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Our reference:
Your reference:
Date: Wednesday, 11 February 2026

To all Members of the Cabinet

Dear Councillor

AGENDA SUPPLEMENT

Please note the attached document below for the meeting of the Cabinet held on Tuesday, 10 February 2026, the agenda for which has already been published.

Yours sincerely



Sara Pregon
Monitoring Officer

AGENDA

6. Budget Addendum Paper (Pages 1 - 4)

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

Membership

Chairman: Councillor N Clarke
Vice-Chairman: Councillor A Brennan
Councillors: R Inglis, R Upton, D Virdi and J Wheeler

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Agenda Item 6

Cabinet - 10 February 2026

Budget Addendum Paper

1. Second Homes Premium

- 1.1 A second home is defined as a furnished property that is not occupied as anyone's main residence but is suitable for overnight accommodation. From 1 April 2025, Rushcliffe Borough Council has applied a 100% Council Tax premium (doubling the charge) to homes that have been second homes for over 12 months. It was introduced as part of the Levelling-up and Regeneration Act 2023. The intention of the policy was to encourage properties back into full use and support housing availability, rather than primarily to raise revenue.
- 1.2 To date 165 properties have been affected by the Second Home Premium in 2025/26, with 130 currently as at 01 February 2026. This difference is likely to be because properties have gone back into full occupation. The premium generates an extra income of £290k for the collection fund per annum. The Rushcliffe element of this is approximately 7%, which equates to £20,300. Note these figures are applicable based on Council Tax rates for 2025/26 and should the precepts increase in future years the income generated will increase accordingly.
- 1.3 Several exceptions apply, including where a property is being actively marketed for sale or rent, is subject to probate, is used as a job-related dwelling where the individual as a condition of the job has to be located in Rushcliffe eg a caretaker, forms part of an annexe, or is restricted as holiday accommodation. Armed forces personnel are also exempt from the premium.
- 1.4 Empty-homes premiums are designed to encourage occupation, and the Council has a strong, well-evidenced empty homes strategy. It is arguable whether the second-homes premium aligns well with the aims or effectiveness of the existing Empty Homes Strategy. The fact the number has reduced to 130 may indicate some success but the quantum is small given the Council has over 55,000 chargeable properties (ie 0.23%).
- 1.5 In terms of comparison of all of the other Nottinghamshire councils RBC, GBC and Nottingham City are the Councils to adopt the policy. NSDC are proposing to introduce from April 2026. Based on Collection Fund statistics 73% of authorities in England have introduced the policy.
- 1.6 Revoking the policy could reduce the Council's income by approximately £20k per year (£100k across the MTFS). However, given the volatility of Council Tax receipts and possible changes to the tax base and discounts, the impact will be managed within such fluctuations. The tax base will be adjusted in future years to reflect the lower chargeable amount when we update the MTFS for 2027/28 onwards.
- 1.7 As Cabinet are recommending revoking the Policy legislation dictates that to remove the premium this would have to be agreed in the previous financial year, thus it will be an additional recommendation in the Full Council Budget Report and the MTFS will be updated to reflect the policy change within the Council Tax section.

2. Council Tax Discount for the Terminally Ill

2.1 During 2024, Marie Curie, the UK's leading end of life charity, published a report that explored poverty and fuel poverty at the end of life in the UK. The report identified that in 2023, 111,000 people died in poverty, more than one in six deaths registered in England, Scotland and Wales. A number of Councils are starting to introduce a Council Tax discount scheme for the terminally ill, Newark and Sherwood being one such Council, with their scheme commencing from April 2026.

2.2 This is the scheme that has currently been approved by NSDC to operate from 01/04/2026. This does not pre-empt what a scrutiny review may determine but gives working assumptions:

- Liable for Council Tax in Rushcliffe
- One family member in household is terminally ill
- The household is in receipt of council tax support through the LCTS scheme
- The applicant has a completed SR1 form (completed by a medical professional), which advises that the named person:
 - o has a progressive disease, and
 - o because of that disease, the expected remaining life of the patient is less than 12 months.

2.2 There are risks surrounding estimating the budget. We do not know the number of people on LCTS and the level of LCTS and therefore the level of Council Tax support, who are terminally ill or how this may change in the future. The scheme would be administered as a S13a local discount, so all costs of the scheme would be borne by Rushcliffe Borough Council. This cost may vary between £30k and £150k per year.

2.3 Based on an average LCTS payment for 36 people who are terminally ill we have allowed for £27,000 plus £13,000 contingency, so an annual budget of £40,000. Over 5 years this is £0.2m and therefore will reduce the budget surplus position

2.4 MTFS implications:

- An additional £40k expenditure budget is suggested to cover the cost of the scheme. Over 5 years is £0.2m cost reducing the surplus as currently reported.
- Any reference to £0.569m surplus over the MTFS period would become £0.369m
- Any reference to reserves balance would be £0.2m less by 2031(appendix 4, table 16)
- Table 12 – expenditure will increase by £40k per year overall with the increase on the transfer payments line
- Table 14 – gross expenditure line will increase and transfer to reserves will reduce by £40k per year (table 15 transfer to reserves will be equally affected)
- Table 17 – net budget deficit or surplus will change by the £40k each year

- To add into the risks section of the report as ultimately we do not know the number of residents who would be subject to the discount, scheme to be agreed as part of a Scrutiny Review
- The scheme can be applied retrospectively to commence from 1 April 2026 once a policy has been agreed by Cabinet, following scrutiny
- Appendix 2 – increase in budget requirement on the Finance and Corporate Services line and surplus/deficit will change as previously mentioned
- The tables below show the effects on the MTFS between current budget report and the revised proposals.

Table 1 – Five-year Budget Estimate

Year	2026/27	2027/28	2028/29	2029/30	2030/31	Total
Net (Surplus)/Deficit (£)	(184,900)	(482,400)	225,000	(33,000)	(93,700)	(569,000)

Table 1 – Five-year Budget Estimate

Year	2026/27	2027/28	2028/29	2029/30	2030/31	Total
Net (Surplus)/Deficit (£)	(144,900)	(442,400)	265,000	(7,000)	(53,700)	(369,000)

3. Final Settlement Changes

- 3.1 The Council’s Director of Finance and the Finance Team are still analysing the final local government finance settlement which was released only yesterday. Unusually there is one significant change. For authorities which are in business rates pools in 2025/26 (including Rushcliffe), figures for their Fair Funding Assessment (in particular revenue support grant), the Recovery Guarantee and funding floor allocations have shifted due to restated 2025/26 baselines due to the new treatment of pooling gains. MHCLG has changed course from the initial means of including extra retained business rates achieved through pooling in 2025/26 among members of pools.
- 3.2 The original approach was based on an assessment of levy liability for relevant authorities in the absence of a pool, meaning the entire pooling gain was assigned to tariff authority members (e.g. shire districts in county area pools).
- 3.3 The revised approach allocates 50% of the pooling gain to top-up authorities within each pool, based on their relative size of the baseline funding level, while the remaining 50% is shared between tariff authorities in pools using the previous approach. This affects authorities assessed 2025/26 starting points (with knock-on impacts on the transitional mechanism) but does not affect the 2028/29 ‘target’ Fair Funding Assessment and revenue support grant figures.
- 3.4 The consequence of this for Rushcliffe is that in 2026/27 the Government given the lateness of the change have provided additional transitional funding to offset the impact. For 2027/28 and 2028/29 this transitional funding is then reduced as a result of the above issue.

3.5 Changes to CSP from provisional settlement to final settlement shown in Table 1 below – the ‘adjustment support grant’ stated below is the additional transitional funding. Figures in brackets are an adverse impact.

Table 1	2026/27	2027/28	2028/29
	£'000	£'000	£'000
Fair Funding Allocation (RSG)	(0.484)	(0.245)	0.000
Homelessness, Rough Sleeping and Domestic Abuse	0.059	0.048	0.018
Total Transitional Protections (95% income projection)	0.000	(0.432)	(0.676)
Adjustment support grant	0.484		
Total core spending power increase/(decrease)	0.059	(0.629)	(0.658)

The table below shows the revised impact on the budget with a new budget deficit position of £0.815m over the next 5 years

Table 2	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Provisional						
Total Income	(44,211)	(44,605)	(45,050)	(44,660)	(45,610)	(224,136)
Gross Expenditure	44,066	44,164	45,314	44,667	45,556	223,767
Net Budget Position (Surplus)/Deficit	(145)	(441)	264	7	(54)	(369)
Final						
Total Income	(44,216)	(43,978)	(44,391)	(44,678)	(45,628)	(222,891)
Gross Expenditure	44,004	44,164	45,315	44,667	45,556	223,706
Net Budget Position (Surplus)/Deficit	(212)	186	924	(11)	(72)	815
Total (increase)/decrease	(67)	627	660	(18)	(18)	1,184

3.6 The table below shows the impact on Reserves which will now be £24.9m by 2030/31. This is an amended Table 16 in the MTFS.

£ 000's	Balance 31.03.25	Balance 31.03.26	Balance 31.03.27	Balance 31.03.28	Balance 31.03.29	Balance 31.03.30	Balance 31.03.31
Investment Reserves:							
Regeneration and Community Projects	4,281	3,625	2,534	2,358	2,081	721	280
Sinking Fund - Investments	882	569	649	449	564	764	964
Corporate Reserves:							
Organisation Stabilisation	3,908	6,359	6,411	6,486	5,436	5,873	5,530
Treasury Capital Depreciation Reserve	1,310	1,310	1,310	1,310	1,310	1,310	1,310
Climate Change Action	2,492	816	531	481	1,223	1,790	2,357
Flood Grant & Resilience	22	22	22	22	22	22	22
Simpler Recycling Reserve	1,250	965	1,685	1,902	2,478	1,628	1,200
Vehicle Replacement Reserve	605	460	845	1,225	1,610	2,115	2,500
LGR Reserve	661	1,090	2,014	2,938	2,862	2,786	2,710
Risk and Insurance	100	100	100	100	100	100	100
Planning Appeals	425	340	340	340	340	340	340
Elections	101	151	201	8	83	158	233
Operating Reserves:							
Planning	56	85	85	85	85	85	85
Leisure Centre Maintenance	43	33	498	1,013	1,528	2,000	2,015
Total Excluding NHB Reserve	16,136	15,925	17,225	18,717	19,722	19,692	19,646
New Homes Bonus	8,153	8,383	6,144	5,770	5,596	5,422	5,248
Total Earmarked Reserves	24,289	24,308	23,369	24,487	25,318	25,114	24,894