Report to the

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

Wards: All

General Fund Revenue Budget 2026/27 and Medium Term Financial Plan 2026/27 to 2028/29

Report of the Leader of the Council

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

To present to Council:

The Leader's General Fund Revenue Budget 2026/27 and Medium Term Financial Plan 2026/27 to 2028/29.

The following appendices are attached to the report:

A (i)	- Summary of the Budget Consultation Exercise
A (ii)	- Leader's Budget Statement 2026/27
B (i)	- 2026/27 Budget - Movement from February 2025
B (ii)	- Schedules of planned efficiency savings for 2026/27 to 2028/29
B (iii)	- Service Profiles
C	- Analysis of Business Units' Budgets
D	- 3 year Medium Term Financial Plan 2026/27 to 2028/29
E	- Policy Regarding Capital Receipts Flexibility
F	- Risk Assessment of level of General Reserves

G	- Schedule of General and Earmarked Reserves
I	- Council Tax and Precepts
J (i)	- DSG – Schools and Central Blocks
J (ii)	- DSG – High Needs Block
J (iii)	- DSG – Early Years Block
K	- CIPFA Resilience Index
L	- Equality Impact Assessment

2. Executive Summary

2.1 The report provides the suite of assumptions and technical underpinnings for the Leader's Budget statement, outlined within Appendix A(ii), and the planned efficiency savings proposed included at Appendix B (ii).

2.2 The 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

The Council is recommended to:-

i) Note the Leader's Budget Statement 2026/27 as set out in Appendix A(ii)

ii) Approve the Council's 2026/27 Revenue Budget savings and Service expenditure allocations as set out in Appendices B (ii), (iii) and C; subject to any budget amendments properly notified to and approved by Council in line with the Constitution;

iii) Note the Medium Term Financial Plan as set out at Appendix D;

iv) Approve the Capital Receipts Flexibility Strategy set out at Appendix E:

v) Approve the contribution to/from reserves and levels proposed at Appendix G;

vi) Approve the levels of Council Tax, noting the precepts of the Police and Crime Commissioner for Humberside and the Humberside Fire Authority as set out at Appendix I.

vii) Approve the allocations of Direct Schools Grant (DSG) including those relating to High Needs and Early Years as set out at Appendix J.

viii) Note the comments of the Executive Director of Corporate Resources and Section 151 Officer on the robustness of the Budget and adequacy of *reserves as set out at paragraph 14 and Appendix F informed by the CIPFA resilience index summarised at paragraph 12 and Appendix K.*

4. Revenue Budget 2026/27 – Consultation and Engagement

4.1 Over summer 2025 the Government consulted on the Fair Funding 2.0, the first fundamental update to the local government finance system since 2013/14. The Government announced details of the Provisional Local Government Finance Settlement on 18 December with the Final Settlement expected to be issued 9 February 2026. This is the first multi-year settlement in over a decade for Local Government and aims to provide stability to financial planning within the sector.

4.2 The budget detailed in this report for 2026/27 reflects the changes in Government funding included in the settlement. Consultation and engagement have been undertaken throughout the year and completed with representatives of the Business Community, Voluntary, Community and Social Enterprise Sector, together with Young People from the City regarding the Council's budget.

4.3 A summary of the consultation and engagement exercise is shown at Appendix A (i) alongside the Leader's Budget Statement which is outlined within Appendix A (ii).

5. Local Government Finance Settlement – Core Funding and Context

5.1 The Provisional Local Government Settlement for 2026/27 to 2028/29, issued on the 18 December 2025, provides funding allocations for 2026/27 and indicative funding allocations for 2027/28 and 2028/29. This is the first multi-year Local Government settlement in over 5-years and, whilst future funding allocations will be subject to annual review, it provides some stability to Local Government financial planning and the Medium Term Financial Plan for the Council.

5.2 During 2025/26 Government consulted on the long-awaited Spending Review for Local Government funding, which presented the Fair Funding 2.0 (FF2.0) Consultation in late spring 2025. FF2.0 is the first fundamental update to the Local Government finance system since 2013/14 and aimed to align funding allocations to areas of greatest need, e.g. deprivation, which would be distributed through updated Relative Needs and Resources Formulas.

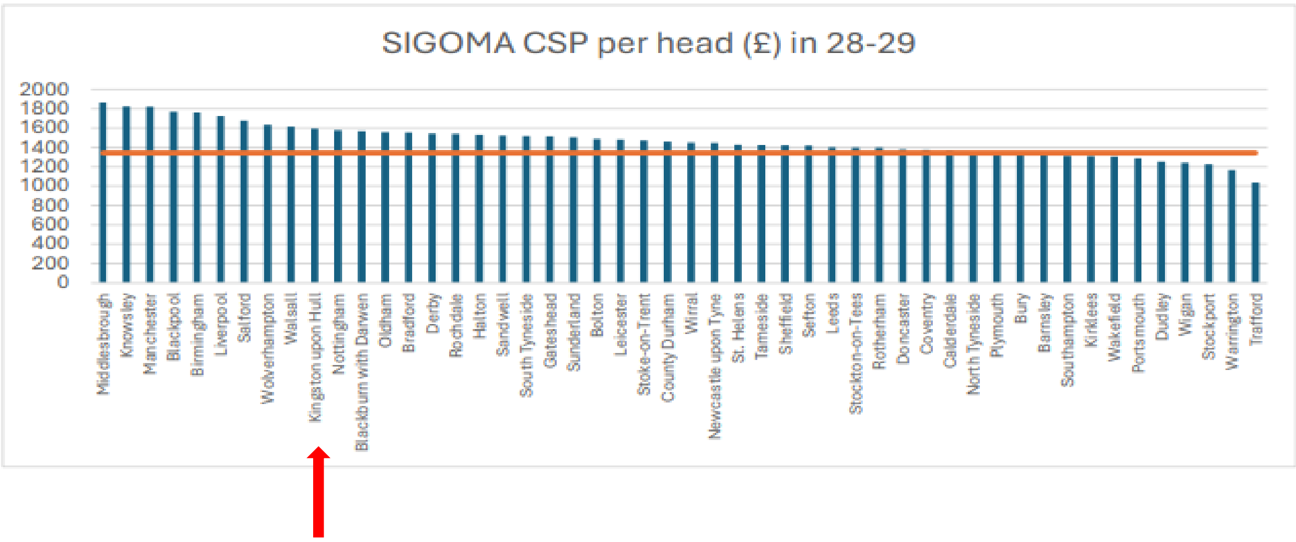
5.3 Over the summer into autumn 2025, FF2.0 modelling undertook a number of iterations as the Government worked to update various policies into the overall Local Government funding envelope and reflect the feedback following the conclusion of the FF2.0 consultation. The following updates were announced within the Local Government Autumn Funding Policy Statement, published on 20th November 2025, and included within the revised funding formulas within the funding settlement;

- Updated baseline data for Index of Multiple Deprivation (IMD) 2025
- New Income Deprivation Affecting Children Index (IDACI) for Children's Resource Needs Formula (RNF)
- Updated population base to 2022 (not mid-2024 estimates)
- Removal of "remoteness" adjustment from all Area Cost Adjustment's except Adult Social Care RNF
- Increased distance for Home to School Transport cap from 20 to 50 miles
- Continuation of Recovery Grants for upper tier authorities but with an introduced £35m funding cap to core spending power
- Confirmation of Business Rates Reset and associated funding floors
- Grants rolling into the Settlement Funding Allocation (SFA)

5.4 Following the changes to the IMD 2025 calculations, Hull City Council transitioned from the fourth most deprived Local Authority in England to the sixth, reiterating a greater funding need within the city than many other authorities across the country. However, the details outlined within the funding settlement, following wider funding formula changes included with FF2.0, have generated a more mixed reflection of funding versus need; and whilst there has been an increase in Core Spending Power (CSP) for 2026/27, with the Local Government Financial Settlement, with detail provided in Table 1, it is important to note that this is within the context of continued significant inflationary costs arising since 2022/23 which have continued to impact into 2025/26 and the significant loss in funding since 2010.

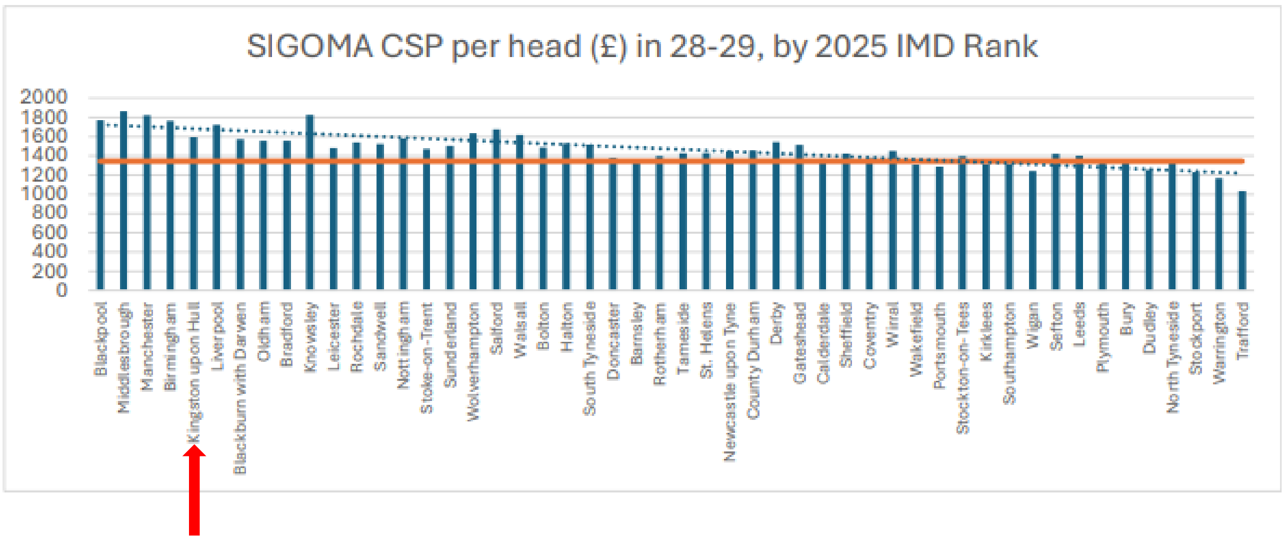
5.5 Further analysis of FF2.0 and CSP is reflected within the SIGOMA analysis chart (Fig 1.) below for total CSP £ per population head by 2028/29, as outlined within the provisional financial settlement. It is noted that whilst Hull continues to be one of the most deprived Local Authorities in England, the CSP per head of population by 2028/29 correlation to areas of need is not fully reflected within the overall funding settlement. The chart denotes that for approximately 50 SIGOMA member local authorities alone, Hull is tenth in CSP per head by 2028/29; this contrasts with the IMD reflection of Hull being the sixth most deprived overall in England, out of approximately 330 authorities.

Fig 1. SIGOMA Authorities CSP per head of population in 2028/29



5.6 The chart (Fig 2.) below provides a further comparison of the approximate 50 SIGOMA member local authorities for CSP per head of population by 2028/29 ordered by IMD 2025 deprivation scores.

Fig 2. SIGOMA Authorities CSP per head of population in 2028/29 ranked by IMD 2025 scores



5.7 Evidently, the analysis within the two charts outlines CSP by the end of the multi year settlement in 2028/29 for Hull would not fully reflect the identified level of 'need' within the city, based on IMD 2025 scoring, which the FF2.0 review aimed to address. Subsequently, whilst additional funding within the settlement has been welcomed and works to reduce the overall MTFP funding gap; this settlement overall continues to leave the Council with a continued financial gap in future years against a backdrop of increasing levels of demand and need for services.

5.8 Table 1 below summarises the movement in Core Spending Power since 2010 and highlights the loss of £68.8m in CSP between 2010 and 2026, a real terms percentage cut of 15.3%. This continues the disproportionate funding reductions since 2010, whilst improving within the multi-year settlement, and continues to impact on the Council’s overall ability to respond to the level of need within the city.

Table 1 – Reductions in Core Spending Power since 2010/11

Local Authority	CSP cut since 2010-11	Percentage real terms cut	£ per dwelling real term cut
	£million	%	£ per head
Kingston Upon Hull	68.8	15.3	550.2
England	6,029.4	7.2	234.8
SIOGMA Total	2,597.1	11.0	369.2

5.9 These reductions in CSP are not comparable to 2025/26 CSP reductions due to the resetting of business rates baseline funding levels and consolidation of grant funding. Therefore, whilst the overall position appears to have improved to that reported in 2025/26 (22.1% cuts for Hull); the overall picture as shown within the table continues to outline a substantial % reduction in CSP for the city which is disproportionate to both England and SIGOMA authorities.

5.10 Within the settlement, the Government also undertook the opportunity to realign a number of grant funding streams into the settlement funding allocation and identified four main grant fund allocations which would remain outside the Settlement Fund Allocation (SFA). The following four grants are

- Homelessness, Rough Sleeping and Domestic Abuse Grant
- Public Health Grant
- Crisis Resilience Fund Grant
- Children, Families and Youth Grant

These funding allocations are confirmed for the multi-year settlement period. Full details of the various funding streams are outlined in more detail within section 8 of this report. Details of the additional operational delivery requirements for these grants are being reviewed, and it is likely additional service costs will arise from some of the grant funding allocations.

5.11 Additionally, Government announced within the multi-year settlement a Business Rates Retention system reset, intended to align funding with need and rewarding business growth. This approach aims to reflect new Baseline Funding Levels for business rates to redistribute funding to a relative needs share. For Hull, this has reflected an increase in business rate income which is offset by a reduction in section 31 grant funding allocations, but overall has generated an increased business rate funding baseline for the city.

5.12 Formal revenue monitoring reports during 2025/26 have continued to highlight the significant costs for inflation on non-pay, pay and sustained high levels of interest rates but also increasing levels of demand and complexity of need, which have informed the budget proposals detailed in this report. Appendix B (i) details the movements in budgets since the position reported in February 2025.

5.13 The financial pressures faced by the Council require continued delivery of agreed savings measures for 2026/27 and continued delivery of 2025/26 schemes which are yet to be achieved. Additional efficiencies needed for future years to balance the budget and protect the Council's financial stability will also be required from 2026/27. Therefore, the Council will continue to develop efficiencies in line with the overall best value framework strategy.

5.14 In Hull the increase in core spending power (CSP) in the next year is 6.02%, as shown below, and 16.19% over the 3-year settlement. Despite the increase in estimated funding in 2026/27, the funding received will not cover the significant increase in inflation and demand costs over the last 4 years. It is within this context that the Council must seek to continue to control its costs in order to bring expenditure into line with available resources.

5.15 Adding to CSP Grants and income not included in the CSP analysis, the Council's Resource Base is anticipated to increase by 6.62%, as per Table 2.

Table 2 - Movement in Resource Base 2025/26 to 2026/27 and projected up to 2028/29

Fair Funding Allocation	2025/26*	2026/27	Change from 2025/26		2027/28	Change from 2026/27 (Est.)		2028/29	Change from 2027/28 (Est.)		Cumulative Change from 2025/26 (Est.)	
	£m	£m	£m	%	£m Est.	£m	%	£m Est.	£m	%	£m	%
Revenue Support Grant		96.90			125.97			133.14				
Business Rates BFL	113.12											
- Top-Up Grant		55.45			56.71			57.86				
- Business Rates Income and S31 Grant		58.49			59.84			61.04				
Children, Families and Youth Grant	5.60	6.51			6.51			5.60				
Homelessness, Rough Sleeping and Domestic Abuse Grant	4.10	4.26			4.38			4.49				
Council Tax Requirement	118.68	126.84			135.57			144.89				
Better Care Funding	22.11	22.11			-			-				
Legacy Grants Funding**	82.48				-			-				
Grants rolled in to RSG	2.89				-			-				
Recovery Grant	9.38	9.38			9.38			9.38				
Total Core Spending Power	**358.37**	**379.94**	**21.58**	**6.02%**	**398.36**	**18.42**	**4.85%**	**416.40**	**18.04**	**4.53%**	**58.04**	**16.19%**
Crisis and Resilience Fund/HSF	5.35	6.45			6.45			6.42				
Public Health Grant	33.61	34.31			34.72			35.17				
Better Care Funding net cash adjustment	9.47	9.47			9.47			9.47				
Services Grants	1.41	3.66			5.66			5.66				
EPRP Scheme	6.82	6.98			6.00			6.00				
Business Rates EZ Income	5.75	7.80			7.80			7.80				
Council Tax Requirement Base Adj					-1.20			-2.62				
Resource Base	**420.78**	**448.61**	**27.84**	**6.62%**	**467.26**	**18.65**	**4.16%**	**484.30**	**17.04**	**3.65%**	**63.53**	**15.10%**

* Restated as per 2026/27 Provisional settlement

**This includes RSG and all grants rolled into RSG from 2026/27.

5.16 Finally, within the overall settlement, it was acknowledged by Government that Local Government Pension Fund triennial valuations are due nationally from 1st April 2026 and it was anticipated that reductions in overall pension contributions would be achieved by most local authorities within the 3-year multi year settlement period. Specifically, MHCLG identified within the provisional local government settlement announcement that Councils in receipt of reduced pension costs following the triennial valuation should plan to utilise these savings to balance their overall budgets alongside FF2.0.

5.17 For Hull, as outlined in section 8 of this report, this has been confirmed as a reduction in both primary and secondary pension rate contributions, which in turn has generated a £9.8m reduction in pension costs within each financial year of the MTFP. Therefore, without this substantial reduction, it would have been difficult to provide a balanced budget overall and it is evident MHCLG believed pensions savings would be a material factor for many authorities to achieve balanced budgets within the overall funding settlement.

6 Balancing the 2026/27 Budget Overview

6.1 The Budget and MTFP approved by Council in February 2025 provided for a balanced budget in 2025/26 but highlighted a predicted deficit in 2026/27 of £7.7m. However, whilst set out in the paragraphs above inflationary and demand pressures have created sustained financial pressures throughout 2025/26, the 2026/27 budget can be balanced, and the Council can continue to deliver Council priorities and maintain key services.

6.2 Appendix B(i) shows the movements in the 2026/27 position from that projected in February 2025. This highlights both the inflationary pressures and the mitigating measures which have been identified to ensure the Council is able to set a balanced budget for 2026/27.

6.3 The proposed budget has been set allowing for known cost pressures and allowing for limited investment in priority areas;

- cost pressures continuing within homelessness and social care, driven by increasing provider costs and demand including the full year impact of pressures within 2025/26

- expected pay award

- smoothing of efficiency savings plans being delivered during 2025/26 to reflect part year effect of delivery

- additional capital financing costs driven by sustained high interest rates

- local Council Tax Discount for terminally ill and care leavers

- Community Voluntary Support
- Homeless Support
- Mental Health Hub
- Innovation Fund

6.4 Whilst the Council can enter 2026/27 in a financially balanced position, as highlighted above, and future years funding deficits have reduced following the funding settlement; the future position remains very challenged and there continues to be a need to focus on efficiencies and best value. The Government have also confirmed future the multi year settlement years will be subject to annual provisional settlement reviews and so this further adds to some uncertainty within the medium-term.

6.5 As with previous years, the challenge of delivering reductions in the cost base over the medium term, in the face of continuing demand increases, is shared by many other councils; more than 30 Council's received Exceptional Financial Support during 2025/26, and it is anticipated this number will increase for 2026/27. Such pressures have been further exacerbated by the sustained inflationary pressures and overall uncertainty within the economy.

6.6 During 2025/26 the Council worked to deliver its response to the Corporate Peer Challenge and this work continues into 2026/27. The Council's Corporate Strategy Team (CST) has also undergone transition, as senior post holders look to retire and overall directorate portfolios are aligned to service delivery. This has led to the implementation of Neighbourhoods and Communities and Corporate Resources directorates and further evolution of the Office of the Chief Executive, following the Peer Review. Further review of the overall management structure will be undertaken in 2026/27, including Assistant Director roles, to continue to deliver the overall response following the Peer Challenge and ensure alignment to the Council Plan.

Service Savings and Efficiencies

6.7 This financial year (2026/27) will be the final year of the initial £28.5m savings plan, identified within 2022/23 as part of the MTFP process, the Council identified be delivered over four years. The Council has already achieved £25.3m of savings to date and as part of the business cycle and planned service changes.

6.8 However, during in the 2025/26 Revenue Monitoring cycle, services have identified areas of risk to delivery of the planned savings targets in full and there is an expected shortfall of £1.2m which will need to be rolled into 2026/27. These schemes have been confirmed as deliverable by Directors within 2026/27 following revision of their overall scheme proposals during 2025/26. It is essential all service areas continue to deliver their total efficiency plan during 2026/27, in line with the MTFP assumptions.

6.9 The revised savings programme profile with the impact in 2026/27 is shown at Appendix B (ii) along with indicative future year impact. The final budget efficiencies of the 2022/23 savings programme (£3.2m) are anticipated to be delivered within 2026/27.

6.10 In addition, following the final delivery of the planned efficiencies in 2026/27, further efficiencies have been included within the MTFP for the next 3 years to align to the overall Council commitment to Best Value. The delivery of these schemes will deliver a focus on continuous improvement through revenue budget efficiency, in line with the Council's overall efficiency strategy.

6.11 The summary at Table 3 outlines the original planned efficiency schemes agreed within the MTFP at February 2025 with reprofiled phasing across the next three financial years, plus additional efficiency schemes in line with best value.

Table 3 - Planned Savings

	26/27	**27/28**	**28/29**	**Total**
	£m			**£m**
Efficiency Savings bfwd from 25/26 – (inc. Service Area budgets)	1.2			1.2
Efficiency Savings	1.0	2.0	2.0	5.0
Efficiency Through Technology	2.0			2.0
Total	**4.2**	**2.0**	**2.0**	**8.2**

6.12 As the current four planned savings programme reaches the end of the original planned cycle, there was an expectation within the 2025/26 MTFP that additional savings will continue to be required in 2026/27 onwards to address current projected budget shortfall. The specific financial breakdown of these schemes will be identified through the Council's Best Value approach with alignment of 0.25% in 2026/27 across each directorate. All future schemes will be shared through the Revenue Monitoring process during 2026/27.

7 <u>2026/27 Budget and Forward Projections</u>

7.1 The table (4) below summarises the projected movements and identifies sums required to balance the budget in each of the next 3 years. In summary, after factoring in the approved savings, as detailed at Appendix B(ii), the projections show a balanced budget for 2026/27 but shortfalls in the following 2 years. The 2027/28 position will need to be addressed during 2026 in the light of in year activity and latest funding intelligence. The multi-year MTFP is shown at Appendix D with supporting narrative included at section 9.

Table 4 – Year on Year Movements

	2026/27 £m	2027/28 £m	2028/29 £m
Movement in Resource Base	-27.84	-18.65	-17.04
Contingencies and Provisions	14.17	22.61	21.35
Sum Required to Balance Budget	16.17	1.87	6.98
Use of Capital Receipts Flexibility	0.50	1.50	0.00
Planned Efficiency savings – as at Appendix B(ii)	-3.00	-2.00	-2.00
Budget Shortfall – In Year	0.00	5.33	9.29
Budget Shortfall – Cumulative	0.00	5.33	14.62

7.2 Given the level of sustained cost pressures and demand, future funding levels and together with the forecast budget deficit faced by the Council, it is imperative that strict budgetary control is exercised across all services. The position within all services will continue to be closely monitored throughout2026/27 to inform the need for in-year savings, if required.

7.3 As outlined below at 8.14, the capital Receipts flexibility is available up to 2030 to support local authorities with temporary resources to aid delivery of longer term sustainable financial plans through delivering transformation. A balanced financial position achieved over the medium term through such opportunities would only be sustainable through the true cost reductions. Therefore, the transformational cost details are outlined specifically in Appendix E aim to reduce baseline costs or increase economic investment in future years through benefit from the flexibility offered. Cabinet confirmed in January 2026 an additional commitment to the Council's CQC response for 2026/27 of £1.5m which utilises Capital Receipts funding, this is a slight increase from the February 2025 MTFP but still remains reduced compared to historical financial planning assumptions. It is important this remains a reduced area of focus for funding the MTFP as noted by the External Auditors within the Council's value for money report.

Best Value Service Framework

7.4 As identified within section 6.6 to 6.10, the Council's current four-year planned savings programme concludes in 2026/27. Therefore, to support the Council's financial sustainability beyond 2025/26, the Council outlined an efficiency strategy to look at Best Value/Value for Money and alignment of performance, quality and finance to enable informed decision making for budgeting purposes. The Best Value Service Framework looks to bring together comparative cost and performance data which can then be overlayed with relative priorities.

The framework will embed the monitoring of best value in the Council monitoring process with benchmarking for comparators going forward and inform future business and financial planning cycles. The continued intention to further implement the framework to delivery identified efficiency opportunities will be included within future revenue monitoring reports throughout 2026/27.

In Year Savings

7.5 Whilst the Budget identifies a number of planned contingencies (section 8.9) for potential in year challenges, additional efficiencies and savings may also need to be developed during 2026/27 to support the budget position within the financial year due to the continuing uncertainty of financial pressures outlined within this report. As such it is essential that the Council protects its budget position by continuing to develop options capable of reducing the cost base and Directorates will continue to seek efficiencies and potential alternative methods of service delivery. Any such requirements would be identified within the budget monitoring processes during 2026/27.

8 Funding

Revenue Support Grant

8.1 The Government outlined a detailed level of changes to the Revenue Support Grant within the provisional local government settlement following fair funding review during in summer 2025. These changes included the following;

- Rolling in a number of previous individual grant lines
- Continuation of Recovery Grant and application of Recovery Grant guarantee (5% in 2026-27, 6% in 2027-28 and 7% 2028-29)
- Application of transitional arrangements for income over the 3-year period

Council Tax

8.2 Council Tax projections have been reviewed and updated to reflect an assumed increase in line with the expected referendum levels effective in each year. The limits for 2026/27 have been set at 3% for General Fund Services plus 2% for the Adult Social Care “Precept”. The proposed increase reflected in these papers is therefore for a 4.99% increase reflecting a 2.99% increase for the General Fund and 2% relating to Adult Social Care.

Crisis Resilience Grant (Previously Household Support Fund)

8.3 The Local Government Financial Settlement confirmed cessation of the Household Support Fund (HSF) as it transitions funding to a new Crisis and Resilience Grant which aims to combine previous grants for Household Support Fund and Discretionary Housing Payments. The total allocation for Crisis Resilience Grants is a slightly reduced allocation of £6.4m.

8.4 For HSF7 during 2025/26 the Council received £5.3m in funding and this funding has allowed the Council to pass funding onto our poorest residents, primarily through crisis payments, holiday food vouchers and reducing the impact of the changes to winter fuel allowance to pensioners, such that is has formed part of an essential part of the system of support for the most deprived.

8.5 It is proposed that the funding during in 2026/27 will look to continue to deliver allocations for the following priorities

- Free School Meals and Food Banks
- Local Assistance Fund
- Fuel and Energy support
- Ongoing support to pensioners

However, the final confirmation and allocation of expenditure will be finalised with members within a Crisis Resilience Fund report in March 26.

Homelessness, Rough Sleeping and Domestic Abuse Grant

8.6 Government announced at the funding settlement the consolidation of a number of targeted grant schemes for homelessness, rough sleeping and domestic abuse into one of the four grants which will remain outside the RSG. This is a welcomed commitment as it has provided a funding commitment to services funded from these areas over the multi year settlement period. Hull City Council will receive £4.2m in HRSDA grant for 2026/27, as outlined within the MTFP.

Charges for Council Services

8.7 Fee levels have been set at values consistent with recouping the cost of providing the service and protecting Council revenues whilst ensuring income targets are realistic in the light of the current economic climate. The achievement of income targets will be reflected within the in-year monitoring reports, along with the delivery of the approved savings.

Extended Producer Responsibility for Packaging Scheme (ERPR)

8.8 In late November 24, the Government announced policy change and funding commitment to Extended Producer Responsibility requiring packaging producers to fund the full cost of managing packaging waste. This change has identified additional funding for Council's to offset the cost of processing such waste by the producer of the waste. Funding announced for 2026/27 for the Council is £6.9m, which will be offset by some additional operational costs, estimated to be £5.2m, to adopt updated policy guidance. However, as the service mobilises a detailed cost review and budget allocation will be confirmed.

Recovery Grant

8.9 During 2025/26 the Government have introduced a Recovery Grant aimed specifically at providing additional funding to those Council's with higher level of deprivation. Hull was allocated £9.4m which represents the maximum allocation possible under the associated formula and cap set at 3% of Core Spending Power. During the Fair Funding consultation this funding allocation was continued into Settlement Funding Allocations for the full 3-year multi year settlement period but with a maximum funding cap over the total period of £35m, for top tier unitary authorities only.

8.10 For Hull, this has led to the continuation of the £9.4m recovery grant but as noted above, within section 5, is offsetting additional funding due to the overall cap for funding. Additionally, it is worthwhile noting the recovery grant allocation will not increase in line with inflation over the multi year settlement and so overall will reduce in sufficiency to reflect the increased demand the allocation is aimed to support.

Better Care Fund

8.11 Within the Local Government Finance Settlement, it was confirmed Government plan to align the Better Care Fund (BCF) within the Revenue Support Grant (RSG) for 2027/28 and 2028/29. Therefore, the BCF allocation for future years has been adjusted into the RSG after 2026/27 within the MTFP at Appendix D. Government have not yet confirmed the BCF allocations post 2026/27 and so these are assumed at the same level for future years.

Adult Social Care

8.12 Previous Adult Social Care funding and grants such as Social Care Grant, Adult Social Care Discharge Fund and Market Sustainability and Improvement Fund have been rolled into the RSG for 2026/27. Therefore, these funding lines are no longer included within the MTFP at Appendix D and allocations are no longer separately identifiable.

Children's, Families and Youth Grant

8.13 The Government also announced within the Provisional Local Government Finance Settlement the continuation of funding through the amalgamation of the following grants:

- Children's Social Care Prevention Grant
- Families First Partnership programme
- Holiday activities and food funding
- New funding from the transformation fund for Children and Young People

The Council will receive £8.1m in 2026/27 of funding for Children's, Families and Youth Grant. Additional investment within prevention will be required to be funded as part of any additional grant funding received and this will be outlined within a future cabinet report to members.

<u>Business Rates and Enterprise Zones</u>

8.14 As outlined in section 5.7, the Government has undertaken a reset to business rates retention, as part of FF2.0, with the aim of aligning funding to need and rewarding business rates growth. This means each local authority is allocated a new estimated baseline funding level (BFL) for business rates, creating a new business rate baseline (BRB) for the distribution of business rates. This change has created an increase in business rates base funding within the MTFP which is offset by a reduced Section 31 grant allocation.

8.15 The Council is entitled to retain 100% of any increase in Business Rates arising within the designated Enterprise Zones. This additional funding of c£7.8m in 2026/27 is being used to support the Council's budget and delivery of priorities within the city.

<u>Employer Pension Contributions</u>

8.16 The Triennial valuation of the East Riding Pension Fund (ERPF) will be undertaken as at 31 March 2026 and the Actuary has provided an estimated value of employer's contributions which will be at 14.5% for 2026/27 to 2028/29. This is a reduction of 7.6% for both primary and secondary contributions.

8.17 The triennial valuation rate will apply to all Council companies including both HCAL Ltd and KWL Ltd, as part of the Hull City Council pension pool within ERPF. The assumption of rates within the financial plan for 2026/27 is at the future Triennial Valuation rates as provided by the Actuary.

<u>Pride in Place</u>

8.18 During 2025/26 it was confirmed that 'Pride in Place' (PiP) funding would be allocated to three areas within the city, Orchard Park, Greatfield, and Boulevard & St. Andrews Quay. This funding initiative seeks to '*help revitalise local areas and fight deprivation at root cause by zeroing in on three goals: creating thriving places, building stronger communities, and empowering people to thrive'*. Therefore, this funding allocation has been included within the MTFP for the 3 year period in line with the funding allocation from MHCLG and associated expenditure to match associated mobilisation of PiP and submission of PiP area plans which will be developed during 2026/27.

Capital Financing

8.19 The MTFP projections have been updated to reflect latest information regarding the Capital Programme with Capital Financing Costs revised in line with latest expenditure projections. The projections are consistent with the detail contained within the Capital Strategy for the Council.

8.20 The Executive Director of Corporate Resources (S151 Officer) can confirm that the current commitments and proposed capital plan outlined within the Capital Strategy Report 2026-27 are deemed to be affordable and do not place undue pressure on the Medium Term Financial Plan in the medium term. Headroom is sufficient to incorporate flex in current assumptions and to incorporate additional self-funding capital schemes if and when developed. This is measured via the Ratio of Net Financing Costs to Net Revenue Stream (Debt Affordability Ratio) which assists in monitoring associated risks to capital financing costs. For 2026/27, this is forecast to be 5.2% at the end of the financial year based on the current programme and planning assumptions, which is below the 8% affordability cap.

Contingencies

8.21 Service budgets may be subject to further adjustments including the allocation of contingencies / provisions to meet cost pressures. These are technical adjustments which will not impact on approved service levels. Contingencies are shown within the MTFP at Appendix D and details shown below at Table 5. Any variance from current projections, will be confirmed along with any consequential impact in 2026/27 as part of the 2025/26 Outturn report scheduled for Cabinet in May 2026.

Table 5 – Contingencies to meet cost pressures

	2026-27 £000's	2027-28 £000's	2028-29 £000's
Contractual Inflation	14,224	23,395	26,775
Pay Inflation	6,797	11,885	16,973
EPRP Scheme	4,200	4,200	4,200
Social Care Fund	11,624	19,200	26,900
DSG Deficit Share	-	-	5,000
Priorities	940	1,200	1,400
Crisis and Resilience Fund	6,449	6,446	6,424
Other	1,300	3,812	3,821
Total	47,534	70,138	91,493

8.22 In addition to the assumptions set out above the following factors have also been taken into consideration.

Transformational Costs (Utilising Capital Receipts Flexibility)

8.23 The Secretary of State for Communities and Local Government issued guidance in March 2016, giving local authorities greater freedoms with how capital receipts can be used to finance expenditure. This Direction allowed for the expenditure incurred in delivering revenue savings or service transformation, between 2016/17 and 2021/22, to be treated as capital and not be charged to revenue, subject to generating funding from asset disposals in the same period.

8.24 An extension of 3 years from 2022/23 to 2024/25 was announced in 2022 with a further extension confirmed in 2024 for expenditure up until 2030. Additionally, the proposals provided within the revised 2024 guidance included further evolution of the principles and objectives to support the funding of transformation costs to deliver sustainable financial plans.

8.25 The 2026/27 Budget has been set with the forecast use of £2.5m of such resources to support the Revenue Budget. The Council's Strategy is included at Appendix E. This includes the investment in CQC response for Adult Social Care and the planned transformation in approach as outlined within the Council's transformation plan.

Dedicated Schools Grant (DSG)

8.26 The Council's financial position is impacted by the way in which schools are funded and the ongoing transfers to academy status. Schools with Academy status, of which Hull has 93, receive all their funding direct from the Government rather than via the Council. Currently the Council has 3 remaining maintained schools, it is anticipated one remaining maintained school will become an academy by the end of 2025-26, a further school will academise by the end of 2026-27, leaving one school remaining.

8.27 The Dedicated Schools Grant (DSG) received by the Council in 2026/27 will be £100.514m compared to the 2025/26 value of £90.981m. This reflects our increase in funding from the Department for Education for High Needs of £4m and increases in Early Years funding of £6m due to the full impact of expanded provisions starting September 2025 and increased funding rates.

8.28 As demonstrated in table 6 below, the cumulative deficit cumulative deficit on the DSG has increased from £7.14 million carried forward from 2024/25 to an estimated £20 million deficit position at the end of 2025/26. The estimate future position of the DSG is an increasing deficit position, however, this is in line with many Councils around the country and the challenges faced with the overall funding position for SEND.

Table 6 – Dedicated Schools Grant

	Projected balance to be carried forward to 2026-2027 £'000	2026-2027 projected variance £'000	Projected balance to be carried forward to 2027-2028 £'000
Schools	0	0	0
Central School Services Block	791	448	1,239
High Needs Block	20,964	15,230	36,195
Early Years Block	-1,739	-156	-1,895
Total	**20,016**	**15,522**	**35,539**

8.29 The Council is continuing to work with the city's schools on the measures required to meet the needs of children within the future funding envelope. Changes impacting on service delivery will be the subject of future reports to Cabinet. Whilst the Department for Education's "Delivering Better Value in SEND" programme has officially ended; the council continues with this programme as the schemes have improved delivery of SEND services for children and young people and are helping to provide more sustainable services.

8.30 The budget figures for 2026/27 for the Central Schools Services Block, the High Needs Block and the Early Years Block are shown in Appendices J (i) to (iii).

SEND Deficit

8.31 In June 2025 the Government announced plans to extend the statutory override to 31 March 2028 for SEND deficits, while plans for a reform of the SEND system were to be developed and implemented in autumn 2025. The announcement for SEND reform has been delayed until early 2026, however, the local government financial settlement has confirmed Local Authorities should include an assumption within their budgets for a share of the deficit write off in 2028/29, this is currently estimated to be £5m within the MTFP.

Public Health Grant

8.32 The Public Health Grant has had an increase due to the rolling in of separate funding grants for smoking cessation and drugs and alcohol in 2026/27. Within the funding settlement Government confirmed the funding allocations for the 3 year multi year settlement period and these allocations have been included within the MTFP.

9 The 3 Year Medium Term Financial Plan 2026/27 – 2028/29

9.1 The Medium Term Financial Plan shown in summary at Table 7 and in detail at Appendix D has been developed based on the assumptions discussed above and summarised below.

- MTFP reflects the funding allocations in line with the 2026/27 Local Government Financial Settlement. There is a risk that funding may be lower than currently modelled and the forecasts may need to be revisited for 2026/27 and beyond as government continue to embed FF2.0.

- Provision of resources to allow pay increases for employees, c4% in 2026/27 and c3% in later years and an increase in non-pay budgets to reflect future contractual price increases.

- Delivery of the budget savings set out in Appendix B (ii).

- Council Tax increases to be in line with the referendum limits which has been set for 3 years (2026/27-2028/29) at 4.99%, in line with Government policy outlined within FF2.0.

Table 7 – Summary MTFP

	2026/27	**2027/28**	**2028/29**
	£m	**£m**	**£m**
Expenditure			
Directorates	385	386	387
Schools	101	102	104
Corporate Budgets (including contingencies and provisions for pay, prices, pensions)	71	93	115
Less Savings	(4)	(6)	(8)
Net Budget requirement	**553**	**575**	**598**
Funding			
Government Grant / Retained Business Rates	(423)	(435)	(446)
Council Tax (Increases of 4.99% / 4.99% / 4.99%)	(127)	(134)	(142)
Utilisation of Capital Receipts Flexibility	(3)	(1)	(1)
Total Funding	**(553)**	**(570)**	**(589)**
Shortfall	**0**	**5**	**9**

10 Hull and East Yorkshire Mayoral Combined Authority (HEYCA)

10.1 During 2025/26 the Hull and East Yorkshire Mayoral Combined Authority (HEYCA) was established as a strategic authority for the Hull and East Riding of Yorkshire region. In line with Government direction, the HEYCA will become the authority for funding investment at a strategic level for priorities such as economic growth, transport and infrastructure, skills and jobs and health. Grants and funding previously received by Hull City Council for such priorities will now be funded directly to the MCA from 2026/27 and therefore are no longer included within the MTFP as defined funding streams.

11 Joint Commissioning with Humber and North Yorkshire Integrated Care Board (ICB)

11.1 The financial pressures faced by the Council will continue into future years and primarily reflect the Councils rising costs relating to the care of vulnerable adults and children and demand pressures within the wider adult and children’s care system and the health sector across the city.

11.2 The Council cannot seek to address these issues and cost pressures in isolation, addressing these issues requires a continued integrated response from all parts of the health and care system including the NHS Humber and North Yorkshire Integrated Care Board (ICB). Many changes are taking place within the health and care sector and the outcomes at this point remain unknown. This has been evidenced as the ICB works to transition its financial planning and overall delivery model away from ‘place’ to strategic commissioning, in line with national policy. Therefore, for the first time since 2015/16, the Council is unable to confirm a combined integrated financial plan with health due to this transition and this continues to be a risk to Hull in evidencing its share of health-related funding coming to the city and some of our most vulnerable population within the region.

11.3 However, there is a focus on the need to transform the health and care system and the move towards a neighbourhood health service delivering more care at home or closer to home, improve people’s access, experience and outcomes, and ensure the sustainability of health and social care delivery as more people are living with more multiple and more complex problems.

11.4 The Better Care Fund has evolved over several years and significant resources from the NHS and local authorities are jointly managed under the auspices of the Health and Wellbeing Boards with a formal pooled budget arrangement with ICB. The current arrangements will remain unchanged for 2026/27 and the MTFP for 2026/27 reflects the current allocations for the Better Care Funding, but government are undertaking a review of the current arrangements and are due to announce reforms to the Better Care Funding regime in 2026/27 that will take effect from 2027/28 onwards.

12 Reserves

12.1 The 2025/26 Budget assumed balances at April 2026 would stand at £21m General and £5m Earmarked. The Council has been successful over recent years to build up the general fund reserves, from a previous low point, through robust financial planning and management. However, due to the forecast outturn for 2025/26, as reported within the Revenue Monitoring process, it is estimated the Council will need to utilise reserves during 2025/26 to a level of up to £4m, which will then need to be reflected back into the reserves position during 2026/27 (£2m) and 2027/28 (£2m). The planned use of reserves will be offset by dividend receipts from KWL Ltd, in line with the 2026-29 KWL Ltd business plan. There is no other planned use of reserves during 2026/27 or future years within the MTFP.

12.2 This is not reflective of financial mismanagement but rather the scale of decline in government funding against a backdrop of ever-increasing demand as outlined within this report and seen nationally. Therefore, the budget proposals reflected within this report seek to continue to protect both General and Earmarked Reserves over MTFP period.

12.3 Risk and uncertainty were evidenced during previous financial years, such as 2022/23, when the Council faced extraordinary financial pressures due a dramatic increase in inflation and Council reserves were required to balance the budget. As seen within the latest Revenue Monitoring report, pressures seen in 2025/26 continue to demonstrate the level demand and inflation pressure uncertainty impacting Council budgets.

12.4 A detailed risk assessment for the level of reserves is attached at Appendix F. In the light of the very real challenges faced by the Council in maintaining services and the continued uncertainty over government funding, the risk assessment continues to reflect the need to maintain, at a minimum, General (Un-earmarked) Reserves of c£21m.

12.5 A schedule of Reserves, and forecast movements, is included at Appendix G.

13 Resilience Index

13.1 As part of the Government's and the Local Government sector's shared desire to better manage the financial risks faced by Councils, CIFPA launched the Financial Resilience Index in 2020 based on 2018/19 data. The Index measures each Council against 9 indicators, relating to reserves, debt servicing, social care and income generation, and provides comparison against other authorities. Whilst the Index should be seen in the context that all Councils are individual in terms of history, circumstance and strategy, the measures provide a useful comparable tool. The critical factors are considered in the paragraphs below with a summary of Hull's analysis included at Appendix K based on 2024/25 data.

Reserves

13.2 The CIPFA Index identifies a reduction in total reserves between the 2023/24 and 2024/25 reports, however, this is due to the calculation methodology for total reserves including Earmarked reserves. Importantly, whilst the analysis notes a reduction in the indicator, the Council has not used General Reserves to support the Revenue Budget in 2024/25. However, as noted above there will be a need to utilise reserves during 2025/26 which will is planned to be funded back during the MTFP period.

13.3 The Index highlights, that despite bolstering reserves in previous years, our Council reserves continue to remain at comparably very low levels and demonstrates that the Council overall is the lowest level of reserves % when compared with CIPFA peer councils, this is from second lowest in 2023/24. And whilst this continues to highlight the importance of protecting the General Reserves position in the light of the Council's forecast budget deficits in the medium term; historical CIPFA guidance recommended Council's should aim to ensure General Reserves are not lower than 10%, which Hull is not, but now requires Local Authorities to undertake a more detailed reserves risk assessment which is outlined at Appendix F, for the purpose of scenario planning.

Servicing of Debt

13.4 As with previous years, whilst the Council's recorded debt levels appear relatively high it is important to note that this is in line with expectations given that the Council retains a large housing stock, and the associated housing debt, and has benefited from significant PFI investment which taken together accounts for c50% of the Council's recorded debt. Taking these adjustments into account HCC would move into the middle range which is consistent with the measure of interest costs as a proportion of total spend which places Hull around the average of comparable authorities. As outlined within the Treasury Management Strategy, the following indicators, Indicator 5 – Authorised Limit for External Debt and Indicator 6 – Operational Boundary for External Debt, which demonstrate a more relevant measure of Council debt in overall context to the authority and assurance the Council is under the threshold for these indicators.

13.5 Additionally, the overall capital strategy has seen an increase overtime as the Council continues to invest in the city. This has led a compounded impact to the measure as the interest rates began to climb in late 2023/24.

Social Care

13.6 This indicator is designed to highlight the future "flexibility" a Council may have in terms of reducing costs in services other than the statutory care services. The indicator places Hull in the higher middle range where social care costs account for c83% of expenditure with c17% on other services, recognising the changing profile of costs onto social care over the years. This indicator notes that Hull is comparable to peer Council's on the proportion of total spend dedicated to social care costs.

Income Generation

13.7 The Index also highlights the very low tax base and relatively low levels of income generated from service users, which is consistent with being measured as a relatively deprived area, which in turn limits the scope for raising income locally through Council Tax or service charges. Similarly, the Growth above Baseline measure highlights the relatively low level of growth in Business Rates, however, this indicator does not reflect the change to Business Rate Baselines following the FF2.0 review as it relates to 2024/25 data. Overall, Hull continues to note a lower level of income generation compared with peers which is reflective of our overall demographic during 2024/25 as the fourth most deprived authority in the Country.

Statutory Officer Comments

14 The Executive Director of Corporate Resources (Section 151 Officer) has made the following statement:

14.1 The robustness of the budget estimates and the adequacy of the reserves are largely dependent on the levels of risk and uncertainty. The principal financial assumptions made in the budgets are noted in this report and attached appendices.

14.2 Budget monitoring throughout the year will be an important tool in identifying at an early stage potential problems so appropriate action can be taken.

14.3 The delivery of the planned savings and major business projects is critical to the successful delivery of the Council budget strategy. Current activity provides adequate assurance as to the deliverability of the 2026/27 budget with future year forecasts representing realistic planning assumptions which will be subject to review as part of the next annual budget setting process. The current projections for 2027/28 suggest a potential deficit of c£5m which although at a material and challenging level, is not currently of a magnitude which represents an immediate risk to the Council's financial stability.

14.4 As noted above at paragraph 12.2, comparison with all unitary councils, continues to show that Hull has a relatively low level of reserves when set against the scale of its operations, and also that it is relatively highly dependent on receiving government RSG and grant funding. These issues have been highlighted consistently and have informed reporting and lobbying for a considerable period of time. Following FF2.0 deficits within the medium term have reduced but still remain a level of risk which will continue to require budgetary control and efficiencies in future years.

14.5 The budget has been prepared reflecting known service pressures following thorough reviews by Assistant Directors and Heads of Service.

14.6 A risk based approach to consideration of the level of reserves is a component of the Council's overall risk management framework. Operational risks should be managed within Services' bottom line budgets and thus would not normally result in a call on the Council's reserves. However, the on-going increasing demand on services and sustained inflation levels continue to create material risk to both the short and medium term financial projections and as noted above there is an expectation reserves will be used to fund the outturn position during 2025/26.

14.7 Appendix F summarises the significant financial risks applicable to Un-earmarked Reserves. The total potential risk to the Council is estimated to be c£21m in 2026/27. The Authority's Un-earmarked Reserve stood at £8m at 31 March 2018 but, subject to the 2025/26 outturn, are envisaged to be at £21m on 31 March 2026.

14.8 My assessment of the process that has been undertaken set alongside the risk assessment, informed by the CIPFA Resilience Index, is that the budget calculations used in the preparation of the budget estimates are fair and robust and reserves are adequate to reflect known circumstances.

15 The Monitoring Officer has made the following statement:

15.1 Before setting the level of Council 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 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.

15.2 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

15.3 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 Executive Director of Corporate Resources 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.

16 Comments of the Assistant Director Organisation Development and Human Resources and compliance with the equality act

16.1 The contents of the report are noted. There are no staffing or equality issues arising. KH

17 Comments of Overview and Scrutiny

17.1 This report is due to be considered by Overview and Scrutiny Management Committee on the 13th of February 2026. Any comments or recommendations agreed by the Committee, will be tabled at Cabinet and Council, for consideration alongside the final report. (Sc9154 – AS)

18 Collection Fund and Council Tax Implications

18.1 The Local Government Finance Act 1992 (as amended by the 2003 Act and the Localism Act 2011) sets out the powers and duties of the Council in setting the annual Council Tax. The key requirements are that:-

i) Council Tax is set at Full Council.

ii) Council Tax is set at a sufficient level to meet its proposed budget requirements for the ensuing year (see Sections 31A and 31B of the Act).

iii) The level of Council Tax is set before 11 March to enable circulation of Council Tax bills to enable people to pay on and after 1 April (see Section 30(6) of the Act).

iv) The Chief Finance Officer must report on the robustness of estimates and the proposed adequacy of reserves (see Section 25 of the Act and paragraph 14 above).

18.2 The Council is required to set a Council Tax sufficient to balance the Collection Fund account it maintains. Based on the projections at January 2026 and looking back at the income received in 2025/26, it is forecast that there will be a surplus on this account at year end. Hull City Council's net surplus is forecast to be £0.885mm and will be paid to the General Fund in 2026/27.

18.3 Under section 52ZB of the Act, each billing authority must determine whether its relevant basic amount of council tax for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, a referendum must be held in relation to that amount. Using the Governments' principles determined by the Secretary of State under section 52ZC of the Act, the Councils' relevant basic council tax for 2026/27 is not excessive and therefore no referendum is required.

18.4 The Cabinet approved a Council Tax Base of 67,208 (Band D equivalents) for 2026/27 at its meeting on the 26 January 2026. Given the Council Tax requirement of £125,911,500, the Band D Council Tax proposed for 2026/27 is £1,873.46. This represents an increase of 4.99% over the 2025/26 charge. This is below the limit of 5% (including 2% for Social Care), above which the Government require a local referendum to take place to confirm such an increase.

Table 8 Proposed Council Tax Charge per Band

Band	Charge 2025/26 £	Proposed Charge 2026/27 £	Increase £	Increase per week £
A	1,189.61	1,248.97	59.36	1.14
B	1,387.88	1,457.14	69.26	1.33
C	1,586.15	1,665.30	79.15	1.52
D	1,784.42	1,873.46	89.04	1.71
E	2,180.96	2,289.78	108.82	2.09
F	2,577.50	2,706.11	128.61	2.47
G	2,974.03	3,122.43	148.40	2.85
H	3,568.84	3,746.92	178.08	3.42
NB These figures exclude the charges for the Police and Fire Services				

18.5 The precept for the Humberside Police and Crime Commissioner for 2026/27 is £x. When this amount is divided by the approved Council Tax base of 67,208, it gives a Council Tax charge for a Band D property in the Kingston upon Hull area of £x. This is an increase of £x on the 2025/26 charge.

18.6 The precept for the Humberside Fire Authority for 2026/27 is £X. When this amount is divided by the approved Council Tax base of 67,208, it gives a Council Tax charge for a Band D property in the Kingston upon Hull area of £x. This is an increase of £X on the 2025/26 charge and is below the £5 level at which a referendum would be required.

19 Equality Impact Assessment Analysis

19.1 Section 149 of the Equality Act imposes a Public Sector Equality Duty on 'public authorities' when exercising public functions to have due regard to the need to:

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

19.2 Relevant protected characteristics are – age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex and sexual orientation and, to a more limited extent, to the protected characteristic of marriage and civil partnership.

19.3 To 'have due regard' means that in making decisions and in its other day-to-day activities the Council must consciously consider the need to do the things set out in the general equality duty: eliminate discrimination, advance equality of opportunity and foster good relations.

19.4 The Council will only be able to comply with the general equality duty in relation to a decision, if the ultimate decision maker:

- understands the Council's obligations under the general equality duty
- has sufficient information
- Demonstrably takes this information fully into account throughout the decision-making process.

19.5 The courts have stressed the importance of having due regard before and at the time that a particular policy is being considered, and of exercising the duty with an open mind.

19.6 For proposals contained within this report leading to ongoing changes in services design and delivery, service managers will continue to consider 'due regard' for equality and demonstrate this via Equality Impact Analysis assessments.

19.7 It should also be recognised, that there will be positive impacts too from investment in capital projects supporting such as Housing Regeneration, Maritime Project, Queens Gardens, bridges, highways and other infrastructure improvements which will particularly benefit older and disabled people. ICT improvements will likely mean better access for staff and customers particularly disabled, younger people and women.

19.8 The EIAs will be developed in consultation with stakeholders such as Elected Members, Trade Unions, protected groups, customers and users of services/policies.

Councillor Mike Ross, Leader of the Council

Contact Officer – David Bell/Tracy Parker   Tel. 01482 613084/613018

Officer Interests: *None*

Background Documents:
(i)   MTFP Cabinet Reports December 2025 / July 2025

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