

AGENDA ITEM 6a

Budget proposals for 2026/27 and Medium Term Financial Plan 2026/27-2029/30

The following is taken from the Durham County Council Lets Talk Website:

We have developed our annual Medium Term Financial Plan (MTFP) to meet the ambitions and priorities of our new leadership following the local elections in May 2025.

Whilst our leadership has changed, our financial position remains challenging and uncertain, with significant unavoidable cost pressures that we need to accommodate. Our current financial forecasts include a series of savings proposals which were approved by the previous leadership in February 2025, which total £5.662 million.

These savings have been reviewed by our new Cabinet, and in some cases have been withdrawn or amended to reflect their new priorities. However, most of the previously agreed proposed savings have been confirmed and will be included in the MTFP by the new Cabinet. We are now consulting on the updated proposals.

Additionally, we want to gather your views on Council Tax increases. If we do not increase Council Tax over the course of the MTFP period (up to 2029/30), our budget deficit for next year will be £20.047 million, and will total £71.019 million over the next 4-year period.

In order to reduce this budget deficit, and without additional assumed Government funding, we will need to bridge the gap through a combination of substantial additional savings and the use of reserves. However, using reserves, to balance the budget, is not a sustainable long-term option.

Link to further information:

<https://letstalkcountydurham.co.uk/en-GB/projects/budget-proposals-for-2026-27-and-medium-term-financial-plan-2026-27-2029-30>