



Date: Monday, 9 February 2026

Time: 10.00 am

Venue: The Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ

Contact: Ashley Kendrick Democratic Services Officer,
Tel: 01743 250893
Email: ashley.kendrick@shropshire.gov.uk

TRANSFORMATION AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

TO FOLLOW REPORT (S)

8 Financial Strategy 2026/27 - 2030/31 (Pages 1 - 30)

To receive and consider the Financial Strategy 2026/27 - 2030/31, to be known in future as "Draft 2026/27 General Fund budgets and Medium Term Financial Plan 2026-2031".

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Committee and Date

Transformation & Improvement Scrutiny
9th February 2026

Cabinet
11th February 2026

Item

Public



Draft 2026/27 General Fund budgets and Medium Term Financial Plan 2026/27 - 2030/31

Responsible Officer:

Duncan Whitfield, Director Financial Improvement

email: duncan.whitfield@shropshire.gov.uk

Cabinet Member (Portfolio Holder):

Roger Evans, Finance

1. Synopsis

The purpose of this report is to provide an updated position on the draft 2026/27 General Fund budgets and Medium-Term Financial Plan 2026/27 – 2030/31 since the meeting of Cabinet on 21st January 2026.

At the time of writing this report the Final Local Government Settlement announcement had not been confirmed and is anticipated on Monday 9th February, therefore should any changes to the budgeted amounts arise, an update will be provided at the meeting.

The draft budgets have however been updated for any further service budget amendments and these changes are reflected within the relevant appendices. Overall, there is no change to the estimated budget gap for 2026/27 or across the medium term.

2. Executive Summary

- 2.1. Since the previous update, work has continued in line with the Improvement Plan approved by Council in December, to create financial stability and move towards a financially sustainable position cross the medium to longer term. As reported in January, the use of exceptional financial support (EFS) is critical to enabling financial stability, but this support must be reduced in order to gain financial sustainability.
- 2.2. Development of a Financial Sustainability Strategy including a refreshed transformation and change programme is underway and a progress update will be presented to Cabinet and Council during the first quarter of 2026/27. This Strategy and programme will be driven by the 'Future Council' principles set out in the Improvement Plan and include a focus on the key approaches necessary to reduce the duration of time EFS for the Council is required and which are anticipated to include the following;
 - 2.2.1 Reduce the cost of services through cashable savings. At times this will involve difficult decisions and inevitably impact on Shropshire's residents and businesses. This will include fundamentally reviewing the role and purpose of the Council and exploring the potential of greater partnership working as a way of ensuring residents receive the support and services they need but not necessarily through direct service provision by the Council.
 - 2.2.2 Generate additional income from a variety of sources, whilst balancing risk exposure to the Council and accessibility of services for our residents. Including accelerating the Council's asset disposal review to identify opportunities for both capital and revenue income generation. Potential future capitalisation direction requests to convert capital resources to revenue resources can facilitate a reduction in annual contributions to General Fund Balances and thus reduce overall expenditure. The Council's forthcoming Capital Strategy and future capital investment is a key enabler for income generation alongside the Council's fees and charges policy.
 - 2.2.3 Mitigate future demand growth with a focus on early help and prevention, particularly as a continuing increase of social care budgets is not financially sustainable. Current budgets must focus on preparing for the future, to reduce reactive and at times acute crisis support which has a disproportionate impact on expenditure. This is the most expensive form of support and nor is it conducive to positive outcomes and wellbeing. Greater work at community level, in partnership with residents, the voluntary & community sector, other public and private organisations is necessary to ensure the right support is available at the right time for our residents. This also requires a holistic council wide focus on embedding a prevention approach into all services, ensuring all touchpoints with our residents enable identification of the support residents may require. Across the MTFs by 2030/31 there is, without action of the kind suggested in this paragraph, cumulative demand growth of approximately £56m which is not affordable. It will be necessary to minimise this level of future budget pressure.
 - 2.2.4 Enhancing the use of technology, including digital technology to improve and enable service delivery. This includes technology in the home that supports independent living; technology that supports efficient maintenance of council

assets; and technology that enables the council overall to operate more efficiently, whilst ensuring our services are accessible by all residents.

- 2.2.5 Align our new Corporate Plan and other council strategies, including other financial strategies such as the Capital Strategy and Treasury Management Strategy and non-financial strategies such as the Asset Management Strategy, Leisure Strategy, Economic Development Strategy, Transport/Sustainable Movement Strategy, Climate Change Strategy, Public Health Strategy, Housing and Homelessness Strategy to a common focus of ensuring Shropshire's residents and businesses receive appropriate services that are affordable within the Council's financial resources. This may mean lowering our aspirations and ambitions.
- 2.3. Officers met with MHCLG representatives on 27th January to provide an update on Shropshire's financial position since the submission of the application for Exceptional Financial Support of £130m for 2026/27 on 12th December. Key discussion points were as follows;
- An update on the decisions Cabinet had taken in January in relation to the General Fund Revenue and Capital budgets, including the proposed pausing of various capital projects since the submission of the EFS application.
 - The timetable for Council Tax setting was re-iterated and whilst confirmation of the Council's request may not be available at the time of publishing the papers for the meeting of Council on 26th February, a decision is anticipated in time for the meeting.
 - The impact on Shropshire Council of the provisional financial settlement was further pressed, with an emphasis on the disproportionate impact of reduced funding for a sparse rural authority resulting in higher service delivery costs and with a higher than national average older population resulting in continued social care pressures.
 - The total loss of funding of £13.3m, inclusive of the loss of Rural Services Delivery Grant in 2025/26 was reiterated. In addition to seeking a remedy to the shortfall in ongoing government grant funding, a request for short term support with the cost of EFS was also made, particularly explaining the imbalance of this cost when compared to the additional Council Tax income anticipated for next year, based on a 4.99% increase i.e. that the increase in Council Tax income projected for next year does not cover the increased cost in borrowing resulting from EFS.
- 2.4. In the coming weeks work will commence, via a joint councillor and officer working group to develop and progress an approach to business and budget planning. It is intended that this approach will respond to elements of the statutory recommendation by the Council's External Auditors and will utilise the principles of zero-based budgeting for the development of 2027/28 budgets and onwards. This work will also be informed by the results of the budget consultation which closed on 16th January 2026.

3. Recommendations

That Cabinet:

- 3.1. Note the updated position for draft revenue budgets for 2026/27.
- 3.2. Continue to work with Officers during the current financial year and into 2026/27 to develop a Financial Sustainability Strategy and transformation and change programme that will provide a basis for how the Council will deliver savings and generate income, in order to reduce the duration of time for which EFS (exceptional financial support) is required across the medium-term financial period.
- 3.3. Continue to work with Officers during the current financial year and into 2026/27 through the establishment of a joint working group to develop and progress an approach to business and budget planning for 2027/28.
- 3.4. Ask Officers to continue to work with MHCLG in support of its application for exceptional financial support and actions required to return to financial stability.

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1. The Chief Finance Officer's Section 25 report will be presented to Council in February which will advise on the robustness of budget estimates and the adequacy of proposed financial reserves, ensuring prudent budget-setting. This will take account of the in-year deficit in General Fund balances and the demand pressures the Council is facing. However as detailed within this report, the proposed budget is a reset budget, to provide financial stability in the short term and enable the Council to develop a robust and realistic strategy to manage demand pressures and reduce the need for Exceptional Financial Support across the medium term. Ongoing investment in transformation and change is predicated on enabling a return to financial sustainability and overall the forthcoming Financial Sustainability Strategy will set out the plans the Council must execute.
- 4.2. As per the Quarter 3 Finance Monitoring report, also on this agenda, the Dedicated Schools Grants deficit as at the end of 2024/25 was £17.566m and is projected to increase to £42.089m by the end of the current year. At present all councils are protected by the statutory override which is in place until March 2028 which allows exclusion of this deficit from the Council's balance sheet. However, there is uncertainty on what will happen after this date and therefore the Section 25 report will reflect this risk to the Council.
- 4.3. Continuing to highlight the persistent structural deficit in the Council's funding is a key priority for Members and Officers, alongside the local actions that will be taken. The findings from the budget consultation will shape these local actions and prioritise future investment of the Council.
- 4.4. The Council's Improvement Plan presented in December set out 3 key programmes, of which as mentioned above, progressing the Financial Sustainability Strategy (programme 2) is key. This proposed draft budget for 2026/27 has been driven and informed by the activity in Programme 1 and alongside the Capital Strategy report also on this agenda, reflects key actions being taken immediately to bring about financial stability.

5. Financial Implications

- 5.1. As set out within this report, the Council's financial position has necessitated the request for exception financial support from the government for both 2025/26 and 2026/27, without which the Council cannot meet its financial obligations and set a lawful budget. The draft MTFP at Appendix 7 shows the Council is projecting a deteriorating position across the next 5 years. Limiting the use of exceptional financial support to the short term only, in the current circumstances is the preferred outcome. However, without urgent action to; 1) reduce the Council's expenditure, alongside 2) increase income from a variety of sources, it will become necessary to require exceptional financial support into the medium-term. This support would be in the form of borrowing and will therefore create additional cost pressures in the form of interest and debt repayment charges.
- 5.2. Although the financial challenges remain serious, the council has already taken significant steps to strengthen its position. Spending controls introduced in September 2025 have started to slow the rate of financial pressure, and teams across the organisation are working hard to reduce costs where possible. The Council's Improvement Plan sets out further actions, and a Financial Sustainability Strategy is being developed.

6. Climate Change Appraisal

- 6.1. The Council's Financial Strategy supports its strategies for Climate Change and Carbon Reduction in several ways. A specific climate change revenue budget is held. The climate change schemes involving the Council's assets or infrastructure are included within the capital programme. These two areas of expenditure are anticipated to have a positive contribution towards climate change outcomes.
- 6.2. Securing a robust and sustainable financial base will help the Council meet the challenges of climate change – this is not separate to our budget management, but integral to it.

7. Background

- 7.1. On 12th December the Council submitted its application for EFS for 2025/26 for £71.4m and also for 2026/27 for £130m and as can be seen from the Quarter 3 Financial Monitoring report, also on this agenda, the current year financial position is a projected pressure of £53.261m. On 27th January Officers met with MHCLG representatives to discuss the actions taken since the application submission and a decision is anticipated in time for the Council meeting on 26th February.

Budget build

- 7.2. The draft 2026/27 budgets are based on a reset position in relation to the financial pressures seen during 2025/26 and previous years. As reported in January, various budget adjustments have been made to the 2025/26 budget and these are detailed within the accompanying appendices. The following provides an updated position for each of these appendices since the previous update.

7.3. Appendix 1 provides an updated summary of the reset changes proposed to the 2025/26 budgets. The main changes to this include;

- Adjustments to reflect the balance of 2025/26 third-party savings not achieved as per the Quarter 3 Financial Monitoring report also on this agenda.
- Changes to specific grants which have continued to be announced in recent weeks. Appendices 1a-1b provide additional details on these core and non-core government grants. This includes an updating for anticipated S31 funding relating to Business Rates, resulting from the changes to the Business Rates Retention System following Fair Funding Review 2.0. The Council submitted its NNDR1 (National Non-Domestic Rates /Business rates) form on 30th January and this S31 funding will support the provision for managing risk and pressures including the introduction of food waste collection and increasing pressures the Council is seeing regarding debt collection.
- Reserves adjustments to take account of the above pressures.

7.4. Appendix 2 details the total amount of savings and capitalised staff time reversed from 2025/26 and has been updated as mentioned in paragraph 7.3.

7.5. Appendix 3 details the total budget adjustment for demand and demography growth and reflects a £0.4m adjustment since reported in January.

7.6. Appendix 4 details the service growth required for next year comprising of additional staffing capacity required to address service delivery and resourcing pressures, plus non-staffing related growth. A change to purchasing instead of leasing some IT hardware, offset by a change in staffing growth has resulted in a small net change overall.

7.7. Appendix 5 details inflationary growth and reflects a minor amendment.

7.8. Appendix 6 details draft income/resources budgets and will be updated as necessary following confirmation of the Local Government Finance Settlement, expected on 9th February. Since January it has been updated in line with the submission of the Council's NNDR 1 form at the end of January which reflect changes to business rate income following the reset of the Business Rates Retention System and changes to the rateable values for businesses in Shropshire as advised by the Valuation Office Agency. In addition, it has been updated for the changes in the movement on the Collection Fund Account as detailed within the Estimated Collection Fund Outturn for 2025/2026 report also on this agenda.

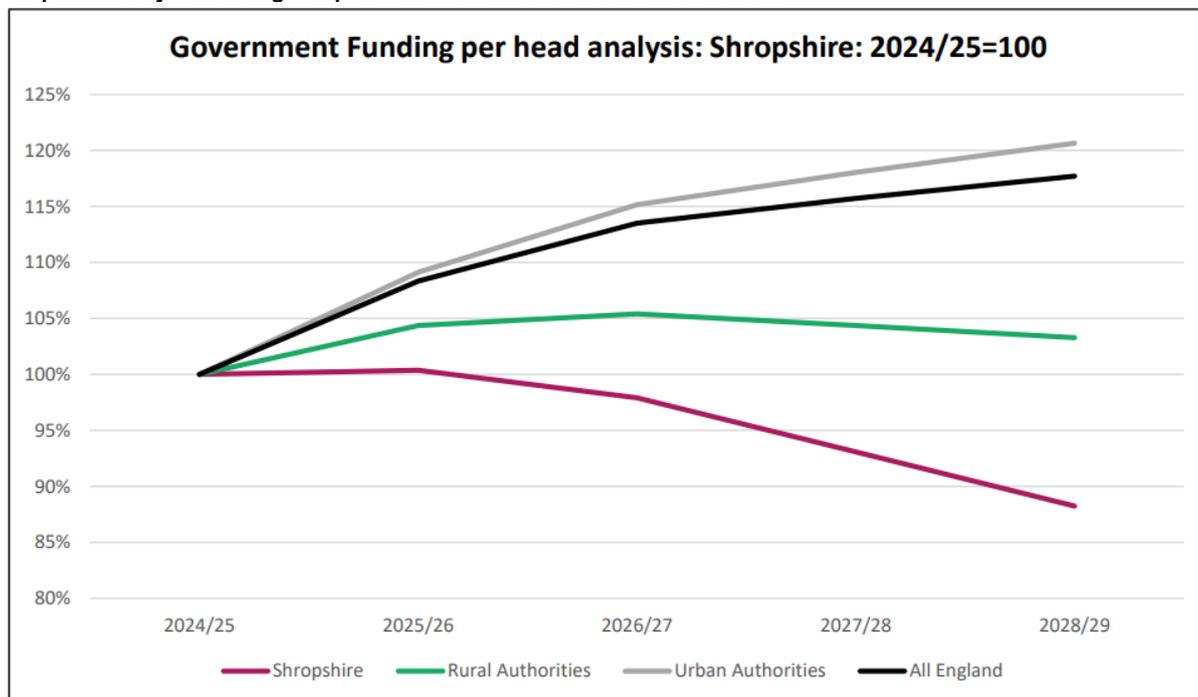
7.9. Appendix 7 provides a draft medium-term position across the next 5 years which is based on the same assumptions underpinning the draft 2026/27 budgets.

Multi Year Settlement

7.10. As reported in January the draft budgets and MTFP are now based on a multi-year settlement covering the next 3 years. At the time of writing this report the final settlement had not been announced and therefore the draft budgets in this report are based on the provisional announcement. As reported in January, the Council is anticipating a £4.4m reduction in government funding for next year and as illustrated in Graph 1 below, is facing a disproportionate reduction in funding compared to other rural authorities and significantly when compared to the national average and other urban authorities.

7.11. The reduction in government funding is a major factor in the Council’s structural funding deficit. Increases in council tax are capped at 4.99%, so the Council is limited in terms of how much additional funding it can generate. Meanwhile cost pressures increase each year with inflationary increases, alongside demographic growth, particularly for social care. Council tax increases alone are not sufficient to meet these cost pressures, and further reductions in government funding, increase this structural funding deficit each year.

Graph 1: Multi-year funding comparison between rural and urban authorities



Budget Consultation

- 7.12. Consultation to inform the forthcoming transformation and savings programme was launched on 12 December 2025 and closed on 16 January 2026, aimed at identifying areas for improvement and service reductions for the 2026/27 budgets and medium-term period. At the time of writing this report analysis of the feedback was being undertaken and will be presented to Council in February.
- 7.13. This feedback will inform the 2026/27 budget setting process and the forthcoming Financial Sustainability Strategy. As mentioned above and reported in January, the joint councillor and officer working group will progress a budget and business planning process
- 7.14. £15m has been included within the draft budgets for next year to enable financing of the transformation and change programme. Utilisation of this investment will be subject to a robust business case process and overall strengthened governance process in line with the Council’s Improvement Plan.

General Fund Balance, Reserves and Section 25 report

- 7.15. During 2025/26 the deteriorating financial position of the council has reduced the General Fund Balance to an unsustainable level and has left the Council with no substantial reserves on which to fall back on should any emergency occur. As per the Q3 Financial Monitoring report on this agenda, the projected position is as follows:

General Fund	£'000
Balance as at 1 st April 2025	4,825
Budgeted Contribution 2025/26	29,455
Budgeted General Fund Balance as at 31st March	34,280
Projected overspend (central projection as at Quarter 3)	(50,745)
Estimated Balance as at 31 March 2026	(16,465)
Requested Revenue Overspend Exceptional Financial Support	21,466
Potential Balance as at 31 March 2026	5,001

- 7.16. It has been necessary therefore to build these reserves back up in line with the risk assessment-based methodology, as reported to Council in February 2025. Further details on this will be presented to Council in February along with the Chief Finance Officer's Section 25 report, which will advise on the robustness of budget estimates and the adequacy of proposed financial reserves, ensuring prudent budget-setting.
- 7.17. Appendix 8 provides the latest calculation of risk. The proposed build-up of General Fund Balances within the draft budgets is to bring the Council in line with this assessment of £45m and is reflective of the pressures identified in paragraph 7.3.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Medium Term Financial Strategy – Council 27 February 2025

Fees and Charges Pricing Policy - Cabinet 3 December 2025

Financial Monitoring Report Quarter 3 – Cabinet 11 February 2026

Estimated Collection Fund Outturn for 2025/26 – Cabinet 11 February 2026

Local Member: *All*

Appendices

Appendix 1 – Revenue Budget Summary

Appendix 1a – Specific Grant Changes

Appendix 1b – Core & Non-Core Government Grants

Appendix 2 – Growth to offset Unachievable Savings

Appendix 3 – Demography & Demand Growth

Appendix 4 – Service Specific Growth

Appendix 5 – Inflationary Growth

Appendix 6 – Resources/Income Budget Summary

Appendix 7 – MTFs Summary

Appendix 8 - Calculation of Risk Assessed General Fund Balance

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Appendix 1 - Draft Revenue Budget Summary

MTFS Feb 2025 Exp budget for 25/26	821,905,603	
25/26 savings undelivered	43,469,641	See Appendix 2 for details
Demography & demand growth including reset of budgets	51,514,926	See Appendix 3 for details
Additional growth for specific pressures including for staffing	7,477,677	See Appendix 4 for details
Inflationary growth; price, salaries and utilities	14,889,920	See Appendix 5 for details
Cost of borrowing	13,731,215	Interest and repayment (MRP) costs for all General Fund borrowing
Reserves adjustments - net additional contribution to General Fund Balances and Earmarked Reserves	13,220,392	Movement in contributions to and from council reserves, Further details to be provided in February budget setting report. Estimated total contribution to General Fund balances of £43.1m, subject to risk assessment.
Specific grant changes between years	-60,303,363	A number of grants have now been encompassed within the provisional financial settlement, however not all grants have yet been confirmed. A breakdown will be included in the February report. This movement represents a transfer of funding from service specific grants to general revenue support grant or additional or reduced specific funding.
Transformation investment	15,000,000	A central budget for the funding of transformation projects, subject to a detailed business case.
Feasibility studies budget	2,000,000	To enable preliminary work on future projects, allocation is subject to a detailed business case.
Inflationary increase for discretionary fees and charges 26/27	-1,900,000	This estimated amount will be updated as per the February Fees & Charges report.
Estimated savings for 26/27	-5,000,000	A transformation plan will be developed during Q4 2025/26 and Q1 2026/27 to provide details on projects and future plans across the medium term.
Elections budget removal	-700,000	Removal of 2025/26 elections budget

MTFS Feb 2026 Expenditure budget for 26/27	915,306,011	
MTFS Feb 2026 Income budget for 26/27	785,781,899	See Appendix 6 for details
Borrowing requirement (EFS application for £130m)	129,524,112	

Appendix 1a - Specific Grant changes between the years

Specific Grant Changes		£
Movement on Core Grant Funding	(Appendix 1b)	-39,409,953
Movement on Specific Grants	(Appendix 1c)	-12,864,246
Removal of s31 grant reliefs that are no longer payable that were released into the overall funding gap		15,040,988
New s31 grant reliefs released into the overall funding gap		-12,727,783
Expenditure budget rather than in Funding Gap		-12,668,194
Reduction in NHB (base budget assumption)		1,747,510
Grants rolled into RSG		578,315
		-60,303,363

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Appendix 1b - 2026/27 Core & Non Core Government Grants

	2025/26 £	2026/27 £	Increase/ (Decrease) £
Shropshire Council Core Grants 2026/27			
Improved Better Care Fund	14,635,454	14,635,454	0
New Homes Bonus	2,034,452		-2,034,452
Social Care Support Grant	32,675,158		-32,675,158
Market Sustainability and Improvement Funding	6,097,977		-6,097,977
Children's Social Care Prevention Grant	666,302		-666,302
Domestic Abuse Safe Accommodation	751,393		-751,393
NI Funding	2,503,901		-2,503,901
Children, Families & Youth Grant		2,872,140	2,872,140
Homelessness, Rough Sleeping and Domestic Abuse Grant		2,447,090	2,447,090
Total Core Funding	59,364,637	19,954,684	-39,409,953

As per Appendix 1a

Non-Core Government Grant	2025/26 £	2026/27 £	Increase/ (Decrease) £
Dedicated Schools Grant	146,880,470	145,737,300	-1,143,170
Local Reform & Community Voices Grant	199,730	199,730	0
Quality in Community Services - Private Finance Initiative	1,522,650	1,522,650	0
Waste - Private Finance Initiative	3,185,610	3,185,610	0
Housing Benefit Administration Subsidy	655,570	590,010	-65,560
Public Health Grant*	14,383,544	17,029,761	2,646,217
Substance Misuse*	54,000	0	-54,000
Pupil Premium Grant	4,249,400	4,159,690	-89,710
DfE - Extension of the Role of Virtual School Heads to children	117,430	0	-117,430
Children in Kinship Care	20,000	0	-20,000
Pupil Premium Grant Post 16	0	75,830	75,830
Mandatory Rent Allowances: Subsidy	38,000,000	38,000,000	0
Rent Rebates: Subsidy	8,100,000	8,100,000	0
Bus Services Operator Grant (BSOG)	512,447	0	-512,447
Supporting Families Programme	0	0	0
Business Rates Retention Scheme - Section 31 Grants	21,169,808	17,383,625	-3,786,183
Unaccompanied Asylum Seeking Children (UASC)	3,608,390	3,969,900	361,510
Single Fraud Investigation Service	1,010	2,200	1,190
Welfare Reform New Burdens	57,295	66,090	8,795
Social Care In Prisons	59,943	0	-59,943
War Pensions Disregard	114,411	0	-114,411
Adoption Support Fund (ASF)	0	300,500	300,500
Bikeability	160,000	160,000	0
Assessed & Supported Year in Employment (ASYE)	28,000	28,000	0
RPA Higher Level Stewardship (Parks & Sites)	30,000	30,000	0
MHCLG Rough Sleepers Initiative	377,331	0	-377,331
Universal Credit	13,856	13,856	0
KS2 Modernisation	14,660	13,640	-1,020
Homelessness Prevention Grant	1,552,092	0	-1,552,092
Childrens and Families Grant	1,830,816	0	-1,830,816
AONB Core Grant	228,110	228,110	0
DEFRA - Farming in Protected Landscapes	700,000	700,000	0
DEFRA - Trees outside Woods	51,630	0	-51,630
Historic England - Offa's Dyke Project	51,630	51,630	0
UK Shared Prosperity Fund (UKSPF) - Project grant	2,892,904	0	-2,892,904
OHI&D - Drug Strategy *	609,644	0	-609,644
OHI&D - Inpatient Detoxification*	42,767	0	-42,767
DfT Bus Service Improvement Plus Funding	2,497,869	0	-2,497,869
DfE - Holiday Activities and Food Programme	714,300	753,030	38,730
HB Accuracy Initiative	26,600	26,600	0
Arts Council - National Portfolio Organisations	188,999	188,999	0
Extended Producer Responsibility Grant	5,578,000	5,578,000	0
Local Stop Smoking Services and Support Grant*	359,568	0	-359,568
DWP Discretionary Housing Payment Grant	309,310	0	-309,310
Household Support Fund	3,760,000	0	-3,760,000
Crisis Resilience Fund	0	3,673,677	3,673,677
Individual Placement Support Grant	0	274,640	274,640
The Accelerating Reform Fund	0	2,470	2,470
Total Non Core Government Grants	264,909,794	252,045,548	-12,864,246

As per Appendix 1a

* following the Fair Funding Review a number of specific Public Health Grants have now been incorporated into the overall main Public Health Grant of £17m for 2026/27.

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Appendix 2 Growth to offset Unachievable Savings

Service Area	Savings Name	Growth for 26/27 to offset non-delivery (£)
Care & Wellbeing	PRR6 - Care & Wellbeing Rightsizing	1,300,000
Care & Wellbeing	MD016 - ASC - nighttime care and support service enabling people to stay at home	520,000
Care & Wellbeing	NI003 - ASC Telecare	250,000
Children & Young People	MD020 - Stepping Stones	546,310
Children & Young People	PRR4 - Children's Rightsizing	2,000,000
Children & Young People	RC016 - Agency Staff - reducing use of agency staff; promote permanent staffing.	85,000
Commissioning	RC094 - Waste contract efficiencies across the waste service including review of garden waste collection costs and HRC opening times to be delivered through negotiated changes to the contract.	600,000
Commissioning	RC096 - Asking other organisations (commercial companies) to manage our leisure centres for us.	200,000
Commissioning	RC026 - Review and potential reduction of some leisure provision to achieve cost reductions.	30,000
Commissioning	Historical Savings to be identified target on cc 10001	465,880
Commissioning	Legacy Leisure savings target	320,100
Communities & Customer	EFF45 - Charge staffing costs to capital budgets where possible and appropriate (capital project support or transformation of revenue services).	264,480
Communities & Customer	RC032 - Review Library Services to ensure maximum efficiencies including funding reviews and reshaping/reductions of services & archiving	20,000
Corporate	PRTPS0 - Third Party	11,205,791
Corporate	PPR0 - Rightsizing	11,723,400
Corporate	PRF&C0 - Income	3,848,740
Enabling	SC013 - Rationalise property and buildings to secure revenue savings (e.g. utilities, security, repairs and maintenance etc).	3,000,000
Enabling	RC040 - Dispose of Shirehall quicker and relocate services	294,460
Enabling	PRR2 - Enabling Resizing	1,256,000
Enabling	RC074 - Anticipated cost reductions in Revenues & Benefits arising from improvement of in-house Temporary Accommodation provision.	1,000,000
Enabling	EFF81 - New Operating Model - Charge staffing costs delivering transformation to capital budgets where possible and appropriate (Workforce and Improvement).	455,690
Enabling	EFF84 - New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Finance and IT).	20,740
Enabling	Revenues & Benefits legacy savings target	60,000
Infrastructure	EFF45 - Charge staffing costs to capital budgets where possible and appropriate (capital project support or transformation of revenue services).	1,525,870
Infrastructure	TO009 - Review service synergies to secure cost reductions across Highways, Maintenance, and Outdoors services.	400,000
Infrastructure	PRR5 - Infrastructure Resizing	850,000
Infrastructure	RC089 - Increased charges for car parking across the County.	500,000
Infrastructure	RC091 - More fixed penalties issued for dog fouling, littering and illegal parking.	300,000
Infrastructure	RC090 - Residents' only parking will be enforced for an annual residents fee.	100,000
Legal, Governance & Planning	PRR1 - Legal & Governance Resizing	65,320
Legal, Governance & Planning	EFF83 - New Operating Model - Charge staffing costs to capital budgets where possible and appropriate (Legal and Democratic).	57,330
Strategy	EFF81 - New Operating Model - Charge staffing costs delivering transformation to capital budgets where possible and appropriate (Workforce and Improvement).	189,530
Strategy	TO001 - Explore shared emergency planning resource and resilience with partners.	15,000
Total		43,469,641

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Appendix 3 Demography & Demand Growth

Service Area	Service	Additional Budget required based on 2025/26 Numbers (£)	2026/27 Forecast Growth (£)	Total (£)
Commissioning	Waste Management	0	200,000	200,000
Infrastructure	Highways	0	57,090	57,090
Infrastructure	Home to School Transport	0	1,737,000	1,737,000
Infrastructure	Social Care Transport	347,500	5,000	352,500
Children & Young People	SEND	552,720	0	552,720
Children & Young People	Education Pyschology	643,088	0	643,088
Children & Young People	Children's Social Care	13,059,806	4,529,480	17,589,286
Care & Wellbeing	Adult Social Care	24,791,957	5,385,965	30,177,922
Care & Wellbeing	Assistive Equipment	205,320		205,320
Total		39,600,391	11,914,535	51,514,926

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Appendix 4 Service Specific Growth

Service Area	Service	(£)
Total Staffing Service Growth		3,946,400
Communities & Customer	Libraries	4,700
Communities & Customer	Museum & Archives	39,047
Communities & Customer	Temporary Accommodation	400,000
Commissioning	Leisure tender	100,000
Enabling	Revenues and Benefits overpayment recovery pressure	1,100,000
Enabling	Guildhall refurbishment	47,000
Enabling	IT Cloud costs	320,000
Enabling	IT Cloud Proxy	200,000
Legal, Governance & Planning	Childcare Court Fees	35,500
Legal, Governance & Planning	Planning administration	450,000
Infrastructure	Highways re-tender	500,000
Strategy	Climate Change	335,030
Total Non-staffing Service Growth		3,531,277
Total Service Growth		7,477,677

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Appendix 5 Inflationary growth

Service Area	Service	2026/27 Price Inflation (£)
Strategy	Joint Training	1,555
Strategy	Data Intelligence	1,039
Strategy	Communications	2,825
Care & Wellbeing	Social Care Purchasing	8,418,025
Care & Wellbeing	Social Care internal provision	15,399
Care & Wellbeing	Social Care Prevention	73,041
Care & Wellbeing	Assistive Equipment	14,528
Children & Young People	SEND	11,054
Children & Young People	Education Pyschology	21,928
Children & Young People	Children's Social Care	2,971,481
Commissioning	Waste Management	12,106
Commissioning	Leisure	58,051
Commissioning	Bereavement Services	14,082
Commissioning	Procurement	1,349
Communities & Customer	Housing	18,227
Communities & Customer	Museums and Archives	953
Corporate	Corporate subscriptions	7,194
Corporate	External Audit Costs	24,080
Corporate	Insurance	106,500
Corporate	PFI Unitary Charges	74,103
Enabling	IT contracts	382,742
Enabling	Health & Safety	1,858
Enabling	Human Resources	14,484
Enabling	Finance	15,911
Enabling	Corporate Landlord	601,510
Infrastructure	Highways	505,990
Infrastructure	Home to School Transport	721,040
Infrastructure	Social Care Transport	37,410
Infrastructure	Public Transport	360,830
Infrastructure	Environment & Transport	47,300
Infrastructure	Drainage	6,750
Legal, Governance & Planning	Legal	22,647
Legal, Governance & Planning	Elections	8,712
Legal, Governance & Planning	Feedback & Insights	325
Legal, Governance & Planning	Internal Audit	971
Total Price & Utilities Inflation		14,576,000
Total Salaries inflation net of pension contribution reductions		313,920
Total overall inflationary growth		14,889,920

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Appendix 6 2026/27 Draft Resources/Income Budget Summary

MTFS Feb 2025 Resources budget for 25/26	767,007,128	
Additional Council Tax Income	11,849,175	See A below
Additional Business Rates Income	16,468,480	See B below
Change in Revenue Support Grant & Service Specific Grants	-4,169,618	See C below
Movement in Collection Fund	-5,373,266	See D below
MTFS Feb 2026 Resources budget for 26/27	785,781,899	

Estimated Council Tax Income based on 4.99% increase	2025/26	2026/27	Movement
A. Council Taxbase	121,374	121,852	478
B. Band D Council Tax	1,806.67	1,896.82	90.15
Total Council Tax (AxB)	219,282,837	231,132,012	11,849,175

A

Movement in Business Rates Income	2025/26 £	2026/27 £	Movement £
Business Rates	45,018,526	61,267,456	16,248,930
Business Rates - Energy Renewable Schemes	1,664,470	1,884,020	219,550
Total	46,682,996	63,151,476	16,468,480

B

Movement in RSG and Service Specific Grants	2025/26 £	2026/27 £	Movement £
Tariff/Top Up Grant	11,025,089	-2,704,031	-13,729,120
RSG	8,667,579	70,501,280	61,833,701
Core Government Grants (App 1a)	59,364,637	19,954,684	-39,409,953
Non-Core Government Grants (App 1b)	264,909,794	252,045,548	-12,864,246
Total	343,967,099	339,797,481	-4,169,618

C

Movement in Collection Fund	2025/26 £	2026/27 £	Movement £
Council Tax Collection Fund Surplus/(Deficit)	1,377,957	-1,205,589	-2,583,546
Business Rates Collection Fund Surplus/(Deficit)	1,549,238	-1,240,482	-2,789,720
Total	2,927,195	-2,446,071	-5,373,266

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Appendix 7 MTFS Summary

	2026/27	2027/28	2028/29	2029/30	2030/31	Notes
	£	£	£	£	£	
Resources/ Income	785,781,899	810,247,748	818,942,262	833,012,993	851,784,709	1
Expenditure	915,306,011	943,332,419	978,141,573	1,013,950,406	1,046,708,036	2
Remaining Gap/(Surplus) to be Funded	129,524,112	133,084,672	159,199,311	180,937,413	194,923,327	

Notes

- 1 Inclusive of 4.99% Council tax increase plus taxbase growth
- 2 Inclusive of savings increasing from £5m in 26/27 to £45m by 30/31. These must be ongoing in the base

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Appendix 8 Calculation of Risk Assessed General Fund Balance

2025/26					2026/27				
Impact	Probability	Risk Assessed General Fund £000	Budget Assumption	Area of Risk	Budget/ Value £000	Impact	Probability	Risk Level	Risk Assessed General Fund £000
Treatment of inflation and interest rates									
2.00%	25.00%	856	Inflation	Salaries	171,130	2.00%	25.00%	0.50%	856
20.89%	10.00%	460		Premises	21,996	20.89%	10.00%	2.09%	460
2.21%	20.00%	105		Transport	23,747	2.21%	20.00%	0.44%	105
2.00%	10.00%	161		Supplies & Services	80,373	2.00%	10.00%	0.20%	161
2.00%	10.00%	553		Third Party Payments	276,325	2.00%	10.00%	0.20%	553
2.00%	10.00%	231		Transfer Payments	115,370	2.00%	10.00%	0.20%	231
0.00%	0.00%	0		Pension triennial valuation unaffordable	99,637	0.00%	0.00%	0.00%	0
		2,364			Total Inflation				2,364
0.50%	50.00%	1,051	Interest rates	Existing Borrowing	376,605	0.50%	50.00%	0.25%	942
2.00%	50.00%	1,264		PWLB	170,000	2.00%	50.00%	1.00%	1,700
2.00%	50.00%	260		Investment	26,000	2.00%	50.00%	1.00%	260
		2,575			Total Interest Rates				2,902
Level and timing of capital receipts									
5.50%	50.00%	21	Capital Receipts	Land Sales	-2,501	5.50%	50.00%	2.75%	-69
5.50%	50.00%	366		Required for new Powers to use for Revenue	5,000	5.50%	50.00%	2.75%	138
		387			Total Capital Receipts				69
Treatment of demand led pressures									
14.65%	100.00%	17,851	Demand Led Pressures	Adult Social Care - demography	152,203	5.00%	75.00%	3.75%	5,708
26.49%	100.00%	16,499		Childrens Social Care - demography	79,467	5.00%	75.00%	3.75%	2,980
0.00%	100.00%	0		Adult Social Care - uplifts	152,203	2.00%	50.00%	1.00%	1,522
0.00%	100.00%	0		Childrens Social Care - uplifts	79,467	2.00%	50.00%	1.00%	795
2.00%	25.00%	920		CQC/Ofsted Inspections	231,670	2.00%	25.00%	0.50%	1,158
		35,270			Total Demand Led Pressures				12,163
Treatment of planned efficiency savings/productivity gains									
65.07%	100.00%	38,959	Efficiency Savings	25/26 non achievement of savings 26/27 non achievement of savings/income	6,936	65.07%	70.00%	45.55%	3,159
		38,959			Total Efficiency Savings				3,159
50.00%	20.00%	397	Insurance and Emergency Planning	Provision Reserve	3,968	50.00%	20.00%	10.00%	397
50.00%	20.00%	145		ICT Disaster	1,449	50.00%	20.00%	10.00%	145
		1,000		Other Incident	1,000			Quantum	1,000
		500		Bellwin	500			Quantum	500
		523		Severe Weather	577			Quantum	577
100.00%	20.00%	437			2,260	100.00%	20.00%	20.00%	452
		3,002			Total Insurance and Emergency Planning				3,071
10.00%	0.00%	0		Other Government Settlement Changes	70,501	25.00%	50.00%	12.50%	8,813
20.00%	10.00%	1,000		Housing Benefits	50,010	10.00%	10.00%	1.00%	500
10.00%	50.00%	122		DSG pressures - Academisation	2,358	20.00%	50.00%	10.00%	236
0.00%	0.00%	0		DSG - SEND Deficit	42,089	0.00%	0.00%	0.00%	0
50.00%	50.00%	147		Academy School transfer leaving deficit	586	50.00%	50.00%	25.00%	147
		1,268			Total Funding Changes				9,695
General Financial Climate									
5.00%	50.00%	471	General Financial Climate	Debt Collection	18,827	20.00%	50.00%	10.00%	1,883
0.00%	50.00%	0		Council Tax - General risk	231,132	5.00%	50.00%	2.50%	5,778
0.00%	50.00%	0		Business Rates - General risk	63,151	5.00%	50.00%	2.50%	1,579
2.00%	50.00%	472		Discretionary Income	47,185	5.00%	50.00%	2.50%	1,180
		943			Total General Financial Climate				10,419
1.00%	50.00%	1,443	Additional Budget Pressures		359,635	1.00%	50.00%	0.50%	1,798
		86,211	TOTAL RISK ASSESSED GENERAL FUND						45,640

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