

# Medium Term Financial Plan 2025 - 2028 and General Fund Budget 2025-26



<b>Report to:</b>	Cabinet
<b>Date:</b>	13 February 2025
<b>Portfolio Holders:</b>	Councillor Dan Swords, Leader of the Council  Councillor James Leppard, Portfolio Holder for Finance and Governance
<b>Lead Officer:</b>	Jacqueline Van Mellaerts, Assistant Director – Finance and Section 151 Officer (01279) 446251
<b>Contributing Officer:</b>	Richard Criddle, Service Finance Manager and Deputy Section 151 Officer (01279) 446223  Executive Management Team
<b>Key Decision:</b>	Yes
<b>Forward Plan:</b>	Forward Plan number I017556
<b>Call In:</b>	This item is not subject to call in procedures as it stands as a recommendation to Full Council
<b>Corporate Missions:</b>	All Corporate Missions
<b>Wards Affected:</b>	No ward specifically

## Executive Summary

- A** The council is required by law to set a balanced General Fund budget and Medium Term Financial Plan (MTFP). This report and its appendices detail the council's 2025/26 General Fund budget and the 2025-2028 Medium Term Financial Plan which meets all statutory requirements and invests significantly into fully funding all of the council's corporate missions and pressures, whilst ensuring greater efficiency and value for money for Harlow taxpayers, improved service provision and freezing Harlow council tax.

**Recommended that:** Cabinet recommends to Full Council to:

- A** Note and comment on the balanced 2025-26 General Fund budget and balanced 2025-28 MTFP which will fully fund all corporate missions and pressures whilst ensuring greater efficiency and value for money for Harlow taxpayers and improved service provision and do so whilst freezing Harlow council tax and fees and charges across the lifetime of the MTFP.
- B** Approve the Medium Term Financial Plan 2025 - 2028, and the General Fund Budget for 2025/26 as set out in Appendix A to the report.
- C** Approve that the council's band D council tax for 2025/26 is set at £288.90 representing a 0% increase as set out Appendix A to the report.
- D** Approve the General Fund estimates for 2025/26, as set out in Appendix A to the report.
- E** Approve the proposed transfers between the General Fund and service specific earmarked reserves, referred to within the report and as set out in Appendix A to the report.
- F** Approve proposed Fees and Charges, as set out in Appendix B to the report.
- G** Approve proposed Pay Policy Statement, as set out in Appendix C to the report.
- H** Delegate to the Section 151 Officer, in consultation with the Leader of the Council, to make minor amendments as required.

### **Reason for decision**

- A** The council has statutory responsibilities to set a balanced budget and Medium Term Financial Plan, to ensure the proper arrangement of the council's financial affairs are in place and to ensure that all financial management requirements of the local authority's financial affairs are approved by Full Council.

### **Other Options**

- A** Considerations of other options do not apply; the agreement of the budget policy framework for the council is laid out in the council's constitution and by relevant legislation and is a matter for determination by Full Council.

### **Background**

1. The new Medium-Term Financial Plan (MTFP) covers the financial planning period 2025/26 to 2027/28. This has been brought forward alongside the six corporate missions for the council which matches the same planning period. The General Fund budget

proposals cover the period for 2025/26 financial year. Both the MTFP and General Fund proposals are covered within this report and associated appendices.

2. The purpose of the Medium Term Financial Plan (MTFP) is to establish a strategic framework and a forward-looking approach for financial resilience, ensuring long-term sustainability. It plays a crucial role in delivering the six corporate missions by making them achievable in an affordable and sustainable manner. The MTFP facilitates a robust and methodical planning by forecasting the council's financial position, considering known pressures and major issues impacting the council's finances. This includes international, national, sub-regional, and district-level economic influences, as well as local priorities and factors.
3. The six key objectives of the MTFP are to:
  - a) Provide financial parameters within which budget and service planning should take place;
  - b) Ensure the council sets a balanced and sustainable budget;
  - c) Focus and re-focus the allocation of resources so that, over time, priority areas receive additional resources ensuring services are defined on the basis of a clear alignment between priority and affordability;
  - d) Ensure the council manages and monitors its financial resources effectively so that spending commitments do not exceed resources available in each service area;
  - e) Set fees, charges, and taxes at levels deemed necessary, acceptable, and affordable by the council to achieve its aims, objectives, policies, and priorities, while also reducing the council's dependency on central government funding; and
  - f) Ensure that the council's long term financial stability and viability remain sound.
4. The General Fund is the main revenue account of the council, which includes day-to-day income and expenditure on the provision of services. The main exception is income and expenditure on the direct provision of social housing, which is accounted for in the Housing Revenue Account (HRA). This report proposes the new 2025/26 General Fund budget which fully funds all corporate missions and priorities, drives greater value for money and efficiency, freezes council tax and freezes nearly all fees and charges.

### **2025/26 General Fund budget summary**

5. The council is undergoing significant transformation through its Building Harlow's Future programme and is wholly focussed on delivering its six corporate missions. The General Fund budget is the main revenue account to resource that work.

6. In the 2024/25 financial year, the General Fund and capital programmes have been well managed to ensure corporate priorities are delivered and well financed. This has been done through a particularly challenging time with high inflation and interest rates impacting the cost-of-service service provision. At period 9 reporting (December 2024) it was forecast that the outturn for the General Fund as at the 31 March 2025 is expected to decrease to £13.106 million, reporting a favourable variance of £332,000. Given that all six corporate missions are still being delivered, this demonstrates the extremely strong financial performance of the council and the effectiveness of strict budget management and monitoring.
7. The 2025/26 General Fund budget fully funds all corporate missions and priorities, drives greater value for money and efficiency, freezes Harlow council tax and freezes nearly all fees and charges.
8. The key highlights of the proposed 2025/26 General Fund budget include:
  - a) A 0% increase in council tax since 2022/23 as set out in the Medium-Term Financial Plan. This means council tax is proposed to be frozen for 2025/26, as it has been since 2022/23 and the MTFP forecasts for it to remain frozen for the lifetime of the MTFP as detailed below.
  - b) Full funding for every corporate mission and priority.
  - c) A balanced budget, with no unidentified savings and no budget gaps.
  - d) Greater value for money and efficiency throughout service budgets to reflect true requirements and drive down waste and costs on things that are no longer required to deliver services such as reducing car allowances and stationary budgets. This budget much better reflects actual base budget requirements.
  - e) No cuts or closures, but increased investment for services such as Pets' Corner, Harlow Playhouse, Harlow Museum, supported housing, the Leah Manning Centre, Town Park, paddling pools, and splash parks.
  - f) No cuts, but increased investment for essential day-to-day services like bin collections, street cleansing, landscape and parks maintenance, housing repairs and supported housing.
  - g) Nearly all fees and charges remaining frozen including free car parking, no charges for use of much-loved services such as Pets' Corner, the Harlow Museum and the paddling pools and splash parks. Only small and proportionate increases in fees and charges where it is required to do so as detailed below in the report.
  - h) Prudent use and make up of reserves to ensure sound financial management and full funding for every corporate mission and priority.

- i) No cuts to jobs or service provision, but an overall growth in the General Fund budget.
- j) A significantly worse than forecast Government settlement which cuts core funding from the Government funding to the council by 25%.
- k) Full provision to meet the significantly increased pressures, particularly from the increased National Insurance contributions.

### **2025-2028 MTFP summary**

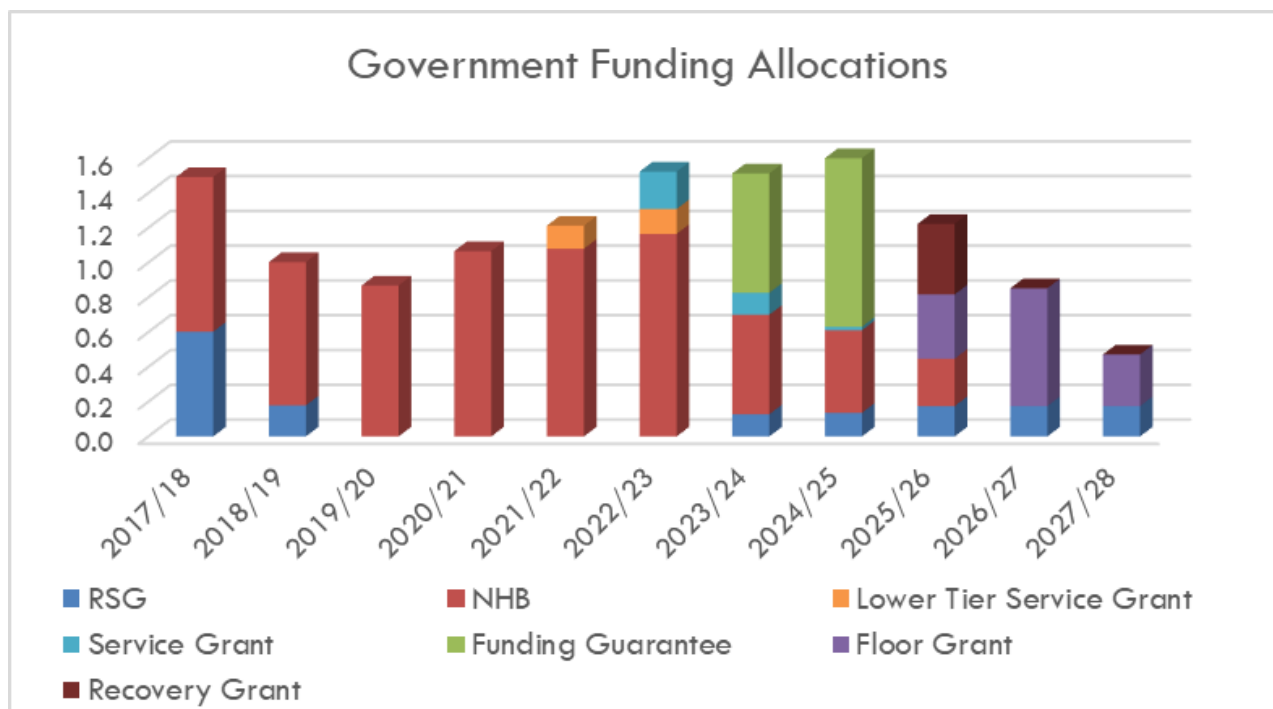
- 9. The council is undergoing significant transformation through its Building Harlow's Future programme and is wholly focussed on delivering its six corporate missions. The MTFP provides the parameters for the council's revenue spending and capital investment plans for the next three years, to deliver that transformation and those missions.
- 10. The revision of the MTFP has incorporated current known national and local assumptions and reflects an anticipated 2025/26 General Fund financial position which forecasts a balanced budget for 2025/26 and future years over the MTFP planning period. The Housing Revenue Account and Capital Investment plans are covered fully in separate reports within the wider agenda of this meeting.
- 11. The key highlights of the proposed 2025-28 MTFP budget include:
  - a) A 0% increase in council tax for the lifetime of the MTFP which would mean Harlow council tax will have been frozen since 2022/23.
  - b) Full funding for every corporate mission and priority with a balanced budget over three-year period.
  - c) No unidentified savings and no budget gaps across the lifetime of the MTFP.
  - d) Greater value for money and efficiency throughout service budgets to reflect true requirements and drive down waste and costs on things that are no longer required to deliver services such as reducing car allowances and stationary budgets. This MTFP much better reflects actual base budget requirements.
  - e) No cuts or closures, but increased investment for services across the lifetime of the MTFP such as Pets' Corner, Harlow Playhouse, Harlow Museum, supported housing, the Leah Manning Centre, Town Park, paddling pools, and splash parks.
  - f) No cuts, but increased investment for essential day-to-day services across the lifetime of the MTFP like bin collections, street cleansing, landscape and parks maintenance, housing repairs and supported housing.
  - g) Nearly all fees and charges remaining frozen across the lifetime of the MTFP including free car parking, no charges for use of much-loved services such as Pets' Corner, the

Harlow Museum and the paddling pools and splash parks. Only small and proportionate increases in fees and charges where it is required to do so as detailed below in the report.

- h) Prudent use and make up of reserves across the lifetime of the MTFP to ensure sound financial management and full funding for every corporate mission and priority.
- i) No cuts to jobs or service provision across the lifetime of the MTFP., but an overall growth in the General Fund budget.
- j) A continued significantly worse than forecast Government settlement across the lifetime of the MTFP with considerable reductions in core funding year on year.
- k) Full provision to meet the significantly increased pressures across the lifetime of the MTFP, particularly from the increased National Insurance contributions.

### **Government core funding**

12. The 2025/26 draft one year finance settlement was announced on 16 December 2024. The final one-year settlement was announced on 4 February 2025 and the details full details are set out in Appendix A.
13. The table below summarises the MTFP's total Government funding arising from the Local Government Finance Settlement since 2017/18 which has broadly risen year on year. In recent years, government have awarded council's a series of one-off grants, which has made Government funding sources stable at around £1.5m.
14. However, 2025/26 has seen a 25% decrease in Government funding due to the way the Funding Floor has now been calculated. This is a significant cut to the council's core funding and represents a bigger single cut than at any time in the last 15 years, particularly as core funding to the council has broadly risen year on year since 2017/18. If council tax had been increased, such a cut would not be represented.



### Key assumptions and pressures

15. In order to build both the General Fund budget and the MTFP, key assumptions are set out based on robust data, evidence and reflections in changes to national and local factors that impact the base budget. The key assumptions for the General Fund and MTFP – and the difference between those assumptions for 2024/25 - are as below. All key assumptions and associated costs have been fully met in the General Fund and MTFP.

Key Area	2024/25 (Current)	2025/26 to 2028/29
<b>Costs</b>		
<b>Pay Inflation</b>	3.34% pa	3.5% pa
<b>National Insurance</b>	13.8% pa	15% pa
<b>General Inflation</b>	Only where contractually committed	No Change HTS 2%
<b>Energy Inflation</b>	Gas 8% Electricity -2%	Gas -12.3% Electricity -7% (25/26) Gas -10% Electricity -8% (26/27-28/29)
<b>Staff Vacancy</b>	2% pa.	No Change

<b>savings target</b>		
<b>Pension Fund triennial revaluation</b>	2022 Valuation results incorporated into the MTFP and budget.	No Change pending 2025 valuation.
<b>Key Area</b>	<b>2024/25 (Current)</b>	<b>2025/26 to 2027/28</b>
<b>Income</b>		
<b>Fees &amp; Charges</b>	No Change other than an adjustments to those budgets with long term post Covid impacts.	Reviewed on a service by service basis to determine if increases should be proposed/justified.
<b>Council Tax</b>	Council Tax Freeze	Assumes no Council Tax increases are included within the MTFP period.
<b>Tax Base</b>	Alignment to Statutory Tax Base as at October 2023	Alignment to Statutory Tax Base as at October 2024 Futures years - 0.5% growth p.a
<b>New Homes Bonus</b>	One off allocation £475k	One off allocation £263k
<b>Business Rates Income</b>	Reflects the LGFS 2024/25	Reflects the FLGFS 2025/26
<b>Government Funding</b>	Reflects the LGFS 2024/25	Reflects the FLGFS 2025/26

16. The largest additional pressure is the change in National Insurance contributions. This is estimated to create a c.£1 million total pressure on the General Fund budget for 2025/26 with a compound impact in years thereafter. The Government had announced that local authorities would receive grant funding to fully cover this pressure. However, the final settlement provided less than 20% of the grant funding required and stated that that support would only be for 2025/26 meaning the pressure to the council is significant.
17. Further service-based pressures have been identified which are summarised as below and total £1.040 million for 2025/26. All pressures have been fully met within both the General Fund budget and the MTFP.
18. All key assumptions and service-based pressures were identified in November 2024. At that moment in time a £5.229 million gap in the General Fund budget for 2025/26 was highlighted, and a £7.47 million General Fund budget gap across the lifetime of the MTFP as can be seen below. That gap has been fully closed and all key assumptions and service-



based pressures have been fully funded meaning there is no budget gap across the MTFP period.

Identified Pressures		2025/26
Service Area	Description	£
Housing Operations	Temporary Accommodation	200,000
<b>Transform Total</b>		<b>200,000</b>
Environment	Waste Containing Increases	24,628
Environment	Litter Bins costs	70,075
Environment	Climate Changer Officer	65,657
Communities & Culture	Event Licences and running expenses	18,500
Communities & Culture	Martyns Law Compliance works	10,000
Communities & Culture	Playhouse Security Fees	20,136
Communities & Culture	Playhouse Building maintenance	21,965
Communities & Culture	Playhouse Production costs	21,000
Communities & Culture	Splash Park Utility Costs	44,770
<b>RENEW TOTAL</b>		<b>296,731</b>
Public Protection	Community Safety maintenance costs	15,100
<b>PROTECT TOTAL</b>		<b>15,100</b>
Corporate & Improvement	Software Licences	252,630
Corporate & Improvement	Cost of Security	25,320
Legal & Democratic Services	Member Allowances	183,550
Legal & Democratic Services	Legal Apprentices	67,586
<b>DELIVER TOTAL</b>		<b>529,086</b>
<b>Total Identified Pressures</b>		<b>1,040,917</b>

	2025/26 £'000	2026/27 £'000	2027/28 £'000	£'000
<b>Budget Gap November Position</b>	<b>5,229</b>	<b>1,118</b>	<b>1,123</b>	<b>7,470</b>
Recovery Grant	(406)	406	0	0
Floor Funding	(369)	(308)	380	(297)
New Homes Bonus	(273)	273	0	0
Revenue Support Grant	(174)	0	0	(174)
Homelessness Prevention Grant	(1,025)	0	0	(1,025)
Extended Responsibility Producer Grant	(1,215)	1,215	0	0
National Insurance Grant	(198)	198	0	0
GF to HRA recharges	(170)	(6)	(5)	(181)
The Harvey Centre	(547)	(100)	0	(647)
Garages 5% rent increase	(84)	0	0	(84)
Realignment of Services	70	0	0	70
Service Improvements funded from Reserves	1,043	(963)	0	80
Saving Efficiencies & Income Review	(1,013)	0	0	(1,013)
Collection Fund Review	(251)	251	0	0
Business Rates Income	(30)	(132)	(132)	(294)
Net Capital Financing	570	168	38	776
Reserve Review	(1,157)	(2,120)	(1,404)	(4,681)
<b>Balanced Budget 2025/26 (Feb 2025)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Efficiency savings and additional income

19. In line with the transformation of the council and in order to meet the budget gap as identified in November, the council has identified efficiency savings and additional income to close that gap.
20. The identified efficiency savings and additional income do not cut any jobs or service provisions, nor do they increase fees and charges as detailed below. These efficiency savings and additional income reflect greater value for money for Harlow taxpayers and realignments to service budgets to reflect actual requirements. The key identified efficiency savings and additional income are set out as below.

Identified Efficiency Savings & Additional Income			2025/26
Service Area	Type	Description	£
Housing	Income	Leah Manning Fees & Charges	(2,256)
<b>Transform Total</b>			<b>(2,256)</b>
Environment	Income	Crematorium Income	(20,000)
Environment	Income	Garden Waste Income	(30,000)
Environment	Income	Bulky Waste Fee & Charges	(10,000)
Environment	Saving	Service Realignment	(46,979)
Communities & Culture	Income	Booking and Postage Fees	(16,532)
Communities & Culture	Income	Hire Charges	(33,767)
Communities & Culture	Income	Discretionary Theatre Restoration Levy	(27,377)
Communities & Culture	Saving	Voluntary Grants funded from Reserves	(50,000)
Communities & Culture	Saving	Service realignment to Demand	(50,000)
<b>RENEW TOTAL</b>			<b>(284,655)</b>
Regeneration	Income	Room Hire and Suveyor Fees	(11,500)
Regeneration	Saving	Subscriptions	(20,000)
Regeneration	Saving	Service Realignment	(93,038)
<b>REBUILD TOTAL</b>			<b>(124,538)</b>
Communities & Culture	Saving	Service Realignment	(54,588)
Communities & Culture	Saving	Community Safety Running Costs	(2,500)
<b>PROTECT TOTAL</b>			<b>(57,088)</b>
Legal & Democratic Services	Income	Land Charges Fees and Charges	(5,700)
Facilities and Assets	Saving	Service Realignment	(66,574)
Executive Office	Saving	Stationary & Equipment	(42,236)
Corporate & Improvement	Saving	ICT Strategy Efficiencies	(81,000)
Corporate & Improvement	Saving	Service Realignment	(42,135)
Corporate & Improvement	Saving	Residents survey to funded from Reserves	(25,000)
Corporate & Improvement	Saving	Service Realignment	(20,000)
Finance	Saving	Printing Costs	(8,000)
Finance	Saving	Service Realignment	(87,622)
Finance	Saving	Professional fees	(100,000)
Finance	Saving	Under utilised service budgets	(66,000)
<b>DELIVER TOTAL</b>			<b>(544,267)</b>
<b>Total Identified Efficiency Savings &amp; Additional Income</b>			<b>(1,012,804)</b>

## Service specific Earmarked Reserves

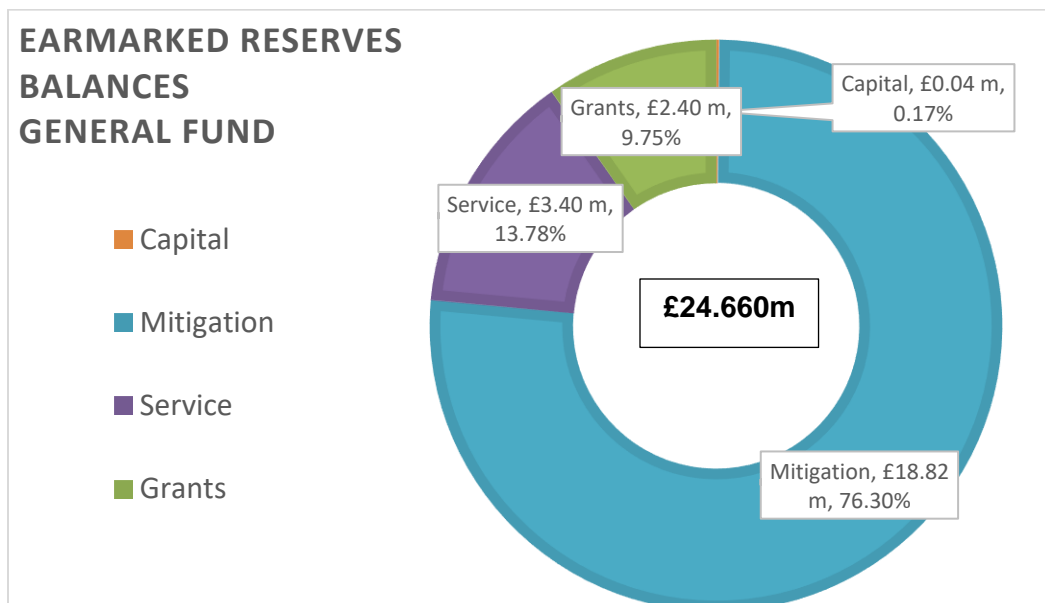
21. The council has both General Fund and HRA earmarked reserves. The earmarked reserves have been categorised to provide further explanation of their purpose included within Appendix A.

22. The categories are as follows:

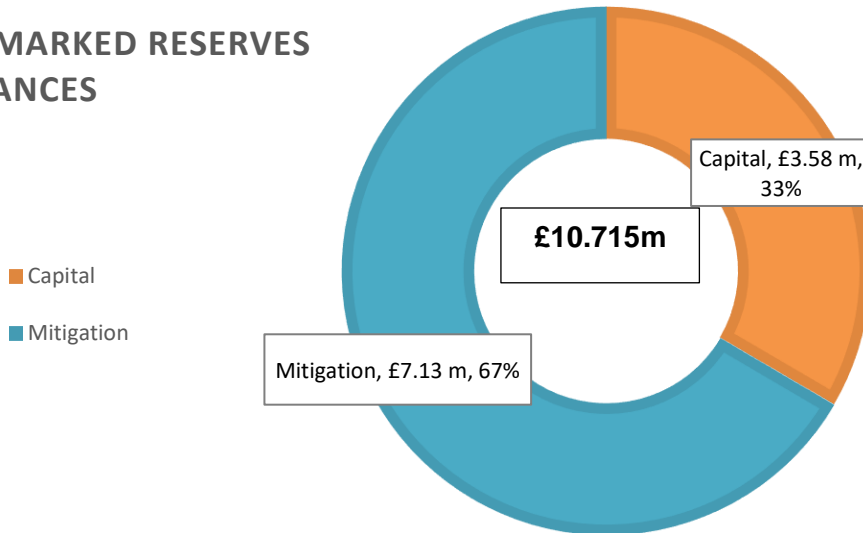
- a) Mitigation – Earmarked specifically to mitigate future financial risks to the council.
- b) Service – Set aside for services to be used on specific investment Initiatives or projects.
- c) Grants - Grants that have been received for a specific purpose, but with no accounting conditions.
- d) Capital – Earmarked to contribute towards the Capital Programme.

23. Total forecasted reserves to the end of March 2026 are expected to be approximately £35.346 million and Full details of all General Fund and HRA reserves, and their categorisation are contained in Appendix A to this report.

24. The council currently holds over £24.631 million in General Fund reserves which represents more than 240% of the revenue budget requirement. This is deemed to be excessive as can be seen below.



## EARMARKED RESERVES BALANCES HRA



25. The 2024/25 General Fund budget invests a small amount service specific reserves to fund one off projects in line with the corporate missions as below.

Utilisation of Service Specific Earmarked Reserves			2025/26
Service Area	Reserve	Description	£
Environment	Regeneration	Investment in Leisure Strategies	80,000
Communities & Culture	Discretionary Services	Voluntary Grants	50,000
Communities & Culture	Environment	Car Park Capital Investment	800,000
<b>RENEW TOTAL</b>			<b>930,000</b>
Regeneration	Regeneration	Town Centre Strategy	80,000
Regeneration	Regeneration	Asset Strategy	18,000
<b>REBUILD TOTAL</b>			<b>98,000</b>
Regeneration	Regeneration	Economic Development	15,000
<b>SECURE TOTAL</b>			<b>15,000</b>
<b>Total Utilisation of Service Specific Earmarked Reserves</b>			<b>1,043,000</b>

26. Following a thorough reserve review to ensure that all reserves fully aligned to the six corporate missions, the overall earmarked reserves for the council remains extremely strong as detailed in Appendix A.

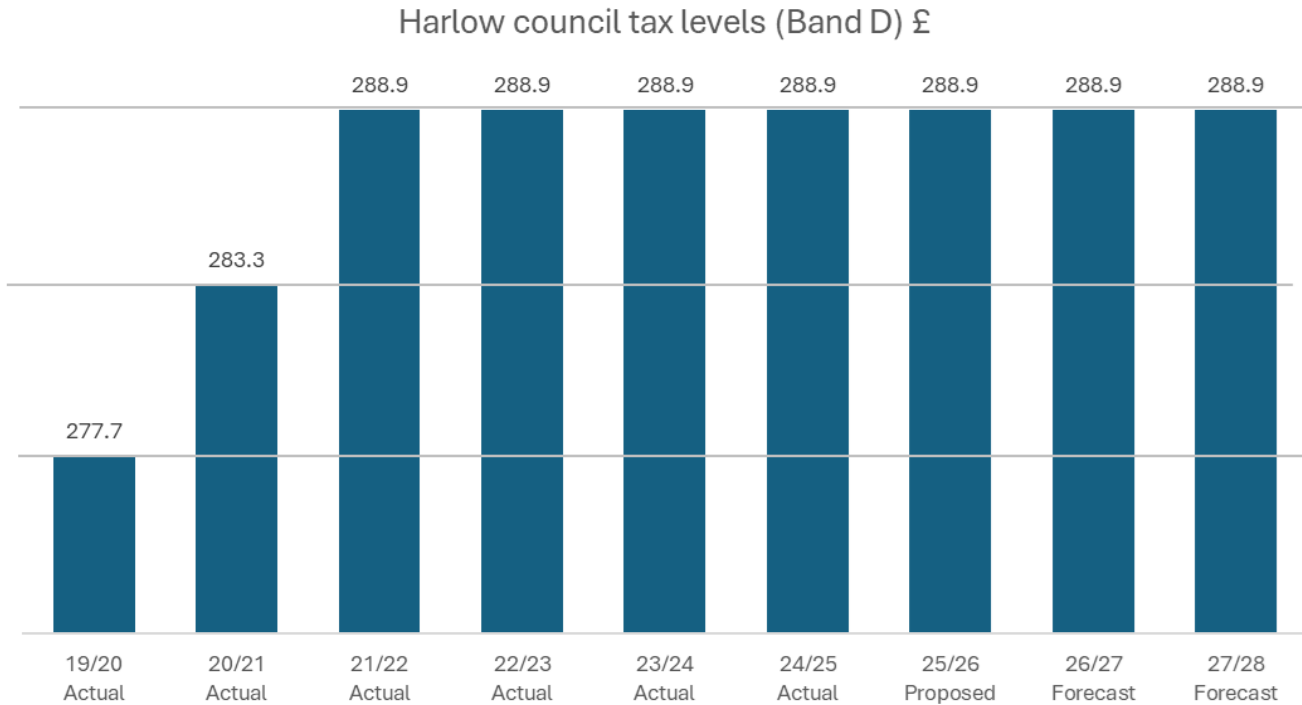
## Council Tax

27. The MTFP agreed by Full Council in February 2022 was based on a 0% council tax increase in the HDC element of council tax for 2022/23, 2023/24 and 2024/25. This was also implemented through the respective General Fund budgets for 2022/23, 2023/24 and 2024/25.

28. The final Local Government Finance Settlement (LGFS) published on 4 February 2025 has confirmed that the maximum permissible increase for 2025/26 will be 3 percent (or £5 whichever is the greater).

29. The budget proposals set out in this report and the MTFP continue to plan for a 0% council tax increase in the Harlow Council element of council tax for the period of the MTFP as can

be seen in the graph below. This has also been proposed in the General Fund budget for 2025/26.



30. The council’s 2025/26 tax base (the number of Band D equivalent dwellings in the area), which is used to determine the level of council tax charged to each dwelling by the council and the preceptors, has been calculated as 29,297.58 (2024/25 – 28,753.00).

31. The council is required to forecast the surplus or deficit on the council tax element of the Collection Fund (the account which contains the amounts collected from taxpayers and distributed to local authorities) at 31 March 2025. This amount has been forecast to be £0.244 million surplus as can be seen in Appendix A.

32. The final composite level of council tax depends on decisions by Essex County Council and the Essex Police, Fire and Crime Commissioner. Both bodies met on the 13 February and 4<sup>th</sup> February respectively to set their precepts. The final Band D equivalents for 2025/26 will be:

	<b>Band D</b>			
	<b>2024/25</b>	<b>2025/26</b>	<b>Change</b>	<b>Change</b>
	£	£	£	%
Harlow District Council	288.90	288.90	0.00	0.00%
Essex County Council	1,522.53	1,579.59	57.06	3.75%
Police, Fire and Crime Commissioner	246.42	260.37	13.95	5.66%
Essex Police, Fire and Crime Commissioner	82.62	87.57	4.95	5.99%
Fire and Rescue Authority	82.62	87.57	4.95	5.99%
	<b>2,140.47</b>	<b>2,216.43</b>	<b>75.96</b>	<b>15.40%</b>

33. Full Council will meet on 27 February 2025 to approve the composite council tax and the formal council tax resolution.

### **Business Rates**

34. The council is also required to forecast the surplus or deficit on the Business Rates element of the Collection Fund at 31 March 2025. The surplus has been forecast to be £0.018 million as at 31 March 2025 and more detail is included within Appendix A.

35. Cabinet has previously been advised of the high risk of year-on-year income variations in Business Rates income, and the council has established a reserve to mitigate against such volatility. Funding is proposed to be drawn down from the reserve in to offset the impact of any future accumulated deficits when required.

36. However, the future year income for 2025/26 is forecasted to be £4.25 million.

### **Income – Fees & Charges**

37. The council has limited means to charge for some of the services it provides. Some of these charges are statutory and are set by central government, but the council has discretion over the levels of others. There are thousands of fees and charges across all service areas all of which have been individually reviewed to form these proposals.

38. A full list of the proposed 2025/26 fees and charges has been included within Appendix B of this report, they have been split out into statutory and discretionary fees and charges to make it easier to understand the council obligations and where increases are mandated or left to local discretion.

39. For 2025/26 fees and charges proposals consider the ongoing economic conditions and their impact upon income streams, existing income targets and the wider impact of increases in businesses and residents. Where possible nearly all fees and charges have remained frozen. Key highlights in respect of fees and charges include:

- Freezing of all council-owned parking charges and protection of the one-hour free parking provision.
- No introduction of charges for use of the council's discretionary services such as Pets' Corner, the Harlow Museum or the padding pools and splash parks ensuring they remain completely free-to-use.
- Freezing of charges which would otherwise impact local businesses such as taxi licensing costs.
- Small but proportionate increases to reflect the increased cost of service provision such as land charges, recovering abandoned vehicles and abandoned shopping trollies.

## **Pay Policy Statement**

40. Incidental to the council's staffing budgets is the council's Pay Policy Statement which must be prepared annually and approved by the council before the 31 March of the preceding financial year. The statement relates to the remuneration of chief officers and of the lowest-paid employees; and the relationship between the remuneration of chief officers and of all other staff. The statement is attached as Appendix C to the report as is fully compliant with the council's statutory requirements.

## **Robustness of Estimates**

41. The council's Section 151 Officer is required by statute to report to the council, when it is considering the budget and level of council tax, on the robustness of the estimates made. The council must have regard to the report when making its decisions.

42. The council's Section 151 Officer reports that, following consultation with senior officers of the council, it is their view that the estimates contained in this report are reasonable, robust and based on prudent assumptions. Nevertheless, as outlined in Appendix A to the report, there are a number of risks and opportunities that will require careful and ongoing management.

## **General Fund working balances**

43. The table shows the General Fund Budget and General Fund Reserve taking into account in-year changes arising from consideration of the budget monitoring position reported to Cabinet in February 2025.

44. The council's Section 151 Officer is required by statute to report to Full Council on the adequacy of its reserves when the budget and council tax are set. The report is attached as Appendix A. It recommends that the minimum level of the (the General Fund balance) is set at £2.5 million to reflect adequate provision to meet known or potential future risks.

45. The General Fund balance as at 31 March 2024 is £3.969 million and will be updated following the 2024/25 year-end position.

	<b>2024/25 Forecast £'000</b>	<b>2025/26 Budget £'000</b>	<b>2026/27 Budget £'000</b>	<b>2027/28 Budget £'000</b>
<b>Net Budget Requirement</b>	14,594	16,626	14,805	14,667
<b>Total Funding</b>	(6,619)	(8,162)	(6,327)	(6,147)
<b>Council Tax Requirement</b>	<b>(8,307)</b>	<b>(8,464)</b>	<b>(8,477)</b>	<b>(8,520)</b>
<b>Funding Gap/(Surplus)</b>	(332)	<b>0</b>	<b>0</b>	<b>0</b>
<b>GF Balance Brought forward (forecasted)</b>	3,969	4,301	4,301	4,301
<b>(Deficit)/Surplus</b>	332	0	0	0
<b>Closing Balance</b>	<b>4,301</b>	<b>4,301</b>	<b>4,301</b>	<b>4,301</b>

## Implications

### Equalities and Diversity

This report is to approve the MTFP for Harlow Council but does not require an Equality Assessment as the recommendations will not have a disproportionate adverse impact on anybody with a protected characteristic. Individual schemes and projects that come forward may require an equality impact assessment.

### Climate Change

This report has no direct impact on climate change, however individual projects and service will have an impact and would have been considered within the commentary of the report.

### Finance

The MTFP is a key component in the efficient and effective management of the council's financial resources. Financial implications are contained within the report.

Author: Jacqueline Van Mellaerts, Assistant Director – Finance and Section 151 Officer

### Governance

The MTFP is part of the budgetary framework that is set out within the constitution. It is required to be reviewed on an annual basis and approved by Full Council.

Author: Julie Galvin, Legal Services Manager

## Appendices

Appendix A – Medium-Term Financial Plan & General Fund Budget 2025/26

Appendix B – Fees and Charges 2025/26

Appendix C – Pay Policy Statement 2025/26



## **Background Papers**

None.

## **Glossary of terms/abbreviations used**

MTFP – Medium Term Financial Plan  
Further terms are included within Appendix A