

**Report of the Portfolio Holder for Resources and Personnel Policy****Medium Term Financial Strategy 2024/25 to 2028/29 and Business Strategy 2025/26****1. Purpose of Report**

To approve the Council's updated Medium Term Financial Strategy and the delivery of the latest Business Strategy.

**2. Recommendation**

**Cabinet is asked to RESOLVE that the updated Medium Term Financial Strategy and the Business Strategy 2025/26 be approved.**

**3. Detail**

As reported to Cabinet on 23 July 2024, there was an underspend of £1.826m on the General Fund revenue budget in 2023/24 resulting in a General Fund balance of £6.060m as at 31 March 2024. This was predominantly due to a variety of underspends, additional income, budget carry forwards, changes in provisions, government grants and effective financial management across the Council.

There are a number of significant issues concerning local government finance that will have a major impact upon the financial position of this Council. These include the prevailing economy; the financial impact of inflation on pay and prices; uncertainty on the outcome of financial settlements from central government; and the delayed Fair Funding Review that intends to review the level of Business Rates retention. Further details of these and how they may impact upon the General Fund, Housing Revenue Account and the Capital Programme are set out in **Appendix 1**.

It is important to highlight two significant budget pressures continuing to impact on the Council's 2024/25 and 2025/26 budgets, namely the level of pay awards (the 2024/25 pay award has not yet been agreed by the unions) and inflationary pressures on the cost of energy, fuel, construction and property services.

The Medium Term Financial Strategy (MTFS) is the Council's key financial planning document. An updated MTFS based upon the latest information and assumptions is set out in **Appendix 2**.

In order to address the financial challenges facing the Council, a Business Strategy is maintained that sets out initiatives that will be pursued to reduce costs, generate additional income and/or improve services. A number of these

initiatives have already been implemented and were taken into account in the production of the 2024/25 budget. Further details of the Business Strategy 2025/26 are set out in **Appendix 3** for consideration.

4. Key Decision

This report is a key decision as defined under Regulation 8 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 as it will result in the Council incurring revenue or capital expenditure or savings of £250,000 or more and be significant in terms of its effects on communities living or working in an area comprising two or more Wards or electoral divisions in the Council's area.

5. Updates from Scrutiny

No applicable.

6. Financial Implications

The comments from the Head of Finance Services were as follows:

The financial implications are included in the report narrative and appendices.

7. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

The Local Government Act 2003 places a duty on a local authority's Chief Finance Officer to advise on the robustness of the proposed budget and the adequacy of reserves. The Medium Term Financial Strategy is a policy framework document that is required by law to be adopted by Council.

8. Human Resources Implications

Not applicable.

9. Union Comments

Not applicable.

10. Climate Change Implications

The Council's response to Climate Change is a key consideration as part of the budget setting process.

11. Data Protection Compliance Implications

This report does not contain any OFFICIAL(SENSITIVE) information and there are no Data Protection issues in relation to this report.

12. Equality Impact Assessment

As there is no change to policy an equality impact assessment is not required.

13. Background Papers

Nil.