

North East Derbyshire District Council

Cabinet

16 April 2026

Medium Term Financial Plan Update – Final Settlement

**Report of Councillor P R Kerry, Deputy Leader of the Council and Portfolio Holder
for Strategic Leadership & Finance**

Classification: This report is public

Report By: **Jayne Dethick, Director of Finance and Resources (S151
Officer)**

Contact Officer: **Jayne Dethick**

PURPOSE/SUMMARY

To present Cabinet with an update on the Medium Term Financial Plan following release of the final Financial Settlement.

RECOMMENDATIONS

1. That Cabinet note the report

Approved by Cllr P Kerry, Deputy Leader with responsibility for finance.

IMPLICATIONS

Finance and Risk: Yes No

Details:

These changes update the funding assumptions within the Medium-Term Financial Plan in line with the approved budget and policy framework.

On Behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

There are no legal issues arising directly from this report.

On Behalf of the Solicitor to the Council

Staffing:

Yes

No

Details:

There are no staffing issues arising directly from this report.

On Behalf of the Head of Paid Service

DECISION INFORMATION

| Decision Information | |
|--|--|
| Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: NEDDC: Revenue - £125,000 <input type="checkbox"/> Capital - £310,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No |
| Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In) | No |
| District Wards Significantly Affected | None |
| Equality Impact Assessment (EIA) details: | |
| Stage 1 screening undertaken Completed EIA stage 1 to be appended if not required to do a stage 2 | No, not applicable, report for noting. |
| Stage 2 full assessment undertaken Completed EIA stage 2 needs to be appended to the report | No, not applicable |
| Consultation: Leader / Deputy Leader <input type="checkbox"/> Cabinet <input type="checkbox"/> SMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/> | No Details: |

Links to Council Plan priorities;

- A great place that cares for the environment
- A great place to live well
- A great place to work
- A great place to access good public services

All

REPORT DETAILS

1 Background

- 1.1 The Provisional Local Government Finance Settlement was announced in December and provided an initial allocation of funding for the forthcoming financial year. The Final Settlement was confirmed in February.

2. **Update to Medium Term Financial Plan (MTFP)**

- 2.1 The 2026/27 budget and the financial projections in respect of 2027/28 to 20209/30 were approved by Council in January 2026. As in previous years, this was based on the draft Local Government Finance Settlement.
- 2.2 Typically, the final settlement is issued in early February. This year, however, it was issued much later (20 February). Late settlements are difficult for local authorities to manage because budgets are often already approved, or in the final stages of preparation. In addition, it is usual for any changes between the provisional and final settlements to be minor and technical in nature and not reduce an authority's allocation.
- 2.3 Unfortunately, this year there have been more changes in funding distribution than in previous years, and these changes are material. The main changes that impact on the Council's MTFP are detailed below:

Business rates pooling roll-in - The Ministry of Housing, Communities and Local Government (MHCLG) has belatedly identified that an incorrect methodology was used to roll the pooling gains into the 2025/26 business rates baseline. In the provisional settlement, the pooling gains were allocated entirely to tariff authorities and were not shared with top-up authorities. The decision to change the methodology for distributing the pooling gains is correct, but it has a material impact on the revenue support grant and funding floor allocations for those affected councils.

Adjustment Support Grant - MHCLG also recognised that it was not reasonable to reduce any authority's funding between the provisional and final settlements. Many district councils were adversely affected by the change in the BR pooling distribution. Therefore, MHCLG introduced a new one-year grant to ensure that no authority has a lower final settlement without time to plan for a change in financial circumstances.

- 2.4 The correction by MHCLG changes the funding assumptions in the current MTFP. There is no impact to the approved 2026/27 budget as the Adjustment Support Grant ensures that no council is worse off because of the change. The changes to the assumptions for future years have been made within the wider financial plan, in line with the budget and policy framework. Only core spending budgets and use of reserves are affected. All other budgets remain as approved in the MTFP. Future impact will be kept under review and reported through the budget monitoring and reporting processes in place. Appendix 1 details the impact of the funding changes.

3 Reasons for Recommendation

- 3.1 To ensure that the Cabinet is kept informed of the latest position concerning the MTFP.

4 **Alternative Options and Reasons for Rejection**

4.1 This report is for noting the amended position of the MTFP therefore no alternative options are required.

DOCUMENT INFORMATION

| Appendix No | Title |
|--|---------------------------------------|
| Appendix 1 | Comparison Table MTFP 2026/27–2029/30 |
| Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet you must provide copies of the background papers) | |
| None | |

| Appendix 1 | Provisional Settlement | | | | Final Settlement | | | | Funding Difference | | | |
|--------------------------------|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|-----------------|-----------------|
| | Original Budget | Planning Budget | Planning Budget | Planning Budget | Original Budget | Planning Budget | Planning Budget | Planning Budget | Original Budget | Planning Budget | Planning Budget | Planning Budget |
| | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2026/27 | 2027/28 | 2028/29 | 2029/30 |
| £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Business Rates | (3,494,078) | (3,661,414) | (3,833,937) | (4,011,760) | (3,494,078) | (3,661,414) | (3,833,937) | (4,011,760) | 0 | 0 | 0 | 0 |
| Recovery Grant | (203,179) | (203,179) | (203,179) | 0 | (203,179) | (203,179) | (203,179) | 0 | 0 | 0 | 0 | 0 |
| 100% Income Protection Floor | (208,656) | (510,122) | (836,536) | 0 | 0 | (50,204) | (135,899) | 0 | 208,656 | 459,918 | 700,637 | 0 |
| Adjustment Support Grant | 0 | 0 | 0 | 0 | (685,000) | 0 | 0 | 0 | (685,000) | 0 | 0 | 0 |
| Revenue Support Grant | (4,819,290) | (4,150,340) | (3,442,530) | (3,539,750) | (4,342,946) | (3,875,997) | (3,379,761) | (3,448,553) | 476,344 | 274,343 | 62,769 | 91,197 |
| Core Settlement Funding | (8,725,203) | (8,525,055) | (8,316,182) | (7,551,510) | (8,725,203) | (7,790,794) | (7,552,776) | (7,460,313) | 0 | 734,261 | 763,406 | 91,197 |