Recommendation to Full Council 10 February 2026

From Cabinet of 29 January 2026

Budget and Medium-Term Financial Plan Strategy Report (MTFP)

For Recommendation to Council

Cabinet Member and Portfolio:
Cllr S Clifford, Finance & Capital Strategy

Local Councillor(s): All

Executive Director:
S Cremer, Corporate Director, Section 151 Officer

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Report Status: Public

Recommendation:

1. That the revenue budget summarised in Appendix 1 of the report to Cabinet of 29 January 2026, be agreed.

2. That the increase in general Council Tax of 2.9985% and 1.9919% in the Social Care Precept, providing a Band D Council Tax figure for Dorset Council of £2,205.90; an overall increase of 4.9904%, be agreed and that the Council Tax resolution in Appendix 2 be agreed.

3. That the Council Tax base of 163,765.1 and Band D equivalents (188,374 households in total) agreed by the Section 151 Officer earlier in this budget setting process, be noted.

4. That the continuation of the unchanged scheme of Local Council Tax Support, and the revised income tables following the Department for Work and Pensions (DWP) uplift of benefits by 3.8%, be noted.

5. That the Capital Strategy set out in Appendix 7, be agreed.

6. That the “standing items” included with the Capital Programme as set out in Appendix 3 to be report, be agreed.

7. That the introduction of three formal gateways for capital projects: (i) Business case approval, (ii) Budget allocation, and (iii) Procurement approval by Cabinet or delegated authority, set out in the capital section of the report to cabinet be agreed.

8. That the Treasury Management Strategy set out in Appendix 8 be agreed.

9. That the assumptions used to develop the Budget Strategy and Medium-Term Financial Plan (MTFP), as set out throughout the report to Cabinet, be noted.

10. That the recommended balances on earmarked reserves and on general funds, including the minimum level of the general fund, be agreed.

11. That the responses to the recommendations and comments made as part of the budget scrutiny process, as set out in Appendix 9, be agreed.

12. That the recommendations 2.1.1 and 2.2.2 from 3 December 2025 Harbour Advisory Committee meeting regarding fees and charges, budget and asset management plans, as set out at Appendix 6, be agreed.

13. That the fees and charges for 2026/27, as set out in Appendix 10, be agreed.

Updates to note

On 27 January 2026, the government announced plans to allow local councils to give 15% business rates relief to pubs and live music venues for the 2026/27 financial year, along with a real-terms freeze on their business rates for a further two years. This new ‘Pubs and Live Music Venues Relief’ is additional support on top of measures announced in the 2025 Budget. It will be delivered as discretionary business rate relief under Section 47 of the Local Government Finance Act 1988, fully funded by government via Section 31 grant funding. Implementation of this is subject to expected supporting legislation which is expected to be passed prior to the Council’s legal deadline for issuing bills.

Appendices

Appendix 1 – Report to Cabinet of 29 January 2026 – Budget Strategy and Medium-term Financial Plan (MTFP).

The appendices included within the Cabinet report of 29 January 2026 are referred to in the recommendations above and detailed below.

1. High-level consolidated revenue budget summary and directorate budget summaries
2. Council Tax resolution (**to follow**)
3. Capital Programme
4. Delivery milestones for Transformation projects
5. Climate Wheel
6. Harbours Advisory Committee budget proposals for 2026/27
7. Capital Strategy 2026-2029
8. Treasury Management Strategy 2026-2027
9. Response to the issues raised by the scrutiny committees

Background papers

Medium Term Financial Plan and budget update to Cabinet 11 November 2025