86	182.42	14.84
Total	2,267.03	2,438.62	7.57

gg. Note the Council Tax Scenarios set out in **Appendix V**

hh. Approves the formal Council Tax resolution below:

- The Council Tax Base for the year 2025/26 was calculated in accordance with the provisions of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 1992 as amended and made under Section 33 (5) of the Local Government Finance Act 1992, (referred to hereinafter as “the Act”).

			Legislation	Plain English
1	a	212,483.78	The Council Tax Base 2025/26 for the whole Council area [Item T in the formula in Section 31B (3) of the Local Government Finance Act 1992, as amended (the "Act")] and, for dwellings in those parts of its area to which a Parish precept relates as in Appendix U(iii) .	The Tax Base for the whole District and the Tax Base for each City/Town/Parish.

- Calculate that the Council Tax requirement for the Council's own purposes for 2025/26 (excluding Parish precepts) is:

		£	Council Tax Requirement
2	a	391,599,107	(excluding Parish precepts)
		3,112,887	with an additional requirement for the Somerset Rivers Authority

- That the Council calculates the following amounts for 2025/26 in accordance with Sections 31B and 34 to 36 of the Act (as amended by the Localism Act 2011 and Local Government Regulations 2012).

		£	Legislation	Plain English
3	a	1,375,125,232	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act, taking into account all precepts issued to it by Parish Councils.	The estimated gross revenue expenditure (including transfers to reserves and deficits on the collection fund) for the General Fund, Special Expenses account, other General Fund revenue reserves and Parish/City/Town precepts
	b	941,500,138	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act	The estimated gross revenue income (including the transfer of the surplus on the Collection Fund, formula grant and transfers from reserves) for the same funds as mentioned above.

		£	Legislation	Plain English
	c	433,625,094	Being the amount by which the aggregate expenditure at 3(a) above exceeds the aggregate income at 3(b) above, calculated by the Council, in accordance with Section 31A (4) of the Act; as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act.]	The net (expenditure less income) funding requirement for the General Fund and Special Expenses accounts plus the Parish precepts issued for the year.
	d	2,040.74	Being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of it's Council Tax for the year.	The average Band D Council Tax across Somerset inclusive of parish precepts and Special expenses. It is not actually charged anywhere in Somerset but must be calculated by law as part of the Council Tax setting process.
	e	38,913,100	Being the aggregate amount of all special items referred to in Section 34(1) of the Act.	The total of Parish precepts received for the year and the net Special expenses.
	f	1,857.61	Being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (2 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relates.	This is the Band D Council Tax for Somerset Council (including the Somerset Rivers Authority) only.

- To note that the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
- That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in **Appendix U** as

the amounts of Council Tax for 2025/26 for each part of its area and for each of the categories of dwellings.

Reasons for Proposals

6. The Council must approve its Revenue Budget and set the Council Tax by 11 March 2025 in relation to 2025/26. All councillors have a legal responsibility to set a balanced budget by this deadline. In addition, the Council has a Best Value Duty to demonstrate financial sustainability through the delivery of a balanced MTFP over a period of at least 3 years.
7. The recommendations enable the Council to progress towards meeting its statutory responsibility to set a Balanced Revenue Budget for 2025/26 and the requirement to secure financial sustainability over the period of the MTFP. The setting of the Revenue Budget and Council Tax is part of the Council's budget and policy framework. It cannot be delegated and requires Full Council approval.
8. As part of the budget and policy framework, it is also necessary to approve the capital investment programme, treasury management strategy and fees & charges. These are included within this report, together with their implications for the 2025/26 revenue budget and the MTFP to 2029/30.
9. The Housing Revenue Account (HRA) 2025/26 rent setting report was considered by Executive on 3 February and approved by Council on 12 February 2025. The overall HRA budget report and capital programme for 2025/26 are considered elsewhere on this agenda.
10. The Council is required to take a systematic, coherent and controlled approach to addressing its financial challenges over the medium term, whilst enabling the delivery of its priorities as set out in the Council Plan.

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Main report and supporting information

Background and purpose of report

Background

11. The Interim Chief Finance Officer, as statutory officer, is required by statute to advise Members as part of the annual budget-setting report on the robustness of estimates and adequacy of reserves, that the Council must have regard to when setting the budget and Council Tax. This assessment is detailed in **Appendix A**.
12. The overall net General Fund Budget proposed for 2025/26 is £622.089m (£601.775m in 2024/25). This takes into account the final Local Government Finance Settlement for 2024/25.
13. The 2025/26 Budget, although considered robust and achievable is not without risk, as detailed in the risk section below. As an extra layer of assurance to Members, and to enhance sound financial management and resilience, this report also includes an assurance from each Executive Director as to their approach to keeping within the cash envelopes proposed within this budget, as set out in **Annexes to Appendix A**.
14. In order to set a Robust and Balanced Budget for 2025/26, the Council is reliant upon the Exceptional Financial Support of 2.5% additional Council Tax above the referendum limit and the 'in principle' approval of a Capitalisation Direction of £43.000m as set out in the Minister's letter and will be required to accept any terms issued by MHCLG and to take any required actions specified by the Deputy Prime Minister in order to secure final approval. MHCLG issued an 'in principle' approval of the Capitalisation Direction on 20 February 2025. This confirmed the maximum value of the Capitalisation Direction of £63.000m including a reprofiling of £20.000m from 2024/25 in respect of transformation and redundancy costs into 2025/26.
15. Within the LGFS announcement on 3 February, MHCLG has confirmed that Somerset is one of only six authorities that received the permission to increase its Council Tax above the 3% referendum limit, without a referendum following their EFS application.
16. The decision for Somerset Council is that it may increase the Council Tax by an additional 2.5% above the 3% referendum limit which will raise an additional £9.180m of ongoing income to support the ability to balance the budget for 2025/26. In addition, a 2% increase in the ASC Precept is proposed, resulting in a total increase in Council Tax of 7.49%. The final decision on the level of Council Tax will be made by the Full Council in considering the budget at its meeting on 5 March 2025.

17. **Table 1** below details the effect of a 7.49% increase in the Somerset Council element of Council Tax for 2025/26

Effect of assumed 7.49% p.a. total increase in Somerset element of Council Tax for 2025/26				
Band	% of dwellings per band *	2025/26 7.49% Increase		
		Council Tax £	Annual Increase £	Weekly Increase £
A	15.9	1,238.41	86.29	1.66
B	26.5	1,444.81	100.67	1.94
C	22.0	1,651.20	115.05	2.21
D	14.8	1,857.61	129.43	2.49
E	11.4	2,270.41	158.19	3.04
F	6.2	2,683.22	186.96	3.60
G	2.9	3,096.02	215.72	4.15
H	0.3	3,715.22	258.86	4.98

*Based on the number of dwellings on the valuation list as at 15 September 2024

18. The Interim Chief Finance Officer (Section 151 Officer) recommends that an appropriate level of General Fund Balance is £60.000m approximately 10% of the Net Revenue Budget, the minimum level for the General Fund Balance is 5% of the Net Revenue Budget which is equivalent to £33.254m for 2025/26. In addition, it is recommended that a Business Risk Reserve is maintained at its current level of £40.732m and where possible increased to be the equivalent of 10% of the Net Revenue Budget over the period of the MTFP. The MTFP includes an estimated budgeted contribution to the Business Risk Reserves of £5.000m from 2027/28 to work towards achieving the recommended levels in order to manage the financial risks facing the Council. This is shown in **Appendix N**.

Key considerations for the Council

Scrutiny comments / recommendations:

19. The Scrutiny Committee for Corporate and Resources has led the oversight and scrutiny of the Council's Budget and Medium-Term Financial Plan (MTFP) 2025/26 and Budget proposals to provide effective, objective and analytical constructive challenge of the budget proposals. The Corporate and Resources Scrutiny Committee considered a report on the Revenue and Capital Budget and Council Tax 2025/26 and Medium-Term Financial Strategy 2025/26 at its meeting on 24 February 2025. Following debate, the Committee did not formally agree any recommendations to the Executive. The report in the following link sets out a summary of the debate considered by the Executive at its meeting on 3 March 2025. [Scrutiny Committee - Corporate and Resources Feedback, 03/03/2025](#)

Consultation and feedback

20. Online consultation with residents, business and stakeholders on the proposed budget ran from 13 December 2024 until 15 January 2025. The feedback from the consultation has been considered as part of the budget report. A full report detailing the feedback is included in **Appendix M**.
21. The Authority has a statutory duty under Section 65 of the Local Government Finance Act 1992 to consult with business ratepayers on its budget. This consultation was completed in February 2025.

Financial and Risk Implications

22. The financial implications are set out throughout the Executive report at **Appendix AA**.
23. The statutory Section 25 Report of the Interim Chief Financial Officer (Section 151 Officer), on the robustness of estimates and adequacy of reserves, that the Council must have regard to when setting the budget and Council Tax is detailed in **Appendix A**.
24. The advice of the Interim Chief Financial Officer (Section 151 Officer) is that this report is written with fundamental reliance upon the Exceptional Financial Support of 2.5% additional Council Tax above the referendum limit and the 'in principle' approval of the Capitalisation Direction of £43.000m and the assumption that final approval will be forthcoming once the Council has satisfied all conditions set out in the Minister's letter of 20 February 2025. Now that the Council has received **the approval of the Exceptional Funding Support Capitalisation Direction application** detailed above, the proposed 2025/26 Budget is robust and the level of reserves and balances in the draft budget is **just adequate**. **The EFS sum is required to enable a legally, robust and Balanced Budget to be set and to avoid the Section 151 Officer being required to issue a Section 114 Notice in relation to 2025/26.**
25. Exceptional Financial Support provided by government is the permission for the Council to increase its Council Tax by an additional 2.5% above the referendum limit and permission to fund £43.000m of Revenue costs via a Capitalisation Direction funded by the Council's Borrowing or Capital Receipts from disposal of assets. Exceptional Financial Support is not additional funding awarded to Somerset, or any Council, in the form of a grant.
26. Regarding the medium-term financial position, the Interim Chief Financial Officer (Section 151 Officer) notes that no assurance can be given until the Government has set out its future spending plans in the Spending Review that is due to take place in Spring 2025 and until the Government has completed the long awaited Fair Funding Review that will determine how funding is allocated to individual local authorities. This is due to take place during 2025/26 and will inform a three year financial settlement for local government for 2026/27 to 2028/29. Until future funding is confirmed the Interim Chief Financial Officer (Section 151 Officer) is not in a position to confirm that any of the Medium Term Financial Strategy is robust and achievable. Members are also referred to the Budget pressures and risks set out in **Appendix A**.

27. Given the issues set out on this report and despite all of the actions taken and mitigations put in place, the risk score on Strategic Risk ORG0057 – Sustainable MTFP remains at 25 the highest risk score possible.

Current Risk Score:

Likelihood	5	Impact	5	Risk Score	25
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Projected risk score if recommended actions are agreed and delivered:

Likelihood	5	Impact	5	Risk Score	25
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28. Unless there is a significant change to the current funding regime or continued and on-going government support is provided, it is likely that a Section 114 Notice will need to be issued in respect of 2026/27. This is because the forecast Budget gap exceeds the estimated level of reserves.

Legal and Procurement Implications

29. Local authorities owe a fiduciary duty to Council taxpayers, which means they must consider the prudent use of resources in the short and long term, including control of expenditure, the need to strike a fair balance between the interests of Council taxpayers and the community’s interest in adequate and efficient services, and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers.
30. The Local Authorities (Functions & Responsibilities) (England) Regulations 2000 (as amended) set out the respective functions of Council and of the Executive. With regard to the setting of the budget and Council Tax for the forthcoming year, the Regulations provide that the Executive formulates the plan or strategy (in relation to the control of the Council’s borrowing or capital expenditure) and the preparation of estimates of the amounts to be aggregated in making the calculations under Section 32 of the 1992 Act. However, the adoption of any such plan or strategy/calculations is the responsibility of Full Council.
31. Section 31A of the Local Government Finance Act 1992 requires billing authorities to calculate their Council Tax requirements in accordance with the prescribed requirements of that section. The function of setting the Council Tax is the responsibility of Full Council. The function of preparing estimates and calculations for submission to Full Council is the responsibility of the Executive. The Council is required by the 1992 Act to make estimates of gross revenue expenditure and anticipated income, leading to a calculation of a budget requirement and the setting of an overall budget to ensure proper discharge of the Council’s statutory duties and to lead to a balanced budget. The budget should include sufficient allowances for contingencies and financial reserves.
32. Full Council is responsible for setting the overall budget framework, but where proposed savings are an estimate requiring further analysis they will be subject to officer or Executive approval, which will take account of the statutory framework, any requirement

to consult and consideration of overarching duties, such as the public sector equality duty. A contingency has been set aside to deal with a risk that particular savings cannot be met within the allocated budget or in compliance with any specific statutory framework, but if this is not sufficient any reconsideration of the overall budget framework would be referred to Full Council. The Local Government Act 2003 and associated regulations set out rules in relation to use of capital reserves. Section 15 requires local authorities to have regard to relevant statutory guidance. The statutory guidance on flexible use of Capital Receipts confirms that local authorities cannot borrow to finance service delivery, however, they can use Capital Receipts from sale of assets to finance the revenue costs of reforming services. The guidance states that qualifying expenditure is expenditure on a project that is designed to generate ongoing revenue savings in the delivery of public services or transform service delivery in a way that reduces costs or demand for services in future years. The Council is expected to publish an annual Flexible Use of Capital Receipts Strategy (**Appendix S**), although this can be included in wider strategy documents.

33. Section 25 of the Local Government Act 2003 requires the Council to have regard to the report of the Chief Finance Officer (Section 151 Officer) as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves in making the calculation of its budget requirement.
34. Section 114 of the Local Government Finance Act 1988 outlines the duties of the chief finance officer of a relevant authority. The Chief Finance Officer (Section 151 Officer) is required to make a report under this section if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
35. Under section 106 of the Local Government Finance Act 1992 if a payment of Council Tax that a member is liable to make has been outstanding for two months or more at the time of a meeting, the Member must disclose the fact of their arrears (though they are not required to declare the amount) and cannot vote on any of the following matters if they are the subject of consideration at a meeting:
 - Any decision relating to the administration or enforcement of Council Tax, and
 - Any budget calculation required by the Local Government Finance Act 1992 underlying the setting of the Council Tax,

Failure to comply with these requirements is a criminal offence

The contents of this report are, and the decisions taken on it will be, matters which might affect the making of the Annual Budget Calculation

HR / Workforce Implications

36. A number of the potential savings proposals will have staff implications and the approved HR processes and policies will be followed.

Equalities Implications

37. The impact of setting a budget will have specific implications on those protected under the Equality Act 2010. The Council's budget planning framework is supported by the development of Equality Impact Assessments (EIAs) for the budget proposals, identifying possible disproportionate impact in relation to the protected characteristics as described within the Equality Act 2010. The EIAs will also identify potential mitigation where applicable. Individual equality impact assessments form part of the decision making on the specific proposals needed to balance the budget in February 2025. There is also a cumulative Equalities Impact Assessment included in **Appendix L** which details any equalities impacts.

Community Safety Implications

38. The Equality Impact Statement outlined in **Appendix L** outlines key implications from the savings proposals outlined in **Appendix B**.

Climate Change and Sustainability Implications

39. The Equality Impact Statement outlined in **Appendix L** outlines key implications from the savings proposals outlined in **Appendix B**.

Health and Safety Implications

40. The Equality Impact Statement outlined in **Appendix L** outlines key implications from the savings proposals outlined in **Appendix B**.

Health and Wellbeing Implications

41. The Equality Impact Statement outlined in **Appendix L** outlines key implications from the savings proposals outlined in **Appendix B**.

Social Value

42. The Equality Impact Statement outlined in **Appendix L** outlines key implications from the savings proposals outlined in **Appendix B**.

Background Papers

- 2024/25 Revenue Capital & Housing Revenue Account (HRA) Budget reports to 20 February 2024 Council
- Section 25 Report from the Section 151 Officer to 20 February 2024 Council
- Letter from DLUHC 28 February 2024
- Medium-Term Financial Strategy (MTFS) 2025/26 to 2029/30 report to 8 April 2024 Executive
- 2024/25 Financial Strategy report to July 2023 Executive
- Medium Term Financial Strategy (MTFS) Update 2025/26 to 2029/30 report to 7 October 2024 Executive
- Budget Proposals 2025/26 to 2029/30 report to 2 December 2024 Executive
- Budget 2025/26 Savings, Pressures, Fees and Charges 3 February 2025 Executive

- Section 25 Report – Section 151 Officer Report on the Robustness of the Budget Estimate and Adequacy of Reserves report to Scrutiny Committee – Corporate and Resources 24 February 2025
- Section 25 Report – Section 151 Officer Report on the Robustness of the Budget Estimate and Adequacy of Reserves report to Executive 3 March 2025
- Revenue and Capital Budget and Council Tax 2025/26 and Medium Term Financial Strategy 2025/26 - 2029/30 report to Scrutiny Committee – Corporate and Resources 24 February 2025
- Revenue and Capital Budget and Council Tax 2025/26 and Medium Term Financial Strategy 2025/26 - 2029/30 report to Executive 3 March 2025
- MHCLG letter 20 February 2025

Appendices

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P	New Capital Schemes
Q(i)	Capital Programme Summary 2025/26 – 2029/30
Q(ii)	Capital Programme Full Schemes 2025/26 – 2029/30
R(i)	Treasury Management Strategy including Prudential Indicators

R(ii)	Minimum Revenue Provision Policy
S	Flexible Use of Capital Receipts Strategy
T	Non Treasury Investment Strategy 2025/26
U	Calculation of Council Tax Requirement 2025/26
V	Council Tax Scenarios

**Report assurance checklist ahead of report publication
(for Audit, Executive, Full Council and Scrutiny Committees)**

	Officer Name	Date Completed
Legal & Governance Implications	Jill Byron Alyn Jones	03/03/2025 03/03/2025
Finance & Procurement	Nicola Hix	03/03/2025
Workforce	Dawn Bettridge	03/03/2025
Asset Management	Chris Hall	03/03/2025
Executive Director	Maria G Christofi	03/03/2025
Executive Lead Member	Cllr Liz Leyshon	03/03/2025
Consulted:		
Local Division Members	N/A	N/A
Opposition Spokesperson	Cllr Diogo Rodrigues	
Relevant Scrutiny Chair	Cllr Steven Pugsley	