

Written statement of a budget and policy framework decision
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Title	2025/26 Budget, Medium Term Financial and Treasury Management Strategy
Decision maker	Cabinet for recommendation to: Council * Information about cabinet, including the names and contact details of the cabinet members, can be found here: http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251
Date of decision	23 January 2025
Report exemption class	Open
A notice was served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
General exception or special urgency (as defined in the constitution)	No
Purpose	To recommend to Council the proposed 2025/26 revenue budget, Medium Term Financial Strategy and the Treasury Management Strategy.
Decision	Recommendation(s) That Cabinet recommends to Council for approval: <ul style="list-style-type: none"> a) the council tax base of 72,816.74 Band D equivalents in 2025/26; b) an increase in core council tax for 2025/26 of 2.99%; c) an additional precept in respect of adult social care costs of 2% applied to council tax in 2025/26 resulting in a total council tax increase of 4.99%, increasing the band D charge from £1,875.76 to £1,969.36 for Herefordshire Council in 2025/26; d) the balanced 2025/26 revenue budget proposal totalling £231.5 million, subject to any amendments approved at the meeting, specifically the net spending limits for each directorate as at appendix C;

	<p>e) delegates to the section 151 officer the power to make necessary changes to the budget arising from any variations in central government funding allocations via general reserves;</p> <p>f) the Medium Term Financial Strategy (MTFS) 2025/26 to 2028/29 at appendix A be approved;</p> <p>g) the Treasury Management Strategy at appendix D be approved;</p> <p>h) the responses to scrutiny committee recommendations to follow in a supplementary paper to be approved; and</p> <p><i>Additional recommendation (i) was also agreed at the meeting:</i></p> <p>i) the allocation of additional funding, above that assumed in this revenue budget and as confirmed in the Final Local Government Finance Settlement, firstly to make provision to support the development of the Local Plan and secondly, to be transferred to the Financial Resilience Reserve to mitigate the potential unfavourable outcome of the Fair Funding Review planned in 2025.</p>
Reason for the decision	<p>As set out in the report. Documents relating to this decision are available at</p> <p>http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50050637</p>
Options considered	<p>1. It is open to Council to recommend alternative spending proposals or strategies; however, given the legal requirement to set a balanced budget, should additional expenditure be proposed compensatory savings proposals must also be identified. If it is proposed to spend less, the impact on service delivery of the proposed reduction should be considered.</p> <p>2. Council can agree a council tax increase above the referendum principle levels. This is not recommended as doing so would require the increase to be subject to a local referendum, incurring additional costs to the council.</p>
Declarations of interest (see below)	
Call-in expiry date	<p>Budget and policy framework item</p> <p>Under part 4, section 3 of the constitution, this decision is not subject to the usual call-in procedure as it is a budget and policy framework item and therefore must be decided at a meeting of the full Council.</p>

Councillor:
Leader of the Council (Councillor Jonathan
Lester)

Date 23 January 2025

- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;

and

- in respect of any declared conflict of interest, a note of dispensation granted.