

AGENDA ITEM: 10



FINANCE AUDIT AND RISK MEETING ON:	Tue 3 June 2025
PREPARED BY:	Debbie Buggs
PRESENTED BY:	Debbie Buggs
SUBJECT	Financial objectives 2026 budget
PURPOSE DECISION / DISCUSSION	Decision
LINK TO CORPORATE OBJECTIVE	Organisational Robustness
RISK IMPACT ASSESSMENT	n/a
<p>The Institute will be starting the planning process for the 2026 budget shortly.</p> <p>The current financial objective agreed by Council is to plan for a deficit of up to £250,000 on an ongoing basis i.e. excluding strategy, one off costs and any surplus from Congress. The deficit will be funded from the surplus generated by the biennial Congress event.</p> <p>The pay increase for 1 October 2025 is likely to be 3.2% (which is the local government paying increase being offered¹). We generally use 5% for the pay increase for 1 October of the succeeding year. Consumer prices had risen by 3.5% for the year to April 2025 (next release date 21 May)</p> <p>We expect the new CRM and website to be in full use by 1 January 2026, with the phase 2 functionality either in use or close to deployment. There could be a phase 3, if there is scope for cost effective integration with other systems used by the Institute (e.g. learning platforms and the finance system).</p> <p>Costs for the new finance system could extend into 2026, and a Human Resources system is also under consideration.</p> <p>We expect to continue using excess reserves to fund strategy projects, staff and grant funding.</p> <p>Committee members are asked to discuss the proposed new financial objective and agree that it be recommended to Council for approval.</p>	
PREVIOUS CONSIDERATION	None
RESOURCE IMPLICATIONS	As set out in the paper.

¹ <https://www.local.gov.uk/our-support/workforce-and-hr-support/local-government-services/local-government-pay-2025>