

# Bath & North East Somerset Council

MEETING:	<b>Corporate Policy Development &amp; Scrutiny Panel</b>
MEETING:	<b>17<sup>th</sup> September 2024</b>
TITLE:	<b>2025/26 Medium Term Financial Strategy</b>
WARD:	All
<b>AN OPEN PUBLIC ITEM</b>	
<b>List of attachments to this report:</b> Appendix 1: Medium Term Financial Strategy 2025/26 Cabinet Report	

## 1 THE ISSUE

- 1.1 The Medium Term Financial Strategy was considered by the Cabinet at their 12<sup>th</sup> September 2024 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 2025/26 – 2029/30 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 2024/25
- Section 6 – The Drivers of Demand
- 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 30<sup>th</sup> October 2024 and the 2025/26 provisional settlement from Government to Councils. Whilst we are expecting the full detail in December the estimates in the strategy are largely based on a rollover funding package for 2025/26 given the current national fiscal constraints.
- 3.4 The focus is on the delivery of the second year of a two-year balanced budget agreed in February 2024, whilst recognising new and emerging risks that may require further action and development of new savings and income plans. At this stage uncertainty remains for next year following a change in government with Council financial settlements currently under review. The MTFS assumes that despite significant cuts in previous years funding, constraints will continue and 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.

<b>Contact person</b>	Andy Rothery, Executive Director - Resources (S151 Officer) (01225 477103)  Gary Adams, Head of Financial Management (01225 477107)
<b>Background papers</b>	2024/25 Revenue and Capital Budget Setting reports,  2023/24 Revenue and Capital Outturn Report,  2024/25 Quarter 1 Revenue and Capital Budget Monitoring.
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