

| Bath & North East Somerset Council | |
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| MEETING: | Corporate Policy Development & Scrutiny Panel |
| MEETING: | 25th November 2025 |
| TITLE: | 2026/27 Medium Term Financial Strategy |
| WARD: | All |
| AN OPEN PUBLIC ITEM | |
| <p>List of attachments to this report:</p> <p>Appendix 1: Medium Term Financial Strategy 2026/27 Cabinet Report</p> <p>Appendix 2: Medium Term Financial Strategy 2026/27 – 2030/31</p> | |

1 THE ISSUE

- 1.1 The Medium Term Financial Strategy was considered by the Cabinet at their 13th November 2025 meeting. It sets out the strategic direction and priorities for the Council as well as outlining the financial context and challenges the Council faces over the next five years.

2 RECOMMENDATION

The Panel is asked to;

- 2.1 Note and discuss the Medium Term Financial Strategy.

3 THE REPORT

- 3.1 The Medium Term Financial Strategy 2026/27 – 2030/31 Cabinet report and supporting appendices is included as the appendices to this paper and for Panel consideration.

- 3.2 The report sets out the current financial challenge, strategic direction and financial priorities for the Council, as well as the financing mechanisms available to the Council to achieve this. The key sections of the report for Corporate Policy Development and Scrutiny to review and discuss are:

- Section 5 – The Current financial position 2025/26
- Section 6 – The Drivers of Demand
- Section 7 – Outlook for Government Grant Funding
- Section 8 – Council Tax

- Section 9 & 10 – The Financial outlook and managing the strategy
- Section 11 – Corporate Strategy and Council priorities

- 3.3 The final detail of the budget will need to be informed by the Chancellors budget statement on 26th November 2025 and the 2026/27 provisional settlement from Government to Councils expected in December. The settlement will include the impacts of the new government mechanism for allocating grants to local government through a new funding formula as part of their “Fair Funding” proposals. The MTFS has been based on an interpretation of the initial government consultation proposals which have been modelled and validated externally in the absence of any specific local authority figures being provided by government.
- 3.4 The MTFS therefore assumes fair funding will be implemented as proposed over the medium term and that it will have a significant negative impact on the Council’s financial position. Along with prior years cuts to funding, constraints will continue and budget options will therefore be guided by the priority areas of service delivery as set out in the Corporate Strategy.
- 3.5 We will be making more information available on our budget plans following the budget announcement and provisional settlement and this will also be subject to scrutiny by the Corporate Policy Development and Scrutiny Panel.

4 STATUTORY CONSIDERATIONS

- 4.1 The annual Medium Term Financial Strategy and planning process allocates resources across services with alignment of these resources towards the Council’s corporate priorities.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 These are contained throughout the attached report and appendices.

6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 6.2 The Medium Term Financial Strategy includes a section on specific risks.

7 CLIMATE CHANGE

- 7.1 This is an information only report about the Council’s Medium Term Financial Strategy, it therefore does not include any decisions that have a direct impact on Climate Change.

8 OTHER OPTIONS CONSIDERED

- 8.1 None

9 CONSULTATION

9.1 The Cabinet Member for Resources has been consulted on the drafting of the MTFS report as well as the Chief Executive and Monitoring Officer.

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| Background papers | Budget and Council Tax 2025/26 and Financial Outlook – Council Agenda February 2025 2025/26 Quarter 2 Revenue and Capital Budget Monitoring. |
| Please contact the report author if you need to access this report in an alternative format | |