

Comments by Richard Wyles, Deputy Chief Executive and Section 151 Officer

The Council approved a balanced budget for 2025/26 at its meeting on 27 February 2025 but also noted that the medium-term outlook remains challenging with forecasted deficits from 2026/27 as a result of the anticipated business rates reset and reform of the funding settlement. Therefore, it is important to reiterate that the Council needs to ensure it retains its focus on the actions it needs to continue to take in order to keep the organisation financially sustainable, irrespective of what happens with regards to re-organisation. Whilst there are potentially significant saving opportunities associated with re-organisation, the timescales are not likely to align with the review that is required to ensure a financially sustainable position for the Council and therefore it is imperative that the Council continues to transform and identify efficiencies to remain sustainably viable.

With regards to resource implications associated with the options being considered there are a wide range of different areas to consider. This includes the up-front cost of establishing a preferred model and working towards implementation, financial implications associated with disaggregation of the existing structures and formation of the new structures.

Re-organisation would necessitate the costs and funding of all current local authorities within scope of the proposed new authority to be re-aggregated into the proposed model. This will require detailed and intense analysis of the finances structures to fully understand whether the new authority would provide the financial resilience that is being required under LGR. Therefore, it is important that extensive due diligence will be required so that the Council has as good an understanding as possible with regards to the financial position of the Councils that may be included in the final submission.

The cost of change is likely to be significant and the Council will need to resource in due course unless Government funding is provided. Further decisions regarding the allocation of resources to fund LGR may be required at a later date once Government has fed back on the initial submission.

Ultimately it is important the Council retains its focus on delivering the Corporate Plan ambitions during this period and there is no disruption to the delivery of Council services.