

CYPE Budget Minute Extract

DRAFT GENERAL REVENUE BUDGET AND CAPITAL PROGRAMME 2025/26

As the reports on the Revenue Budget and Capital Programme were related, they were taken as one item.

The Director of Finance submitted a draft report proposing the General Fund Revenue Budget for 2025/26 and the Capital Programme for 2025/26.

Key points included:

- The medium-term financial outlook was the most severe ever known. The Council was in the same situation as many other local authorities who were facing difficulties balancing the financial budget, some of which had issued a Section 114 notice.
- The Council found itself in this position due to a period of austerity which had reduced the scope to make further savings.
- Recent cost pressures had not been matched by government funding. Additionally, cost pressures were affected by a high demand for social care and a rise in inflation.
- The Council were fortunate to have one-off monies available, however, following the Chancellor's national budget in October, more constraints were anticipated.
- The Government understood the situation that councils were in, however, it was thought that new funding would be modest and amount to a real-terms cut in 'unprotected services' including those provided by councils.
- The report showed action taken by the Council. The strategy was to balance the budget up to 2028. The strategy was based on forecasts and was aimed at maximising one-off resources.
- It was not expected that there would be any longer-term government plans until next year.
- Strand 1 of the Revenue Budget involved releasing one-off monies in order to buy time.
- Reductions in the Capital Programme involved spending less and raising funds selling property.
- The strategy was reliant on one-off money to get to the 2027/28 financial year, after which there would be a gap of £90m.
- With regard to the one-year Capital Programme, there was no certainty over government funding. The government would publish a spending review in spring.
- The Capital Programme was linked to getting to a stable revenue position.
- The budgets were balanced for the next three years. This was the best outlook at this point.

The Commission was invited to ask questions and make comments. Key Points included:

- In response to concern raised that the detailed financial information was not adequately broken down into divisions and service areas, it was explained that since the reports went to all commissions, they focussed on the overall position. Additionally, in terms of reports focussing on children's services, it was ensured that financial implications were set out as clearly as possible. The need for a breakdown would be fed back.
- In response to a query on Personal Transport Plan, it was suggested that a lot could be saved through Personal Transport Plans as they were significantly cheaper. It was aimed to promote this option to parents by showing them the benefits.
- In response to a query about the fleet, it was not thought that there were any significant issues with the fleet at this point. It was being considered as to whether new routes could be taken by the buses in the fleet.
- In response to a further question about Personal Transport Plans and the impact on parents, it was explained that the Council had regular involvement in the parent and carer forum with SEND children. It was noted that in some cases the plans worked due to flexibility and choice. However, whilst they often worked for parents who wanted control over their time, for others it could feel like a burden.
- In response to further points raised on Personal Transport Plans, it was clarified that a basic milage rate was provided and there could be negotiation beyond this around individual circumstances.
- Information would be sought as to whether the local safety schemes mentioned in the capital plan would include road safety schemes around schools.
- In response to a question regarding the big rise in capital expenditure on Children's Services from 2024/25 to 2025/26, it was explained that this was due to changes in government funding.

AGREED:

- 1) That the report be noted.
- 2) That comments made by members of this commission be taken into account by the lead officers.
- 3) That the report be brought to Overview Select Committee prior to Full Council.