

**Report for:** Full Council 3 March 2025

**Item number:** 13

**Title:** 2025/26 Budget and Medium-Term Financial Strategy 2025/30

**Report**

**authorised by:** Taryn Eves – Director of Finance – (Chief Finance Officer and Section 151 Officer)

**Lead Officer:** Frances Palopoli – Head of Corporate Financial Strategy & Monitoring

**Ward(s) affected:** ALL

**Report for Key/**

**Non-Key Decision:** Key.

**1. Describe the issue under consideration**

- 1.1 Cabinet considered the 2025/26 Budget and 2025/30 Medium Term Financial Strategy (MTFS) report at their meeting held on 11th February 2025 and resolved to propose that report for consideration and approval of the final Budget, MTFS and Council Tax for 2025/26 by Full Council in accordance with the Council's constitution.
- 1.2 The 2025/26 Budget & 2025/30 MTFS Cabinet report of 11th February included Cabinet's response to feedback from the budget consultation, the views of Overview and Scrutiny Committee held on 20 and 30 January and also the outcome of the overall equalities assessment. Relevant provisional budgetary allocations announced in the Provisional Local Government Finance settlement on 18<sup>th</sup> December 2024 were also included along with final estimates for council tax and business rates income.
- 1.3 Although the provisional settlement did provide £15.4m additional funding for 2025/26, the impact of the estimated budget pressures is significantly higher than this. Even before the provisional settlement announcement, the council took action to commission a time-limited external review. This took the form of scrutiny of existing budgets to identify additional opportunities to reduce spend or increase income and to test the robustness of the existing savings programme. This work has been focussed on identifying immediate changes that will support the budget for 2025/26 but also in reducing the overspend position in the current year. It has included looking at all options to achieve best value for money and outcomes for residents and maximising income opportunities, including the best use of physical assets.
- 1.4 The outcome of this intensive piece of work has led to the identification of £3.3m of new budget reduction proposals to date and these are included in the proposed budget for 2025/26.
- 1.5 Despite this, the gap between forecast income and expenditure is £37m and on 14 December 2024, the Council submitted an application to Government for

Exceptional Financial Support. On 20 February 2025, the Council received confirmation through a letter from Jim McMahon MP confirming that '*with respect to the financial years 2024/25 and 2025/26, the Deputy Prime Minister is minded to approve a capitalisation direction of a total not exceeding £65 million*'. A copy of the letter is attached in Annex 7 and allows a balanced budget to be recommended to Council. In order for Government to provide a final capitalisation direction, the council is required to undergo an external assurance review which is expected to take place over the summer.

- 1.6 The Capitalisation Direction will mean that the Council will be given special permission from Government to allow for the use of capital receipts and borrowing (referred to as Exceptional Financial Support) of £37m next financial year for its day to day running costs and supporting the borough's most vulnerable residents.
- 1.7 The reliance on exceptional Government support is not sustainable and must be considered a short-term solution. A financial response and recovery plan is being produced which is drawing on insight received from the external review commissioned over the Winter. The plan will necessitate additional spend controls being introduced, sharper focus and reporting on agreed savings delivery and compliance with corporate processes and financial regulations. All services within the Council will need to prioritise moving the organisation onto a sound and sustainable financial footing, delivering on the recovery plan and reducing the Council's reliance on Exceptional Financial Support in the longer term.
- 1.8 The Medium-Term Financial Strategy includes current best estimates of expenditure and income levels across the subsequent four years, 2026-2030. This is based on a number of key assumptions such as government funding levels and council tax thresholds; economic factors such as inflation and interest rates; service demand pressures; delivery of agreed savings and an allowance for replenishment of reserves.
- 1.9 The outcome of this is a forecast budget gap of £35.1m for 2026/27 rising to a cumulative gap of £121.5m by 2029/30. Given that the proposed 2025/26 budget assumes up to £37m of EFS, which is a one off funding source for the year, the realistic gap for 2026/27 at this point is close to £70m.
- 1.10 Work has already begun on financial planning for 2026/27, and it is hoped that this may also generate proposals that can be introduced early, during 2025/26 reducing down the actual EFS required for 2025/26 as well as addressing the longer term shortfall in funding needed to continue delivering services across the borough. Progress will be tightly monitored and updates provided to Cabinet through regular budget monitoring update reports. The financial response and recovery plans will drive an increase in the regularity and scope of the internal monitoring and control.

## **2. Cabinet Member Introduction**

- 2.1 Haringey is a borough rich in diversity, creativity and talent. It is also a borough where life expectancy drops 8 years from west to east and where levels of deprivation are amongst the highest in the country. Our driving ambition is to create a fairer and greener borough, where everyone can belong and thrive.

- 2.2 It is within those parameters that our budget is set. After successive changes to the funding formulae from 2010, Haringey has lost circa £143m to our budget. Haringey is also still considered an outer London borough for funding purposes (although an inner London borough for statistical ones) and receives less funding than our inner London neighbours. In the current financial year, like other boroughs, we have seen significant increases in the demand for and cost of local services – primarily in adult social care and temporary accommodation. The cost of temporary accommodation went up 68% in London last year.
- 2.3 While significant savings are proposed, we have worked very hard to protect the local services that our residents rely on and need.
- 2.4 In 2025/26 will invest almost £1bn to deliver our many local public services. We will build hundreds of new council homes, help hundreds of people into work, fix hundreds of roads and pavements, plant hundreds of street trees – among many other key actions to make this borough fairer and greener.
- 2.5 This is not only because it is the right thing to do, in a borough such as ours, but because many of our local services are preventative. Further cuts to frontline services (with many already made in the previous 15 years) can result in increased costs to our statutory services, with our residents and council less resilient in the face of increased need.
- 2.6 We have applied and received in principle agreement from government for a maximum of £37m in Exceptional Financial Support (EFS). While this is required in order for us to set a balanced budget, we appreciate that this is not a sustainable position. We will continue to work, across the council, to reduce costs and to make every penny count – and minimise use of EFS as much as possible.
- 2.7 In the longer term we need fair funding reform from the government. The government is reviewing funding allocations to local government and is due to have proposals for 2026/27. We are pressing for changes that make sure that funding is driven by local need.
- 2.8 We are grateful for the funding allocated to us by the new government from the Recovery Grant, which was based on levels of deprivation and Haringey's relatively low council tax base. While insufficient to close our budget gap, this indicates a willingness to reverse the short sighted and harmful decisions that saw Haringey lose so much funding post 2010.
- 2.9 There are very real challenges at the moment, but there's also a real opportunity to reset the foundations – locally and nationally. This year and in future years our council budget will start with local priorities, focus on the needs of local people and build towards our shared ambition of a fairer and greener borough.

### **3. Recommendations**

#### **3.1 Council are asked:**

- (a) To approve the proposed 2025/26 Budget and Medium-Term Financial Strategy (2025/30) agreed by Cabinet on 11th February 2025 as set out in Annex 1;
- (b) To approve the increase of 2.99% in Haringey's element of the Council tax and an additional 2% for the Adult Social Care Precept and subsequent band rates as set out in Annex 6;
- (c) To approve the General Fund budget requirement for 2025/26 of £314.383m, net of Dedicated Schools Budget, and the Directorate cash limits for 2025/26 as set out in Annex 2 of this report;
- (d) To approve the 2025/30 General Fund Capital Programme set out in Appendix 8 of Annex 1 to this report;
- (e) To approve the strategy on the flexible use of capital receipts as set out in Appendix 8 of Annex 1 to this report and the further update on planned use in 2025/26 as set out in Section 7.21 of this report;
- (f) To approve the Housing Revenue Account (HRA) Budget 2025/30 as set out in Table 6 of Annex 3 to this report;
- (g) To approve the 2025/30 HRA Capital Programme set out in Table 7 of Annex 3 to this report;
- (h) To note the Greater London Authority (GLA) precept (para. 7.20);
- (i) To approve the budgeted level of non-earmarked General Fund balance and the specific and other reserves as set out in Section 9 of Annex 1;
- (j) To approve the reserves policy including the Chief Finance Officer's (CFO) assessment of risk and the assessment of the adequacy of reserves, as set out in Annex 1 sections 9 and 13;
- (k) To note the report of the Chief Finance Officer under Section 25 of the Local Government Act 2003 on the robustness of the estimates and the adequacy of proposed reserves set out in Annex 1 Section 13;
- (l) To approve the Treasury Management Strategy Statement 2025/26 set out in Annex 4; and
- (m) To pass the budget resolution including the level of Council Tax, in the specified format, and to determine that the Council's relevant basic amount of Council Tax for the year is not excessive as set out in Annex 6.
- (n) To note the results of the budget consultation as set out in Appendix 5 of Annex 1.

### **4. Reasons for decision**

- #### **4.1**
- The Council has a statutory duty to set a balanced budget by 11 March each year.

4.2 The report and recommendations from the Cabinet meeting on 11th February 2025, were agreed in full and are attached as Annex 1.

4.3 The Budget now proposed has been updated to reflect the final funding allocations announced in the Final Local Government Finance Settlement and the outcome of the Council's application for Exceptional Financial Support. Taking all relevant factors into account, this report sets out Cabinet's 2025/26 Budget and 2025/30 MTFS proposals, including the level of Council tax for 2025/26, for the Council to consider and approve.

## **5 Alternative options considered**

5.1 The Council has a statutory duty to set a balanced budget for 2025/26 by 11 March 2025, accordingly, no other options have been considered.

5.2 Therefore, in accordance with legislation and the Council's constitution, this report recommends that the Council should approve the proposed 2025/26 Budget and 2025/30 Medium Term Financial Strategy agreed by Cabinet on 11th February 2025, including the outcomes from the budget consultation exercise, budget scrutiny and equalities review, which is attached as Annex 1 and approve the Council tax for 2025/26.

## **6 Background information**

6.1 On 11th February 2025 Cabinet agreed a proposed 2025/26 Budget and 2025/30 MTFS for submission to this meeting of the Council, including: a General Fund revenue budget for 2025/26; the Dedicated Schools Budget and the Housing Revenue Account (HRA) revenue budget for 2025/26; and the 2025/30 Capital Programmes for both the General Fund and HRA. Cabinet agreement to these proposals was subject to the decisions of levying and precepting authorities, not available at that time.

6.2 The Cabinet report of 11th February 2025 (attached as Annex 1 to this report), and the proposed Budget/MTFS recommended to Full Council by Cabinet are the subjects of discussion at this meeting.

6.3 This report also addresses:

- The final Local Government Finance Settlement 2025/26, published on 3 February 2025;
- The decisions of levying bodies and precepting authorities;
- Considerations in setting the Council Tax;
- The outcome of the Council's application for Exceptional Financial Support; and
- The Treasury Management Strategy Statement 2025/26 which was considered by Audit Committee on 27 January 2025.

6.4 The report concludes by presenting the Budget Resolution to set the Council Tax for 2025/26.

## **7 Key Developments and Updates**

## **Final Local Government Finance Settlement and Other Grant Announcements**

- 7.1 The Final Local Government Settlement (FLGFS) was published on 3 February and was mainly in line with the budgetary assumptions built into the 11 February Cabinet report. It did confirm an additional £106,000 for the new children's social care prevention grant so the total grant for 2025/26 is £1.44m. At this point it is unclear if there are any expectations on how this grant is spent.
- 7.2 The FLGFS also included confirmation of the grant in relation to the 1.2% increase in employer national insurance contribution which commences on 1 April 2025. For Haringey this equates to £2.54m however, based on the current pay bill for staff funded from the General Fund and the HRA, this will be insufficient to cover the forecast additional cost of £3.6m. This shortfall places an additional pressure on both accounts which will need to be managed within the cash limits set out in Annex 2 and the HRA revenue budget set out in Annex 3.
- 7.3 Government has also confirmed an additional £488,000 grant for the current, 2024/25, financial year to address the agreed pay award for these staff. Final Public Health grant allocations for 2025/26 have also been published. Haringey will receive £24.464m (£23.214m 2024/25) which represents £1.249m more than had previously been assumed in the 11 February Cabinet report. The Public Health grant is ringfenced with clear parameters on how it is applied and an annual performance and reporting regime. Given the late notification and the size of the budget increase, the expenditure and grant budgets will be adjusted in the new financial year to align to the agreed 2025/26 spend programme but has no impact on the overall net budget for the Council.

## **Greater London Authority (GLA) Free School Meals Support**

- 7.4 The GLA 2025/26 draft Budget includes a proposal to continue to fully fund the Universal Free School Meals programme in 2025/26. Further funds are provisionally allocated to support Universal Free School Meals in later years.
- 7.5 The final decision on the budget will not take place until the London Assembly meeting on 25 February 2025. If agreed as proposed, final Borough allocations for the free school meals programme will not be known until after that date and will be reported in the regular budget update reports to Cabinet.

## **Household Support Fund**

- 7.6 The Government's Household Support Fund was first launched on 11th October 2021 during the COVID19 pandemic and has been extended several times. The grant was provided to support the most vulnerable households in the local area. The latest extension lasts until 31<sup>st</sup> March 2025 and Haringey's allocation for 2024/25 was £4.8m.
- 7.7 The provisional local government finance settlement announced that this grant would continue in 2025/26 with £742m available across English authorities, a reduction of £100m compared with 2024/25. Confirmation of the 2025/26

authority levels have not yet been received, and it isn't clear if the £742m will also need to cover the discretionary housing payment grant. An update will be provided through the budget monitoring reports to Cabinet when allocations are known.

## **Levying Bodies**

### **North London Waste Authority**

- 7.8 The Council is one of seven constituent boroughs of the North London Waste Authority (NLWA). NLWA handles waste disposal on the Council's behalf and recovers the costs from the Council by way of a levy. Borough levies are apportioned between the constituent boroughs in accordance with an Inter-Authority Agreement entered in 2015.
- 7.9 The Board of the North London Waste Authority (NLWA) met on 13 February 2025 and agreed a net expenditure budget of £98.512m an improvement from the figure of £104.208m provided to Members in December 2024. This change is predominantly due to confirmation that the NLWA will receive income from the packaging Extended Producer Responsibility Funding (pEPR). This is on top of the pEPR allocated directly to boroughs.
- 7.10 In December 2024, the levy was forecast to increase by 10.6% before balances were taken into account. The inclusion of the pEPR funding reduces the levy before balances to an increase of 4.7%.
- 7.11 The balances available to reduce the levy are lower than in previous years mainly due to tonnage being delivered to the Authority being close to the budget in 2024/25 which is largely due to a stable year, unaffected by external factors such as COVID-19 or the cost of living crisis that have affected recent years. This has resulted in lower balances in 2024/25. After these balances are taken into account, the headline levy is an increase of 11.3%.
- 7.12 The impact of these decisions on the 2025/26 levy for Haringey is an 11.6% increase to £11.274m (10.098m 2024/25).
- 7.13 The NLWA medium-term forecast allows for RPI inflation at 3.2% year on year. Although prudent provision has been made for these costs, the Authority's budget is exposed to a number of factors outside its control. The approach to the medium term budgeting aims to reduce variability in levy increases year-on-year; alleviate cost pressures on boroughs and ensure adequate reserves for future risks.
- 7.14 The impact for Haringey of these forecasts is a projected 2026/27 levy of £12.5m increasing to £13.1m in 2027/28.
- 7.15 The forecast operational start for the new Energy Recovery Facility (ERF) is now 2030 and there are significant uncertainties over how the actual costs will compare to the current forecasts.

- 7.16 In summary, the final 2025/26 levy for Haringey is £700,000 less than assumed in the draft budget reported to Cabinet on 11 February. However, given the forecast step up in 2026/27 it is not proposed to adjust the budget but utilise the in-year underspend to offset the in year call on Exceptional Finance Support (EFS).
- 7.17 The Council's MTFS assumes an allowance for year-on-year increases in the levy. Given the risks and uncertainties associated with the new ERF and future legislative changes around recycling and disposal, this will be kept under close scrutiny and the MTFS adjusted when more up to date figures are available.

### **Other Levies**

- 7.18 The levies payable to all other bodies are forecast to remain relatively stable and can be accommodated within the current proposed budget.
- 7.19 Table 1 below provides a summary of levy charges to Haringey Council in 2024/25 and estimated for 2025/26.

**Table 1: Summary of 2024/25 and 2025/26 Levies**

	<b>Amount Due 2024/25 £'000</b>	<b>Amount Due 2025/26 £'000</b>
Environment Agency	195	197
Lee Valley Regional Park Authority	212	215
London Borough Grants Scheme	197	197
London Pensions Fund Authority	26	26
North London Waste Authority (NLWA)	10,098	11,274
<b>Total Paid/ To Pay</b>	<b>10,728</b>	<b>11,909</b>

### **The Greater London Authority (GLA) Precept**

- 7.20 The Mayor's final draft budget and proposed council tax precept for 2025/26 will be considered by the London Assembly on Tuesday 25 February 2025. On the assumption that this is agreed, the Band D precept is £490.38, a £18.98 or 4% increase compared to 2024/25 (£471.40). This increase comprises £14 for MOPAC (Met Police) and £4.98 for the London Fire Brigade. This is in line with the maximum increase permitted under the GLA referendum limit.

### **Flexible Use of Capital Receipts 2025/26**

- 7.21 The policy for the use of flexible use of capital receipts into transformation and invest to save is set out in Appendix 8 of Annex 1. Since the update to Cabinet



on 11 February 2025, the Council's planned use has been reviewed and revised down to up to £4m. This will be targeted at supporting the delivery of the Council's £29m of planned savings next year and a full breakdown of use will be reported as part of the Medium Term Financial Strategy in July 2025 and through quarterly reports to Cabinet.

### **Final 2025/26 General Fund Budget and MTFS Position 2025-2029**

- 7.21 After considering all of this, the General Fund budget requirement for 2025/26 is £314.383m. The final summary budget position for the General Fund across the whole period of the MTFS is set out in Annex 2.

## **8 Considerations in setting the Council Tax**

- 8.1 The Localism Act 2011 gave electors the right to veto excessive Council tax rises. Councils that set 'excessive' council tax increases above a ceiling approved by Parliament each year would automatically trigger a referendum in their area.
- 8.2 The final Local Government Finance Settlement Government confirmed that those authorities with Adult Social Care functions could implement a 2% Adult Social Care (ASC) precept for 2025/26. The ASC precept must be allocated entirely towards Adults Social Care costs.
- 8.3 The final Local Government Finance Settlement confirmed the general Council Tax referendum principle for 2025/26 as 3%.
- 8.4 The relevant basic amount of council tax is excessive if the authority's relevant basic amount of council tax for 2025/26 is 5.00% or more than 5% (comprising 2% for expenditure on adult social care, and 3.0% or more for other expenditure) greater than its relevant basic amount of council tax for 2024/25. The Budget now proposed assumes that both allowable elements will be charged to residents i.e. a 2.99% increase in basic Council Tax and a 2% increase in the Adult Social Care element. These proposals are below the levels that would trigger a referendum.
- 8.5 Council is therefore recommended to resolve the relevant basic amount as not excessive at paragraph 6 of the Formal Budget Resolution (Annex 6).
- 8.6 The projected income from Council tax in 2025/26 is £141.852m (£133.9m in 2024/25) based on 82,589 Band D equivalent dwellings (the Tax Base) (81,875 in 2024/25), a collection rate of 95.75% (97% in 2024/25) and the proposed Band D Council tax rate of £ 1,717.56 (£1,635.92 in 2024/25).

## **9 Statements of the Designated Chief Finance Officer**

- 9.1 The Local Government Act 2003 (Section 25) requires that the chief financial officer reports the following matters to members when agreeing its annual budget and precept:
- the robustness of the estimates made for the purposes of the budget calculations, and

- the adequacy of the proposed financial reserves

9.2 The statement of the designated Chief Finance Officer is set out in Section 13 of Annex1.

## **10 Treasury Management**

10.1 The Treasury Management Strategy Statement (TMSS) for 2025/26 in Annex 4 sets out the proposed strategy with regard to borrowing and investment of cash balances and the associated monitoring arrangements. It was considered by Audit Committee on 27 January 2025 which recommended it for approval by Full Council.

10.2 The Council's Overview and Scrutiny Committee also considered the TMSS on 20 January 2025 as part of the budget scrutiny process and in accordance with the CIPFA Treasury Management Code of Practice.

10.3 The proposed prudential indicators are based on the proposed Capital Programme as reported to Cabinet on 11th February 2025. It should be noted that any future decision by the Council to undertake further debt financed capital expenditure outside of the total of the programme, including, in particular, any changes associated with the Capital Strategy will require a review of the prudential indicators and further approval by full Council.

## **11 Summary and Conclusions**

11.1 This report finalises the Budget process for 2025/26 and proposes that Council Tax is increased by 2.99% with an additional 2% increase in relation to Adult Social Care precept.

11.2 The Council is required to determine whether its increase in Council Tax for 2025/26 is 'excessive' and, if so, would trigger a referendum. The proposal in this report is not an "excessive" increase.

11.3 The recommendations of the Cabinet are reflected in the formal Council tax Resolution in Annex 6.

11.4 The Medium-Term Financial Strategy includes current best estimates of expenditure and income levels across the four years 2026/2030. This is based on a number of key assumptions such as government funding levels and council tax thresholds; economic factors such as inflation and interest rates; service demand pressures; delivery of agreed savings and an allowance for replenishment of reserves.

11.5 The outcome of this is a forecast budget gap of £35.1m for 2026/27 rising to a cumulative gap of £121.5m by 2029/30. Furthermore, as the proposed 2025/26 budget is based on £37m of EFS, the real gap for 2026/27 is closer to £70m.

11.6 In the face of this profound challenge, it is critical that the whole organisation, including all officers and elected members, engage with and prioritise the Financial Recovery arrangements that have been put in place. Financial discipline and control must be adhered to, supported by effective and regular

monitoring and reporting. Focus must be on the agreed highest priorities and look to deliver maximum value for money from the Council's limited resources.

- 11.7 The Council's reserves policy is attached as Annex 5. The level of financial reserves is reported in Annex 1 Section 9.21-9.38 along with the Robustness of Estimates, Adequacy of Reserves and the Management of Risk (Section 25 Statement) (Section 13). These make clear the low levels of reserves currently available to the Council and stress the need to replenish balances over the medium-long term. It is further recommended that the General Fund reserve should not be reduced below £15m.

**12 Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

- 12.1 As the report is primarily financial in its nature, comments of the Chief Finance Officer are contained throughout the report.

**Assistant Director for Legal & Governance**

- 12.2 The Assistant Director of Legal & Governance (Monitoring Officer) has been consulted in the preparation of this report and makes the following comments.
- 12.3 In accordance with section 67 of the Local Government Finance Act 1992 (the '1992 Act'), the functions of agreeing the budget and the calculation of Council tax are to be discharged by the Full Council.
- 12.4 The Local Authorities (Standing Orders) (England) (Regulations) 2001 and the Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution, set out the process that must be followed when the Council sets its budget. Accordingly, it is for the Cabinet to approve the proposals and submit the same to the Full Council for adoption in order to set the budget. In reaching a decision Full Council may adopt the Cabinet's proposals, amend them, refer them back to Cabinet for further consideration, or substitute its own proposals in their place.
- 12.5 Under section 25 of the Local Government Act 2003, where the Council is making calculations for the purposes of setting council tax, the Director of Finance (section 151 Officer) must report to it on (a) the robustness of the estimates made for the purposes of the calculations, and (b) the adequacy of the proposed financial reserves. The Council shall have regard to the report when making decisions about the calculations of council tax. The Council may take decisions which are at variance with this advice provided there are reasonable grounds so to do. However, Members must take into consideration their exposure to personal risk if they disregard clearly expressed advice.
- 12.6 In accordance with section 31A of the 1992 Act, Full Council is required to calculate the Council tax chargeable by way of a Council tax requirement. The Council must calculate its expected outgoings and income for the year. Where the expected outgoings exceed the expected income, the difference is the Council's Council tax requirement for the year. The relevant basic amount of Council tax for the year is calculated by dividing the Council tax requirement after the deduction of levies by the Council tax base.

- 12.7 Under section 52ZB of the 1992 Act the Council is required to determine whether its proposed relevant basic amount of Council tax is excessive on the basis of criteria set by the Secretary of State. It has been confirmed by the Referendums Relating to Council tax Increases (Principles) (England) Report 2025/26, that for 2025/26 an increase is excessive if the authority's relevant basic amount of Council tax for 2025/26 is 5% (comprising 2% for expenditure on adult social care and 3% for other expenditure), or more than 5%, greater than its relevant basic amount of Council tax for 2023/24. In such circumstances such an increase would be regarded as excessive and automatically trigger a referendum in the borough. The 'relevant basic amount' of Council tax was redefined by section 41 of the Local Audit and Accountability Act 2014, which amended section 52ZX of the 1992 Act. Essentially an authority's relevant basic amount of Council tax is the authority's own level of Band D Council tax. With the proposal of a 4.99% increase, the Council is entitled to conclude in accordance with the Direction issued by the Secretary of State, that the relevant basic amount of Council tax is not excessive.
- 12.8 In accordance with section 30 of the 1992 Act, the Council is required to set the Council tax for the next financial year on or before 11 March. Under section 106 of the 1992 Act, any Member who is in arrears of two months or more Council tax must declare it at the meeting and abstain from voting upon this report.
- 12.9 Member's fiduciary duty (i.e. legal duty as trustee of the public purse) is a material consideration to reflect upon. In making its decisions, the Council must act rationally and reasonably and should balance the nature, quality and level of services which it considers should be provided against the costs of providing those services. In addition, the Council must ensure that it has due regard to its public sector equality duty under section 149 of the Equality Act 2010 in considering whether to adopt the recommendations set out in this report.
- 12.10 The government requested local authorities struggling to match forecast expenditure with forecast income to liaise with them over access to Exceptional Financial Support. Haringey submitted an application for Exceptional Financial Support and the government has indicated that they are minded to approve the application. This support is usually provided in the form of a capitalisation direction which permits a local authority to meet revenue costs through capital resources. There is a clear expectation that authorities continue to manage and mitigate their financial pressures. Support is provided on condition that each local authority is subject to an external assurance review.
- 12.11 Full Council has a legal duty to set a lawfully balanced budget. Given the contents of the section 25 report of the s151 Officer, it is considered that adoption of the recommendations in this report would fulfil the Council's statutory obligations in this regard.

## **Equality**

12.12 Equality comments are included in the report to Cabinet dated 11th February 2025, attached as Annex 1.

### **13 Use of Appendices**

Annex 1 – 2025-26 Budget and 2025-2030 Medium Term Financial Strategy Report to Cabinet 11th February 2025 including Appendices 1 - 9

Annex 2 - Summary of Final revenue Budget 2025/26 and Medium Term Financial Plan 2025-2029

Annex 3 - Housing Revenue Account 2025/26 - 2029/30 report to Cabinet 11<sup>th</sup> February 2025

Annex 4 – The Treasury Management Strategy Statement 2025/26

Annex 5 - Reserves Policy 2025/26

Annex 6 – The Formal Council Tax Resolution 2025/26

Annex 7 – MHCLG Exceptional Financial Support Letter dated 20<sup>th</sup> February 2025

### **14 Background Papers**

**14.1** The following background papers were used in the preparation of this Report.

- Final Local Government Finance Settlement 2025/26.  
<https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2025-to-2026>
- NLWA Budget Proposals report agreed 13 February 2025.  
[Reports for Authority Meeting on 13/02/2025 | NLWA](#)
- GLA Budget proposals report agreed 25 February 2025.  
[www.london.gov.uk/budget](http://www.london.gov.uk/budget)

For access to the background papers or any further information please contact Frances Palopoli – Head of Corporate Financial Strategy & Monitoring ext. 3896