

# Public Document Pack



## CABINET

12 FEBRUARY 2025

### SUPPLEMENTARY AGENDA

#### PART 1

##### **5 FINAL GENERAL FUND AND COUNCIL TAX SETTING 2025/26**

To consider the Council's draft 2025/26 General Fund Budget, Council Tax Support Scheme and draft proposals for the 2025/26 Council Tax.

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Part 1



Agenda item:

## CABINET/COUNCIL

**Meeting**

**Portfolio Area** RESOURCES AND TRANSFORMATION

**Date** 12 February 2025/26 February 2025



## FINAL GENERAL FUND AND COUNCIL TAX SETTING 2025/26

### KEY DECISION

**Author** Clare Fletcher

**Contributors** Senior Leadership Team

**Lead Officer** Clare Fletcher

**Contact Officer** Clare Fletcher

### 1 PURPOSE

1.1 To consider the Council's draft 2025/26 General Fund Budget, Council Tax Support Scheme and draft proposals for the 2025/26 Council Tax.

1.2 To consider the projected 2024/25 General Fund Budget.

### 2 RECOMMENDATIONS

That the following proposals be recommended to Council on 26 February 2025:

2.1 The 2024/25 revised net expenditure on the General Fund of **£12,251,910** is approved as set out in paragraph 4.8.1 as summarised in Appendix B.

2.2 The draft General Fund Budget for 2025/26 of **£10,656,540** is proposed for consultation purposes, with a contribution to balances of **£6,053** and a Band D Council Tax of **£246.41**, (assuming a 2.99% Council Tax increase), as summarised in Appendix B.

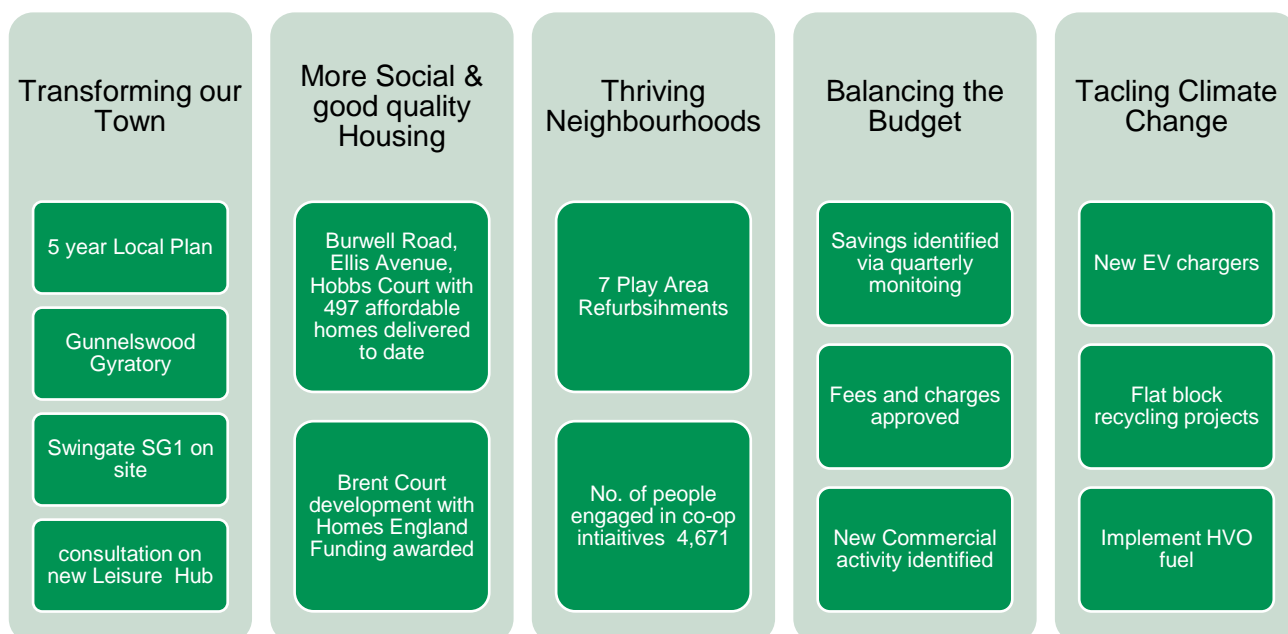
- 2.3 The updated position on the General Fund Medium Term Financial Strategy (MTFS) as summarised in section 4.10 be noted.
- 2.4 The minimum level of General Fund reserves of **£3,421,625**, which is in line with the 2025/26 risk assessment of balances, as shown at Appendix C to this report, is approved.
- 2.5 The contingency sum of **£500,000** within which the Cabinet can approve supplementary estimates, be approved for 2025/26, (reflecting the level of balances available above the minimum amount).
- 2.6 The 2025/26 Balancing the Budget options as set out in section 4.5 and Appendix A, totalling **£275,907** and **£29,651** for the General Fund and HRA respectively, be approved.
- 2.7 The use of the Business Rate reserve to fund a Graduate and Apprentice scheme as set out in section 4.6 is approved for inclusion in the 2025/26 General Fund (**£202,760**).
- 2.8 That a first call on underspends of **£150,000** (in total from the General Fund and HRA) is approved to support the Graduate and Apprentice scheme as set out in section 4.6.
- 2.9 That the growth bid for graffiti removal of **£75,000** as set out in section 4.6 is approved.
- 2.10 That the pressures identified in sections 4.2 and 4.7 to this report are noted.
- 2.11 That Members approve the Council Tax Support scheme for 2025/26 as set out in paragraphs 4.3.8-4.3.9
- 2.12 That the Section 25 Statement on Robustness of Estimates and Adequacy of Reserve as set out in Appendix D is approved.
- 2.13 That Members note the Equalities Impact Assessment appended to this report for the Council Tax increase (Appendix E).
- 2.14 That Members note the feedback on the budget from Overview and Scrutiny as set out in Para.4.13.1 and public consultation in Para. 4.13.2 onwards.

### **3. BACKGROUND**

- 3.1 This report is an update on the January 2025 Draft budget report and sets out the latest position for the 2024/25 and 2025/26 General Fund Budget. The General Fund Budget forms part of the Council's Budget and Policy Framework. Under Article 4 of the Constitution, the Budget includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the council tax; the council tax support scheme; decisions relating to the control of the Council's borrowing requirement; the control of its capital expenditure; and the setting of virement limits.
- 3.2 The Council approved an ambitious new Making Stevenage Even Better Corporate Plan in February 2024. It is essential that the Council employs a robust budget review and setting process in order to ensure that both front line service and Making Stevenage Even Better Corporate Plan priorities can be achieved. As such the budgets both revenue and capital provide the means

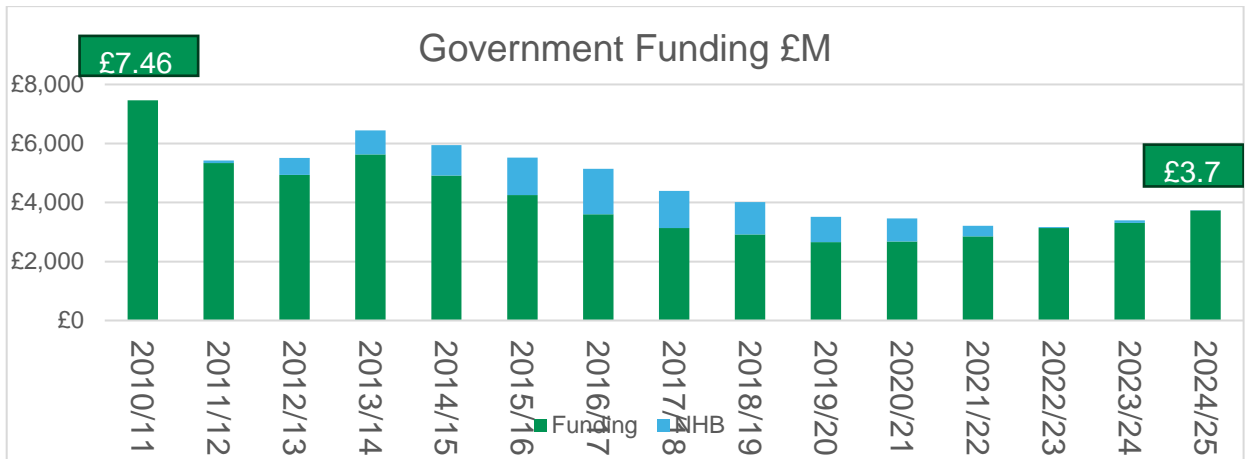
through which delivery of core service and Corporate Plan objectives can be achieved.

3.3 A summary of some of the service and MSEB priority activities which have been delivered as a result of the budget setting activity for 2024/25 is set out below:

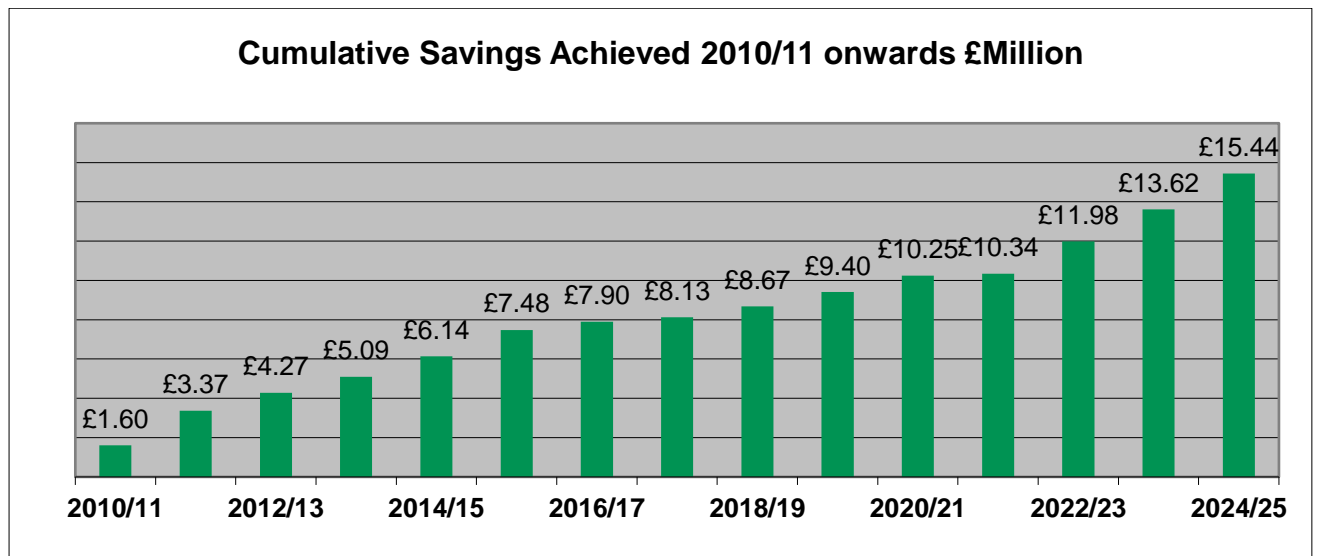


3.4 As set out in the November 2024 Cabinet Balancing the Budget report, the financial landscape for Councils is increasingly difficult due to historic funding cuts, inflationary pressures and increased demands on services. The LGA stated in their response to the provisional settlement *'We welcome both the increase in Core Spending Power and those resources outside Core Spending Power such as the extra £1.1 billion in extra resources for 2025/26 from the new Extended Producer Responsibility for packaging scheme and the extra £515 million to compensate for increases in employer national insurance contributions (NICs). This extra funding, inside and outside Core Spending Power, will help councils meet some - but not all - of the cost and demand pressures councils face. Councils of all types will continue to struggle to balance the books. Many face having to increase council tax bills to bring in desperately needed funding next year but will still be forced to make further cuts to services'*.

3.5 The need to find year on year savings since 2010/11 is illustrated within the chart below. In summary Government funding for SBC (adjusted for subsequent changes for council tax support etc) fell from £7.46Million in 2010/11 to £3.72Million in 2024/25. The impact of this significant reduction in funding was further compounded by a 10% growth of the population in this period and 14 years of unfunded inflationary pressures.



3.6 The Council has a major focus on addressing the resulting financial funding gap through its 'Balancing the Budget' priority and this report sets out the options identified through the Efficiency, Transformation and Commercial / Insourcing elements of the budget setting programme. The Cabinet and Senior Leadership Team recognise the need to plan on the basis of a three year savings horizon to both balance the budget and ensure that there are options identified which can be delivered within the timescales required. Taking such an approach should minimise the need for service cuts. The cumulative savings identified to date since 2010/11 are circa £15Million as shown in the chart below.

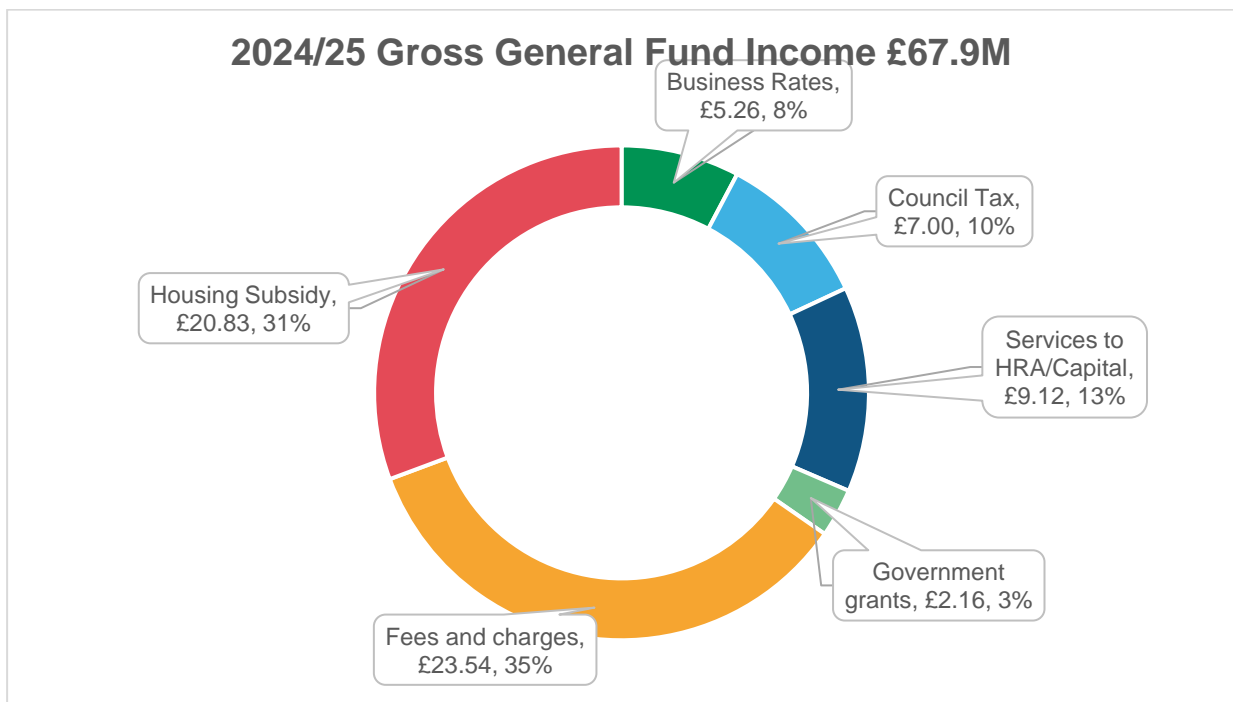


3.7 The 'Balancing the Budget' (BTB) funding gap identified in the September Medium Term Financial Strategy (MTFS) was £2.98Million for 2025/26-2027/28. This was updated in the January 2025 report leaving a residual £1.172Million gap for the period, however the January 2025 report highlighted that sufficient savings for 2025/26 had been identified due to other favourable budget changes. In addition, further Transformation options are anticipated to come forward in 2025 which will further reduce the savings gap.

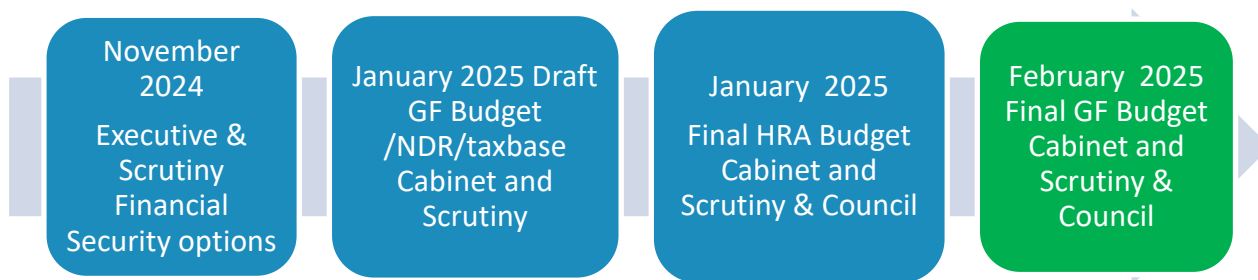
Future Years Savings	2025/26	2026/27	2027/28	Total
Projected Fees and Charges modelled	£493,005	£267,497	£260,062	£1,020,564
Transformation	TBC	TBC	TBC	TBC
Other	£678,677			£678,677
2025/26 Compensating budget adjustments	£113,318			£113,318
<b>Total</b>	<b>£1,285,000</b>	<b>£267,497</b>	<b>£260,062</b>	<b>£1,699,241</b>
Target	£1,285,000	£900,000	£800,000	£2,985,000
<b>Shortfall per year</b>	<b>£0</b>	<b>£632,503</b>	<b>£539,938</b>	<b>£1,172,441</b>

3.8 The January 2025 report summarised the 2025/26 provisional Finance Settlement for Councils (published 18 December 2025), which gave a national increase in core spending power (CSP) of 6%. An update on the final settlement is detailed at paragraphs 4.1.1-4.1.12 and General Fund resource projections have been updated accordingly in the 2025/26 budget.

3.9 The original 2024/25 SBC General Fund budget was £67.9Million but after taking into account fees and charges, government grants, services to the HRA/Capital and housing subsidy resulted in a net budget of £12.78Million and is funded as set out below.



3.10 The Budget and Policy Framework Procedure Rules in the Constitution, prescribe the Budget setting process, which includes a consultation period. The timescale required to implement this process is outlined below.



#### 4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

##### 4.1 Stevenage Borough Finance Settlement 2025/26

- 4.1.1 On 18 December 2024, the Secretary of State for the Ministry for Housing and Communities Local Government (MHCLG) released a written statement to Parliament on the provisional local government finance settlement 2025/26. The final settlement was published on the 3 February 2025. The settlement is for one year with a proposed move to multi-year settlements planned beyond 2025/26.
- 4.1.2 There were a few differences between the provisional and final settlements which included a change to the Employer National Insurance Contributions (NICs) Grant in Core Spending Power. The original announcement was for £515 million, but £13Million is being allocated to Mayoral Combined Authorities. Also announced, was a change in the method for allocating the Employer NICs Grant since this funding was announced in the provisional settlement. The allocation method now includes spend on certain aspects of councils' Housing Revenue Accounts. **SBC received £200,820 in the final settlement versus £85,530 estimated in the provisional announcement.** Members should note there was no additional overall funding at national level for this allocation adjustment. When setting the 2025/26 Housing Revenue Account budget, an adjustment was made to recharges of £200,000 to insulate the impact of the additional NI on the HRA and any subsequent retention of the full NI grant in the General Fund.
- 4.1.3 An extra £19.7 million for the Children's Social Care Prevention Grant. Some £13Million of this was announced at the provisional settlement, but not formally included in Core Spending Power at that point. A minimum of £30,000 has been introduced and the sum subject to an equalisation adjustment has increased from £75Million to £80Million.
- 4.1.4 An increase in New Homes Bonus of £448,000 and a reduction in the support provided through the Funding Floor (or minimum amount of grant awarded) of £275,000, **with no change for SBC.**
- 4.1.5 The Government has confirmed £5Million, an extra £2 million compared to the provisional settlement, for authorities facing high Internal Drainage Board levies. This is not included within Core Spending Power and **has no impact on SBC.**



- 4.1.6 The statement also mentioned £60Million for long-term improvements over the next year, including for devolution and fixing the local audit system. Further details of this funding will be made available in due course.
- 4.1.7 The National Core Spending Power (CSP) figures for Councils shows an increase of 6.0% for 2025/26 (excluding national insurance grant), however this includes assumptions about increases in council tax, which accounts for 5.97% of that increase nationally.

Funding Settlement	Final 2024-25 £Million	Provisional 2025-26 £Million	Final 2025/26	Final V Final Variance £Million	% change of total increase
Settlement Funding Assessment	£16,563	£16,841	£16,841	£278	
Under-indexing the business rates multiplier	£2,581	£2,696	£2,696	£115	
Council Tax Requirement exc. parish precepts	£36,154	£38,312	£38,312	£2,158	<b>5.97%</b>
New Homes Bonus	£291	£290	£290	(£1)	
Services Grant	£87	£0		(£87)	
Funding Guarantee	£269	£0		(£269)	
Rural Services Delivery Grant	£110	£0		(£110)	
Improved Better Care Fund	£2,140	£2,640	£2,640	£500	
Social Care Grant	£5,044	£5,924	£5,924	£880	
ASC Mkt Sustainability and Improvement Fund	£1,050	£1,050	£1,050	£0	
Adult Social Care Discharge Fund (2025/26 now in better care grant)	£500	£0	£0	(£500)	
Recovery grant	£0	£600	£600	£600	
Children's Social Care Prevention Grant	£0	£250	£270	£270	
Domestic Abuse Grant	£130	£160	£160	£30	
Funding Floor		£121	£121	£121	
Grants rolled in	£64	£0	£0	(£64)	
<b>Core Spending Power</b>	<b>£64,983</b>	<b>£68,884</b>	<b>£68,904</b>	<b>£3,921</b>	<b>6.03%</b>
National Insurance grant *1	£0	£515	£502	£502	
<b>Grand Total</b>	<b>£64,983</b>	<b>£69,399</b>	<b>£69,406</b>	<b>£4,423</b>	<b>6.81%</b>

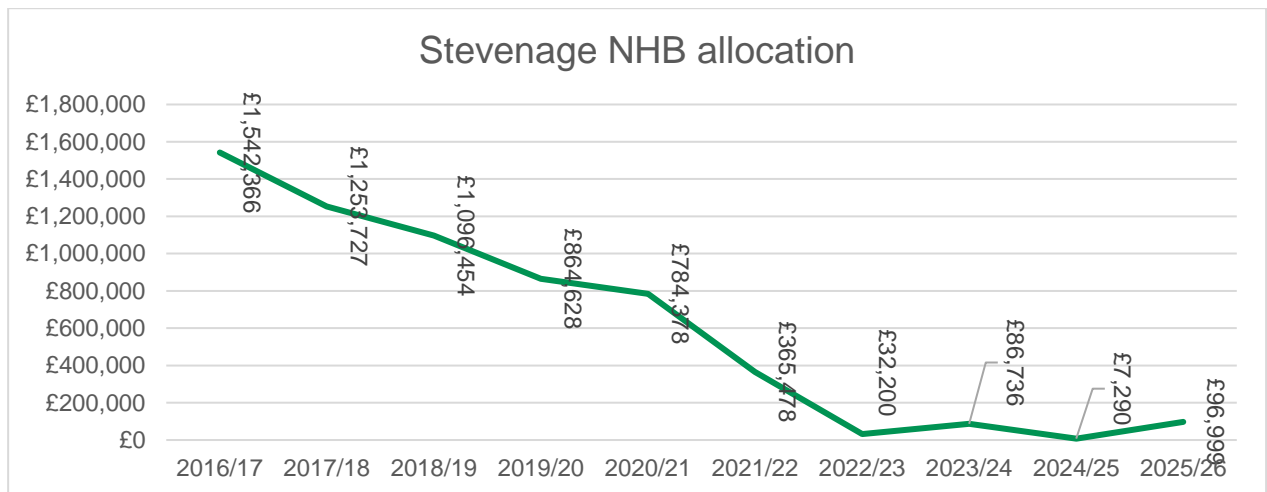
*NB () = less funding \*1 £13Million of National insurance grant was top sliced for combined authorities.*

- 4.1.8 The council tax referendum limit remained at 3% or £5 on a Band D, whichever is the greater for local authorities, with social care authorities allowed to collect an additional 2% social care precept and the Police and Crime Commissioner (PCC) up to £14 on a Band D. For Stevenage £5 equates to a 2.09% increase versus 2.99% or £7.15 on a Band D property. However, the Government did announce in the final settlement additional council tax flexibility for: Windsor and Maidenhead Borough Council (+4%); Birmingham City Council (+2.5%);

Bradford Council (+5%); Newham Council (+4%); Somerset Council (+2.5%); and Trafford Council (+2.5%). This is outside of Core Spending Power.

4.1.9 For 2025/26 the small business multiplier (SBRR) in England will be frozen for a fifth consecutive year at 49.9p, which applies to businesses with a rateable value of less than £51,000, while the standard multiplier (for all other businesses) will be uprated by September 2024 CPI (1.7%) to 55.5p. The under-indexing of the SBRR means the Council will collect less NNDR but the government has committed to funding these policy changes by giving Council's Section 31 grants to compensate for the reduction in income collected.

4.1.10 The Stevenage New Homes Bonus (NHB) allowance for 2025/26 is unchanged at £96,999, (2024/25 £7,290). The government indicated in the Finance Policy Statement that having a portion of the Settlement allocated on a payments-by-results basis negatively interacts with the remainder of the Settlement. The government will therefore be consulting on proposals for reforming the NHB beyond 2025-26 in due course. The potential change to the rules around NHB awards does not impact the Council significantly as Stevenage does not account for NHB in the base budget and has only received relatively small amounts in recent years.



4.1.11 Top Up/Tariff Adjustments (Negative Revenue Support Grant RSG) – As in previous years, the government has not included any negative RSG in this year's settlement and the review of funding the government has announced from 2026/27 will supersede this. As part of previous funding deals Councils were due to have their funding reduced by negative RSG which essentially cuts the amount of monies retained via business rates. This would have resulted in a cost of £27,146 to SBC in 2025/26 before any inflation indexing was added.

4.1.12 A summary of the 2025/26 settlement versus 2024/25 and the November MTFS assumptions is shown in the table below. The final and provisional settlement is **£61.7K higher** (before ringfenced grants) **than 2024/25** and **£348K higher than the MTFS** assumptions which is to be welcomed (excluding National Insurance grant).

	Final 2024/25 Settlement	November MTFS Assumptions	Final Settlement	MTFS V Provisional Variance
Business Rates	(£2,812,960)	(£2,860,780)	(£2,851,146)	£9,635
Under indexing	(£509,446)	(£529,087)	(£527,879)	£1,208
<b>Total Business Rates</b>	<b>(£3,322,406)</b>	<b>(£3,389,867)</b>	<b>(£3,379,025)</b>	<b>£10,842</b>
Revenue Support Grant	(£108,811)	(£110,661)	(£149,048)	(£38,387)
New Homes Bonus (NHB)	(£7,290)	(£60,000)	(£96,999)	(£36,999)
Services Grant	(£17,960)	£0	£0	£0
3%/4%guarantee	(£390,740)	£0	£0	£0
Recovery grant	£0	£0	(£283,819)	(£283,819)
<b>Total</b>	<b>(£3,847,207)</b>	<b>(£3,560,528)</b>	<b>(£3,908,891)</b>	<b>(£348,363)</b>
<b>Increase from 2024/25 to 2025/26</b>			<b>(£61,684)</b>	
<b>Ring fenced Grants:</b>				
Domestic Abuse	(£37,162)	(£37,162)	(£37,663)	(£501)
Homeless & Rough Sleeper	(£945,845)	(£945,845)	(£1,395,414)	(£449,569)
<b>Ring Fenced Grants increase from 2024/25 to 2025/26</b>			<b>(£449,569)</b>	
<b>Total increase in real funding</b>			<b>(£511,253)</b>	<b>(£798,433)</b>

4.1.13 The 2025/26 grant funding for homelessness directly awarded to Stevenage is significantly higher and a further £228,000 of rough sleeper accommodation programme funding for Stevenage has been allocated to Homes England.

4.1.14 In addition to the Finance Settlement, Councils were advised on the 29 November 2024 about funding relating to Extended Producer Responsibility (EPR). The funding will come from the collection of producer fees which may change, but to provide certainty to authorities, the government is only guaranteeing the 2025/26 amount which for Stevenage is £1.078Million. The intention is the funding will enable Councils to drive the changes needed to deliver an efficient recycling service. Further notice of assessment will be provided once the draft Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations are in force.

4.1.15 The Government has also made announcements about simpler recycling or the four bin approach, which the Council will need to consider the impact of. The future years EPR funding is not guaranteed and will be subsumed into the Finance Settlement from 2026/27 onwards. The CFO recommends ring-fencing this money into a reserve and using it to fund recycling improvements or meet any associated increase in costs. Officers are currently looking at options including recycling for flat blocks and will bring recommendations forward for approval.

4.1.16 The Local Government Association has stated that *'We welcome both the increase in Core Spending Power and those resources outside Core Spending Power such as the extra £1.1 billion in extra resources for 2025/26 from the new Extended Producer Responsibility for packaging scheme and the extra £515 million to compensate for increases in employer national insurance contributions (NICs). This extra funding, inside and outside Core Spending Power, will help councils meet some - but not all - of the cost and demand*

*pressures councils face. Councils of all types will continue to struggle to balance the books. Many face having to increase council tax bills to bring in desperately needed funding next year but will still be forced to make further cuts to services’.*

4.1.17 In addition to the government monies set out above, Stevenage will also receive a UK Shared Prosperity Fund allocation for 2025/26 totalling **£327,146**, comprised of **£60,401** for capital and **£266,745** for revenue. A number of proposals are being worked up for Members consideration in a future report to the Cabinet for approval.

## 4.2 Pressures Projected in the General Fund 2025/26

4.2.1 The General Fund budget assumptions for 2025/26 now include growth pressures of £1.336Million (draft budget £1.474Million) as set out below which are included in section 4.7 of this report.

Pressures	2024/25 MTFS	2025/26 Final Budget	+/-	Comments
Inflation	£1,102,380	£886,781	(£215,599)	Reduction in utility, salary inflation and lower software costs
Inflation National Insurance increased rate and threshold	£0	£426,279	£426,279	para 4.1.2 refers
National insurance compensation projected for changes to the rate and threshold from April 2025	£0	(£200,820)	(£200,820)	para 4.1.2 refers
Council Tax Support - Cost of new scheme	£0	£33,250	£33,250	As approved by Cabinet in the November 2024 Council Tax support report
Bat survey Fairlands Park	£0	£15,000	£15,000	Survey required prior to any lighting solutions at Fairlands Valley Park
Reduction in Benefit Subsidy & net cost of housing Benefit	£10,000	(£24,020)	(£34,020)	Reduction in subsidy due to the reducing caseload, formal notification not yet received £10K offset by reduction in net cost of benefits £34K
Car Park income	£200,000	£200,000	£0	Although income is improving year on year, it is still not achieving income levels pre-COVID.
<b>Total Identified</b>	<b>£1,312,380</b>	<b>£1,336,470</b>	<b>£24,090</b>	

### 4.3 Council Tax and Council Tax Support

- 4.3.1 The December 2024 Cabinet Council Tax base report showed a decrease in the tax base of 0.3% compared to 2024/25. This is because some of the anticipated growth in housing numbers did not materialise due to slower than anticipated scheme delivery and the taxbase now includes a reduction of 2% (2024/25 1.75%) for bad debt provision as a result of lower in year collection rates and higher arrears. The growth in the taxbase assumed by the government was higher when the Core Spending Power (CSP) was calculated for Stevenage. This meant the government assumed £52,395 more council tax income than Stevenage is projecting for 2025/26.
- 4.3.2 The January 2025 Cabinet Draft Budget report recommended a 2.99% increase in council tax (1% higher than included in the MTFS) following the November Finance Policy statement which allowed for up to a 3% increase before a referendum threshold is triggered. This gives an additional £68,361 in council tax income and contributes to the BTB savings target and the CFO recommends increasing council tax by 2.99%.
- 4.3.3 Members will recall that SBC retains the lowest share of the overall Council Tax raised each year. To illustrate this, taking a Band C property, (which is the biggest proportion of properties in Stevenage) the relative shares of council tax for a band C property are shown below.

Authority	2023/24	2024/25	Cost per week	Increase	Share
Hertfordshire County Council	£1,427.23	£1,498.45	£28.82	4.99%	77.47%
Stevenage Borough Council	£206.50	£212.68	£4.09	2.99%	11.00%
Police Crime Commissioner	£211.56	£223.11	£4.29	5.46%	11.53%
<b>Total</b>	<b>£1,845.29</b>	<b>£1,934.24</b>	<b>£37.20</b>	<b>4.82%</b>	<b>100.00%</b>

- 4.3.4 An estimate of the 2.99% increase in council tax for Stevenage Borough Council is summarised in the table below.

Council Tax increase modelled for Stevenage Precept 2025/26				
Council Tax band	2024/25	2.99% increase	Total cost per year	Total cost per week
A	£159.51	£4.76	£164.27	£3.16
B	£186.09	£5.56	£191.65	£3.69
C	£212.68	£6.35	£219.03	£4.21
D	£239.26	£7.15	£246.41	£4.74
E	£292.43	£8.74	£301.17	£5.79

Council Tax increase modelled for Stevenage Precept 2025/26				
Council Tax band	2024/25	2.99% increase	Total cost per year	Total cost per week
F	£345.60	£10.33	£355.93	£6.84
G	£398.77	£11.91	£410.68	£7.90
H	£478.52	£14.30	£492.82	£9.48

4.3.5 Since the publication of the January 2025 Draft Budget report the 2024/25 projected council tax income collectable in year versus the amount due has been reviewed showing a projected deficit of £1.5Million of which Stevenage's share is £169K, an increase of £33,575 to be repaid in 2025/26. This has been included in the General Fund core resources.

### Council Tax Support

4.3.5 A local CTS scheme cannot be revised for at least one financial year. Billing Authorities (such as SBC) must consider whether to revise or replace their scheme with another on an annual basis.

4.3.6 Any revision to a scheme must be made by the Council by the 11 March, immediately preceding the financial year in which it is to take effect and will require consultation with those affected. Additionally, consideration should be given to providing transitional protection where the support is to be reduced or removed.

4.3.7 The Council must, in the following order, consult with major precepting authorities, (i.e. Hertfordshire County Council and Police and Crime Commissioner (PCC) for Hertfordshire), publish a draft scheme in such manner as it thinks fit, and consult such other persons as it considers are likely to have an interest in the operation of the scheme. The CFO wrote to both precepting authorities regarding the proposal for 2025/26.

4.3.8 The current **working age** scheme requires those on maximum benefits only to pay 8.5% of their council tax bill for the year. This equated to £164.41 for a Band C council home in 2024/25 on the total bill (with an additional 25% discount for a single person) or £3.16 per week.

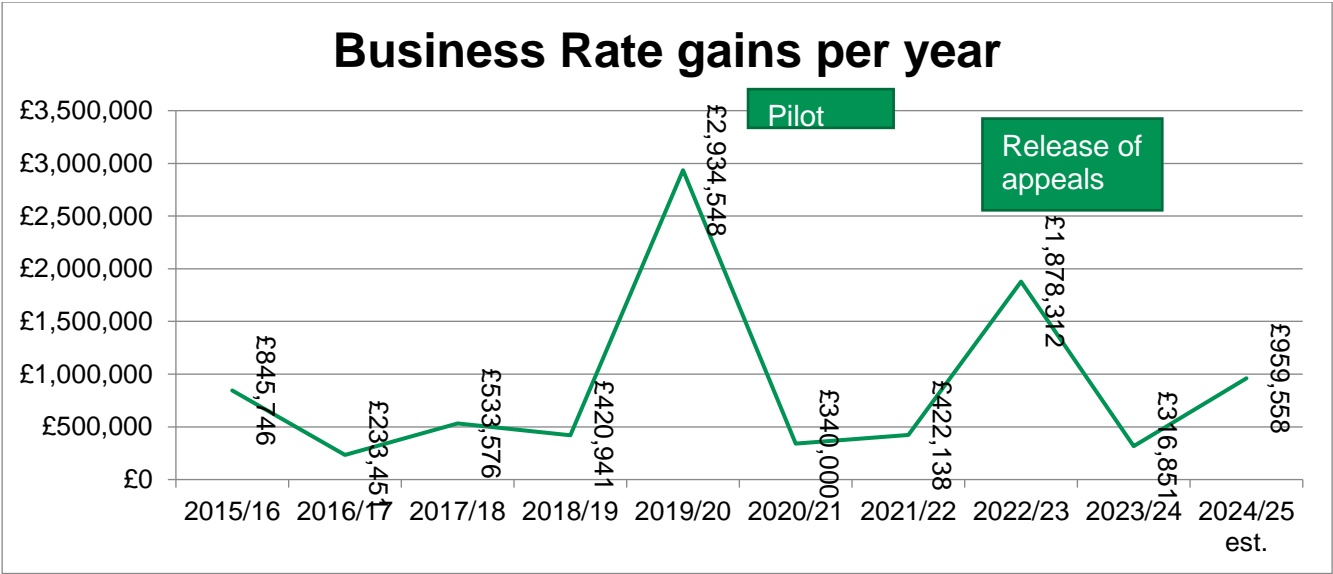
4.3.9 In November 2024 Members approved the retention of the existing scheme for next year (uprated to reflect benefit changes for 2025/26) and agreed that officers should look at a banded scheme for proposal to include engagement / consultation with residents.

### 4.4 Business Rates Income

4.4.1 The MTFs and draft General Fund budget only includes the 2025/26 baseline funding for business rates, or the amount the government has assessed the Council needs under its funding formula, plus an assumption of £200K gains per year for the period 2025/26-2028/29.

4.4.2 Any NDR gains above the baseline have been used previously to fund time limited growth and regeneration objectives. The rules governing NDR accounting mean any estimated gains are taken in year and any difference between the actual and the estimate are taken from or, in the case of losses refunded to, the Collection Fund in future years.

4.4.3 Business rate gains fluctuate between financial years as shown below and as they cannot be guaranteed. Above the threshold of £200K they are used to help maintain the financial resilience of the General Fund, (i.e. in year shortfall on savings due to part year implementation), rather than to fund the running of day to day services.



Note: Pilot -75% of gains retained in Hertfordshire. Pool-A number of Hertfordshire Councils join and retain more gains through a lower levy

4.4.4 The level of business rates that the Council keeps each year is determined once the NDR1 form issued by the government is completed. This calculates business rates collectable, level of reliefs to be given in 2025/26 and S31 grants due. The November BTB report recommended this be delegated to the CFO after consultation with the Resources & Transformation Portfolio Holder due to the need to complete by the 31 January 2025 with the data not being available to the 13 January 2025.

4.4.5 The 2024/25 revised NNDR estimate has now been completed and this projects a reduction of £124,439 in 2024/25 business rate gains and the impact is shown in the table below. Changes to grants and the levy are always paid in the year they relate (from/to the government) and business rate gains and losses paid in the following year when the estimate is revised.

	Compare 2024/25 Original v Projected			Changes required based on projection	
	NNDR 1 2024/25 £	Projection 2024/25 £	Var to NNDR 1 £	2024/25	2025/26
Net yield	(54,797,341)	(54,357,860)	439,481		

	Compare 2024/25 Original v Projected			Changes required based on projection	
	NNDR 1 2024/25 £	Projection 2024/25 £	Var to NNDR 1 £	2024/25	2025/26
Stevenage share of yield	(21,918,936)	(21,743,144)	175,793	0	175,793
Tariff	19,227,311	19,227,311	0		
<b>Share net of tariff</b>	<b>(2,691,626)</b>	<b>(2,515,833)</b>	<b>175,793</b>	<b>0</b>	<b>175,793</b>
S31 grant payable*	(2,526,046)	(2,529,981)	(3,935)	(3,935)	
Baseline Funding Level	(2,812,960)	(2,812,960)	0		
Gains before levy applied	(2,404,712)	(2,232,854)			
Gains applicable for levy	(1,622,536)	(1,527,698)		0	
Levy due 50%	811,268	763,849	(47,419)	(47,419)	
			0	0	
<b>Retained Business Rates</b>	<b>(4,406,404)</b>	<b>(4,281,966)</b>	<b>124,439</b>	<b>(51,354)</b>	<b>175,793</b>
Variance				<b>(51,354)</b>	<b>175,793</b>

4.4.6 The 2025/26 NNDR estimates have been completed and show that the total estimated gains for 2025/26 are £1.24Million (summarised below) with £200K budgeted to be retained in the General Fund for next year. Further detail can be found in the NNDR1 report on the Council's website.

Stevenage Share	NNDR 1 2025/26 £
Stevenage share (40%)	(22,824,068)
Tariff	19,488,317
<b>Share net of tariff</b>	<b>(3,335,750)</b>
S31 grant payable	(2,210,192)
Baseline Funding Level	(2,851,146)
Gains before levy applied	(2,694,797)
Gains applicable for levy	(1,854,678)
Levy that would be due	927,339
<b>Retained rates</b>	<b>(4,618,603)</b>
<b>Draft Budget:</b>	
Baseline Funding Level	(2,851,146)
Allowance for under-indexing	(527,879)
<b>Total Draft Budget</b>	<b>(3,379,025)</b>
<b>Increase above the Draft Budget</b>	<b>(1,239,578)</b>

4.4.7 The CFO recommends that the additional gains of £1,039,578 are transferred to Business Rates earmarked reserve until realised and retained for financial resilience. Business rate gains can fluctuate between estimate and actual and



of 2023/24 £1Million of assumed gains have to be returned to the Collection Fund in 2025/26 due to a large valuation change.

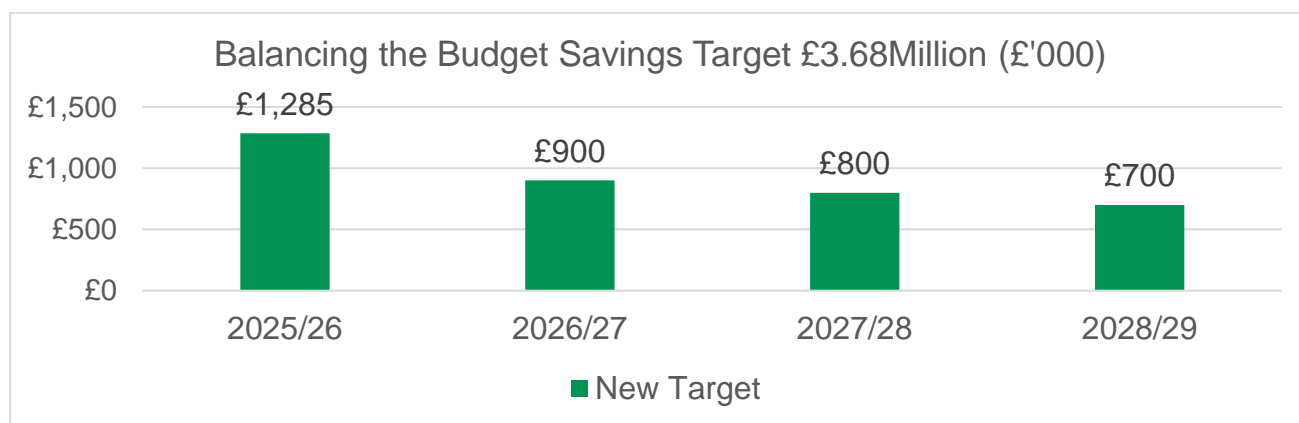
4.4.8 From 2026/27, the government wants to fundamentally change the way Councils are funded and the intention is to direct funding to where it is most needed, based on an up-to-date assessment of need and local resources. The government will move gradually towards an updated system and will invite views on possible transitional arrangements to determine how local authorities reach their new funding allocations.

4.4.9 Part of the needs assessment will include a ‘reset’ for the business rates retention system, as was originally intended when the previous government established the system. There has been no reset of the system since its introduction in 2013/14. The government intends to use this reset to do the allocation of funding where it is most needed and the reset will apply nationally. It should be noted that Stevenage Borough Council has gained under the current regime with as set out in para. 4.4.3 and a re-set will undoubtedly reduce the amount NNDR retained by the Council.

#### 4.5 The Balancing the Budget Savings Target to Find

4.5.1 As set out in paragraph 3.7 there was a savings shortfall of £1.172Million for the period 2026/27-2027/28 once projected fees and charges increases (which for 2026/27 onwards are still to be approved) have been included. Because of the size of the annual funding financial challenge for Councils, SBC takes a three-year view to ensure that any annual savings target is achievable. This provides for sufficient time to bring options forward and to minimise reductions to services. The Council has a number of initiatives/options lined up to bridge that gap.

4.5.2 The Balancing the Budget annual savings target is kept under constant review as changes to inflation, new service pressures and government funding may have an impact on the level of savings needed and the subsequent level of reserves to retain. The level of reserves has improved since the September 2024 MTFS and draft budget presented to the January 2025 Cabinet meeting. The current targets are shown below and will be reviewed as part of the next MTFS update.



4.5.3 The risks to the General Fund are summarised below.

Expenditure and Income	Impacted by	Risk (to increase cost)
<b>Inflation</b>	Although price increases around utilities and fuel have fallen, there is still huge volatility in the market with the continual war in Ukraine.	medium
	The MTFS assumes a 3% pay award for 2025/26, however previous years deals have been higher and the need for the pay grades to have due regard to inflation and the minimum wage may drive much higher pay negotiation outcomes.	medium
	The MTFS assumes a CPI inflation of 2% during the MTFS and although September CPI fell to 1.7%, this has subsequently risen above the MTFS target	high
<b>Demand for services</b>	There may be an increase for support services such as homeless and advice and this puts further pressure on the Council's budgets	medium
<b>Local Government Reform</b>	There is a risk that the Council will incur costs associated with LGR following the submission for Hertfordshire in March 2025. This may also affect the ability to attract staff which could lead to the need to pay higher salaries	high
<b>Fees and Charges</b>	The impact of the current economic climate may impact the Council's fees and charges income which is required to support the funding of services.	medium
<b>Core funding</b>	The new Labour government has signalled changes to funding from 2026/27 which includes a reset of business rates which may result in a reduction in business rate gains to SBC. Currently the Council uses £200K of gains in the General Fund and uses the remainder to fund key priorities or to support the financial resilience of the General Fund. However, a multi -year settlement will help future financial planning.	high
	Business rate gains estimated for 2025/26 will not be realised, however this will impact the level of projected reserves in the earmarked reserve as only £200K is included in the General Fund budget.	medium
	Grant funding for new burdens is announced annually such as that for homelessness and rough sleepers which makes recruitment and retention difficult on a permanent basis, however a multi-year settlement is expected for 2026/27	medium
	National Insurance compensation formula will not change for future years and will not meet the increased costs for the General Fund and HRA which is estimated to be £711K per annum	High

4.5.4 In the January 2025 Draft Budget report BTB savings options were identified and recommended of £1.172Million for 2025/26. These are summarised below and included in Appendix A.

Savings Identified	Approved	Approved GF	Approved HRA
Efficiency savings	1st Quarter Monitoring Sept 2024	£422,770	
Indoor Market changes (dependent on the timing of the new market opening)	July 2024 Cabinet updated November 2024 (BTB)	£40,000	
Fees and Charges	October 2024 Fees and Charges report updated November 2024 (BTB)	£438,884	£2,478
Cease skip service (Appendix A)	November 2024 (BTB)	£50,000	£4,000
Star Chamber process (full year) (Appendix A)	November 2024 (BTB)	£34,045	£9,005
Shared Service savings (Appendix A)	November 2024 (BTB)	£89,150	
increase Council Tax to 2.99%	Recommended in the Draft January 2025 Cabinet report	£68,361	
ICT software savings (Appendix A)	Recommended in the Draft January 2025 Cabinet report	£16,290	11,710
Payroll Administration Savings (Appendix A)	Recommended in the Draft January 2025 Cabinet report	£8,060	4,940
Legal Admin charges	Approved January 2025 Cabinet	£4,121	
<b>Total Savings Identified</b>		<b>£1,171,682</b>	<b>£32,133</b>

4.5.5 The November Balancing the Budget report also identified that Transformation savings were currently being finalised. Subject to the associated proposals being recommended for Member approval by the Senior Leadership Team, they will be considered by Members in a separate report to the Cabinet in March 2025. The CFO recommends that only identified savings should be included in the 2025/26 General Fund budget. Therefore, the Transformation options relating to Community Advice and Support and Localities will contribute to the future savings gaps subject to consideration by Members.

#### 4.6 Growth Options

4.6.1 The 2025/26 Draft General Fund budget presented to the January 2025 identified two new growth bids for consideration (see also paragraph 4.13.1 for Overview and Scrutiny comments).

4.6.3 The first option related to addressing the recruitment and retention challenges the Council has experienced in recent years being cognisant of the additional

associated costs which are incurred. Taking this into consideration, the Senior Leadership Team recommends introducing a graduate and apprentice scheme for six placements in hard to recruit service areas. To ensure it is affordable for both the General Fund (and HRA), it is proposed that business rate gains already received of £757,940 are utilised for this purpose. In addition, the CFO recommends that a total of £150,000 year end underspends from the General Fund and HRA are identified and transferred to a ring-fenced reserve to ensure the ongoing delivery of the scheme. This will need to be monitored to ensure the anticipated underspends are achieved.

<b>Graduate &amp; Apprentice Programme</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Total</b>
<b>Total Annual Cost</b>		£202,760	£254,507	£300,673	£307,839	<b>£1,065,778</b>
<b>Funding Reserve</b>						
<b>Brought Forward</b>	£0	(£150,000)	(£300,000)	(£450,000)	(£600,000)	
<b>NNDR reserve</b>		(£202,760)	(£254,507)	(£300,673)	£0	<b>(£757,940)</b>
<b>Underspends</b>	(£150,000)	(£150,000)	(£150,000)	(£150,000)	(£150,000)	<b>(£750,000)</b>
<b>Used in year</b>	£0	£202,760	£254,507	£300,673	£307,839	<b>£1,065,778</b>
<b>Carried Forward</b>	(£150,000)	(£300,000)	(£450,000)	(£600,000)	(£442,161)	

4.6.4 The impact on the NNDR reserve is shown in the chart below and reflects all balances budgeted and commitments on the fund and assumes no business rate gains beyond 2025/26. The table below shows there are sufficient balances to fund the scheme.

<b>Business Rates Reserve £'000</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
<b>Opening Balance</b>	(£2,711)	(£4,368)	(£3,659)	(£3,303)	(£4,745)
<b>Changes to Business Rate Gains/losses</b>	(£1,823)	£193	£0	£0	£0
<b>Local Plan</b>	£100	£0	£0	£0	£0
<b>Swingate holding costs/surplus</b>	£66	£313	£102	(£1,742)	£0
<b>Graduate &amp; Apprentice Programme</b>	£0	£203	£255	£301	£0
<b>Closing Balance</b>	(£4,368)	(£3,659)	(£3,303)	(£4,745)	(£4,745)

4.6.5 A second growth bid has been developed related to the Council's ongoing efforts to address graffiti removal. In the current year an additional employee and a specialist contractor were funded from the UKSPF. However, the allocation for 2025/26 reduced to £327K from £656K. A key Making Stevenage Even Better Corporate Plan priority of the Council is to deliver thriving and clean neighbourhoods, ensuring residents can be proud of where they live. To support this desired ambition the Council has committed to continue to deliver improvements in graffiti reduction over the lifetime of the plan. As part of the graffiti removal programme in 2024/25, which was funded through UKSPF resources, the Council's Environmental Services team and support contractor removed over 1,000 incidences of graffiti between March and October. Despite these best efforts the Council is receiving on average 18 reports of new graffiti

per month. To continue the graffiti removal programme, it is recommended that the Council funds a dedicated in-house cleansing operative during 2025/26 to undertake reported and ad hoc graffiti removal, predominantly from SBC owned assets and to appoint a specialist graffiti remover support contractor to undertake tasks which will supplement the Council's own function to include undertaking removal works during non-working hours at a cost of **£75,000** to the General Fund.

#### 4.7 Changes to the 2025/26 General Fund budget versus the September MTFS

4.7.1 The General Fund budget is now projected to be £10,656,540, (with a contribution to balances of £6,053, draft January budget £77,950), versus the September General Fund projection of £9,716,380 (and a draw on balances of £100,900). The changes to the September MTFS net budget and resources are set out below.

<b>Changes to the 2025/26 Budget Versus MTFS</b>			
<b>September MTFS</b>		<b>£9,716,380</b>	
<b>Inflation:</b>			
Lower pay inflation	(£17,850)		Reduced by £28.6K from draft budget report
Lower contractual inflation	(£26,005)		Increased by £16.9K from draft report due to lower shared Revenue and Benefits SLA for 2025/26
Lower business rates	(£35,870)		
Lower utility and fuel inflation	£2,040		
Higher Shared service income	(£138,235)		higher recharges to ICT service due to increase head count and NI increases
Lower HRA recharges	£70,320	(£145,601)	
<b>Pressures:</b>			
Increase in pressures		£355,179	Para. 4.2.1 refers
<b>Growth Options:</b>			
Increased growth		£277,760	Para. 4.6.4 refers
<b>Balancing the Budget Savings Options:</b>			
Options recommended for approval		£181,680	Section 4.5 refers (council tax saving shown in core resources)
increase commercial rental income		(£49,700)	Increase in commercial rental partly offset by lower bus station income
<b>Government Grant funding:</b>			
New Homes Bonus	(£96,999)		
Extended Producer responsibility	(£1,078,000)		

Changes to the 2025/26 Budget Versus MTFS			
NI compensation	(£200,820)	(£1,375,819)	Para 4.1.2 refers
<b>Use of Reserves:</b>			
Transfer of NNDR reserve to fund apprentice programme	(£202,760)		Para. 4.6.2-4.6.3 refers
Transfer of NNDR net gains	£863,790		Para 4.45 & para 4.4.7 refers
Transfer of EPR grant to ring-fenced reserve	£1,078,000	£1,739,030	Para. 4.1.14-4.1.15 refers
On-going impacts of 2024/25 Changes			
Other:		(£42,369)	Small budget variances including impact of 2024/25 changes on-going
<b>Total Changes</b>		<b>£940,160</b>	
<b>Revised General Fund budget</b>		<b>£10,656,540</b>	

4.7.2 Although the General Fund net expenditure has increased and core resources are also higher compared to the September MTFS as set out below.

Core Resources	MTFS Assumptions	Final Budget	MTFS V Provisional Variance
Business Rates (note 1)	(£2,869,578)	(£2,851,147)	£18,432
Under indexing (note 1)	(£529,087)	(£527,879)	£1,208
<b>Total Business Rates</b>	<b>(£3,398,665)</b>	<b>(£3,379,026)</b>	<b>£19,639</b>
Revenue Support Grant (2)	(£110,282)	(£149,048)	(£38,766)
Recovery grant (2)	£0	(£283,819)	(£283,819)
Business rate gains (3)	(£200,000)	(£1,239,578)	(£1,039,578)
<b>Total</b>	<b>(£3,708,948)</b>	<b>(£5,051,472)</b>	<b>(£1,342,524)</b>
Council Tax (4)	(£6,991,438)	(£7,040,510)	(£49,072)
Transfers to Collection Fund NNDR (5)	£1,056,964	£1,232,757	£175,793
Transfers to Collection Fund council tax (6)	£27,939	£196,632	£168,693
<b>Total Collection Fund changes</b>	<b>(£5,906,535)</b>	<b>(£5,611,121)</b>	<b>£295,415</b>
<b>Total Funding</b>	<b>(£9,615,483)</b>	<b>(£10,662,592)</b>	<b>(£1,047,109)</b>
<b>Use of Balances</b>	<b>£100,897</b>	<b>(£6,053)</b>	<b>(£106,950)</b>

4.7.3 The reason for the changes is summarised below:

1. The MTFS had assumed an increase of 2% for September CPI which was 0.3% lower at 1.7%, which is used for the increase in business rates for the following year.
2. Paragraph 4.1.12 refers.

3. The MTFs only assumed a £200K retained business rate gain. Gains fluctuate between years as shown in paragraph 4.4.3, following completion of the 2025/26 NNDR 1 there are £1.239M gains for the year, however these have yet to be realised and are subject to change. The estimated gains above the £200K approved for retention in the General Fund have been transferred to the business rates earmarked reserve.
4. The MTFs assumed an increase of 1.99% in council tax and a slightly higher taxbase for 2025/26.
5. The £1.23Million is made up of a reduction in gains of £1.056Million for 2023/24 versus estimate plus a further £175K reduction projected for 2024/25, (see also paragraph 4.4.5)
6. The collection rate for council tax is projected to be below 95% for 2024/25 and the taxbase has not increased in line with expected housing growth numbers requiring all preceptors to return monies.

#### 4.8 2024/25 Budget changes

4.8.1 The 2024/25 General Fund budget is projected to increase by £2,940. A summary of the changes is detailed below.

Changes to the 2024/25 Budget			
<b>General Fund quarter 2 budget</b>		<b>£12,414,510</b>	
Changes approved in January draft budget		(£165,540)	The reduction was predominately lower salary costs
<b>Revised Budget</b>		<b>£12,248,970</b>	
<b>Fees and Charges changes:</b>			
Reduction in skip income	£19,000		The skip service has been ceased as part of the 2025/26 savings options and actual in-year income levels are lower than the budget.
Reduction in bus station income	£42,300	£61,300	Departure charges are estimated to be lower for 2024/25 (and 2025/26) due to lower estimated bus journeys than estimated.
<b>Reserve Movements:</b>			
Future Councils spend	(£140,000)		The remaining part of the grant funding is planned to be spent in 2025/26 and has been returned to the earmarked reserve.
Transfer to reserves	£140,000	£0	see above
<b>Other:</b>			

Changes to the 2024/25 Budget			
Reduction in insurance provision	(£40,000)		The provision is based on current and projected claim excesses and the amount required for 2024/25 has reduced.
Reduction in the net cost of housing benefit	(£18,360)	(£58,360)	The council distributes housing benefit payments of circa £20Million and claims housing subsidy from the DWP. The net cost is now projected lower than the budget.
<b>Total changes February Cabinet</b>		<b>£2,940</b>	
<b>Revised General Fund budget</b>		<b>£12,251,910</b>	

#### 4.9 Level of Balances required for General Fund and projected balances

- 4.9.1 The September 2024 MTFS assumed that the minimum level of balances required would be £3.45Million. A full assessment was carried out for the Draft General Fund budget which is detailed in Appendix C totalling £3,421,625, this has remained unchanged for the final budget report.
- 4.9.2 The projected General Fund balances and council tax requirement are set out below. This table now include assumptions regarding business rate gains for 2025/26.

General Fund Budget	2024/25 Estimate	2024/25 Projected	2025/26 Estimate
Net Expenditure	£12,788,410	£12,251,910	£10,656,540
Use of/ (Contribution) to Balances	£0	(£596,801)	(£6,053)
<b>Budget Requirement</b>	<b>£12,788,410</b>	<b>£11,655,109</b>	<b>£10,650,487</b>
Revenue Support Grant	(£108,811)	(£108,811)	(£149,048)
Service Grant	(£17,960)	(£17,960)	£0
4 % guarantee grant	(£390,740)	(£390,740)	£0
Recovery grant	£0	£0	(£283,819)
Total grant support	<b>(£517,511)</b>	<b>(£517,511)</b>	<b>(£432,867)</b>
Business Rates net of tariff and levy	(£1,906,463)	(£1,940,830)	(£2,408,412)
Distribution of levy surplus	£0	(£22,000)	£0
S31 grants NNDR	(£2,526,046)	(£2,529,981)	(£2,210,192)
Total in year business rates	<b>(£4,432,510)</b>	<b>(£4,492,811)</b>	<b>(£4,618,604)</b>
(Return) /Contribution to Collection Fund (NDR) re 2022/23 & 2023/24 & 2025/26	(£838,057)	(£838,057)	£1,232,757
Collection Fund Surplus (ctax)	(£162,403)	(£162,403)	£196,632
Council Tax Requirement	(£6,837,929)	(£6,837,929)	(£7,040,510)



General Fund Budget	2024/25 Estimate	2024/25 Projected	2025/26 Estimate
Council Tax Base	£28,579	£28,579	£28,572
Council Tax Band D	£239.26	£239.26	£246.41
Council Tax Band C	£212.68	£212.68	£219.03

4.9.3 At first glance there appears to be a significant variation between the 2024/25 and 2025/26 Original net budget, however this relates to the impact of business rates being transferred to or from the Collection Fund, depending on whether there were additional losses or gains actually realised in a particular year. When this transfer is removed the difference between the 2024/25 and 2025/26 original budgets is only £115,225, (Draft budget £2,353).

General Fund Budget	2024/25 Estimate	2024/25 Projected	2025/26 Estimate	2025/26 OR V 2024/25 OR
Net Expenditure	£10,964,941	£9,997,811	£10,849,716	<b>(£115,225)</b>
NNDR gains/(losses) to/(from) reserve	£1,823,469	£1,823,469	(£193,176)	(£2,016,645)
Carry Forwards	£0	£430,630	£0	£0
<b>Total Net Expenditure</b>	<b>£12,788,410</b>	<b>£12,251,910</b>	<b>£10,656,540</b>	<b>(£2,131,870)</b>

#### 4.10 Medium Term Financial Strategy General Fund Summary

4.10.1 The MTFs modelling has been updated to reflect the contents of this report as summarised below. Assuming that for 2026/27 onwards there is a similar level of government funding (to 2025/26) and only £200K business rates gains per year, the General Fund reserve balances position will have improved. For note the savings targets remain unchanged.

General Fund balances £'000	2024/25	2025/26	2026/27	2027/28	2027/28
Opening Balance	£5,303	£5,900	£5,906	£6,048	£6,105
In Year	£597	£6	£142	£56	£218
Closing Balance	£5,900	£5,906	£6,048	£6,105	£6,323
Minimum balances	£3,450	TBA	TBA	TBA	TBA

4.10.2 The risks to setting a balanced budget going forward are that:

- The business rates re-set planned by the government for 2026/27 reduces retained NNDR for Stevenage. In mitigation the Council only assumes a £200K gain each year which is lower than the average gains secured over the last few years (see also para.4.4.3).
- There is a need to make on-going annual savings for the reasons set out in sections three and 4.5 to this report.
- Government Funding reduces from that received in 2025/26 in the finance settlement and is not on-going at the same level.
- The General Fund Capital Strategy has a future funding shortfall and the capital spend in recent years has been rationalised and may require contributions from the General Fund to support meeting the Council's

investment objectives. The CFO recommends if this were to happen that the business rate gains reserve should be used as a part mitigation.

- Inflation increases which results in the need for higher BTB savings targets to be set.

4.10.3 In addition to the risk assessment of balances to support the General Fund's financial resilience, there are two further allocated reserves available which are summarised below. The CFO recommends they are retained at the projected levels in case they are needed to support the General Fund in year.

Reserves £'000	Closing 2023/24	Use/(to)	Closing 2024/25	Use/(to)	Closing 2025/26
Gains (NNDR)	(£2,711)	(£1,657)	(£4,368)	£709	(£3,659)
Income equalisation Reserve	(£758)	£0	(£758)	£200	(£558)
<b>Total Available to support the GF</b>	<b>(£3,469)</b>	<b>(£1,657)</b>	<b>(£5,126)</b>	<b>£909</b>	<b>(£4,217)</b>

4.10.4 The General Fund reserves allocated for specific purposes are summarised below.

Reserves £'000	Closing 2023/24	Use/(to)	Closing 2024/25	Use/(to)	Closing 2025/26
NHB reserve <i>note 1</i>	(£253)	£243	(£10)	£0	(£10)
Transformation Reserve <i>note 2</i>	(£690)	£70	(£619)	£0	(£619)
Homeless reserve <i>note 3</i>	(£390)	£150	(£240)	£0	(£240)
Planning Delivery <i>note 4</i>	(£287)	£110	(£177)	£95	(£82)
Queensway monies <i>note 5</i>	(£122)	(£93)	(£215)	(£143)	(£358)
Regeneration Reserve <i>note 7</i>	(£225)	£0	(£225)	£100	(£125)
Town square reserve <i>note 6</i>	(£1,507)	(£183)	(£1,689)	(£125)	(£1,815)
Insurance reserve <i>note 8</i>	(£72)	£10	(£62)	£0	(£62)
ICT reserve <i>note 9</i>	(£190)	£62	(£128)	£0	(£128)
New Leisure <i>note 15</i>	(£340)	£340	£0	£0	£0
Stevenage works <i>note 11</i>	(£20)	£0	(£20)	£0	(£20)
Asylum seekers reserve	(£197)	£50	(£147)	£0	(£147)
Future Councils reserve <i>note 10</i>	(£459)	£235	(£224)	£224	(£0)
Commercial Property repair reserve <i>note 13</i>	(£41)	£0	(£41)	£0	(£41)
Ukraine reserve <i>note 12</i>	(£20)	£0	(£20)	TBA	(£20)
Syrian Refugees <i>note 12</i>	(£185)	£0	(£185)	TBA	(£185)
Afghan Refugees <i>note 12</i>	(£97)	£0	(£97)	TBA	(£97)
Domestic abuse reserve	(£196)	£0	(£196)	TBA	(£196)
Extended Producer Pays grant <i>note 14</i>	£0	£0	£0	(£1,078)	(£1,078)
<b>Total Allocated for use</b>	<b>(£5,289)</b>	<b>£995</b>	<b>(£4,294)</b>	<b>(£927)</b>	<b>(£5,222)</b>

4.10.4 There is a planned contribution to reserves of £662K and £18K for 2024/25 and 2025/26 respectively. The established reserves are as follows:

1. NHB reserve was created to hold NHB allocations so that the General Fund did not become reliant on the funding. This reserve has reduced from its peak of £1.6Million to £10K in 2024/25.
  2. Transformation Reserve is used to hold the monies set out for the Council's Transformation programme including improving the Council's digital offer and streamlining processes to give better outcomes and improved service delivery for residents.
  3. These are ringfenced government Homeless grants which are used to support the Council's homeless function including additional staff resources. The 2025/26 allocation has been assumed to be spent in the 2026/26 budget.
  4. Planning Delivery is required to support the surveys for the Local Plan and is used over and above the General Fund allocation in 2024/25 of £100K and a further £95K is projected to be spent in 2025/26.
  5. Queensway Car Park Monies - this is the income from the Queensway Limited Liability Partnership (LLP) for parking income and the allowance for future costs for the LLP as agreed in the September 2024 MTFS. This money has been ringfenced to support the fit out of future commercial tenancies on Queensway North.
  6. Town Square Reserve - the monies are held to support the running costs of assets acquired for regeneration purposes.
  7. The Regeneration reserve is used to fund one off additional costs incurred by the Regeneration Team to support the teams projects including professional and legal advice.
  8. The Insurance reserve is used to support adhoc preventative works to reduce potential future claims where no core budget is in place.
  9. The ICT reserve - this was used to absorb pressures in year.
  10. The Future Councils Reserve is used to ringfence the £750K grant funding received by the government, part of which is being spent in the current year for digital improvements and cyber security. £140K has been returned to the reserve in 2024/25 (budget setting 2025) and there is planned use of £223K in 2025/26. The Council was one of only eight Councils to successfully bid for funding.
  11. Stevenage Works Reserve – this is the flagship job and training hub / partnership which comprises SBC, North Herts College and Job Centre Plus.
  12. These are ringfenced Asylum grants which are used to support the Council's homeless function including the provision of additional staff resources.
  13. The Commercial Property Reserve is a reactive pot which can be used to support works to the commercial estate if expenditure is above the in-year budget allocation.
  14. The Extended Producer Pays reserve see para. 4.1.14-4.1.15
- 4.10.5 There is one reserve where the monies will be spent by 31 March 2025 which is the Leisure reserve;
15. This Reserve was set up to support the retendering and delivery of the new leisure management contract and the remaining balance has been used to support capital improvements to the Council's leisure assets.
- 4.10.6 The Council also has a number of subsidiaries which are summarised below:

- Queensway LLP- this is an income strip for 37 years for which the council holds the head lease to a pension company. The Council pay the lease each year and retains the income from residential and commercial in Queensway North and ‘buys’ the asset for a £1 after the lease term.
- Marshgate Ltd – this is the Councils housing company which has 10 properties leased to the HRA and is developing a site in Stevenage for sale. The balances in the company are projected to reduce as the current housing development is completed and the loans are repaid to the Council and properties are sold.
- CCTV Ltd - this company is held for private sector clients of the service and the Council has current commissioned a review of whether the company is required or the business within it can be subsumed into the General Fund.
- Swingate LLP - this is a joint venture with Mace on the former Swingate site building. This is first year of the operation and the Council will be committing an estimated £4Million into the LLP in 2024/25 with Mace committing an equivalent figure. The General Fund uses the NNDR reserve to fund the cost of lending the equity to the LLP.

4.10.7 The Council needs to ensure that these companies have sufficient funds to remain operational and the Council has set aside monies in an earmarked reserve for additional funding for Queensway LLP as set out in the September 2024 MTFS, to allow investment in the asset over the lease term. Estimated company cash balances at year end are summarised below.

<b>SBC subsidiaries</b>	<b>Closing 2023/24 £'000</b>	<b>Use £'000</b>	<b>Closing 2024/25 £'000</b>
Queensway LLP	£1,945	(£14)	£1,931
Marshgate Ltd (WOC)	£3,175	(£1,564)	£1,611
CCTV Ltd	£238	£38	£276
Swingate LLP	£0	£0	(£230)
<b>Total</b>	<b>£5,358</b>	<b>(£1,540)</b>	<b>£3,588</b>

4.10.8 The CFO is content the Council’s companies have sufficient cash reserves to operate without further support from the General Fund other than that already approved.

#### **4.11 Chief Finance Officer’s Commentary**

4.11.1 The Chief Finance Officer is the Council’s principal financial advisor and has statutory responsibilities in relation to the administration of the Council’s financial affairs (Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988). This commentary is given in light of these statutory responsibilities, (see also Appendix D).

- 4.11.2 The Council has evolved its budget strategy to meet multiple challenges as set out in this report and the financial strategy to deal with this is the 'Balancing the Budget' priority of 'Stevenage Even Better' Corporate Plan.
- 4.11.3 Officers regularly update the MTFS to ensure that a clear financial position for the Council can be demonstrated over the next five years. This medium-term view of the budget gives a mechanism by which future 'budget gaps' can be identified allowing for a measured rather than reactive approach to reducing net expenditure. Work is ongoing throughout the year to seek to bridge the BTB Medium Term funding gap.
- 4.11.4 The Council has taken significant steps over recent years to balance its budget and the current projections show that from 2025/26 currently there is a contribution to reserves ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure. However, this relies on a significant savings target being achieved (see section 4.5) and inflation reducing in the medium term and government funding in line with that projected in the MTFS.
- 4.11.5 Events such as COVID and the Cost of Living crises have increased financial risks to Councils which has seen spikes in inflation and lower fees and charges, some of which has become baselined within the budget. The Council has however taken a number of financial resilience measures which seek to increase the resilience of the Council's position including:
- A risk assessment of balances to ensure general reserves held take the increased risk from recessionary pressures into account.
  - Establishment of the income equalisation reserve (£558K by 31 March 2025) which can be returned to the General Fund if fees and charges are lower than projected.
  - The opportunity to reduce the use of reliance on Revenue Contributions to Capital (RCCO) by identifying sites for disposal and using capital receipts rather than revenue (September 2020 MTFS report). However, the Capital Strategy report to the October 2023 Executive set out a number of steps that needed to be taken and in the interim RCCO may need to be used to fund any capital resourcing gap.
  - Identification of a sufficient level of on-going BTB options to ensure the General Fund is above or at the minimum level of balances.
  - Use of any business rate gains only when realised above the £200K identified and ring fenced to maintain the financial resilience of the General Fund and thereafter Stevenage Even Better priorities. The projected balance as at 31 March 2026 projected to be £3.6Million
  - Introduction of a transformation programme to deliver savings for both the General Fund and HRA.
  - Implementation of a Commercial and Insourcing Strategy which looks for opportunities to increase the Council's net income from new commercial options, ensuring fees and charges are set based on the cost of services and any insourcing opportunities.

- Setting aside monies in the Queensway reserve to ensure there is sufficient monies available to Queensway LLP for future investment and support.

4.11.6 The current projections of balances and the measures the Council has taken to date as set in this report mean that the level of balances projected are sufficient to set the 2025/26 budget.

4.11.7 As a result of its planned and prudent budget setting activities, the Council is able to continue the delivery of its ambitious programmes to redevelop and regenerate the town centre and to provide more social, affordable, aspirational and good quality homes. Amongst other schemes 2024/25 has seen the Council partner with Mace through an innovative 50:50 Joint Venture initiative to deliver the first SG1 site. Whilst both programmes offer great opportunities for the town and local residents they may also require more resources due to a number of reasons. There is a ring-fenced reserve for Regeneration and further estimates of resources have been included in the General Fund MTFs.

4.11.8 The priority use of the business rates reserve has also meant the Council can tackle issues such as recruitment and retention through the apprentice and graduate scheme set out in this report. This also allows the Council to afford the holding costs associated with the SG1 joint venture with Mace on the Swingate site.

4.11.9 Further commentary can be found in Appendix D to this report (Section 25 Statement including Robustness of Estimates and Adequacy of Reserves) which Members are asked to approve.

#### **4.12 Contingency Sums**

4.12.1 Cabinet Members will recall that a Contingency Sum needs to be determined by the Council as part of the Budget and Policy Framework in order to avoid the need for Council to consider all supplementary estimates during the course of the year. This contingency sum constitutes an upper cumulative limit during the financial year within which the Cabinet can approve supplementary estimates, rather than forming part of the Council's Budget Requirement for the year. A sum of £500,000 is proposed for 2025/26, this has increased from £400,000 in the current year as the amount has remained unchanged for a number of years, however, as always, due regard will need to be given to breaching minimum balances.

#### **4.13 Consultation**

4.13.1 The Draft General Fund report was presented to the 21 January 2025 Overview and Scrutiny Meeting and Members considered the report and there was support for the growth bids. A Member asked about the proposed council tax increase of 2.99% versus the MTFs assumption of 1.99%. The Chief

Financial Officer explained that the additional 1% made a contribution to the General Fund's savings target and this helped avoiding service reductions. The CFO also identified that in previous year's increases had been below inflation rises.

- 4.13.2 The Council consulted on the 2025/26 budget via an on-line form on the SBC's website the responses were a small sample of 30 so not statistically sound. The growth for apprentices was supported and the graffiti growth was only narrowly not supported.

2025/26 Budget Feedback	Yes	No
Stevenage Resident	87%	13%
Stevenage business owner	3%	97%
Agree to increase council tax by 3%	63%	37%
Pay more council tax for more services	43%	57%
Support Apprentice growth	70%	30%
Support graffiti growth	47%	53%
Support savings delivered through more digital and on-line	67%	33%
savings delivered from more commercial income	40%	60%
Only cutting services if no other options available	67%	33%

- 4.13.2 The consultation asked respondents to comment on future areas to invest in and the following areas were identified in a free form text box, with Council responses in *italics* to the comments.

- Improving the Town Centre and parks and open spaces- *the Council has a regeneration programme for the Town Centre and work has started on the former Swingate site in 2024. The Council is working on both a Green Spaces and Trees & Woodland strategy which will be reported to cabinet in the summer of 2025. This will outline our approach to enhance our parks and open spaces going forward. The Council will also be spending an estimated £830K on parks and open spaces in 2025/26*
- Pavements cleaning generally and landscaping and maintaining the overall appearance of the streets across the town. –*Funding from the UK Shared Prosperity Fund has been utilised to undertake an enhanced cleansing routine of Stevenage's neighbourhood centres and pathways over the last two years. The Council will also be spending £1.5Million in 2025/26 on street cleansing and litter picking.*
- Hedge and verge trimming to keep cycleways clear and accessible. - *The council is currently delivering a 10-year programmed Shrub Bed Improvement programme to remove old, tired, or operationally constrictive shrub beds to help keep pathways and cycleways clear and accessible.*

- Regeneration culture and leisure - *The Council has jointly invested in a JV with their Development Partner Mace to build new homes in the town centre and has consulted the public on a new leisure centre.*
- Solar panels to reduce energy costs. Improved bus service so residents are less reliant on cars.- *The Council has installed solar panels on refuse freighters and new buildings such as the bus interchange.*
- Council housing- *The Council is investing £51Million into existing and new homes in 2025/26*
- Town centre events - make the space more welcoming out of hours and provide a safer environment to encourage more evening venues- *The council has invested in 'Events Island' in the Town Centre and has a programme of events throughout the year.*
- more investment in digital logging/ online services -*The Council has a digital team and Transformation Plan to improve the on-line offer.*

4.13.3 The consultation also asked respondents what areas the council should make savings in the future:

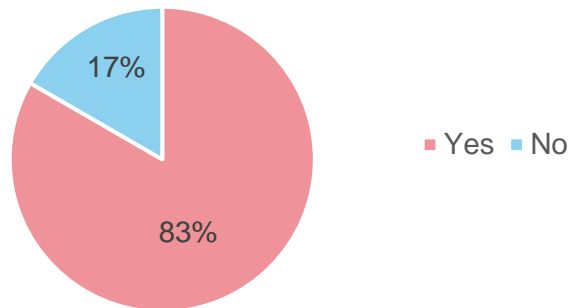
- High street- *The Council is working with businesses in the Indoor Market to transfer their services into the empty shopping units along the new Park Place development in the town centre. This will bring greater attention to local businesses in the council's high street. This builds on the new 'Event Island' space in the town centre, which has a busy event schedule throughout the coming year.*
- Repairs -*Members approved a further £2Million spend on council home repairs in 2025/26.*
- Council should use the staff they currently have to tackle the graffiti problem in the town and invest in more artwork in underpasses to prevent it- *The Council successfully tested an enhanced Graffiti response, utilising funding from the UK Shared Prosperity Fund over the last year. This growth request establishes that level of response within core budgets going forward rather than relying on time limited external funding. The Council has a programme of artwork installations in underpasses and buildings as part of the Councils Towns Fund works.*
- Black bin collection once a month- *In setting the frequency of residual waste collections, Council's need to consider a range of factors including the size of the bin, the number of occupants and storage facilities, for example, the Council wants to increase recycling rates and reduce residual waste volumes going forwards, and will be looking to improve recycling facilities in a number of locations, including flat blocks.*
- Stop investing in car infrastructure – *The Council has invested in the Stevenage cycle ways through the new Arts & Heritage trail as part of its ambitious Regeneration programme of the town centre. This reemphasises the council's commitment and investment into alternative travel options in the town.*
- Outdated and incompatible ICT systems *The Council along with East Herts Authority have jointly invested in the shared ICT service in 2024/25 & 2025/26 to ensure that both Councils have fit for purpose software.*



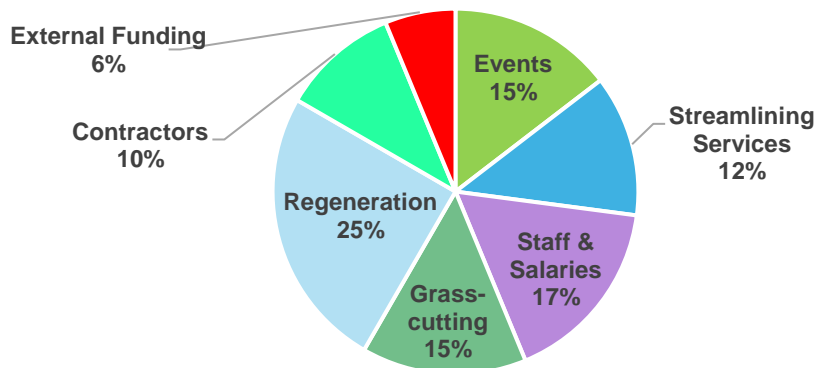
- Staffing and pensions -*staff pay is governed by the collective pay agreements as agreed with the unions.*

4.13.4 Development of the Councils 2024/25 Corporate Plan included a period of public and stakeholder engagement and consultation to include ascertaining if

- Agree that Balancing the Budget should be a priority so that the Council can remain financially resilient and continue to deliver key services as set out in the Corporate Plan?
- If no, is the alternative is to reduce services and provide less?
- If yes, what should the Council stop doing to generate £1.23Million savings?
- 83% of respondents to the consultation agreed that Balancing the Budget should be a priority:



4.13.5 All survey respondents were asked for financial savings suggestions. The responses can be categorised into seven themes:



- The Transforming Our Town programme will attract new businesses to the area which would increase business rate revenue and car parking income (25%). – *The Council has opened a new Multi Storey car park and is working with partners to bring new business into the town, also improving the business rates collected and retained by the Council.*
- Reduce Staff and Councillor salaries (17%). – *The Council’s Member allowances are reviewed and agreed by an Independent Remuneration Panel and staff pay is governed by the collective pay agreements as agreed with the unions.*

- The Council should consider selective grass-cutting allowing green spaces to grow wilder (within safe reasons) and reduce maintenance costs for grass cutting etc. (15%) – *The Council has already implemented this as a measure with an associated cost reduction.*
- Streamlining services (12%) – *The Council has a transformation programme which is targeted at streamlining processes and reducing costs.*
- Reduce use of Contractors (10%) – *The Council has a Commercial and Insourcing Strategy which includes reviewing contracts to see if they can be brought back in-house where deemed viable to do so at the point of re-tendering.*
- Reducing or cancelling events such as the November Fireworks Display, or those held on the Event Island and the Stevenage Museum. (15%) – *the Council has been looking at how it manages and delivers future event activity with a view to driving out efficiencies where possible.*
- Seeking external funding to plug the financial gap (6%). *The Council has actively sought external funding and has received circa £80Million of revenue and capital funding over the last few years.*

### Resident Survey (2021)

4.13.6 The 2021/22 Residents survey shows that resident’s preferences with regards to achieving budget savings are firstly to reduce costs through the provision of more online services. This was ranked the highest (out of five options in 2021 and 2017) with 41%. This first rate ranking has increased from 2017 and supports the Transformation programme as a method to reduce costs and improve efficiency / productivity.

Please tell us your order of preference for each of the following options by ordering them 1 to 5	2021 rank	2017 rank	1st
Reduce time and money spent on paperwork by interacting with more residents and customers online	1	1	41%
Increase income from fees and chargeable services, to keep the council's element of Council Tax as low as possible	2	3	24%
Spend less by reducing or cutting the services that you tell us are not a priority	3	2	16%
Make money by selling more of our services to residents and customers	4	5	9%
Increase our element of Council Tax (for example from 51p per day to 55p per day)	5	4	10%

4.13.7 The 2021 residents’ survey asked residents whether the council tax represented value for money. While strongly disagree has increased (from 7% to 15%), overall 52% up from 46% of residents agree it represents value for money as shown in the chart below.

Responses	2021	2017	2015	2013	2011
Strongly agree	16%	10%	7%	6%	6%

	<b>Responses</b>	<b>2021</b>	<b>2017</b>	<b>2015</b>	<b>2013</b>	<b>2011</b>
<b>To what extent do you agree or disagree that the Council Tax paid to Stevenage Borough Council provides good value for money?</b>	Tend to agree	36%	36%	39%	39%	40%
	Neither	18%	30%	30%	35%	33%
	Tend to disagree	10%	17%	18%	17%	16%
	Strongly disagree	15%	7%	6%	5%	5%
	Don't know (DNRO)	4%				
	<b>Summary: Agree</b>	<b>52%</b>	<b>46%</b>	<b>46%</b>	<b>45%</b>	<b>46%</b>
	<b>Summary: Disagree</b>	<b>26%</b>	<b>24%</b>	<b>24%</b>	<b>22%</b>	<b>21%</b>

4.13.8 The Council is commissioning a new Residents survey which is likely to be published for consultation in 2025/26.

4.13.9 Due to the level of savings required the CFO, in conjunction with the Leader, Portfolio Holder for Resources and Transformation and Comms colleagues intends to set out the issues in a media communication campaign so that residents and businesses understand why the Council is facing budgetary challenges as well as how it is seeking to respond.

## **5 IMPLICATIONS**

### **5.1 Financial Implications**

5.1.1 The report deals with Council finances and as such all implications are contained in the main body of the report.

5.1.2 Savings options are required to follow the Budget and Policy Framework as set out in this report. Fees and charges require a report to the Cabinet and were included in the Commercial and Insourcing Strategy which was considered by the Cabinet in October 2024.

### **5.2 Legal Implications**

5.2.1 The Council is required to set a balanced budget each year. The Local Government Finance Act 1992 requires the Council to estimate revenue expenditure and income for the forthcoming year from all sources, together with contributions from reserves, in order to determine a net budget requirement to be met by government grant and council tax.

### **5.3 Policy Implications**

5.3.1 The report deals with Council policy and as such all implications are contained in the main body of the report.

### **5.4 Staffing and Accommodation Implications**

5.4.1 The 2025/26 budget growth options include the graduate and apprentice scheme which is designed to have a positive impact on staff recruitment and retention in hard to recruit to areas through adopting a 'grow your own' approach.

5.4.2 The report does indicate that Transformation options will be coming forward and any future report will set out staffing implications and any required EQIA.

## **5.5 Equal Opportunities Implications**

5.5.1 In carrying out or changing its functions (including those relating to the provision of services and the employment of staff) the Council must comply with the Equality Act 2010 and in particular section 149 which is the Public Sector Equality Duty. The Council has a statutory obligation to comply with the requirements of The Act, demonstrating that as part of the decision-making process, due regard has been given to the need to:

- Remove discrimination, harassment, victimisation and any other conduct that its unlawful under this Act
- Promote equal opportunities between people who share a protected characteristic and those who do not
- Encourage good relations between people who share a protected characteristic and those who do not.

5.5.2 These duties are non-delegable and must be considered by Council when setting the Budget in February 2025.

5.5.3 To inform the decisions about the Budget 2025/26 an EQIA has been completed for the 2025/26 council tax increase and can be found in Appendix E to this report. There are no service cuts included in the 2025/26 budget and an EQIA was completed for the fees and charges increases and appended to the October 2024 Cabinet report.

## **5.6 Risk Implications**

5.6.1 There are risk implications to setting a prudent General Fund budget if the Balancing the Budget options identified in Appendix A and within the report are not achieved and crucially if future options are not found to meet the targets outlined in the report.

5.6.2 There are a number of risks that have been identified and these are set out in the report.

## **5.7 Climate Change Implications**

5.7.1 The Council declared a climate change emergency at the June 2019 Council meeting with a resolution to work towards a target of achieving net zero emissions by 2030. The Transformation programme and the digital on-line agenda will contribute to reducing the Councils carbon footprint. In 2023/24 the Council approved an additional officer post to support its efforts meet its climate change goals. Included in the 2024/25 options was a growth bid to convert the Council's fleet from diesel to use hydrogenated vegetable oil (HVO) in order to reduce the Councils carbon emissions, the full year impact is included in the 2025/26

General Fund budget. A further update concerning the Council's Climate Change activities was presented to the Cabinet in October 2025.

## **BACKGROUND DOCUMENTS**

BD1 General Fund Medium Term Financial Strategy (2024/25-2028/29) September 2024 Cabinet

BD2 Balancing the Budget November 2024 Cabinet

BD3 Fees and Charges October 2024 Cabinet

BD4 Draft General Fund and Council Tax setting report January 2025 Cabinet

## **APPENDICES**

Appendix A General Fund and HRA Budget Options

Appendix B Budget Book summary

Appendix C Risk Assessment of Balances

Appendix D Section 25 Statement including Robustness of Estimates and Adequacy of Reserves

Appendix E Council Tax EQIA

Appendix F Council Tax resolution

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APPENDIX A BALANCING THE BUDGET 2025-26

Ref No	Name of Service	Description of Savings Proposal	2025/26 Savings	2026/27 savings	2027/28 savings	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)	£ General Fund Year 1	£ General Fund Year 2	£ HRA Year 1	£ HRA Year 2
S1	Planning & Regulatory	Increase the use of Community Infrastructure Levy (CIL) to cover increased staff costs of administration	£10,000	£10,000	£10,000	y	The Council can utilise 5% of the CIL received to support the administration of the scheme, this increase will ensure that the cost of administering CIL is fully recovered.	April 2025	10,000	10,000	0	0
S2	HR, H&S & Payroll	Replacement of the standalone Health and Safety reporting system (Mworker) by reporting via the existing Council platform (Granicus)	£11,500	£11,500	£11,500	Y	No impact on service or Council responsibility, Officers will be transferring the reporting requirements for Health & Safety on to Granicus	April 2025	7,245	7,245	4,255	4,255
S3 amend	HR, H&S & Payroll	Reduction in the use of the external Payroll Officer (2 days per month) by automating pension report and £13K saving based on current spend levels	£23,000	£23,000	£23,000	Y	Through using the capacity within reports being generated from HR system, this reduces the need / external support required	April 2025	14,260	14,260	8,740	8,740
S4	HR, H&S & Payroll	Re-basing training budgets	£7,500	£7,500	£7,500	y	A review of historical spend versus training budgets have identified opportunity to reduce budget by 10% across all services – protecting safeguarding and health & safety training. With emphasis to maximise the usage of the Apprenticeship Levy	April 2025	7,500	7,500	0	0
S5	HR, H&S & Payroll	Reduction in the use of Payroll Officer (from other Council) with additional duties being undertaken in-house	£2,500	£5,000	£5,000	Y	Following the decision last year to introduce a payroll apprentice into the Council, this will result from September 2025 to be able to reduce the requirement of the Payroll Officer (other Council) reliance with more activity being undertaken in-house	September 2025	1,550	3,100	950	1,900
S6	SDS	The cessation of the skips service to be implemented at end of December 2024	£54,000	£54,000	£54,000	Y	Following a review of the service and the competition in the market the Commercial Insourcing Working Group supported this decision	January 2025	50,000	50,000	4,000	4,000
S7	Shared Revenues and Benefits Service	Reduction in 3 vacant posts in Shared Revenues and Benefits posts and reduction in contract price due to lower pay award than budgeted for	£89,150	£89,150	£89,150	Y	Following the reduction in benefit case load an overpayments officer and benefits role have been deleted plus a .75FTE of a revenues post. The contract cost reduction equates to a further £18K. (the value of saving represents the SBC share only)	April 2025	89,150	89,150	0	0
S8	Commercial	This includes additional filming, advertising and parcel lockers income to be generated	£11,550	£11,550	£11,550	Y	Following a review of income achieved in-year and from works on promoting opportunities, this increase in budget has been proposed	April 2025	11,550	11,550	0	0
S9 NEW	ICT	Cease software Licence for robotics enabling (NDL software)	£28,000	£28,000	£28,000	Y	The cost of the software is set to double in 2025/26 and has not been fully utilised following a review of software purchased	April 2025	16,290	16,290	11,710	11,710
S10 NEW	Council Tax	Increase council tax by 2.99% (an increase of 1% over that assumed in the September MTFS)	£68,361	£68,361	£68,361	Y	The cost of the software is set to double in 2025/26 and has not been fully utilised following a review of software purchased	April 2025	68,361	68,361	0	0
<b>TOTAL</b>			<b>£305,561</b>	<b>£308,061</b>	<b>£308,061</b>				<b>£275,907</b>	<b>£277,457</b>	<b>£29,655</b>	<b>£30,605</b>

Page 39

**Summary of savings identified:**

Quarterly Monitoring savings already approved (Qtr. 1)	£422,770	£422,770		
Fees and Charges already approved	£427,334	427,334	£2,478	£2,478
Indoor Market changes already approved	£40,000	£40,000		
New Fees and Charges legal admin approved January 2025 Cabinet	£4,121	£4,121		
Appendix A	£275,907	£277,457	£29,655	£30,605
	<b>£1,170,132</b>	<b>£1,171,682</b>	<b>£32,133</b>	<b>£33,083</b>

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**General Fund Summary**

	Actual 2023/24 £	Original Budaet 2024/25 £	Working Budaet 2024/25 £	Gross Expenditure* 2025/26 £	Gross Income* 2025/26 £	Net Original Budaet 2025/26 £
<b>Summary of Expenditure</b>						
<b>Portfolio:</b>						
Community Services	3,204,734	3,696,020	3,300,910	4,544,690	(1,122,310)	3,422,380
Housing Services	2,415,650	2,837,580	3,050,490	25,502,340	(22,399,890)	3,102,450
Environmental Services	16,036,515	9,430,800	9,735,372	24,732,810	(15,839,640)	8,893,170
Local Community Budgets	60,500	60,500	60,500	60,500	0	60,500
Resources	(8,531,986)	(3,448,360)	(4,171,832)	14,560,580	(19,645,080)	(5,084,500)
Resources - Support	209,515	162,850	252,770	24,471,990	(24,204,910)	267,080
Trading Accounts - Direct Services *	2,634	49,020	23,700	4,143,720	(4,148,260)	(4,540)
<b>Net General Fund Expenditure</b>	<b>13,397,561</b>	<b>12,788,410</b>	<b>12,251,910</b>	<b>98,016,630</b>	<b>(87,360,090)</b>	<b>10,656,540</b>
<b>Government Baseline Funding</b>						
Government Support - Retained Business Rates (NDR)	(2,054,453)	(1,880,358)	(1,914,723)	19,488,320	(21,896,732)	(2,408,414)
S31 Grants	(2,082,370)	(2,526,046)	(2,529,981)		(2,210,192)	(2,210,192)
Business rates in Year Gains						n
Levy Surplus	(21,574)	0	(22,000)			0
Compensation grant for business rates exemption for green plant and machinery	(23,748)	(26,105)	(26,106)			0
Transfer to/from S31 reserve		0				0
Transfer to/from Collection Fund reserve (NDR previous years)	(1,668,201)	(838,057)	(838,058)	1,232,757		1,232,757
Hertfordshire Pooling Gains	0	0				0
Transfer to/from Collection Fund (Council Tax previous years)	(46,290)	(162,404)	(162,403)	196,632		196,632
Redmond Review	(25,807)	0				n
Revenue Support Grant	(102,052)	(108,811)	(108,811)		(149,048)	(149,048)
Recovery Grant					(283,819)	(283,819)
Service Grant	(104,040)	(17,960)	(17,960)		0	0
3%/4% guarantee increase in core spending	(78,399)	(390,740)	(390,740)		0	0
District Precept	(6,540,369)	(6,837,929)	(6,837,929)		(7,040,510)	(7,040,510)
Use of General Fund Balances	<b>650,258</b>	<b>0</b>	<b>(596,801)</b>	<b>118,859,429</b>	<b>(118,865,481)</b>	<b>(6,054)</b>
General Fund Balance:						
Balance 1 April	(5,953,648)	(4,762,544)	(5,303,390)			(5,900,191)
Use of Balances in Year	650,258	0	(596,801)			(6,054)
<b>General Fund Balance 31 March</b>	<b>(5,303,390)</b>	<b>(4,762,544)</b>	<b>(5,900,191)</b>	<b>0</b>	<b>0</b>	<b>(5,906,244)</b>
Allocated Revenue Reserves:						
Balance 1 April	(5,556,446)	(6,682,988)	(8,758,063)			(9,420,450)
Use of Balances in Year	(3,201,617)	(88,056)	(662,387)			(18,623)
<b>Allocated Revenue Reserves Balance 31 March</b>	<b>(8,758,063)</b>	<b>(6,771,044)</b>	<b>(9,420,450)</b>	<b>0</b>	<b>0</b>	<b>(9,439,073)</b>
<b>Total Revenue Reserves</b>	<b>(14,061,453)</b>	<b>(11,533,588)</b>	<b>(15,320,641)</b>	<b>0</b>	<b>0</b>	<b>(15,345,317)</b>
<b>Council Tax Bands for 2024/25</b>						
2.99% Increase on Band D Property:		<b>2024/25</b>				<b>2025/26</b>
BAND A		159.51				164.28
BAND B		186.09				191.65
BAND C		212.68				219.04
BAND D		239.26				246.41
BAND E		292.43				301.17
BAND F		345.60				355.93
BAND G		398.77				410.69
BAND H		478.52				492.83

\* gross expenditure includes recharges and gross income includes recharge income

	Actual 2023/24 £	Original Budget 2024/25 £	Working Budget 2024/25 £	Gross Expenditure 2025/26 £	Gross Income 2025/26 £	Original Budget 2025/26 £
<b>Summary of Expenditure</b>						
7 Safeguarding Services	0	6,650	(6,320)	91,740	(91,190)	550
10 Sports & Recreational Facilities	838,005	1,179,570	1,023,010	911,650	0	911,650
11 Sports Development	76,957	111,380	137,160	135,740	(11,540)	124,200
12 Leisure Management and Leisure Promotions	209,392	274,620	142,520	898,150	(650,290)	247,860
14 Community Services General	571,294	530,550	455,280	674,830	(108,760)	566,070
14a Neighbourhood Wardens	166,328	185,190	196,340	290,870	(87,410)	203,460
15 Community Associations	334,291	342,550	342,550	308,420	0	308,420
16 Community Safety	238,932	211,280	212,600	250,000	0	250,000
16a Domestic Abuse Service	9,635	68,570	19,400	162,410	(141,590)	20,820
16b No More Service	53,700	68,480	68,440	99,020	(24,850)	74,170
17 Museums	348,880	361,900	354,650	356,270	(6,680)	349,590
18 Grants to Sundry Bodies	357,086	355,280	355,280	365,590	0	365,590
<b>Total Cost of Portfolio</b>	<b>3,204,500</b>	<b>3,696,020</b>	<b>3,300,910</b>	<b>4,544,690</b>	<b>(1,122,310)</b>	<b>3,422,380</b>

	Actual 2023/24 £	Original Budget 2024/25 £	Working Budget 2024/25 £	Gross Expenditure 2025/26 £	Gross Income 2025/26 £	Original Budget 2025/26 £
<b>Summary of Expenditure</b>						
20 Homelessness	806,720	1,283,320	1,286,500	2,611,600	(1,473,260)	1,138,340
20a Ex-Offenders & Refugees	(282,534)	7,520	7,520	170,100	(170,100)	0
21 Housing Advice	265,611	267,730	262,290	353,240	(68,490)	284,750
23 Wholly Owned Company	35,332	(181,690)	2,200	260,880	(55,550)	205,330
24 Private Houses Rent Allowance	720,867	371,660	649,760	9,794,800	(9,111,480)	683,320
25 Rent Rebates Administration	221,477	468,100	171,640	11,685,750	(11,482,000)	203,750
26 Health & Safety and Food Safety	648,177	620,940	670,580	625,970	(39,010)	586,960
<b>Total Cost of Portfolio</b>	<b>2,415,650</b>	<b>2,837,580</b>	<b>3,050,490</b>	<b>25,502,340</b>	<b>(22,399,890)</b>	<b>3,102,450</b>

	Actual 2023/24 £	Original Budget 2024/25 £	Working Budget 2024/25 £	Gross Expenditure 2025/26 £	Gross Income 2025/26 £	Original Budget 2025/26 £
<b>Summary of Expenditure</b>						
28 Abandoned Vehicles	7,202	12,870	1,000	4,180	(1,000)	3,180
29 Allotments	250	(2,710)	8,780	90,610	(88,490)	2,120
30 Cemeteries	290,342	350,030	244,280	580,440	(311,910)	268,530
31 Pavilions	442,675	450,760	450,060	286,630	(3,500)	283,130
31a Parks Playing Fields & Open Spaces	443,837	408,160	308,190	597,110	(208,220)	388,890
31b Verge Maint	293,141	306,010	497,730	1,366,930	(700,780)	666,150
31c Landscape Maint	493,347	497,790	724,600	1,198,290	(455,930)	742,360
31d Fairlands Park	229,043	228,930	236,870	233,010	(10,800)	222,210
31e Play spaces	258,226	269,660	280,610	299,950	0	299,950
31f Amenity Woodland	537,538	489,240	559,510	638,130	(111,090)	527,040
32 Drainage	5,970	8,160	7,990	11,520	0	11,520
33 Town Centre	624,038	700,140	689,750	778,400	(20,850)	757,550
33a Town Centre Conveniences	54,438	58,340	56,910	52,110	0	52,110
33b Street Cleansing/Graffiti	543,099	383,780	253,810	1,550,410	(1,179,250)	371,160
33c Environmental Development	66,311	150,040	188,140	188,890	(24,410)	164,480
33d Neighbourhood Centres	292,602	314,940	314,940	328,600	0	328,600
35 Local Highway Services	456,624	519,720	508,450	559,230	(13,950)	545,280
36 Christmas Illuminations	29,373	27,060	33,380	25,490	0	25,490
37 Recycled Waste	1,126,856	1,357,830	1,096,650	1,695,980	(1,827,960)	(131,980)
38 Refuse Services	1,803,833	1,499,320	1,974,040	2,042,040	(48,750)	1,993,290
39 Animal Control & Environmental Health Management	195,762	183,250	181,980	248,660	(52,990)	195,670
40 E-car Club and Travel Plan	22,087	12,890	12,140	15,010	0	15,010
41 Parking Facilities - Off Street	(1,354,029)	(2,224,860)	(2,134,880)	2,223,560	(4,522,650)	(2,299,090)
42 Parking Facilities (On Street)	(228,112)	(202,360)	(305,180)	876,220	(1,157,160)	(280,940)
43 CCTV	261,588	262,670	264,400	367,760	0	367,760
44 Planning Policy	1,174,181	1,386,060	1,393,500	1,382,590	0	1,382,590
44a Climate Change	99,730	121,730	204,390	224,610	(120,540)	104,070
44b CIL	(7,051)	10,430	10,400	25,860	(28,930)	(3,070)
44c Town Centre Management	2,281,245	249,670	277,442	516,520	(76,430)	440,090
46 Regeneration	5,588,103	1,437,460	1,318,140	1,633,390	(240,000)	1,393,390
47 Development Control	(21,199)	(66,480)	(122,550)	549,570	(561,220)	(11,650)
48 Building Control	23,579	39,520	39,520	57,800	(4,280)	53,520
49 Engineers and on-street parking	0	(2,130)	(2,620)	545,130	(546,050)	(920)
50 Property & Design	1,742	203,030	199,040	787,550	(788,620)	(1,070)
51 Environmental Health	0	(9,080)	(24,640)	1,053,790	(1,055,330)	(1,540)
52 DSO Admin & Management	0	(1,070)	(11,400)	1,696,840	(1,678,550)	18,290
<b>Total Cost of Portfolio</b>	<b>16,036,372</b>	<b>9,430,800</b>	<b>9,735,372</b>	<b>24,732,810</b>	<b>(15,839,640)</b>	<b>8,893,170</b>

## Local Community Budgets

	Actual 2023/24 £	Original Budaet 2024/25 £	Working Budaet 2024/25 £	Gross Expenditure 2025/26 £	Gross Income 2025/26 £	Original Budaet 2025/26 £
<b>Summary of Expenditure</b>						
54 Local Community Budgets	60,500	60,500	60,500	60,500	0	60,500
<b>Total Cost of Portfolio</b>	<b>60,500</b>	<b>60,500</b>	<b>60,500</b>	<b>60,500</b>	<b>0</b>	<b>60,500</b>

## Resources

	Actual 2023/24 £	Original Budaet 2024/25 £	Working Budaet 2024/25 £	Gross Expenditure 2025/26 £	Gross Income 2025/26 £	Original Budaet 2025/26 £
<b>Summary of Expenditure</b>						
56 Commercial Properties	(859,517)	(2,046,760)	(1,785,240)	3,107,600	(5,109,420)	(2,001,820)
56a Bus Interchange	(47,433)	37,540	42,300	286,060	(199,460)	86,600
57 Garages	(1,164,053)	(2,647,360)	(2,404,750)	1,533,060	(4,318,170)	(2,785,110)
58 Council Tax	760,200	693,400	693,400	1,054,350	(268,750)	785,600
59 Non Domestic Rate (NDR)	162,360	119,950	119,950	251,590	(116,230)	135,360
60 Elections	244,506	219,450	219,450	227,930	0	227,930
61 Electoral Registration	127,707	131,470	147,990	342,060	(204,060)	138,000
62 Indoor Market	193,548	118,530	190,620	386,640	(298,430)	88,210
63 NHC St George	0	0	0	74,000	(118,110)	(44,110)
64 Hackney Carriages	25,463	(22,090)	0	137,290	(137,290)	0
65 Local Licensing	(33,741)	24,740	1,620	150,840	(94,010)	56,830
66 Local Land Charges	23,043	(980)	(980)	81,800	(85,940)	(4,140)
67 Miscellaneous Services	119,904	120,000	157,540	130,000	0	130,000
68 Corporate Projects	62,141	33,220	47,840	41,250	0	41,250
68a Transformation	363,792	338,260	368,360	996,680	(765,760)	230,920
69 Investment Income and Expenditure	(3,801,950)	(773,700)	(2,325,990)	1,444,070	(2,838,280)	(1,394,210)
70 Movement on General Fund Balance	(6,637,247)	(2,197,150)	(2,076,672)	289,150	(3,536,430)	(3,247,280)
71 Corporate & Democratic Core	1,826,172	2,258,250	2,281,200	3,873,740	(1,554,740)	2,319,000
71a Emergency Planning	61,133	87,300	76,560	88,810	0	88,810
71b Civic Links	41,986	57,570	74,970	63,660	0	63,660
<b>Total Cost of Portfolio</b>	<b>(8,531,986)</b>	<b>(3,448,360)</b>	<b>(4,171,832)</b>	<b>14,560,580</b>	<b>(19,645,080)</b>	<b>(5,084,500)</b>

	Actual 2023/24 £	Original Budaet 2024/25 £	Working Budaet 2024/25 £	Gross Expenditure 2025/26 £	Gross Income 2025/26 £	Original Budaet 2025/26 £
<b>Summary of Expenditure</b>						
72 Daneshill House	(77,579)	80,670	85,890	1,488,580	(1,446,340)	42,240
74 Facilities Management	8,043	(22,300)	(66,650)	1,101,510	(1,070,300)	31,210
75 Corporate Management	577	(5,060)	20,580	895,180	(879,780)	15,400
76 Democratic Services	13	30	3,110	599,750	(599,620)	130
76a Members Expenses	0	(13,270)	(28,040)	643,130	(627,890)	15,240
77 Legal Services	18,965	(6,090)	(6,090)	521,940	(521,940)	0
78 Policy	0	20	(86,090)	652,260	(607,390)	44,870
78a Communications	439	(3,810)	6,220	382,570	(392,100)	(9,530)
79 ICT	(40,268)	(18,020)	208,050	6,917,540	(6,934,850)	(17,310)
79a GDPR	0	10	37,980	162,250	(162,530)	(280)
79c Digital	211	22,950	24,790	638,840	(784,870)	(146,030)
80 Human Resources & Organisational Development	65,871	49,600	69,600	278,760	0	278,760
80a Corp Health&Safety	0	20	1,690	189,990	(190,230)	(240)
80b Human Resources and Training	68	(6,060)	(15,100)	1,156,190	(1,155,520)	670
81 Creditors	10,001	970	26,170	399,280	(400,140)	(860)
81a Payroll	0	(740)	(740)	61,730	(71,100)	(9,370)
82 Financial Services	2,304	(2,650)	68,890	2,325,890	(2,314,900)	10,990
82a Financial Services - Procurement	(16)	(13,400)	12,300	250,590	(252,040)	(1,450)
82b Financial Services - Paralegal	0	0	(4,040)	109,830	(114,150)	(4,320)
82c Insurance, Audit, Anti Fraud & Corp Banking Charges	2,192	(700)	(25,830)	529,300	(528,060)	1,240
82d Estates	0	(13,920)	12,230	896,080	(871,970)	24,110
82e Financial Services - Commercial	218,694	5,910	(201,810)	316,840	(317,040)	(200)
83 Revenues, Benefits & Local Taxation	0	122,520	139,620	2,325,200	(2,330,200)	(5,000)
84 Customer Services	0	(13,830)	(29,960)	1,628,760	(1,631,950)	(3,190)
<b>Total Cost of Portfolio</b>	<b>209,515</b>	<b>162,850</b>	<b>252,770</b>	<b>24,471,990</b>	<b>(24,204,910)</b>	<b>267,080</b>

01	Actual 2023/24 £	Original Budget 2024/25 £	Working Budget 2024/25 £	Gross Expenditure 2025/26 £	Gross Income 2025/26 £	Original Budget 2025/26 £
<b>Expenditure</b>						
<b>Employee Costs:</b>						
Direct Employee Expenses	806,485	899,320	978,850	933,310	0	933,310
Indirect Employee Expenses	11,132	7,920	12,520	8,500	0	8,500
<b>Premises Related:</b>						
Repairs & Maintenance Of Buildings	81,886	86,040	86,570	86,060	0	86,060
Grounds Maintenance	87,702	63,110	83,110	63,110	0	63,110
Energy Costs	186,035	134,420	99,340	100,520	0	100,520
Rents, Rates & Water Services	199,425	221,720	221,720	226,910	0	226,910
Fixtures & Fittings	2,642	3,410	3,410	3,410	0	3,410
Cleaning & Domestic Supplies	943	1,010	1,010	1,010	0	1,010
Apportionment Of Operational Buildings	180,503	138,610	138,610	155,570	0	155,570
Premises Insurance	4,920	5,180	5,180	5,640	0	5,640
<b>Transport Related:</b>						
Fleet Vehicle Recharges	214,167	208,500	251,700	237,300	0	237,300
Hire Of Vehicles	0	0	0	0	0	0
Travelling Expenses	3,021	1,800	1,800	1,840	0	1,840
<b>Supplies &amp; Services:</b>						
Equipment, Tools & Materials	438,854	347,730	420,890	458,700	0	458,700
Catering	1,024	1,800	2,000	1,800	0	1,800
Clothing, Uniforms & Laundry	3,705	2,770	2,770	2,770	0	2,770
Printing, Stationery & General	2,612	1,300	1,300	1,300	0	1,300
Communications & Computing	30,087	18,840	51,840	34,220	0	34,220
Grants & Subscriptions	10,228	6,430	9,200	6,430	0	6,430
Miscellaneous Expenses	10,499	10,100	11,370	11,680	0	11,680
<b>Third Party Payments:</b>						
Contract Services	63,966	18,120	27,780	74,030	0	74,030
Private Contractors	436,717	444,710	445,390	465,600	0	465,600
Consultancy & Agency Fees	454,930	402,350	402,850	384,900	0	384,900
<b>Recharges:</b>						
Support Services	313,510	461,500	454,810	438,440	0	438,440
Contract Services Recharge	383,811	297,980	297,980	374,810	0	374,810
<b>Capital Charges:</b>						
Capital Charges	76,855	74,520	74,520	65,860	0	65,860
<b>Total Expenditure</b>	<b>4,005,658</b>	<b>3,859,190</b>	<b>4,086,520</b>	<b>4,143,720</b>	<b>0</b>	<b>4,143,720</b>
<b>Income:</b>						
Other Contributions & Donations	(327,673)	(328,000)	(371,760)	0	(338,370)	(338,370)
Fees & Charges	(1,116,563)	(1,212,320)	(1,174,050)	0	(1,207,780)	(1,207,780)
Recharge Income	(2,558,789)	(2,269,850)	(2,517,010)	0	(2,602,110)	(2,602,110)
	<b>(4,003,024)</b>	<b>(3,810,170)</b>	<b>(4,062,820)</b>	<b>0</b>	<b>(4,148,260)</b>	<b>(4,148,260)</b>
<b>Net Cost of Service</b>	<b>2,634</b>	<b>49,020</b>	<b>23,700</b>	<b>4,143,720</b>	<b>(4,148,260)</b>	<b>(4,540)</b>



**APPENDIX C : RISK BASED ASSESSMENT OF THE LEVEL OF GENERAL FUND BALANCES 2025/26**

Potential Risk Area	Comments including any mitigation factors		
Income from areas within the base budget where the Council raises "Fees and Charges"	Potential risk that the budgeted level of income from activities where the Council is charging for services will not be achieved. This is anticipated largely to be as a result of the downturn in economy and cost of living crisis, but could also be as a result of poor weather, new competition. All "fees and charges" income is reviewed as part of the monthly/quarterly budget monitoring process. All budgets are profiled over the year based upon previous experience.		
		<b>Calculated Risk</b>	
Specific Areas	Estimated Income	Likelihood Percentage	Balances Required
Parking Income* (on street/off-street)	£5,594,810	4.0%	£223,792
Development Control Income	£561,220	4.0%	£22,449
Recycling Income	£749,960	4.0%	£29,998
Garages	£4,134,200	1.0%	£41,342
Trade Refuse & Skips	£1,308,760	3.0%	£39,263
Indoor Market	£376,510	10.0%	£37,651
Commercial Property Income	£3,795,240	5.0%	£189,762
Lower fees and charges in excess of budgeted from continual post of Cost of Living			£250,000
<b>Total</b>			<b>£834,257</b>

\* The council has a parking account which identifies how parking fees are spent on parking and related costs

Potential Risk Area	Comments		
Demand Led Budgets	Potential risk that spending on parts of the budget where the Council has a legal duty to provide the service increases significantly. Individual budgets reviewed as part of the monthly budget monitoring process. All budgets are profiled over the year based upon previous experience and so any variances should show up during the year.		
		<b>Calculated Risk</b>	
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Housing Benefit maximum risk based on not meeting threshold for Local Authority errors.	£180,000	40%	£72,000
Loss of Business Rates yield	£3,379,025	maximum loss (7.5%)	£253,427
Lower S31 Grants than anticipated which means the NNDR yield would be higher but would not be returned to the General Fund until 2026/27.	£527,879	5%	£26,394
Increase in bad debts as a economic changes impacting on charging for services	£140,550	100%	£140,550
Bed and Breakfast budget been reduced based on current trends. However, there's a risk that demand could increase.	£80,000	75%	£59,400
risk of capital works requiring funding as a result of rephasing/deferring works in the Capital Strategy	£250,000	100%	£250,000
Housing Benefit overpayment net income reduces and results in a pressure on the General Fund	£576,960	10%	£57,696
<b>Total</b>			<b>£859,467</b>

Potential Risk Area	Comments including any mitigation factors		
Changes since budget was set	Potential risk that things change since the budget estimates were made and the estimates are then under budgeted for.		
		<b>Calculated Risk</b>	
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Transitional Vacancy Rate 4.5%	£800,540	10.00%	£80,054
Less staff time charged to capital than budgeted	£528,410	5.00%	£26,421
REVISED: pay award is higher than budgeted for 1%	£24,804,893		£218,389
If General Fund underspends not achieved to fund the graduate posts in future years	£150,000	100.00%	£150,000
Contractual inflation 1% increase	£11,233,348	2.70%	£115,764
Utility and fuel inflation usage/costs increase	£1,549,264	10.00%	£154,926
Borrowing costs will be higher than estimated on new borrowing in Capital Strategy	£1,609,610	1% increase in borrowing costs for the garage programme	£16,096
<b>Total</b>			<b>£761,649</b>

Potential Risk Area	Comments including any mitigation factors		
Other Risks	Potential risk that savings options will not be realised as a result of delay or unforeseen circumstances.		
		<b>Calculated Risk</b>	
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Savings Options	£1,171,682	10.00%	£117,168
<b>Total</b>			<b>£117,168</b>

Potential Risk Area	Comments including any mitigation factors		
Estimated balances required for any over spend or under -recovery of expenditure and income	This calculation replaces the calculation based on Net Expenditure		
		<b>Calculated Risk</b>	
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Gross Income (excludes specific income listed above)	£26,995,436	1.50%	£404,932
Gross Expenditure (excludes specific expenditure listed above)	£29,610,113	1.50%	£444,152
<b>Total</b>			<b>£849,083</b>

**Level of Balances Assumed in General Fund Based on risk** **£3,421,625**

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**Statement of the Chief finance Officer Section 25 Statement including Robustness of Estimates and Adequacy of Reserves**

**1 ROBUSTNESS OF ESTIMATES**

The Council process for producing the budget estimates involves responsible budget holders and finance officers reviewing and projecting the Base Budget. The Working Budget Estimates are determined against a background of ongoing quarterly budget monitoring for the current financial year and an evaluation of the outturn position and Budgets carried forward from the previous financial year. The 2025/26 Estimates are determined by evaluating and costing all known changes, including pay and price levels, legislative changes, demands for services and policy developments, projecting inflation has become much more difficult with fluctuating utility costs and pay inflation. The Council has sufficient reserves in order to set a balanced budget for 2025/26 and the current Budget Process has rigorously reviewed current budgets to secure another year of necessary Balancing the Budget (BTB) Savings, the level of which has been compounded by inflationary pressures. As part of the 2025/26 Budget process the Council has had to meet the challenge of historic Government Grant reductions, reducing New Homes Bonus, legacy post COVID issues with fees and charges and in particular parking income, as well as absorbing inflationary and legislative changes within its Medium Term Financial Strategy (MTFS). The overall budget process is co-ordinated by the Accountancy Section in liaison with the various Business Units and the Council's Strategic Leadership Team. The Budget is recommended by the Cabinet, for approval by Council after it has been through the Scrutiny process required by the Council's Constitution. The process includes consideration of risks and uncertainties associated with projections of future pay, prices, interest rates and projected levels and timing of other potential liabilities. The challenge to the budget process is provided by the Scrutiny and Overview Committee.

Financial monitoring arrangements provide the Cabinet with a quarterly update on the performance of the budget, with action plans where significant adverse variances have resulted. The MTFS is under constant review to ensure that a clear financial position for the Council can be demonstrated for the next five years aided by the Council's BTB priority. This is necessary as the significant cuts in public expenditure and funding from the government between 2010/11- 2024/25. The 2025/26 funding settlement was higher than the MTFS projected and more than the 2024/25 funding. Multi-year settlements beyond 2026/27 will improve projecting the level of annual savings required. The revised MTFs assumes that the level of Recovery grant funding will continue into the future and has improved the level of General Fund reserves from the September MTFS position. The CFO has identified that further new BTB savings options are required for 2026/27-2028/29 of £2.4Million to ensure a balanced General Fund budget. This target reflects the impact of a projected £2.4Million inflation over the three year period and other known pressures a small annual allowance for growth and a 1.99% increase in council tax beyond 2025/26.

The Council's Financial Regulations require responsible budget holders to ensure that net expenditure does not exceed the total of their Service budgets. Where, despite the assessment of risks that forms part of the budget process, a budget comes under pressure during the course of the financial year, the council's

budgetary framework and Financial Regulations lay down appropriate procedures. Where budget variations cannot be contained overall by the use of virements, these have been reported to Members as part of the quarterly budget monitoring process. In addition, requests for supplementary estimates have to be submitted to the Executive or Full Council, as appropriate. Supplementary estimates are met from available balances and reserves, subject to the required level of minimum General Fund balances.

The Strategic Director (S151) considers that the Estimates and the processes used to produce them are sound and robust. A further update on the 2024/25 General Fund and HRA budgets will be presented to the March Cabinet, together with any on-going impacts.

## **2 ADEQUACY OF RESERVES**

The Council's annual budgetary process and the assessment of the adequacy of Reserves are undertaken in the context of robust medium term financial forecasting. Whilst the Council currently has levels of Reserves above the minimum risk assessed level, the Council's Medium Term Financial Strategy acknowledges that there will be a return to balances of £1.02Million (2024/25-2028/29) if the £2.4Million savings are made beyond 2025/26 and the 2025/26 savings are delivered. This is based on the assumption that Recovery grant at 2025/26 level will be maintained during the period. The anticipated 'reset' of business rates from 2026/27 may impact the Council however the Council only uses £200K of business rates gains in anyone year and transfer the rest to a reserve for recommended for one off spend and financial resilience. The Council has not budgeted for any future New Homes Bonus as this is also due for reform from 2026/27.

The Council has risk assessed the level of General Fund balances required, based on information from service managers the level of reserves required for 2025/26 is £3,421,625, (see also Appendix C to the main report).

Total available General Fund balances as at 1st April 2025 are estimated to be £5,899,973 (after 2024/25 contribution to balances of £596,583). Total General Fund balances as at 1st April 2026 are estimated to be £5,906,027 (after 2025/26 contribution to balances of £6,053). (See also paragraph 4.9.2 and paragraph 4.10.1 of the main report). These levels of balances meet the minimum level of risk assessed balances that are needed to meet unforeseen expenditure arising in the year and expenses arising before income is received.

Total available HRA balances as at 1st April 2025 are estimated to be £10.818Million (after 2024/25 contribution to balances of £233K). Total HRA balances as at 1st April 2026 are estimated to be £10.150Million (after 2025/26 contribution from balances to the HRA of £668K). These levels of balances meet the minimum level of risk assessed balances that are needed to meet unforeseen expenditure arising in the year and expenses arising before income is received.

The HRA also has an earmarked reserve for the repayment of debt which is estimated to be £17.2Million as at 1st April 2025 and £16.7Million as at 1 April 2026.

It is estimated that the Council will have General Fund £33,684 capital receipts and £1.408Million regeneration ring fenced receipts and nil capital reserves as at 1st April 2026 and the Council has a need to borrow in 2025/26 £32.784Million including £14.335Million for the HRA.

In assessing the adequacy of the council's reserves, the robustness of its Budgetary Process and Systems of Internal Control, the assumptions and uncertainties discussed in the Budget report, and the levels of special provision have been considered.

In coming to a view on the adequacy of reserves, risks in the area of litigation, business continuity, civil emergency, failure of information systems, budgetary control and interest rate calculations have been considered in terms of the possible maximum financial impact and their probability of occurrence. Ongoing assessment of the financial risks to the council, its budget and MTFS, are embedded as part of the Council's overall Corporate Risk Management processes. On this basis, the Strategic Director (S151) considers the level of general balances to be adequate for the 2025/26 financial year.

### **3 SPECIFIC RESERVES**

As part of the budget preparation process, the current and projected levels of the Council's ringfenced reserves have been considered. Following this review, the Strategic Director (S151) confirms these reserves are £9,420,450 for the General Fund as at 1 April 2025 and £9,439,073 as at 1 April 2026 and continue to be required, (see also paragraph 4.10.4 of the main report for the individual reserve balances and need).

### **4. STATEMENT OF ACCOUNTS**

At the time of publishing this report the Council's last set of published and audited accounts were for the financial year 2022/23 and officers are finalising with the council's auditors Azets the 2023/24 accounts.

Supported by the Financial Reporting Council, The Ministry for Housing Communities and local government (MHCLG) set a backstop date of 13 December 2024 for Local Authorities to publish their audited financial accounts for all financial years up to and including 2022/23. This approach is anticipated to enable Local Authorities and auditors to focus on the most recent year of accounts as quickly as possible and the Council complied with this.

A backstop for 2023/24 audits has been set as 28 February 2025. Backstop dates will also be set for the subsequent four years, with 2027/28 audits expected to be completed by 30 November 2028. Auditors will issue a "disclaimed" or "modified" audit opinion where they are not able to complete audits and for SBC this was for the 2021/22-2022/23 accounts and in all likelihood the 2023/24 accounts. However, the Council has strong financial management and the CFO is confident in the position presented within Budget report.



# Appendix E EQIA Council Tax Increase



Council Tax Increase

## Equality Impact Assessment (EqIA) Form

December 2024

<b>Date created</b>	December 2024
<b>Approved by</b>	Cabinet/SLT
<b>Owner</b>	Clare Fletcher, Strategic Director
<b>Version</b>	1.0
<b>Author</b>	Brian Moldon – Assistant Director of Finance
<b>Business Unit and Team</b>	Finance

Please [click this link](#) to find the EqIA guidance toolkit for support in completing the following form.

For translations, braille or large print versions of this document please email [equalities@stevenage.gov.uk](mailto:equalities@stevenage.gov.uk).

**First things first:**

**Does this policy, project, service, or other decision need an EqlA?**

<b>Title:</b>	<b>Council Tax Increase</b>	
<b>Please answer Yes or No to the following questions:</b>		
Does it affect staff, service users or the wider community?		Yes
Has it been identified as being important to particular groups of people?		Yes
Does it or could it potentially affect different groups of people differently (unequal)?		Yes
Does it relate to an area where there are known inequalities or exclusion issues?		No
Will it have an impact on how other organisations operate?		No
Is there potential for it to cause controversy or affect the council's reputation as a public service provider?		No

<b>Where a positive impact is likely, will this help to:</b>	
Remove discrimination and harassment?	No
Promote equal opportunities?	No
Encourage good relations?	No

**If you answered 'Yes' to one or more of the above questions you should carry out an EqlA.**

Or if you answered 'No' to all of the questions and decide that your activity doesn't need an EqlA you must explain below why it has no relevance to equality and diversity.

You should reference the information you used to support your decision below and seek approval from your Assistant Director before confirming this by sending this page to [equalities@stevenage.gov.uk](mailto:equalities@stevenage.gov.uk).

I determine that no EqlA is needed to inform the decision on the Council Tax increase for 2025/26.

Name of assessor:

Decision approved by:

Role:

Role:

Date:

Date:



# Equality Impact Assessment Form Appendix C

For a policy, project, strategy, staff or service change, or other decision that is new, changing or under review

<b>What is being assessed?</b>		<b>Council Tax Increase</b>			
Lead Assessor	Brian Moldon			Assessment team	Revenues and Benefits
Start date	01/04/2025	End date	31/03/2026		Finance
When will the EqIA be reviewed? (Typically every 2 years)	01/01/26				

Page 57

Who may be affected by the proposed project?	Residents of the borough								
What are the key aims of the proposed project?	<p>To increase Council Tax in 2025/26 by a total 2.99%, this equates to increase of £7.15 to £246.41 for a band D property.</p> <p>Whilst it is recognised that any Council Tax increase will have a negative impact on Council Taxpayers, this is justified as the increases in Council Tax are considered necessary to mitigate against the impact of reductions in central government funding to enable the Council to achieve its' overall savings targets and provision of services and set a balanced budget as required.</p> <p>When Government determines the funding available to each Council as part of the settlement, it presumes that councils will increase up to the maximum allowed. For Stevenage it is 2.99% for 2025/26.</p> <p>It should be noted that majority of residents are in bands C and below and the increase in those properties are as follows:</p>								
		Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H

	Number of Households	1,703	6,888	21,753	3,369	3,261	981	434	16
	SBC 2024/25 Council Tax	£159.51	£186.09	£212.68	£239.26	£292.43	£346.60	£398.77	£478.52
	SBC Proposed 25/26 Council Tax	£164.27	£191.65	£219.03	£246.41	£301.17	£356.93	£410.68	£492.82
	Increase	£4.76	£5.56	£6.35	£7.15	£8.74	£10.33	£11.91	£14.30

For residents not in receipt of Council Tax Support, they will be liable to pay the full amount of the proposed increase. Resident is full receipts of CTS will only pay a maximum of 8.5% of their Council Tax.

What <b>positive measures</b> are in place (if any) to help <b>fulfil our legislative duties</b> to:				
Remove discrimination & harassment		Promote equal opportunities	The Council has agreed a Council Tax Support Scheme (November 2024 Cabinet) where elderly CTS claimants are protected in law and their wards will always be based on 100% of the council tax charge. Working Age claimants will be based on 91.5% of their council tax liability.	Encourage good relations

			Stevenage also has an exceptional hardship scheme available.		
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What sources of data / information are you using to inform your assessment?	<p>Council Tax system (CTB1 form)</p> <p>Financial Settlement confirming the referendum limits for SBC below 3%</p> <p>Herts-Insight data</p> <p>Council Tax Support Scheme</p>
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In assessing the potential impact on people, are there any overall comments that you would like to make?	
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# Evidence and Impact Assessment

Explain the potential impact and opportunities it could have for people in terms of the following characteristics, where applicable:

## Age

Positive impact		Negative impact	Residents may be experiencing exceptional economic hardship as well as increases in energy, food and fuel costs. This may have a greater impact on older people and disabled people, who may have additional needs for heating and to run particular equipment, and may also have lower income / be reliant on pensions and/or benefits.	Unequal impact	The increase is applied to all properties; it is not possible to exempt any particular groups. Residents who are living in single occupancy will receive 25% discount, and elderly residents entitled to Council Tax Support will receive 100% discount, whilst working age entitled to Council Tax Support will receive discount up to 91.5%.
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Please evidence the data and information you used to support this assessment	This affects all adults that live within the Borough. There is support available through the Councils CTS scheme and the discretionary hardship fund. The Council are continuing to provide the current CTS scheme at a maximum 8.5% for working age person and up to 100% for older persons. Council Tax payment options, such as 12 monthly and 44 weekly instalments in a year via direct debit and standing order are offered at the billing stage. The availability of the Discretionary Council Tax Hardship fund is promoted through Council Tax Support notification letters, in Council Tax reminder and final notices, on the Council's website. Applications for assistance from other
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discretionary schemes such as Discretionary Housing Payment and where appropriate assistance is awarded under the Discretionary Council Tax Hardship fund as well.

Stevenage has an estimated total population of 90,146 at mid-2023. It has a lower proportion of elderly people compared to the national average and Hertfordshire as a whole.

	Stevenage	Hertfordshire	England
Aged under 16	18,413 (20.5%)	20%	18.5%
Aged 16 to 64	57,731 (64%)	62.6%	62.9%
Aged 65 and over	14,002 (15.5%)	17.4%	18.7%

CTS data as at December 2024 and 2023

	2024		2023	
	Numbers	Percentage	Numbers	Percentage
Working Age	4,141	54.1%	4,663	56.9%
Elderly	3,517	45.9%	3,537	43.1%
Total	7,658	100%	8,200	100%

What opportunities are there to promote equality and inclusion?

What do you still need to find out? Include in actions (last page)

Disability e.g., physical impairment, mental ill health, learning difficulties, long-standing illness					
Positive impact		Negative impact		Unequal impact	The increase is applied to all properties; it is not possible to exempt any particular groups.
Please evidence the data and information you used to support this assessment	<p>In terms of Council Tax Support, disabled households are those where a disability related welfare benefit is in payment. We recognise that people with disabilities are historically disadvantaged and face greater barriers when accessing information about services and therefore consider disabled households to be more vulnerable than other households.</p> <p>Within the 2021 Census data, 15,468 (or 17.3%) residents assessed themselves as disabled under the Equalities Act 2010.</p> <p>The Council are continuing to provide the current CTS scheme therefore, there are no additional adverse impacts on this protected group resulting from these proposals.</p>				
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Gender Reassignment					
Positive impact		Negative impact		Unequal impact	✓
Please evidence the data and information you used to support this assessment	<p>There is no evidence to suggest any specific impacts on residents within any of these protected characteristic groups.</p> <p>The increase is applied to all properties; it is not possible to exempt any particular groups.</p>				

What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	
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**Marriage or Civil Partnership**

Positive impact		Negative impact		Unequal impact	✓
Please evidence the data and information you used to support this assessment	<p>There is no evidence to suggest any specific impacts on residents within any of these protected characteristic groups.</p> <p>The increase is applied to all properties; it is not possible to exempt any particular groups.</p>				
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Page 63

**Pregnancy & Maternity**

Positive impact		Negative impact		Unequal impact	✓
Please evidence the data and information you used to support this assessment	<p>There is no evidence to suggest any specific impacts on residents within any of these protected characteristic groups.</p> <p>The increase is applied to all properties; it is not possible to exempt any particular groups.</p>				
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Race					
Positive impact		Negative impact		Unequal impact	✓
Please evidence the data and information you used to support this assessment	<p>There is no evidence to suggest any specific impacts on residents within any of these protected characteristic groups.</p> <p>The increase is applied to all properties; it is not possible to exempt any particular groups.</p>				
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Religion or Belief					
Positive impact		Negative impact		Unequal impact	✓
Please evidence the data and information you used to support this assessment	<p>There is no evidence to suggest any specific impacts on residents within any of these protected characteristic groups.</p> <p>The increase is applied to all properties; it is not possible to exempt any particular groups.</p>				
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Sex					
Positive impact		Negative impact		Unequal impact	✓
Please evidence the data and information	<p>There is no evidence to suggest any specific impacts on residents within any of these protected characteristic groups.</p>				



you used to support this assessment	The increase is applied to all properties; it is not possible to exempt any particular groups.		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

<b>Sexual Orientation e.g., straight, lesbian / gay, bisexual</b>					
Positive impact		Negative impact		Unequal impact	✓
Please evidence the data and information you used to support this assessment	<p>There is no evidence to suggest any specific impacts on residents within any of these protected characteristic groups.</p> <p>The increase is applied to all properties; it is not possible to exempt any particular groups.</p>				
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

**Socio-economic<sup>1</sup>**

e.g., low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users,  
**social value in procurement**

Positive impact		Negative impact	Council Tax increase could negatively affect residents in a lower socio-economic standing as they will have a financial challenge.	Unequal impact	
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Please evidence the data and information you used to support this assessment

Using the Herts Insight data, it shows Stevenage is ranked 117 most deprived lower tier authorities out of 317 from the 2019 data, the previous data from 2015, had Stevenage at 137. There is limited data held to break this down further.

What opportunities are there to promote equality and inclusion?	Identify and support those who are struggling utilising various support streams, the main one being Council Tax Support (CTS) where currently there are 4,141 working age and 3,517 elderly claimants receiving CTS. CTS scheme is a variable scheme based on each person's individual circumstances which is then used to assess their level of entitlement. On top of this, the Council operates an	What do you still need to find out? Include in actions (last page)	
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<sup>1</sup>Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

	Exceptional Hardship Scheme for short time emergency fund.		
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<b>Additional Considerations</b>					
<b>Please outline any other potential impact on people in any other contexts</b>					
Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Page 67

## Consultation Findings

Document any feedback gained from the following groups of people:

Staff?			
Voluntary & community sector?			
Other stakeholders?			

## Overall Conclusion & Future Activity

Explain the <b>overall findings</b> of the assessment and <b>reasons for outcome (please choose one)</b> :	
1. No inequality, inclusion issues or opportunities to further improve have been identified	
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made
	2b. Continue as planned
	2c. Stop and remove

Page 68

Detail the <b>actions that are needed</b> as a result of this assessment and how they will help to <b>remove discrimination &amp; harassment, promote equal opportunities</b> and / or <b>encourage good relations</b> :				
Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?
Monitor through the monthly reports to establish the impact of the council tax increase and the challenges relating to affordability and provide residents with support accordingly.	Promote the support that the Council offers through the Council Tax Support Scheme and Exceptional Hardship Scheme.	Revenues and Benefits staff	Ongoing	Current practice is to ensure staff continue to support residents who are struggling to make payment either through considering the schemes available or through providing payment plans

**Approved by Assistant Director:** Brian Moldon

**Date:** 14.01.25

Please send this EqlA to [equalities@stevenage.gov.uk](mailto:equalities@stevenage.gov.uk) for critical friend feedback and for final submittance with the associated project.

**STEVENAGE BOROUGH COUNCIL**

**Wednesday 12 February 2025**

**COUNCIL TAX RESOLUTION**

**SETTING THE AMOUNT OF COUNCIL TAX FOR THE COUNCIL'S AREA**

1. That the following be approved:
  - a. the revised working revenue estimates for the year 2024/25 amounting to £12,251,910 and the revenue estimates for 2025/26 amounting to £10,656,540;
  - b. the contribution to balances totalling £596,801 in 2024/25;
  - c. the contribution to balances totalling £6,053 in 2025/26.
2. That it be noted that at its meeting on 11 December 2024 the Cabinet calculated the amount of 28,571.8 Band D equivalent properties as its council tax base for the year 2025/26 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 31B of the Local Government Finance Act 1992 as amended by Section 74 of the Localism Act 2011.
3. That the following amounts be calculated by the Council for the year 2025/26 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by Section 74 of the Localism Act 2011:
  - a. £89,901,990 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act, less the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d)
  - b. £82,861,480 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act.
  - c. £7,040,510 Being the amount by which the aggregate at 3a above exceeds the aggregate at 3b above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.
  - d. £246.41 Being the amount at 3c divided by the amount at 2 above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its council tax for the year
  - e. Valuation Bands

A	£ 164.27
B	£ 191.65

C	£ 219.03
D	£ 246.41
E	£ 301.17
F	£ 355.93
G	£ 410.68
H	£ 492.82

Being the amounts given by multiplying the amount at 3d. above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. a. That it be noted that for the year 2025/26 Hertfordshire County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands

	Basic Amount of Council Tax	Adult Social Care Charge	2025/26 Council Tax
A	£	£	£
B	£	£	£
C	£	£	£
D	£	£	£
E	£	£	£
F	£	£	£
G	£	£	£
H	£	£	£

- b. That it be noted that for the year 2025/26 Hertfordshire Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 and amended by Section 27 of the Police and Magistrates' Court Act 1994, for each of the categories of the dwellings shown below:

Valuation Bands

A	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

5. That, having calculated the aggregate in each case of the amounts at 3e. and 4a. and b. above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts for council tax for the year 2025/26 for each of the categories of dwellings shown below:

Valuation Bands

A	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

6. To determine in accordance with Section 52ZB Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2025/26 is not excessive in accordance with principles approved by the Secretary of State under Section 52ZC having calculated the aggregate in each case of the amounts at 3e.

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