

APPENDIX 3

Medium Term Financial Strategy 2026/27 – 2028/29 (April 2025 Update)

The Medium-Term Financial Strategy (MTFS) sets out the Council's strategic approach to the management of its finances and outlines some of the financial issues that it will face over the next three years.

This is the first iteration of the MTFS 2026/27 – 2028/29 and it has been compiled with data and information available as at the end of March 2025. The document will be subject to refinement as the financial year 2025/26 progresses and will identify workstreams that need progressing during the year.

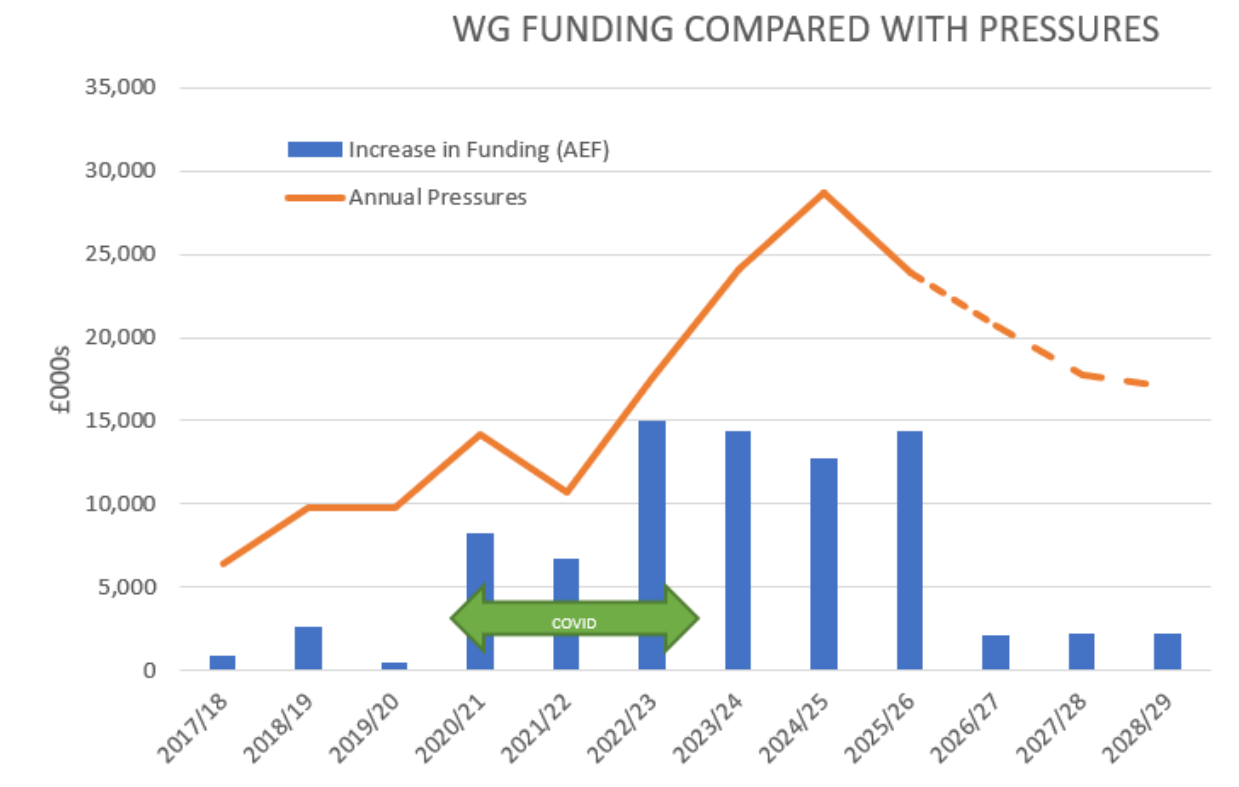
Summary of the Financial Outlook

The medium term economic and political environment within which the Council operates remains extremely uncertain making forecasting budget projections with accuracy difficult. Demand for services from our communities continues to grow and the complexity of needs has intensified in areas such as education and children's services and adult social care. Whilst headline rates of inflation have eased, the inflation that the Council is subject too continues to have an impact by increasing costs of service delivery. These cost pressures include, nationally set pay awards and increases in complexity for demand led services in adults' and children's social care that the Council has a statutory duty to provide and are outside of the Council's control. The combined effect is to increase the Council's budget requirement year on year.

The 2025/26 funding settlement from Welsh Government provided no future indication of funding. As circa 75% of the council's budget (net) is funded by the settlement this adds a level of uncertainty. The current predictions for future funding from Welsh Government assume increases of 1% in the absence of any indication from government and are similar to assumptions other Welsh Councils are making. Both Governments have committed to multiyear settlements in the future which will assist in planning.

The graph below shows how funding received from Welsh Government compares with the cost pressures the council is subject to. It covers a 10-year period, looking back to

2017/18 and forecasts forward to 2028/29 using current Medium Term Financial Plan (MTFP) estimates of pressures using a range of cost assumptions from low to high.



The council has faced a significant financial challenge in setting recent budgets as outlined in the table below:

	Pressures requiring additional budget (£m)	Council Tax (£m)	AEF (Funding from WG) (£m)	Savings (£m)
2023/24	25	3 (3.8%)	14 (8.2%)	8
2024/25	25	7 (9.34%)	7 (3.8%)	11
2025/26	24	5 (6%)	15 (7.2%)	4

The significant financial challenge is set to continue in the medium term as the forecast increases in funding from Welsh Government (working assumption), is highly unlikely to keep pace with increases in demand for and complexity of needs for services and the continued impact of inflation. At the time of updating the strategy the Council awaits the

results of the UK Governments 3-year comprehensive spending review taking place in the first half of 2025. Current government spending plans indicate there will be a return to much tighter budget rounds after 2025/26. That implies real terms cuts in later years of this parliament. This will have implications for the Welsh Government's budget and will shape the scale of the financial challenge the Council will have to face in setting future balanced budgets, which should not be underestimated.

Appendix 2 sets out the current budget projections in the Medium-Term Financial Plan (MTFP) for 2026/27 – 2028/29 along with the assumptions that underpin the projections. At this stage in the budget process the MTFP show high level estimates of known pressures along with the impact of increases in Council Tax and funding from Welsh Government. The table includes a range of assumptions to provide a low, medium and high estimate of costs for each pressure, illustrating both the uncertainty of the figures and the work that still need to be carried out to refine these projections.

Budget Pressures

Corporate pressures currently included in the MTFP;

- Pay pressure - Non-Teaching Pay Awards. Current estimates are on the high side, when compared with current rates of inflation and these may be revised down in future updates.
- Pay Grades Pressure - In recent years increases to the National Living Wage driven by high levels of inflation has had an impact on the Council's pay structure. Grades have compressed at the lower end of the structure due to the removal of some spinal points and there is an increasing need to review the structure. The pressure included in the MTFP has been pushed back to 2026/27 / 2027/28 reflecting the commitment made by the national employers in recent pay negotiations to redesign the national pay spines and the time that may take. The Council recognises the need to review its pay structure, but it would not be feasible to complete that review when changes to the national pay spine are planned.
- Price inflation
- Council Tax Reduction Scheme - Funding for CTRS transferred into the Local Government settlement a number of years ago and has not changed. Additional costs as a result of increases in Council Tax fall on the council

- Levy from North Wales Fire and Rescue Authority
- Schools inflation – covering teaching and non-teaching pay awards for those employees working in schools, and price inflation.
- Schools Demography – reflecting changes in overall pupil numbers.
- Investment in Priorities - impact of capital programme repayment of borrowing and interest costs.

Service Pressures currently included in the MTFP;

- Adult Social Care – based on ongoing pressures identified
- Children's Services –. based on ongoing pressures identified.

Current figures included are at a high level and both pressures need refinement as the year develops to reflect updated demands. Demands for some service provision is increasing in Adults and Childrens Services but also the complexity of care required by individuals is increasing.

There is a need to consider additional service pressures not currently specified in the MTFP. A relatively modest sum covering all pressures has been included in the MTFP for each of the 3 years. A short process whereby Heads of Service submit a short and focused business case that is supported by the Corporate Director, for approval by CET will be run this year the same as last year and concluded by the summer.

The majority of the pressures faced by the Council are outside of its control, for example pay inflation is set nationally.

Risks

This section of the MTFS provides details of the strategic risks that the council is facing that it has not been possible to quantify in the MTFP at this stage, or there is still a degree of uncertainty if it will materialise.

- Pay Awards – The 2025/26 pay awards have yet to be confirmed. Should the pay awards be settled at amounts in excess of what has been set aside in the 2025/26 budget, then the Council would need to use reserves in year to fund and to correct

the base budget in 2025/26 which adds to future pressures in the MTFP for 2026/27 onwards.

- Clwyd Pension Fund Triennial Review – revised employer contributions will take effect from 2026/27.
- Children’s Services Placements – demand is difficult to forecast, complexity of needs coupled with inflation have driven up costs significantly in recent years. WG have set a priority of eliminating private profit from the care of looked after children, this is having an impact on the market in Wales by driving up costs in advance of those legislative deadlines.
- Adult Social Care – care fees and an increase in the number of complex cases could be in excess of budgeted levels.
- Homelessness – The general lack of social and affordable housing coupled with changes in legislation during the pandemic has seen a significant increase in the number of people presenting as homeless in recent years. This has led to significant additional cost, particularly in relation to temporary accommodation. Whilst there are a number of workstreams being progressed with positive results to reduce the costs and numbers in temporary accommodation the situation can change quickly.
- Denbighshire Leisure Limited since it started trading in 2020 has been subject to the same inflationary pressures as the Council has faced mainly due to pay, food and energy increases. During this time no additional funding has been provided under the management fee with additional costs being funded from growth in activity and income. Forecasts for future years, in light of additional pressures including the increase in employers NI, are that additional funding maybe required. This will be reviewed in year at the Strategic Governance Board, with any additional funding needing to be approved by Cabinet and funded in year either from contingency budget or reserves. The Council has recently approved, in principle, a change to the structure of DLL to prevent the need to include future pressures and generate savings on the management fee. The decision is subject to regulatory checks that need satisfied before progressing further.

Funding Additional Pressures

The net revenue budget is funded from Aggregate External Finance (AEF) (75%) and Council Tax (25%). The AEF is made up of Revenue Support Grant (RSG) and Non Domestic Rates Pool funding (NDR).

Aggregate External Funding - Projected funding from Welsh Government.

The 2025/26 funding settlement from Welsh Government provided no future indication of funding. The current predictions for future funding from Welsh Government assume increases of 1% in the absence of any indication from government and are similar to assumptions other Welsh Councils are making. Both UK and Welsh Governments have committed to multiyear settlements in the future which will assist with planning.

At the time of updating the strategy the Council awaits the results of the UK Governments 3-year comprehensive spending review taking place in the first half of 2025. Current government spending plans indicate there will be a return to much tighter budget rounds after 2025/26. That implies real terms cuts in later years of this parliament. This will have implications for the Welsh Government's budget which in recent years has not been published (budget and draft funding settlement for local government) until December.

It is likely that the Council will receive a higher than forecast funding settlement when the recurring funding expected for the increase in employers National Insurance contributions in April 2025 is included in the settlement, etc. At this point in the year there is no confirmation of the amount and therefore we have been cautious and have not increased the funding forecast in the MTFP.

It is essential that we continue advocating for more resources from national governments especially considering increasing demand in services or rising costs as a result of policy decisions. It is worth noting that a 1% increase in AEF equates to an additional c£2m in funding.

Council Tax

In 2025/26, Denbighshire's Band D Council Tax is £1,779 which compares to the Welsh average of £1,747 and the North Wales average of £1,808. Across Wales, Band D Council Tax varies between £1,543 (Cardiff) and £2,083 (Merthyr Tydfil) and in North

Wales between £1,706 (Ynys Mon) and £1,907 (Gwynedd). The Band D Council Tax of our immediate neighbours is £1,889 at Conwy and £1,816 at Flintshire. We are the 4th highest in North Wales.

Assumptions made about Council Tax increases in the MTFP range from 6% - 12% for 2026/27 and a 6.1% long term average thereafter for both years though it is important to note that no decisions have been made yet. A mid-range assumption of a Council Tax increase of 9% for 2025/26 yields an additional £7.5m but only addresses roughly a third of the funding gap, the remaining gap is substantial at £11m. Council Tax would need to be set at 23% in theory to set a balanced budget with no reductions to budgets.

To the extent that increases in AEF and Council Tax are insufficient to meet the financial demand, then the Council is faced with the need to make budget reductions, generate income or use its one-off reserves and balances to fund any remaining resource shortfall.

Transformation

Given the scale of the Council's current financial position and the cumulative impact of finding annual efficiencies for over a decade the Council has been developing a more transformational approach to the need to reduce its costs. Our approach to transformation is a priority and is under development but it will take time and investment. For the next few years, the approach will be to identify savings (see below) and invest in transformational projects.

The Council's Transformation Programme is coordinated, accelerated activity to deliver change projects across the Council's services and functions to enable the organisation to respond to the current and future financial and demand challenges. The types of projects the programme will deliver will vary but all will reshape the way in which services are delivered, ensuring they operate as efficiently as possible, while also investigating creative ways to best serve our residents. The Programme's financial targets will align with the Council's MTFS / MTFP with the goal to be a financially sustainable Council.

The approach of the transformation programme is to target the delivery of a basket of significant changes each year, corporately supported, so that these savings can be banked ahead of time lessening, and eventually avoiding, the requirement of service-by-service cuts in setting a balanced budget annually.

Work commenced in May 2024 on developing our transformation programme. A number of sessions were held with Elected Members and Senior Officers to identify transformational ideas into 3 main workstreams with each Corporate Director providing day to day cross-council challenge and strategic direction. The workstreams are as follows;

- Commercialisation and Enterprise - diversifying income, fees and charges, trading with other public bodies, external grants, municipal entrepreneurialism, alternative delivery models, social enterprises, wholly owned companies
- Collaboration and Partnership – more regional delivery, delivering together with other LA's and/or City, Town and Community Councils, community and/or third sector delivering instead of the County Council
- Influencing Demand and Digital - prevention, self-serve, right first time, expectation management, reduce red tape- streamlining policies & procedures, minimising duplication across teams & departments- cross-service working & training/multi-skilling, process re-engineering, LEAN, digital enabled change, use of technology/devises, AI/robotic process automation, ICT systems/software

In recognition that the Council will not have capacity to take forward all transformation ideas at the same pace and at the same time, ideas have been prioritised into Tranches.

- Tranche 1, 9 projects set up. Ideas and concepts tested through project brief and business cases are now being developed for delivery during 2025/26 to generate a full year saving in 2026/27 (in year partial savings likely in 2025/26). Wellbeing Impact Assessment completed for each project.
- Tranche 2, 19 ideas – developed and delivered 2025/26 – 2026/27 to generate a full year saving in 2027/28 (in year partial savings likely in 2026/27).
- Tranche 3, 19 ideas - developed and delivered 2026/26 – 2027/28 to generate a full year saving in 2028/29 (in year partial savings likely in 2027/28).

The programme is managed by the Budget and Transformation Board which consists of Cabinet Members and the Corporate Executive Team (CET). The Board meets regularly to review progress of projects, progression through various project gateways, allocation of funding, etc.

Although most decisions in respect of transformation proposals will be taken by the Executive arm of the Council, i.e., officers, lead members and Cabinet, there will be regular engagement with the wider membership of the Council as proposals are developed. There will be opportunities for all members to be briefed informally in a

workshop setting but formal consideration of more significant proposals by Scrutiny Committees.

Budget Reductions and Savings

‘Savings’ is a ‘catch all’ term for the different ways in which the Council’s budget can be reduced. Savings categories can include efficiencies, increases in income in line with the fees and charges policy, reductions to services, as well as savings from transformation projects.

Given the scale of the Council’s current financial position and the cumulative impact of finding annual efficiencies for over a decade, no service can be protected in its entirety from the need to find savings, and this unfortunately includes front line services.

Prioritisation of services will continue to feature in future discussions.

- We will need to invest more in provision of statutory services to our most vulnerable (eg children and adults needing social care), the demand for these services are going up and the costs are increasing, though part of the transformation projects are to reduce demand. These are services we need to prioritise in terms of additional year on year investment.
- Other services are highly valued, and we will need to continue to provide additional funding, their budgets will increase year on year in cash terms, but in real terms additional funding may not keep pace with inflation.
- Other services will receive less budget than last year. For example, as seen with libraries in 2024/25.
- It will be necessary to remove the budgets for some functions entirely and therefore we will either cease to provide that service or work with partner organisations, if possible, for them to run the service or at least pay the full costs for delivering it. For example, the current position with public toilets which we are still working through.

It is important to understand that there are some budgets within the overall net revenue budget where it is not possible to implement any savings, for example the Levy to the North Wales Fire and Rescue Authority, Members’ allowances etc. Also to understand

that the Council cannot operate without support services functions; however they will need to operate effectively and as efficiently as possible.

The scope for efficiencies is somewhat limited given the scale of budget reductions over the past ten years, which has delivered a wide range of efficiencies. However, technologies and other practices continue to evolve, and we therefore need to work hard to identify and deliver further efficiencies where we can in order to preserve services for residents.

In terms of 2026/27 savings, targeted service reductions have not yet been issued, however Heads of Service and their lead Members are very aware of the financial situation and are working towards achieving savings whilst considering what services will look like as a result. A workstream is underway to review and compare the costs of service delivery with other similar local authorities to shape targeted service reductions in 2026/27.

Budgetary control measures introduced covering recruitment, and use of overtime and agency will continue in 2025/26.

Fees and Charges

Annual work on fees and charges has always been undertaken every year as part of budget setting. The fees and charges policy was given a 'light touch' review by the Budget and Transformation Board during 2024/25, given capacity issues within the Finance team, a full update wasn't considered necessary. A more focused review of fees and charges has been rescheduled for 2025/26. This will indicate which fees are statutory and which are not. The workstream will be led by the Finance team who will aim to conclude the work and report back to Cabinet in the Autumn. The workstream could identify opportunities to generate or maximise income which will need to feed through to the transformation agenda. Additional fixed term capacity will need to be brought into the Finance Team to complete the work.

Capital

The Council's capital plan has an impact on its revenue budget. Schemes funded from borrowing have associated interest and debt repayment costs (minimum revenue provision) which must be charged to the revenue account. There is also the additional day to day running costs associated with large capital schemes that develop additional / new

services. The Council has a well-developed process for assessing individual capital business cases and associated revenue costs. In setting its revenue and capital budgets for the current year the Council recognised the need to limit the impact of the capital plan on the revenue budget as much as possible and has introduced additional principles.

- The Council has reduced the annual block allocations with the aim of capping expenditure to the level of the capital funding received from Welsh Government, though this is challenging given the impact high levels of inflation in recent years has had and funding from WG has not increased in line with inflation.
- Urgent Health and Safety issues are prioritised.
- Consideration is given to Invest-to-save schemes, even if the benefit is reducing pressures in the medium term.
- Capital receipts or delays to other projects should be the only source of funding available.
- Grant Funded Schemes – more reliance on using grant funding as effectively as possible. 100% grant funded schemes are obviously preferable, but it is recognised that sometimes match funding will be required. Consideration should also be made on any ongoing revenue impact of capital grant, on-going maintenance costs for example.

We are currently reviewing the policy for repaying debt and have engaged our Treasury Management advisors to assist with the review whilst also undertaking an independent review of the impact of the capital plan on the revenue budget. The results of these reviews will be available for consideration early in the new financial year.

Schools

The approach, as it has been in recent years, will be to continue to fully fund inflationary pressures including pay awards, any increases in employers' national insurance and pension contributions, energy, etc and demography, and then apply a budget reduction as necessary. In recent years the position is set out in the table below

School Budgets	Gross increase in funding (£m)	Savings (£m)	Net increase in Schools budget (£m)	Net increase in Schools budget %
2024/25	7.616	(2.7)	4.916	5.82%
2025/26	5.245	0	5.245	5.91%

The schools' budget is our biggest budget, the council cannot fund all inflationary pressures without expecting our schools to contribute to the savings effort. The impacts of decisions and changes in 2024/25 and 2025/26 will need to be assessed and considered in reaching decisions any percentage reduction for schools in 2025/26.

Reserves and Balances

The Council will hold many different reserves at any point in time, though the amounts are only confirmed at the end of a financial year. The Statement of Accounts will split reserves into 2 categories usable and unusable reserves. As the name suggest unusable reserves cannot be used and relates to technical reserves associated with timing of accounting adjustments relating to fixed assets and pensions. Usable reserves are split into capital and revenue reserves. This section of the MTFS focuses on the revenue reserves and the strategy for their use over the medium term.

The table below set outs the useable reserves held by the Council as at the end of financial years 2022/23 and 2023/24 along with the forecast for the 1st April 2025 (£m).

Useable Reserves	1st April 2023 (£m)	1st April 2024 (£m)	Est. 1st April 2025 (£m)	Purpose
Council Fund balance	5.577	5.577	5.577	Sums set aside for more general purposes to meet any unforeseen costs pressures and unexpected events outside of the council's control.

Useable Reserves	1st April 2023 (£m)	1st April 2024 (£m)	Est. 1st April 2025 (£m)	Purpose
Earmarked Revenue Reserves – Services	14.514	14.178	13.076	Sums set aside for specific purposes to support Service needs.
Earmarked Reserves - Corporate	17.147	17.607	21.261	Sums set aside for specific purposes to support corporate needs.
Earmarked Revenue Reserves - Schools	8.939	3.681	-2.504	School reserves which are delegated to school governing bodies.
Housing Revenue Account Reserve	1.566	1.178	0.758	Housing reserves which are ringfenced for housing purposes as required in law.
Earmarked Capital	19.240	22.186	22.186	Capital monies set aside for funding ongoing capital schemes as per the Capital Plan.
Capital Reserves (capital receipts reserve and capital grants unapplied account reserve)	15.122	12.845	12.845	Capital receipts and grants to fund ongoing capital schemes as per the Capital Plan. These sums cannot be used to support Revenue expenditure.
Total Useable Reserves	82.107	77.252	73.199	

The Council Fund balance currently stands at £5.6m. In setting its 2025/26 budget the council agreed to keep this minimum £5.6m unearmarked reserve, to meet any unforeseen cost pressures and unexpected events outside of the council's control. Should there ever be a call on this reserve, there would need to be a plan to replenish the reserve to its level of £5.6m.

There is no determined level of reserves that is necessary for councils to hold as that is a matter of judgement for each council to make. Previously £5m has been the level for some years and as the council's net revenue budget has increased (due to high levels of inflation) in recent years its value has been eroded. £5.6m is 1.9% of the current net revenue budget (2025/26) and it is an aim to increase the level of unearmarked reserves over the medium term. It was proposed to include a £0.5m pressure to contribute to the reserve to maintain the proportion of un-earmarked reserves to net budget. This would bring the percentage of un-earmarked reserves to 2.24% of net budget. This pressure was diverted to other priorities during the budget debate at Council, but the intention is to include funded from National Insurance funding from governments.

The Council also has earmarked reserves which are set aside for specific purposes, either to fund a known future pressure, loss of income or to mitigate against a possible risk. Some are restricted in their use by, for example, the terms and conditions of grants where their source is government funding. Earmarked reserves are also used by services to manage their budgets and are regularly reviewed and challenged as part of budget monitoring and work on setting annual budgets.

Reserves can only be used once and reliance on reserves is not sustainable. Reserves should be used to fund time limited or one-off expenditure, rather than recurring expenditure.

The Council holds centrally held earmarked reserves set out in the table below to assist in managing its budget over the medium term.

Reserve	Est 1st April 2025 (£m)	Purpose
Budget Mitigation Reserve	6.659	Mitigate any in-year budget risk from in year overspends, and where savings are less than forecast, or cannot be achieved.
Transformation Reserve	1.041	Pump prime funding for transformation projects.

General Pay Reserve	4.375	General Pay Reserve used to fund all corporate matters relating to pay including future exit costs, any in year shortfalls in the pay award, pay and grading structure review and pension surplus or deficits.
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Processes for keeping Members informed and Governance of the Budget

The process for setting budgets has been evolving during the last 2 financial years reflecting the severity of the budgetary situation.

Heads of Service have been coming forward with proposals for budget reductions following discussions with Lead Members. Proposals have been categorised with any savings proposal of strategic significance being reviewed by CET for deliverability before being reported informally to Cabinet through the Budget and Transformation Board for political challenge/acceptability. The relevant Lead Member has ensured that all Members were advised of any savings derived from strategically significant projects by sharing a brief report and a Wellbeing Impact Assessment. Each project is the subject of a virtual Teams meeting for all Members so the proposal could be further explained, and any initial questions answered. Final decisions are taken as appropriate e.g. at Cabinet, Lead Member Delegated Decision, Head of Service delegated decision etc, with some projects considered by Scrutiny and are the subject of a public consultation as necessary.

Heads of Service also proposed a range of non-strategic efficiencies/smaller scale reductions to budgets. These efficiencies/reductions to budget were discussed with Lead Members and in most cases were progressed via a Head of Service delegated decision.

These processes for sharing information with Members will continue going forward as in general feedback from Members has been that they were well engaged in the budget process.

Regular Council Workshops/Member Briefings will be arranged to update Members on development of MTFS (overall budget approach), latest projections in MTFP, progress on delivery regarding closing the budget gap and the transformation agenda.

There will also be regular updates of the MTFS and MTFP, with reports scheduled for Cabinet in October and January, before the budget is set a month later in February. These reports will be the subject of agenda items for Governance and Audit Committee for assurance that the Council has robust processes in place to make effective decisions in a timely manner to deliver balanced budgets in future and Performance Scrutiny Committee to review those decisions. It is also planned to debate budget setting proposals at an early stage at the Council meeting planned for November. Final budget proposals will need to be approved with Council Tax setting at a Council meeting in February, when the settlement from WG is known.

Communications Plan

The communications plan for the budget is as follows:

- Elected Members – as per processes for keeping Members informed section (above).
- The Leader, Chief Executive and Corporate Director Governance & Business meet regularly with Group Leaders, who update their Groups. Groups can invite Chief Executive, Corporate Directors and Section 151 Officer to any of their meetings to discuss the budget proposals.
- Employees - Regular updates on budget are provided at the monthly Staff Council meetings. Staff roadshows took place between March – May 2024 to give employees an opportunity to better understand the Council's financial position and to ask questions / offer feedback. Further briefing sessions will be arranged as necessary.
- Trade Unions - Senior Officers meet regularly with the Unions to update them on saving proposals.
- Schools - Senior Officers attend the School Budget Forum on a regular basis to update them on saving proposals, particularly regarding implications for schools. Senior Officers attended the annual Headteachers conference to discuss the Council's financial position and school budgets.
- Public / residents - Major projects have and will continue to be subject to specific public consultation e.g. reduction in library opening hours, and public conveniences. Engagement with the public last year focused on developing budgetary information

on the council's website which was shared through our social media channels. Further work is needed this year to develop our residents understanding of the council's financial challenges and the impact it will have on our ability to deliver services.

- City, Town and Community Councils – We held an information session with all of our City, Town and Community Councils to fully brief them of the council's financial situation in July. Further briefing sessions will be arranged as necessary.

Wellbeing impact assessments were completed on all major savings proposals along with an overarching assessment for the whole of the budget. This is being updated periodically as proposals are refined and reported to the Strategic Equalities and Diversity Group.

Timetable

Table below includes a timetable of likely budget activity for the year;

Budget Activity	Date
Cabinet – Medium Term Financial Strategy (including MTFP update) and assessment of financial resilience report.	29th April
Governance and Audit Committee - Medium Term Financial Strategy (including MTFP update) and assessment of financial resilience report.	30 th April
Performance Scrutiny – Medium Term Financial Strategy (including MTFP update) and assessment of financial resilience report. For information report.	1 st May
Members Budget Workshop – MTFS / MTFP update	June
Members Budget Workshop – MTFS / MTFP update	September
Members Budget Workshop – MTFS / MTFP update	October
Cabinet MTFS / MTFP update	21 st October
Members Budget Workshop – MTFS / MTFP update	November
Full Council – Early debate – Budget 2026/27	11 th November
Governance and Audit Committee - MTFS / MTFP update	26 th November
Performance Scrutiny - MTFS / MTFP update	27 th November

Welsh Government Budget and LG Draft Settlement (Not confirmed using recent years as a guide)	Early December
Members Budget Workshop – MTFS / MTFP update	December / January
Cabinet - Budget 2026/27 update	January 2026
Governance and Audit Committee - Budget 2026/27 update	January 2026
Performance Scrutiny - Budget 2026/27 update	January 2026
Cabinet – Set budget 2026/27 and proposed Council Tax	February 2026
Full Council – Set Budget 2026/27 and Council Tax	February 2026

Conclusion

The Medium-Term Financial Plan (MTFP) sets out the financial forecast for the next three years. It is based on a range of assumptions, most of which at this stage are uncertain and are likely to change. However, the level of uncertainty, in terms of the UK economic outlook, funding from governments and service demands, leaves us with significant risk. As a result of the volatility, the plan will be reviewed and updated on a regular basis.

Whilst the plan does not provide us with any real certainty, it nonetheless does provide a clear indication of the direction of travel and scale of the financial pressures, to determine actions and strategic considerations we need to take in the short term (to set the 2026/27 budget) and mid-term (to set the 2027/28 and 2028/29 budgets) and sets out the need to continue with our transformation programme.