

Brighton & Hove City Council

Audit, Standards and General Purposes Committee

Agenda Item 25

Subject: Progress report on budget setting

Date of meeting: 23rd September 2025

Report of: Director of Finance and Property

Contact Officer: John Hooton
Email: john.hooton@brighton-hove.gov.uk

Haley Woollard
Email: haley.woollard@brighton-hove.gov.uk

Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 The purpose of this report is to update the Committee on the Council's financial position, and consider progress being made setting the budget for 2026 onwards.

2. Recommendations

- 2.1 That the Committee note the contents of this report and the appendix.

3. Context and background information

- 3.1 The Council is setting its budget for April 2026 onwards in an incredibly challenging financial environment. Funding provided by central government to Councils has been cut by approximately 50% since 2010. Over that time, pressures and demand for services, particularly statutory services such as adults and children's social care, and provision of temporary accommodation, have risen significantly. When combined with other factors, such as inflation, this creates a significant challenge for the Council in setting its budget.
- 3.2 The report to Cabinet titled 'General Fund Budget Planning & Resource Update 2026-27 to 2029-30' is appended to this report. It shows that the Council's budget gap is £39.8m for the year 2026/27, and £95m over the 4 year period from 2026 to 2030. This gap is calculated by looking at the difference between the total expenditure the Council is projecting (i.e. costs of running services) set against the total income the Council is projecting to receive (Council Tax, grants from government, fees and charges). The Council is required legally to set a balanced budget each year. Progress on this is ongoing, and the draft budget proposals will be considered by Cabinet in December.

3.3 The Council is required to ensure arrangements for effective financial management and for ensuring that plans are in place to ensure financial sustainability over the long term. It is within the remit of the external audit to consider these arrangements, and also within the remit of the audit and standards committee to scrutinise these arrangements.

3.4 Further details of the Council's current financial position are set out in the July Cabinet report, which is appended to this report.

4. Analysis and consideration of alternative options

4.1 This is a report for information and for noting. Analysis of alternative options are considered in the appendix.

5. Community engagement and consultation

5.1 It is important that engagement takes place with residents, with partners, with businesses and with staff as the Council sets its budget and medium term financial strategy for 2026 onwards.

6. Financial implications

6.1 The financial implications of the council's General Fund forecast budget position over the Medium Term Financial Strategy are included in the main body of the Cabinet report from July 2025 which is appended.

Name of finance officer consulted: Haley Woollard

Date consulted: 12/09/25

7. Legal implications

7.1 There are no direct legal implications arising from this report. The Appendix sets out the more detailed legal implications relating directly to the Cabinet report

Name of lawyer consulted: Elizabeth Culbert

Date consulted: 12/09/25

8. Risk implications

8.1 The risk implications of this report are set out in the Cabinet report.

9. Equalities implications

9.1 As per Cabinet report.

10. Sustainability implications

10.1 As per Cabinet report.

11. Other Implications

11.1 As per Cabinet report.

12. Conclusion

12.1 The Committee is recommended to note and discuss the contents of this report.

Supporting Documentation

Appendices

1. Budget report to Cabinet, July 2025.

