

CABINET	AGENDA ITEM No. 6
17 DECEMBER 2024	PUBLIC REPORT

Report of:	Service Director Financial Management & Deputy s151 Officer	
Cabinet Member(s) responsible:	Councillor Mohammed Jamil, Deputy Leader and Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Emma Riding, Service Director - Financial Management & Deputy s151 Officer Amanda Rose, Head of Communications	Tel. 452520

BUDGET CONSULTATION 2025/26 LAUNCH

RECOMMENDATIONS	
FROM: Cabinet Member for Finance and Corporate Governance	Deadline date: N/A
<p>It is recommended that Cabinet approves:</p> <p>The launch of the Budget Consultation 2025/26 from 17 December 2024, closing on 14 January 2025.</p>	

1.0 ORIGIN OF REPORT

1.1 This report comes to Cabinet as part of the council's process for developing a sustainable Medium Term Financial Strategy covering the period 2025-2028 and revenue budget for 2025/26.

2.0 PURPOSE AND REASON FOR REPORT

2.1 Purpose

This report is submitted for Cabinet to consider under Part 3, Section 3, Executive Delegation 3.2.1, "To take collective responsibility for the delivery of all strategic executive functions within the council's major policy and budget framework and lead the council's overall improvement programmes to delivery excellent services."

2.2 With the approval of the Chair of the Growth, Resources and Communities Scrutiny Committee, waiver of call-in procedures has been invoked to suspend the 3-day call-in period. This is in order for the public consultation to run for as long a period as possible and to ensure that those who wish to engage have every opportunity to do so.

2.3 Overview

In September, Cabinet considered the council's forecast budget for 2025/26; this identified a forecast budget gap in 2025/26 ranging from £13.3m-£24.3m, based on a set of best- and

worst-case scenario positions following a review of the assumptions for funding, demand and inflation.

However, since then the council has been progressing its budget setting process. The MTFS Q2 report presented to Cabinet in November reflected a £19.7m gap in 2025/26. The Budget Consultation document sets out the proposals to close this gap, alongside assumptions which have been made around our funding position following the Chancellor’s Budget on 31 October.

At this stage plans are still in development, and therefore due to this there is a higher level of risk associated with the delivery of the proposals. Furthermore, confirmation of the council’s funding allocations isn’t expected until 19 December, as part of the Local Government Provisional Finance Settlement.

The Budget Consultation document sets out a number of proposals and how we will need to change the way we deliver services in the coming financial year to be able to balance our budget. This will be used as a basis of public consultation to gauge the views of residents, partners and businesses within the city.

The following diagram sets out the high-level timeline for this consultation:



The following timetable outlines the key meeting dates in relation to the Medium Term Financial Strategy and the budget for 2025/26:

Timescales	Update
17 September 2024 - Cabinet	MTFS Quarter 1 Update ✓
12 November 2024 - Cabinet	MTFS Quarter 2 Update ✓
17 December 2024 - Cabinet	Budget Consultation Launch
29 January 2025 - Joint Scrutiny 11 February 2025 - Cabinet 19 February 2025 - Council	<p>Final budget for 2025/26 and the associated strategies</p> <p>MTFS quarter 3 update Treasury management Capital Strategy Asset Management Plan Reserves Strategy Budget 2025/26 report, including:</p> <ul style="list-style-type: none"> • Council tax resolution • Revenue and capital budgets for the following year • Section 25 Statement (LG Act 2003, robustness of estimates and adequacy of reserves)

In addition to the above, all budget proposals including savings, investment and revised financial assumptions and consultation feedback are considered within the following groups:

- **Budget Corporate Leadership Team (CLT)**- made up of the council's corporate directors and finance officers as support
- **Cabinet Policy Forum (CPF)**- informal meeting of Cabinet
- **Financial Sustainability Working Group (FSWG)**- Cross-party working group focussed on supporting the delivery of financial sustainability for the council. The terms of reference for this group are included within the Budget Policy Framework Rules.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	Yes - feedback gathered will be used to inform the Council Budget for 2025/26, to be approved at Council	If yes, date for Cabinet meeting	17 December 2024 & 11 February 2025
Date for relevant Council meeting	19 February 2025	Date for submission to Government Dept.	N/A

3.2 COUNCIL PRIORITIES

The Budget Consultation is being launched to gather thoughts and views on the council's services and proposed direction of travel for the 2025/26 budget. This supports all the council's priorities, but forms a key element of the council's budget setting process, therefore it is strongly geared towards enabling the council to deliver on the following priority:

- Supported by a Sustainable Future City Council - adjust how we work, serve and enable, informed by strong data and insight capability and led by a culture of strong leadership.

4.0 CONSULTATION

4.1 Budget Consultation

This report seeks approval from Cabinet to launch the Budget Consultation 2025/26, which will be open from 17 December 2024 through to 14 January 2025.

The council will be seeking the views of residents, businesses, stakeholders and service users, and will do this by the following methods of consultation:

- Web-based form on the council website, which includes ten multiple choice and free text questions to gather the thoughts and views of residents.
- Social media will be used to reach out to as many people as possible, directing them to the details and web form.
- Key stakeholders and community groups will be emailed with the budget consultation details and will be offered the opportunity to have a briefing on these.

The feedback received from the consultation will be considered by and reported to the meeting of Joint Scrutiny Committee on 29 January 2025, and Cabinet on 11 February 2025, before a

final budget for 2025/26 is formally proposed to Council on 19 February 2025.

4.2 **Shaping Our City Consultation Feedback**

Consultation with the public, council staff and all stakeholders took place between 18 September and 27 October on a revised draft Corporate Strategy.

The review of the strategy is taking place to ensure the council can deliver what is contained within it with the budget that it has available.

The council consulted in a number of ways, including face to face and online public meetings, online via a web-based form and using a Shaping Our City Facebook group, and briefing sessions with partners and council staff.

A summary of the feedback is included in Appendix B.

5.0 **ANTICIPATED OUTCOMES OR IMPACT**

- 5.1 For Cabinet to approve the launch of the Budget Consultation 2025/26 for residents, businesses and members to feed back their views on the council's services and spending priorities.

6.0 **REASON FOR THE RECOMMENDATION**

- 6.1 This report is to seek Cabinet's approval to launch of the budget consultation 2025/26 on 17 December in order to receive feedback from residents, businesses and service users on the council's services and spending priorities.

7 **ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 No alternative option has been considered.

8.0 **IMPLICATIONS**

Legal Implications

- 8.1 At this time there are no legal implications arising from this report. This consultation is proposed so that Cabinet can consider feedback from residents, businesses and services users in advance of proposing a Budget for 2025/26. The final 2025/26 budget decision will be taken by Council on 19 February 2025, at this point the council is under a legal duty to meet the full requirements of Section 31A of the Local Government Finance Act 1992, which includes the obligation to produce a balanced budget.

8.2 **Human Resources implications**

No specific implications in this report.

8.3 **Equality Impact Assessments**

No specific implications in this report.

8.4 **Carbon Impact Assessments**

No specific implications in this report.

9.0 **BACKGROUND DOCUMENTS**

[Quarter 1 MTFS 2025-2028 report](#) (item 6)

[Quarter 2 MTFS 2025-2028 report](#) (item 5)

10.0 APPENDICES

- 10.1 Appendix A – Budget consultation 2025/26
- Appendix B- Shaping Our City Consultation Feedback

