

Executive Board – 11 February 2025

Subject:	Budget and Medium-Term Financial Plan (MTFP) 2025/26 to 2028/29
Corporate Director(s)/Director(s):	Stuart Fair, Interim Director of Finance and Resources (Section 151 Officer)
Executive Member(s)	Councillor Linda Woodings, Executive Member for Finance and Resources
Report author and contact details:	Clare Williams, Interim Director of Finance (Deputy Section 151) clare.williams@nottinghamcity.gov.uk
Other colleagues who have provided input:	Corporate Leadership Team Colleagues within Technical, Strategic and Commercial Finance Teams
Subject to call-in: <input checked="" type="checkbox"/> Yes <input type="checkbox"/>	
Key Decision: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Criteria for Key Decision:	
(a) <input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input checked="" type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure: <input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: 29 January 2025	
Total value of the decision: £355.088m General Fund Medium Term Financial Plan £771.886m Capital Programme £374.2m Schools Budget change	
Details of other specific financial decisions are set out within the body of the report and its appendices	
Wards affected: All	
Commissioner Consideration Has this report been shared with the Commissioners' Office? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Any comments the Commissioners wish to provide are listed below.	
Date of consultation with Portfolio Holder(s): Throughout	
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input checked="" type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Healthy and Inclusive	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input checked="" type="checkbox"/>
Improve the City Centre	<input checked="" type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Financial Stability	<input checked="" type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>

Summary of issues (including benefits to citizens/service users):

Executive Board in January 2025 noted the progress on the Council's Medium-Term Financial Plan (MTFP) for 2025/26 building on the June 2024 MTFP report. The Council has undertaken a public consultation process on its budget savings proposals and the results have informed the final proposed MTFP.

The Council continues to face exceptional circumstances as best demonstrated by the 2024/25 General Fund Budget balanced only by taking all available saving options tabled to the Executive Board and City Council in February 2024 and March 2024 respectively. The Council has identified further savings which were presented to the Executive Board in December 2024 and currently being consulted on where appropriate.

An updated budget strategy and approach to the MTFP, developed to meet the financial challenges faced by the Council, was presented to Executive Board in January. This Budget Strategy sits alongside the Council's Improvement Plan and Commissioners' Exit Strategy.

This report represents an update in the Council's budget planning process, seeking to refresh the future budget gaps the Council is likely to be facing based on the latest available information including the provisional settlement announced in December 2024 and will be further refined when we received the final settlement expected early February 2025. This includes likely recurring budget issues identified as part of forecast in-year budget monitoring and expert external advice on possible settlement and related funding.

The working assumptions underpinning the MTFP previously assumed in March 2024 and reiterated in June 2024 have been refreshed with the 2025/26 gap reducing from £69.0m to the latest projection of £23.3m.

A core assumption in setting the base for 2025/26 includes successfully managing demand related cost pressures within the current financial year 2024/25 and sustaining this position over the medium term. Closing the structural deficit is foundational to the medium- and longer-term financial stability of the Council. Successful delivery of transformational change and efficiency savings will be fundamental to the elimination of the embedded structural deficit. It is therefore critical that the savings programme, including new and those savings approved in March 2024, are delivered in full during 2025/26 and future financial years of the MTFP.

The proposed budget strategy, process and modelling will be further refined and will include any further adjustments arising from the final budget settlement expected to be announced Early February 2025.

It is a legal requirement to set a balanced General Fund Budget for 2025/26 by 11 March 2025. In addition, it is a Best Value requirement to demonstrate the financial sustainability of the Council through setting a balanced 4-year MTFP. These requirements and principles sit alongside the instructions issued by the Finance and Resources board in relation to financial sustainability.

The General Fund Budget will be balanced in 2025/26 only by taking all available saving options tabled within this report and the use of Exceptional Financial Support (EFS). The MTFP sets out the current budget shortfall across the period against the forecasted available resources of the Council.

The Section 151 Officer is required by law to report to Council members on his assessment of the robustness of budget estimates and the adequacy of financial reserves in presenting the MTFP for consideration and approval.

The MTFP, Reserves policy and Section 25 statement on the Robustness of the budget and Adequacy of Reserves annexes detail the Section 151 Officer's strategy to aim to deliver a balanced budget without the need for ESF by 2027/28 financial year.

This strategy aligns with good financial practice and reflects a prudent approach to rebuild the Council's financial resilience over the period of the MTFP within a challenging environment. Combined with the total value of savings and income plans of £48.5m over the 4-year period of the MTFP, this does, however present a significant challenge to the organisation. Members and officers alike will need to be unwavering in exercising robust financial management discipline and committed to the timely delivery of approved savings in order for the MTFP to remain in financial balance and the Council to operate within its financial means.

The overall level of budgeted service growth and inflation being allocated in 2025/26 through the budget process is £42.8m.

Savings delivery continues to be critical to ensuring the Council can keep within approved budgets reducing the pressure in forthcoming year(s).

This report sets out the Council's revenue and capital budget proposals for the General Fund, HRA and Schools Budget for 2025/26 within the context of a medium-term outlook. In addition, this report includes the Council's policies on Financial Reserves and Fees & Charges.

The report comprises of the following Appendices:

- Appendix 1 – Illustrative Directorate Budgets
- Appendix 2 – Fees and Charges Schedule
- Appendix 3 – Capital Programme
- Appendix 4 – Capital Strategy
- Appendix 5 – Treasury Management
- Appendix 6 – Financial Reserves Policy
- Appendix 7 – Budget Consultation
- Appendix 8 – Schools Budget
- Appendix 9 – S25 Statement on Robustness of the budget and adequacy of reserves, required under The Local Government Act 2003 (Pt II)
- Appendix 10 – Equality Impact Assessment

This report should be considered in conjunction with its Appendices.

Does this report contain any information that is exempt from publication?

No

Recommendation(s):

- 1. General Fund Revenue Medium Term Financial Plan 2025/26 to 2028/29** (section 5)
 - a) Notes that the Council has a projected budget gap of £23.3m in 2025/26 and cumulative £55.5m over the MTFP period (paragraph 3.3, table 1).
 - b) To note the Council's request for Exceptional Financial Support (capitalisation direction) from the Department of Levelling Up, Housing and Communities of up to a combined £35m for 2025/26 and 2026/27 (paragraph 3.4)
 - c) To recommend to City Council the approval of the proposed General Fund revenue budget for 2025/26 with a net draft budget of £355.1m (table 2).
 - d) Notes and recommends for City Council to approve the officer recommended budget with the 2025/26 budget gap of £23.3m to be funded from EFS and with approval for officers to continue identifying savings through the year to reduce the in-year budget gap.
 - e) To recommend for City Council to approve the total General Fund savings of £48.5m over the MTFP period 2025/26 to 2028/29, submitted as part of the 2025/26 budget review process. (section 9, table 22).
 - f) Authorises the Corporate Director and/or Director with responsibility for each saving proposal to:
 - i) carry out all steps required in relation to each proposal, including carrying out any further targeted consultations.
 - ii) consider any consultation outcomes and other detailed implications.
 - iii) complete and consider the implications of any updated equalities impact assessment required.
 - iv) following completion of d(i), d(ii) and d(iii) above:
 - determine whether to amend any proposal prior to implementation;
 - determine whether a further report needs to be considered by the Executive Board;
 - or the relevant officer or portfolio holder before a final decision is taken on implementation; and
 - where a decision is taken not to proceed with any proposal then alternative proposal(s) will be brought forward for consideration.
 - g) In relation to savings proposals that are significantly cross cutting across more than one service, authorises the Corporate Director or Director with primary responsibility for the savings proposal to complete any required equalities analysis assessments and to consider the outcome, and any other crosscutting implications, following consultation with the Corporate Directors or Directors of the other services significantly impacted by the proposals, prior to taking any decisions to implement such proposals.
 - h) Notes the latest Medium-Term Financial Plan for 2025/26 to 2028/29 (Section 5).

- i) Note the £20.0m revenue service growth and £22.8m inflation for 2025/26 (paragraphs 5.4 to 5.6).
- j) To note the following additional statutory instructions from the Finance and Resources Board flowing directly from the existing instructions, '2.1, Approval of wholly realistic plans and budgets' and '2.2, Establish and Maintain a sound and prudent reserves policy and practice':
 - The Section 151 Officer, after consultation with the Chief Executive and fellow Corporate Directors, shall present his best professional view on a draft budget for 2025/26 in line with normally expected professional standards but which in particular maximises the level of savings options that Corporate Directors believe can be delivered and thus quantifies the minimum budget imbalance relying on the bid to Government for 'Exceptional Financial Support'
 - Subject only to any professionally required changes determined by the Section 151 Officer, the draft budget for 2025/26 as defined in 1 above, shall be presented and recommended to the Full budget setting Council meeting for its approval.
- k) To delegate authority to the Section 151 Officer to approve and make arrangement for processing of budget virements associated with allocation of expenditure and/or income included within the General Fund revenue budget for 2025/26.

2. Budget Consultation (section 12 and Appendix 7):

- a) Note and consider the findings of the consultation in agreeing the MTFP recommendations to full Council (Appendix 7).
- b) Note that the insight and learning gained through the extensive consultation process will be used to inform the Equality Impact Assessments, design phase and/or mitigate impact where possible in the implementation of proposals.
- c) Note that additional and targeted consultation will be required on some of the proposals based on more detailed proposed delivery models.

3. Financial Reserves (Section 11):

- a) To note the forecasted balances on General Fund reserves for end of 31 March 2025 of:
 - Available General Fund reserves £63.9m
 - Earmarked reserves £149.5m

4. Fees and Charges (Section 5.10):

- a) To note the schedule of fees and charges arising from the application of the approved policy for 2024/25 (Appendix 2).

5. Council Tax (Paragraph 5.11 to 5.14):

- a) To note the Council Taxbase for 2025/26 of 71,062 (table 11).
- b) Consider and recommend to City Council an increase of 2% for the Social Care Precept and an increase of 2.99% for Council Tax in 2025/25, endorsing proposals to set a Council Tax level (Band D) of £2,262.88 (table 12).
- c) To note the revised Council Tax Support Scheme for implementation in 2025/26.

6. Collection Fund (Paragraphs 5.15 to 5.16):

- a) To note the estimated Council Tax Collection Fund surplus for 2024/25 of £2.7m, to be shared as below:
 - Nottingham City Council £2.3m
 - Nottinghamshire Police & Crime Commissioner £0.3m
 - Nottinghamshire Fire Authority £0.1m
- b) To note the estimated Business Rates Collection Fund surplus for 2024/25 of £2.9m, of which £1.4m is Nottingham City Council's share (table 15).

7. Capital Budget and Strategy (Section 6)

- a) To approve the Capital Strategy and its appendices as detailed in Appendix 4, paying particular attention to the:
 - Voluntary Debt Reduction Policy
 - Flexible Use of Capital Receipt Policy
 - Non-Treasury Investment Strategy, and
 - Prioritisation criteria for Capital Receipts
- b) Approve the Capital Budget of £771.886m and associated funding as set out in section 7 and detailed in Appendix 3, including the capital programme additions of £105.625m.
- c) Note the inclusion of the Exceptional Financial Support of £35.0m to cover the projected budget gap for 2025/26 and 2026/27 and associated funding within the proposed Capital Budget.
- d) Note the register of pipeline schemes as detailed in Appendix 4.

8. Treasury Management Strategy (Section 7)

- a) To approve the Treasury Management Strategy 2025/26 as detailed in Appendix 5, paying particular attention to:
 - The approach to borrowing
 - Voluntary Debt Reduction Policy
 - The Treasury Investment Strategy
 - Prudential Indicators
- b) To approve the Prudential Indicators for the year 2025/26. In particular:
 - The authorised limit for borrowing of £936.4m which sets a statutory limit for borrowing that the council cannot exceed in 2025/26.
 - The operational boundary for debt of £906.4m, a lower limit than the authorised boundary, which acts as an early warning mechanism for council borrowing.
- c) To note the council has repaid £15m of long-term market loans early during the year 2024/25 which has been authorised under the Section 151 Officers delegated treasury authority. Further details will be published in the Treasury Outturn report 2024/25.
- d) To note the scope of the voluntary debt reduction policy continues to allow for borrowing in exceptional financial circumstances for a short-term period.

9. Schools Budgets (Section 14)

- a) To approve the in-year budget transfers and payments associated with the grant funding and the use of the reserve included in this report. This will not exceed the grant value (Appendix 8).
- b) To delegate the authority to the Executive Member for Finance & Resources and the Section 151 Officer to approve any final budget adjustments in conjunction with the Executive Member for Children, Young People & Education, and the Corporate Director for Children & Education Services.

10. Housing Revenue Account (HRA) budget 2025/26 (section 15)

- a) To note the HRA revenue budget for 2025/26, as presented to the Executive Board at the same meeting.

11. Robustness of the Medium-Term Financial Plan and Adequacy of Reserves (Appendix 9)

- a) To note the report of the Council's Section 151 Officer in respect of the robustness of the estimates within the budget and the adequacy of reserves as set out in Appendix 9.
- b) In accordance with recommended guidelines, the Section 151 Officer recommends a transfer is made into the General Fund balance of £40.2m as of 31 March 2025 from

reclassifying previously earmarked General Fund reserves (section 12 and Appendix 9).

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1. **Reasons for recommendations**

- 1.1. This report seeks Executive approval of the proposed 2025/26 to 2028/29 MTFP with a following recommendation of the proposed MTFP to the City Council on 3 March 2025.
- 1.2. This MTFP covers a 4-year period to meet its objective of the corporate plan agreeing a longer-term financial planning framework within which value for money decisions relating to services can be taken.
- 1.3. The report sets out a cumulative budget gap of £55.5m, of which £23.3m is provisionally proposed to be funded from EFS in 2025/26 which the council has received approval for.
- 1.4. The savings programme is the Council's key strategy for achieving long term service reform and financial sustainability and is critical to delivering a balanced Medium Term Financial Plan. The investment to deliver the savings programme is to be funded primarily from general fund base budget and reserves. It is essential that the Council's Strategic Plan is aligned to the available resource within the MTFP.

2. **Background**

- 2.1. The Council continues to face budget pressures over the Medium-Term Financial Plan period, including the continuation of support from Central Government for the next two financial years. Increased demand across all services continues and funding is not keeping up with the costs and consequently the council continues to operate in a challenging resource environment
- 2.2. The medium-term financial plan has been updated to reflect the latest budget assumptions including the provisional settlement announced in December 2024, and this is reporting a budget gap over 2025/26 to 2028/29 of £55.5m. The council has applied for additional Exceptional Financial Support of up to £25m for 2025/26 and further £10m in 2026/27, which allows the council time to recovery and set a balanced budget for the 2027/28 budget and beyond. This assumes the Council will be able to achieve a balanced with additional funding and delivery of further efficiency savings. Therefore, it is essential that the Council looks to identify further transformational budget savings with the aim to deliver a balanced budget in 2027/28.

3. **Approach to Budget Setting**

3.1. **Budget Strategy**

- 3.1.1. The strategic approach adopted for the 2025/26 budget process was originally outlined in the Budget Strategy report considered by 18 June 2024 Executive Board. This set out the budget setting principles and direction of travel to how the Council plans to finance its operations and meet its strategic council priorities. It identified the themes and categories the Council will look to further develop as a means of delivering a balanced budget over the medium term and set out any underlying actions that need to be taken.

3.1.2. The budget strategy has been underpinned with the following budget principles:

- Robust budget setting, taking account of known pressures, prepared in consultation with Corporate Leadership Team (CLT).
- Regular monitoring of budgets and robust management and mitigating actions to address any unplanned variances that arise in-year and reporting to the CLT, Leadership and Executive Board.
- Appropriate levels of income generated with respective CLT leads responsible for having in place effective debt management processes that allow for prompt collection of sums owed to the Council and monitoring of debt levels.
- Prudent assessment of future resources and unfunded cost pressures undertaken by CLT.
- Production of detailed implementation plans for all savings proposals and monitoring of delivery.
- Maximisation of external grant funding that meets the Council's priorities.
- Prudent assessment of provisions required to mitigate future liabilities.
- Risk assessed level of reserves and balances held to mitigate potential financial liabilities and commitments and enable investment in transformation and change to deliver future savings.
- Prudent and planned use of reserves to fund one-off expenditure.
- Effective forecasting and management of the Council's cash flow requirements.
- Full integration of revenue and capital financial decision processes, to ensure the revenue implications of capital projects are appropriately reflected in the MTFP.
- Effective management of treasury management risks and opportunities, including smoothing out the debt maturity profile and borrowing only when necessary (in accordance with the Treasury and Capital Strategies).
- Prudent and proportional use of the Council's borrowing powers in exceptional cases to undertake capital investment that is not funded by capital receipts or contributions from third parties.

3.1.3. The initial range of new saving and income proposals developed using the budget strategy were reported in the Budget Savings report considered by 17 December 2024 Executive Board. These draft proposals have been consulted on, and the results are set out within Appendix 7. Closing the structural deficit is foundational to the medium- and longer-term financial stability of the Council. Dependency on reserves will not address the imbalance between net spend and available resources as reserves are finite. Successful delivery of transformational change and efficiency savings will be fundamental to the elimination of the embedded structural deficit.

3.2. **Delivering the Budget Strategy**

3.2.1. The budget has been developed based on the best known estimates regarding National and Local outlook and the provisional local settlement which may well change resulting in the final budget including any amendments and presented to Council. The budget strategy includes savings proposals previously approved by full council and new savings consulted on from 17 December 2024 to 13 January 2025. The budget assumptions and savings proposals have been through various challenge sessions, with Corporate Leadership Team (CLT) and members, of officer proposals going through various rounds of iterations before forming part of the Budget Consultation as presented to the Executive Board in December 2024.

3.2.2. As a result of the MTFP budget gap Local Government Financial Settlement, statutory instructions to minimise Exceptional Finance Support, financial constraints and Best Value requirements to ensure the continued financial sustainability of the Council, it is recommended Council to approve the savings assumptions presented to the Executive Board in January 2025, noting the points and comments raised throughout the consultation process.

3.2.3. Note that the insight and learning gained through the extensive consultation process will be used to inform the Equality Impact Assessments, design phase and/or mitigate impact where possible in the implementation of proposals; and that additional and targeted consultation will be required on some of the proposals based on more detailed proposed delivery models.

3.3. **2025/26 Budget Process**

3.3.1. The budget setting process commenced in June 2024 with a report to the Executive Board setting out the proposed strategy and budget process. The subsequent process included a review of in-year budget pressures and savings delivery which informed some of the budget assumptions. PwC were commissioned late summer to support the identification of opportunities for savings which are set out in the report. The Corporate Director of Finance and Resources carried out reviews on all budget proposals and proposed MTFP changes submitted by directorates. Outcomes of these reviews were agreed at Corporate Leadership Team and informed the budget position reported to January Executive Board alongside the impact of the Provisional Settlement announced in late December 2024.

3.3.2. The budget has been further refined since the budget update report presented at the January Executive Board to include recent changes to the Business Rates, Council Tax Base and Support Scheme. These changes are set out in the table below and will reduce the budget gap by £0.153m. A further review will take place once the final budget settlement has been announced which may result in further refinement to the budget as the Government are yet to announce the actual funding to be allocated towards the increase in the employers' national insurance increase.

3.3.3. The budget for 2025/26, taking account of all known assumptions to date, does not enable the council to deliver a balanced budget. As a result, the Council has approached the government for ESF which has been approved to the value of £35m, being £25m for 2025/26 and a further £10m 2026/27. However, there is still work to be done on achieving a balanced budget by 2027/28 or sooner which will allow the council to utilise capital receipts to deliver the capital programme which is what they are intended to do rather than be used to support the revenue budget.

Table 1: Update to 2025/26 Budget Gap

Item	2025/26 £m
January MTFP gap projection	23.421
Projected cost of short borrowing for EFS	0.947
Council Tax – revised support scheme	(0.419)
Council Tax - underlying tax base	(0.226)
Business Rates - NNDR +S31 grants	(0.455)
Final Settlement	TBC
Updates since last budget report	(0.153)
Latest 2025/26 Budget Gap	23.268

3.4. Exceptional Financial Support

- 3.4.1. The Corporate Director for Finance and Resources (Section 151 Officer) has been in dialogue with Commissioners, members and Ministry of Housing, Communities and Local Government (MHCLG) officials on the Council’s financial position.
- 3.4.2. As part of the budget setting process the Corporate Director of Resources and s151 officer set up star chamber meetings with Corporate Directors to review the budget proposals and adjustments were made. However, the review concluded the Council will be unable to balance its budget in-year for 2025/26 as well as be unable to set a balanced budget for 2026/27. This led to submitting an EFS on 31 December 2024 in accordance with MHCLG deadline, for up to a further c£35m, being £25m for 2025/26 and a further £10m for 2026/27 bringing the total ESF to £100m.
- 3.4.3. In practical terms EFS is usually transacted in form of a capitalisation direction which permits the Council to capitalise revenue expenditure so that it is treated as capital expenditure and be funded from either capital receipts or prudential borrowing, which normally is not the case. Due to council’s current Voluntary Debt Reduction Policy (a voluntary freeze on undertaking new borrowing), any capitalisation direction will need to be met from asset sales. This is likely to require a greater quantum of asset sales to be identified and progressed by the Council’s usual processes. Due to the timing of realising the additional capital receipts the Council is seeking to temporarily fund any capitalisation direction from borrowing. To facilitate this the Council is proposing an amendment to its Voluntary Debt Reduction Policy with regard to any EFS granted.
- 3.4.4. MHCLG practice suggest that that any EFS is only normally offered “for the residual funding amount” once a council has demonstrated that all potential options have been explored and there is a plan in place to reduce the amount required through savings proposals, asset sales and other activities.
- 3.4.5. A capitalisation direction does not solve the budget gap on an on-going basis, it is simply a mechanism that provides the Council time to radically change and develop sustainable solutions.

3.5. Section 114(3) Report Impact

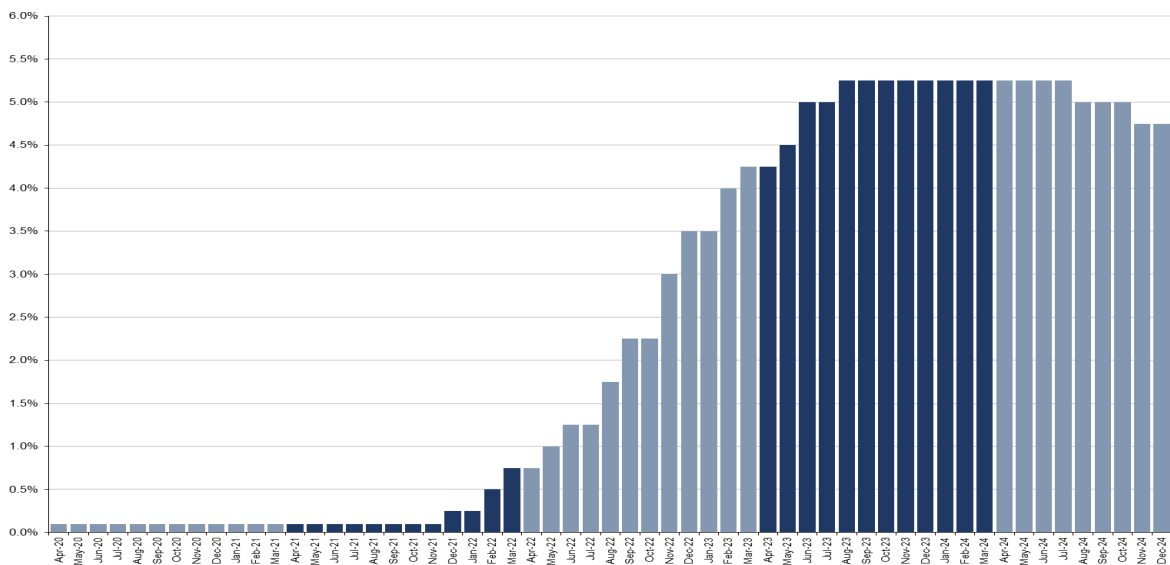
- 3.5.1. On 29 November 2023, the Section 151 Officer issued a report to all councillors under section 114(3) of the Local Government Finance Act 1988 (the Act). The purpose of the report was for the Section 151 Officer to formally notify the Council that in his professional opinion, the Council is unable to meet its statutory requirement to deliver a balanced budget for 2023/24, as the expenditure of the Council incurred (including expenditure it proposes to incur) in the 2023/24 financial year is likely to exceed resources (including sums borrowed) available to it to meet that expenditure.
- 3.5.2. From the date of issuance until the day after the Council meeting, a Prohibition Period that legally stops all new agreements that may incur expenditure (at any time) has been implemented. During this time, no new agreement that might incur expenditure can be entered into without the explicit written authority of the Section 151 Officer.
- 3.5.3. To ensure compliance with the Policy, the Section 151 Officer has implemented a Spend Control Policy and issued council-wide instruction regarding new requests to spend. A Spend Control Board, chaired by the Section 151 Officer, meets regularly to review, and consider spend over this period. Any spend decisions made without the authorisation of the Section 151 Officer during this period will be deemed ultra vires and will be reviewed as a disciplinary matter.

4. Economic Context and Overview

4.1. Interest Rates

- 4.1.1. The Bank of England Monetary Policy Committee (MPC) confirmed the bank interest rate at 4.75% at its 19 December 2024 meeting. This follows a 0.25% reduction in early November 2024. The MPC will next review on 6 February 2025.

Chart 1: Bank of England Interest Rate (April 2020 to December 2024)

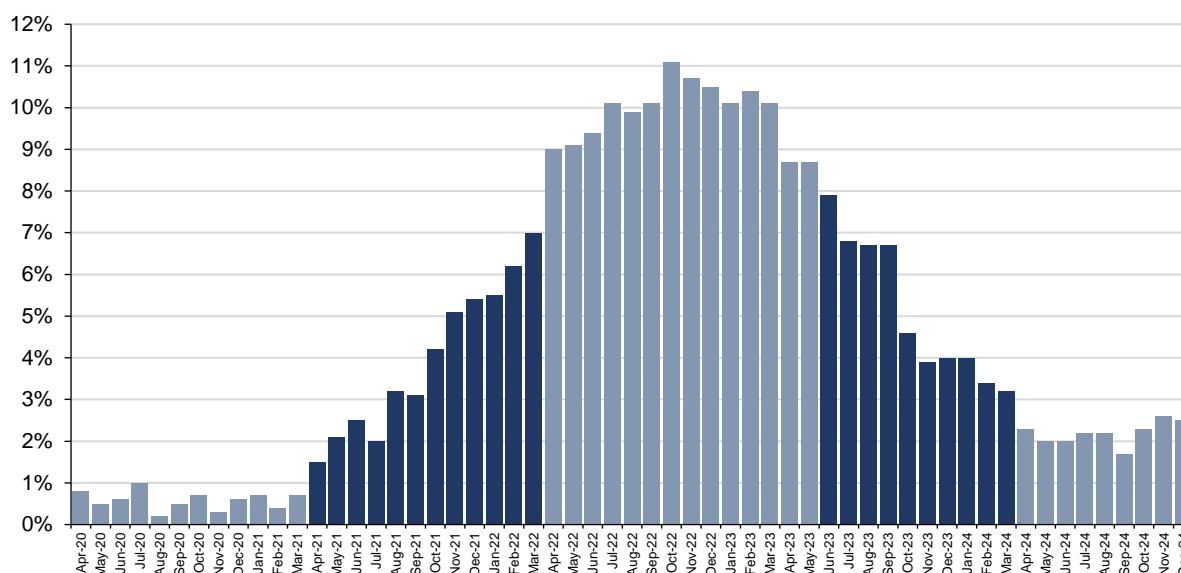


Source: [Bank of England - Interest rates and Bank Rate](#)

4.2. Inflation

- 4.2.1. Currently inflation stands at 2.5% (Consumer Price Index (CPI) December 2024) which is still 0.5% above the Bank of England inflation target rate of 2%. Although current inflation rate is lower than October 2022 when it peaked at 11.1%, the highest rate since the last 40 years, it continues to have a significant impact on both the local and national economy. The next publication of monthly inflation figures by the Office of National Statistics will be 19 February 2025.
- 4.2.2. The chart below illustrates the high levels of monthly CPI inflation across recent years. As a result of the recent inflation volatility, it is hard to predict with any certainty the future impact on council services and therefore on council's medium-term financial plan.

Chart 2: Consumer Price Index (CPI) Monthly Rate (April 2020 to December 2024)



Source: [Office for National Statistics - Consumer price inflation UK](#)

- 4.2.3. Below is list of service areas or contracts which continue to be impacted by the economic context. In many cases the increases in prices are exacerbated by increases in demand due both to demographic changes, government policy changes and the cost-of-living crisis.
- The UK economy had showed signs of recovery in the first half of 2024 and GDP growth is expected to grow by 1.2% in 2025, however inflation (CPI) has risen above the target in recent months, rising to 2.6% in November. In addition, persistent challenges such as the cost-of-living crisis, the ongoing Russia-Ukraine war, and the escalating conflict in the Middle East continue to cast a shadow of uncertainty over the global economic outlook.
 - The Council, like many local authorities, is facing a confluence of financial pressures. These include:

- **Escalating Costs:** Rising inflation and increased demand for adult and children's social care services are significantly increasing operational expenses.
 - **Pressures in Health Care System:** Health colleagues are facing similar pressures with significant saving plans. Adults will be working closely to ensure system efficiencies are delivered jointly without cost shunting of care,
- c) Ongoing after-effects of record high inflation are continuing to impact our residents. Living costs have remained far higher than pre-pandemic levels, with inflation in essentials such as food, fuel and energy bills in particular remaining much higher than in recent years. As a consequence, demand-led services within the Council have felt the pressure of the needs of our residents who have turned to the Council for support.
- d) Social care (Adults and Children) faces significant cost increases. Care providers are demanding higher fees to offset rising operational costs, exacerbated by labour shortages and limited placement options. This situation is further compounded by growing demographic demand, creating a challenging and unsustainable environment for the sector. Demand containment is a core assumption within the Budget and MTFP modelling.
- e) Home to school transport - Rising costs due to inflation (fuel, driver wages) in addition to increased demand for services as well as limited government funding.
- f) The private rented sector is facing a perfect storm: higher interest rates impacting landlords' mortgage repayments, a cost-of-living crisis squeezing tenants, and the potential for insufficient increases to Local Housing Allowance (LHA). This confluence of factors threatens to significantly increase homelessness.
- *Reduced affordability:* With landlords facing higher costs and tenants struggling to afford rent, the availability of affordable private rented properties is likely to decline.
 - *Increased homelessness:* This reduction in affordability, coupled with insufficient LHA increases, is pushing more households into homelessness, requiring costly temporary accommodation, including potentially increased use of bed and breakfasts.
 - *Strained council budgets:* The differential between LHA payments and actual rental costs for temporary accommodation is placing further strain on council budgets, exacerbating the financial burden of the homelessness crisis.
- g) Pay inflation – the National Joint Council (NJC) for Local Government services pay award for 2024/25 has been confirmed at:
- An uplift of £1,290 to all pay spinal points for pay Grades B to J
 - 2.5% uplift for all other pay grades

- h) Energy and fuel prices in the UK have risen significantly and remain elevated compared to pre-crisis levels. Recent trends show a slight increase in January 2025, followed by a predicted small decrease in April 2025. Global energy market volatility, geopolitical events (like the Ukraine conflict), and various economic factors such as inflation continue to influence prices. This global impact on cost of energy and fuel will continue to impact service costs across many areas of the Council.

5. Medium Term Financial Plan (MTFP) 2025/26 to 2028/29

5.1. Overview and Context

- 5.1.1. The aim of the MTFP is to ensure a stable and sustainable financial position that will allow the Council to achieve its vision and strategic objectives. It reflects the impact of Government funding decisions, analysis of advice and information and the impacts of the national and local economic context. It provides a robust financial framework to support the achievement of the Council's overall objectives and delivery of services.
- 5.1.2. The primary focus of the MTFP for the period 2025/26 – 2028/29 has been to deliver a balanced budget, establish financial resilience on a continued basis and fund any unavoidable emerging pressures before considering funding of new growth to deliver Strategic Council Priorities.
- 5.1.3. The level of the financial challenge requires for the Council to both transform the way in which it delivers its services and what it can deliver. Fundamental change to its operating base is required to ensure that the Council is on a firm financial footing and can live within the resources available to be deployed.
- 5.1.4. The Council is committed to making the changes required to secure long term financial stability whilst maintaining services to its most vulnerable residents. This will be achieved through continued prudent management of the Council's finances and the strengthening of its financial resilience through enhanced budget monitoring controls, more effective financial forecasting, a freeze on new borrowing (except for funding the EFS), reducing its debt levels and the effective management of its reserves.
- 5.1.5. The revenue element of the MTFP is set out in the context of:
- a period of continued inflationary pressures
 - a challenging employment market, with recruitment and retention issues internally within the Council and generally across the wider public sector
 - increased demand for services, in particular those relating to social care and homelessness which is expected to continue over the life of the plan
 - the need to secure financial sustainability and resilience
 - continued lack of certainty over future Government funding that impacts adversely upon the Council's ability to carry out any long-term financial planning.

5.2. 2025/26 to 2028/29 MTFP Summary Forecast

5.2.1. By necessity, the MTFP and financial strategy is being compiled in a period of financial uncertainty and requires continued refinement to reflect changing circumstances, updated priorities, the latest financial situation, and external factors such as continued uncertainty regarding the government funding.

5.2.2. The table below summarises the MTFP forecast (including budget gap) for the period 2025/26 to 2028/29. These are based on the best service and national information available and should be seen as an indicator of direction of travel.

Table 2: Medium Term Financial Plan 2025/26 to 2028/29

Budget Item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Net Budget brought forward	356.800	355.068	372.189	390.103
Pay	11.271	13.468	10.746	11.176
Contractual Inflation	11.487	7.513	7.621	6.058
Sub-total: Inflation	22.759	20.981	18.366	17.233
Base Budget adjustments	7.397	(0.186)	(0.500)	(0.407)
Demographic/Demand Pressures	3.973	10.803	3.044	2.875
Service Pressures	13.489	1.675	(0.024)	(0.374)
Mitigations	(1.252)	(9.629)	(1.590)	(0.500)
Service Investments	4.016	(0.566)	0.000	0.000
Investments to deliver proposals	(7.596)	0.000	0.000	0.000
Sub-total: Service Growth	20.027	2.098	0.930	1.594
Technical Adjustments	17.417	(5.445)	(0.827)	0.386
Grants & Contributions	(25.304)	12.263	0.000	0.000
Reserve Movements	1.499	(3.014)	0.202	0.414
Sub-total: Other Adjustments	(6.388)	3.804	(0.626)	0.800
Previously Approved	(19.764)	(3.650)	(0.483)	0.000
New Savings & income	(18.365)	(6.112)	(0.274)	0.105
Sub-total: Saving & Income	(38.129)	(9.761)	(0.757)	0.105
Total: Budget Adjustments	(1.732)	17.121	17.914	19.732
Projected Net Budget	355.068	372.189	390.103	409.835
Business Rates, Top-up, S31	(167.250)	(181.710)	(185.345)	(189.052)
Grants & RSG	(160.805)	(162.289)	(163.771)	(165.256)
Council Tax	(3.745)	0.000	0.000	0.000
Projected Core Funding	(331.800)	(344.000)	(349.116)	(354.307)
Cumulative Gap	23.268	28.189	40.987	55.527
Incremental Gap	23.268	4.921	12.797	14.541

5.2.3. Appendix 1 summarises the projected net budgets for Directorates based on the above incremental MTFP changes and the current 2024/25 base budget as of the writing this report. These figures will be updated as further detailed budget coding of adjustments are finalised, cross-cutting saving proposals and pay figures are reallocated to the appropriate directorate budgets.

5.3. Budget Planning Assumptions

5.3.1. Summarised below are the key assumptions which feed into the MTFP.

a) Pay Inflation

- Working assumption that the agreed 2024/25 flat rate pay award equates to c4.5% and that the eventual 2025/26 and future pay awards will be equivalent to 4.0%.
- Estimated that the potential direct cost of Employer's National Insurance Contribution increase might be as high as c£8.3m. The available Government funding is estimated to be only c£3.1m based on information released with the Provisional Settlement. The final funding will not be confirmed until the Final Settlement

b) Contract Inflation

- No general increase for contractual inflation, where appropriate directorate growth business cases identifying specific inflationary need have been included.

c) Service and Corporate Growth

- Where appropriate directorate growth business cases identifying specific demographic, service, and other pressures have been included.

d) Government Grants

- Where national increases are known for specific grants, an estimated future projection has been included based on best available information.

e) Corporate Risk Contingency

- Creation of £15m contingency in 2025/26 to cover emerging issues and risk of saving non-delivery, with assumed £10m ongoing into future years.

f) Budgeted Reserves and Balances

- Annual contribution of £1m to the General Fund Balance
- Continue payback of £20m internal borrowing from various earmarked reserves in 2023/24 with final repayment in 2031/32.
- Continue established budgeted contributions to IT Investment Fund and Revenue Reserves for Capital
- Appropriate contribution to NET City Reserve as per Tram PFI model
- One-off contribution to Collection Fund earmarked reserve from declared surplus.

g) Council tax increases

- Assumed 4.99% in 2025/26 (2.99% general increase and 2.00% Adult Social Care precept), to fall below the referendum criteria set out in the Provisional Settlement.
- As the decisions to increase Council Tax is subject to City Council approval, no increase has been assumed beyond 2025/26.

h) Council taxbase

- Approved 2025/26 council tax base of 71,062 Band D equivalents, equating to overall 2.9% increase from 2024/25, reflecting underlying growth, additional second home premium and approved changes to support scheme
- Assumed prudent tax base increase of 0.9% pa in 2026/27 and beyond
- Assumed collection rate of 97.5% in all years.

i) Retained Business Rates

- Future increases in Retained Business Rates and associated section 31 grants reflect only CPI inflation projections with working assumption of nil underlying growth.

5.3.2. All these budget assumptions will be subject to on-going review in light of changing circumstances.

5.4. Pay Inflation

5.4.1. Nottingham City Council is part of the national pay bargaining framework and is bound by national agreements. The table below summarises the assumed profile for pay resources. These are initially held as a corporate item and transferred to directorates as appropriate once the detailed position for the budgeted establishment is known.

Table 3: Pay Inflation

Item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Revised 24/25 assumptions	(3.889)	0.000	0.000	0.000	(3.889)
Future pay resources	9.788	10.333	10.746	11.176	42.042
Potential direct cost of Employers NI Contribution (ENIC) increase	8.300	0.000	0.000	0.000	8.300
Assumed funding for ENIC	(3.135)	3.135	0.000	0.000	0.000
Holiday Pay / Overtime	0.208	0.000	0.000	0.000	0.208
Pay	11.271	13.468	10.746	11.176	46.660

5.4.2. The MTFP assumes as a working assumption that the agreed 2024/25 flat rate pay award equates to c4.5% and that the eventual 2025/26 and future pay awards will be equivalent to 4.0%. These compare with the original assumptions in the March MTFP of assumed 6.8% for 2024/25, 5.0% for 2025/26, 4.5% in 2026/27 and 4.0% in 2027/28 and beyond.

5.4.3. It is estimated that the potential direct cost of the announced increase in Employer's National Insurance Contributions might be as high as c£8.3m. The available Government funding is estimated to be only c£3.1m based on information released with the Provisional Settlement. The final funding will not be confirmed until the Final Settlement.

5.4.4. The estimated impact of correctly addressing regular overtime and holiday pay in line with legislative requirements has also been included from 2025/26.

5.5. Contractual Inflation

5.5.1. Key areas of contract inflation include:

- Fee rates paid to providers for social care
- Fostering Allowances
- Waste Disposal annual inflationary contract uplift
- Homelessness Nightly Rates
- PFI schemes
- Catering costs

5.5.2. The tables below summarise the contractual inflation by Category and Directorate

Table 4a: Contractual Inflation by Category

Category	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Provider Fee Uplifts	6.043	6.409	6.504	5.382	24.337
Potential impact of Employers NI Contributions on costs	3.500	0.000	0.000	0.000	3.500
Fostering Allowances	0.845	0.350	0.350	0.350	1.895
Waste Disposal	0.271	0.234	0.259	0.294	1.058
Housing/Homelessness	0.450	0.163	0.114	0.014	0.741
PFI	0.011	0.298	0.299	0.000	0.609
In House Traded Service	0.108	0.068	0.068	0.000	0.244
Other	0.259	(0.009)	0.027	0.017	0.294
Contractual inflation	11.487	7.513	7.621	6.058	32.678

Table 4b: Contractual Inflation by Directorate

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Adults	3.491	3.561	3.632	3.705	14.389
<i>Adult Social Care & Health</i>	<i>3.491</i>	<i>3.561</i>	<i>3.632</i>	<i>3.705</i>	<i>14.389</i>
Children's	3.429	3.215	3.239	2.045	11.927
Education	0.108	0.068	0.068	0.000	0.244
<i>Children & Education Services</i>	<i>3.537</i>	<i>3.283</i>	<i>3.307</i>	<i>2.045</i>	<i>12.171</i>
Communities, Environment & Resident Services	0.236	0.194	0.259	0.294	0.983
Growth & City Development	0.770	0.163	0.114	0.014	1.061
Finance & Resources	(0.076)	0.000	0.000	0.000	(0.076)
Chief Executive	0.011	0.298	0.299	0.000	0.609
Companies	0.019	0.014	0.009	0.000	0.043
Corporate	3.500	0.000	0.000	0.000	3.500
Contractual inflation	11.487	7.513	7.621	6.058	32.678

5.6. Service Growth

5.6.1. Budget growth proposals have been thoroughly considered as part of the budget review process. All growth adjustments have been included only after agreement of the Corporate Director for Finance and Resources. Some growth allocations will be held back centrally and released upon actual information.

5.6.2. The tables below summarise the growth by Category and Directorate

Table 5a: Service Growth by Category

Category	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Base Budget	7.397	(0.186)	(0.500)	(0.407)	6.304
Demographic / Demand Pressures	3.973	10.803	3.044	2.875	20.694
Service Pressures	13.489	1.675	(0.024)	(0.374)	14.766
Mitigations	(1.252)	(9.629)	(1.590)	(0.500)	(12.971)

Category	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Service Investments	4.016	(0.566)	0.000	0.000	3.451
Remove previous investment to deliver proposals	(7.596)	0.000	0.000	0.000	(7.596)
Service Growth	20.027	2.098	0.930	1.594	24.649

Table 5b: Service Growth by Directorate

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Adults	8.211	2.000	2.000	2.000	14.211
Commissioning	0.000	0.000	0.000	0.000	0.000
Public Health	0.412	0.000	0.000	0.000	0.412
<i>Adult Social Care & Health</i>	<i>8.623</i>	<i>2.000</i>	<i>2.000</i>	<i>2.000</i>	<i>14.623</i>
Children's	0.939	(0.835)	(0.824)	(0.274)	(0.994)
Education	0.795	0.425	(0.050)	0.000	1.170
<i>Children & Education Services</i>	<i>1.734</i>	<i>(0.410)</i>	<i>(0.874)</i>	<i>(0.274)</i>	<i>0.175</i>
Communities, Environment & Resident Services	0.224	0.054	0.047	(0.451)	(0.126)
Growth & City Development	7.001	1.420	0.281	0.600	9.302
Finance & Resources	3.093	(0.967)	(0.524)	(0.281)	1.321
Chief Executive	3.456	0.000	0.000	0.000	3.456
Corporate	(4.103)	0.000	0.000	0.000	(4.103)
Service Growth	20.027	2.098	0.930	1.594	24.649

5.6.3. Key areas of service growth include:

- Adults
 - £2m allocation has been made in 2025/26 to meet the expected increase in demand for Adult Social Care services rising to cumulative £8m by 2028/29.
 - £6.2m of savings allocated to Adults in previous years has been proved to be, due to a variety of operational factors, undeliverable, bringing the total pressure to £8.2m in 2025-26.
- Children's
 - Overall Children in Care demand growth - £1.4m in 2025/26
 - Further to these mitigations that include change and transformation projects - £0.5m reduction in 2025/26 (reducing growth to £0.9m) increasing to cumulative £2.9m reduction by 2028/29
 - High Needs placement demand - £0.2m in 2025/26 rising to cumulative £0.9m by 2028/29
- Education
 - Reduction in the high needs block contribution to SEN transport - £0.5m in 2025/26 rising to cumulative £1.0m by 2026/27
 - Reprofile SEND saving in base budget - £0.4m in 2025/26
- Growth and City Development
 - Asset Rationalisation revenue impact of disposals - £2.6m in 2025/26 rising to cumulative £4.5m by 2028/29

- Concessionary Fares - £0.7m in 2025/26 rising to cumulative £2.5m by 2028/29
- Facilities Management & Building Services legacy budgets - £2.1m in 2025/26
- Homelessness - £0.5m in 2025/26 falling to a cumulative -£0.6m by 2028/29
- Loxley House - £0.3m in 2025/26 rising to cumulative £0.5m by 2026/27
- Reactive Maintenance budget - £0.4m in 2025/26
- Finance and Resources
 - Procurement - reprofile £1.0m existing saving from 2025/26 into future years of MTP
 - Legal & Governance - £1.0m in 2025/26 to mostly to cover staff costs
 - Finance – remove previous £1.0m pressure for Finance Target Operating Model
 - Human Resources - £0.9m in 2025/26 to mostly cover staff costs, falling to cumulative £0.5m by 2028/29
 - Customer Services - £0.6m in 2025/26 falling to £0.5m by 2026/27
- Chief Executive
 - Transformation - Maintain CPMO/Digital team base budget after current time-limited transformation funding ends March 2025 - £3.4m
- Corporate
 - Remove previously assumed one-off investment funded through reserves for delivering Duties & Powers proposals in 2024/25 - £7.5m reduction in 2025/26
 - Assumption that Children's Services Prevention Grant may be required to fund additional budget (awaiting confirmation of grant conditions) - £3.5m in 2025/26

5.7. Corporate Budgets and Technical Adjustments

5.7.1. The table below summarises the technical adjustments made mainly to non-directorate corporate budgets.

Table 6: Technical adjustments

Item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Remove previous one-off 24/25 Risk Contingency	(4.000)	0.000	0.000	0.000	(4.000)
Create new Corporate Contingency	15.000	(5.000)	0.000	0.000	10.000
Financing Transactions	2.912	0.187	0.639	0.800	4.538
Pension Fund	(1.253)	0.000	0.000	0.000	(1.253)
Intervention Costs	(0.125)	0.000	(0.806)	0.000	(0.931)
Potential budget off-setting EPR funding	5.025	0.000	0.000	0.000	5.025
Other	(0.142)	(0.632)	(0.661)	(0.414)	(1.849)
Technical Adjustments	17.417	(5.445)	(0.827)	0.386	11.530

5.7.2. Technical adjustments include:

- Removal previous one-off 2024/25 risk contingency and replace with ongoing corporate contingency of £15m in 2025/26 (equivalent to c4% of projected net

budget) and then £10m in all future years. This will be available to potentially cover non-delivery of savings or other emerging issues as they arise such as additional unforeseen demand led cost

- Updated Financing Transactions after review of Treasury Management costs, Minimum Revenue Provision & the short-term cost of Exceptional Financial Support
- The drop out of intervention costs reflecting residual IAB in 2025/26 and then assumed Commissioners in 2027/28
- A notional adjustment has been included off-setting the expected new Extended Producer Responsibility (EPR) funding included in table 7. The Government is yet to appoint a Scheme Administrator to oversee the operations of EPR, provide guidance on what we will be required to deliver and/or if it will be ringfenced for recycling related activities.

5.8. Grants and Contributions

5.8.1. The table below summarises the known annual changes to key Government grants and other contributions. These reflect grants associated with the financial settlement announcement, public health grant and other changes to grant/contributions identified by directorates.

Table 7: Grant / Contribution adjustments

Item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Recovery Grant	(11.115)	11.115	0.000	0.000	0.000
Social Care Grant	(6.716)	0.000	0.000	0.000	(6.716)
Children's Services Prevention Grant	(3.451)	0.000	0.000	0.000	(3.451)
New Homes Bonus Grant - provisional settlement	0.319	1.148	0.000	0.000	1.467
Services Grant - removed	0.674	0.000	0.000	0.000	0.674
Other grants	0.010	0.000	0.000	0.000	0.010
Extended Producer Responsibility (EPR) new funding stream	(5.025)	0.000	0.000	0.000	(5.025)
Grants/Contributions	(25.304)	12.263	0.000	0.000	(13.041)

5.8.2. The key specific grant and other funding updates include:

- New one-off Recovery Grant as announced in Provisional Settlement. It is notionally assumed that the funding of this will be rolled into future settlement via RSG
- Social care grant – increase announced in provisional settlement
- Children's Services Prevention Grant – new grant announced in provisional Settlement
- New Homes Bonus - extended for one further year
- Extended Producer Responsibility (EPR) – new funding stream announced by Department of Environment, Food and Rural Affairs (DEFRA)

5.9. Contribution from/to reserves and balances

5.9.1. The table below summarise the MTFP adjustments to the currently budgeted reserve use or contribution

Table 8a: Reserve adjustments

Item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Remove one-off 24/25 contribution to Financial Resilience Reserve	(10.000)	0.000	0.000	0.000	(10.000)
Remove budgeted reserve funding of potential 2024/25 redundancy & investment costs	7.554	0.000	0.000	0.000	7.554
One-off contribution of 2025/26 surplus to Collection Fund	3.745	(3.745)	0.000	0.000	0.000
Various Other	0.200	0.731	0.202	0.414	1.547
Reserve Adjustments	1.499	(3.014)	0.202	0.414	(0.899)

5.9.2. Reserve MTFP adjustments include:

- Removal of one-off £10m 2024/25 contribution to reserves approved in March 2024 - originally intended to manage potential 2023/24 outturn pressures which was required in 2024/25 and subsequently contributed to corporate reserves.
- Removal of £7.5m budgeted 2024/25 use of reserve to fund potential investment and redundancy costs associated with delivery of Duties & Powers savings. As of 31 December 2024, there has been no actual spend against the budget and no forecast spend during the last quarter of 2024/25.
- Contribute £3.7m collection surplus into earmarked reserve set aside to address potential fluctuations in future funding
- Reflect as appropriate projected contributions to earmarked reserve for Tram PFI

5.9.3. The table sets out the budgeted reserve use and contributions assumed in future years after considering the above adjustments.

Table 8b: Budgeted Reserve Use / Contribution

Reserve	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
General Fund Balance	1.000	1.000	1.000	1.000
Continued payback of previously internally borrowed earmarked reserves	2.334	2.334	2.334	2.334
IT Investment Fund	2.675	2.675	2.675	2.675
NET City Reserve Fund	3.415	3.698	3.900	4.314
Revenue Reserves for Capital	1.141	1.141	1.141	1.141
Collection Fund	3.745	0.000	0.000	0.000
Hold projected Enterprise Zone 100% business rates retention in reserves	0.118	0.000	0.000	0.000
Contribution	14.428	10.849	11.050	11.465
Resilience Reserve – to fund accelerated asset disposal	(0.566)	0.000	0.000	0.000
Use of Reserves	(0.566)	0.000	0.000	0.000
Reserve Use/Contribution	13.863	10.849	11.050	11.465

- 5.9.4. The future reserve contributions reflect the continuation of previously approved corporate MTFP items:
- On-going annual contribution to General Fund Balance
 - Repayment of various internally borrowed earmarked reserves - £20m to be repaid over a profile ending in 2031/32
 - Annual contribution to IT Investment Fund
 - Tram figures based on PFI project model
 - On-going contribution to capital reserve to be used for any early year deficits
- 5.9.5. One-off contribution into Collection Fund reserve will ensure future resources are available to smooth any adverse impacts from proposed future local government funding reforms or the consequences of the next Government Spending Review on funding levels.
- 5.9.6. The proposed use of reserves in 2025/26 is to fund one-off staff investment to increase the pace and scale of asset disposal.
- 5.9.7. The table below summarises the current projected level of General Fund Balance and Earmarked Reserves. There is an opportunity to reclassify several previous earmarked reserves as available for transfer into a refreshed General Fund Balance. These reserves include:
- Resilience
 - Transformation
 - Rebasing
 - Workforce
 - Treasury Management/MRP
 - Revenue Reserves for Capital

Table 9: 2024/25 General Fund (GF) Balance and Earmarked Reserves

Reserve	Opening Balance 01/04/24 £m	Budgeted MTFP Contributions / Use of Reserve £m	Projected In-year Contributions / Use of Reserve £m	Closing Balance 31/03/25 £m
Previous GF Balance	22.718	0.000	1.000	23.718
Reclassify previous earmarked reserves	41.235	1.141	(2.189)	40.187
Available GF reserves	63.953	1.141	(1.189)	63.905
Earmarked Reserves	156.050	7.516	(14.093)	149.474
Total	220.003	8.657	(15.282)	213.379

5.10. Fees and Charges

- 5.10.1. The Council charges for a range of services. Approval of fees and charges is dependent on relevant legislation so decisions may be made by Executive Board, or by Officer decision under delegated authority. Any significant changes must take account, from an equality's perspective, of the impact on paying customers of not only the proposed change in question but also of changes to other council fees and charges for which that individual may be liable.

- 5.10.2. The Council’s approach to setting fees and charges for 2025/26 has been in line with Fees and Charges Policy.
- 5.10.3. For 2025/26 services have reviewed their fees and charges and have increased charges in line with either inflation or in line with previously approved decisions or to recover full costs.
- 5.10.4. As part of the annual budget process continuous assessment of recovery of full costs will be undertaken in assessing the level of fees and charges increase or other changes.
- 5.10.5. Appendix 2 details the proposed 2025/26 fees and charges schedule for services.

5.11. Core Funding

- 5.11.1. The table below summarises the core funding adjustments. These are drawn from the Provisional Settlement; estimated business rates; and a proposed 4.99% Band D Council Tax increase after updating tax base for underlying growth and proposed changes to support scheme.

Table 10: Core Funding adjustments

Budget item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Assumed Retained Business Rates	(2.882)	(1.314)	(1.340)	(1.367)	(6.904)
Top-up Grant	(0.449)	(0.761)	(0.776)	(0.791)	(2.777)
Assumed S31 Grants	2.523	(0.616)	(0.629)	(0.641)	0.637
Revenue Support Grant	(0.753)	(11.769)	(0.889)	(0.907)	(14.318)
Settlement Funding	(1.561)	(14.460)	(3.634)	(3.707)	(23.362)
Taxbase assumptions	(3.895)	(1.414)	(1.409)	(1.414)	(8.132)
Revised CTSS scheme	(0.419)	0.000	(0.002)	0.000	(0.421)
Band D increase - 4.99% in 25/26	(7.612)	(0.071)	(0.070)	(0.071)	(7.824)
Council Tax Income	(11.925)	(1.484)	(1.482)	(1.484)	(16.376)
Business Rates	(3.409)	1.412	0.000	0.000	(1.997)
Council Tax	0.871	2.333	0.000	0.000	3.203
Collection Fund surplus/deficit	(2.538)	3.745	0.000	0.000	1.207
Core Funding increase	(16.024)	(12.200)	(5.116)	(5.191)	(38.532)

5.12. Council Tax Taxbase

- 5.12.1. Nottingham City Council is a “billing authority” for Council Tax purposes. The Local Government Finance Act 1992 requires the billing authority to determine the Council Tax base to be used in the calculation of the level of Council Tax. The tax base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012.
- 5.12.2. An Operational Executive Decision has been taken by the Section 151 Officer to approve a taxbase of 71,062 Band D equivalent for 2025/26. This is an increase of

1,987 from the taxbase used for 2024/25 of 69,075 Band D equivalents. The table below sets out the number of Band D equivalents by council tax band.

Table 11: Number of Band D Equivalent Properties by Council Tax Band

Band	A	B	C	D	E	F	G	H	Total
No. Band D Equivalents	41,107	11,857	9,934	5,284	2,337	1,267	966	131	72,284
Collection Rate									97.5%
Taxbase 2025/26									71,062

5.13. Proposed Council Tax 2025/26

5.13.1. The proposed Band D Council Tax levels for 2025/26 is set out in the table below:

Table 12: Council Tax Change 2024/25 to 2025/26

	2024/25 £	2025/26 £	Change £	Change %
Nottingham City Council	2,155.33	2,262.88	107.55	4.99
Nottinghamshire Police & Crime Commissioner	282.15	TBC	TBC	TBC
Nottinghamshire Fire Authority	92.21	TBC	TBC	TBC
Total	2,529.69	TBC	TBC	TBC

5.13.2. The table below sets out the proposed Council Tax increase by council tax band for each preceptor. It should be noted the proposed levels of Council Tax are subject to formal confirmation through each preceptor’s governance arrangements. At the time of writing the council tax and precept figures for Nottinghamshire Police & Crime Commissioner and Nottinghamshire Fire Authority are not available.

Table 13: Proposed Council Tax by Band

Band	A	B	C	D	E	F	G	H
Nottingham City Council	£1,508.59	£1,760.02	£2,011.45	£2,262.88	£2,765.74	£3,268.60	£3,771.47	£4,525.76
Nottinghamshire Police Crime Commissioner	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Nottinghamshire Fire Authority	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Total	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC

5.14. Council Tax Support Scheme

5.14.1. The Council is responsible for providing Council Tax Support for households on low incomes. All households, except low-income pensioners, must pay something towards their Council Tax bill. The Council Tax Support scheme and amendments between 2013 and 2024 have been based around the original Council Tax Benefit regulations which duplicates much of the original Council Tax Benefit regulations.

5.14.2. As originally recommended as part of last year’s budget process a full review and public consultation has been conducted between 8 October 2024 to 16 December 2024 to identify options to amend the local scheme.

5.14.3. Following Executive Board and Full Council approval the following changes to the scheme will take effect from April 2025 for working age customers:

- the maximum level of Council Tax Support will be based on the liability of a band B property
- people of working-age (unless specified) will have their Council Tax Support assessment based on 80% of their net council tax liability
- the capital limit will reduce to £6,000
- the minimum weekly award will increase to £5.00 a week
- a minimum income floor will be introduced for self-employed applicants
- a minimum threshold of £5 will be introduced in respect of in year changes to entitlement.

5.14.4. There were 30,919 live CTR claims as of December 2024 (approximately 11,000 pensioners). The revised 2025/26 scheme equates to an overall 12,571 Band D equivalent adjustment to the tax base for tax setting purposes. This is lower than last year's 13,357 reflecting annual changes in awarded claims and the scheme changes agreed by January Full Council.

5.14.5. The revised scheme is estimated to cost c£31.8m, of which Nottingham City Council's share is c£27.1m.

5.14.6. A copy of the revised scheme was attached as an Appendix to the 27 January 2024 Full Council report seeking final approval.

<https://committee.nottinghamcity.gov.uk/documents/s168003/Appendix%20%20-%20Proposed%20CTR%20Scheme%20April%202025.pdf>

5.15. **Retained Business Rates**

5.15.1. The monitoring and estimating of Business Rates is a local responsibility and the financial risk due to the volatility within Business Rates (including outstanding appeals) has an impact on the Council's overall funding. Business Rates are based on the 2023 valuation list with the total rateable value of businesses in Nottingham assessed as £344.2m (NNDR1 January 2025).

5.15.2. The total business rates due to be paid in 2025/26 is estimated at £133.2m (NNDR1 January 2025), of which £65.2m (49% of the total) is due to Nottingham City Council.

5.15.3. There are currently numerous rating appeals lodged with the Government's Valuation Office in respect of rateable values. Not all of these will be successful either in full or part. The cost of any successful appeals will be met from the monies received, and hence will impact the Council's overall funding. The Council has made a provision for this risk, and it is included within the estimated Collection Fund position as of 31 March 2025.

5.15.4. Under the retained Business Rates system any authority, whose Business Rates income is less than their initial baseline funding level, as is the case for Nottingham, will receive the balance as a 'top-up' grant. The City Council will receive £38.0m for 2025/26. Other authorities, whose Business Rates income is greater than their initial

baseline funding level, pay a tariff. It is the combination of ‘tariffs and ‘top-ups’ that balances the system nationally.

5.15.5. The table below sets out the business rates income received by the Council and reconciles this back to the figures included in the MTFP.

Table 14: Business Rates related income

Budget item	2025/26 £m
Business Rates Income (City Council Share)	(65.245)
Amounts retained in respect of Designated Areas (Enterprise Zone)	(0.118)
Amounts retained in respect of Renewable Energy Schemes	(0.347)
Collection Fund Deficit	(1.412)
Section 31 Grant – Funded Reliefs	(14.499)
Section 31 Grant – Multiplier Cap (Loss of net rates income)	(8.887)
Top Up Grant	(38.037)
Section 31 Grant – Multiplier Cap (Top Up)	(7.432)
Core Funding	(135.977)
Cost of collection allowance (held in F&R)	(0.454)
Enterprise Zone monies set aside for LEP (held in Corporate)	0.118
Overall MTFP impact from Business Rates related income	(136.314)

5.16. Collection Fund

5.16.1. Statutory regulations require councils to account for annual council tax and business rates income in a manner different to normal accounting arrangements as would apply if using International Financial Reporting Standards (IFRS). This means any difference between the budgeted net council tax and business rates income and the actual is held on the Council’s balance sheet to be distributed in subsequent years.

5.16.2. Councils are required to calculate an estimated position of the Collection Fund in January each year which is used by the precepting authorities in setting its budget for the forthcoming year.

Council Tax Collection Fund Surplus 2025/26

5.16.3. An Operational Executive Decision has been taken by the Section 151 Officer to approve an estimated Collection Fund surplus for 2024/25 of £2.738m to be shared as below:

- Nottingham City Council £2.333m
- Nottinghamshire Police & Crime Commissioner £0.305m
- Nottinghamshire Fire Authority £0.100m

Estimated Collection Fund Balances as at 31 March 2025

5.16.4. The estimated combined collection fund balance as at 31 March 2025 is an overall surplus of £5.620m, of which Nottingham City Council’s share is a surplus of £3.745m.

Table 15: Net Estimated Collection Fund Deficit as at 31 March 2025

Net Estimated Surplus/deficit on Collection Funds as at 31 March 2025	Council Tax (£m)	Business Rates (£m)	Total (£m)
Nottingham City Council	2.333	1.412	3.745
Nottinghamshire Police & Crime Commissioner	0.305	n/a	0.305
Nottinghamshire Fire & Rescue Authority	0.100	0.029	0.129
Central Government	n/a	1.441	1.441
Collection Fund Net Surplus (+) / Deficit (-)	2.738	2.882	5.620

5.16.5. The Council element of the above one-off surplus will be paid into the Collection Fund Earmarked Reserve previously created to protect against any future volatility in funding. This is a particular concern for 2026/27 and beyond with the unknown impact of the next Government Spending Review and the proposed implementation of local government funding reforms.

5.17. **Monitoring and Review of the MTFP**

5.17.1. The Executive Board receives regular budget update reports during the year on how the Council is progressing against its MTFP. All processes and procedures relating to the monitoring of the budget are set out in the Council's Financial Regulations.

5.18. **Accountability**

5.18.1. As soon as Council approves the annual budget and MTFP, each Corporate Director is fully accountable for the financial performance on managing their relevant service budget for the forthcoming financial year. In addition to holding accountability for financial performance within their respective services, Corporate Directors are responsible for:

- Establishing a system of budgetary control within his / her directorate with delegation to nominated officers responsible for specific revenue budgets,
- controlling income and expenditure within their area and monitoring performance. This will include ensuring that an accountable budget manager is identified for each item of income and expenditure under the control of each Corporate Director.
- As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commit and/or controls expenditure. Service delegation to budget managers will not change the overall accountability of Corporate Directors for the delivery of financial performance on their service budgets
- Taking account of financial information provided by the Chief Financial Officer and/or their own systems and ensuring that a monitoring process is in place to review performance levels/ levels of service in conjunction with financial performance
- Ensuring that net budget spending remains within the service's overall budget, and that individual budgets are not overspent. This will require appropriate corrective action and mitigations identified to be taken where variations from the approved budget are forecast

- Monitor income from fees and charges within his / her directorate annually to ensure full cost recovery is achieved where appropriate as a basic assumption, and maximise other sources of funding including grants

5.18.2. A critical element to achieve long term financial sustainability is to ensure savings proposals included within the budget are delivered. To support this objective the Corporate Director of Finance and Resources (Section 151 Officer) has introduced a process whereby all savings and growth items require sign-off from the relevant Corporate Director including a risk assessment, all of which will feed into the Corporate Director of Finance and Resources (Section 151 Officer) making their assessment on the robustness of the budget estimates.

5.18.3. In addition to the Budget Review process, regular monitoring of budgets will continue to take place at various management levels within the Council, including at bi-monthly reports to CLT, Leadership and Executive Panel and reported quarterly to Executive Board. This is particularly important in highlighting areas of budget pressures as early as possible in the process to enable management action to take place.

5.18.4. The Council recognises the importance of individual and collective accountability and requires managers acknowledge their responsibilities to deliver services on time, to the required standard and within budget, and to implement any savings and investment allocated to their areas. In recognition that financial management is an integral aspect of effective leadership and good management, relevant councillors and managers are required to participate fully in all aspects of financial processes.

6. Capital Budget and Strategy

6.1. Updated Capital Programme

6.1.1. The Capital Programme is summarised in the table below with a detailed breakdown in Appendix 3. The updated programme reflects:

- Capital Programme Additions including £25m and £10m of new Exceptional Financial Support for 2025/26 and 2026/27, respectively,
- In year net slippage and project under / overspends,
- Capital programme rolled forward into 2028/29,
- HRA proposed growth schemes.

6.1.2. The net effect of the above movements is a net increase in the Capital Programme of £105.625m, increasing the budget from £666.261m to £771.886m.

Table 16: Capital Programme 2025/26 to 2028/29

Capital Programme Summary	2024/25 £m	Capital Programme 2025/26 – 2028/29				Total £m
		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	
General Fund	202.672	57.464	9.525	4.995	1.206	275.862
HRA	63.441	64.674	52.970	45.347	44.492	270.924
Approved Capital Budget	266.113	122.138	62.495	50.342	45.698	546.786
General Fund	1.009	15.158	10.426	0.000	0.000	26.593

HRA	0.025	9.985	6.848	0.000	0.000	16.858
Planned Capital Budget	1.034	25.143	17.274	0.000	0.000	43.451
Project Slippage / Over & Underspend	-0.045					-0.045
Additions - General Fund		34.825	13.039	0.511	1.114	49.489
Additions - HRA	0.000	20.322	14.709	11.400	9.750	56.181
Revised Programme Budget	268.136	227.571	124.791	62.253	56.562	695.862
Exceptional Financial Support	41.024	25.000	10.000	0.000	0.000	76.024
Total Capital Requirement	309.160	252.571	134.791	62.253	56.562	771.886
Capital Funding						
External Grants & S106	-192.315	-88.239	-26.795	-3.327	-0.426	-311.102
Capital Receipts - General Fund	-4.136	-10.607	-1.890	0.000	0.000	-16.633
Capital Receipts - Exceptional Financial Support	-22.345	-18.799	-10.000	0.000	0.000	-51.144
Revenue Reserves - General Fund	-3.395	-3.850	-3.292	-2.179	-1.894	-14.610
Revenue Contribution - General Fund	-0.263	-0.156	0.000	0.000	0.000	-0.419
Borrowing	-3.527	-4.595	-1.013	0.000	0.000	-9.135
Borrowing - Exceptional Financial Support	-18.679	-6.201	0	0	0	-24.880
General Fund Funding Requirement	-244.660	-132.447	-42.990	-5.506	-2.320	-427.923
External Grants & S106	-6.869	-5.912	-6.009	-7.500	-7.500	-33.790
Capital Receipts - HRA	0.000	0.000	0.000	0.000	0.000	0.000
Capital Receipts - RtB	-16.364	-31.493	-7.727	-1.505	0.000	-57.088
Major Repairs Reserve	-27.597	-43.221	-45.015	-26.364	-24.773	-166.970
Revenue Contribution - HRA	-12.636	-14.355	-15.776	-21.378	-21.969	-86.114
Borrowing	0.000	0.000	0.000	0.000	0.000	0.000
HRA Funding Requirement	-63.466	-94.981	-74.527	-56.747	-54.242	-343.963
Total Programme Funding	-308.125	-227.428	-117.517	-62.253	-56.562	-771.886

6.2. Capital Strategy

6.2.1. The Local Government Act 2003 and supporting regulations require the Council to have regard to the CIPFA Prudential Code to ensure that the Council's capital investment plans are affordable, prudent, and sustainable.

6.2.2. CIPFA require all Council's to produce an annual Capital Strategy which provides the framework in which capital decisions are made and detailing the governance for capital decisions.

6.2.3. The enclosed Capital Strategy at Appendix 4 sets out how Capital Projects and Capital Receipts are prioritised, taking account of the Council's current financial position and Council priorities. The enclosed Capital Strategy also includes three key policy / strategy documents:

- Voluntary Debt Reduction Policy,
- Flexible Use of Capital Receipt Policy
- Non-Treasury Investment Strategy

6.3. Capital Receipts Prioritisation

- 6.3.1. The Council's available capital resources are heavily reliant on the level of capital receipts available. This is due to the low level of non-ringfenced Government funding and the Council's strategy to reduce its level of debt through its Voluntary Debt Reduction Policy.
- 6.3.2. The current Capital Strategy approved by Council in March 2024 includes a prioritisation methodology for the use of capital receipts. It is proposed this will continue in the proposed Strategy.
- 6.3.3. The priority order in the application of available capital receipts should ensure the financial sustainability and mitigate tangible risks of the Council.
- 6.3.4. The capital receipts from the High Value Investment Properties have historically been used to reduce the Capital Financing Requirement (CFR) in accordance with the Council's approved Capital Strategy, due to these assets having underlying debt (i.e., purchase funded from Prudential Borrowing). This approach will continue in 2025/26.
- 6.3.5. The priority order of application for capital receipts, after the repayment of the CFR and debt from capital receipts arising from high value investment properties, is as follows:
- Financing of Exceptional Financial Support
 - Transformation (Flexible Use of Capital Receipt)
 - Capital Schemes classed as Health and Safety, Statutory or Legally required,
 - Reduction of the Council's CFR through repayment of external or internal borrowing.
 - Other capital investment schemes
- 6.3.6. For clarity the priority order set out above is relating to the prioritisation for the utilisation of General Fund capital receipts only. It is not a prioritisation methodology for capital schemes which should follow the existing process as set out elsewhere in this Strategy.

7. Treasury Management Strategy

- 7.1. CIPFA requires the Council to receive and approve, a Treasury management strategy each year, which incorporate a variety of policies, estimates and actuals alongside prudential and treasury indicators. This report is forward looking and covers:
- the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed).
- 7.2. The enclosed Treasury Management Strategy sets out the Council's approach to borrowing and managing debt and also reports on limits and indicators that place controls on the councils borrowing activities to ensure compliance with the Prudential Code.

- 7.3. The enclosed Investment Strategy sets out the council's approach to investing cash and provides details on the approach to risk that the council takes when investing these sums.
- 7.4. The Treasury Management and Investment Strategy are attached at Appendix 5 and are compliant with the latest Prudential Code. Both are recommended for approval.
- 7.5. It should be noted by Executive Board that the Council repaid two market loans totalling £15m during the year 2024/25. These loans were repaid at a small discount. This decision was taken under the delegated authority that the Section 151 Officer has with respect to Treasury activities. Further details will be reported in the Treasury outturn report for 2024/25.
- 7.6. As set out above the voluntary debt reduction policy the scope continues to be broadened to allow for borrowing in exceptional financial circumstances for a short-term period.

8. Government Funding

8.1. Challenging landscape for local government

- 8.1.1. The financial landscape facing the sector including the Council continues to be challenging, with an increasing number of councils, including noticeably those with social care responsibilities, give warnings about their ability to balance their budgetary positions in the coming years.
- 8.1.2. Many of the sectoral bodies (Local Government Association, County Councils Network, Society of County Treasurers and Special Interest Group of Municipal Authorities) published warnings in 2023 illustrating the current local government finance system is failing to tackle issues around social care funding (including children's), plus the continued impact of high inflation, have put many councils in a perilous financial position with many S151 Officers considering issuing of S114 reports for not being able to balance their budget over the next 12-24 months.
- 8.1.3. On 18 December 2024 MHCLG published the provisional settlement for the 2025/26 only and announced a Recovery Grant to support Councils. However, the lack of clarity regarding multi-year settlements makes budget planning, particularly in the current environment unnecessarily complex and challenging.

8.2. Local Government Financial Settlement

- 8.2.1. The provisional Local Government Settlement was announced on 18 December 2024 which only confirmed one-year figures, the key headlines which have been factored into the MTFP are:
 - Within SFA the Revenue Support Grant (RSG) has increased by 2.4% or £0.8m, bringing total to £32.7m.
 - Top-up Grant has increased by 1.2% or £0.4m, bringing total to £38.0m.

- The new one-off Recovery Grant is confirmed as £11.1m. This is an un-ringfenced grant targeted towards areas with greater need and demand for services (measured by deprivation), and less ability to raise income locally e.g. council tax.
- The new Children's Services Prevention Grant is provisionally £3.5m.
- Existing Social Care grants have been confirmed for 25/26 at the following levels:
 - £42.8m Social Care – from a national total of £880m, a further £200m higher than was announced in the Policy Statement last month
 - This is £6.7m higher than the £36.1m level received in 24/25.

8.2.2. Other specific grants included within Core Spending Power:

- the settlement includes a further one-off New Homes Bonus (NHB) grant of £1.1m for 25/26.
- Previous relatively minor Services grant has been rolled into Recovery Grant.
- Domestic Abuse Duty Safe Accommodation grant of £1.1m is consolidated into CSP for the first time.
- In calculating the core spending power MHCLG has also rolled previous grants into their revised 24/25 position before removing:
 - Electoral Integrity Programme
 - Tenant Satisfaction
 - Transparency Code

8.2.3. The budget announced increased employer national insurance contributions, and MHCLG confirmed funding to compensate for this increase will be confirmed in the Final Settlement. There is a risk that not all the additional cost will be funded; the MTFP reflects potentially 38% will be received and will be updated when the final settlement is announced.

8.3. **Core Spending Power**

8.3.1. Core Spending Power (CSP) is the Government calculation used to illustrate the overall impact of local authority funding. This includes the Settlement funding, their assessment of Council Tax income and various specific grants. This measure attempts to assess the total resources over which the Council can exercise discretion on how it can spend its funding.

8.3.2. The Government's published assessment of Nottingham's core spending power represents an assumed annual increase of 8.5% compared with the national average of 6.0%. The table below groups the various elements by broad category. This demonstrates that Nottingham overall increase breaks down to 0.6% related to estimated business rates, 5.7% coming from government grants and 2.3% from assumed increased council tax income. Elements of the published spending power figures are only MHCLG estimates for the purposes of the settlement calculations and will not be reflected in the MTFP.

Table 17: Core Spending Power 2025/26

Funding Item	revised 2024/25 £m	provisional 2025/26 £m	Change £m	Element of overall change
Baseline Funding Level	104.928	106.181	1.253	0.3%
Compensation for lower BR multiplier	19.852	20.709	0.857	0.2%
Business Rate related (MHCLG estimate)	124.780	126.891	2.111	0.6%
Revenue Support Grant	31.931	32.685	0.753	0.2%
LA BCF & Social Care	63.316	70.032	6.716	1.8%
Recovery Grant	0.000	11.115	11.115	3.0%
Children's Social Care Prevention Grant	0.000	3.451	3.451	0.9%
Other grants	3.263	2.279	(0.984)	-0.3%
Government Grants	98.511	119.562	21.051	5.7%
Sub-total: before council tax	223.290	246.453	23.162	6.2%
Council Tax requirement (MHCLG estimate)	148.879	157.309	8.429	2.3%
Total	372.170	403.761	31.591	8.5%

8.4. Settlement Funding Assessment

8.4.1. Settlement Funding Assessment (SFA) is the amount of funding assumed by the MHCLG to be available to a council through the estimated business rates share and general grant funding.

8.4.2. The table below summarises the total amount of funding assumed by MHCLG to be available to the council through an estimated business rates share and general grant funding. The final settlement assumes £138.9m for Nottingham in 2025/26. This is an overall increase of 1.5% compared with 2024/25.

Table 18: Settlement Funding Assessment

Settlement Item	2024/25 £m	Provisional 2025/26 £m	Year-on-year change	
			£m	%
Business Rates (MHCLG estimate)	67.340	68.144	0.804	1.2%
Top-up Grant	37.588	38.037	0.449	1.2%
Baseline Funding Level	104.928	106.181	1.253	1.2%
Revenue Support Grant	31.931	32.685	0.753	2.4%
Total	136.859	138.866	2.007	1.5%

8.4.3. The Government has assumed a level of retained business rates for Nottingham based on their own projections of baseline funding derived from the original 2013/14 local retained business rates scheme and funding model. The figure used in the SFA is a notional value set through central funding formula and has no bearing on the local retained business rates income which is derived from the NNDR1 return submitted to MHCLG.

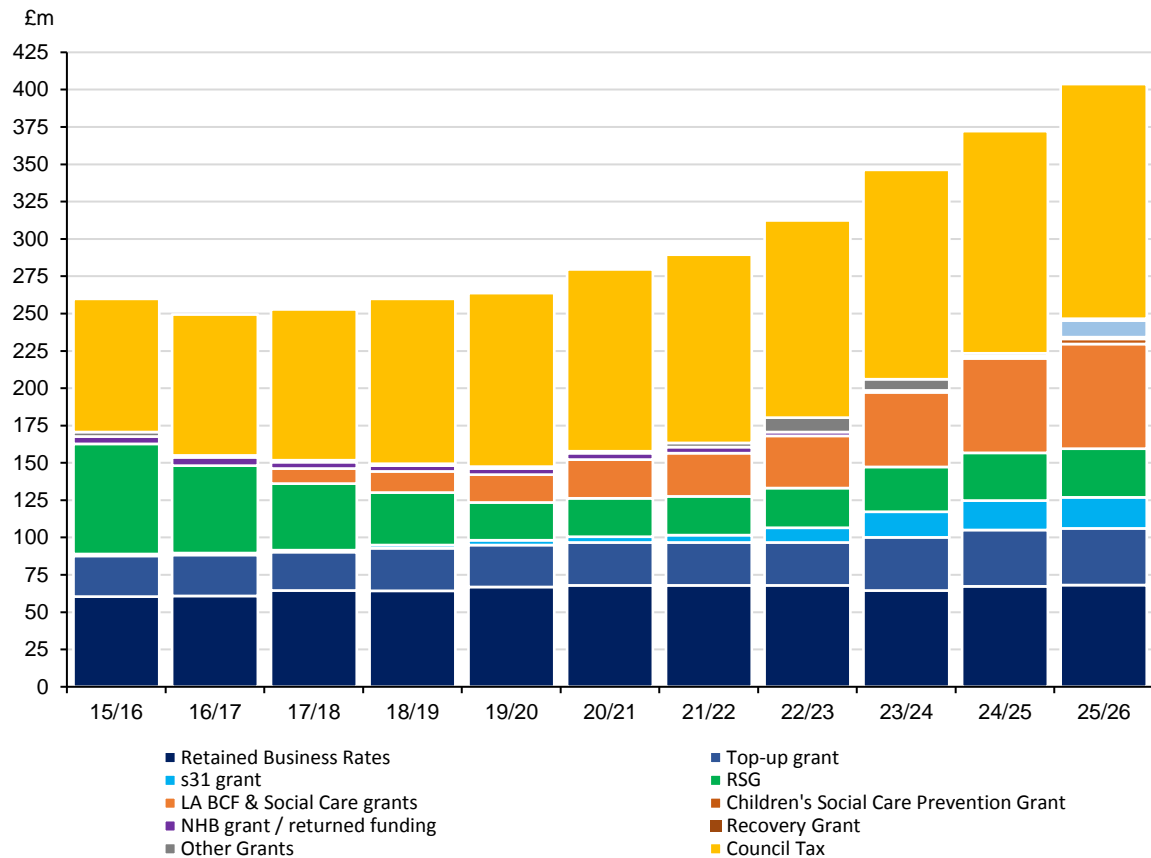
8.5. Funding and relative needs

8.5.1. The balance of overall funding has altered in recent years with a greater proportion coming from Council Tax and key specific grants with significantly less coming from Revenue Support Grant (RSG). Whilst the RSG received by Nottingham has

reduced by £41.1m (or 55.7%) between 2015/16 and 2025/26, the overall 'Core Spending Power' measure as utilised by MHCLG has increased by £143.9m (or 55.4%).

8.5.2. This is reflected in the chart below which shows MHCLG's latest Nottingham 'core spending power' assumptions for 2015/16 to 2025/26. This illustrative approach encompasses estimated locally retained business rates income and top-up, estimated council tax along with RSG and other grants i.e. new recovery grant, social care, new homes bonus and compensation for business rates reliefs/under-indexing to give an overall indication of the funding available to the authority.

Chart 3: Illustrative Core Spending Power



Source: <https://www.gov.uk/government/publications/core-spending-power-table-provisional-local-government-finance-settlement-2025-to-2026>

8.6. Future Funding

- 8.6.1. The Government launched its proposed future funding reforms on 18 December 2024. These will include reform of the Settlement Funding Assessment, a reset of the Business Rates Retention System and a replacement to the New Homes Bonus. Further consultation papers and detailed exemplifications will be expected later in the year.
- 8.6.2. Funding formulas and business rates baselines have not been updated since 2013/14. The previous Fair Funding Review was launched in 2016, with the most-recent full consultation paper in December 2018. The proposed reforms are a

continuation of the previous governments' proposals and use many of the same principles.

- 8.6.3. The Government's stated intention is to implement its reforms in 2026/27. At this stage it is not possible to robustly model projections for individual authorities due to the complexity of the local government financial system and the many possible interactions between the options available for ministerial decisions on its final shape.
- 8.6.4. In the absence of any Government exemplifications of the likely impact of any 'Fair Funding' policy reforms on future settlement funding, the MTFP makes a working assumption that an unchanged underlying system continues with projected inflationary increases.
- 8.6.5. The shape and level of future funding remains uncertain and is highly dependent upon the outcomes of the long awaited 'Fair Funding' review and any other policy changes regarding business rates

9. Savings

9.1. Previous Savings Programme

9.1.1. The tables below detail the continuing profiles of previously approved saving and income proposals, by Category and Directorate. The previously approved savings programme includes:

- Duties & Powers approved as part of 2024/25 budget
- Transformation savings approved in 2022/23 to 2024/25 budgets
- Directorate-led saving and income proposals approved in 2022/23 to 2024/25 budgets

Table 20a: Previously Approved Savings by Category

Category	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Duties & Powers	(13.202)	(0.623)	(0.396)	0.000	(14.220)
Transformation	(11.210)	(13.122)	(0.278)	0.000	(24.610)
Other directorate savings	(1.206)	0.450	0.000	0.000	(0.756)
Previously Agreed Income & Savings	(25.618)	(13.295)	(0.674)	0.000	(39.586)
Saving Reprofile	5.854	9.645	0.190	0.000	15.689
Previous Savings Programme	(19.764)	(3.650)	(0.483)	0.000	(23.897)

Table 20b: Previously Approved Proposals by Directorate

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Adults	(5.209)	(2.780)	(0.374)	0.000	(8.363)
Commissioning	(0.095)	0.000	0.000	0.000	(0.095)
<i>Adult Social Care & Health</i>	<i>(5.304)</i>	<i>(2.780)</i>	<i>(0.374)</i>	<i>0.000</i>	<i>(8.458)</i>
Children	(4.742)	(0.309)	(0.278)	0.000	(5.329)
Education	(0.020)	0.000	0.000	0.000	(0.020)
<i>Children & Education Services</i>	<i>(4.762)</i>	<i>(0.309)</i>	<i>(0.278)</i>	<i>0.000</i>	<i>(5.349)</i>
Communities, Environment & Resident Services	(2.699)	0.000	0.000	0.000	(2.699)

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Growth & City Development	(4.870)	0.176	0.190	0.000	(4.503)
Finance & Resources	(1.962)	(0.737)	(0.021)	0.000	(2.720)
Chief Executive	(0.168)	0.000	0.000	0.000	(0.168)
Savings Programme	(19.764)	(3.650)	(0.483)	0.000	(23.897)

9.2. 2025/26 Saving and Income proposals

9.2.1. The table below summarise the final savings and income proposals proposed in this report to begin closing the indicative 2025/26 and MTFP budget gaps. These reflect confirmed proposals previously included in the December consultation report.

- Cross-cutting savings totalling £16.1m over the duration of the MTFP, with £10.8m scheduled for 2025/26, were proposed for public and staff consultation. The consultation period ends 13 January 2024, and the outcome will be reviewed and the MTFP updated accordingly
- Efficiency savings and income proposals that do not involve significant service or policy changes were also identified totalling £8.1m over the duration of the MTFP with £7.1m scheduled to be delivered in 2025/26
- A further £0.5m of income generation scheduled to be delivered in 2025/26 has also been identified since the December Consultation report

Table 21: New Saving and Income proposals

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Digital Resident Experience	(0.029)	0.000	0.000	0.000	(0.029)
Fit-for-purpose Technology	(0.100)	0.000	0.000	0.000	(0.100)
Organisational Redesign - including Consolidating Spans, Layers & Functions	(4.009)	(1.336)	0.000	0.000	(5.345)
Improving Productivity & Performance	(1.222)	(2.333)	0.000	0.000	(3.555)
Strengthening Workforce Management	(4.928)	(1.643)	0.000	0.000	(6.571)
Reducing Third Party Spend	(0.500)	0.000	0.000	0.000	(0.500)
Cross-cutting	(10.788)	(5.312)	0.000	0.000	(16.100)
Public and Staff Consultation	(10.788)	(5.312)	0.000	0.000	(16.100)
Direct Payments Reviews	(0.805)	0.000	0.000	0.000	(0.805)
Residential and Nursing additional hours Reviews	(0.428)	0.000	0.000	0.000	(0.428)
High-cost package reviews	(0.270)	0.000	0.000	0.000	(0.270)
Review of ASC Transport	(0.250)	0.000	0.000	0.000	(0.250)
Recovery and Reablement	(0.950)	0.000	0.000	0.000	(0.950)
Grants Realignment	(0.881)	0.000	0.000	0.000	(0.881)
Adult Social Care & Health	(3.584)	0.000	0.000	0.000	(3.584)
Children's Operating Model Redesign	(2.000)	0.000	0.000	0.000	(2.000)
Children & Education Services	(2.000)	0.000	0.000	0.000	(2.000)
Redesign of Sport and Leisure services	(0.251)	(0.256)	0.000	0.000	(0.507)
A revised management model for Museums and Galleries	(0.467)	(0.334)	(0.264)	(0.085)	(1.150)
Theatre Royal Concert Hall	(0.093)	0.000	0.000	0.000	(0.093)

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Reduce subsidy of the commissioned events programme	(0.086)	0.000	0.000	0.000	(0.086)
Managing government funded Programmes focused on sustainability and reducing carbon emissions	(0.200)	0.000	0.000	0.200	0.000
Communities, Environment & Resident Services	(1.098)	(0.590)	(0.264)	0.115	(1.836)
Freestanding advertising units contract and review	(0.300)	(0.210)	(0.010)	(0.010)	(0.530)
Review of Facilities Management & Cleaning services	(0.080)	0.000	0.000	0.000	(0.080)
Growth & City Development	(0.380)	(0.210)	(0.010)	(0.010)	(0.610)
Review early external debt repayment	(0.060)	0.000	0.000	0.000	(0.060)
Corporate	(0.060)	0.000	0.000	0.000	(0.060)
Efficiencies and Income Proposals	(7.122)	(0.800)	(0.274)	0.105	(8.090)
December Exec Board	(17.910)	(6.112)	(0.274)	0.105	(24.190)
Cemeteries & Crematoria (CE&RS)	(0.086)	0.000	0.000	0.000	(0.086)
Domestic Waste (CE&RS)	(0.280)	0.000	0.000	0.000	(0.280)
Commercial Waste (CE&RS)	(0.090)	0.000	0.000	0.000	(0.090)
Further Income Generation	(0.456)	0.000	0.000	0.000	(0.456)
New Savings & Income Proposals	(18.365)	(6.112)	(0.274)	0.105	(24.646)

9.2.2. The table below summarises the total future Savings Programme by Directorate by combining the continuing profiles of previous savings with the proposed new saving and income proposals. New cross-cutting savings will be allocated to appropriate directorates once the proposals are further developed after consultation.

Table 22: Total New Saving Programme

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	cumulative £m
Adults	(8.793)	(2.780)	(0.374)	0.000	(11.947)
Commissioning	(0.095)	0.000	0.000	0.000	(0.095)
<i>Adult Social Care & Health</i>	<i>(8.888)</i>	<i>(2.780)</i>	<i>(0.374)</i>	<i>0.000</i>	<i>(12.042)</i>
Children's	(6.742)	(0.309)	(0.278)	0.000	(7.329)
Education	(0.020)	0.000	0.000	0.000	(0.020)
<i>Children & Education Services</i>	<i>(6.762)</i>	<i>(0.309)</i>	<i>(0.278)</i>	<i>0.000</i>	<i>(7.349)</i>
Communities, Environment & Resident Services	(4.252)	(0.590)	(0.264)	0.115	(4.991)
Growth & City Development	(5.250)	(0.034)	0.180	(0.010)	(5.113)
Finance & Resources	(1.962)	(0.737)	(0.021)	0.000	(2.720)
Chief Executive	(0.168)	0.000	0.000	0.000	(0.168)
Corporate	(0.060)	0.000	0.000	0.000	(0.060)
Cross-cutting – to be allocated to directorates	(10.788)	(5.312)	0.000	0.000	(16.100)
Total New Savings Programme	(38.129)	(9.761)	(0.757)	0.105	(48.543)

9.3. Delivery Of Savings Programme

9.3.1. As summarised above (in paragraph 6.1.1 and tables 6a and 6b), the savings programme includes net increases, after reprofiling, to previously agreed savings programme of £23.897m (2025/26 to 2028/29). These consist of three components: duties and powers, other directorate led savings and transformation programme. In addition, there are new savings and income proposals, including cross cutting, totalling £24.646m bringing the new savings programme total to £48.543m across the 4-year term of the MTFP (table 8).

2. The transformation programme was developed in 2022/23 with an overall 4-year savings target of circa £60m to ensure the Council has financial sustainability and can deliver services within the resources available. Whilst a number of projects and initiatives have shown signs of success and delivery of savings targets, competing priorities and resource gaps have meant that the transformation programme, now in its third financial year (2024/25), has faced a number of challenges. Where programmes have struggled to reach the necessary pace, as noted by the former Transformation and Oversight Board, to deliver its commitments, the introduction of governance arrangements brought greater attention and focus on how programmes can ensure they remain on track or identify the necessary mitigation measures. In some cases, this has resulted in providing growth monies, particularly to Adults and Homeless Transformation, and or reprofiling of savings to align with updated operational delivery plans. The revised transformation programme is summarised in the table below.

Table 23a: Transformation Programme

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2022/23 to 2027/28 Total Saving	2025/26 to 2027/28 Total Saving
	£m	£m	£m	£m	£m	£m	£m	£m
Customer	(0.329)	(3.198)	(0.812)	0.000	0.000	0.000	(4.339)	0.000
Business Support	(0.340)	(0.340)	(0.690)	0.000	0.000	0.000	(1.370)	0.000
Procurement	(0.331)	(0.662)	(0.414)	0.000	(0.314)	0.000	(1.721)	(0.314)
Adults	(0.226)	(1.835)	(1.697)	(1.654)	(1.151)	0.000	(6.563)	(2.805)
Children's	(0.539)	(3.920)	(4.045)	(1.999)	(0.809)	(0.278)	(11.590)	(3.086)
Community	0.000	(0.205)	(0.163)	(0.300)	0.000	0.000	(0.668)	(0.300)
Estates/New Ways of Working	0.000	(1.513)	(0.075)	0.000	0.000	0.000	(1.588)	0.000
Homeless	0.000	(0.347)	(5.182)	(4.185)	(0.736)	0.190	(10.260)	(4.731)
Information Technology	0.000	(0.249)	0.000	0.000	0.000	0.000	(0.249)	0.000
Total Transformation	(1.765)	(12.269)	(13.078)	(8.138)	(3.010)	(0.088)	(38.348)	(11.236)

9.3.2. To deliver the transformation programme, significant investment of £20.289m (capital receipts £18.446m, children's base budget £1.843m) was made available to support delivery. In addition, other funding (contribution from HRA and reserves etc.) was made available as and when required.

- 9.3.3. The table below shows the actual 2022/23 and 2023/24 and forecasted 2024/25 investment requirement totals £18.130m (funded by capital receipts £16.929m, revenue £1.201m).

Table 23b: Investment for Delivering Transformation Programme

	Actual 2022/23 £m	Actual 2023/24 £m	Forecast 2024/25 £m	Total £m
CPMO	1.090	0.532	0.141	1.763
Change Academy	0.946	1.202	1.426	3.574
Procurement	0.825	0.000	0.000	0.825
Adults	0.282	0.444	0.089	0.815
Children's	2.948	4.025	0.210	7.183
Customer Support	2.146	0.727	0.894	3.767
Homeless	0.000	0.125	0.078	0.203
Total Investment	8.237	7.055	2.838	18.130
Funded by:				
Capital Receipts	8.201	6.320	2.408	16.929
Revenue Children's Budget	0.036	0.535	0.100	0.671
Reserve	0	0.131	0.234	0.365
Housing Revenue Account	0	0.069	0.096	0.165
Total Funding	8.237	7.055	2.838	18.130

- 9.3.4. The net use of the other funding sources, including the utilisation of support services (Finance, HR, Legal) within Directorates and a streamlined Corporate PMO including change academy staff has reduced the overall requirement for capital receipts by £1.691m. The current financial year, 2024/25, is the final year of approved capital receipts and the children's revenue base budget contribution is currently being reviewed to target to new children's transformational priorities. Although investment was made available for the delivery of duties and powers savings proposals, so far there are no known commitments.
- 9.3.5. With ambitious savings targets across the 4-year MTFP period, it is imperative to provide assurance on the overall savings programme (previous and new savings proposals), ensuring sufficient investment is provided to deliver the savings within an approved framework, acting at the earliest opportunity to remedy any risks and issues. With this in mind, £3.446m has been built into the base budget to support the ongoing delivery of the savings programme led by the Strategic Director of Transformation and Change. In addition, reserves will be made available for investment and emerging transformational opportunities subject to S151 approval.
- 9.3.6. Successful delivery of the savings programme will be fundamental to the elimination of the embedded structural deficit. A new delivery framework, with a focus on the monitoring and reporting on the savings programme to Transformation Board is being developed with the Transformation commissioner and strategic director Transformation and Change. Part of this is to undertaken deep dives on specific projects and programmes to ensure there are robust operational plans, test progress and identify and manage risks early to either ensure successful delivery or the creation of alternative viable proposals.

10. Risk

10.1. Management of Risk

- 10.1.1. The Council's strategy is to have financial stability and ensure that its financial pressures are known, understood and well managed. The Corporate Director of Finance and Resources (Section 151 Officer) advises on this using best practice and professional experience.
- 10.1.2. Under sections 25-27 of the Local Government Act 2003 (part II), the Section 151 Officer is required to formally report to councillors on the robustness of the budget estimates and the adequacy of the Council's financial reserves.
- 10.1.3. A corporate financial risk assessment has been undertaken to determine key risks and their impact on the budget. This ensures that adequate overall corporate budgetary provision is available to cover for unforeseen future events. This approach is embedded within the budget process and is used to inform the level of reserves required. Details of these appear in section 10.2.
- 10.1.4. Executive Members and the Corporate Leadership Team are expected to deliver the Council's policies and priorities within the resources made available to them.

10.2. Risks

- 10.2.1. The table below sets out the risks identified that could have an impact on the 2025/26 budget and Medium-Term Financial Plan.

Table 24: Risks which could impact the Budget

Risks	Impact
Delivery of approved savings programme	<p>The budget for 2024/25 and over the medium-term requires the Council to deliver on all the savings previously approved and new proposals set out in this report.</p> <p>As the current Savings Programme is forecasting £9.875m (20.3%) of the 2024/25 savings and £13.284m (33.6%) of 2025/26 to 2027/28 savings being at risk of non-delivery, this presents a significant challenge for services to convert the saving at risk into full year cashable savings whilst planning timely actions to ensure future financial years' approved savings are also being realised to minimise potential adverse impacts on the budget.</p> <p>All savings will be closely monitored on a regular basis throughout the financial year to ensure that they are on track to be achieved. Where savings are unlikely to be achieved then substitute proposals will need to be taken to ensure the overall budget can be achieved.</p>
Inflation differing from assumptions	<ul style="list-style-type: none">• Pay It is yet unknown what the National Joint Council (NJC) will be negotiating with representatives of public sector unions as the future pay awards for 2025/26 and beyond. The MTFP has

Risks	Impact
	<p>assumed an estimated average pay increase of 4.0% for all four years. The final impact of these pay assumptions will also likely change as significant cross-cutting savings proposals are delivered. In addition the resolution of the continued data quality and differences between HR, finance and service data on staffing establishment may have an impact on the estimated future pay uplift.</p> <ul style="list-style-type: none"> • Non-Pay For 2025/26 £11.5m has been estimated for price inflation of contracts and utilities, of which £9.5m is for social care. For the remaining period of the MTFP the assumptions and estimates are based on assessments made by services.
School pay inflation and associated oncosts	This may exacerbate budgetary pressures on schools, potentially leading to both individual school budget deficits and overspending within the Dedicated Schools Grant (DSG) allocations.
Contractual risks	Such as contractor viability or non-delivery of commissioned services to name a few.
Demographic and demand-led pressures	<p>Children's Services:</p> <ul style="list-style-type: none"> • Increased Complexity of Care: Children entering care exhibit more complex needs, requiring specialised and often more expensive placements. • SEN Transport Costs: A rise in Education, Health, and Care Plans (EHCPs) necessitates increased transportation support for children with special educational needs, adding to budgetary strain. <p>Adults' Services:</p> <ul style="list-style-type: none"> • Low Healthy Life Expectancy: Nottingham's population experiences a lower healthy life expectancy compared to other areas, leading to an earlier onset of care needs and increased demand for adult social care services. • Complex Care Needs: There are increased complexity of care needs among adults, with individuals discharged from hospitals requiring more intensive support. • Forecasting Challenges: Accurately predicting the number of individuals requiring support and the level of care needed remains challenging, increasing the risk of underestimating costs and facing budgetary pressures. <p>Homelessness:</p> <ul style="list-style-type: none"> • Cost-of-Living Crisis: The rising cost of living, coupled with increasing rents and landlords exiting the market, is driving up homelessness rates. • Temporary Accommodation Costs: The council is increasingly required to provide temporary accommodation

Risks	Impact
	for homeless individuals, which can be a significant financial burden.
Income	<ul style="list-style-type: none"> ➤ Reduced Discretionary Spending <ul style="list-style-type: none"> • Individuals: When individuals face financial pressures, they often cut back on non-essential spending. This directly impacts council income streams such as: <ul style="list-style-type: none"> ○ Leisure Services: Potential lower attendance at leisure centres, swimming pools, and other recreational facilities. ○ Car Park Income: Potential reduced use of council-operated car parks as people may opt for cheaper alternatives or avoid non-essential travel. ○ Planning Fees: A potential slowdown in property development and construction projects due to economic uncertainty can lead to a decrease in planning application fees. • Businesses: Businesses also face challenges, such as reduced consumer spending and increased operational costs. This can impact council income through: <ul style="list-style-type: none"> ○ Business Rates: Businesses may potentially struggle to pay their business rates, leading to increased collection difficulties and potential bad debts for the council. ○ Rental Income: Reduced demand for commercial and residential properties could impact rental income generated by council-owned properties. ➤ Increased Risk of Non-Payment <ul style="list-style-type: none"> • Council Tax: Households facing financial hardship may struggle to pay their council tax, increasing the risk of arrears and non-payment. • Housing Benefit Repayments: Individuals receiving Housing Benefit may face difficulties in repaying overpayments, impacting council revenue. ➤ Rising Costs <ul style="list-style-type: none"> • The economic climate can lead to increased costs for the council itself, such as rising energy costs for council buildings and increased expenditure on homelessness services due to the cost-of-living crisis.
School expansion of Special	The significant increase in Education, Health and Care Plans (EHCPs) is exerting substantial pressure on the local authority's budget. This surge in demand is impacting both the Dedicated

Risks	Impact
Education Need places	<p>Schools Grant (DSG) allocated for Special Educational Needs (SEN) placements and the General Fund allocated for SEN transport.</p> <p>While a capital program is underway to expand SEND school capacity, the current demand for placements exceeds the pace of this expansion, creating a critical gap. This situation poses a significant financial risk to the local authority and may impede timely access to appropriate education for children with SEND.</p>
Reducing numbers of children entering Early Years and primary phase education	<p>Lower birth rate recorded in the city is leading to falling admission numbers in a number of city schools. This has an impact on pupil led elements funding of school budgets that can lead to pressures manifesting through either individual school budget deficits and/or DSG overspend.</p>
Levies paid to external bodies	<p>Levy payments are outside the Council's control and need to be met from its budget requirement. Key cost drivers leading to any budget pressure will be due to:</p> <ul style="list-style-type: none"> • volume-led levy payments such as Concessionary Fares • inflation and cost increases above inflation assumed within the MTFP.
Pension Fund	<p>Employer contributions into the Pension Fund can fluctuate depending on the net liability of the fund and an agreed deficit repayment plan. An actuarial review of the pension fund assets and liabilities is carried out every three years with the outcome feeding into the MTFP for the following three years.</p> <p>A valuation was undertaken during 2022 concluding an increase in the future service contributions to 18.5% of payroll and reductions to the past service rate to repay the deficit. Saving released from the triennial review equated to c£3.508m of which £1.115m is in 2023/24, £1.140m in 2024/25 and £1.253m in 2025/26.</p> <p>The Council is currently working with the Pension Fund as part of the review of its third-party companies and assessing the impact of current market conditions on contribution rates as part of planning for the next triennial review due to be reflected in the MTFP from 2026/27.</p>
Government grant income differing from assumptions	<p>With the Local Government Finance Settlement over the last few years primarily announcing one-year funding allocations it is difficult to predict whether grants are to continue, at what level and its impact. One-year settlements can also detrimentally impact long-term financial planning and investment. Impacting how the authority can make strategic decisions with regards to service delivery, capital projects, or workforce planning with confidence when funding is uncertain beyond the next year.</p>
Business rates revaluation	<p>The Government introduced a shorter three-year revaluation cycle period from 1 April 2023 which will look to align property valuations more closely with the current market rental values. There remains a risk of an overall reduction to the Council's income from business rates due to the volatility of appeals on the 2017 and 2023 ratings</p>

Risks	Impact
	<p>lists following the impact of pandemic, inflation, and wider economic downturn on businesses. In parallel the Council may see a budget pressure for revised business rates liability for its own premises.</p>
<p>Local Government funding reform</p>	<p>The recent provisional Local Government Finance Settlement for 2025/26 included a consultation on local government funding reform for 2026/27 onwards, aiming to better align funding with need. However, the ongoing delay in implementing this reform has created significant uncertainty for Nottingham City Council's future financial planning.</p> <p>Without a clear implementation timeline and specific details of the proposed funding reforms, the Council's Medium-Term Financial Plan (MTFP) cannot accurately incorporate the potential budgetary impact of these changes. This lack of clarity regarding the "Fair Funding" reform significantly hinders meaningful financial planning and the ability to make informed decisions about future funding assumptions.</p>
<p>Economic downturn</p>	<p>The potential long-term impact on the local economy, particularly in relation to council tax, business rates income, and fees and charges, presents a considerable budgetary challenge for local authorities.</p> <p>Furthermore, the enduring effects of the cost-of-living crisis, coupled with the lingering consequences of the pandemic and Brexit, continue to exert significant uncertainty on the demand for local authority services.</p>

Risks	Impact
<p>Waste Recycling Legislation</p>	<p>On 24 March 2021, the Government published the second round of the Resources and Waste Strategy consultation on the DRS (Deposit Return Scheme) and EPR (Extended Producer Responsibility). The impact of the schemes will have financial implications on the collection and separation of certain items, collections from difficult to reach properties etc.</p> <p>However, the Council is due to receive a bespoke transitional arrangement which will delay the food waste implementation date to the end of the existing waste contract in 2030.</p> <p>In 2025/26, the Council will receive an estimated £5.025m for the Producer Extended Producer Responsibility (pEPR) scheme. The pEPR scheme provides the Council with crucial funding to support packaging waste management. While the 2025/26 estimates offer financial certainty, adjustments are expected as regulations evolve like Emissions Trading System where facilities emitting more greenhouse gases may face higher costs due to the need to buy additional allowances. The Council continues to work with DEFRA to address funding opportunities and highlight concerns, particularly for food waste collections, ensuring sustainable waste management services are provided.</p> <p>The MTFP assumes there are no net budgetary impacts of these schemes on the General Fund.</p>
<p>Health and Social Care Reforms</p>	<p>In July 2024 the Chancellor decided to cancel planned adult social care charging reforms. In the Autumn Budget 2024 the Chancellor provided an additional grant funding for social care in 2025/26 and an increase to the Disabled Facilities Grant, which helps support people make changes to their home so they can continue to live there independently</p> <p>The MTFP has been updated for the impact of this policy.</p>
<p>Children's Social Care Reform</p>	<p>On 2 February 2023 the Department for Education (DfE) published 'Stable Homes, Built on Love' its implementation strategy and consultation in response to three independent reviews. The published strategy commits to additional investment over the next two years relating to Phase One of the Government's reforms, taking these to the end of the current Spending Review period. Phase One focuses on making immediate improvements with subsequent phases to follow subject to funding, outcome of consultation and parliamentary approval focussing on fundamental reforms everywhere. We are still awaiting an update on this reform.</p>
<p>Council Companies</p>	<p>The Council has a range of five companies in its ownership and one owned jointly with others. A number of these companies have experienced trading difficulties mainly arising from the ongoing economic longer-term impact of the pandemic on business models.</p>

Risks	Impact
Outstanding 2023/24 audit	The Council has prepared Accounts and received 'backstop' audit opinions for the four years of Accounts covering the period 2019/20 to 2022/23. This was in line with the Government's 'reset' of the local audit system. The Council has provided the Auditor with draft 2023/24 Accounts, the Accounts are being audited and an audit opinion is awaited. This is expected to be received by 28 February 2025 in accordance with the Government backstop dates. The Accounts for the 2024/25 financial year are expected to be published by 30 June 2025. There is a risk the published Accounts do not correctly reflect the Council's financial position as they have not been fully audited. As such the Council will need to reflect this risk in its budget estimates and reserves balance assessment.

11. Reserves

11.1. The Financial Reserves policy provides an overview of the Council's Reserves and set out the principles governing their use. The Policy was last approved February 2024 Executive Board and will be reviewed and updated annually as part of the annual budget setting cycle going forward.

11.2. Adequacy of Reserves

11.2.1. Under the 2003 Local Government Act, the Section 151 Officer, the Council's statutory Finance Officer - the Chief Finance Officer, has to be satisfied that the level of the General Fund balance is adequate. This un-earmarked reserve the sum held centrally for unavoidable cost increases above expected inflation levels, other unforeseen items and spending pressures, acts as a financial safety net.

11.2.2. There is no statutory definition of a minimum level of reserves, and it is for this reason that the matter falls to the judgement of the Section 151 officer. In coming to a judgement on this matter the Section 151 officer has considered matters such as:

- Risks inherent in the budget strategy
- Risk management policies and strategies
- Past financial performance e.g., does the Council have a history of containing spending within budget and delivering approved savings
- Current budget projections
- The robustness of estimates contained within the budget
- The adequacy of financial controls and budget monitoring procedures
- Spending pressures
- Increase in Social Care Precept and council tax

11.2.3. The General Fund balance as of 1 April 2024 was £22.7m. The previous and proposed MTFP continue to assume £1.0m per annum contribution and therefore this balance will increase to £23.7m as of 31 March 2025. It is proposed that a further £40.2m of previously earmarked reserves are reclassified and added to give

an available General Fund total reserves of £63.9m, which equates to 17.9% of the 2024/25 net budget.

- 11.2.4. The level of the General Fund Balance reserve is a matter for the Full Council to determine having had regard to the advice and recommendations of the Section 151 Officer as part of the annual budget approval. The level of the reserve will be a matter of judgement which will take account of the specific risks identified through the various corporate processes. This is considered on an annual basis as part of the Robustness of Reserves assessment which forms part of the annual budget setting process and MTFP report. It will also take account of the extent to which specific risks are supported through earmarked reserves.
- 11.2.5. The Council's Section 151 Officer reviewed all reserves and considers the current general fund balance adequate to manage known and unforeseen risks.
- 11.2.6. The current forecast closing position for all GF reserves is £213.4m as of 31 March 2025 and then £227.2m as of 31 March 2026. Key budgeted reserve use and contributions include:
- Continued payback of previously internally borrowed earmarked reserves
 - Annual contribution to IT investment reserve
 - Appropriate use and/or contribution to NET City reserve in relation to Tram PFI model
 - One-off contribution of 2025/26 collection fund surplus to earmarked reserve
 - One-off use of resilience reserve to fund accelerated asset disposal

Table 25: General Fund Reserves Forecast

Reserve	Closing Balance 31/03/25 £m	Budgeted MTFP Contributions / Use of Reserve £m	Closing Balance 31/03/26 £m
Previous GF Balance	23.718	1.000	24.718
Reclassify previous earmarked reserves	40.187	0.575	40.762
Available GF reserves	63.905	1.575	65.480
Earmarked Reserves	149.474	12.287	161.761
Total	213.379	13.863	227.242

- 11.2.7. The Section 151 Officer is responsible for managing the general fund balance reserve and use of this can only be made on the recommendation of the Section 151 Officer to the Executive Board. An assessment of the adequacy of the general fund balance reserve will continue to be carried out on an annual basis and form part of the annual budget report.
- 11.2.8. The summary provisional forecast of General Fund and HRA reserves, after budgeted use and/or contribution, is set out in the table below.

Table 26: Reserves and Balances Forecast 2025/26 to 2028/29

Reserve / Balance	31/03/26 estimate £m	31/03/27 estimate £m	31/03/28 estimate £m	31/03/29 estimate £m
Previous GF Balance	24.718	25.718	26.718	27.718
Reclassify previous earmarked reserves	40.762	41.903	43.044	44.185
Available GF reserves	65.480	67.621	69.762	71.904
Earmarked Reserves	161.761	170.469	179.378	188.702
Total GF Reserves and Balances	227.242	238.090	249.140	260.605
HRA Working Balance	12.000	12.000	12.000	12.000
HRA Reserve	45.092	44.911	42.098	39.501
Total HRA Reserves and Balances	57.092	56.911	54.098	51.501
TOTAL	284.334	295.001	303.238	312.106

12. Budget Consultation and Scrutiny

12.1. Public Consultation

12.1.1. The Council is required to undertake statutory budget consultation with Business Rates payers in the city. This has been undertaken through the four-week public consultation on the 2025/26 budget savings proposals which ran between 17 December 2024 to 13 January 2025. The consultation took place via on-line survey and a range of targeted and general engagement events in person and on-line including staff.

12.1.2. The consultation received 604 completed surveys, of which:

- 430 were from members of the public
- 163 were from employees
- 7 were from organisations

12.1.3. Appendix 7 provides a detail analysis of the responses received.

12.1.4. Six cross-cutting saving proposals were included in the public consultation. These were contained in Appendix 1 of the 17 December 2024 Exec Board report. Proposals not for public consultation were also published in the report and included in staff consultation activity.

12.2. Budget Consultation and Scrutiny

12.2.1. Scrutiny of the budget is an important part of the process, enabling public debate of proposals and supporting transparency as well as providing opportunity for non-executive councillors to feedback to the Executive.

12.3. In addition to the public consultation, officers have also consulted with council's scrutiny committees on service impacts of the proposals, feedback of which has been submitted separately. The table below sets out dates of when the various scrutiny committees were consulted with.

Table 27: Consultation with Council Scrutiny Committees

Scrutiny Committee	Date of Meeting	Meeting Remit
Corporate Scrutiny	29/01/2025	2025/26 Budget Overview Review service impact of proposals from the Finance and Resources and Chief Executive's Directorates
Housing & City Development	20/1/2025	Review service impact of proposals from the Growth and City Development Directorate
Communities & Environment	08/01/2025	Review service impact of proposals from the Community, Environment and Resident Services Directorate
Children & Young People	25/1/2025	Review service impact of proposals from Children's Integrated Services and Education
Health & Adult Social Care	19/12/2024	Review service impact of proposals on Adult Social Care

12.3.1. The Council's constitution sets out the need for Corporate Scrutiny Committee to be consulted in the budget process. Corporate Scrutiny Committee will conclude this work at the meeting on 29 January 2025. Feedback from this meeting will be submitted either in writing by the Corporate Scrutiny Committee Chair and/or Vice-Chair or provided verbally to City Council meeting.

13. Companies

13.1. The Council has a range of companies in its ownership and some owned jointly with others that have developed over time. Many of these companies have experienced trading difficulties that have impacted on dividends and other loan repayments that are factored into the Council's budget.

13.2. As a working assumption the current MTFP assumes that there will be no future company dividends. In line with previously agreed policy, it assumes that if dividends do materialise then they will be either be accounted for in-year to reduce any General Fund budget pressure or a contribution will be made to reserves i.e., the MTFP will not be balanced by using inherently volatile projections of company income.

14. Schools Budget

14.1. Schools are substantially funded through the ring-fenced Dedicated Schools Grant (DSG) and the Pupil Premium Grant. Schools spending must be consistent with the requirements of the prevailing schools and early years funding regulations.

14.2. There are requirements for Schools Forum to act as a decision-making and/or a consultative role in determining budget levels for each year. The Schools Budget was presented to the Schools Forum on 14 January 2025 with the Schools Forum recommending the Council to approve the in-year budget transfers and payments associated with the grant funding.

Dedicated Schools Grant

- 14.3. The Dedicated Schools Grant (DSG) is a specific ring-fenced grant received by local authorities to fund schools and central expenditure supporting the schools' budget. In conjunction with the National Funding Formula (NFF) the DSG funding is allocated over four blocks. The grant also covers wider support to fund pupils with special educational needs, through an element in the DSG known as the High Needs block, and for two, three and four-year olds in nursery and associated provision, through the Early Years element.
- 14.4. For 2025/26 the indicative total DSG allocation is £410.4m, this is an increase of £36.2m (9.7%) from 2024/25. The table below sets out how the £410.4m is allocated in comparison with 2024/25.

Table 28: Dedicated Schools Grant (DSG) Allocations

DSG Blocks	2024/25 £m	2025/26 £m
Schools Block	277.9	301.4
Central School Services Block	3.6	3.5
Early Years Block	31.5	38.7
High Needs Block	61.2	66.9
Total DSG	374.2	410.4
Growth	36.2 (9.7%)	

Pupil Premium Grant

- 14.5. The Pupil Premium Grant is distributed by the Council to maintained schools only. The allocation is set out by the Education and Skills Funding Agency (ESFA) with academies receiving this funding direct.
- 14.6. The pupil premium grant allocated to schools is made up of three elements, funding for free school meal pupils (Ever6), service children and post looked after children. Each element has a different pupil rate as set out in the table below. The annual value changes dependent on child numbers.

Table 29: Pupil Premium Comparison

	FSM EVER6		Service Child	Post Looked after Child ¹
	Primary	Secondary		
	£	£	£	£
2024/25	1,480	1,050	340	2,570
2023/24	1,455	1,035	335	2,530

¹Looked after Children and eligible pupils who have been adopted from care or leaving care under a special guardianship or a child arrangements order (previously known as a residence order). 2025-26 rates are yet to be determined by DfE

School Reserves

- 14.7. Statutory Schools Reserves (SSR) can only be allocated in accordance with the Schools and Early Years Finance Regulations (England) 2023. The statutory schools reserve (ring fenced for schools) has an unearmarked balance of £10.3m after all formally approved commitments. The table below sets out the SSR based on a forecast 2024/25 full year spend.

Table 30: Reserve summary

	£m
Opening balance as of 1 April 2024	19
Less: Approved commitments	(8.7)
Uncommitted Balance as of 31 March 2025	10.3

14.7.1. Appendix 8 provides full detail of the school's budget for 2025/26.

15. Housing Revenue Account

15.1. The Housing Revenue Account (HRA) 2025/26 Budget and MTFP are being discussed at the same Executive Board meeting on 11 February 2025. The table below summarises the 2025/26 HRA revenue budget.

Table 31: HRA Budget 2025/26

Housing Directorate	Budget 2025/26 £m
Income	
Dwelling Rents	(115.621)
Non-Dwelling Rents	(3.274)
Service Charges	(11.456)
Other Income	(0.005)
Total Income	(130.255)
Expenditure	
Repairs & Maintenance ¹³	43.249
Management & Supervision	41.750
Depreciation and Amortisation	24.772
Provision for Bad Debts	2.213
Direct Revenue Financing	14.355
Total Expenditure	126.339
Net Cost of Housing Services	(3.916)
Capital Financing Charges	
Debit Interest Paid	13.644
Credit Interest Received	(5.857)
Total Deficit/(Surplus)	3.871
Contribution from Reserves	(3.871)
Net Total	0

15.2. The HRA 4-year Capital Programme

15.2.1. The HRA is asset driven and capital expenditure is essential to maintain decency as well as delivering the remaining approved new energy efficient affordable homes. The table below shows the movement in the capital programme since it was approved by full Council in March 11 2024.

Table 32: HRA Capital Programme 2025/26 to 2028/29

Programme/Category	Budget 2025/26 £m	Estimate 2026/27 £m	Estimate 2027/28 £m	Estimate 2028/29 £m	Total £m
Approved Schemes					
Safe	6.300	7.367	6.203	4.801	24.672
Secure Warm & Modern	23.820	23.530	23.746	28.472	99.567
Energy Efficiency	2.137	1.721	1.565	0	5.424
Older People	1.173	1.050	1.050	0	3.273
Decent Neighbourhoods	5.802	6.241	6.388	6.183	24.613
Existing Stock Investment	2.937	2.766	2.900	2.900	11.503
Build a Better Nottingham	15.385	0	0	0	21.668
Adaptations	2.282	2.135	2.135	2.135	8.687
Total Approved Schemes	59.826	44.810	43.987	44.492	199.407
Planned Schemes	35.146	29.917	12.760	9.750	81.090
Total Capital Programme	94.981	74.527	56.747	54.242	280.497
Capital Financing					
Prudential Borrowing	0	0	0	0	0
Grants & Contributions	(5.912)	(6.009)	(7.500)	(7.500)	(26.921)
Major Repairs Reserve	(43.221)	(45.015)	(26.364)	(24.773)	(140.343)
Revenue Contributions	(14.355)	(15.776)	(21.378)	(21.969)	(73.478)
Other Capital Receipts	0	0	0	0	0
Restricted RTB Receipts	(31.493)	(7.727)	(1.505)	0	(40.724)
Total Capital Financing	(94.981)	(74.527)	(56.747)	(54.242)	(280.497)

15.2.2. The 2024/25 HRA capital spend is forecast to be £63.466m. This would give a total 5 year (2024/25 to 2028/29) HRA capital programme of £343.963m.

16. **Statutory Declarations on Robustness of Budget Estimates and Adequacy of Reserves**

16.1. Section 25 of The Local Government Act 2003 includes the following statutory duty in respect of the budget report to Council: “

‘the Chief Financial Officer (CFO) of the authority must report to it on the following matters: a) the robustness of the estimates made for the purpose of the calculations; and b) the adequacy of the proposed financial reserves.’

16.2. The Council is required to take this report into account when making its decision in relation to setting the annual budget and setting the council tax.

16.3. Section 26 of the Local Government Act 2002 places an onus on the CFO (The Corporate Director of Finance and Resources and Section 151 Officer) to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

16.4. The Section 151 Officer’s statement is set out at in Appendix 9 and conditional upon the following:

- The Council continuing to assess, learn, report, and respond appropriately at the earliest point to the existing and emerging financial pressures across all aspects of its operations and identify for CLT leads to identify and formulate corrective and mitigating actions in managing any pressures from within their service areas.
- The Council approving the updated MTFP and 2025/26 budget.
- A recognition in the medium-term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances. The Council needs to show a commitment to maintain reserves at a level which provides adequate cover for most identified risks during the planning period. This approach is pragmatic and shows a clear commitment to prudent contingency planning.
- This budget report is based on the current financial outturn forecast for 2024/25 and accounts yet to be audited for 2023/24. Budget process for future years will need to reflect any impact of prior year accounting adjustments and 2024/25 outturn position.
- Executive Members, Chief Executive, Corporate Directors, and managers not exceeding their cash limits for 2024/25.
- Not considering further calls on reserves other than for those risks that have been identified, those that could not have been reasonably foreseen and that cannot be dealt with through management or policy actions. The exception to this is where the Section 151 Officer has approved otherwise, as it is not prudent to finance ongoing spending from one-off reserves.
- Where there is a draw-down on reserves, which causes the approved Reserves Policy to be off target, that this is replenished as part of a revised MTFP.
- That the Council has arrangements and resources in place to consider and assess value for money across the delivery of all its services and operations in preparation for future years' budgets.

16.5. These recommendations are based on:

- The risks identified by Corporate Leadership Team through reviews of their budgets.
- Information provided by respective Corporate Directors in the assessment of growth needs and delivery of saving proposals.
- The resilience and sustainability required to deliver the MTFP.
- One-off reserves not being used to fund new on-going commitments.
- That the reserves are only used if risks materialise and cannot be contained by management or policy actions, with the exception of those commitments already approved separately.
- That where reserves are drawn down, the level of reserves is maintained in line with the latest MTFP.

16.6. The 2025/26 budget needs to be seen in this context and it is expected further iterations of the budget will be required during the financial year as both further impacts and savings are identified.

17. Budget Timetable

17.1. It is proposed that the Council continues with the timetable as set out below so that all required proposals to balance the MTFP 2025/26 to 2028/29 can be considered, as appropriate, before final decisions are made.

Table 33: Budget Timetable

Month	Activity
February	<ul style="list-style-type: none"> • Audit Committee to be consider Treasury Management & Capital strategies • Final Local Government Financial Settlement • Executive Board to recommend Revenue & Capital MTFP to Council, approve HRA rents & service charges • Corporate Scrutiny Committee to consider Budget/MTFP • MHCLG to update on application for EFS
March	<ul style="list-style-type: none"> • City Council approves Budget, Treasury Management strategy and sets Band D Council Tax for 2025/26

18. Other options considered in making recommendations

18.1. As a result of the financial challenge faced by the Council in 2025/26 and beyond the Council needs to set a budget strategy providing a strategic financial framework and direction of travel for the Council to work within.

19. Consideration of Risk

19.1. The Section 151 Officer is required to provide his statutory advice to Council on the robustness of the budget estimates and adequacy of reserves.

19.2. The Council has financial challenges ahead and made a request to MHCLG for EFS of up to £25m for 2025/26 and a further ceiling of £10m in 2026/27. The uncertainties of the economic environment over the short to long term also present a high risk for the Council with regards to its ability to deliver a balanced budget over the medium term.

19.3. It will be essential for CLT to continue to exercise firm financial management throughout this financial year and for the forthcoming year through the close monitoring of budgets and where needed, take appropriate action.

19.4. The risks identified through the budget setting process which need to be considered by the Section 151 Officer when determining adequacy of reserves and financial resilience are:

- The delivery of approved savings programmes
- Likelihood of further in year variances (overspends) against approved budget in particular social care placement pressures, which continue to be partly mitigated by one-off spend controls
- Unforeseen shocks or circumstances resulting in financial cost spikes
- Subsidiary company risk - loans and risk of liabilities materialising
- Assumptions regarding debt collection and impact on the collection fund
- Economic factors such as inflation and interest rate environment
- Major project challenges and failure
- Capital receipts not being sufficient to meet existing capital obligations and to fund EFS

19.5. It is reasonable and prudent to set aside appropriate amounts within reserves to provide for risks on the delivery of savings and either a single or multiple scenarios manifesting, which will be considered by the Section 151 Officer when determining adequacy of overall reserves as part of the annual budget setting process.

20. **Best Value considerations**

20.1. Throughout the budget process the Council has taken a proactive and planned approach to delivering best value and financially sustainable services to its communities over the longer term. This will continue as the Council's agreed plans are delivered during 2025/26 and subsequent years.

21. **Commissioner comments**

21.1. 'We are pleased to note the contents of this comprehensive budget report. It presents a 'balanced' position on the revenue account. However, it is important that it is understood that this position is only reached through the application of up to £25m of Extraordinary Financial Support (EFS) which provides a facility for the authority to apply capital resources to the revenue account, either by the use of capital receipts or borrowing. Neither of these solutions are sustainable in the medium to longer term. It is therefore important that the budget is delivered as set out, particularly the savings included in it, and the risks inherent within it are managed and mitigated where appropriate. The S151 Officer has set out his assessment of the robustness of the budget given these risks. In considering this, he has noted the reserves, and also the contingency included in the revenue fund. These provide a level of confidence.

It is therefore important that the authority monitors the budget throughout the year on a regular basis and takes appropriate corrective action during the year should it become apparent that an overspend is forecast.'

22. **Finance colleague comments**

22.1. Finance comments are contained within the main body of the report and in the accompanying appendices.

23. **Legal colleague comments**

- 23.1. As set out in the body of the report the Council is required to set a balanced budget by 11 March 2025. The ability to do this is based on a number of factors set out in the report, including continued access to Exceptional Financial Support (EFS). In the event that the Council is unable to set a balanced budget then the Section 151 Officer would have to consider what further action is required including whether to issue a report under s114 (3) of the Local Government Finance Act 1988.
- 23.2. The Council has, as required, undertaken public consultation in respect of a number of the savings proposals and it is important that due regard is given to the responses received. Failure to comply with this obligation could lead to challenge by way of judicial review.

24. **Procurement comments**

- 24.1. Not applicable

25. **Crime and Disorder Implications**

- 25.1. Not applicable

26. **Social value considerations**

- 26.1. Not applicable

27. **Regard to the NHS Constitution**

- 27.1. Not applicable

28. **Equality Impact Assessment (EIA)**

- 28.1. Has the equality impact of the proposals in this report been assessed?

Yes



- 28.2. Attached as Appendix 11, and due regard will be given to any implications identified in it.

29. **Data Protection Impact Assessment (DPIA)**

- 29.1. Not applicable.

30. **Carbon Impact Assessment (CIA)**

- 30.1. The carbon impact assessment of proposed proposals will be considered in due course.

31. **List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

31.1. None

32. **Published documents referred to in this report**

- Local Council Tax Support Scheme 2025/26 – 27 January City Council
<https://committee.nottinghamcity.gov.uk/documents/s168001/Local%20Council%20Tax%20Support%20Scheme%202526.pdf>
- 2025/26 Budget Strategy Update – 21 January 2025 Executive Board
<https://committee.nottinghamcity.gov.uk/documents/s167616/2025-26%20Budget%20Strategy%20Update.pdf>
- Local Council Tax Support Scheme 2025/26 – 21 January 2025 Executive Board
<https://committee.nottinghamcity.gov.uk/documents/s167814/Local%20Council%20Tax%20Support%20Scheme%20202526.pdf>
- Budget Savings 2025/26 – 2028/29 – 17 December 2024 Executive Board
<https://committee.nottinghamcity.gov.uk/documents/s167058/DRAFT%20Budget%20Strategy%20MTP%20202526%20to%20202829%20v1.2%20003.pdf>
- 2025/26 Budget Strategy – 18 June 2024 Executive Board
<https://committee.nottinghamcity.gov.uk/documents/s161638/2025-26%20Budget%20MTP%20EB%20Jun24%20v9.3%20FINAL.pdf>