

## **STRATEGIC FINANCIAL PLANNING FOR 2025/26 BUDGET**

<b>Head of Service:</b>	Brendan Bradley, Chief Finance Officer
<b>Report Author:</b>	Brendan Bradley
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?</b>	No
<b>Appendices (attached):</b>	Appendix 1 – Draft Minutes of Financial Strategy Advisory Group dated 12 July 2024 Appendix 2 – Report to Financial Strategy Advisory Group 12 July 2024.

### **Summary**

This report recommends budget targets for 2025/26 and provides an update on financial planning for 2026/27 to 2028/29 as recommended by Financial Strategy Advisory Group.

### **Recommendation(s)**

#### **That the Committee agrees:**

- (1) To note the recommendations of Financial Strategy Advisory Group held on 12 July 2024;**
- (2) The proposed approach to 2025/26 budget setting as set-out in the report to Financial Strategy Advisory Group at Appendix 2, in particular;**
  - That officers work to progress the workstreams set out in section 7 of Appendix 2 to produce specific income generation and savings options, in addition to savings already targeted, to meet the projected budget deficit of £720,000 per annum by 2028/29;**
  - That the proposed Five Year Plan and the budget process are aligned to ensure that any commitments are affordable;**
  - The budget reporting timetable as supported by Financial Strategy Advisory Group.**

# Strategy & Resources Committee

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### 1 Reason for Recommendation

- 1.1 Approving the recommendations will provide a clear framework for the Council to develop its budget for 2025/26. Strategy and Resources Committee has agreed one of its key priorities is to achieve financial stability for the Council.

### 2 Background

- 2.1 At its meeting on 12 July 2024, Financial Strategy Advisory Group received detailed financial analysis of the Council's budget position, including forecasts for the next four years, in the attached Strategic Financial Planning Report at Appendix 2. Having considered the report, FSAG advises Strategy and Resources Committee to agree the recommendations of this report.

### 3 Proposals

- 3.1 That the Committee agrees the budget targets recommended by Financial Strategy Advisory Group.

### 4 Risk Assessment

Legal or other duties

#### 4.1 Equality Impact Assessment

- 4.1.1 None arising from the contents of this report.

#### 4.2 Crime & Disorder

- 4.2.1 None arising from the contents of this report.

#### 4.3 Safeguarding

- 4.3.1 None arising from the contents of this report.

#### 4.4 Dependencies

- 4.4.1 The Council's Five Year Plan should be set to be deliverable within the Council's available financial resources.

#### 4.5 Other

- 4.5.1 The financial risks for budgets over the next four years are set out in the [Medium Term Financial Strategy 2024-2028](#), agreed at Full Council in February 2024.

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4.5.2 There is particularly heightened risk around commercial property and leisure centre income in the current environment. Should a tenant leave or rent reductions have to be agreed to retain them, the Council's budget deficit could increase significantly (this applies both for property owned by the Council and its subsidiary, EEPIC), and in the event of tenant departure, the Council would become liable for running and maintenance costs while a new tenant is found. To mitigate this risk, officers proactively engage with tenants and the Council holds the Property Income Equalisation Reserve as a buffer to mitigate the risk of income loss in the short term.

4.5.3 In addition, the risk of increasing homelessness expenditure remains significant, with the Council pursuing its Homelessness Reduction Action Plan to mitigate this pressure.

### 5 Financial Implications

5.1 All financial implications are set-out in the report to Financial Strategy Advisory Group at Appendix 2.

5.2 **Section 151 Officer's comments:** The 2025/26 budget must ensure that the Council's finances are sustainable whilst delivering the priorities of the Council. It is important that the budget target recommendations be agreed to provide a framework for maintaining the future financial health of the Council.

### 6 Legal Implications

6.1 Any relevant legal implications are set-out in the report to Financial Strategy Advisory Group at Appendix 2.

6.2 **Legal Officer's Comments:** None arising from the contents of this report.

### 7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged: Effective Council.

7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

7.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.

7.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.

7.5 **Partnerships:** None arising from the contents of this report.

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### 8 Background papers

8.1 The documents referred to in compiling this report are as follows:

**Previous reports:**

- 2024/25 Budget Report to Full Council, February 2024
- 2025/26 Strategic Financial Planning report to Financial Strategy Advisory Group, July 2024.

**Other papers:**

- [Medium Term Financial Plan 2024-2028](#)