

2026/27 STRATEGIC FINANCIAL PLANNING

Head of Service:	Cagdas Canbolat, Director of Corporate Services and Section 151 Officer (Chief Finance Officer)
Report Author:	Cagdas Canbolat
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1 – Draft Minutes of Financial Strategy Advisory Group dated 27 June 2025 Appendix 2 – Report to Financial Strategy Advisory Group 27 June 2025 Appendix 3 – Review of Reserves report to Financial Strategy Advisory Group 27 June 2025

Summary

This report recommends budget targets for 2026/27 and provides an update on financial planning for 2027/28 to 2028/29 as recommended by Financial Strategy Advisory Group.

Recommendation(s)

- (1) To accept the recommendations of Financial Strategy Advisory Group held on 27 June 2025 as set out in Appendix 1, and ;**
- (2) Agree the amendment to the Medium-Term Financial Strategy position and note the budget gap for the relevant years as set out in table 4.2 in Appendix 2.**
- (3) Agree the proposed Medium-Term Financial Strategy is in line with council priorities, prudent and sets a framework for a strong financial control.**
- (4) To recommend to Full Council the proposed changes to the General Fund unallocated reserve levels set out in section 4.13 of Appendix 3.**

Strategy & Resources Committee

15 July 2025

1 Reason for Recommendation

- 1.1 Strategy and Resources Committee has agreed one of its key priorities is to achieve financial stability for the Council. The report provides a framework of the challenges the council is experiencing and the work that needs to be done to address some of the immediate challenges.
- 1.2 Approving the recommendations will provide a clear framework for the Council to set a balanced budget for 2026/27 as required by law

2 Background

- 2.1 At its meeting on 27 June 2025, Financial Strategy Advisory Group received detailed financial analysis of the Council's budget position, including forecasts for the next three years, in line with the Spending Review period published by the government, see 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 notes the financial gap and 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 strategic priorities should be set to be deliverable within the Council's available financial resources.

- 4.5 Other

- 4.5.1 None arising from the contents of this report.

5 Financial Implications

Strategy & Resources Committee

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- 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 council must set a balanced budget for 2026/27 as required by law and ensure that the Council's finances are sustainable whilst delivering the priorities of the Council.

6 Legal Implications

- 6.1 The Council has a statutory responsibility to set a balanced budget each year.
- 6.2 The provisions of section 25 of the Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance (s.151) Officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. The report will be formally made to the Council's budget setting meeting in February.
- 6.3 In accordance with Full Council Rule (FCR) 14.2, recommendation 3 relates to a decision taken by Full Council on 6 May 2025; in order to revisit that decision, this Committee must consider if it wishes to recommend to Full Council the proposed recommendation at its July meeting in order to comply with FCR 14.2(ii) and be a valid change respectful of this Council's Standing Orders.
- 6.4 **Monitoring 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:** Funding of the Climate Change Action Plan is determined on a business case basis, as funding opportunities arise.
- 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.
- 7.6 **Local Government Reorganisation Implications:**

8 Background papers

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

Strategy & Resources Committee

15 July 2025

Previous reports:

- [2025/26 Budget Report to Full Council, February 2025.](#)
- [2026/27 Strategic Financial Planning report to Financial Strategy Advisory Group, June 2025.](#)
- [Review of Reserves report to Financial Strategy Advisory Group, June 2025.](#)

Other papers:

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