


Cabinet 8 January 2025	 TOWER HAMLETS
Report of: Julie Lorraine, Corporate Director of Resources (Section 151 Officer)	Classification: Unrestricted
Budget Report 2025-26 and Medium-Term Financial Strategy 2025-28 - Provisional	

Lead Member	Councillor Saied Ahmed, Cabinet Member for Resources and the Cost of Living
Originating Officer(s)	Abdulrazak Kassim, Director of Finance, Procurement and Audit
Wards affected	All wards
Key Decision?	No
Reason for Key Decision	The Budget 2025-26 and Medium-Term Financial Strategy 2025-28 will be approved by Full Council.
Forward Plan Notice Published	27 September 2024
Exempt information	Not applicable
Strategic Plan Priority / Outcome	All Strategic Plan Priorities

Executive Summary & Context

- 1 The contents of this financial report are necessarily technical in nature. It seeks to provide relevant context and to highlight the key issues for consideration by all those charged with the governance and the continuation of a strong and sustainable financial position for the London Borough of Tower Hamlets across the medium term.
- 2 This MTFS reflects contemporary best practice in financial strategy and is designed to place the Council in a strong position to move forward. The strategy maintains investment in front line services, involves no compulsory redundancy for front line staff and places the council in the strongest position in the coming period to focus on improving value for money by investing in the use of technology in back-office functions to improve efficiency and productivity.
- 3 The MTFS approved in March 2023 was underpinned using £15.6m of reserves in 2024-25 and £4.8m in 2025-26. A new MTFS approved in February 2024 removed the need for ongoing reserves to support the base budget and this MTFS does not require a drawdown of reserves to underpin expenditure over its life.
- 4 As part of continuing our planned increase in much needed community investment the 3-year MTFS presented represents a cumulative total investment of £54.9m across the coming medium-term period.
- 5 The approach to budget setting this year has been robust and reflective of a zero-based approach which has involved comprehensive line by line review of all expenditure areas. Elected Member portfolio holders have played a key role in this, participating actively in a series of Star Chamber and deep dive reviews taking place across the summer and autumn. In addition to growth and savings requirements this process identified number of areas where budgets were not aligned correctly, such as Waste, Procurement, Legal services and obsolete savings allocations and these have all been addressed in the budget proposed. During the year to date all budget holders have received budget monitoring training. A package of 3 separate module workshops was made available to all elected members, using LBTH data to promote wider financial understanding and transparency. The council has also achieved a full roll out of real time financial reporting enabling strong oversight of financial expenditure moving forward, which will be key to ensuring delivery of the budget and helping with visibility and accountability.
- 6 The Council's recent Best Value Inspection Report recognised the strength of its finances and stated that the Council has a robust Medium Term Financial Strategy (MTFS) in place and has addressed the delays in the publication and of draft accounts and Annual Governance Statements. It further recognised the Council's innovation in its ongoing work to develop the use of the Microsoft tool Power BI to improve financial reporting and monitor the achievement of the budget savings. The report also identified a potential underlying budget pressure of £7million relating to embedding any relevant elements arising from the one-off waste improvement investment (£5m) and the additional budget allocated in year

to fund additional staffing in housing options service (£1.9m). The budget presented addresses both issues.

- 7 The General Fund Reserve balance will be increased to £25m given the risk factors and to reflect the Chartered Institute of Public Finance and Accountancy (CIPFA) best practice considering the increasing net budget.
- 8 To increase resilience, we have allocated 5m on-going budget in the base to support in year pressure if they materialise, further ensuring reducing reliance on reserves.
- 9 At the corporate level, we have secured independent assurance to support changes in the accounting treatment of our capital financing, aligning with best practices. Additionally, the council's independent actuaries, recognising that the pension fund is in surplus, are supportive of a 6% annual reduction in our deficit contribution for the three years following the 2026-27 actuarial valuation.
- 10 Although the most robust measures have been taken to accurately project future costs these cannot be calculated with absolute certainty. Risk such as inflation, the full impact of National Insurance increases, government policy changes (including the funding review) and changes in commercial properties are examples of some of these uncertainties. In particular, changes to government policy could have a significant impact on the projected position, with further risk coming from another one-year financial settlement from government for 2025-26.
- 11 These and other risks are highlighted throughout the report and this MTFS ensures the Council is best equipped as possible to respond to them.
- 12 The budget set by the Council on 28th February 2024 secured a balanced position across the medium term and exceeded its savings target with £43.4m across 3 years. Of the savings, £33.8m were to be delivered in 2024-25 with £5.6m in 2025-26 and £4.0m in 2026-27.
- 13 Strong governance arrangements have been put in place to oversee the delivery of the savings throughout the year. This included additional dedicated resources, and an established effective budget board to review and report progress, support delivery and provide regularly monitoring.
- 14 Significant investment in the Council's existing housing stock and new developments will continue. A 2.7% rent increase in 2025-26 helps support this and is lower than last year's 7.7% which places less burden on tenants.

Nationally Recognised Demand Pressures

- 15 The main contributors towards the in-year pressures faced by the council are nationally recognised pressures in demand service-based areas including Homelessness Adult Social Care and Special Education Need and Disabilities (SEND). Further recent national context of these pressures is provided below.

Homelessness

- 16 A National Audit Office (NAO) report on the effectiveness of government in tackling homelessness published in July 2024 demonstrates the urgent need for a new approach. The NAO's key findings include:
- Homelessness has increased in recent years and is now at the highest level since comparable data collection began in the early 2000s.
 - A shortage of available housing makes it expensive for local authorities to house people in temporary accommodation, as well as harder for people to find a home.
 - Local authority spending on homelessness services has more than doubled since 2010/11. This puts severe financial strain on councils. Central government's funding arrangements for local authorities' homelessness services remain complex, fragmented, and sometimes uncertain.
- 17 Although homelessness is a major challenge around the UK, London faces the most extreme pressures and accounts for almost 60% of all homeless households in temporary accommodation in England.
- 18 Local authorities play a vital role in supporting struggling households to avoid homelessness. Councils require appropriate levels of funding and investment to ensure local services have the resources needed in the face of rising levels of demand for support, including supporting councils to access more accommodation to address the shortage of temporary accommodation.
- 19 Currently the Housing Benefit subsidy has been frozen at 2011 Local Housing Allowance (LHA) rates – even though temporary accommodation has become significantly more expensive over the past 13 years. As the NAO highlights, the 'subsidy gap' is a major concern for councils. This is especially the case for London boroughs as they increasingly rely on relatively high-cost temporary accommodation options in B&Bs and commercial hotels.

Adult Social Care

- 20 A survey conducted in the spring of all Adult Social Care Directors in England by the Association of Directors of Adult Social Services (ADASS) highlighted that overspends more on adult social care budgets are more than in recent history; where complexity of need is increasing and where over 400,000 people are waiting for an assessment, care to begin or an assessment of their needs.
- 21 The survey found that Adult social care budgets in 2023/24 were overspent by £586m, the highest levels for at least a decade and that the overall £903m savings required from respondents for 2024/25 are at their highest levels since 2016/17 with an increasing reliance on one-off reserves to prop up budgets – which is not sustainable.
- 22 The survey highlighted the need to invest in people, how the Government must seize the opportunity to engage with people who work in social care and who access care and support to proactively shape policy and spending decisions and to provide greater stability and certainty for councils, care providers and people who draw on care and support through multi-year funding settlements. This will

enable adult social care to innovate and evolve away from traditional models of care to those which seek to enable people to live as independently for as long as possible in their community. The Government needs to view adult social care and the NHS as interdependent, rather than separate entities. Pressures from one feed into the other and to invest in social care and recognise the importance of adult social care to all of our lives.

Special Education Need and Disabilities (SEND)

- 23 The Local Government Association recently reported that Councils share the Government's ambition of making sure every child with Special Educational Needs and Disabilities (SEND) gets the high-quality support that they need. Reforms to the SEND system, set out in the Children and Families Act 2014 have, however, failed to achieve the goal of improving provision for children with SEND.
- 24 The Government should use the SEND improvement plan to recognise the interconnection between special educational needs, emotional needs and mental health. However, current proposals do not go far enough in tackling the rising demand of mental health need, nor sufficiently focus on the particular needs of children with special educational needs.
- 25 The previously announced additional funding for 2024/25, does not go far enough in helping councils support all children and young people with SEND, when demand for Education, Health and Care Plans (EHCPs) continues to rise year-on-year. This increase in demand is a significant root cause for continued increases in the costs of SEN transport, driven by both the rising volumes of children accessing transport as well as rising pressures and the need for additional Education Psychology and SEND casework support.
- 26 In 2020 the government introduced a statutory override which separates local authorities' Dedicated Schools Grant (DSG) deficits from their wider financial position. This is currently due to expire on 1st April 2026 and would therefore impact the Council's wider finances. At the start of the year there was a DSG deficit of £15.8m. Current demand trends indicate that without larger than forecast growth in DSG allocations then we will not be a position to reduce the accrued DSG deficit that has been bought forward. This position is in common with many local authorities, and we wait a direction on a longer-term solution from government.

Business Rates and Council Tax Income

- 27 The global economy has impacted on businesses in Tower Hamlets and valuations of commercial properties have fallen. This and the impact of business rates appeals has signification implications for the Council's finances both of which the Council has no direct control of. Similarly, the construction of new homes nationally has been slow and an increase in student exemptions has suppressed the Council Tax base.
- 28 Businesses in Canary Wharf and similarly high value buildings in the Borough can have a material impact on the Council's business rates income. This is both through the properties being empty or refurbished, where they do not pay rates for a period of time and also through a change of use where they potential do not

pay any rates. Changes to the type of tenant as building occupancy diversify also poses a risk with certain tenants such as charities being exempt from rates.

- 29 On the 20th of December 2024 the Government launched a fair funding review consultation which stated their intention to reset business rates as part of the process. During the coming period we will undertake detailed analyse of our business rate base to ensure any reset is based on the most up to date information. Whilst this is undoubtedly a risk for Tower Hamlets given the value of our business rate base, our corresponding underlying cost of service delivery funding will also form part of the review which we fully expect to consider the financial challenges associated with the council's population density and resident's economic profile in areas of significant deprivation within the Borough.

Inflation

- 30 Inflation remains persistent and with national forecasts being revised up from last year. In addition, pay awards for the public sector have been higher than forecast as the impact of historically high inflation seeks to be reversed.
- 31 Furthermore, the London Living Wage increases are significantly above inflation and are a large cost driver of Adult Social Care provider costs.
- 32 The wider funding position from government for all councils has been inadequate to accommodate the demand led pressures described above. Many peer councils are facing financial crises with some having little option but to issue section 114 notices because their future costs exceed their current resources.
- 33 So, whilst the council is currently well placed financially and maintains a comparatively strong position, maintaining financial resilience remains a priority and a necessity critical to the financial well-being of the organisation and our ability to continue to invest in and protect much needed services to our residents. This position was reiterated in the Best Value inspection report that stated that the Council has a robust Medium Term Financial Strategy (MTFS) in place.
- 34 The provisional local government funding settlement was announced on 18th December 2024. The final settlement will be announced early in 2025.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Propose a draft General Fund Revenue Funding Requirement of £484.136m for 2025-26 subject to any remaining changes arising from the final Local Government Finance Settlement and any other necessary adjustments.
2. Propose to levy a 2% Adult Social Care precept and an increase of 2.99% on the general Council Tax element for 2025-26. The council continues to shield those most in need from the burden of increased council tax by continuing the Council Tax Support Relief Fund and increasing the qualifying household income ceiling to £50,350.

3. Note that the Local Council Tax Reduction Scheme will remain unchanged for 2025-26.
4. Note the Council Taxbase calculations in Appendix 4.
5. Approve that the Corporate Director Resources, in consultation with the mayor and Cabinet Member for Resources & Cost of living, be authorised to make any changes required to the draft budget following receipt of the Final Local Government Finance Settlement (LGFS) for further consideration at Cabinet on 29 January 2025.
6. Note the General Fund Reserve increase to £25m to meet the Chartered Institute of Finance and Accountancy (CIPFA) best practice guidance.
7. Note the latest draft position of the Council's reserves.
8. Approve the HRA housing rent and service charge increases as outlined in section 3.12. This includes increasing housing rents for all properties by 2.7% for 2024-25 (CPI +1%) and service charges by 1.7% (CPI).
9. Agree that the National Schools Funding Formula (NSFF) adopted by Tower Hamlets originally in 2019-20 continues for 2025-26. The only changes included are increases to the factor values in line with the NSFF.
10. Agree that the Minimum Funding Guarantee (the mechanism that guarantees schools a minimum uplift in per-pupil funding) is set as close to 0.5% as affordable, the maximum allowed after consideration for growth and factor changes in School allocations.
11. Note the School funding position set out at Section 3.11, in particular the overall Dedicated Schools Grant (DSG) deficit.
12. Note the Equalities Implications as set out in Section 5.
13. Approve the proposed discretionary fees and charges as detailed in Appendix 7A.
14. Approve the proposed statutory fees and charges as detailed in Appendix 7B.
15. Approve the charges relating to the Housing Revenue Account in Appendix 8.
16. Approve the continued delegation for amendments to fees and charges, including those to take account of the result of any Equality Impact Assessment that may be identified, to the relevant Corporate Director following consultation with the Lead Member and the Mayor, and that they will be reviewed throughout the year as part of the budget monitoring process.
17. Agree that all increases and new fees are implemented from 1st April 2025 where possible or as soon as practical thereafter.

1. REASONS FOR THE DECISIONS

- 1.1 The Council has a statutory duty to set a balanced and sustainable budget and to set the Council Tax Levels for the financial year 2025-26 by 11 March 2025 at the latest. The Council's Chief Financial (S151) Officer must confirm the robustness of the estimates applied and the adequacy of the Council's reserves as part of the budget setting report to Council.
- 1.2 The setting of the budget is a decision reserved for Full Council. The Council's Budget and Policy Framework requires that a draft budget be issued for consultation with the Overview & Scrutiny Committee to allow for their comments to be considered before the final budget proposals are made to Full Council.
- 1.3 The announcements made about Government funding in the Chancellor's Autumn Statement, the Local Government Finance Settlement, and external challenges such as high inflation, cost of living crisis and increased demand for Council services, require a robust and timely response to enable a balanced budget to be set.
- 1.4 A Medium-Term Financial Strategy (MTFS) covering the entirety of the resources available to the Council is the best way that resource prioritisation and allocation decisions can be considered and agreed in a way that provides a stable and considered approach to service delivery and takes into account relevant risks and uncertainty.
- 1.5 As the Council develops its detailed proposals it must continue to keep under review those key financial assumptions which underpin the Council's MTFS. Significant funding reforms have been announced by Government and the Council has a reliance on funding sources that are subject to change, and therefore it is important to continue to monitor the position.
- 1.6 The Mayor is required by the Local Government and Housing Act 1989 to determine a balanced Housing Revenue Account (HRA) budget prior to the start of the new financial year.
- 1.7 In accordance with Financial Regulations, capital schemes must be included within the Council's capital programme, and capital estimates adopted prior to any expenditure being incurred. The MTFS report to Cabinet on 29 January 2025 will include the three-year Capital Programme 2025-28 and associated capital estimates to be approved.

2. ALTERNATIVE OPTIONS

- 2.1 Whilst the Council will adopt a number of approaches to the identification of measures aimed at delivering its MTFS, it must set a legal and balanced budget and maintain adequate reserves for the coming financial year. The Mayor can propose the Council's priorities, in terms of the services it delivers and the level of investment, for agreement by the Council.

2.2 Additionally, the Council has a statutory duty to set a balanced HRA. Whilst there may be other ways of delivering a balanced HRA, the budget setting process outlined in this report is considered the most effective, in realising all the Council's statutory duties having regard to the matters set out in the report. The starting point for this is the agreement of rents and services charges.

3. DETAILS OF THE REPORT

3.1 BACKGROUND

3.1.1 The medium-term financial planning process is an essential part of the Council's resource allocation and strategic service planning framework. The MTFS integrates strategic and financial planning over a multi-year period. It translates the Strategic Plan priorities into a financial framework that enables the Mayor and officers to ensure policy initiatives can be delivered within available resources and can be aligned to priority outcomes.

3.1.1 The drivers for the Council's financial strategy are:

- To set a balanced and sustainable budget over the life of the MTFS.
- To fund priorities agreed within the Strategic Plan, ensuring that service and financial planning delivers these priorities.
- To deliver a programme of planned reviews and agreed savings initiatives designed to keep reductions to service outcomes for residents to a minimum.
- To maintain and strengthen the Council's resilience, maintaining a financial position that it has sufficient contingency sums, reserves and balances to address any future risks and unforeseen events without jeopardising key services and delivery of service outcomes for residents.
- Ensuring the Council maximises the impact of its spending, securing demonstrable value for money to deliver priority outcomes and respond proactively to external pressures in the context of the current challenging operating environment.

3.1.2 In the context of uncertainty and challenges facing the Council from a number of forthcoming fundamental changes to the financial environment in which local authorities operate, this Report updates members on the impact of these changes and proposes changes to growth, inflation, and previously agreed savings that will inform consideration of the budget package by the Overview and Scrutiny Committee. With reserves to support risk, the proposals will deliver a balanced budget for 2025-26; taking into account the views of residents, business rate payers and other interested stakeholders.

3.1.3 The main body of the report has the following sections:

- Strategic Approach (Section 3.2)
- Medium Term Financial Strategy & Proposed Budget (Section 3.3)

- Impact on Council Services (Section 3.4)
- Financial Resources (Section 3.5)
- Budget Pressures, Growth and Inflation (Section 3.6)
- Savings Proposals (Section 3.7)
- Risks and Opportunities (Section 3.8)
- Reserves (Section 3.9)
- Fees and Charges (Section 3.10)
- Schools' Funding (Section 3.11)
- Housing Revenue Account (Section 3.12)
- Capital (Section 3.13)
- Treasury Management Strategy (Section 3.14)
- Budget Consultation and Scrutiny Process (Section 3.15)

3.1.4 The key planning assumptions that support the draft budget proposals are set out in the body of the report and in the attached appendices.

3.2 STRATEGIC APPROACH

3.2.1 In August 2022, Cabinet approved the 2022-26 Strategic Plan. The strategic plan is the council's main plan. It sets out the most important priorities for the council between 2022 and 2026. These priorities are translated from the Mayor's vision and the administration's manifesto. All local authorities must deliver certain services and make decisions: these are set out in law. The plan also includes important actions that the council will take to make sure these services and decisions are the best they can be.

3.2.2 There are eight key priorities identified in the Strategic Plan:

1. Tackling the cost-of-living crisis
2. Homes for the future
3. Accelerate education
4. Boost culture, business, jobs and leisure
5. Invest in public services
6. Empower communities and fight crime
7. A clean and green future
8. A council that listens and works for everyone

2021 Census

3.2.3 Data in this section to demonstrate the profile of the Borough has been extracted from Census data and the Council's published Tower Hamlets Borough Statistics.

3.2.4 The 2021 Census found that Tower Hamlets had the fastest growing population in England and Wales. Between 2011 and 2021 the local population grew by 56,200 to 310,300, an increase of 22%. The borough is the most densely populated area in England and Wales with 15,695 residents per square kilometre compared to an average of 424 residents per square kilometre in England.

- 3.2.5 The group in Tower Hamlets with the highest level of health and care need is older people. Tower Hamlets has one of the most deprived groups of older people in the country with 44% living in income deprivation, with clear implications for health outcomes and care needs.
- 3.2.6 The Borough has the youngest median age in the country (30). The proportion of working age adults aged 20-64 is large (71%) and there is a large population of children and young people aged 0-19 (23.4%) whilst the proportion of older people is the lowest in England and Wales (5.6%).
- 3.2.7 The Borough is extremely diverse with the large majority (77%) coming from non-White British ethnic backgrounds. This includes the largest Bangladeshi population in the country (34.6%) as well as a large White Other population and sizeable Somali, Chinese and Roma communities. 6.2% of residents reported not being able to speak English well or at all, which was the 8th highest proportion of any local authority area.
- 3.2.8 Socio economic pressures and inequalities in the Borough persist and addressing them are among the highest priorities for the Council. In 2023, 20.7% of children in Tower Hamlets were living in absolute low-income families before housing costs. Overcrowding is a major issue with 15.9% of households overcrowded. 80.7% of households in the borough are living in a flat or apartment compared with 16.7% in England. Homelessness numbers are high and are rising with c3,100 households currently in Temporary Accommodation. These high numbers place pressure funding to secure suitable accommodation.
- 3.2.9 The Annual Residents Survey provides up to date information on residents' view of the Council and assists in ascertaining residents' needs. This data helps identifying where resources should be prioritised as part of the budget setting process. This offers enhanced insight in addition to the statutory budget consultation set out in section 3.15 which ensures a wide range of engagement in the budget process and supports our data led decision making.

3.3 MEDIUM TERM FINANCIAL STRATEGY & PROPOSED BUDGET

- 3.3.1 The revised Medium Term Financial Strategy is set out in Appendix 1A, and the detail by service area in Appendix 1B. The detailed figures and assumptions incorporated in these tables are explained more fully in this report. The figures assume a Council budget requirement of £484.136m for 2025-26.
- 3.3.2 The previous multi-year funding settlement agreed with the Government expired at the end of the 2019-20 financial year. Single year settlements have been announced since. The absence of a long-term settlement hinders the ability of local authorities to plan for the medium-term effectively and drives us to make assumptions and judgements about future years. All such assumptions and judgements are underpinned where possible by third party reference sources. For example, the Office of Budget Responsibility (OBR), the Bank of

England (BOE) and LG Futures.

3.4 IMPACT ON COUNCIL SERVICES

- 3.4.1 The Chancellor has announced £1.3 billion of extra funding, through the local government finance settlement, for the next financial year in her Autumn Budget. Together with council tax flexibilities and locally-retained business rates, this will provide a real-terms increase in total core spending power in 2025/26 of around 3.2% across local government. Given the significant external pressures facing local government, the Local Government Association (LGA) have commented that *“This will help meet some – but not all – of the significant pressures in adult and children’s social care and homelessness support.”*
- 3.4.2 This MTFs continues to invest in front line services including waste, SEND, young people and community safety. Additionally, those support services requiring further improvement have also benefitted from the relevant levels of investment needed to ensure they can provide the support that front line services need to deliver, including investment in legal and procurement. The Council continues to work positively with trade unions on its journey of continuous improvement.
- 3.4.3 2025-26 will be another one year settlement with a further stage of the Spending Review to conclude in late spring 2025, probably covering at least two more financial years. The government is committed to reforming the approach to funding allocations within the Local Government Finance Settlement by redistributing funding to ensure that it reflects an up-to-date assessment of need and local revenues. This will start with a targeted approach to allocating additional funding in 2025/26, ahead of a broader redistribution of funding through a multi-year settlement from 2026/27. The government will set out further details through a local government finance policy statement.
- 3.4.4 Reforms of local government funding, including a ‘fair funding’ review of the needs assessment formula and a reset of business rates baselines, have been announced in past years but never implemented. This remains a risk to the Council and the reset of business rates baselines has the potential to wiping-out growth since 2013-14. In early 2021 the Government also consulted on altering New Homes Bonus funding.
- 3.4.5 Any proposed changes could have significant implications for Tower Hamlets over the medium term. The Council currently retains business rates above the Council’s baseline and if this was reset back to baseline, it is not clear how the money would be redistributed across local government, and this remains a significant future funding risk for the Council.
- 3.4.6** In addition to funding uncertainties in the medium term, the Council continues to face increases in demand for services, inflationary cost increases, demographic cost pressures particularly in Adult Social Care and temporary accommodation.

3.5 FINANCIAL RESOURCES

MTFS Summary 2025-28	2025-26 £'000	2026-27 £'000	2027-28 £'000
Funding Requirement			
Net Service Costs	462,606	484,136	486,696
Growth - Previously approved	1,158	4,742	-
Growth - New	19,493	649	5,073
Core Grants and Funding impact on services - Previously approved	(3,928)	-	-
Core Grants and Funding impact on services - New	5,928	-	-
Inflation - Previously approved	6,840	6,510	-
Inflation - New	11,401	5,016	10,600
Revenue Contingency	5,000	-	-
Total Growth, Core Grants and Inflation	45,892	16,917	15,673
Savings - Previously approved	(6,566)	(3,997)	-
Savings - New	(17,796)	(10,360)	(3,191)
Total Savings	(24,362)	(14,357)	(3,191)
Total Funding Requirement	484,136	486,696	499,178
Funding			
Core Grants:			
- Revenue Support Grant	(42,719)	(43,411)	(43,411)
- Recovery Fund	(5,129)	(5,129)	(5,129)
- New Homes Bonus	(4,410)	(2,171)	(2,171)
- Local Authority Better Care Grant	(20,738)	(20,738)	(20,738)
- ASC Market Sustainability & Improvement Fund	(6,409)	(6,409)	(6,409)
- Social Care Grant	(40,347)	(40,347)	(40,347)
- Children's Social Care Prevention Grant	(1,897)	(1,897)	(1,897)
- Public Health Grant	(39,224)	(39,224)	(39,224)
- Additional Homelessness Prevention Grant	(3,152)	(3,152)	(3,152)
- Extended Producer Responsibility for Packaging (pEPR)	(4,399)	(4,399)	(4,399)
Core Grants	(168,425)	(166,878)	(166,878)
Business Rates	(169,634)	(162,918)	(160,380)
Council Tax	(148,077)	(156,900)	(171,919)
Total Funding	(486,136)	(486,696)	(499,178)
Budget Gap Deficit / (Surplus)	(2,000)	-	-
Transfer to General Fund Reserves	2,000	-	-
Budget Gap Deficit / (Surplus) after Reserves	-	-	-

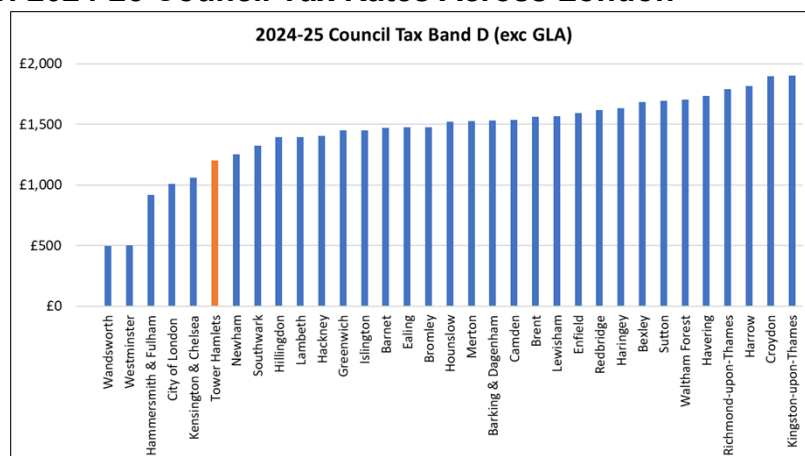
Assumptions:

- Adult Social Care (ASC) precept increase of 2% allocated to help fund demographic pressures in Adult Social Care in each year.
- General Council Tax increase of 2.99% in each year.
- Core Grants allocations will not be finalised until the Final Local Government Finance Settlement (LGFS) is announced early in 2025.
- Pay Inflation figures – 4.0% for 2025-26; 2.3% for 2026-27 and 2.1% for 2027-28.
- Non-Pay Inflation at Autumn Statement (Office of Budget Responsibility) CPI figures – 2.6% for 2025-26; 2.3% for 2026-27 and 2.1% for 2027-28.

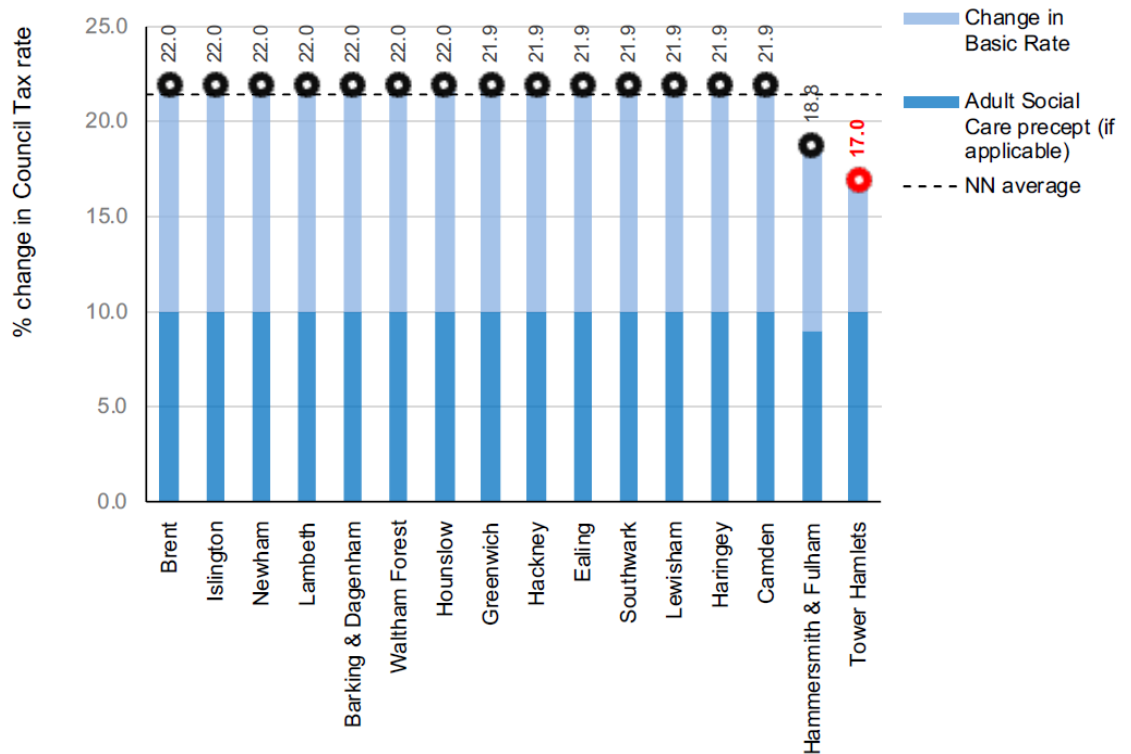
Council Tax

- 3.5.1 Council tax income is a key source of funding for Council services. The amount generated through council tax is principally determined by the council tax taxbase (the number of properties adjusted for exemptions and discounts) and the rate of charge per property.
- 3.5.2 The Council can currently, subject to legislative constraints, increase its council tax rate through two mechanisms; general tax rate increases and the Adult Social Care precept.
- 3.5.3 The Government has stated the referendum level for general tax rate increases will be 3% for 2025-26 and a further maximum level of 2% for the ASC precept (specifically to fund Adult Social Care pressures). The Government assumes in the Core Spending Power calculation that councils will increase council tax at the maximum allowed level.
- 3.5.4 To protect those most impacted by an increase in Council Tax the Council Tax Cost of Living Relief Fund was established in 2024-25. This fund is ongoing and has been build into the MTFS. For 2025-26 the household income ceiling will be uplifted in line with the September CPI figure of 1.7% used to inflate government benefits. This will take the qualifying income ceiling to £50,350.
- 3.5.5 The existing Council Tax Reduction Scheme will remain unchanged for 2025-26, meaning residents with the lowest incomes will continue to pay no Council Tax at all. A Community Resilience Fund is also being established to provide further capacity to support those in the community most in need.
- 3.5.6 A 1 % increase to council tax generates c£1.3m per annum which is sustainable and ongoing income.
- 3.5.7 Currently Tower Hamlets has one of the lowest council tax rates across the 33 London boroughs as shown in Chart 1 below.

Chart 1: 2024-25 Council Tax Rates Across London



3.5.8 As at 1st April 2024 Tower Hamlets' historical change in Council Tax in comparison to its nearest neighbour is show below:



3.5.9 The Covid-19 pandemic increased significantly those claiming benefits including through the Local Council Tax Reduction Scheme (LCTRS). Following this the Cost of Living crises hampered recovery of clamant rates. Additionally, there is an increasing amount of exemptions for student households reducing Council tax income.

3.5.10 The council tax collection rate decreased during the pandemic and has remained suppressed. In 2019-20 the in-year collection rate was 95.2%, this compares to a rate of 91.9% in 2023-24.

3.5.11 Growth in the council tax base has been below average for the Council at 1.5% for the year to August 2024. Nationally there has been an increase of 1.2% in the average Council Tax base projected for 2024/25. Tower Hamlets' growth has averaged 3.3% over the past 5 years, however this has now slowed, and forecasts have been revised to reflected this.

3.5.12 The Council tax taxbase calculation for 2025-26 is 117,132 and detailed in Appendix 4.

Local Council Tax Reduction Scheme (LCTRS) 2025-26

- 3.5.13 The Council has not make any changes to the Local Council Tax Reduction Scheme (LCTRS) since 2022-23. The level of claimants has reduced from the increased pandemic level but remains higher than before the pandemic (19,704 band D equivalent claimants in 2019 compared to 20,636 at August 2024).
- 3.5.14 The current LCTRS scheme remains amongst the most generous in the UK protecting Tower Hamlets residents on low incomes. Those on the lowest income can receive 100% relief and pay no council tax.
- 3.5.15 Each year, the Council is required to consider whether it wishes to change its LCTRS. Any changes to the scheme require a full public consultation and impact analysis. This draft budget and MTFS assumes the council will not make any changes to the existing 100% LCTRS for 2025-26 protecting our residents on low incomes.

Business Rates Retention Scheme

- 3.5.16 The Council retains 30% of business rates collected with 37% passported to the Greater London Authority (GLA) and 33% to central government.
- 3.5.17 The impact of appeals from businesses regarding their valuation is a significant risk to the Council's finances. This is outside of the Council's control as the valuations are carried out by the government's Valuation Office Agency (VOA) and the Council is not involved in the appeals process. Successful appeals can mean backdating of overpaid rates for several years with the Council paying 30% of this. The timings and amounts of the appeals cannot be known although an external agency's expertise are used to ensure forecasts are as accurate as possible.
- 3.5.18 The Council entered a business rates pool with seven other neighbouring London boroughs in 2022-23 (the 8 Authority Pool) and will continue in this pool arrangement for 2024-25. This will enable the Council to retain some of the levy on growth that would otherwise be required to be paid to Central Government. The amount of extra growth retained is estimated to be £2.0m one-off extra income in 2025-26.
- 3.5.19 The business rates baseline was due to be reset in 2022-23, however this has been delayed and following a change of government it is unclear if or when this would happen.
- 3.5.20 The current business rates system allows councils to retain a proportion of the growth in the local business rates tax base, however this is typically lost during funding rebasing. For Tower Hamlets this could be in the region of c£18m of funding that maybe be lost. Beyond this, there is significant uncertainty around when the government will implement the reset, how the money would be redistributed across local government and the amount of any transitional relief provided to the Council; therefore, the level of business rates income is uncertain in future with a risk of reduced funding for the Council going forward.

Core Grants

3.5.21 The Council is in receipt of several core grants to support specific service priorities. Assumptions have been made in respect of most grants after 2025-26 due to the one-year settlement based on modelling by specialists LG Futures.

Revenue Support Grant

3.5.22 Revenue Support Grant (RSG) is a central government grant given to local authorities which can be used to finance revenue expenditure on any service. The amount of Revenue Support Grant to be provided to authorities is established through the Local Government Finance Settlement using the relevant funding formulae.

3.5.23 Inflationary increases in RSG have been included based on the inflation assumptions in the Autumn Statement. RSG for 2025-26 is £42.7.

New Homes Bonus

3.5.24 The New Homes Bonus (NHB) scheme was introduced in 2011-12 to help tackle the national housing shortage. The scheme was designed to reward those authorities that increased their housing stock either through new build or by bringing empty properties back into use. Tower Hamlets is a high growth area and has in the past attracted one of the highest levels of NHB in the country.

3.5.25 A consultation was launched after the 2021-22 settlement on the future of NHB with options including increasing the threshold for payment and various other factors that could be included for calculations. There is uncertainty in the amounts to be received going forward and payments have reduced significantly in recent years.

3.5.26 If the NHB were to end in the medium term, it is expected that decreases in NHB will be re-allocated nationally into other funding streams such as the Revenue Support Grant or other core grants. Over the medium term the level of funding potentially lost will depend on which changes are announced, the timescales for implementation and any transitional funding for Councils. The Grant is continuing in 2025-26 and the Council's allocation is £4.4m (£2.2m in 2024-25). Due to the funding uncertainties of New Homes Bonus this has been reduced back to £2.2m in future years to reflect potential redistribution of funds should the grant end.

Better Care Fund

3.5.27 The Better Care Fund (BCF) was introduced in the 2013-14 spending review. The fund is a pooled budget, bringing together local authority and NHS funding to create a national pot designed to integrate care and health services.

3.5.28 In addition to this, an improved Better Care Fund (iBCF) was announced in the 2016-17 budget to support local authorities to deal with the growing health and social care pressures during the period 2017-20. The Spending Rounds since 2019 have extended this grant for one year at a time.

3.5.29 For 2025-26, the Adult Social Care (ASC) Discharge Fund allocations have rolled into the improved Better Care Fund (iBCF), with the iBCF now renamed to the Local Authority Better Care Grant. The total grant is £20.7m which is the same allocation for both grants in 2024-25.

Social Care Grant

3.5.30 The purpose of the social care grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred in respect of meeting adult and children's social care needs.

3.5.31 In 2024-25 the national allocation was £5bn with Tower Hamlets receiving £34m of this. In the Autumn Statement the Chancellor announced £600 million of new grant funding to support social care. Following the additional funding the Council received an extra £6.3m making the total allocation £40.3m

3.5.32 The table below demonstrates the allocations of the Social Care Grant.

Social Care Grant Allocations	Total £m
2019-20 Funding	2.499
2020-21 Additional Funding	6.868
2021-22 Additional Funding	2.974
2022-23 Additional Funding	4.261
2023-24 Additional Funding	9.356
2024-25 Additional Funding	8.054
2025-26 Additional Funding (TBC)	6.335
Total 2025-26	40.347

ASC Market Sustainability and Improvement Fund

3.5.33 The 2022-23 LGFS announced the new Market Sustainability and Fair Cost of Care Fund grant for 2022-23 intended to help local authorities to prepare their markets for reform and move towards paying the fair cost of care. The government distributed funding using the adult social care relative needs formula and the 2022-23 allocation for Tower Hamlets was £0.989m. The budget allocated this funding in full to the Health, Adults and Community directorate.

3.5.34 The funding was intended for local authorities to carry out activities including:

- Conduct a cost of care exercise to determine sustainable rates.

- Engage with local authorities to improve data on operational costs and the number of self-funders.
- Strengthen capacity to plan and implement greater market oversight.
- Use the funding to increase fee rates (appropriate to local circumstances).

3.5.35 The 2023-24 finance settlement increased this funding to £3.430m in 2023-24 and to £6.4m in 2024-25. The grant was renamed to the ASC Market Sustainability and Improvement Fund. It was envisaged that this will primarily be required to pay higher rates to providers towards a fair cost of care and to fund administration costs for the development of the market and is included on an ongoing basis in the MTFs at the 2024-25 amount (£6.4m).

Public Health Grant

3.5.36 The Public Health grant is ring-fenced for use on public health functions exclusively and covers all ages. The final allocation of the Public Health grant to Tower Hamlets for 2024-25 was £39.224m and is assumed to continue at this level, although final allocations are not expected until March 2025.

Social Care Reform

3.5.37 In September 2021, the government announced it would provide £3.6 billion between 2022/23 and 2024/25 to reform how people pay for social care in England. It was originally planned the reforms would be implemented from October 2023. However, at the Autumn Statement 2022 the government announced they would be delayed by two years, until October 2025.

3.5.38 On 29 July 2024, the Chancellor, Rachel Reeves, announced the reforms would be cancelled, along with several other projects. The Chancellor said this was to help reduce spending in response to an inherited projected overspend of £22 billion pounds for the 2024/25 financial year.

3.5.39 Under the proposals set out by the previous government, a new £86,000 cap would be introduced on the amount anyone in England would have to spend on their personal care over their lifetime.

3.5.40 The previous government also proposed to make the means test for accessing local authority funding support more generous. The upper capital limit (the threshold above which somebody is not eligible for local authority support) would increase from £23,250 to £100,000. The lower capital limit (the threshold below which somebody does not have to contribute towards their care costs from their capital) would increase from £14,250 to £20,000.

Recovery Fund

3.5.41 In the Local Government Finance Policy Statement 2025 to 2026 released by Government on 28th November they stated they were “committed to fixing the basics to enable local government to focus on its priorities – delivering for residents and providing high quality, vital frontline services that people rely on every day.”

3.5.42 As part of that commitment a new 'Recovery Grant', worth £600 million nationally was announced. This grant is intended to target money towards areas with greater need and demand for services (using deprivation as a proxy for this), and less ability to raise income locally.

3.5.43 Tower Hamlets was awarded £5.1m from the recovery fund which has been assumed as ongoing.

Children's Social Care Prevention Grant

3.5.44 The Local Government Finance Policy Statement included a new Children's Social Care Prevention Grant, worth £250 million nationally. This is intended to lay the groundwork for children's social care reform, enabling investment in additional prevention activity through Family Help. The allocation in 2025-26 is £1.9m.

Extended Producer Responsibility for Packaging (pEPR)

3.5.45 From 2025, some organisations and businesses will have to pay a fee for the packaging they supply to or import into the UK market. This is called extended producer responsibility (EPR) for packaging. The money will go to local authorities to cover net costs of collecting, managing, recycling and disposing of household packaging waste.

3.5.46 In the first year (April 2025 to March 2026) local authorities will receive a basic payment based on publicly available and existing data, including Office of National Statistics (ONS) data and information about tonnages, operations and unit costs gathered from a representative sample of local authorities across the UK. From the second year (April 2026 to March 2027) the basic payment and any adjustments will be based on data local authorities submit.

3.5.47 The basic payment uses a model based on:

- certain characteristics, such as rurality and deprivation
- national policies and circumstances
- the amount of waste collected and managed
- the estimated composition of this waste

3.5.48 From the second year (April 2026 to March 2027) a performance element will be added to the payment calculation that could result in reduced payments. An efficient waste management service is deemed to be one where the costs of the service are as low as reasonably possible, considering:

- The waste management service provided by the authority; and
- Any other factor specific to that authority, or to the area to which it exercises its waste management functions, which in the opinion of the scheme administrator are likely to affect its disposal costs.

3.5.49 Estimated payments for 2025-26 were provided to authorities in November 2024 and Tower Hamlets' was £4.4m, which has been included in the MTFs on

an ongoing basis. Final allocations are expected in April 2025 although future years' allocations are uncertain at this time and assumptions will be updated as more information becomes available.

Homelessness Grant

3.5.50 In the Autumn Budget the Chancellor announced £233 million of additional spending in 2025-26 on homelessness, to help to prevent increases in the number of families in temporary accommodation and rough sleeping. The additional allocation for Tower Hamlets is £3.2m.

3.6 BUDGET PRESSURES, GROWTH AND INFLATION

3.6.1 A key part of the annual budget setting process is the review of growth pressures across the MTF period arising from demographic changes, new requirements or responsibilities or inflationary pressures.

3.6.2 In line with this review methodology, demographic growth funding for Adult Social Care (ASC) has been included for 2027-28. For 2027-28 the demographic growth is estimated to be £5.3m, reflective of the demand pressures. Funded through the 2% ASC precept in 2024-25 would bring in c£2.6m to assist fund these pressures.

3.6.3 The 2024-25 pay award was agreed nationally in November 2024 and the final cost to the General Fund was £8.6m. The award was the higher of £1,575 for or 2.5% for Inner London. The MTF has been updated for 2025-26 to provide budget for the 2024-25 short-fall and a 4% pay award on salary costs, due to continuing cost of living pressures on national negotiations. The allowance for 2026-27 and 2027-28 assumes pay awards of 2.3% and 2.1% on salary costs respectively per the Office of Budget Responsibility (OBR) forecasts.

3.6.4 Next year's 5.3% increase in the London Living Wage (LLW) will trigger adult social care pressures for councils. The rise in the LLW from £13.15 to £13.85 an hour. The National Living Wage announced in the Budget was a 6.7% increase from £11.44 to £12.21.

3.6.5 For non-pay inflation, provision has been made in line with the OBR inflation forecasts, i.e. 2.6% in 2025-26, 2.3% in 2026-27 and 2.1% in 2027-28. In October 2024 the CPI inflation rate was 2.3%.

3.6.6 Directorates in the Council have reviewed their service areas for unavoidable growth and budget pressures that are requested to be funded in 2025-26. The growth requests are listed in Appendix 2.

3.7 SAVINGS PROPOSALS

Savings Proposals – General Fund

- 3.7.1 There are new savings proposed in this budget for 2025-26 totalling £17.796m and these are listed in Appendix 3.
- 3.7.2 The Council has previously approved savings in past years and these total £6.566m in 2025-26.
- 3.7.3 From 2024-25, strong governance arrangements have been put in place to oversee the delivery of savings throughout the year. This included additional dedicated resources, to oversee the delivery of the savings and in particular the ambitious income targets. The council established an effective budget board to review and report progress, support delivery and provide regular monitoring. Reporting takes place monthly and saving progress is reported to members. The Council is currently on track to deliver the £33.8m of budgeted savings in 2024-25 with these monitoring arrangements continuing into future years. The power BI dashboard provides real time monitoring on an ongoing basis.

3.8 RISKS AND OPPORTUNITIES

- 3.8.1 When setting the MTFs, best estimate of service costs and income based on the current information is used. However, there will always be factors outside of the Council's direct control which have the potential to vary the key planning assumptions that underpin those estimates.
- 3.8.2 There are several significant risks that could affect either the level of service demand (and therefore service delivery costs) or its main sources of funding. In addition, there are general economic factors, such as the level of inflation and interest rates that can impact on the net cost of services going forward.
- 3.8.3 Existing pressures in service demand are reported in the Council's budget monitoring for 2024-25 reports. The main MTFs risks and opportunities are summarised below.

Inflation

- CPI Inflation stood at 2.2% in August 2024, unchanged from July. Inflation is expected to continue to fall but it has proven persistent and the economy resilient to date so there is a risk that the Council's current assumptions will need to be revised.
- A 1% change in pay inflation equates to c£2.6m for the General Fund.

Employer's National Insurance

The Autumn budget also announced an increase in employer's National Insurance (NI) contributions next year from 13.8% to 15%. A reduction in the threshold from £9,100 to £5,000 was also confirmed. The government has

committed to funding these costs for the public sector but there is a risk this funding will not be sufficient and will not cover indirect cost increases. Allocations will not be announced until the final local government settlement.

Current Budget Pressures

The 2024-25 budget monitor shows pressures across Adult Social Care, SEND, Waste and homelessness. Measures have been put in place to mitigate these overspends, however if they are not contained this will carry forward into 2025-26.

Funding Reform

The previous government had committed to reforming the way local authorities are funded. Its Fair Funding Review aimed to introduce a new funding formula from April 2021, but this was delayed. The current government has committed to a “targeted approach” to allocating additional funding in 2025-26, ahead of a broader redistribution of funding through a multi-year settlement from 2026-27. It is unclear how funding will be distributed at this stage and if business rates growth is reset this would significantly impact the Council.

The new government has announced that from 2026-27 it wants to fundamentally change the way councils are funded and direct based on an up-to-date assessment of need and local resources. These reforms will build on the proposals set out in the previous government’s review of Relative Needs and Resources (also referred to as the ‘Fair Funding Review’), using the best available evidence to inform local authority funding allocations. They will move gradually towards an updated system and will invite views on possible transitional arrangements to determine how local authorities reach their new funding allocations.

The upcoming ‘reset’ of the business rates retention system, the first since its introduction in 2013-14, presents both challenges and opportunities for Tower Hamlets. While the borough has benefited significantly from business rates growth over the years, the redistribution of funding under the new system could have a considerable financial impact. With the government exploring reforms to align local authority funding more closely with changing needs and resources, it is essential to remain proactive in addressing any potential disparities in funding allocations.

In light of these uncertainties, including the wider implications of future government funding and business rate reforms, safeguarding the council’s financial resilience is paramount. Maintaining critical community investments will rely on delivering identified service efficiencies, with robust monitoring to ensure sustainability and continued value for money for our residents.

Government will consult and engage councils about reforms to the funding system so that they can feed in views and properly plan for these changes. This will include an initial consultation on the objectives and principles of the government’s proposed approach, launching in December 2025 alongside the provisional Local Government Finance Settlement 2025-26. They will consult on the technical detail of resetting the business rates retention system in early

2025 and then develop, publish and consult on a detailed plan for reform ahead of the provisional Settlement for 2026-27. Implementation of these reforms will begin through the multi-year Settlement in 2026-27.

Adult Social Care Services

- **Price pressures in the social care market** – impact of workforce shortages and inflation on labour, fuel, food and clothing costs.
- **Discharge from hospital** – reduction in NHS funding for the short-term funding of care costs for residents that are discharged from hospital.
- **Increased demand** – Population growth estimates are built in and changes in the complexity of needs also impacts demand.

Children's Services

- Nationally Children's Social Care has been a spending pressure with potential high-cost individual care packages impacting budgets. Tower Hamlets has managed the pressures well but there is a risk from the demand lead statutory service.
- A statutory override which separates local authorities' Dedicated Schools' Grant deficits from their wider financial position is due to expire on 1st April 2026. The government will set out the position for the future of the statutory override in due course and has also announced it will not enter into any further 'safety valve' agreements with local authorities in relation to their deficit. The Council's deficit stood at £15.8m at the start of 2024-25.

General Economic Factors

- Economic growth slowing down or disappearing
- Reductions in grant and third-party funding
- Reductions in the level of income generated through fees and charges
- A general reduction in debt recovery levels

Increases in Service Demand

- Adult Social Care homecare and residential care services
- Children's Social Care including an increase in the number of looked after children, unaccompanied asylum seekers or those with no recourse to public funds
- Support for children with special educational needs including transportation.
- Housing (including homelessness and temporary accommodation)
- General demographic trends (including a rising and ageing population)
- Impact of changes to Welfare Benefits

Efficiencies and Savings Programme

- Non-delivery of savings is a risk to the Council and will continue to be monitored during the current and next financial year
- Slippage in the expected delivery of the savings programme

Local Taxation

- Collection rates are impacted by the economy which affects taxpayers' ability to pay
- The current MTFs assumes no increase in council tax

- An increase in the Council's tax base has occurred over previous years and growth above current projections will generate more income

Other Opportunities

- Growth in local taxbase for both housing and businesses
- Service transformation and redesign including digital services
- Invest to save approach (including capital improvements) to reduce revenue costs
- Income generation opportunities including through a more commercial approach
- A Balance Sheet review looking at income collection rates and ensuring accounting policies are aligned to regulations
- Government's English Devolution White Paper confirmed that it will explore how an integrated settlement could be applied to London from 2026-27.

3.9 RESERVES

3.9.1 Reserves are an important part of the Council's financial strategy and are held to create long-term budgetary stability. They are the foundation for good financial management and resilience. They enable the Council to mitigate future risks, such as increased demand and costs; to help absorb the costs of future liabilities; and to enable the Council to resource policy developments and initiatives without a disruptive impact on rates of Council Tax. As one-off resources they can only be spent once.

3.9.2 The Council's key sources of funding face an uncertain future and the Council, therefore, holds earmarked reserves and a working balance to mitigate financial risks. There are two main types of reserves:

- Earmarked Reserves – held for identified purposes and are used to maintain a resource to provide for ideally, one-off expenditure in a future year/s
- General Reserves – these are held for 'unforeseen' events. Recent lessons learned from valued fellow councils in the current challenging operating environment serve to emphasise the importance of this.
- General Balance – in accordance with best practice, the general fund balance is being increased to £25m.
- Reserves in the circumstances referred to above, support financial resilience, providing a cushion to "buy time" in the event of stormy waters.
- Reserves invested wisely in schemes that reduce future costs can build added resilience (e.g. in invest to save schemes).
- The council's resilience and financial capacity underpin key judgements as to our risk profile and credit worthiness, in turn contributing to our ability to secure future borrowing.

3.9.3 The Council also maintains reserves in respect of its Housing Revenue Account (HRA), this together with our headroom again underpins our ability to borrow,

which is critical during this time of a nationally recognised housing shortage crisis. An issue of particular focus at Tower Hamlets.

- 3.9.4 In 2020, the government also introduced a statutory override which separates local authorities' DSG deficits from their wider financial position. The statutory override was put in place and meant that local authorities' DSG deficits could be separated from their wider accounts. This is currently due to expire on 1st April 2026. At the start of the year there was a DSG deficit of £15.8m. Current demand trends indicate that without larger than forecast growth in DSG allocations then we will not be a position to reduce the accrued DSG deficit that has been bought forward. This position is in common with most Local Authorities, and we wait a direction on a longer-term solution from government.
- 3.9.5 The amount held in reserves is a matter of judgment which considers the purpose for which they are maintained and the Council's potential financial exposure to risks. The Council's current Reserves Policy is included in Appendix 5. The level of balances is examined each year along with the level of reserves considering the risks facing the authority in the medium term. The S151 officer is required under Section 25 of the Local Government and Finance Act to include in Budget Reports, their view of the adequacy of the balances and reserves the budget provides for.
- 3.9.6 Reserves are one-off funds and, therefore, the Council should always aim to avoid using reserves to meet on-going financial commitments other than as part of a sustainable budget plan. In the current challenging environment, it is even more important to ensure reserves are maintained and not on a continuing declining trajectory. The General Revenue balance is forecast to be £21.2m at the end of the year, given the risk factors and to reflect best practice, the General Fund Reserve is being increased to £25m in 2025-26.
- 3.9.7 The following table is an overview of forecast balances on reserves at 31 March 2025.

Reserves Summary	Forecast 31/03/25 £m
General Fund Reserve	21.2
Earmarked Reserves with Restrictions on use	74.0
Earmarked Reserves without Restrictions	38.4
Total General Fund Earmarked Revenue Reserves	112.4
Other Reserves	
Housing Revenue Account	22.0
Housing Revenue Account Major Repairs Reserve	6.9
Dedicated Schools Grant Surplus / (Deficit)	(18.5)

Reserves restricted by law to finance Capital Expenditure	
Capital Grants Unapplied	241.9
Capital Receipts Reserve	162.1
Overall Reserves Total	548.0

3.9.8 Please refer to Appendix 6 for the detailed projected movement in reserves over the period 2024-28.

3.10 FEES AND CHARGES

3.10.1 Fees and charges are reviewed annually as part of the Council's budget setting process. This ensures that they are set at the appropriate level for the prevailing economic conditions and represent good practice in terms of the Council's aim to provide value for money.

3.10.2 Fees and charges generally fall into two broad categories:

Discretionary – those set at the discretion of local authorities, for example venue charges and commercial waste collection.

Statutory – those prescribed by government statute, for example notice of marriage and household planning applications for alterations.

3.10.3 The level of inflation (CPI 2.3% & RPI 3.3% in April 2024) along with rounding the charge to the nearest 5p, 10p, etc for practical purposes have been key factors in determining the recommended changes. Other factors such as service demand, the projected cost of providing the different services, benchmarking with other local authorities and the impact of general economic factors including the cost of living on the Council's residents have also been considered.

3.10.4 The general principle is that fees and charges are increased by RPI to match the level of inflation.

3.10.5 The application of fees and charges plays an important role in supporting the Council to achieve its strategic priorities, for example, by:

- Providing a source of funding for re-investment in services;
- Influencing service demand whilst, through appropriate discounts and concessions, ensuring that they take account of the ability to pay and social benefit (e.g. discounted venue hire rates for community groups);
- Working as a driver to reduce unit costs.

3.10.6 The discretionary and statutory fees and charges can be found in Appendix 7A and Appendix 7B respectively.

3.11 SCHOOLS' FUNDING

- 3.11.1 The largest single grant received by the Council is the Dedicated Schools Grant (DSG), which is ring-fenced to fund school budgets and services that directly support the education of pupils. The Local Authority receives its DSG allocation gross (including allocations relating to academies and post 16 high needs provision), and then the Education & Skills Funding Agency (ESFA) recoups the actual budget for Academies to pay them directly, based on the same formula as the funding allocations made to Tower Hamlets maintained schools. This leaves a net LA cash budget.
- 3.11.2 The DSG is allocated through four blocks: The Schools Block, Central School Services Block, High Needs Block and Early Years Block. All elements of the DSG are calculated based on a national funding formula, however these are calculated using historic funding as a baseline.
- 3.11.3 Whilst the Schools Block allocation for 2025-26 is based on allocating a school level budget calculation, the method of distribution to schools is still through a local formula methodology.
- 3.11.4 In October 2024, the ESFA published indicative allocations for 2025-26 for the Schools Block, Central Services Block and High Needs Block. These are all indicative allocations and will be updated in Mid-December based on the October 2024 School census. There is no indicative allocation for the Early Years Block which will have initial allocations published in December although subject to further change in relation to place and pupil numbers therefore the table below assumes static funding.
- 3.11.5 A further allocation for pupil growth and falling rolls in the school's block has yet to be allocated and will be confirmed in the December allocations. Growth is calculated using growing pupil numbers in Middle Super Output Areas (typically 3 to 4 schools) between October 2023 and October 2024 ignoring reductions in other areas. This methodology benefits Tower Hamlets with the movement in demand across the borough meaning that whilst there are no net increases in pupil numbers it does reflect that this masks a hidden disparity between the east and the west. For the first year the DfE (Department for Education) have also introduced funding for falling rolls, again based on middle super output areas but reflecting schools with a greater than 10% reduction in pupil numbers. The final December allocation it will allow us to confirm if there is any effect of this on Tower Hamlets funding allocations.
- 3.11.6 The Main element of the school's block of the DSG has been calculated by building in the previously separately paid schools additional pay grant and a per pupil increase.
- 3.11.7 The High Needs Block is funding to support costs of pupils with additional education needs, across mainstream and special schools as well as the associated support costs. The allocation of the high needs block for 2025-26 has increased by building in the previously separately paid pay grant and a 3%

increase. There continues to be an accrued deficit that will be bought forward and can, in line with government guidance, be bought back into balance over several future financial years.

3.11.8 Significant work continues to take place to identify efficiencies in high needs provision, including remodelling of central services, review of top ups paid to individual schools as well as building local capacity to prevent expensive placements outside of LBTH. Tower Hamlets is currently part of the Department of Education, delivering better value (DBV) programme which will further explore cost avoidance in 2025-26.

3.11.9 The Central Schools Services Block (CSSB) was introduced in 2018-19 to fund LAs for their statutory duties relating to maintained schools and academies. The CSSB brings together funding previously allocated through the retained duties element of the Education Services Grant (ESG) funding for ongoing central functions e.g., admissions and funding for historic commitments including items previously agreed locally such as contributions to central Education budgets.

3.11.10 As part of the national funding formula the DfE are reducing the allocation within the CSSB of historic commitments and therefore the CSSB for Tower Hamlets has been decreased by £182k in relation to historic commitment for 2025-26, and therefore significantly reduces central education spending power.

3.11.11 In addition to the Central Schools Services Block, maintained schools can, through the schools Forum, agree to de-delegate some of their Schools Block resources for certain specific services that schools would benefit from the economies of being managed centrally. Schools can also make contributions to support the former Education Services Grant (ESG) general duties which was removed as a separate grant in 2017. This contribution supports costs the Council is obliged to carry out as statutory duties for maintained schools, for example in relation to financial regulation, asset management, internal audit, HR and the provision of information to government departments and agencies.

3.11.12 The table below sets out the initial DSG allocation over the funding blocks for 2025-26. Please note that the 2025-26 allocations will be finalised in July 2025.

Dedicated Schools Grant – Indicative 2025-26 and Current 2024-25

Block Gross	2025-26 £m	2024-25 £m	Change £m
Schools Block	325,931	303,864	22,067
CSSB	2,985	2,929	56
High Needs Block	92,561	86,584	5,977
Early Years Block	*39,042	39,042	N/A
Total	460,519	432,419	28,100

** Early Years Block announcement expected later in December.*

3.11.13 In addition, the Council receives, and passports fully to schools, funding for the pupil premium (£23m in 2024-25) and sixth form funding (£15m in 2024-25). Final allocations for the pupil premium will be confirmed in July 2025, Sixth form funding in March 2025.

Tower Hamlets' Funding Formulae

3.11.14 The agreement on the Schools Funding Formula and Early Years Funding Formula is a decision for the Council following consultation with the Schools Forum. Schools Forum have agreed in principle to mirror the national funding formula, which has been confirmed with Schools Forum in previous years and is in line with the direction of travel stated by government. Schools Forum in January will consider the following:

- That the National Funding Formula (NFF) adopted by Tower Hamlets originally in 2019-20 continues for 2025-26.
- That the Minimum Funding Guarantee (the mechanism that guarantees schools a minimum uplift in per-pupil funding) has been set at close to 0.5%, the maximum allowed, as affordable.
- That the structure of the Early Years Funding Formula is maintained whilst allowing for amended rates reflecting the increases and the changing entitlements for 2025-26.

3.12 HOUSING REVENUE ACCOUNT (HRA)

3.12.1 The Housing Revenue Account (HRA) was introduced as part of the Local Government & Housing Act 1989. It is a ringfenced account that contains the income and expenditure relating to the activities of the Council as landlord of its dwelling stock.

3.12.2 Being a ringfenced account means that any surplus or deficit on the HRA cannot be transferred to the General Fund and must remain within the HRA. The HRA cannot subsidise or be subsidised by the General Fund and must remain in balance.

3.12.3 Prior to April 2012 the provision of Local Authority Housing was managed through a subsidy system with rents being collected at a local level, pooled, and redistributed back to Local Authorities based on a formulaic calculation.

3.12.4 From April 2012 the Localism Act abolished the subsidy grant and replaced it with self-financing, under which local authorities took a one-off share of the national housing debt in return for retaining all rental income collected. Therefore, the HRA retains all benefits associated with its property portfolio but also incurs the risk and costs associated with them.

3.12.5 These freedoms were introduced with strings attached in the form of a debt cap. This was set by the Government individually for each Authority and represented the maximum level of borrowing allowed to fund investment in any new build programme or investment in the existing stock. In Tower Hamlets, the debt cap was set at £184m.

3.12.6 In October 2018, the Government abolished the debt cap as it was felt to have been set artificially low and was restricting Local Authorities in their new homes programme which was contributing to the shortage of available housing. As a result, the HRA is now able to borrow at higher levels than the debt cap and monitors the affordability of its current and planned future borrowing through parameters set within the HRA business plan.

3.12.7 The HRA business plan is a requirement of self-financing and is a 30-year plan that models both revenue and capital income and expenditure and assesses the affordability of current and future plans and their impact on HRA reserve balances. The HRA business plan is updated annually as part of the budget setting process to ensure activities within the HRA are affordable over the whole life of the plan.

3.12.8 The business plan will include the impact of the employers' National Insurance increase which has been calculated at £850k as, unlike the General Fund, the HRA will not receive funding from government to offset this.

Fees & Charges

3.12.9 Fees & Charges are reviewed annually with the general principle that fees and charges are increased by April's RPI (3.3%) to match the level of inflation.

3.12.10 The level of inflation along with rounding the charge to the nearest 5p, 10p, etc for practical purposes have been key factors in determining the recommended changes. The charges for 2025-26 are at Appendix 8.

Growths & Savings

3.12.11 Proposed investments and savings relating to the HRA are shown at Appendix 9.

2025-26 Rent Increase

3.12.12 Annual rental increases or decreases are set nationally by Central Government. Section 23 of the Welfare Reform and Work Act forced local authorities to implement a rent reduction of 1% for four years starting in 2016-17. The last year to which the rent reduction applied was 2019-20.

3.12.13 In September 2018, the Government published a consultation entitled "Rents for social housing from 2020-21" in which it set out its proposals for social rent policy from 2020-21. This proposed that the Regulator of Social Housing's rent standard will, from 2020-21, apply to local authorities. This meant that, in

common with other Registered Providers (RPs), local authorities were permitted to increase their rents by a maximum of CPI + 1% for at least five years, the last year being 2024-25. Faced with high inflation and a cost of living crisis in 2024-25, the Government announced a one-off cap of 7.7%, resulting in a below inflation rent increase.

- 3.12.14 Any rent increase is based on the September CPI figure, and therefore the maximum rent increase would be this CPI figure + a further 1%. A further one-year extension of the rent standard was agreed for 2025-26.
- 3.12.15 In its Autumn Statement on 30th October 2024 the Government announced that it would be consulting on its future rents policy. It is proposed to set a rent policy for social housing that would:
- **Remain in place for at least 5 years, from 1 April 2026 to 31 March 2031.** It is the government's intention to set a further 5-year settlement for the period beyond this. However, they are also seeking views on possible variations to this approach that could potentially improve the stability of rent policy – such as confirming the rent policy for a longer period (e.g. 10 years) or on a rolling basis; and
 - **Generally, permit social housing rents to increase each year by up to CPI plus 1 percentage point ('CPI+1%'),** applying both to Social Rent and Affordable Rent.
- 3.12.16 Subject to the outcome of this consultation, the Government intends to implement their proposed rent policy by issuing a new Direction on rents to the Regulator of Social Housing. The proposed Direction would require the Regulator, when setting its Rent Standard, to have regard to a policy statement on rents for social housing from 1 April 2026 ('the Policy Statement').
- 3.12.17 Subject to the outcome of this consultation, it is intended to issue the new Direction to the Regulator alongside the new Policy Statement in 2025. This will allow the Regulator to consult on a new Rent Standard ahead of bringing it into effect from 1 April 2026.
- 3.12.18 The consultation will seek views on the rent standard, the draft Direction and the draft Policy Statement and will close at 11.45pm on Monday 23 December 2024.
- 3.12.19 It is proposed that housing rents for all properties are increased by 2.7% for 2024-25. The September CPI figure is 1.7% and the 2.7% increase represents the additional percentage point permissible within the rent standard. This is lower than last year's rent increase which was 7.7%. The table below shows the new weekly rental charges for 2024-25. A 2.7% rent increase will generate £2.1m of additional income in 2025/26 that will be used to fund services to support tenants, continued investment in the existing stock and new developments.

Bedroom Numbers	2024-25 Average Weekly Rent (£)	Weekly 2.7% Increase (£)	2025-26 Average Weekly Rent (£)
0 Bed	103.42	2.79	106.21
1 Bed	120.44	3.25	123.69
2 Bed	135.18	3.65	138.83
3 Bed	152.37	4.11	156.48
4 Bed	172.87	4.67	177.54
5 Bed	190.50	5.14	195.64
6 Bed	192.01	5.18	197.19
7 Bed	205.64	5.55	211.19
Average	134.99	3.64	138.63

3.12.20 It is acknowledged that a 2.7% rent increase represents an uplift in the weekly rental charge to tenants. However, the HRA is currently experiencing unprecedented increases in its costs resulting from Brexit, Covid pandemic and cost of living crisis following the war in Ukraine. High inflation and interest rates have meant that many of the costs incurred within the HRA have risen by more than the 2.7% rent increase and the Council is therefore also bearing a proportion of these cost increases and not passing them all on to the tenant. The additional income generated will maximise the ability of the council to invest in the housing stock, both in the existing property portfolio and new build schemes. The Council's strategic plan commits it to building 4,000 new homes, and the rent increase will help to facilitate this target. The increase will also ensure that further funds do not have to be taken from other services within the HRA, and that these services will continue to operate without depletion to their budgets.

2025-26 Increase in Tenanted Service Charges

3.12.21 LBTH budget to recover the cost it incurs on providing services to tenants through the service charge made to them. Historically these charges have been subject to an inflationary increase, with the assumption being that the cost of providing the services will incur an annual inflationary uplift, up to the September CPI figure. They are calculated on a service charge basis to ensure full cost recovery.

3.12.22 The charge levied on tenants reflects the cost of providing the chargeable services to them. If service charges are not increased to reflect costs incurred, then the HRA will be subsidising these services and in effect tenants that do not receive these services will be meeting the cost through their rent payments.

3.12.23 The table below details the current service charges and the impact of the proposed weekly charges for 2025-26 to enable the HRA to recover its costs from tenants.

Service Charge	2024-25 Average Weekly Charge £	2025-26 Average Weekly Charge £	Weekly Increase £
Block Cleaning	7.18	7.30	0.12
Estate Cleaning	3.02	3.07	0.05
Concierge	12.62	12.83	0.21
Horticulture	1.00	1.01	0.01
ASB	1.07	1.09	0.02
Boiler Fuel	22.34	22.72	0.38
Communal Energy	2.80	2.85	0.05

* Gas and Electricity charges are currently extremely volatile and therefore subject to change. The charges above will be continually reviewed and liable to change as a result of market conditions.

HRA Business Plan

3.12.24 In April 2012 the Localism Act introduced a self-financing system and the management of housing at a local level. This required LBTH to take on a one-off share of the national housing debt in return for retaining all rental streams in respect of the housing stock. The aim was to allow local decision making to drive the level of investment in the housing stock and to agree spending priorities in line with local demand. The HRA Business Plan is a 30-year financial model and is the key tool used to ensure the short, medium and long-term viability of the HRA and affordability of its investment programmes.

3.12.25 Since the abolition of the HRA debt cap in 2018 councils have been free to extend their borrowing but should be within their own pre-defined limits as part of the overall prudential code.

3.12.26 Historically three factors have been used to date to assess the borrowing constraints within the HRA are:

- A minimum reserve balance of £10m within the HRA
- A voluntary revenue provision for debt repayment based on 2% of opening debt
- A minimum Income Cover Ratio of 1.25

3.12.27 In 2024/25 it was approved to cease making voluntary revenue provision for debt and the interest cover ratio was reduced to 1.15.

3.13 CAPITAL

3.13.1 Cabinet approved the 2024-27 capital programme of £216.5m for the General Fund programme and £563.4m for the Housing Revenue Account programme in September 2024. The capital programme was for a three-year period, with commitments beyond 2027 resulting from the current programme to be funded in future years. Capital expenditure is focussed on the council's strategic priorities.

3.12.1 The capital programme is being refreshed for 2024-28 and will be presented, including any additions and changes to the programme, with the MTFs report to Cabinet on 29 January 2025.

3.14 TREASURY MANAGEMENT STRATEGY

3.14.1 The Treasury Management Strategy Statement will be revised and agreed with Audit Committee on 30 January 2025 and recommended for Full Council approval in February 2025 in accordance with the CIPFA Treasury Management Code of Practice. The Statement sets out the proposed strategy regarding borrowing, the investment of cash balances and the associated monitoring arrangements.

3.14.2 The proposed prudential indicators set out in the Treasury Management Strategy will be based on the proposed Capital Programme.

3.15 BUDGET CONSULTATION AND SCRUTINY PROCESS

3.15.1 The Council must undertake statutory budget consultation with business rates payers in the Borough and it is also good practice to consult with council taxpayers and a broad range of other key stakeholders. Furthermore, the Council's Budget and Policy Framework sets out the need for the Overview and Scrutiny Committee to be involved in the setting of the Council's budget.

3.15.2 The budget consultation 2025-26 began on 26 November 2024 and closed on 23 December 2024. The consultation sought to provide details of the financial challenges the Council currently faces and requested feedback on priorities for Council services from residents and businesses. The results of the survey are currently being analysed.

3.15.3 Overview and Scrutiny Commitment play a key role in scrutinising the budget proposals. This covers all aspects of the budget including revenue growths and savings, the capital programme, Housing Revenue Accountant (HRA) and the Schools Budget which will be proposed for approval by the Cabinet, from the Schools Forum.

4 EQUALITIES IMPLICATIONS

4.1 The Equality Act 2010 requires the Council, in the exercise of its functions to have due regard to eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.

4.2 Our Borough's strength lies in its diversity and the different communities and cultures living side by side. The Council is working to make the Borough safe, welcoming and a place of opportunity for all however inequalities still exist. The borough is the most densely populated local authority in the country. Tower Hamlets has one of the highest levels of children living in poverty in the country. Additionally, Tower Hamlets continues to experience exceptionally large population increases and since the 2021 census the population has risen from

310,306 in March 2021 to 325,789 just over a year later, the second fastest growing area in England.

- 4.3 These inequalities and rapid growth mean that ensuring equality is embedded throughout Council plans, services and activities is the number one priority and at the heart of all decision making. To help meet its duty under the Equality Act, on all proposed changes, the Council undertakes an equality impact screening and where required a full Equality Impact Analysis to determine whether the proposal will have a disproportionate impact on persons who share a protected characteristic and to also outline actions to mitigate against the equality risks. All savings proposals (Appendix 3A & 3B) include an equalities screening and identifies the relevant proposal that will require a full equality impact analysis.
- 4.4 Corporate Directors will ensure equality analysis are completed to inform decision making for implementation of these proposals.
- 4.5 Increasing pressures on the Council's limited finances mean that the Council needs to continue making savings in the next three years to achieve a balanced budget. This is a major challenge which needs to consider every penny spent while ensuring that equality remains at the heart of all decision making. The proposed growth items represent a positive impact for residents and organisations in the Borough.
- 4.6 Fees and charges are reviewed annually as part of the Council's budget setting process. This ensures that they are set at the appropriate level for the prevailing economic conditions and represents good practice in terms of the Council's aim to provide value for money.
- 4.7 Increasing pressures on the Council's limited finances mean that the Council needs to continue making savings in the next three years. This is a major challenge for the Council which needs to consider every penny spent while ensuring that equality remains at the heart of all decision making. The proposals for increases to fees and charges detailed in this report support the Council's Medium Term Financial Strategy and are necessary to deliver approved savings and achieve a balanced budget.
- 4.8 There are several new fees and charges as well as increases to fees and charges above inflation (and appropriate rounding). Increase in fees and charges above inflation are in line with benchmarking of other local authorities. Equality Impact Analysis (EIA) Screenings were undertaken on all the proposed changes to, and introduction of new, fees and charges. A full Equality Impact Analysis will need to be carried out where screening indicates one is required to determine if there are any disproportionate impacts on persons who share a protected characteristic, and where appropriate, identify and take actions to mitigate against the potential impact

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are

required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

- 5.2 The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. It is important that, in considering the budget, Members satisfy themselves that resources are allocated in accordance with priorities and that best value is achieved.
- 5.3 The preparation of the MTFs takes account of the Council's obligations in relation to its Best Value duty. The budget proposals are based on securing best value within the context of continuing reductions in Council funding and service demand pressures.
- 5.4 The sustainable action for a greener environment implication of individual proposals in the budget are set out in the papers relating to those proposals.
- 5.5 Managing financial risk is of critical importance to the Council and maintaining financial health is essential for sustaining and improving service performance. Setting a balanced and realistic budget is a key element in this process. Specific budget risks will be reported to Cabinet as the budget process develops. The Council will maintain a range of budget provision (contingency) earmarked reserves for specific risks and general reserves for unforeseen events and risks.
- 5.6 The crime and disorder implications of individual proposals in the budget are set out in the papers relating to those proposals.
- 5.7 Any safeguarding implications of individual proposals in the budget are set out in the papers relating to those proposals.

6 COMMENTS OF THE CHIEF FINANCIAL OFFICER (CFO)

- 6.1 As this Report is financial in nature, the comments of the Chief Financial Officer (s151 officer) are contained throughout. Section 25 of the Local Government Finance Act 2003 requires that when a local authority is agreeing its annual budget and council tax precept, the Chief Finance Officer must report on the robustness of the estimates made for the purposes of the calculations and that the Council has adequate reserves should risks materialise. The Section 25 statement will be in the budget report to Council in February 2025.
- 6.2 Despite significant financial pressures the Council has managed to put forward a balanced MTFs over the next three financial years. However, several risks to

this position exists including inflationary pressures, increasing demand for services and government policy changes, particular funding reform and national insurance increases.

6.3 It is, therefore, vital that the Council continues to robustly monitor its financial position and take action to reduce costs or generate additional income were required.

6.4 The government's Core Spending Power calculation makes assumptions about the level of growth in the Council Tax base and that authorities will increase Council Tax each year up to the referendum limit. The Council's decisions on this matter are therefore key to ensuring we maximise the amounts shown in the Core Spending Power calculation.

7. COMMENTS OF LEGAL SERVICES

7.1 The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council's Chief Finance Officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary control of which this report forms part. It is consistent with these arrangements for Cabinet to receive information about the revenue and capital budgets from time to time and as set out in this report. It is also consistent to be continually reviewing the position on a rolling basis and setting strategic directions for the coming months.

7.2 The monitoring of budgets and financial information is also a significant contributor to meeting the Council's Best Value legal duty and therefore this report complies with that legal duty.

7.3 Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 mandates those Council duties that cannot be the responsibility of the Executive. The duty to make arrangements for the proper management of the Council's finances is one such duty. Therefore, at this stage the report makes recommendations that the Mayor proposes the recommendations to full Council as part of the overall annual budget setting process.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1A Medium Term Financial Strategy Summary
- Appendix 1B Medium Term Financial Strategy Detail by Service Area
- Appendix 2A Proposed New Growth, Core Grants & Inflation Summary
- Appendix 2B Proposed New Growth Business Cases
- Appendix 3A Proposed New Savings Summary
- Appendix 3B Proposed New Savings Business Cases
- Appendix 4 Council Taxbase calculation
- Appendix 5 Reserves Policy
- Appendix 6 Projected Movement in Reserves
- Appendix 7A Fees and Charges – Discretionary Charges
- Appendix 7B Fees and Charges – Statutory Charges
- Appendix 8 Fees and Charges – Housing Revenue Account (HRA)
- Appendix 9 Housing Revenue Account Growth and Savings

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

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