

<b>Scrutiny Board:</b>	Budget and Corporate Scrutiny Management Board
<b>Report Title</b>	Medium Term Financial Strategy – Conclusions and Feedback and to the Executive
<b>Date of Meeting</b>	11 December 2025
<b>Report Author</b>	Stephnie Hancock Deputy Democratic Services Manager
<b>Lead Officer</b>	Alex Thompson Executive Director Finance and Transformation
<b>Wards Affected</b>	(All Wards);
<b>Identify exempt information and exemption category</b>	N/A

## **1. Executive Summary**

- 1.1 From 15<sup>th</sup> October 2025 a six week public consultation took place on the proposals set out in the draft Medium-Term Financial Strategy and Budget 2026/27.
- 1.2 As part of this consultation process, the Budget and Corporate Scrutiny Management Board held a series of meetings (23<sup>rd</sup> and 28<sup>th</sup> October and 5<sup>th</sup> and 13<sup>th</sup> November 2025) to consider the proposals. Cabinet members and executive directors attended the meetings to set out their respective proposals and rationale for such and respond to questions of the Board.

## **2. Recommendation**

That the Board determines what feedback it wishes to give, and any recommendations it wishes to make to the Cabinet on the proposals set out in the Medium Term Financial Strategy and Budget 2026/27.

### **3. Background and Context**

- 3.1 The Medium-Term Financial Strategy (MTFS) shows how the Council can deploy resources to achieve its strategic objectives, as set out in the Council Plan. It shows how expenditure and income budgets must change to ensure services are adequate to address local need and meet financial pressures from inflation and increasing demand. The immediate objective of the updated MTFS is focused on achieving a balanced budget for 2026/27 whilst protecting services provided to vulnerable children and adults.
- 3.2 In February 2025, the Council approved its Medium-Term Financial Strategy (MTFS), which included a balanced budget for the 2025/26 financial year and indicative financial estimates and efficiency and income generation proposals for 2026/27.
- 3.3 Since February 2025, the MTFS has been regularly reviewed and, during the current financial year, a budget shortfall for 2026/27 has emerged. This reflects ongoing refinement and testing of initial planning assumptions.
- 3.4 As at October 2025, there remains a forecast deficit position for 2026/27, and therefore a suite of additional efficiency and income generation proposals have been developed in order to address the forecast budget shortfall.
- 3.5 The efficiency and income generation proposals, and all other financial proposals relating to each portfolio area, were presented to the Budget and Corporate Scrutiny Management Board throughout October and November for consideration and comment.
- 3.6 A revised MTFS will be presented to Cabinet and Full Council in February 2026, following receipt of feedback from the budget consultation exercise, feedback from the Budget and Corporate Scrutiny Management Board, and following the receipt of the Local Government Finance Settlement.

### **4. Consultation**

- 4.1 The Board was consulted on the proposed budget for 2026/27 as part of a six-week public engagement exercise which ran from 15<sup>th</sup> October 2025.

### **5. Financial Implications**

- 5.1 Any financial implications associated with the Board's recommendations will be fully explored by the portfolio holder.

### **6. Legal and Governance Implications**

7. Effective scrutiny of the council's financial position and strategy is integral to the council's ability to achieve a sustainable budget that is aligned to its strategic priorities.
8. Any legal and governance implications associated with the Board's recommendations will be fully explored by the portfolio holder.

## **9. Risks**

- 9.1 Any risk implications associated with the Board's recommendations will be fully explored by the portfolio holder.

## **10. Equality and Diversity Implications (including the public sector equality duty)**

- 10.1 Any equality and diversity implications associated with the Board's recommendations will be fully explored by the portfolio holder.

## **11. Other Relevant Implications**

- 11.1 The implications of any recommendations made by the Board will be fully explored by the portfolio holder.

## **12. Background Documents**

- 12.1 Medium-Term Financial Strategy and Budget 2025/26 and Council Tax Resolution 2025/26 – 25th February 2025.
- 12.2 Minutes of the meetings of the Board held on 23<sup>rd</sup> and 28<sup>th</sup> October and 5<sup>th</sup> and 13<sup>th</sup> November 2025.

## **13. How does this deliver the Outcomes in the Council Plan?**

- 13.1 The financial position of the authority determines the affordability of all of the authority's activities. This underpins the resources available to achieve the objectives of the Council Plan.