## Budget Process 2025/2026

Carl Holland Head of Finance (Client)





## Current Context

Demographic Pressures

New Government Policy

**Funding Arrangements** 



# Significant challenges

Pay inflation

Insurance

Contract Increases – RPI/CPI

**IDB** Levy

**Environment Legislation** 

Service Demand

**Investment Income** 



Strategic Issues and Opportunities Access to funding – significant success

**Business Rates Growth - opportunity** 

Longer term funding settlements

Prevention – homelessness, self-service, etc

**Effective Asset Management** 

Fees and charges – cost recovery to ensure no cross subsidization

Shared Services across the SELCP

Transformation, Innovation and Efficiency





**Determine Inflation Assumptions** 

Review establishment and update employee costings

October
Review
Fees and
charges

Update Capital
Programme profiles of
existing budgets



Review budgets against prior year outturn for budget saving opportunities



First draft Revenue and Capital programme

**Public Consultation** 



December
Finance Settlement and
Tax Base

January )

Draft to Cabinet and Scrutiny



#### February

Final proposed budget to Cabinet for recommendation to Council

Final settlement and Business rates confirmed



Risks report to Audit



## Scrutiny Role: MTFS

- What insights does the MTFS provide regarding risks in the budget process and their translation into the draft budget?
- What does the MTFS, and the draft budget, say about the **priorities** that the council has identified?
- How has the council gone about determining what resources will be needed to deliver these priorities?
- How has that translated into planned changes in the budget itself?
- Among the proposed changes in the budget, which are likely to spark contention?
- What **other options** existed? How have these been considered, and how have certain options been rejected?
- Where are assumptions made about **future income and costs**? Are these assumptions robust?
- Where do assumptions pertain to **future demand**? Are these assumptions robust?
- How do these assumptions play into the overall **risk profile** presented by the budget? How do risks related to individual proposals intersect and accumulate?
- Which of these risks warrant further scrutiny?



### Questions

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