Report to the

Overview and Scrutiny Management – 13 February 2026
Cabinet – 23 February 2026
Council – 26 February 2026

Wards: All

Council Budget Reports 2026/27

Report of the Executive Director of Corporate Resources (s151 officer)

Report Status:
This item is not exempt
Therefore exempt reasons are not applicable

This is a key decision. The matter is in the Forward Plan
Forward Plan Ref: 0001/26

1. Purpose of the Report and Summary

1.1. To present to Cabinet the suite of reports to be considered by Council on 26 February 2026. These are:

- General Fund Revenue Budget, including Dedicated Schools Grant, 2026/27 and Medium Term Financial Plan 2026/27 to 2028/29.
- Locally Defined Council Tax Discounts 2026/27
- Capital Strategy 2026/27 to 2028/29
- Housing Revenue Account Budget 2026/27 and 30-year business plan
- Treasury Management Strategy 2026/27

1.2. To gain Cabinet approval to implement the executive decisions arising from the Budget proposals considered and approved by Council.

2. Executive Summary

2.1 The reports are the suite of financial plans and assumptions forming the Council's budgets for 2026/27 and beyond. These show the budgetary details associated with the Leader's Budget proposals.

2.2 The General Fund Revenue Budget 2026/27 and Medium Term Financial Plan 2026/27 to 2028/29 report also sets out the levels of Council Tax arising from the Leader's Budget Proposals for 2026/27. The resultant increase of 4.99% is in line with the referendum limits and includes a 2% Social Care Precept.

3. Recommendations

3.1 Cabinet is recommended too:-

i) Approve the Leader's Budget Proposals for 2026/27 and beyond as set out in the recommendations of each report and specifically;

ii) Endorse the levels of Council Tax, noting the precepts of the Police and Crime Commissioner for Humberside and the Fire Authority which will be confirmed prior to the Council meeting.

iii) Note the comments of the Executive Director of Corporate Resources (Section 151 Officer) on the robustness of the budget and the adequacy of reserves as set out in section 12 of the General Fund Report.

iv) Subject to the agreement of the budget envelope by Council, to approve the:

a) Council's 2026/27 Revenue Budget savings and service expenditure allocations as set out in Appendices B (ii), (iii) and C to the Council revenue report.

b) Council's 2026/27 to 2028/29 Capital Programme as set out at Appendix A to the Capital Strategy

c) The HRA Revenue Budget as at section 8 of the HRA report.

4. Reasons for Recommendations

4.1 To agree a balanced budget which is sufficient to meet estimated expenditure informed by consultation through the Council's formal processes.

4.2 To approve the savings necessary to deliver that balanced budget and the service allocation of the funds that are available within the funding envelope to be proposed by the Leader to Council.

5. Key Organisational Impacts

5.1. <u>Impact on other Executive Committees (including Area Committees) and decision makers:</u>

- There are no specifically identified impacts within this report. The Budget and MTFP will cover all areas of the Council, however, individual reports and decisions across executive committees will be presented in line with the proposed budget allocations.

5.2. Contribution to the delivery of the Community Plan, the Council Plan and/or Area Plans:

- The overall sustainable financial position of the Council is integral to the key organisational strategies such as Community Plan, Council Plan and Area Plans

5.3. Impact on other key strategies/business plans:

- The overall sustainable financial position of the Council is integral to the delivery of all key strategies across the organisation and associated partners. The service profiles outlined within appendix B(iii) of the report are key service area business plans across the council which underpin the overall delivery of council provision.

5.4. Equalities Impact Information

- The equalities impact asset is outlined at appendix L of the report. There are no further equality impacts identified, however, individual reports and decisions will be presented in line with the proposed budget allocations for individual equality impacts.

6. Consultation

6.1 This Budget report and Medium Term Financial Plan are produced through an extensive process prior to the start of the financial year which includes engagement across a wide number of stakeholders including Directors, Assistant Directors, Heads of Service and Members. This information is subsequently updated through the budget monitoring cycle across all services, in conjunction with Finance Business Partners and the Executive Director of Corporate Resources (s151), to reflect the latest financial forecast outturn.

6.2 The latest government funding policy and legislation changes are also considered and updated within the financial plan. The updated plan is reviewed through the Council governance process to ensure Director review is further undertaken. This report is then presented to the overview scrutiny commission.

7. Comments of the Assistant Director of Legal and Governance (Monitoring Officer)

7.1 Before setting the level of the tax, the Council must have agreed a balanced budget, differentiated by services, which is sufficient to meet estimated revenue expenditure, levies, contingencies, any deficit estimated to be brought forward from previous years, and any amounts required to be transferred between funds. The tax itself must be sufficient to cover the difference between the agreed budget less government grants credited to the consolidated revenue account, and any other expenditure which must be met from the Collection Fund, less any surplus (or plus any deficit) brought forward from previous years. In addition, following the implementation of the Local Government Act 2003, the Council's Chief Financial Officer (under s151 Local 3 Government Act

1972) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Financial Officer is also obliged to report to the Council if in relation to the previous financial year it appears that a controlled reserve is or is likely to be inadequate. A controlled reserve is one where the Secretary of State has, by regulation, defined the appropriate minimum level of reserve. The s151 officer must report the reasons for that situation, and the action, if any, which he considers it would be appropriate to take to prevent such a situation arising in relation to the corresponding reserve for the financial year under consideration.

8. Among the relevant considerations which Members must take into account in reaching their decisions will be the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992. Matters that the Council has to have regard to when undertaking consultation include:

I.Consultation must be undertaken at a formative stage in the decision-making process inviting representation on one or more possible courses of action with a view to winnowing out errors in the decision-maker's provisional thinking

II. Consultation requires a genuine invitation for advice and a genuine receipt of that advice

III. It is permissible to narrow the range of options within which to consult and then decide

IV. There is generally no obligation to consult upon options the decision maker has discarded, unless it is necessary to establish a fair basis for genuine consideration of options

V. Sufficient reasons for a proposal must be given to permit intelligent consideration and response

VI. Adequate time must be given for consideration and response

VII. The overriding requirement is for fairness

9. In considering the advice of officers, and the weight to be attached to that advice, Members should have regard to the personal duties placed upon the Director of Finance as Chief Financial Officer. The Director of Finance is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit Regulations 2003 to ensure that the Council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements.

10. Comments of the Section 151 Officer (Executive Director of Corporate Resources)

The S151 Officer is the author of this report.

11. Comments of the Assistant Director OD & HR and compliance with the Equality Duty

The content of the report and all associated reports are noted. There are no staffinf or equality matters arising for the council from this suite of reports. KH

12 Comments of Overview and Scrutiny

This report will be considered by the Overview and Scrutiny Management Committee at its meeting on 13/02/2026. (Sc9164).

David Bell

Executive Director of Corporate Resources (S151 Officer)

Contact Officer: Tracy Parker Telephone No.: 01482 613018

Officer Interests: None

Background Documents: -

Implications Matrix

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant Director/Assistant Director	Yes
I have included any procurement/commercial issues/implications within the report	N/A
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Yes
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	N/A
Any human rights implications are included within the report	N/A
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	N/A
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are included within the report	N/A

I have considered how the decision may contribute or impact on culture and heritage within the city.	Yes
I have included information about how this report contributes to the Community Plan/ Area priorities within the report	Yes
I have considered the impact on air quality, carried out an appropriate assessment and included any resulting actions or opportunities necessary to improve air quality in the report.	N/A
I have considered the impact on Children Looked After and Care Leavers and any resulting actions/implications have been included within the report.	Yes