

## Place Overview & Scrutiny Committee

## Agenda Item 51

**Subject:** General Fund Draft Budget and Resources Update – 2026-27 to 2029-30

**Date of meeting:** Monday 19<sup>th</sup> January 2026

**Report of:** Chair of Place Overview & Scrutiny Committee

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**Ward(s) affected:** (All Wards);

**Key Decision:** No

### 1. Purpose of the report and policy context

- 1.1 This report presents the General Fund Draft Budget and Resources Update – 2026-27 to 2029-30 to Place Overview & Scrutiny Committee for its consideration.
- 1.2 The appendices to this report include the General Fund Draft Budget and Resources Update – 2026-27 to 2029-30 (and its appendices) which were considered at Cabinet on 11<sup>th</sup> December 2025.

### 2. Recommendations

- 2.1 That Place Overview & Scrutiny Committee notes the General Fund Draft Budget and Resources Update – 2026-27 to 2029-30 (see appendices) and makes comments or recommendations on these proposals to Cabinet if it so chooses.

### 3. Context and background information

- 3.1 The General Fund Draft Budget and Resources Update – 2026-27 to 2029-30 (Appendix 1) is presented to People Overview & Scrutiny Committee for consideration. The committee may choose to make specific recommendations or comments which will be shared with Cabinet members in advance of Cabinet's consideration of the final budget proposals at the Cabinet meeting on 12th February 2026.

### Updates since the local government financial settlement

- 3.2 The government published the Provisional Local Government Finance Settlement (LGFS) on 17 December 2025. As outlined in Appendix 1, local government funding allocation from 2026/27 onwards has undergone considerable change with the implementation of the Fair Funding Review

(FFR) and a full Business Rates Reset. The changes are significant and complex. Whilst it was not anticipated that the council's core spending power would reduce under the FFR, initial indications and modelling demonstrated that it would not increase as quickly as the prevailing assumptions within the council's Medium Term Financial Strategy. An overall provision had been made for a pressure of £6.700m for the impact of FFR in 2026/27; £6.000m relating to FFR itself, and a further £0.700m for a reduction in Homelessness Prevention Grant.

3.3 The provisional LGFS provided detailed allocations for all local authorities for the period of 2026/27 to 2028/29. A number of changes were made to the allocation methodology, some of which benefited and others which have negatively impacted the Council. The provisional LGFS is expected to result in an additional pressure of £1.500m on the Council's resources for 2026/27. The main drivers of this are as follows:

- New funding floors were introduced for authorities that will suffer the highest reductions in funding, and the government announced they will maintain the Recovery Grant, introduced in 2025/26. The Council will not be in receipt of either of these. This means that the increase in overall funding will be lower than previously modelled as some of the increase will be required to fund these elements that the Council will not receive.
- Newer data on deprivation indices and population will be used to calculate funding needs, both of which moved in the wrong direction for the Council.
- The MTFS had assumed an additional allocation for food waste funding. However, it appears as though the funding is integrated into the provisional LGFS within the overall envelope already announced.

3.4 The 2026/27 remaining budget gap after proposed draft savings as reported to Cabinet in Appendix 1 was £12.481m. The below table outlines changes since the report and the revised budget gap following these changes. Further proposals to close this budget gap are being developed for inclusion in the final budget report.

<b>Table 1: Movement in 2026/27 budget Gap</b>		<b>£'000</b>
As per Appendix 1		12,481
Changes from the Provisional Settlement		1,500
Changes to revenue costs for Digital Strategy (treated as capital)		(500)
Update of service pressures		(118)
<b>Current estimated 2026/27 budget gap</b>		<b>13,313</b>

#### **4. Analysis and consideration of alternative options**

4.1 If Place Overview & Scrutiny members do not agree to make specific recommendations or comments to Cabinet, the draft minutes of the scrutiny meeting will be shared with Cabinet members in advance of Cabinet's consideration of the final budget proposals.

## **5. Community engagement and consultation**

5.1 None undertaken in relation to this report. Members should refer to the Cabinet report (see appendices) for details of community engagement and consultation undertaken in relation to the draft budget proposals.

## **6. Financial implications**

6.1 The detailed financial implications of the 2026/27 General Fund Budget and 2026/27 to 2029/30 Medium Term Financial Strategy are included within the Cabinet report (see appendices). Whilst there are no specific financial implications arising from this report, section 3 provides an update in respect of the Council's allocation under the Provisional Local Government Finance Settlement and the latest budget shortfall in 2026/27.

Name of finance officer consulted: Haley Woppard

Date consulted: 08/01/26

## **7. Legal implications**

7.1 No legal implications arise in relation to this report, which is to note and seek comments from Overview & Community Committee members. Full legal implications in relation to the budget will be set out in the budget report.

Name of lawyer consulted: Elizabeth Culbert Date consulted: 05/01/26

## **8. Equalities implications**

8.1 None specifically to this report. Members are referred to the implications to the Cabinet report (see appendices).

## **9. Sustainability implications**

9.1 None specifically to this report. Members are referred to the implications to the Cabinet report (see appendices).

## **10. Health and Wellbeing Implications:**

10.1 None specifically to this report. Members are referred to the implications to the Cabinet report (see appendices).

## **Other Implications**

## **11. Procurement implications**

11.1 None specifically to this report. Members are referred to the implications to the Cabinet report (see appendices).

**12. Crime & disorder implications:**

12.1 None specifically to this report. Members are referred to the implications to the Cabinet report (see appendices).

**13. Conclusion**

13.1 Place Overview & Scrutiny Committee is asked to consider the General Fund Draft Budget and Resources Update – 2026-27 to 2029-30 and to make any recommendations or comments it chooses to Cabinet

**Supporting Documentation**

**Appendices**

1. General Fund Draft Budget and Resources Update – 2026-27 to 2029-30 Report from Cabinet 11<sup>th</sup> December 2025
2. Draft 2026-27 Savings Proposals
3. MTFS Core Planning Assumptions
4. Transformation Programmes & Innovation Fund
5. Equalities Impact Assessments
6. Review of Reserves & Provisions