Further information

The financial challenges we face

Like councils up and down the country, over recent years, our finances have been stretched by rising costs, reduced funding and inflation, giving us less freedom to prioritise spending as we – and you – might like us to. In this year's draft budget, we're not proposing to make new savings at this time, but we do provide details of savings and income targets that were approved in February 2023:

- Reducing what we spend on the Local Council Tax Reduction Scheme by £400k from 2024/25, and
- Generating £1m of additional income from September 2024 rising to £2m in 2025/26.

It is critical these savings/income targets are met in full to balance the books.

Our updated financial position for the coming year

Each year, we update our Medium-Term Financial Plan, which considers our financial position for the coming years. Since February 2023, when this year's budget was agreed, through factors outside the council's direct control, our overall financial position for the years ahead has worsened. We estimate we are approximately £3m worse off in 2024/25 than we had assumed and around £2m in 2025/26, which would result in shortfalls of £7.7m and £4.8m for those financial years.

We can balance the books for this year, but only by spending our remaining backup funds (reserves), and only if we meet our previous savings and income targets.

Looking ahead

All councils are facing financial challenges. Our forward planning has left us in a comparatively robust position in the short term, but we need to deliver significant savings over the coming years to enable us to continue to balance the books.

We've made assumptions about how prices and wages might rise in the coming years and on that basis, we estimate we'll need to identify £5m in new savings/income for 2025/26, rising to £11.6m by 2027/28. These savings will be in addition to the £40m of savings that were announced in February 2023 budget. We'll continue to identify ways to save or raise additional funds, and consult on these as appropriate over the coming months and years.