

# Bath & North East Somerset Council

MEETING	<b>Cabinet</b>	
MEETING DATE:	<b>12 September 2024</b>	EXECUTIVE FORWARD PLAN REFERENCE:
		<b>E 3564</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> <b>Appendix 1 – Medium Term Financial Strategy</b> <b>Appendix 2: (i) 2025/26 to 2027/28 Budget Savings and Income proposals &amp; (ii) 2025/26 to 2027/28 Funding Requirements.</b>		

## 1 THE ISSUE

1.1 The Medium Term Financial Strategy (MTFS) 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 and the strategy that will be used to inform its annual budget process.

## 2 RECOMMENDATION

**The Cabinet is asked to;**

2.1 Approve the attached Medium Term Financial Strategy in Appendix 1.

## 3 THE REPORT

3.1 The Medium Term Financial Strategy (MTFS) provides the framework for strategic planning, articulating the organisation's key aims and ambitions and guiding our activities with medium term budget setting and planning. This 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.

3.2 The MTFS models future years funding requirement for the Council's revenue budget and identifies where there are income shortfalls that require new savings plans. The strategy sets out the approach to address funding gaps prior to budget setting and the associated risks. Due to the financial challenges the Council faces, the MTFS sets out the strategic management options based on the high level planning assumptions used in the MTFS budget forecast.

3.3 The focus is on the delivery of the second year of a two-year balanced budget, as presented to Council 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.

#### **4 STATUTORY CONSIDERATIONS**

4.1 The Medium Term Financial Strategy as outlined is part of the preparation for the budget and Council Tax setting for 2025/26 which will be considered by this Council in February 2025. Equality analysis will be carried out on specific budget proposals as part of that process.

#### **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

5.1 The resource implications are outlined within the Medium Term Financial Strategy attached to this report.

#### **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 The Corporate Strategy highlights that “Addressing the Climate Emergency” is one of the key themes reflected in the administration’s priorities. This includes plans to work with local communities to deliver the Council resolution agreed in March 2019 to declare a climate emergency, and for the area to become carbon neutral by 2030.

#### **8 OTHER OPTIONS CONSIDERED**

8.1 The supporting paper outlines options for balancing future budgets.

#### **9 CONSULTATION**

9.1 A consultation plan is being prepared to ensure stakeholder engagement for the key aspects of the strategy and this will take place in the autumn period, including engagement sessions.

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**Background  
papers**

Budget and Council Tax 2024/25 and Financial Outlook –  
Council Agenda February 2024

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