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**To: Finance and Corporate Services Scrutiny Board (1)**

**8 January 2025**

**Subject: (Draft) Medium Term Financial Strategy 2025/26 – 2027/28**

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## **1 Purpose of the Note**

- 1.1 Coventry City Council is carrying out a public consultation following the pre-budget report for 2025/26. The consultation was approved at Cabinet in December 2024, which the Board will also consider at the meeting on 8 January 2025. Following the consultation, and details on the final settlement for Local Government, officers will consult with members, the outcome of which will result in final Budget and Council Tax setting reports and associated recommendations being heard by full Council in February 2025.
- 1.2 Officers intend to append an updated Medium Term Financial Strategy (MTFS) to the final budget report, a draft version of which is attached for consideration by this Board.

## **2 Recommendations**

- 2.1 Finance and Corporate Services Scrutiny Board (1) is recommended to:
  - 1) Make any comments or recommendations to the Cabinet Member for Strategic Finance and Resources in relation to the (Draft) Medium Term Financial Strategy 2025 - 2028

## **3 Context**

- 3.1 In February 2025, the final Budget setting report for 2025/26 will be heard by full Council. Appended to the report will be a Medium Term Financial Strategy (MTFS) which sets out not just the position for the current year, but also a medium term three year planning view of the Councils Finances.
- 3.2 The MTFS performs a number of functions setting out initially the policy assumptions and financial management framework that underpin the wider strategy. The strategy then describes the Council's operating environment from a cost and resources perspective and sets out to explain the framework for how the Council will balance it short to medium term budget positions.
- 3.3 As with the last couple of years, it has not been possible to consider this 2025 – 2028 MTFS for longer than a single year with any degree of confidence. This is largely because the last couple of Local Government settlements have only really considered the following year, and have not been able to provide multi-year certainty. Additionally, the cost environment for all local authority services, but particularly social care services has been very volatile reflecting the inflationary environment and the resulting market conditions.

- 3.4 These resourcing and costing uncertainties have restricted the Council from being able to produce a medium term view with any degree of confidence. However, the new Government have indicated that they intend to both fundamentally review the funding regime, and seek to provide multiyear funding settlements, details of which will be received in the new year. These changes will need to be reflected in future versions of the Council MTFS.
- 3.5 The attached document is however an early draft of the document that will be appended to the final budget report in February 2025, subject to further information that may come to light as part of the provisional and final settlements for Local Government and the local impact for Coventry City Council.
- 3.6 Scrutiny Board views are sought on the content of the draft Strategy.

#### Appendix 1 – DRAFT Medium Term Financial Strategy 2025 – 2028

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