

Cabinet Meeting Resolution

**Executive
Forward Plan
Reference**

E3590

Budget and Council Tax 2025/26 and Financial Outlook

Date of Meeting	13-Feb-25
The Issue	This report presents the revenue and capital budgets together with proposals for increases in Council Tax and the Adult Social Care Precept for 2025/26.
The decision	<p>(1) To recommend Council to approve:</p> <ul style="list-style-type: none"> • The General Fund net revenue budget for 2025/26 of £151.71m and the individual service cash limits for 2025/26 as outlined in Annex 1 of the report. • The savings and income plans outlined in Annex 2(i), funding requirements 2(ii), in conjunction with the Equalities Impact Assessment Report in Annex 3 of the report. • An increase in Council Tax of 2.99% in 2025/26 (an increase of £51.92 per Band D property or £1 per week). • An increase of 2% to Council Tax for the Adult Social Care Precept in recognition of the current demands and financial pressures on this service. This is equivalent to an increase of £34.72 on a Band D property (67p per week). • The movement in reserves outlined in section 5.6 and the adequacy of Un-earmarked Reserves at £12.58m within a risk assessed range requirement of £11.8m - £13.0m. • To note the Children's Services management plan update set out in section 5.2.6 of the report. • The Efficiency Strategy attached at Annex 4 of the report. • The Capital Programme for 2025/26 of £76.41m including new and emerging capital bids outlined in Annex 5(i), planned sources of funding in 5.8.3, and notes the programme for 2026/27 to 2029/30 and that any wholly funded projects coming forward during the year will be added to the Capital Programme in line with the Budget Management Scheme. • The delegation of implementation, subject to consultation where appropriate, of the capital programmes set out in Annex 5(i) to Annex 5(iv) to the relevant Director in consultation with the appropriate Cabinet Portfolio Holder.

	<ul style="list-style-type: none">• The Community Infrastructure Levy (CIL) allocations and amendments outlined in Annex 5(v) of the report.• The Capital & Investment Strategy attached at Annex 6 of the report.• The MRP Policy attached at Annex 7 of the report.• The Capital Prudential Indicators outlined in 5.8.7 of the report.• The Annual Pay Policy Statement at Annex 8 of the report.• The Community Contribution Fund extension outlined section 5.5 of the report.• The Council Tax Support Scheme for 2025/26 shown in the following link: https://www.bathnes.gov.uk/sites/default/files/2025-01/Bath%20%26%20NE%20Someset%20S13A%20202526%20FINAL%20.pdf and referred to in 5.3.5 of the report.• The Fees and Charges schedule for 2025/26 at Annex 11 of the report and support its publication following approval of the budget, with delegation to amend individual costs within the schedule in line with market needs, to the Director of Place Management, in consultation with the appropriate Cabinet Portfolio Holder. <p>(2) That the Council include in its Council Tax setting, the precepts set and approved by other bodies including the local precepts of Town Councils, Parish Councils, and Charter Trustees of the City of Bath, and those of the Fire and Police Authorities.</p> <p>(3) To note the S151 Officer's report on the robustness of the proposed budget and the adequacy of the Council's reserves outlined in 5.7 of the report.</p> <p>(4) To note the budget consultation responses in Annex 10, and the PDS Panel feedback in Annex 12 of the report.</p> <p>(5) To authorise the Council's S151 Officer, in consultation with the Portfolio Holder for Resources, to make any necessary changes to the draft budget proposal for submission to Council.</p>
Rationale for decision	<p>A local authority has a statutory duty to set an annual budget and Council Tax.</p> <p>The Medium-Term Financial Strategy (MTFS) was approved in September 2024 and outlined how the budget would be delivered over the</p>

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medium to long-term. This considers the current economic outlook of constrained national public finances due to continued low economic growth together with Council services being impacted by sustained inflation and National Insurance increases impacting the Council's running costs as well as the supply chain for external provision. In addition, the Council continues to see demand and activity rise for essential Social Care services, which is compounded by high market costs and a reliance on out of area provision.

The Council needs to deliver a balanced budget over the term of the plan. A balanced budget means that Council one-off cash balances (reserves) are not being used to fund recurrent expenditure.

In recognition of the significant budget risks from changes in cost as a result of the government National Insurance changes, demand on statutory services rising above modelled levels, alongside savings delivery risk, the following contingencies and provisions have been included in the budget:

- Corporate Contingency of £3m for savings delivery risk and slippage
- Contract Inflation Provision of £2.6m for the impacts of Employer National Insurance on supplies and services and contract spend across services.
- High Risk Service Demand & Cost Increase Provision of £4.2m

After considering demands on services and inflationary pressure the Council revenue budget requires £27.62m in budget growth. This is funded through increases in Council tax, Business rates, income and savings plans and grant adjustments.

Other options considered

The report and annexes contain the other options that can be considered in making any recommendations.

The Decision is subject to Call-In within 5 working days of publication of the decision