

Report for: Scrutiny

Date of Meeting:	26 January 2026
Subject:	2026/27 Budget
Cabinet Member:	Cllr John Downes – Cabinet Member for Governance, Finance & Risk
Responsible Officer:	Andrew Jarrett – Deputy Chief Executive (S151)
Exempt:	N/a
Wards Affected:	All
Enclosures:	<p>Cabinet Reports from:</p> <ul style="list-style-type: none">• 2 September 2025• 7 October 2025• 4 November 2025• 2 December 2025• 13 January 2026

Section 1 – Summary and Recommendation(s)

To present Scrutiny with the work performed so far in formulating the 2026/27 draft budget and provide the opportunity to Members to consider the position proposed so far and make any relevant observations/recommendations back to Cabinet at its meeting on the 10 February 2026.

Recommendation(s):

That Scrutiny review the draft budget and provide any relevant feedback to Cabinet for consideration at its meeting on the 10 February 2026.

Section 2 – Report

1. Introduction

1.1. The balancing of the Council's budget continues to be a challenge year-on-year following the Government's austerity measures and the subsequent reduction in funding. To mitigate these austerity measures, the Council has already

secured and delivered significant savings for over more than a decade in order to “balance the books” and maintain service delivery.

- 1.2. The Council has a legal requirement to set a balance budget and needs to ensure its overall costs are affordable i.e. they can be funded through income and planned short-term use of reserves. Members therefore need to take the necessary decisions and actions to manage net spending within affordable limits.
- 1.3. The scrutiny process provides an opportunity to review the process and the proposals made within the draft 2026/27 budget. This is an integral part of the budget setting process; one that all councils are required to do.

2. Scrutiny of Budget Process

- 2.1. Members are referred to the various Cabinet reports on the 2026/27 budget since September 2025 for the financial detail and the budget options considered to date. They document the evolving position working towards the draft budgets for the Council’s General Fund, Housing Revenue Account and Capital Programme for 2026/27.
- 2.2. The latest update report to Cabinet on 13 January (attached) presented a remaining shortfall of £1.019m. Whilst we are still finalising aspects of the budget, for example the implications of the financial settlement, collection fund and capital financing requirements arising from the finalised capital programme, and whether any other short-term savings measures need to be considered, the budget is nearing its completion.
- 2.3. The final Cabinet meeting on the 10 February 2026 will need to consider the finalised budget, including any other measures to reach a balanced budget position. This will form the recommendation from the S151 officer in their report to Full Council on the 18 February 2026.

3. Conclusion

- 3.1. Effective scrutiny of the budget setting process is not only a legislative requirement, but it is also a healthy corporate check and challenge exercise. The Council strives to ensure that all members, through various rounds of Committees and informal budget briefings are actively involved in shaping the budget. In addition it also takes a strong lead from the feedback received from its Resident Survey which indicates how our residents want us to prioritise our ongoing service delivery.

Financial Implications

By undertaking regular reviews of the MTFP the Council can ensure that its Corporate Plan priorities are affordable. The implications of the budget gap are set out within the various cabinet papers referred to. Many areas require greater clarity, particularly around national funding and possible changes to Government Policy. Therefore, several key assumptions underpin the reported position, which will be refined as greater clarity is received through the budget setting process.

Legal Implications

None directly arising from this report, although there is a legal obligation to balance the budget. There are legal implications arising from any future consequential decisions to change service provision, but these would be assessed at the time.

Risk Assessment

To comply with the requirement to set a balanced budget, The MTFP makes several financial assumptions based on a sensible/prudent approach, taking account of the most up to date professional advice that is available. These continue to be kept under review and updated where necessary. Management must ensure that the proposed savings are robust and achievable. Failure to set a robust deliverable budget puts the Council at risk of not being able to meet its commitments and casts doubt on its “going concern” and “Value for Money” status.

Impact on Climate Change

The allocation of resources will impact upon the Council’s ability to implement/fund new activities linked to climate change, as the MTFP sets the broad budgetary framework for the Council over the coming years. However, some provision has already been included in the base budget and further investment is included within the Capital Programme, however this will be dependent upon full options appraisals and levels of Grant funding available.

Equalities Impact Assessment

There are no Equalities Impact implications relating to the content of this report.

Relationship to Corporate Plan

The Medium Term Financial Plan (MTFP) sets out the financial resources available to deliver the Council’s ongoing Corporate Plan priorities.

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: 15/01/2026

Agreed by or on behalf of the Section 151

Date: Andrew Jarrett

Statutory Officer: 15/01/2026

Agreed on behalf of the Monitoring Officer

Date: Maria De Leiburne

Chief Officer: 15/01/2026

Agreed by or on behalf of the Chief Executive/Corporate Director

Date: Stephen Walford

Performance and risk: 15/01/2026

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: Dr Stephen Carr

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

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Background papers:

- 2026/27 – 2028/29 Medium Term Financial Plan update (2 September Cabinet)
- 2026/27 Draft Budget Report (7 October Cabinet)
- 2026/27 Draft Budget Report (4 November Cabinet)
- 2026/27 Budget Update (2 December Cabinet)
- 2026/27 Draft Budget Report (13 January Cabinet)