



Dale Owens, Chief Executive

EXECUTIVE SUMMARY

1. The purpose of the report is to recommend to Council the approval of the Medium-Term Financial Strategy (MTFS) 2025/26 to 2029/30 including the proposed MTFS principles and the medium-term financial context as set out in this report and appendix.
2. Based on estimates outlined in this report, the Council estimates that overall, it will need to close a cumulative financial gap of £34.4m by 2029/30. The MTFS assumes positive interventions to manage demand and cost pressures in social care totalling £13.4m and proposed use of reserves of £12.5m over years 2025/26 to 2026/27 to allow smoothing of transformation work to deliver these interventions. Alongside proposed budget efficiencies totalling £6.1m, this leaves unidentified savings of £14.8m to deliver a sustainable MTFS,
3. The MTFS reflects a balance between long-term and short-term planning; the longer-term transformational and demand management interventions alongside the short-term immediacy of a legally balanced budget for 2025/26.
4. A detailed review of the reserves will be undertaken as part of the budget and council tax setting.
5. The Council recognises that the use of reserves is one-off in nature and must be linked with expenditure and income plans to support financial sustainability in the medium term. Therefore, using reserves to balance the budget requires there to be a planned pipeline of budget cuts and efficiencies to achieve a balanced budget in future years. The Capital Strategy and Plan and Housing Revenue Account Business Plan will also be aligned and prioritised to ensure affordability and to manage strategic risks.

RECOMMENDATION

It is recommended that Council:

- i. Approve the Medium-Term Financial Strategy for 2024/25 to 2029/30 and the medium-term financial context as set out in the attached report and appendix, including the MTFS principles and the Reserves Policy.