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Our reference:
Your reference:
Date: Monday, 3 February 2025

To all Members of the Cabinet

Dear Councillor

AGENDA SUPPLEMENT

Please note the attached documents below for the meeting of the Cabinet to be held on Tuesday, 11 February 2025, the agenda for which has already been published.

Yours sincerely



Sara Pregon
Monitoring Officer

AGENDA

6. Revised 2025/26 Budget and Financial Strategy (Pages 1 - 10)

The report of the Director – Finance and Corporate Services is attached.

It has been identified that there is an error in the calculation of the **Special Expense Band D precept**. Unfortunately the Special Expenses calculation did not reflect an updated taxbase figure for the overall Council Tax calculation. The overall budget for the Special Expense areas has not changed (£83,600 (9.01% increase), however as the tax base is slightly different this has had the following effect on the Band D for the respective areas:

West Bridgford Band D was £63.93 (7.55% increase) now £64.84 (9.08% increase), a further 91pence for the year.

Keyworth Band D was £3.27 (30.28% decrease) now £3.21 (31.56% decrease)

Ruddington Band D was £3.23 (1.82% decrease) now £3.14 (4.56% decrease)

The attached supplementary papers reflect the revised figures including a Full Covering Report which replaces the report on the main agenda with revised recommendations in relation to Special Expenses only.

Membership

Chairman: Councillor N Clarke

Vice-Chairman: Councillor A Brennan

Councillors: R Inglis, R Upton, D Viridi and J Wheeler

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Cabinet

Tuesday, 11 February 2025

2025/26 Budget and Financial Strategy

Report of the Director – Finance and Corporate Services

**Cabinet Portfolio Holder for Finance, Transformation and Governance
Councillor D Viridi**

1. Purpose of report

- 1.1 This report presents the detail of the 2025/26 budget, the five-year Medium Term Financial Strategy (MTFS) from 2025/26 to 2029/30, which includes the revenue budget, the proposed Capital Programme, the Transformation and Efficiency Plan, the Capital and Investment Strategy (with associated prudential indicators), and the Pay Policy Statement.
- 1.2 It should be noted that this report is based upon the provisional Local Government Finance Settlement (the final settlement is due later in February 2025). Whilst no significant changes are expected in the final settlement, any changes will be covered in the final report to Full Council.

2. Recommendation

It is recommended that Cabinet RECOMMENDS to Council that it:

- a) adopts the budget setting report and associated financial strategies 2025/26 to 2029/30 (attached Annex) including the summarised Special Expenses budget at Appendix 1, Budget Summary at Appendix 2, changes to fees and charges regarding Garden Waste and Car Parking at Appendix 5 and Transformation and Efficiency Plan at Appendix 7;
- b) adopts the Capital Programme as set out in Appendix 3;
- c) adopts the Capital and Investment Strategy at Appendix 8;
- d) sets Rushcliffe's 2025/26 Council Tax for a Band D property at £161.77 (increase from 2024/25 of £3.89 or 2.46%);
- e) sets the Special Expenses for 2025/26 for West Bridgford, Ruddington and Keyworth, Appendix 1, resulting in the following Band D Council Tax levels for the Special Expense Areas:
 - i) West Bridgford £64.84 (£59.44 in 2024/25)
 - ii) Keyworth £3.21 (£4.69 in 2024/25)
 - iii) Ruddington £3.14 (£3.29 in 2024/25);
- f) adopts the Pay Policy Statement at Appendix 6; and

- g) delegates authority to the Director – Finance and Corporate Services to make any minor amendments to the Medium-Term Financial Strategy (MTFS) once the final Local Government Finance Settlement is received and advise the Finance Portfolio Holder accordingly, to be reported to Full Council.

3. Reasons for Recommendation

To comply with the Local Government Finance Act (1972) and ensuring the budget enables corporate objectives to be achieved. The Council is required to set a balanced budget and demonstrate that it has adequate funds and reserves to address its risks. Recent economic events highlight the importance of adequate reserves to withstand volatility.

4. Supporting Information

The Budget and Associated Strategies

4.1 The attached report and appendices detail the following:

- a. The anticipated changes in funding over the five-year period including changes to fees and charges and particularly green waste and car parking;
- b. The financial settlement for 2025/26 and the significant budget pressures the Council must address over the medium term;
- c. The budget assumptions that have been used in developing the 2025/26 budget and MTFS;
- d. The detailed budget proposals for 2025/26 including the Transformation and Efficiency Plan (TEP) (and associated programme) to deliver the anticipated efficiency and savings requirement;
- e. The recommended levels of Council Tax for Band D properties for the Council and Special Expense areas of West Bridgford, Ruddington and Keyworth;
- f. The projected position with the Council's reserves over the medium term;
- g. Risks associated with the budget and the MTFS;
- h. The proposed Capital Programme;
- i. The proposed Pay Policy Statement; and
- j. The proposed Capital and Investment Strategy.

4.2 The salient points within the MTFS are as follows (MTFS report (Annex) references in parenthesis):

- a. It is proposed that Council Tax for 2025/26 will increase by £3.89 to £161.77 (2.46%) (Section 3.3). This still means that Rushcliffe's Council

Tax remains the lowest in Nottinghamshire and amongst the lowest in the country.

- b. Special Expenses increasing to £1.012m (£0.928m 2024/25) and taking into effect tax base changes, this results in Band D charges for West Bridgford increasing by £5.40 to £64.84 (£59.44 in 2024/25). Keyworth decreases from £4.69 to £3.21 (due to reprofiling of cemetery works to 2026/27) and Ruddington decreases from £3.29 to £3.14 as a result of the tax base increasing while costs remain the same (Section 3.5).
- c. Business Rates (Section 3.1) is still pending a national reset (not likely until 2026/27) and there has been a revised schedule of revaluations (now every three years with next one due for 1 April 2026) this may result in fluctuations in collectible rates and makes budget setting harder to predict. Reductions in leisure, retail and hospitality sector reliefs pose an additional risk for Business Rates collection rates. Ratcliffe on Soar Power Station ceased production in October 2024; however, reduced rates are payable during decommissioning and demolition. Considering these factors and using the national average for appeals, the Council has set a budget of £6.676m in 2025/26 and projections for 2026/27 of £3.578m in retained Business Rates. This reflects the expected Business Rates reset in 2026/27.
- d. The Council no longer receives Revenue Support grant (reduced to zero in 2019/20) and represents a reduction of £3.25m from 2013/14 (Section 3.6). Importantly the Council has mitigated the loss of income through its Transformation and Efficiency Plan.
- e. For 2025/26, Councils are permitted to raise Council Tax by the higher of 3% or £5. Council Tax has been based on an increase of 3% or £5.31 (including Special Expenses) and 3% each year thereafter. Rushcliffe's increase is the cumulative impact of both the Special Expense and the Borough Council's Council Tax. The tax base has been assumed to increase by 1.66% in 2025/26 and 1.8% thereafter).
- f. New Homes Bonus (NHB) was due to cease after 2024/25; however, in the provisional settlement it was announced that the Council would receive a final payment in 2025/26 of £1.478m (section 3.7) and zero from 2026/27.
- g. The budget reflects the elevated levels of inflation offset partially by the positive effect on the Council's investment returns due to higher interest rates but also the further delay in Business Rates reset, which insulates the budget in the short term. Over the five-year period the budget shows a net £0.172m deficit. The budget allows for 4% growth in staffing costs for 2025/26 (a key driver being the rising minimum national living wage impacting national wage settlements) 3% in 2026/27 and 2% per annum thereafter.
- h. Car parking charges have been reviewed, and it is proposed that fees for longer stays in West Bridgford car parks are increased, this aligns with the Council's Off-Street Car Parking Strategy (Section 3.8).

- i. Some fees and charges have been increased to offset increased costs caused by inflation and pay increases, although limiting these in areas for the more vulnerable (such as home alarms);
- j. Garden waste fees are increased annually, for 2025/26 and 2026/27 this includes an increase of £5 for second and subsequent bins in addition to inflation. There will remain a differential of £5 from 2027/28 between the first bin and two or more bins (Section 3.8).
- k. Simpler Recycling requirements for kerbside recycling (mainly glass and food waste) place pressure on both capital and revenue budgets, due to the requirement for additional vehicles and crews. The loss of recycling credits will be replaced by Extended Producer Responsibility (EPR) Grant; however, by 2029/30 there is a net annual budget pressure of £0.318m (Section 4.2).
- l. Taking into account resource predictions, spending plans and savings already identified, there is a Transformation Programme (Section 7) requirement of an additional £0.824m in 2025/26, a further £0.086m by 2029/30. By 2029/30, whilst there is a £0.686m deficit, the overall position over five years is £0.172m. With impending Local Government Reorganisation (LGR) there is more uncertainty over the medium term and the Transformation Plan will undergo iterative development over the coming year and the MTFS for 2026/27.
- m. Commercial investment income will now reach £2m over the period of the MTFS accounting for 11.1% of fees and charges and other income (includes interest on investments). These are continually managed and are proportionate given the risks and opportunities associated with such investments. (Appendix 8, Table 16).
- n. The Council has a number of earmarked reserves (excluding NHB Reserve), balances reduce from £11.3m to £8.4m mostly as a result of the use of the Organisation Stabilisation Reserve to balance the deficit over the period of the MTFS. The operational and financial environment remains volatile therefore sufficient reserves are essential to ensure the Council can withstand any unexpected shocks. With the Government's focus on funding focused on authorities with low deprivation levels and little external funding anticipated, the Council must continue to be efficient, maximise income and continue to grow the Borough.
- o. This MTFS reports an estimated net deficit over the five-year period of £0.172m. Whilst the Organisation Stabilisation Reserve can accommodate this overall net deficit in the short term, there is a risk that with raised inflation, uncertainty over funding reforms and LGR on the horizon, this position is vulnerable, with much uncertainty. The Transformation and Efficiency Plan (which has already delivered £5.8m to date) will be critical in ensuring a balanced budget in the medium term.
- p. Whilst there are capital pressures there is always a risk of borrowing; however, this would need to be properly funded via the budget and would only be considered if all other options for example leasing, have been exhausted.

- q. Key risks to the MTFS are highlighted, including the potential impact of the LGR, Fair Funding Review, NHB, the volatility caused by the various Business Rates issues and the impact of climate change (both on Council commitments to carbon reduction and from costs incurred from flood response). Inflationary pressures and the rising demand in areas such as housing and homelessness, present challenges to both revenue and capital costs and income streams (Section 8); and
- r. The Capital Programme remains an ambitious programme of £27.1m over the five years. In addition to the rolling replacement schemes, the Programme focusses mainly on maintaining and enhancing our existing assets including enhancements to investment properties, West Bridgford Town Centre Regeneration and improving leisure and community facilities and play areas. Disabled Facilities Grants (DFG) remain a pressure with demand exceeding our grant allocation. It is projected that capital resources will be in the region of £3.4m at the end of the five-year life of the Programme. The level of Capital Receipts will be slowly rebuilt by the repayment of capital loans but will only significantly increase if major assets are identified for disposal. External borrowing is currently not anticipated in the medium term but would be considered if necessary.

4.3 The MTFS has been developed at a time of significant economic uncertainty with continued international conflict and changes in Government control, both in the UK and abroad, adding more uncertainty. The biggest immediate organisational risk follows the white paper on LGR, which may impact as early as 2027 or 2028. If organisational objectives change then inevitably finances will have to shift.

4.4 The MTFS process has been rigorous and thorough, with a Transformation and Efficiency Programme that takes into account both officers' and Members' views. Whilst the Council faces financial constraints both the revenue and capital budgets delicately balance the need for efficiency and economy with the desire for growth; and the aim of encouraging economic development in the Borough and supporting the vulnerable, to achieve the Council's Corporate Priorities.

5. Alternative options considered and reasons for rejection

There are other options in terms of increasing Council Tax by a lesser amount, but this would put severe pressure on already stretched Council resources (see Section 11). For example, if the Council chose to freeze charges in 2025/26, or to increase by £5 compared to the 3% increase proposed, it would result in income forgone of £1.646m and £0.4m respectively over the five-year period.

6. Risk and Uncertainties

6.1 Section 8 of the Annex covers key risks that may impact upon the MTFS. There are a number of reviews that due to economic and political uncertainty have been further delayed such as the Fair Funding Review, Business Rates reform and NHB many of which are now unlikely to be concluded before 2026/27. Details are still emerging around Simpler Recycling and the white paper on LGR

combined with a lack of funding certainty beyond one-year settlements increase the challenge of medium to long term planning.

- 6.2 Conversely there are upside or opportunity risks such as the Freeport and Combined Mayoral Authority which should facilitate greater economic growth. The Council will continue to monitor their impact and report via its usual governance mechanism via Full Council, Cabinet and Corporate Overview Group.

7. Implications

7.1 Finance Implications

These are detailed in the attached budget report (Annex). The Council is required to set a balanced budget for the 2025/26 financial year and the proposals present a balanced budget. In the opinion of the S151 Officer, a positive assurance is given that the budget is balanced, robust and affordable. The Capital Programme is achievable, realistic, and resourced, with funds and reserves including the General Fund, adequate to address the risks within the budget.

7.2 Legal Implications

The recommendations of this report support compliance with the Local Government Finance Act 1972.

7.3 Equalities Implications

There are no equalities implications associated with the recommendations of this report.

7.4 Section 17 of the Crime and Disorder Act 1998 Implications

There are no Section 17 implications associated with the recommendations of this report.

7.5 Biodiversity Net Gain Implications

There are no Biodiversity implications associated with the recommendations of this report.

8. Link to Corporate Priorities

The Environment	Allocating resources to invest in projects that support the Council's environmental objectives.
Quality of Life	Ensuring services that residents value are maintained and enhanced.
Efficient Services	Ensuring efficient use of resources and maximising returns and the development of the Transformation and Efficiency Plan.
Sustainable Growth	Ensuring the Council supports the Economic Growth Strategy and engages in projects such as the Freeport.

9. Recommendation

It is recommended that Cabinet RECOMMENDS to Council that it:

- a) adopts the budget setting report and associated financial strategies 2025/26 to 2029/30 (attached Annex) including the summarised Special Expenses budget at Appendix 1, Budget Summary at Appendix 2, changes to fees and charges regarding Garden Waste and Car Parking at Appendix 5 and Transformation and Efficiency Plan at Appendix 7;
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- d) sets Rushcliffe's 2025/26 Council Tax for a Band D property at £161.77 (increase from 2024/25 of £3.89 or 2.46%);
- e) sets the Special Expenses for 2025/26 for West Bridgford, Ruddington and Keyworth, Appendix 1, resulting in the following Band D Council Tax levels for the Special Expense Areas:
 - ii) West Bridgford £64.84 (£59.44 in 2024/25)
 - ii) Keyworth £3.21 (£4.69 in 2024/25)
 - iii) Ruddington £3.14 (£3.29 in 2024/25);
- f) adopts the Pay Policy Statement at Appendix 6; and
- g) delegates authority to the Director – Finance and Corporate Services to make any minor amendments to the Medium-Term Financial Strategy (MTFS) once the final local government finance settlement is received and advise the Finance Portfolio Holder accordingly, to be reported to Full Council.

For more information contact:	Peter Linfield Director – Finance and Corporate Services 0115 914 8439 plinfield@rushcliffe.gov.uk
Background papers Available for Inspection:	Ministry of Housing Communities and Local Government (MHCLG) website, 2025/26 Financial settlement papers
List of Annexes and Appendices (if any):	Annex to the Budget Report Appendix 1 Special Expenses Appendix 2 Revenue Budget Service Summary Appendix 3 Capital Programme 2025/26 – 2029/30 (including appraisals) Appendix 4 Use of Earmarked Reserves 2025/26 Appendix 5 Proposed pricing schedules (car parking and garden waste) Appendix 6 Pay Policy Statement 2025/26 Appendix 7 Transformation and Efficiency Plan Appendix 8 Capital and Investment Strategy 2025/26 to 2029/30

Table 3 – Change in precepts - Special Expenses

	2024/25	2025/26	Increase/ (Decrease) £	Increase/ (Decrease) %
Total Special Expense Precept	£928,000	£1,011,600	83,600	9.01%
West Bridgford	£59.44	£64.84	£5.40	9.08%
Keyworth	£4.69	£3.21	(£1.48)	(31.56%)
Ruddington	£3.29	£3.14	(0.15)	(4.56%)

The Local Government Act 2003 introduced a requirement that the Chief Financial Officer reports on the robustness of the budget. The estimates have been prepared in a prudent manner, although it should be recognised that there are elements outside of the Council's control. Several risks have been identified in Section 8 of this report, and these will be mitigated through the budget monitoring and risk management processes of the Council.

Appendix 1, summarised in Table 7, details the Band D element of the precepts for the special expense areas. Expenditure in West Bridgford has increased by £87.7k, this is mainly due to the new Edwalton Community Centre £30k, Bridge Field tree works and £25k capital contribution to play area works. This results in an increase in the Band D charge of £5.40 (9.08%) or 10.4p per week. Costs in Keyworth have decreased by £4.1k due to reduced annuity charge resulting from reprofiling of cemetery health and safety works from 2024/25 to 2025/26 meaning repayments via the annuity will not commence until 2026/27. This equates to a 31.56% decrease (£1.48). The Band D amount for Ruddington has decreased by £0.15 (-4.56%) the precept has remained the same and there is an increase in tax base.

The budgets for the West Bridgford Special Expense area have been discussed at the West Bridgford Special Expenses and Community Infrastructure Levy group, given the more detailed nature of the budget.

Table 7 - Special Expenses

	2024/25		2025/26		
	Cost £	Band D £	Cost £	Band D £	% Change
West Bridgford	903,400	59.44	991,100	64.84	9.08
Keyworth	14,200	4.69	10,100	3.21	(31.56)
Ruddington	10,400	3.29	10,400	3.14	(4.56)
Total	928,000		1,011,600		

3.6 Revenue Support Grant (RSG)

The Council no longer receives any historical RSG and this equates to £3.25m in lost income. The Council has mitigated the impact of this loss largely through its Transformation and Efficiency Plan. There is now a small element of RSG included in the grants line of the budget however these are operational grants that had previously been included in the net cost of services and include Local Council Tax Support Administration Subsidy and Family Annex Discount (£105,374), and now also include Electoral Integrity (£10,495) and Transparency Code funding (£8,103).

12 APPENDICIES

12.1 Appendix 1 - Funding Analysis for Special Expenses Areas

Funding Analysis for Special Expense Areas

	2024/25 £	2025/26 £	Change %
West Bridgford			
Parks & Playing Fields	486,700.00	496,000.00	
West Bridgford Town Centre	115,100.00	117,400.00	
Community Halls	101,300.00	131,300.00	
Repayment of revenue deficit	7,300.00	16,000.00	
Revenue Contribution to Capital Outlay	75,000.00	100,000.00	
Annuity Charges	98,000.00	110,400.00	
Sinking Fund	20,000.00	20,000.00	
Total	903,400.00	991,100.00	
Tax Base	15,199.40	15,285.10	
Special Expense Tax	59.44	64.84	9.08%
Keyworth			
Cemetery	9,600.00	9,600.00	
Annuity Charges	4,600.00	500.00	
Total	14,200.00	10,100.00	
Tax Base	3,030.20	3,148.20	
Special Expense Tax	4.69	3.21	(31.56%)
Ruddington			
Cemetery	10,400.00	10,400.00	
Total	10,400.00	10,400.00	
Tax Base	3,156.40	3,311.30	
Special Expense Tax	3.29	3.14	(4.56%)
Total Special Expenses	928,000.00	1,011,600.00	9.01%