

**Public**  
**Key Decision - Yes**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Final 2025/26 Revenue Budget & Medium-Term Financial Strategy (2026/27 to 2029/30)

**Meeting/Date:** Council – 26 February 2025

**Executive Portfolio:** Executive Councillor for Finance and Resources:  
Councillor Brett Mickelburgh

**Report by:** Corporate Director of Finance & Resources  
(S151 Officer)

**Wards affected:** All

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### **Executive Summary:**

The Council is required to consider and approve:

- The 2025/26 Budget and the Medium-Term Financial Strategy (MTFS) for the period 2026/27 to 2029/30.
- The Fees and Charges schedule for 2025/26.
- The Treasury Management Strategy, the Capital Strategy and the Investment Strategy, including the annual prudential indicators, for 2025/26.
- The annual Minimum Revenue Provision (MRP) Statement 2025/26.
- The formal resolution to determine the Council Tax for 2025/26.

### **Recommendations:**

The Council is RECOMMENDED to approve

- i. Overall Budget 2025/26 and MTFS 2026/27 to 2029/30; and *Appendix 1 includes the Revenue Budgets at Section 2; the Capital Programme at Section 3; and the 2025/26 Fees and Charges at Section 7, Annex A.*
- ii. Increase of 3.11% Council Tax for 2025/26 i.e., the Band D charge will increase to £165.86 (£160.86 2024/25); and *Appendix 1, the formal resolution on the Council Tax, Section 6, Item (a) to (e).*
- iii. 2025/26 Treasury Management, Capital, and Investment Strategies, MRP Statement and Flexible Use of Capital Receipts Strategy. *Appendix 2.*

## **1. PURPOSE OF THE REPORT**

- 1.1 The purposes of this report are to allow Council to consider and decide upon the recommendations made by Cabinet in relation to the 2025/26 Budget, the Medium-Term Financial Strategy (MTFS), the Treasury Management, Capital and Investment Strategies, Minimum Revenue Provision (MRP) Statement and Use of Capital Receipts Strategy and other associated matters and seek Council's formal determination of the Council Tax for 2025/26.

## **2. BACKGROUND**

- 2.1 During February 2025, the Overview and Scrutiny (Performance & Growth) Panel and Cabinet received the final budget proposals that:
- i. detailed the savings and growth proposals for 2025/26 and the MTFS (2026/27 to 2029/30);
  - ii. proposed a Council Tax increase of 3.11% in 2025/26;
  - iii. presented the Final Capital Programme 2025/26 to 2029/30; and
  - iv. presented the 2025/26 Budget and MTFS (2026/27 to 2029/30).

## **3. ANALYSIS**

- 3.1 The detailed 2025/26 Budget & MTFS (2025/26 to 2028/29) is shown in **Appendix 1**. The key elements that members should note are as follows:
- 3.2 Paragraph 1.3.1 of Appendix 1 shows:
- i. Net expenditure for the Council is £26.464m.
  - ii. The budget requirement for the Council is £26.685m.
  - iii. A budgeted contribution to earmarked reserves of £0.221m.
  - iv. Council Tax requirement for the Council is £11.053m.
  - v. Council Tax base is 66,638.0 (analysed paragraph 6.2)
  - vi. Council Tax per band D property is £165.86.
  - vii. Council Tax increase of 3.11% equating to £5 for 2025/26.
- 3.3 Paragraph 1.4.1 of Appendix 1 shows that the estimated General Fund reserves on 31 March 2026 will be £2.175m.
- 3.4 Paragraph 2.1 shows the overall spend and income by subjective analysis (i.e., employees, buildings etc.) for all Council services; with Paragraph 2.2 showing, for each service, the spend and income by subjective analysis, and Paragraph 2.3 showing, for each Portfolio, the spend and income by subjective analysis.
- 3.5 Paragraph 3.1 details the proposed Capital Programme for 2025/26 at £14.527m and the details for the period 2026/27 to 2029/30.
- 3.6 Paragraphs 4.0 and 5.0 indicate the main budgetary issues relating to Treasury Management and the Capital Financing Requirement (CFR). The CFR is reducing from an opening balance of £76.724m in 2025/26 to a closing balance of £72.684m in 2029/30 as a result of MRP that is being set aside and takes into account the future financing for the existing CIS and the Capital Programme.

- 3.7 Paragraph 6.1 is the Formal 2025/26 Council Tax Resolution, and Paragraph 6.2 illustrates the Council Tax Base. Paragraphs 6.3 and 6.4 will show the:
- i. 2025/26 Council Tax by Property Band for each Precepting Authority, and the Billing Authority, and the
  - ii. Total 2025/26 Council Tax by Property Band for each Precepting Authority and the Billing Authority.

The Resolution and accompanying tables assume that the Council will support the proposals in the Budget report for Huntingdonshire District Council's Council Tax for 2025/26.

- 3.8 Paragraph 7.0 and Annex A details the Fees and Charges Schedule for 2025/26. Where the Council has discretion to increase fees and charges, and it has been considered appropriate to do so, relevant fees and charges have been increased. Members should note that some fees and charges will be increased during the financial year.
- 3.9 Paragraph 8.0 is the statutory Robustness Report required by the Responsible Financial Officer (Section 151 Officer) in accordance with Section 25 of the Local Government Act 2003. In summary, the Section 151 Officer is satisfied that the budget proposed for 2025/26 should not give Members any significant concerns over the Council's financial position. In respect of the MTFs 2026/27 to 2029/30; there will inevitably be an increased funding risk to the provision of services due to the pressures on central Government resources and other economic influences. However, as the Council continually reviews and manages budgets, it is fair to conclude that the Council is taking proactive action to manage its budgetary position.
- 3.10 The Treasury Management, Capital and Investment Strategies, the Annual Minimum Revenue Provision Statement, and the Flexible Use of Capital Receipts Strategy for 2025/26 are summarised and detailed in Appendix 2.

#### **4. COMMENTS OF OVERVIEW & SCRUTINY**

- 4.1 The Panel discussed the Final 2025/26 Revenue Budget and Medium-term Financial Strategy (2026/27 to 2029/30), including the Capital Programme at its meeting on 5 February 2025.
- 4.2 Following a question from Councillor Martin, the Panel heard that the provisional Local Government Settlement had been released in December, and that no significant changes were anticipated with the release of the final Local Government Settlement at the beginning of February. It was noted that some additional monies would be made available to Councils who were experiencing significant increases to the charges made to them by Internal Drainage Boards, however it was not felt that this would make a material difference to Huntingdonshire District Council. It was also advised to the Panel that HDC's response to the provisional Settlement had been made by the Section 151 Officer as part of the response from the Society of District Councils Treasurers.

- 4.3 Councillor Jennings enquired how the approach to budget setting by the Executive Councillor had changed over the past three years and how the budget setting was managed. The Panel heard that the budget process had evolved in recent years with more onus on services to work with their Executive Councillors to manage the process throughout the year. The Executive Councillor confirmed that he took more of a governance role in budget setting and oversaw the robustness overall whilst leaving the detail to portfolio holders and officers.
- 4.4 In response to a question from Councillor Blackwell relating to the Stonehill property within the Commercial Investment Strategy, the Panel heard that the property was undergoing repairs and would be placed back onto the rental market, it was confirmed that this was being actively managed by the estates team.
- 4.5 Concern was expressed by Councillor Blackwell over the proposed increase in parking fees being after the expected implementation of Civil Parking Enforcement (CPE) within the district. The Panel heard that the introduction of CPE was expected to affect the current car park income but that the approach detailed within the budget was an inflationary increase to support a prudent approach. It was suggested by Councillor Gleadow, that this would be an opportune time to review the existing parking strategy to ensure consistency across the district before CPE comes into force.
- 4.6 Following a question from Councillor Jennings, the Panel heard that wage growth for the proposed budget had been budgeted at 4%. The Panel also heard that this was a prudent budget based on what was known at the moment, it was noted that there were differing predictions from economic forecasters and therefore a medium of these had been used within the proposals. It was further noted that as capital spend was to be expected over the coming year, the budget looked to balance all factors to provide a sensible way forward.
- 4.7 It was clarified to the Panel, following a question from Councillor Wells, that following a recent restructure of Heads of Service, the proposed budget followed the new structure.
- 4.8 The Panel discussed the 2025/26 Treasury Management, Capital and Investment Strategies report at its meeting on 5 February 2025.
- 4.9 Following a question from Councillor Jennings which related to both the 2025/26 Revenue Budget and Medium Term Financial Strategy (2026/27 to 2029/30), including the Capital Programme and the 2025/26 Treasury Management, Capital and Investment Strategies agenda items, the Panel heard that the rates forecast by the treasury advisors were the Bank of England (BOE) lending rates and that investing rates were unlikely to reach as high as this. It was also noted that there was a risk that investing rates may fall faster than the BOE lending rate, since it was some years since rates had fallen from the current level, there is uncertainty about the relationship between fall in BOE rate and the fall in investing rates, which may be steeper.

- 4.10 In response to a question from Councillor Gleadow relating to the development of the Commercial Investment Strategy, it was confirmed to the Panel that work by CIPFA was underway and that this would also include work to support Local Government Reform within this. The Panel heard that workshops would follow the completion of this work, with an update on progress being anticipated by quarter one of the coming financial year.
- 4.11 Following the discussion, the Panel were informed that their comments would be added to the Cabinet report in order for an informed decision to be made on the report recommendations.

## **5. KEY IMPACTS / RISKS**

- 5.1 The delivery of the 2025/26 budget will be managed via the Council's budget monitoring processes throughout the year.
- 5.2 Throughout the MTFS 2026/27 to 2029/30 there are a number of key savings initiatives or additional income generation schemes that must be delivered in a timely fashion to secure savings required to ensure that the Council has a balanced budget.

## **6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION**

- 6.1 The 2025/26 Budget forms an integral part of the service planning process for 2025/26. Consequently, actions and timescales required to ensure savings are achieved and service spending is in line with the approved budget will be contained within the final service plans and monitored through normal processes.

## **7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES**

- 7.1 The budget is the financial interpretation of the Council's strategic and operational priorities that are included within the Corporate Plan.

## **8. CONSULTATION**

- 8.1 Internal Consultation. All Budget Managers within the Council undertook a review of their service budgets during Autumn 2024. This included a review of staffing, fees and income, costs of delivery and all savings or development proposals. The outcome of this was evaluated by the Senior Leadership Team and Executive Councillors prior to the submission to the Overview & Scrutiny Committee.

## **9. LEGAL IMPLICATIONS**

- 9.1 As per Sections 31A and 42A of the Local Government Finance Act 1992, the Council is required to set a balanced budget. This is achieved for 2025/26 so the setting of the Council Tax at the level mentioned within the report is appropriate.

## **10. RESOURCE IMPLICATIONS**

- 10.1 The Council is required to set a balanced budget for 2025/26 and over term of the MTFS. Appendix 1 includes a report from the Section 151 Officer (as the Responsible Financial Officer) confirming that she considers the budget is sufficiently robust and that there are adequate reserves.

## **11. REASONS FOR THE RECOMMENDED DECISIONS**

- 11.1 To enable members of the Council to consider:
- i. the 2025/26 Budget and for the Council Tax to be set; and
  - ii. the implications for the Council in respect of the MTFS for the period 2026/27 to 2029/30.

## **12. LIST OF APPENDICES INCLUDED**

Appendix 1	2025/26 Budget & Medium-Term Financial Strategy 2026/27 to 2029/30
Appendix 2	2025/26 Treasury Management, Capital, and Investment Strategies, MRP Statement and Flexible Use of Capital Receipts Strategy
Annex A	Fees and Charges
Annex B	Budget Bids

## **13. BACKGROUND PAPERS**

None

## **CONTACT OFFICER**

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