

## **CABINET**

**10 February 2026**

**5.00 – 6.45pm**

**Present:** Councillors Holloway (Chair), Wade (Vice-Chair), Bird, Moore, Nestor, Smart, A.Smith, S. Smith, Thornburrow and Todd-Jones

**Other Councillors present:** Councillors Bick, Bennett (online), Clough (online), Porrer and Young

### **Officers Present:**

Chie Executive: Robert Pollock

Chief Operating Officer, Corporate Group: Jane Wilson

Head of Finance and Deputy S151 Officer, Corporate Group: Matthew Fernandez-Graham (online)

Joint Director Planning and Economic Development: Stephen Kelly

Assistant Director Development: Ben Binns

Deputy Democratic Services Manager: Claire Tunnicliffe

Democratic Services Manager: Dan Kalley

## **RECOMMENDATION TO COUNCIL**

### **Budget Setting Report and Medium-Term Financial Strategy 2026/27**

Recommendations of the Cabinet, which met on 10 February 2026, are outlined below:

Cabinet **resolved unanimously** to approve the recommendations on to Full Council.

**Accordingly, Council is recommended to:**

#### **Council tax:**

- a) *Confirm delegation to the Chief Finance Officer of the calculation and determination of the Council Tax base which is set out at Appendix A(a).*
- b) *Approve the increase to the city council share of council tax for 2026/27 at 2.99%, and the updated council tax levels as set out at section 10 of the Budget Setting Report 2026/27.*

**Housing rents and charges:**

- c) Approve an increase in rents for all Social Rent, Social Rent shared ownership and Affordable Rent properties of 4.8% (September 2025 CPI plus 1%), with effect from 1 April 2026.*
- d) Agree to fully implement rent convergence for all Social Rent tenants at a maximum rate of £1 per week from 1 April 2027, then £2 per week from 1 April 2028, in line with recent government announcements, for a period of up to 10 years.*
- e) Approve an increase in rents for Affordable Rent shared ownership properties in line with the maximum permitted in each individual property lease (generally RPI plus 0.5%).*
- f) Approve that garage and parking space charges are increased by up to 4.8%, as set out at section 10 of the Budget Setting Report 2026/27.*
- g) Approve the methodology for calculating Housing Revenue Account service charges and leasehold administration costs as set out at Appendix K, and delegates authority to the Chief Finance Officer to carry out the detailed calculation of 2026/27 charges in line with this methodology, noting that the council will endeavour to limit increases to 4.8% where possible.*

**Revenue budgets:**

- h) Approve the General Fund revenue proposals shown at Appendix E.*
- i) Approve the Housing Revenue Account revenue proposals shown at Appendix H.*

**Capital budgets:**

- j) Approve the General Fund capital proposals set out at Appendix F(a) and the revised General Fund capital plan set out at Appendix F(c).*
- k) Approve the Housing Revenue Account capital proposals set out at Appendix I(a) and the revised capital plan set out at Appendix I(b).*

- l) Approve the proposed capital financing plans set out at section 5 (General Fund) and section 7 (Housing Revenue Account) of the Budget Setting Report 2026/27, whilst noting that the constitution delegates all executive decisions on borrowing, investment or financing to the Chief Finance Officer, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.*
- m) Note in particular that the council's ambitious Housing Revenue Account investment programme, including the 10-year new homes programme, will require new borrowing of around £483 million over the next 10 years, as set out at section 7 of the Budget Setting Report 2026/27.*

**Risks and reserves:**

- n) Note the key risks to the council financial standing and sustainability, and mitigations in place, as set out at section 8 of the Budget Setting Report 2026/27.*
- o) Note the impact of the Budget Setting Report 2026/27 on General Fund and Housing Revenue Account reserves, as set out at section 8 of the Report.*
- p) Approve the new allocations to earmarked reserves set out at section 8 of the Budget Setting Report 2026/27, namely:-*
- £2.5 million to a new Local Government Reorganisation Reserve; and*
  - £1.0 million to the Civic Quarter Development Reserve.*
- q) Set the 2026/27 prudent minimum balance at £8.059 million for the General Fund, and £6.801 million for the Housing Revenue Account, with a working target balance of 120% of the prudent minimum balance in each case, in line with the advice of the Chief Finance Officer.*

**Medium-Term Financial Strategy:**

- r) Approve the council's Medium-Term Financial Strategy for the General Fund and Housing Revenue Account as set out at section 9 of the Budget Setting Report 2026/27.*
- s) Note the key assumptions used in the development of the Medium-Term Financial Strategy at Appendix C, and in particular the*

*sensitivity of the Housing Revenue Account 30-Year Business Plan to changes in these assumptions, as set out in detail at Appendix J.*

**Capital and Treasury Management Strategy:**

- t) Approve the Capital Strategy attached at Appendix O.*
- u) Approve the Treasury Management Strategy 2026/27 at Appendix P, including the prudential and treasury management indicators set out at Annexe C.*
- v) Approve an increase in the council's authorised limit for external debt to £650 million in 2027/28, £700 million in 2028/29, £750 million in 2029/30, then £850 million in 2030/31 in order to accommodate the borrowing required to support the new build homes programme.*
- w) Approve an increase in the deposit limit for enhanced money market funds from £5 million per fund to £10 million per fund, and an increase in the deposit limit for money market funds from £15 million per fund to £20 million per fund, as set out at Annexe A to the Treasury Management Strategy 2026/27 (Appendix P).*

**Other:**

- x) Delegate authority to the Chief Finance Officer to reallocate budgets between services in relation to corporate and/or departmental restructuring, and any reallocation of support service and central costs in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP) (including where necessary the recalculation of recharges between the General Fund and Housing Revenue Account).*
- y) Delegate authority to the Chief Finance Officer to approve an in-year increase or decrease in the capital budget for Disabled Facilities Grants in any year, in direct relation to any increase or decrease in the capital grant funding available for this purpose, and to determine the most appropriate use of any additional Disabled Facilities Grant funding for the wider benefit of the Shared Home Improvement Agency.*
- z) Delegate authority to the Director of Communities to review and amend the level of fees charged by the Shared Home Improvement Agency for Disabled Facilities Grants and repair assistance grants,*

*in line with any recommendations made by the Shared Home Improvement Agency Board.*

*aa) Note the Equality Impact Assessments undertaken in respect of budget proposals in the General Fund (Appendix S(a)) and Housing Revenue Account (Appendix S(b)).*

*bb) Approve the schedule of proposed fees and charges for 2026/27 set out at Appendix T(A) and confidential Appendix T(b).*

**Section 25 report:**

*cc) Note the Chief Finance Officer's section 25 report, covering the robustness of estimates and adequacy of reserves, included at section 11 of the Budget Setting Report 2026/27.*