

<h2 style="margin: 0;">RECORD OF EXECUTIVE DECISION BY CABINET</h2>
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<b>ITEM:</b>	<b>Updated 2026/27 Proposed budget and Medium-Term Financial Plan 2027-2029</b>
Cabinet Members Present:	Councillors Jo Monk (Chairman), Alan Amos, Satinder Bell, Justin Bowen, Ian Cresswell, Sue Eacock, Stephen Foster, Karl Perks, Nik Price and Rob Wharton
Date of Decision:	24 February 2026
Purpose:	To consider the updated 2026/27 proposed budget and medium-term financial plan with a view to recommending it to Council for approval on 26 February 2026.
<b>DECISION:</b>	<p><b>Cabinet:</b></p> <ol style="list-style-type: none"> <li><b>1. Agreed to recommend to Council on 26 February 2026:</b> <ol style="list-style-type: none"> <li><b>a) Net Budget Requirement of £619.964 million, as set out in Appendix 1.</b></li> <li><b>a) Council Tax Band D equivalent for 2026/27 be set at £1,760.80 and the Council Tax Requirement be set at £392.240 million, which will increase the Council Tax Precept by 8.98% in relation to two parts:</b> <ul style="list-style-type: none"> <li><b>• 6.98% to provide financial support for the delivery of outcomes in line with the Corporate Plan and the priorities identified by the public and business community; and</b></li> <li><b>• 2.00% Adult Social Care Precept ring-fenced for Adult Social Care services, in order to contribute to existing cost pressures due to Worcestershire's ageing population and rise in support required for Working Age Adults;</b></li> </ul> </li> <li><b>b) Capital Programme of £644.816 million as set out in Appendix 2 which includes reductions and amendments passed at Council on 15 January 2026.</b></li> <li><b>c) Earmarked reserves schedule as set out in Appendix 3.</b></li> <li><b>d) Treasury Management Strategy set out at Appendix 4.</b></li> <li><b>e) Capital Strategy at Appendix 5.</b></li> <li><b>f) Pay Policy Statement at Appendix 6.</b></li> </ol> </li> </ol>

	<p><b>g) An in-year increase to the borrowing Authorised Limit to include short-term borrowing to cashflow the High Needs deficit as detailed in paragraphs 42 – 45.</b></p> <p><b>2. Cabinet:</b></p> <p><b>a) Noted that under his powers as Section 151 Officer, the Chief Financial Officer had written to Government to request Exceptional Financial Support (EFS) in the form of a capitalisation direction and a request for Council Tax flexibility, which is an increase in Council Tax by up to 5% above the maximum limit to support the budget in 2026/27 (9.99%), a copy of the letter can be found at Appendix 13.</b></p> <p><b>b) Noted that the confirmation that the County Council had been given permission from Central Government for Council Tax flexibility to increase council tax above the maximum level of 4.99% by 4% i.e. up to a maximum of 8.99% and a copy of the letter can be found at Appendix 14.</b></p> <p><b>c) Noted that confirmation relating to the Council's application for a capitalisation directive as part of the EFS referred to in recommendation a), had not been received at the date of the publication of this report, but was subsequently received and published as Appendix 16.</b></p> <p><b>d) Noted the advice of the Chief Financial Officer which was that Full Council on 26 February 2026 approves the maximum level of Council Tax which is allowable by Central Government to avoid the issue of a Section 114 Notice.</b></p> <p><b>e) Gave delegated authority to the Cabinet Member with Responsibility (CMR) for Finance and Corporate Services, in consultation with the Chief Financial Officer (Section 151 Officer), any further adjustments to the revenue cash limits that may be required as a result of any relevant changes to Specific Grants and income for 2026/27.</b></p> <p><b>f) Authorised the Strategic Director for Adults and Community Services, the Director of Children's Services and the Director of Public Health, in consultation with the Chief Financial Officer and relevant Cabinet Members with Responsibilities, to approve the agreement for the use of resources between the Council and the Clinical Commissioning</b></p>
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	<p><b>Groups under Section 75 of the NHS Act 2006 (the Section 75 Agreement) for 2025/26.</b></p> <p><b>g) Noted the draft Medium-Term Financial Plan set out in Appendix 7.</b></p> <p><b>h) Noted savings, efficiencies and income generation which were set out within Appendix 8 that were passed at Council on 15 January 2026.</b></p> <p><b>i) Authorised the £0.5 million expenditure required for the first stage of the Business Case for Corporate Transformation, funded from the amount earmarked within the Transformation Reserve, detail of which can be found in Appendix 9.</b></p> <p><b>j) Noted the recommendations from Overview Scrutiny and Performance Board (OSPB) and the individual scrutiny committees set out in Appendix 12.</b></p> <p><b>k) Noted that OSPB will be meeting 25 February 2026 to consider this report.</b></p>
Reason(s) for the Decision:	As set out in the report. Budget proposals to ensure the continued strategic planning and management of the Council's budgetary and financial arrangements and the delivery of the Council's Corporate Plan.
Alternative Options Considered:	None other than as set out in the report.
Conflict of Interest (any declared by a consulted Cabinet Member/any dispensation granted)	None
Date the decision is due to take effect:	This issue is in regard to the budget which will be considered at Council on 26 February 2026.y

**HAZEL BEST, ASSISTANT DIRECTOR, LEGAL AND GOVERNANCE**